

Lease Agreement
(Falls Creek Ranch Association)

This lease agreement ("Lease Agreement") is entered into effective as of this day of _____ 2012 by and between Falls Creek Ranch Association, Inc. ("FCRA") whose legal address is 6350 Falls Creek Main, Durango, CO 81301 (herein after referred to as "Lessor") and Falls Creek Ranch Horses, LLC, a Colorado limited liability company whose address is _____ Durango, CO 81301 (herein after referred to as "Lessee").

Witnessed

The Lessor hereby leases to the Lessee the real property and improvements thereon located at Falls Creek Ranch, Durango, CO 81301 together with necessary access, for lessee's operation and maintenance of horse corrals, pasture, fencing and other necessary equipment (herein after referred to as the "Leased Property"). A diagram depicting the location of the Leased Property is attached hereto and incorporated herein as Exhibit A. This Lease Agreement shall be subject to the terms and conditions as set forth below.

1. Term and termination

Lessee may have and hold the Leased Property with all the appurtenances for a lease term of one year commencing on November 1, 2012 and continuing on a year-to-year basis thereafter unless the lease term shall be sooner terminated as hereinafter provided. This lease shall automatically renew without the need for notice of renewal from either party.

Lessee or Lessor may terminate this lease at any time; provided, however, 30 days prior written notice is made via mail, email or facsimile to the non-terminating party.

2. Rent

Lessee shall pay annual rent in the amount of one dollar (\$1.00) to Lessor on the first day of the commencement date and on the anniversary of the commencement date for each

year the lease is in effect thereafter. All rent shall be made to Lessor at the address specified above.

3. Utilities and Other Expenses

Lessee shall be responsible for payment of all utilities associated with the Leased Property. Lessee shall also be responsible for payment of costs in connection with removal of manure and ground maintenance of Leased Property. Current agreements as to use of Zetor (tractor) shall be recognized and such use may be changed by agreements between Lessor and Lessee.

4. Preservation, repair and maintenance

Duty to Preserve. The Lessee shall not cause or permit any damage or injury to the Leased Property and shall undertake all reasonable acts necessary to assure that no such damage or injury will occur. The Lessee will manage horse use so that overgrazing does not occur, given conditions at any one-time period. Areas to be grazed will be fenced in order to facilitate the control of grazing areas as needs arise.

Duty to Maintain. The Lessee, at its sole expense, shall keep all areas of the Leased Property as now or hereafter constituted, in good condition and repair (reasonable wear and tear expected). All repairs, replacements, and renewals shall be of equal quality as to material and workmanship to that originally existed in the Leased Property.

5. Covenants of Lessee

Waste disposal. Lessee covenants will be adhered to and the rules of the Horse Committee (attached here as Exhibit B) shall apply as to waste disposal.

Association covenants and rules and regulations. Lessee shall comply with the covenants and restrictions contained in the Protective Covenants of Falls Creek Ranch Association, Inc. including all amendments thereto.

Animals. The Leased Property is being leased only for the purpose of a horse corral and pasture. No other animals shall be kept on the property.

No barn cats

Fencing. Any fencing erected upon the Leased Property must have the prior approval of the Horse Committee and shall consist of smooth, non-barbed, non-electrical wire, or other smooth non-electrical fencing.

Grazing. Grazing of the Leased Property shall occur only when conditions allow and only in the pastures identified in Exhibit A. The Horse Committee shall manage the rotation of areas.

Horse trailers. No more than five horse trailers may be kept on the Leased Property at any given time and such trailers must be placed so that trailers cannot be easily seen from the road or lot owners. Vehicles may only be parked in designated parking areas as depicted on the diagram of the Leased Property.

~~X~~ **6. Lessee's right to alter and improve**

Alterations. The Lessee shall make no alteration or improvement to the Leased Property, other than those improvements already approved, without prior approval of the Lessor.

Mechanic's liens. Lessee shall keep Leased Property free from all liens. Lessee shall indemnify Lessor from all costs thereof.

