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(6)

AMENDED DECLARATION OF PROTECTIVE COVENANTS
THE KNOLLS, PHASE I
ARCHULETA COUNTY, COLORADO

THIS DECLARATION, made and executed as of this 5th day of May 1997, by **ROBERT J. CECKA, JUDY CECKA**, (the "Owners" herein),

WITNESSETH:
WHEREAS, the Owners have recorded in the records of Archuleta County, Colorado, a certain Declaration of Protective Covenants affecting property within the Knolls Subdivision, and,
WHEREAS, the Owners presently own 75% of the property located within said Knolls Subdivision (reference paragraph #14 of the original Declaration of Protective Covenants dated December 20, 1994); and,
WHEREAS, the Owners desire to create by this instrument certain protective codes, covenants, and restrictions with respect to said lands for the mutual use and benefit of the Owners, their grantees, successors, and assigns.

NOW, THEREFORE, the Owners, being the owners in fee simple of the real property hereinafter described, do hereby make and declare the following limitations, codes, covenants, and restrictions and uses upon said property as restrictive and protective covenants, as benefits and obligations running with the property, and as binding upon said Owners, their heirs, personal representatives, successors and assigns, and upon all parties claiming under said Owners, or any one or more of them, and upon all future owners of any part of said property, so long as these restrictive and protective covenants shall remain in force and effect as herein written or as hereinafter altered.

1. Property Affected. These covenants are hereby made applicable to all property located within The Knolls also known as lots 33 through 44 of the existing Piedra Estates subdivision, according to the plat thereof recorded December 7, 1976 under Rec. #86891 of the public records of the Clerk and Recorder of Archuleta County, Colorado, all of which property is referred to hereinafter as the "Subdivision".

2. Permitted Uses and Structures. All lots and tracts in the Subdivision shall be used only for the purposes hereinafter described, and no structures shall be placed, erected, altered, or permitted to remain on any such lot or tract except as may be specifically permitted with respect to such use, or incidental thereto:

(a) Each and all lots shall be used only for single family residential purposes such use to include a main, single family residential structure, a private garage, and stable or barn. Either said garage, stable or barn may singly have guest quarters attached.

(b) Only new construction or alteration of existing construction shall be permitted. All structures, ancillary structures and fencing (all fencing shall be limited in height to 42") shall be approved by the Architectural Committee as to type of use, character, design and architecture. The inhabitable, inside floor area of each main residential unit, including basements and porches shall be at least 2000 square feet. No structure shall exceed two stories in height above ground. All structures must conform to FAR Part 77 Transitional Space height restrictions.

3. Architectural Control. No building, fence, wall, or other structure or improvement shall be placed, erected, maintained, or altered upon any lot in the Subdivision until the construction plans and specifications drawn to scale showing the location of the structures have been approved in writing by the Architectural Committee as to workmanship and materials, harmony of exterior design, and as to location with respect to topography, vegetation, and finished grade elevation. Garages and other outbuildings shall be in keeping with the general design and material used in construction of the main dwelling structure. The grading incidental to construction and the construction of all improvements shall be completed within twelve (12) months after construction has begun, or be subject to fines as may be set forth in the rules and regulations adopted by the Architectural Committee. The Architectural Committee shall have the following additional duties and authority: to approve the methods for garbage and trash collection; to approve plans and specifications, including plot plans; to authorize removal of trees, and to enforce the terms hereof by appropriate legal action. In the event the County of Archuleta or other governmental agency having jurisdiction has a code or regulation in conflict with the provisions hereof, the code or regulation shall prevail.

Notwithstanding any other provision hereof, it shall remain the prerogative of the Architectural Committee to review applications and grant approval for variances to these restrictions. Variations from these restrictions may be made only when such exceptions, variances and deviations do not in any way detract from the appearance of the Subdivision and are not in any way detrimental to the public welfare, value of the property, or to the property of other persons located in the vicinity thereof, all of which shall be determined in the sole discretion of the Architectural Committee.

If the Architectural Committee fails to approve or disapprove the plans and specifications submitted to it by an owner within thirty (30) days after written request thereof, then such approval shall not be required; provided, however, that no building or other structure shall be erected or be allowed to remain on any lot in violation of any of the restrictions herein contained.

