

PALOMINO AT OLD WEST RANCH ROAD AND TRAIL MAINTENANCE GUIDELINE FOR PARCEL OWNERS

April 15, 2020

I. Reference Document

Declaration of Covenants, Conditions and Restrictions for Palomino at Old West Ranch, recorded on April 9, 2020 at Reception No. 220049195, records of El Paso County, Colorado, as may be amended (the "Declaration"). Capitalized terms used in this Guideline are defined in the Declaration.

II. Purpose of the Guideline

This Guideline is intended to provide Owners of Parcels ("Owners") within Palomino at Old West Ranch with information and practical suggestions and options on how to handle their obligations to maintain the private road known as Palomino Ridge View and adjacent easement area (identified as the Private Road in the Declaration), and the Trail Easement that is located around the outer perimeter of all Parcels. The Declarant intentionally did not form a property owners association to maintain the road and trails as sometimes HOAs are managed and/or influenced by people who do not live in the community, but dictate and impose things that the owners do not want or would handle differently. The Declarant believes that Owners buying in Palomino at Old West Ranch will be folks who share the desire to live on large parcels and enjoy the rural lifestyle. The Covenants were designed with this simple statement in mind: "*Be a good neighbor and enjoy good neighbors*". The Declarant believes that the Owners can get together and work out the best way to handle these items and obligations. The options provided below are recommendations by Declarant and are not intended to be the only options available to Owners. Owners are able to make their own agreements to provide the required maintenance, provided that the Private Road and Trail Easements are always maintained in conformance with the standards in the Declaration.

III. Owners' Options for Maintenance of the Private Road and Trail Easement

Palomino Ridge View

As Parcels in Palomino at Old West Ranch are large tracts of land, it is possible that some Owners will have the proper equipment to grade, maintain and remove snow from Palomino Ridge View during the course of a year. Based on Declarant's experience with rural gravel roads, Palomino Ridge View should be bladed at least two times per year, and snow removal should occur when needed, with the cost of such maintenance and snow removal divided among the 15 Owners who use the road to access their Parcels. If none of the 15 Owners are willing or able to perform regular maintenance or snow removal on Palomino Ridge View for an agreeable price, the Owners can agree to hire a third party contractor to perform the maintenance and snow removal.

Based on Declarant's communication with several road contractors in the area in April 2020, and given the dimensions of Palomino Ridge View, the 15 Owners should expect to pay, in total, about \$1,150.00 for each grading of Palomino Ridge View, and about \$1,200.00 for each significant snow removal. This amount would be shared equally between the 15 Owners using the Private Road. Snow removal is somewhat of an indeterminate based on how much snow and how often it is needed. The amount referenced is for a large grader to blade the entire road. A lighter snow

could probably be removed with a pickup truck with a front blade; perhaps one of the Owners would have this equipment and give the Owners a good rate for lighter snows. Generally, a snowfall of around 4 inches or more would require a snow removal.

If the Owners agree to hire a contractor to perform the needed work on all of Palomino Ridge View, one of the Owners (or a committee of Owners) can coordinate the work schedule with the contractor, collect the money from all the Owners to pay the contractor, then oversee the work through completion. If an Owner does not pay its fair share in accordance with the Declaration, one or more Owners can proceed with the process for payment and reimbursement outlined in Section 3.26 of the Declaration.

Trail Easement

The Trail Easement should be mowed at least once per year, with the cost divided among all 15 Owners. Coordination of the mowing with a contractor could be done in similar fashion as to the description above for road maintenance.

Declarant's communication with mowing contractors in April 2020, estimate it would cost approximately \$1,200.00 per mowing, with all 15 Owners responsible for contributing an equal share toward the costs.

Maintenance of Common Facilities

Palomino at Old West Ranch has a couple of Common Facilities that benefit all 15 Owners, such as the entry arch and mailbox kiosk structure. Although it may be some time before maintenance, repair or replacement of these Common Facilities is needed, any expense incurred to maintain, repair or replace those items, as will be agreed upon by the majority vote of the Owners, will be split among the 15 Owners and can be handled in the same fashion as described above.

Good Neighbors make Good Friends!