7. Insurance

During the term of this Lease Agreement, both Lessor and Lessee will carry the necessary insurance to protect the Leased Property and each other from any costs associated with claims for losses that might be sought by other individuals, business groups, etc.

Liability of Lessor: Since residents of Falls Creek Ranch will be allowed to enter the Leased Property as well as cross the Leased Property by driving in order to dump slash in the slash pile, the Lessor is responsible for any claims that might arise from these activities, unless negligence on the part of the Lessee is determined to be the cause for any such claim.

The improvements to the Leased Property (loafing sheds, corrals, tack shed, hay shed) are the property of the Lessor, therefore, the costs for insurance to cover losses or damage to these improvements shall be covered by the Lessor.

Liability of Lessee: Any damage to individuals caused by horses owned or leased to the general public that might give rise to claims is to be covered by the individual horse owners. Each horse owner will have liability insurance that will cover such claims. This coverage is spelled out in the rules as written by the Horse Committee (attached here as Exhibit B).

8. Assignment

The Lessee shall not assign, mortgage or encumber this Lease Agreement nor sublet or permit the Leased Property or any part thereof to be used by others.

9. Surrender Upon Termination

The Lessee shall vacate the lease agreement in the good order and repair in which such property now is in, ordinary wear and tear excepted, and shall remove all its property there from so that the Lessor can repossess the Leased Property not later than two weeks after the day upon which this Lease Agreement or any extension thereof ends. The Lessor shall have the same rights to enforce this covenant by ejectment and for damages or otherwise as for the breach of any condition of covenant of this Lease Agreement. Any such property not removed shall become the property of the Lessor.

10. Removal of Lessee's Property

If the Lessee shall fail to remove all personal effects from said Leased Property upon the abandonment thereof or the termination of this lease agreement, the Lessor may remove the same in any manner and store the said effects without liability to the Lessor for loss thereof. The Lessee agrees to pay the Lessor on demand, any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time the same shall be in the Lessor's possession. The Lessor, at its option, and after thirty (30) days notice to Lessee, may sell said effects at a private sale and without legal process, for such prices as the Lessor may obtain, and apply the proceeds of such sale upon any amounts due under this Lease Agreement.

11. Lessor's right on Lessee's default

In the event the Lessor is required to obtain the services of legal counsel for the purposes of enforcing this lease and/or the FCRA rules approved by the Board of FCRA, the Lessee and/or defendant in any suit, claim, etc. must reimburse the Lessor for any reasonable attorney fees, court costs or any other costs that may arise from claim against the Lessor.

12. Condemnation

If the whole or a substantial part of the Leased Property shall be taken for any public or quasi-public use, under any statute or right of eminent domain or purchase by the government authority in lieu of or under threat of any such taking, then when possession shall be taken of the Leased Property, or any part thereof, the term herein demised and all rights of the Lessee hereunder shall immediately cease and terminate, and the rent shall be adjusted as of the time of such termination.

13. Casualty

If during the continuance of this Lease Agreement or the term hereby demised the Leased Property shall be so injured by fire or other casualty not arising from fault or negligence of the Lessee, or those in its employ, so that the Leased Property thereby be rendered unfit for use or occupation, then and in such case the rent herein reserved or a just proportionate part thereof, according to the nature and extent of the injury which has been sustained, shall be abated until the Leased Property shall have been duly repaired and restored, which work or repair and restoration shall be done with all reasonable diligence. In case the Leased Property shall be substantially destroyed so that the Leased Property cannot be repaired and restored within sixty (60) days, it shall then be at the option of the Lessor to cancel this Lease Agreement and end the term hereof, and in case of such cancellation the rent shall be paid to the date of such fire or other casualty and all further obligations upon the part of either party hereto shall cease and the estate hereby created shall thereupon terminate.

