

Recording Requested by, and
When Recorded Mail to:

SHEA HOMES LIMITED PARTNERSHIP
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ATTN: LEGAL DEPARTMENT

SUPPLEMENTAL DECLARATION NO. 3
FOR
FUTURE ANNEXATIONS OF
ANNEXED PROPERTY
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTH RANGE METROPOLITAN DISTRICT NO. 2 AREA
WITHIN REUNION

(Lots 1-145, Reunion Filing No. 25)

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This Supplemental Declaration is made this 9th day of February, 2016, by SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership ("**Declarant**").

PREAMBLE

- A. Declarant is the Declarant under the "District Declaration," as hereinafter defined.
- B. Declarant is the Owner of certain real property described hereinafter in this Supplemental Declaration as the Includable Property.
- C. The Includable Property described in this Supplemental Declaration is a portion of certain real property described as the Annexable Area in the District Declaration which Declarant intends be subdivided and improved as a portion of the community to be known as Reunion in accordance with the District Declaration. Section 3.2 of the District Declaration authorizes the phased annexation of real property to the Annexed Area under the District Declaration from time to time and provides that a Privately Owned Site shall be annexed to the Annexed Area under the District Declaration and be subject to the District Declaration upon the Recordation of a Supplemental Declaration for such Privately Owned Site. Said Section 3.2 further provides that more than one Recorded instrument may together constitute a Supplemental Declaration and that such instruments may provide that such annexation may occur only upon the Recordation of the last of such instruments to be Recorded. In furtherance of the District Declaration and the PUD Zone Document as hereinafter defined, Declarant desires that the Includable Property be improved, owned and conveyed in accordance with the terms of the District Declaration and to provide for the annexation of the Includable Property to the District Declaration and this Supplemental Declaration in phases from time to time. **In accordance therewith, Declarant desires that the Owners who own portions of the Includable Property shall, from and after the date the same is annexed to the District Declaration and this Supplemental Declaration, as more particularly hereinafter provided, be subject to the provisions of the District Declaration and this Supplemental Declaration.**
- D. Pursuant to Article III of the District Declaration, Declarant desires to impose additional covenants, conditions, restrictions and reservations on the Annexed Property, as hereinafter provided.

NOW, THEREFORE, IN ACCORDANCE WITH THE FOREGOING, DECLARANT HEREBY DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1 General. Unless as the context otherwise requires and unless otherwise expressly provided herein, the capitalized terms in this Supplemental Declaration shall have the same meaning as any similarly capitalized term defined in the District Declaration. The following words and phrases when used in this Supplemental Declaration shall have the meaning hereinafter specified.

Section 1.2 Includable Property. "**Includable Property**" shall mean the real property described in Exhibit A attached hereto and incorporated by reference herein. The Includable Property includes all rights and easements, if any, appurtenant to the real property described in Exhibit A attached hereto. The use and enjoyment of any of such rights and easements by any person shall, from and after the date upon which the portion of the Includable Property to which such rights and easements are appurtenant has been annexed to the District Declaration and this Supplemental Declaration as hereinafter provided, be subject to the terms and provisions of this Supplemental Declaration. The Includable Property may be contracted as provided in Section 2.2 of this Supplemental Declaration.

Section 1.3 Annexed Property. "**Annexed Property**" shall mean, as of any particular time, those portions of the Includable Property which, pursuant to the provisions hereinafter set forth, have theretofore been annexed to the District Declaration and this Supplemental Declaration. As of the time of recording this Supplemental Declaration, no portion of the Includable Property has been so annexed and therefore none of the Includable Property yet constitutes Annexed Property.

Section 1.4 Annexing Deed. "**Annexing Deed**" shall mean, for each particular portion of the Includable Property, the first to occur of any of (a) the first deed (other than an "Excluded Conveyance," as hereinafter defined), executed by the Owner of such portion, which shall be Recorded after the Recordation of this Supplemental Declaration by which title to such portion of the Includable Property shall be conveyed by such Owner to another party, (b) another instrument executed by the Owner of such portion, and if such Owner is other than Declarant, containing the executed and acknowledged written consent of Declarant to such instrument, referring to this Supplemental Declaration and stating that such instrument shall constitute an Annexing Deed for such portion of the Includable Property for the purposes hereof, or (c) any deed (other than any Excluded Conveyance) made in connection with an involuntary transfer of such portion of the Includable Property (other than a "Declarant Related Foreclosure Conveyance," as hereinafter defined), including, without limitation, any treasurer's deed made in connection with a tax sale of such portion of the Includable Property or any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage, as defined in the District Declaration, encumbering such portion of the Includable Property, or any deed in lieu of foreclosure of any such Mortgage (other than a Declarant Related Foreclosure Conveyance); provided, however, that, notwithstanding the foregoing, the term "Annexing Deed" shall, without limitation, specifically exclude any Excluded Conveyance. "**Excluded Conveyance**" shall mean any of (i) any deed from Declarant to any other party whatsoever unless such deed shall expressly refer to this Supplemental Declaration and state that such deed shall constitute an Annexing Deed for the purposes hereof, (ii) any deed from the Owner, other than Declarant, of such portion of the Includable Property to another party if such deed shall expressly refer to this Supplemental Declaration and state that such deed shall not constitute an Annexing Deed for the purposes hereof and shall contain the executed and acknowledged written consent of Declarant that such deed shall not constitute an Annexing Deed for the purposes hereof, (iii) any bona fide Mortgage encumbering such portion of the Includable Property, provided that, as is more particularly provided above, a deed made in connection with, or in lieu of, a foreclosure of such Mortgage shall constitute an Annexing Deed for the purposes hereof, or (iv) any sheriff's deed or public trustee's deed

