



**SECOND AMENDMENT TO
FALLS CREEK RANCH PROTECTIVE COVENANTS**

THIS SECOND AMENDMENT TO FALLS CREEK RANCH PROTECTIVE COVENANTS (this "Amendment") is made as of August 18, 2011, by the undersigned President and Secretary of the Association, who are duly authorized to execute this document on behalf of the Falls Creek Ranch Association, Inc. (the "Association").

RECITALS:

A. The Owners of Lots within Falls Creek Ranch desire to come into compliance with current Colorado law governing the operation of common interest communities and, in so doing, desire to amend certain noncompliant provisions of the Protective Covenants of Falls Creek Ranch recorded at Reception No. 515800 on May 14, 1985, and that amendment thereto recorded at Reception No. 6226366 on February 7, 1992 (the foregoing shall be collectively referred to as the "Protective Covenants").

B. The Owners, by a vote of not less than 67% of the Lot owners holding votes in the Association hereby adopt these Protective Covenants.

C. All definitional terms used in this Amendment shall have the same meaning as set forth in the Protective Covenants.

NOW THEREFORE, the undersigned hereby certifies and declares that the Protective Covenants are hereby amended as follows:

- 1. Section 4 shall be deleted in its entirety and replaced with the following:

The term "Property" shall refer to all land described by the FALLS CREEK RANCH UNITS, I, II & III AMENDED PLAT #2 PROJECT NO. 2006-0325 recorded on August 25, 2009 at Reception No. 1002266 (the "Plat") a copy of which is attached hereto and incorporated herein as Exhibit "A." The term "Common Property" shall refer to all of said land, excluding the residential Lots depicted within said Plat.

- 2. All of Section 10 shall be deleted in its entirety and replaced with the following:

10. Membership. Terms and conditions of Membership in the Association shall be as provided in the Articles of Incorporation and Bylaws of the Association.

- 3. Section 29, Special Assessments, shall be deleted in its entirety and replaced with the following:

29. Special Assessments. Should the Board of Directors determine that additional funds are essential for the maintenance of the health, safety or welfare of members of Falls Creek Ranch or for the protection of Association Property, the Board may issue notice to the members of the need to levy a special assessment. The notice to members shall include the following information: the total assessment amount requested, the date upon which such assessment is due, and the penalties and interest that shall be applicable for delinquent payment. The authorization of the Board to levy a special assessment must be approved by an affirmative vote of the majority of all members entitled to vote on such issue. The vote for approval of the special assessment may be taken at a duly noticed meeting of the owners or by mail-out ballot in accordance with the procedures set forth in the Bylaws.

RECORD & RETURN: *JMS*
GREGORY GOLDEN & LANDERYOU, LLC
1199 MAIN AVE., #213
DURANGO, CO. 81301



4. Section 30, Subordination of Assessment Lien, shall be deleted and replaced in its entirety with the following:

30. Subordination of Assessment Lien. The assessments of the Association shall be a continuing lien upon the Lot against which each such assessment is made. A lien under this Section is prior to all other liens and encumbrances on a Lot except: liens recorded before the recordation of the Protective Covenants; the prior lien of a mortgage or deed of trust recorded before the date on which the assessment sought to be enforced became delinquent; and any liens for real estate taxes and other governmental assessments or charges against the Lot. Sale or transfer of any Lot shall not affect the Associations' lien except that sale or transfer of any Lot pursuant to foreclosure of any mortgage or deed of trust, or any proceeding involving a deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the Association's lien as provided in C.R.S. 38-33.3-316 of the Colorado Common Interest and Ownership Act (CCIOA). No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Lot from continuing liability for any assessments thereafter becoming due, nor from the lien thereof.

5. Section 31, Enforcement of Covenants, shall be deleted in its entirety and replaced with the following:

31. Enforcement of Covenants. These covenants, conditions and restrictions may be enforced as provided hereinafter by the Association, or by separate action by any individual Owner after notification to the Board. In the event that any covenant shall be violated, the offending party shall be notified according to the Notice and Hearing Procedures established by the Association. Such notification shall identify the covenant which has been violated and shall notify the offending party to remedy such violation in the manner or within the time frames established by the Board in its notification to Owner. The Association may seek an action to enforce or defend the provisions of these Protective Covenants. Enforcement may be by any proceeding at law or in equity, and the Association or Owner may seek an order to restrain or enjoin the violation and/or recover damages. In any proceeding to enforce the Protective Covenants, reasonable attorneys fees and costs and expenses relating to enforcement shall be awarded to the prevailing party. Failure by the Association or any Owner to enforce any covenant or restriction contained herein shall not be deemed a waiver of the right to do so thereafter.

6. Section 32, Amendment of Covenants, shall be deleted in its entirety and replaced with the following:

32. Amendment of Covenants. These Protective Covenants may be amended with the approval of 67% of the votes entitled to be cast by members of the Association. Any instrument amending this Declaration shall be duly executed by the President and Secretary of the Association and recorded in the La Plata County real property records.

7. Section 34, Term of Covenants, shall be deleted in its entirety and replaced with the following:

34. Term. The term of these Protective Covenants shall be perpetual. These Protective Covenants shall not be revoked unless the Owners representing 3/4ths or more of all Lots within the Association consent and agree in writing to such revocation by instrument(s) duly recorded in the real property records of La Plata County, Colorado.



8. The following Section 37 shall be included in the Protective Covenants:

37. Application of CCIOA. The adoption of this Amendment should not be interpreted as an election by the Association to be governed by CCIOA. Rather, it is the intent of these Protective Covenants to incorporate those statutorily required provisions of CCIOA as set forth in C.R.S. 38-33.3-117. In the event of any conflict between the provisions of these Protective Covenants and the mandatory provisions of CCIOA, the mandatory provisions of CCIOA shall control.

The undersigned Secretary of the Falls Creek Ranch Association, Inc. has certified that the Board received 67% or more of the requisite number of approvals from Owners of Lots within the Association approving this Second Amendment.

IN WITNESS WHEREOF, this Second Amendment to Declaration has been executed and acknowledged by the undersigned President and Secretary of the Association.

Falls Creek Ranch Association, Inc.

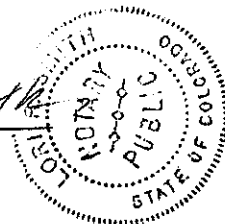
Mary Ann Bryant
 By: Mary Ann Bryant
 Its: President

STATE OF COLORADO)
) ss.
 COUNTY OF LA PLATA)

The foregoing instrument was acknowledged before on the 18 day of August, 2011 by Mary Ann Bryant, President of Falls Creek Ranch Association, Inc.

Witness my hand and official seal.

My commission expires 10/22/2011 Joseph D. Smith
 Notary Public



Attest:

Rebecca Steinbach
 By: ~~Becca Steinbach~~ Rebecca Steinbach
 Its: Secretary

STATE OF COLORADO)
) ss.
 COUNTY OF LA PLATA)

The foregoing instrument was acknowledged before on the 18 day of August, 2011 by Becca Steinbach, Secretary of Falls Creek Ranch Association, Inc.

Witness my hand and official seal.

My commission expires 10/22/2011 Joseph D. Smith
 Notary Public