14. Right of Access

The Lessor and its representatives or agents may enter the Leased Property, at any reasonable time, upon reasonable notice, and for any reasonable purpose, and so as not to unreasonably interfere with Lessees business operations. Said entry shall be for purposes of inspection of the Leased Property, or to assure compliance with the terms of this Lease Agreement.

15. No Waiver

No waiver of any breach of any one or more of the conditions or covenants of the Lease Agreement by the Lessor shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder. The failure of the Lessor to insist upon the strict performance of the terms, covenants, agreements, and conditions herein contained, or any of them, shall not constitute or be construed as a waiver or relinquishment of the Lessor's right to thereafter enforce any such term, covenant, agreement, or conditions, but the same shall continue in full force and effect. The Lessee acknowledges and agrees that it has not relied upon any statements, representations, agreement, or warranties, except such as are expressed herein.

16. Estoppel

Lessee shall, at any time and from time to time, upon not less than ten (10) days prior notice from Lessor, execute, acknowledge and deliver a written statement ratifying this Lease Agreement and certifying any information concerning Lessee's Lease Agreement and occupancy of the Leased Property as reasonably required by Lessor.

17. Indemnification and Release

Lessor acknowledges that it has allowed access to the Leased Property by FCRA members, visitors and others. Lessor shall indemnify and hold Lessee from and against, any and all claims, demands, losses, damages, liabilities, lawsuits or other proceedings, judgments, awards, costs and expenses including but not limited to reasonable attorneys fees arising directly or indirectly in whole or in part from the access by persons who are not directly involved in horse activities or horse ownership, unless such claims, demands,

losses, damages, liabilities, lawsuits or other proceedings, judgments, awards costs and expenses are a result of negligence on the part of the Lessee. Lessee acknowledges that it has control over horses, improvements, corrals and fencing and Lessee shall indemnify and hold Lessor from and against, any and all claims, demands, losses, damage, liabilities, lawsuits or other proceedings, judgments, awards, costs and expenses including but not limited to reasonable attorneys fees arising directly or indirectly in whole or in part from the horse owner/owners horse activities or horse ownership or the Lessee's use and occupancy of the Leased Property.

18. General Provisions

- (a) Attorney Fees. In the event of a default by either party under the terms of this Lease Agreement, the non-defaulting party shall be entitled to reimbursement of all reasonable costs incurred in efforts to enforce the terms of this Lease Agreement and/or collect monies owed under the Lease Agreement, including but not limited to, the non-defaulting party's reasonable attorney fees.
- (b) Successors. The covenants and agreements contained within this Lease Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and upon their respective heirs, executors, administrators, successors, and assigns, except as expressly otherwise hereinbefore provided.
- (c) Time of the Essence. The parties hereto agree that time is of the essence of this Lease Agreement.
- (d) Amendment or Modification. The Lessee acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties, except such as are expressed herein, and that no amendment or modification of this Lease Agreement shall be valid or binding unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Lease Agreement.
- (e) Governing Law. It is agreed that this Lease Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado.

(f) Entire Agreement. This Lease Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding upon either party except to the extent incorporated in this Lease Agreement.

(g) Severability. Should any provisions of this Lease Agreement violate any federal, state or local law or ordinance, that provision shall be deemed amended to so comply with such law or ordinance, and shall be construed in a manner so as to comply, and the remainder of this Lease Agreement shall not be affected thereby.

(h) Notices. All notices, demands, or other writings in this Lease Agreement provided to be given or made or sent, or which may be given or made or sent, by either party to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

To Lessor: Falls Creek Ranch Association, Inc. 6350 Falls Creek Main, Durango, CO 81301

To Lessee: Falls Creek Ranch Horses, LLC Attn:
Chairman/woman _____ Durango, CO 81301

The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

(i) Counterparts. This Lease Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

(j) Facsimile or Electronic Transmission. "Fax" machine copies of an original

signature or electronic signatures by either party shall be binding as if they were original signatures.