4. Architectural Committee. The Architectural Committee shall consist of three (3) members, all of whom shall be owners of lots in the Subdivision. Any two (2) members of the Architectural Committee may take any action required or permitted to be taken by the Committee and their decision shall be final. Except that an appeal may be made to the Board of Directors of The Knolls Property Owners' Association. The initial Architectural Committee shall consist of Robert J. Cecka, Judy Cecka, and Nancy Artis, who shall function in such capacities until December 1, 2000. Commencing January 1, 2001, one member of the initial Architectural Committee shall continue as a member of the Committee so long as said member shall remain an owner of any lot in the Subdivision, and the remaining two members shall be appointed by the Board of Directors of the Knolls Property Owners' Association. The Architectural Committee may appoint from time to time a representative or representatives to carry out the ministerial acts of the Committee.

5. Building Locations. Except upon specific approval of the Architectural Committee in writing no building shall be located on any lot outside the building envelopes as outlined by The Knolls' Architectural Committee.

6. Easements. Easements are reserved for the installation and maintenance of utility lines, including electric power, gas, telephone, water, sewer, t.v. cables, and such other utilities and services as may be furnished, together with the perpetual right of ingress and egress for installation, maintenance, and replacement as follows: an area ten feet in width on each side of all boundaries of all lots and tracts in the Subdivision. Additional easements are reserved as shown on the recorded plat of The Knolls; and the Owners may, prior to the sale of any lot or tract, create and reserve additional road and utility easements affecting the same, if required.

7. Nuisances. No lot or tract shall be used in any way for any purpose which may endanger the health or unreasonably disturb the owners of any other lot or tract. The Architectural Committee shall have the right to inspect any and all buildings which house animals to determine if such is being maintained in a sanitary condition. If such conditions are not deemed to be clean and sanitary, then the Architectural Committee shall so inform the owner of such premises in writing of the condition to which it objects, and the owner shall have a period not to exceed fifteen (15) days from the date of such notice to remedy and correct the unclean and unsatisfactory condition of the premises to the full and complete satisfaction of the Architectural Committee. No noxious or offensive activity shall be carried on upon any of the property nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No owner shall permit his lot or tract to become cluttered or unsightly, and the Architectural Committee shall have the right to come upon any land and take necessary steps to correct any such condition and may bill the owner of such land for the reasonable cost and expense of such corrections. All expenses so incurred by the Architectural Committee or its designee shall be and become a lien and charge against the land of such owner in the manner hereinafter provided for liens in favor of The Knolls Property Owners' Association and may be foreclosed in the manner of such liens. No lot may be used for the storage of property in the open pertaining to the construction of any building or outbuilding except during a construction period, which shall not exceed twelve (12) months. The Architectural Committee shall have the power to control the parking, in the open, of all boats, trailers, campers, and mobile camping equipment on all lots and tracts. No unshaded floodlights shall be maintained which cast light directly into the homes of other residents in the Subdivision. Butane tanks, satellite dishes, and any other permissable types of permanent equipment must conform to State and County regulations and must be shrouded from view by approved fencing or vegetation so as not to detract from the appearance of any lot or tract.

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8. Waste Systems. All lots will have direct access to a community sewer system at the property line.

9. Water System. All residential structures requiring water service, shall be connected to such community water system as shall be installed by the Owners or by any other entity which shall offer and provide a water supply sytem to the Subdivision.

10. Prohibited Use:

(a) SHOOTING & TRAPPING. There shall be no discharge of firearms, shooting of bows and arrows, trapping or hunting permitted on the property. The entire Subdivision shall be maintained by the owners of the property within the Subdivision, insofar as may be compatible with the uses permitted herein, to preserve the existing natural flora and fauna.

(b) TEMPORARY STRUCTURES. No structure of a temporary nature, trailer basement, tent, shack, garage, barn, or other outbuilding shall be used on any lot at any time for storage or as a residence. Temporary camps, tents, campers, or trailers shall not be permitted for habitation of owners or guests. Workmen will be permitted to park vehicles during normal work hours on property designated by the Architectural Committee. Strict sanitary conditions must be observed and maintained by such permittees. Outside privies (porta potties) must be used and properly serviced (once a week minimum) during the entire period of construction.

(c) EXCAVATION, MINING, & NATURAL FOLIAGE. No excavation for stone, sand gravel, or earth shall be performed on any lot or tract except for such excavation as may be necessary for the construction of an approved improvement. No oil drilling, oil development operations, quarrying or mining operations of any kind shall be permitted upon any lot or tract. Living trees and natural foliage located upon any lot or tract, shall not be cut, trimmed, removed, or destroyed, except with the prior approval of the Architectural Committee.

(d) PARKING. The owner of each lot or tract shall have enough garage space to accommodate all permanent (over one week) motorized vehicles, boats, trailers, campers, equipment, etc. and, additionally, shall provide off road parking sufficient to accommodate the parking requirements for guests.