made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage made or granted by Declarant encumbering the Includable Property or a portion thereof, or any deed in lieu of foreclosure of any such Mortgage made or granted by Declarant (collectively, a "**Declarant Related Foreclosure Conveyance**").

Section 1.5 District Declaration. "**District Declaration**" shall mean the Declaration of Covenants, Conditions and Restrictions for North Range Metropolitan District No. 2 Area Within Reunion, Recorded December 16, 2014, at Reception No. 2014000088340 of the records in the office of the Clerk and Recorder of Adams County, Colorado ("**Adams County Records**"), as the same may be amended from time to time.

Section 1.6 PUD Zone Document. "**PUD Zone Document**" shall mean the Reunion PUD Zone Document (PUD #3615), Amendment #1 of the Buffalo Hills Ranch PUD Zone Document, recorded December 17, 2002 under Reception No. C1068494 of the Adams County Records, as the same heretofore may have been, and hereafter may be, amended from time to time.

ARTICLE II **ANNEXATION TO ANNEXED AREA**

Section 2.1 Manner and Effect of Annexation. Portions of the Includable Property may, from time to time, become part of the Annexed Area and subject to the District Declaration and this Supplemental Declaration, and thereby constitute Annexed Property for the purposes of this Supplemental Declaration, effective upon the Recordation of an Annexing Deed for such portion of the Includable Property in the office of the Clerk and Recorder of Adams County, Colorado. Upon Recordation of an Annexing Deed for a portion of the Includable Property as aforesaid, such portion shall thereupon, automatically and without any further action by any other party, constitute Annexed Property hereunder and such Annexed Property, and each part thereof, shall, from and after the date of such Recordation, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the Restrictions and other provisions set forth in the District Declaration and this Supplemental Declaration, for the duration thereof. In such case, this Supplemental Declaration and the Annexing Deed for a portion of the Includable Property shall together constitute the "Supplemental Declaration" for such portion of the Includable Property for the purposes of Section 3.2 of the District Declaration. Conversely, unless and until an Annexing Deed for a portion of the Includable Property is Recorded, such portion of the Includable Property shall not be subject to the District Declaration or this Supplemental Declaration, none of the Restrictions in either the District Declaration or this Supplemental Declaration shall be construed to affect, encumber, apply to or constitute a cloud upon title to such portion of the Includable Property, and the Owner of such portion of the Includable Property shall not, by virtue of such ownership, be entitled to any of the rights and benefits to which an Owner under the District Declaration is entitled pursuant to the District Declaration and this Supplemental Declaration. Consequently, it is the express intention of Declarant in executing this Declaration that the Restrictions and other provisions set forth in this Supplemental Declaration which apply to Annexed Property shall apply to the Includable Property, or portion thereof, only from and after the date the Includable Property, or portion thereof, becomes Annexed Property in accordance with the foregoing provisions. Notwithstanding the foregoing, however, for purposes of compliance with the so-called Rule Against Perpetuities, no Annexing Deed shall be effective to so annex any portion of the Includable Property to the District Declaration and this Supplemental Declaration if such Annexing Deed shall be Recorded on or after the date which is 21 years following the death of the survivor of Jeffrey F. Kappes, Martin Zemcik and Chester T. Latcham and the now living descendants of said persons.

Section 2.2 No Annexation Required; Contraction of Includable Property.

Notwithstanding any other provision of this Supplemental Declaration to the contrary, nothing in this Supplemental Declaration shall be construed to obligate the Includable Property, or any portion thereof, to be made subject to the District Declaration or this Supplemental Declaration. Declarant expressly reserves the right, in its sole discretion, to make or cause to be made the Includable Property, or any portion thereof, to be subject to the District Declaration pursuant to one or more other Supplemental Declarations or to determine not to make the Includable Property, or any portion thereof, subject to the District Declaration. Additionally, the Includable Property may, in Declarant's sole discretion, from time to time be contracted to delete any portion of the Includable Property, provided that such portion has not theretofore been made a part of the Annexed Property as provided herein, effective upon the Recordation of a written instrument, executed by Declarant, referring to this Supplemental Declaration, describing such portion and declaring that such portion shall thereafter be deleted from the Includable Property under this Supplemental Declaration.