(k) Choice of Law and Jurisdiction. The terms and conditions of this Lease Agreement shall be construed, interpreted, and enforced in accordance with the applicable laws of the State of Colorado. Jurisdiction and venue of any action as to this Lease Agreement and the interpretation, enforcement, or determination of the rights, obligations, and liabilities of the parties hereto shall be in the District Court in and for the County of La Plata, Colorado. Each party submits to the jurisdiction and venue of the District Court in and for the County of La Plata, Colorado, and waives any and all rights under the laws of the United States, any other state, or any other country, to object to the jurisdiction of the District Court of La Plata County, Colorado, as to any action pertaining to this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

TO LESSOR:

Falls Creek Ranch Association, Inc.

W. G. Godey 11/12/12 By: Its President

TO LESSEE:

Falls Creek Ranch Horses, LLC

Carol M. Kitcher By: Committee Chairman/Chairwoman

WITNESSED: *Nick Peters* 11/8/12 By: _____

Barney Anderson 11/8/12 By: Committee Chairman/Chairwoman

WITNESSED: *Barney Anderson* By: _____

Exhibit A - Diagram of Leased Property

Exhibit B - Rules and Regulations for Horse Corral and Pasture

EXHIBIT A

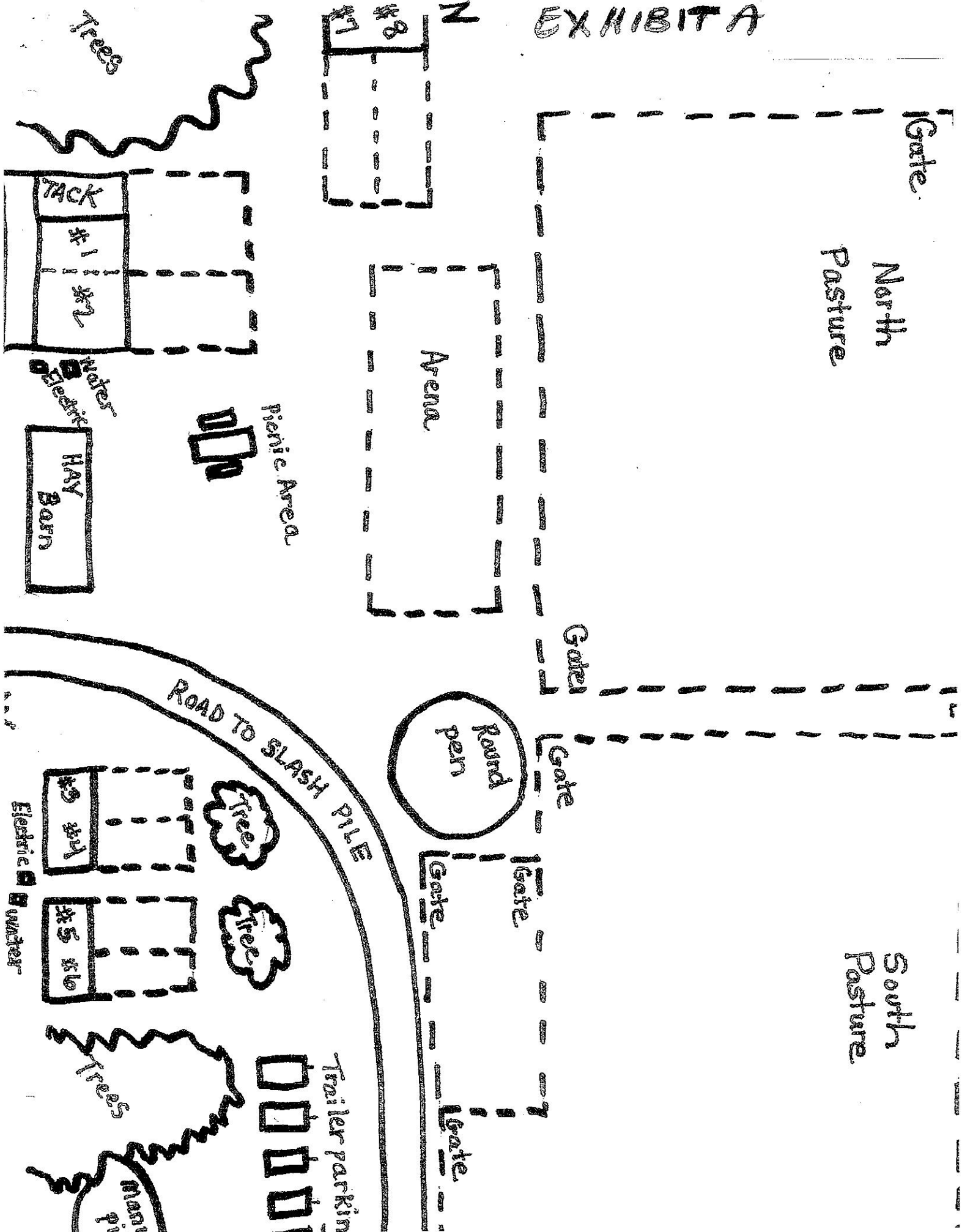


EXHIBIT "B"

FALLS CREEK RANCH ASSOCIATION

Falls Creek Ranch Horses, LLC and FCRA Horse Committee Operational Rules and Policies

Purpose

This document serves as Exhibit B attachment to a Lease Agreement entered into November 12, 2012 between Falls Creek Ranch Association (FCRA) and the Falls Creek Ranch Horses, LLC (LLC) for the purpose of leasing FCRA common property for use as horse facilities and pastureland by FCRA residents who are members of the LLC. Per FCRA Covenant 21, "A limited number of horses may be kept on the Common Property, subject to rules and restrictions approved by the Board and expressly subject to availability of facilities and grazing areas as determined by the Board." This document provides policies and operational rules approved by the FCRA Board of Directors (BOD) regarding the use and management of the common property area as identified in Exhibit A of the Lease Agreement.

General Information

The LLC is comprised of FCRA residents who have been approved and permitted to maintain up to two horses (per household) on the leased FCRA common property. The LLC members are required to pay a fee established by the LLC in the Lease Agreement. The LLC maintains its own bank fund for these monies, separate from FCRA funds, to maintain the facilities and improvements of the leased common property. The Horse Committee (HC) shall be comprised of all LLC members, one of whom shall Chair this Committee, and not less than two FCRA members who are not horse owners. Other interested FCRA members may serve on the Horse Committee (HC) as approved by the LLC. The HC shall be accountable to the BOD to assure compliance with all lease terms, FCRA covenants, policies and operational rules. The HC may, as deemed necessary, recommend improvements and/or changes to these rules for BOD consideration and approval. The HC shall routinely report to the BOD regarding operational issues or concerns related to the leased property. The BOD (Lessor) maintains authority and oversight of the leased common property as stated per the Lease Agreement and below.

The LLC acknowledges and agrees that it must comply with, and that it is subject to, all terms and conditions of the Lease and all policies, conditions and restrictions set forth in

these Operational Rules and Policies. Specifically, the LLC acknowledges that it is not intended that the FCRA Operational Rules and Policies supersede or replace the terms and conditions of the Lease or vice versa; rather, it is intended that the LLC follow the terms and conditions of both documents and that the LLC will be expected to follow and comply with the more restrictive language whenever applicable.

General Policies

Consistent with terms of the Lease Agreement, FCRA Covenants and FCRA Rules, the following policies shall apply:

1. Per Covenant 21, no horse shall be maintained or grazed on any private lot. Horses may be housed only on approved leased FCRA common property. To maintain and/or graze a horse on leased property, a permit must be maintained in accordance with these policies and procedures.
2. Only FCRA residents (lot owners and tenants) who are residing on the Ranch shall be eligible to obtain a horse permit.
3. Any one household may maintain no more than two (2) horses on the Ranch. The maximum number of horses allowed to be housed and grazed on the Leased Property shall be eight (8). This number may be less according to the HC's assessment of pasture conditions and stable availability. This number may be changed with BOD approval.
4. Per Lease paragraph #3, the use and cost of all utilities of the leased property are the responsibility of the LLC. Likewise, use of FCRA equipment, including the Zetor tractor, will be allowed according to the FCRA's policy regarding use and payment of FCRA equipments including the Ranch Manager's time.
5. Per Lease paragraph #4, maintenance, repair and related costs of the leased property are the responsibility of the LLC.
6. Per Lease paragraph #5 and in accordance with FCRA Covenant 21, this lease is only for the purpose of horse use. No donkeys, mules, stud horses or other livestock shall be allowed on the Leased Property.
7. Per Lease paragraph #5, the LLC shall adhere to the operational rules requirement relating to the proper removal of manure and harrowing of pastures, proper fencing, number and location of trailers and grazing techniques to assure the proper maintenance of the Leased Property.

8. Per Lease paragraph #6, the LLC shall make no alteration or improvement to the Leased Property without prior approval of the BOD.
9. All LLC members shall carry appropriate personal liability insurance coverage and hold harmless agreements to address responsibility for damage or negligence on their part (per Lease paragraph #7).
10. FCRA members are allowed access through the Leased Property to access the community slash pile. All FCRA members are expected to respect the safety needs of the horses and not approach or feed the horses without the owner's permission.
11. FCRA (Lessor) shall carry appropriate liability insurance for any negligence on the part of FCRA members accessing the leased property.
12. Per Lease paragraph #8, the Lessee (LLC) shall not sublet or permit the Leased Property or any part thereof to be used by others.
13. Ownership of all structures (corrals, barns, sheds, and fences) on the leased property resides with FCRA. As such, the BOD shall carry appropriate insurance to cover losses or damage to these improvements.
14. As owner of the property, FCRA will maintain the access road to the leased property and the slash pile including snow plowing.
15. Per Lease paragraph #14, the BOD may access the Leased Property for inspection purposes of the property or to assure compliance with the terms of the Lease Agreement.
16. Horse riders may use the existing multi-use trails (i.e., Ranch trails used for hiking, running, dog walking, bicycling, snowshoeing etc.) to access meadows and National Forest land. Riders will take care to minimize any detrimental impact on the trails and will make every effort to repair any damage caused by horses as well as remove manure from the trails. Generally, riders shall use the Ranch meadows and/or roads to access the Forest Service land. Any section of the FCR multi-use trails may be designated by the Board as being unsuitable for use by horses at any given time. Currently, riders may access National Forest using the following FCR multi-use trails: Trail from the barn heading north to picnic area. Trail from barn heading south to slash pile. Trail from Lake Meadow going east into National Forest. Trail running north and south through FCR. This trail runs north along the East side of the Lake Meadow by east side of Seehuus house (Lot 48), crossing Rockridge Circle and south end of Snowshoe Lane through the meadow past Hicks house (Lot 21), crossing at the North end of Snowshoe Lane into the Middle Meadow. From the Middle Meadow riders can take trail west to Dyke Canyon Trail, east down Fire Road, or continue north crossing Mason Cabin Road. Trail continues north (through Big Rock meadow) crossing High Ridge Road to Oak Crest Drive and continues into North Meadow. At the East side of North Meadow the trail goes up the ridge where it

forks north or south paralleling Oak Crest Drive. This trail can also be accessed by taking Oak Crest Drive east and picking up the trail to the left of the road. It generally heads north where it connects with the trail from the North Meadow. This trail eventually connects back to Oak Crest Drive and is picked up again on Skyline Drive where it continues heading north into High Meadows Ranch. Riders DO NOT have access to the trail connecting Deer Trail Road and Ponderosa Park Drive or the trail connecting Alpenglow Drive and Rockridge Circle, or the trail passing through Lot 60 off of Deer Trail Road.

LLC/Horse Committee Operational Responsibilities and Procedures

The LLC/HC is responsible for the daily operations and management of the Leased Property horse facilities. This includes permit procedures, approvals and related fee collection, record keeping, maintenance and utilities costs, use of proper grazing techniques and pasture management. The LLC/HC shall also be expected to maintain proper fire mitigation, weed control and water conservation for the Leased Property. The LLC/HC responsibilities and related procedures are as follows:

Administration and Permits:

1. The LLC shall maintain the proper legal paperwork creating and maintaining the LLC entity. The LLC shall create and maintain its own bank account to hold funds from the LLC members for the proper maintenance and repair of the Leased Property. This bank account shall be apart and separate from any FCRA funds.
2. A one-time, non refundable, nontransferable fee of \$2,500.00 per horse is required to obtain a horse permit. Monies shall be placed in the LLC bank account for future facility requirements. These funds will be managed by the LLC. The LLC may determine, at any time, if additional assessments are needed for the maintenance of the Leased Property.
3. FCR residents shall apply for a horse permit in writing to the LLC/HC (see attached form FCRH LLC-1).
4. If space and pasture conditions allow, the LLC will approve the permit application and the applicant becomes a member of the LLC.
5. All horses must be current on all Veterinarian recommended vaccinations, boosters (e.g., West Nile, worming and Coggins). Horse owners will maintain proof of current vaccinations at all times.
6. All LLC members must carry personal liability insurance (per Lease paragraph #7) and a hold harmless agreement concerning FCRA (see attached form FCRA LLC-2).

7. The LLC will maintain a waiting list of FCRA residents who wish to apply for a horse permit. This list will be on a first-come, first-serve order. Upon notification of availability, the applicant will reserve their place with a nonrefundable \$250.00 deposit. They have 30 days to apply for a permit. The \$250.00 will be applied toward the total permit fee on acceptance.
8. The BOD has the authority to separate or remove horses if deemed necessary. Removal of a horse from the Leased Property is the expense of the horse permit holder.
9. The BOD has the authority to rescind a horse permit at any time for just cause.
10. A horse permit terminates when the permit holder no longer resides at Falls Creek Ranch. If a horse dies or is sold, the permit holder has a maximum time period of six (6) months to replace that horse and reassign the existing permit to the replacement horse, unless other arrangements are made with the LLC.
11. The LLC/HC shall maintain all records of business transactions, permits, fee collection, and correspondence relating to the operations and management of the Leased Property and the LLC/HC.
12. The LLC/HC shall report on a regular basis (i.e., monthly BOD meetings) as to the operations and any issues related to the Leased Property and shall report to the FCRA membership at the Annual Meeting.
13. The LLC/HC shall coordinate activities related to the Leased Property with other FCRA committees as needed (e.g., Firewise, Common Property, Irrigation, Roads, Utilities/water conservation).
14. The LLC/HC shall conduct periodic meetings and assign members specific tasks as needed.

Leased Property Maintenance:

Horse permit holders have use of the Leased Property for horse use so long as they reside at Falls Creek Ranch, abide by the terms of the Lease Agreement, and FCRA Covenants and Rules. The Leased Property shall be maintained to the satisfaction of the BOD.

1. Corrals, sheds, fencing and barns must be maintained and in good repair at the expense of the LLC members. Fencing within the Leased Property shall be smooth wire non-electrical fences.
2. The Leased Property must be kept clear of all debris and in a safe condition.