(e) GARBAGE & TRASH. All garbage and trash shall be kept in covered containers and disposed of in an approved dump within a reasonable time. Said containers shall be kept in an enclosed garage or shed so as to be wildlife resistant. The Architectural Committee shall be empowered to compel any property owner to dispose of such garbage and trash in said manner and location.

(f) LIVESTOCK & POULTRY. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot or tract for any commercial purpose. A reasonable number of dogs, cats, household pets, or horses may be kept for domestic use only. In the case of horses or other grazing livestock, a grazing management plan shall be followed based on Land Animal Units. The Architectural Committee shall have the authority to require or demand restriction of household pets to the immediate vicinity of an owner's house, garage or barn. If the keeping of any livestock, or animals, by any property owner shall cause a noxious or offensive condition in the opinion of the Architectural Committee, such owner may be required to rid the property of the cause of the offense immediately.

11. Maintenance Responsibilities. The lot and tract owners shall be responsible for the maintenance of any and all fences lying along that portion of their respective lot lines which constitute the lot and/or tract borders of the interior of the Subdivision. The Knolls Property Owners' Association shall be responsible for the maintenance of any and all fences lying along any and all lines that constitute the exterior boundary of the Subdivision, except for those fences erected or to be erected by the Archuleta County Airport Authority. The Knolls Property Owners' Association shall also be responsible for the administration and maintenance, including snow removal of the common facilities, including but not exclusive of easement roads from the taxiway to lots 33 through 44, the entry gate and surrounding landscaped area, the taxiway from its northeast end southwest to the northern most hangar (hangar owners only), shared sewer maintenance with Mountain Vista Estates, and the exterior of the hangars owned by PHASE I lot owners (hangar owners only), except for such facilities as may be established and maintained by Archuleta County and/or the Archuleta County Airport Authority.

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12. Membership - The Knolls Property Owners' Association. Ownership of any lot shall qualify and obligate the owner to membership in The Knolls Property Owners' Association, a non-profit Colorado corporation (the "Association" herein) to be formed by Robert J. Cecka and Judy Cecka, with full right and responsibility of membership as set forth in the Articles of Incorporation and Bylaws thereof. The Association shall have the right and obligation to hold title to such property or property rights as shall be conveyed or transferred to it by the Owners, or as it may otherwise acquire, to acquire, own and maintain recreational and other types of property for community or public use, and to perform such other acts and functions as may be reasonable or necessary for the general benefit and welfare of the owners of lots in the Subdivision and as may be authorized or permitted by its Articles of Incorporation and Bylaws. The purchase, or the acquisition of legal title in any other manner, of any residential lot shall constitute the lot owner's consent to and acceptance of the duties and responsibilities of membership in the Association. Each lot or tract owner shall be entitled to one, and only one, membership in the Association, and each membership shall be entitled to one, and only one vote in the election of directors of the Association and in such other matters for which members may vote. If title to a lot or tract is held by more than one person or entity, or by an entity other than a person, then all the owners of said lot or entity shall designate one person to cast the vote for such membership.

13. Assessments by the Association. Each owner of any lot or tract subject to membership in the Association, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed is deemed to covenant and agree to pay to the Association such annual assessments, special assessments and other charges as it may impose. Any assessments or charges, together with interest thereon commencing thirty (30) days after the due date at the rate of twelve per cent (12%) per annum, and costs of collection, including reasonable attorney's fees, shall be a charge on each such lot and tract and shall be a continuing lien upon the lot or tract against which such assessment is made, subject to foreclosure in accordance with applicable law. Each such assessment, together with the interest, cost and fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment became due.

Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of its members, for the maintenance, repair and upkeep of all fences lying along any and all lines that constitute the external boundary of the Subdivision, except for those fences erected or to be erected by the Archuleta County Airport Authority, the easement roads from the taxiway to lots 33 through 44, the entry gate and its surrounding landscaped area, the taxiway from its northeast end to the northern most hangar (hangar owners only), shared sewer maintenance with Mountain Vista Estates, and the exterior of the hangars owned by PHASE I lot owners (hangar owners only), and any other property which may be acquired by the Association and for the purpose of repairing, reconstructing, replacing and maintaining common driveways, sidewalks, and footpaths, utilities, landscaping, recreational facilities, parking areas, and any such other maintenance or improvement obligations or services which may be deemed necessary in connection with said property, to provide adequate insurance of any and all types and amounts deemed necessary by the Board of Directors with respect to its properties and responsibilities, to provide a reserve fund for the replacement and maintenance of such facilities and to pay any costs incurred in enforcing and administering in any manner these covenants.

Assessments shall be estimated by the Board of Directors of the Association on an annual basis and shall be payable in a lump sum or in installments, as the Board of Directors may determine. Notice of annual assessments shall be delivered or mailed to the owner of each lot or tract setting forth the amount of such assessments and due date, which shall not be less than thiry (30) days from the date of delivery or mailing to each owner. The Association shall, upon demand of any owner, prospective purchaser, mortgagee or prospective mortgagee at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified lot or tract have been paid. A reasonable charge may be made by the Board for the issuance of such certificate. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Any assessment which is not paid when due shall be delinquent, and shall become a lien as of the due date. The Association may bring on action at law against any owner prsonally obligated to pay the delinquent assessment. In addition to such action or as an alternative thereto, the Association may file with the Clerk and Recorder of Archuleta County a Statement of Lien with respect to the property, setting forth the name of the owner thereof, the legal description, the name of the Association, and the amount of delinquent assessments then owing, which Statement shall be duly signed and acknowledged by the president or a vice president of the Association, and a copy of which shall be served upon the owner of the property by certified mail to the address of the property or at such other address as the Association may have in its records. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages on real propery under the statutes of the State of Colorado. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action the interest, costs and reasonable attorney's fees with respect to the action.

The lien of the assessments provided for herein, or any other lien provided for herein, shall be subordinate to the lein of any first mortgage or deed of trust, including all additional advances thereon. Sale or transfer of any lot or tract shall not affect the lien; however, the sale or transfer of any lot or tract as a result of court foreclosure of a mortgage, foreclosure through the public trustee, or any proceeding in lieu of foreclosure, including the transfer of a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to paymets thereof which became due prior to such sale or transfer, but shall not relieve any former owner of personal liability therefore. No sale or transfer shall relieve any such lot or tract from liability for any assessments thereafter becoming due or from the lien thereof.

14. **Effect and Tenure.** The provisions hereof shall be considered as covenants running with the land and all instruments affecting the title of any of said lots and tracts shall be subject to the provisions hereof. Said provisions shall inure to the benefit of and be binding upon the undersigned, their heirs, personal representatives, successors and assigns, and every grantee and lessee of any said lot or tract, their heirs, personal representatives, successors, and assigns, and upon each successor in title of the undersigned until July 1, 2004, at which time they shall automatically extend for successive periods of ten (10) years each unless, by vote of the then owners of seventy-five percent (75%) of the lots and tracts subject ot membership in the Association, it is agreed to change them in whole or in part.

15. **Enforcement.** Except as otherwise provided herein, the provisions hereof shall be binding upon an owner of any lot or tract whose title thereto is acquired by foreclosure, trustee sale, or otherwise; and the breach of any of these provisions may be enjoined, abated or remedied by appropriate legal action, notwithstanding the existence of any lien, deed of trust or mortgage instrument. These provisions may be enforced by any person or corporation who has legal or equitable interest in any lot or tract, and they may be further enforced by the Architectural Committee or its designee, whether or not it has a legal or equitable interest in any lot or tract. Failure to enforce any provision hereof shall in no event be deemed a waiver of the right to do so thereafter. If any person shall violate or threaten to viloate any of the provisions hereof, it shall be lawful for any person or persons owning property in the Subdivision to institute proceedings at law or in equity to enforce the provisions of this instrument, to restrain the person violating or threatening to violate such provisions, and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violations.

16. **Invalid Provisions.** Invalidation of any of the provisions hereof by judgment or order of court shall in no way affect any of the other provisions hereof; and lack of title or failure of title in the undersigned as to any portion of the property described herein shall not affect the validity of these provisions as to the remainder of such property.

17. **Road and Utility Easement Reservation.** The Owners and their successors and assigns, hereby reserve forever, for the use and benefit of the present and future owners of The Knolls, also known as Lots 33 through 44 of the existing Piedra Estates subdivision, their guests and invitees, including lot and ranch owners in The Knolls Phases II and III, that portion of Oren Road as shown on the plat map for Piedra Estates, adjacent to lots 33 through 44, for purposes of ingress, egress, access, walking, jogging, bicycling, horseback riding, cross country skiing, drainage, utility lines, and facilities.

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IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day and year first above written.

Robert J. Cecka
Owner

Judy Cecka
Owner

STATE OF COLORADO)
)ss.
County of Archuleta)

SUBSCRIBED AND SWORN TO before me this 5th day of May, 1997 by Robert J. Cecka and Judy Cecka.

Notary Public

My Commission Expires:
12/14/99

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