Section 2.3 General Plan. This Supplemental Declaration is hereby established as a

part of, pursuant to and in furtherance of a common and general plan in accordance with the District Declaration and the PUD Zone Document for the improvement and ownership of the Annexed Property and for the purpose of enhancing and protecting the value, desirability and attractiveness of the Annexed Property.

Section 2.4 Equitable Servitudes. The Restrictions set forth in the District

Declaration and this Supplemental Declaration are hereby imposed as equitable servitudes upon the Annexed Property, including without limitation, upon each Privately Owned Site, Local Common Area and any other parcel of property within the Annexed Property, as a servient tenement, for the benefit of each and every other Privately Owned Site, Local Common Area or other parcel of property within the Annexed Area, as the dominant tenements.

Section 2.5 Restrictions Appurtenant. The Restrictions set forth in the District

Declaration and this Supplemental Declaration shall run with, inure to the benefit of, and be binding upon, (a) all of the Annexed Property; (b) each Privately Owned Site located within the Annexed Property; and (c) any Local Common Area located within the Annexed Property. The Restrictions set forth in the District Declaration and this Supplemental Declaration which are imposed upon the Annexed Property by this Supplemental Declaration shall inure to the benefit of: (i) the Annexed Property, (ii) Declarant and its successors and assigns, (iii) the Enforcing District and its successors and assigns, (iv) each Owner of a Privately Owned Site or of Local Common Area within the Annexed Area, and each such Privately Owned Site and Local Common Area, and (v) all persons having or hereafter acquiring any right, title or interest in all or any portion of the Annexed Property and their heirs, personal representatives, successors, and assigns.

Section 2.6 Land Classification. Each Lot within the Annexed Property is hereby

designated, pursuant to Article III of the District Declaration, to be a Privately Owned Site, each of which also constitute both a Residential Site and a Single Family Residential Site as defined in the District Declaration.

Section 2.7 No Neighborhood Association. As of the date of this Supplemental

Declaration, it is not anticipated that there shall be a Neighborhood Association for the Annexed Property.

Section 2.8 Inclusion with Boundaries of Enforcing District. The Includable

Property, and each portion thereof, has been included within the district boundaries of the Enforcing District.

ARTICLE III
MISCELLANEOUS PROVISIONS

Section 3.1 **Term of Supplemental Declaration.** Unless amended as herein provided, each provision contained in this Supplemental Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Jeffrey F. Kappes, Martin Zemcik and Chester T. Latcham and the now living children of said persons, or until this Supplemental Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions or Restrictions contained in this Supplemental Declaration shall be effective until December 31, 2060, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by a written and Recorded instrument containing the consents of the Record Owners of at least sixty-seven percent (67%) of the Privately Owned Sites then within the Annexed Area and, if the consent of Declarant to such termination is required pursuant to Section 3.5, containing the consent of Declarant to such termination. Additionally, if any Government Mortgage Agency then holds, insures or guarantees any First Mortgage encumbering a Privately Owned Site then within the Annexed Property, and if to the extent that such Government Mortgage Agency then requires that its approval of such termination be obtained, then any such termination shall also be subject to the approval of such Government Mortgage Agency, to the extent so required by it.

Section 3.2 **Amendment of Supplemental Declaration by Declarant.** Until the first Privately Owned Site within the Includable Property is made subject to this Supplemental Declaration by the Recordation of an Annexing Deed therefor, any of the provisions or Restrictions contained in this Supplemental Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant also hereby reserves and is granted the right and power to make and, where required, to Record technical amendments to this Supplemental Declaration at any time prior to the expiration of the Period of Development, for the purposes of (a) correcting spelling, grammar, dates, cross references, typographical errors or other similar technical errors, or as may otherwise be required to clarify the meaning of any provision of this Supplemental Declaration, or (b) to conform this Supplemental Declaration to the requirements of applicable Law if and to the extent that any Restrictions contained in this Declaration do not comply with the requirements of applicable Law. Additionally, Declarant reserves the right, until the expiration of the Period of Development, to amend this Supplemental Declaration insofar as the same applies to a particular Privately Owned Site with respect to which the Owner thereof desires to impose a condominium ownership regime, without the consent of any Person other than the Owner of such Privately Owned Site, to make conforming amendments to this Supplemental Declaration as shall reasonably be necessary to reflect such condominium ownership regime, provided that such amendments shall not violate or be inconsistent with the provisions of the District Declaration. Any such amendment shall refer to this Supplemental Declaration, shall set forth the amendments hereto, shall be executed by the Declarant and, if so required pursuant to this Section, the Owner of the Privately Owned Site affected thereby, and shall be Recorded.