3. No more than five horse trailers, which are properly licensed and display an FCR road use decal, will be allowed on the Leased Property. The trailers must be placed in such a manner to be obscured, as much as possible, from sight of residents.
4. Parking of vehicles will be in the designated areas, as shown in Exhibit A diagram, so not to impede turnaround areas.
5. Building structures must be built according to LaPlata County building codes. All improvements or changes to the Leased Property require prior approval of the BOD.
6. Manure must be removed on a daily basis from the stables and runs. Manure removed from the corrals will be transported to places away from the barn but within the Leased Property as determined by the LLC/HC. Any change to such location shall be reported to the BOD to assure no interference with other FCRA activities.
7. The north and south pastures of the Leased Property shall be harrowed for manure as needed.
8. A working fire extinguisher must be at the horse stable at all times.
9. Horse permit holders are responsible for the welfare of their horses in any emergency situation at Falls Creek Ranch.
10. The LLC/HC shall monitor and eliminate noxious weeds and assist with fire mitigation efforts within the Leased Property.
11. The LLC/HC shall coordinate and assist in the spring clearing of irrigation ditches. Pastures will be irrigated according to the availability of water allowed to the Leased Property for horse use. Water conservation efforts are expected at all times.

Grazing and Pasture Management Principles:

1. To assure proper protection and maintenance of the Leased Property, the LLC/HC is required to utilize a grazing strategy that allows for healthy forage and effective pasture management. A limited turnout time or rotational meadow grazing strategy is recommended. To allow for healthy grass regrowth, grazing in a specific area should be stopped when grass is at a minimum of two inches high during the growing season. Recommended grazing and pasture management guidelines are provided through the US Department of Agriculture, the Colorado Department of Agriculture and the Colorado State University Cooperative Extension.
2. Graze according to the conditions of the grass rather than by the calendar. The length of the grazing season and the condition of the forage to allow continued grazing shall be determined by the LLC/HC and reported to the BOD.

3. Horses may graze on the north and south pastures noted within the Leased Property Exhibit A.
4. The LLC/HC is responsible for preventing spot grazing and overgrazing of any designated area.
5. The LLC/HC shall determine the number of horses allowed per designated grazing area.
6. The LLC/HC shall determine when horses should be removed from a specific grazing area. The owner will be orally informed that the horse(s) are to be removed. If the owner is unable to be reached, the LLC/HC has the authority to move the horse(s) from the pasture to the paddock.
7. Hay/feed must be provided year round to all horses and is to be stored in areas designated by the LLC/HC.
8. While the suitability of grazing conditions shall be determined by the LLC, The BOD will maintain oversight responsibility and authority to assure proper protection of FCRA property and compliance with these lease terms, policies and rules.

Approved and Agreed To By:

Sandra L. Turner
Mia Eckert
Gregory Holmbeck

Falls Creek Ranch Horses, LLC

03/10/16
3/10/16
3/10/16

Date

[Signature]

Falls Creek Ranch Association, Inc.
 Board of Directors

7/10/15

Date

Form FCRH LLC - 1

**Falls Creek Ranch Horses, LLC
6350 Falls Creek Main
Durango, Colorado 81301**

Horse Permit

Owner's name: _____

Home Address: _____ Email: _____

Lot number: _____ Telephone number: _____

Number and description of horses in permit: _____

Horse Trailer License Number: _____

Permit # _____

Date of most recent vaccinations: _____ (Attach vet certification)

Comments or conditions: _____

The permit includes Form FCRH LLC - 2

The Horse Owner signature below indicates agreement to abide by all terms of the Lease Agreement for Falls Creek Ranch property and the FCRH, LLC and FCRA Horse Committee Operational Rules and Policies.

Horse Owner Signature

Falls Creek Ranch Horses, LLC

Date

Date

Form FCRH LLC - 2

FALLS CREEK RANCH HORSES, LLC

6350 Falls Creek Main
Durango, CO 81301

Liability for Horses

I _____ (printed owner name) the holder of horse permit # _____ do hold harmless and defend against expenses, damages, liability, or costs to Falls Creek Ranch Association, Inc. arising from my horses occupying and using the common property of the Association including injury to persons and damage to public and private property. I will also provide a certificate of insurance that describes my personal liability coverage relative to ownership of horses in an amount of at least \$1,000,000.00.

Horse Owner

Falls Creek Ranch Horses, LLC

Signature

Signature

Lot # _____ Date _____

Date _____