Section 3.3 **Amendment of Supplemental Declaration by Owners.** Except as otherwise provided in this Supplemental Declaration, any provisions or Restrictions contained in this Supplemental Declaration may be amended or repealed at any time and from time to time by a written and Recorded instrument containing the consents of the Record Owners of at least sixty-seven percent (67%) of the Privately Owned Sites then within the Annexed Area and, if the consent of Declarant to such amendment is required pursuant to Section 3.5, containing the consent of Declarant to such amendment.

Additionally, if any Government Mortgage Agency then holds, insures or guarantees any First Mortgage encumbering a Privately Owned Site then within the Annexed Property, and if to the extent that such Government Mortgage Agency then requires that its approval of such amendment be obtained, then any such amendment shall also be subject to the approval of such Government Mortgage Agency, to the extent so required by it.

Section 3.4 Amendment Required by Government Mortgage Agencies.

Notwithstanding anything to the contrary contained in this Supplemental Declaration, if Declarant shall determine that any amendments to this Supplemental Declaration shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments encumbering or to encumber any portion of the Annexed Property to be acceptable to any of the Government Mortgage Agencies, then, subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners, the Enforcing District or any Mortgagee. Each such amendment of this Declaration shall be made, if at all, by Declarant prior to the expiration of the Period of Development, and each such amendment must contain thereon the written approval of the applicable Government Mortgage Agency, but only if and to the extent that such written approval thereon is required by such Government Mortgage Agency.

Section 3.5. Required Consent of Declarant to Amendment or Termination.

Notwithstanding any other provision in this Supplemental Declaration to the contrary, any proposed amendment, repeal or termination of any provision of this Supplemental Declaration shall not be effective unless Declarant has given its written consent to such amendment, repeal or termination, which consent may be evidenced by the execution by Declarant of any certificate of amendment, repeal or termination. The foregoing requirement for consent of Declarant to any amendment, repeal or termination shall terminate upon the expiration of the Period of Development.

Section 3.6 Withdrawal of Annexed Property. The Annexed Property may be withdrawn from coverage of this Supplemental Declaration in accordance with the provisions of Section 3.3 of the District Declaration.

Section 3.7 Evidence of Required Approvals. Whenever the validity of any amendment to or termination of this Supplemental Declaration is conditioned upon the consent of Declarant and/or approval by one or more Government Mortgage Agencies, the Recorded document implementing the amendment or termination shall contain both the consent of Declarant thereon (to the extent required hereby) and a certification by the Enforcing District that the approvals by such Government Mortgage Agencies were obtained. The Enforcing District shall keep on file in the offices of the Enforcing District such proxies, letters, minutes of meetings or other documentation as may be required to evidence compliance with applicable approval requirements, but the consent of Declarant (if so required) and the Enforcing District's certificate on the Recorded instrument shall be sufficient public notice of compliance.

Section 3.8 First Mortgagee Exemption from Rights of First Refusal. Any First Mortgagee who obtains title to any Privately Owned Site within the Annexed Property pursuant to the remedies provided in the First Mortgage held by such First Mortgagee or pursuant to any foreclosure of the First Mortgage or by deed or assignment in lieu of foreclosure shall be exempt from any right of first refusal if any such right of first refusal is ever contained in this Supplemental Declaration.

Section 3.9 Notice, Enforcement and Other Provisions. The provisions of Sections 10.10 through 10.23 of the District Declaration are hereby incorporated in this Supplemental Declaration as if repeated herein in full except that, for purposes of this Supplemental Declaration the term

"Declaration" when used in said Sections shall, in each case, be deemed to refer to this Supplemental Declaration.

Section 3.10 Successors and Assigns of Declarant. A party shall be deemed a "successor" or an "assign" of Shea Homes Limited Partnership ("SHLP") under this Supplemental Declaration only if specifically designated in a duly recorded instrument as a successor or assign of SHLP under this Supplemental Declaration or if specifically designated in a duly recorded instrument as a successor or assign of SHLP as Declarant generally under the District Declaration (as opposed to designation as a successor or assign of SHLP under certain provisions of the District Declaration or with respect to only certain property made subject to the District Declaration). However, a successor to SHLP by consolidation or merger, and any Person acquiring all or substantially all of the right, title and interest of SHLP in Reunion by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor and assign of SHLP under this Supplemental Declaration.

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(Lots 1-145, Reunion Filing No. 25)

Legal Description of Includable Property

Lots 1 through 145, inclusive, Reunion Filing No. 25, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof