



HIGHLAND PARK NEIGHBORHOOD ASSOCIATION, INC.

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Email: HighParkAssoc@aol.com

January 10, 2007

Happy New Year To All!

This letter will cover a lot of ground, so let's get started.

1. 2007 BUDGET AND DUES BILLING. The board has established a budget for 2007 (copy enclosed). According to this budget, the dues will remain the same as previous years, at \$300 per lot per year, which includes a \$100 surcharge for trash service. Dues for vacant lots and homes under construction are \$200. Payment of the dues constitutes ratification of the budget.

Your dues bill is enclosed. Please make your check payable to HPA, and mail to the address above. Remember that the Board adopted a collection policy, as required by Senate Bill 100, and late fees will accrue beginning 46 days after we mail this dues billing. The due date is 31 days after mailing. We do not want to collect any late fees. Please submit your dues payment promptly. Thank you!

2. PROPOSED PARKING COVENANT CHANGE

At the general membership meeting, the Board of Directors was tasked by vote of the members to prepare and deliver a proposed amendment to the Highland Park covenants that would allow parking of cars outside of an enclosed garage. In preparing the proposal, the Board was further instructed to obtain and use input from the members, and to share the input received with all members. To comply, we have sent a summary of all responses that were received from the members to the webmaster to post on the website at www.rawhide.net/highlandpark.html through February, 2007, by which time the vote will have been completed. They have not been edited, except with regard to spelling & punctuation. Thank you very much to those who gave input.

Because this covenant change issue is being revisited, the Board decided in 2006 to hold off enforcement of the parking covenant until after the results of this vote are known. The idea was that it did not make sense to fine owners for non-compliance if the rules were in the process of being changed. However, if the covenant change fails, the Board will have no choice but to immediately begin enforcing the present covenant, including imposing fines for non-compliance.

The proposed covenant change is enclosed for your review and vote. The vote must be in writing and signed, so please use the ballot provided. If you fail to respond, that will be counted as a NO vote. Thank you. This is a secret ballot vote, and the votes will be counted by non-Board of Director tellers, and you will be notified by email of the outcome.

Please remember that the Board of Directors did not create the current covenants, and is not promoting or opposing any changes to them, but is simply responding to the mandate of the members as stated above.

3. ANIMAL CONTROL REVISITED: The County Commissioners notified us that they had already set their 2007 budget, and would not consider our request for inclusion in the animal control area until they begin preparing the 2008 budget. That means the Humane Society will not come out to collect animals, although owners can take strays they catch to the Humane Society and they will accept them there.

This is not an excuse for owners to let their animals run loose. We have had several complaints of barking dogs, and dogs coming onto other peoples' property and threatening their children. Owners should file a complaint with the El Paso County Sheriff. Also, the HPA will respond to written complaints, and has the ability to fine repeat offenders in accordance with our covenant enforcement policy.

4. SNOW! While good for filling our lake and wells, it has created an impediment to mobility. Dr. Judy Von Ahlefeldt, owner/Editor of the Black Forest News, noted in the 1/4/07 edition that Highland Park had the biggest drift on Black Forest Road (at Forestgate Dr.). Thanks to Tony Cucuzza (Anthony Homes) for running his loader through the drift so we could get in and out. The Board has contacted the County to discuss using snow fencing north of the intersection to see if we can shift the location of the drift, but there is no assurance that would do the job (could wind up with drifts in two places). This would also require permission from the lot owner(s) on whose property the fencing would be located, for seasonal placement of snow fencing. We will continue searching for a workable solution.

With all of the storms, the County has been overwhelmed with requests for snow removal. If your road has not been plowed, you should call 520-6460. Remember that while the County has the obligation to maintain its roads (such as those in Highland Park), they cannot be everywhere at once. A tongue lashing by disgruntled residents is less likely to move them to quicker action than gentle prodding by multiple owners making the request.

5. SIGNAGE: Inexplicably, we continue to run into people who seem to not know they are looking/buying in a covenant protected community with a mandatory owner association. The Board is researching quality signage to place at the entrances of Highland Park to advise such information to lookers.

6. TRAILS: Little London continues to monitor the trail system, and has recently completed a major rebuild of a portion of it that was washing out with all our rain last year. Their plan is to watch and fix the trouble spots, but general maintenance of the system is now the responsibility of the HPA. Please pick up after your pets, and keep the weeds mowed along any segment of the trail that is on your lot. Finally, please let us know if you see areas that need repair; this is a nice amenity that gets a lot of use, and we want to keep it in good condition.

7. THIS YEAR:

* The Board of Directors plans to address a covenant enforcement committee (we did not get to this in 2006 because we were busy with policy and procedures), possible website enhancements, and well tagging (so that your wells comply with their permit requirements).

* Little London is hoping that Filing 3 will get built this year. They still await (as does the HPA) the Water Court decree for the Cherokee Metropolitan District, which will provide the source for some of the augmentation water. They will post information on the website when lots are available.

* The Board always welcomes constructive input from members. Remember that you can also share your thoughts with other members by using the forum on the website, although we have had some spam issues and are trying to resolve those.

8. SENATE BILL 100 REQUIRED DISCLOSURES:

A. The name of the common interest community is Highland Park. The Association's name is the Highland Park Neighborhood Association, Inc. The Association's physical address is 7075 Campus Drive, Suite 200, Colorado Springs, CO 80920. The telephone number is (719) 598-3198.

B. There is no management company, or designated agent for the Association. The Association is self-governed by a Board of Directors comprised of property owners in Highland Park, and one member of the development entity (who also is a property owner). The registered agent for the Association is Douglas H. Barber. The Directors are named in the minutes of the 2006 general membership meeting, posted on the website.

C. The Association was formed January 13, 2000. The declaration of protective covenants was recorded June 13, 2000 at Reception No. 200068418 (Filings 1, 1A, and 1B) and August 29, 2002 at Reception No. 202145113 (Filing 2) of the records of Park County, Colorado.

D. The Association's Fiscal Year is the calendar year.

E. The Association's proposed 2007 budget is included with this mailout. The Association's current regular and special assessments are \$300.00 per lot per year, including a \$100.00 surcharge for trash service on occupied homes. Copies of the 2006 financial reports are posted on the website, and are unaudited.

F. The Highland Park Neighborhood Association, Inc. is named as the insured in the following insurance policies, obtained through the Talty Insurance Agency, 1720 South Bellaire, Suite 200, Denver, CO 80222 (303) 756-7755. The effective dates are 11/10/06-11/10/07.

1. Travelers policy number I-660-5807C888-TIA-06 (property and commercial general liability coverage). The deductible is \$1000 per occurrence for property claims. Policy limits vary by structure insured, but structures are all generally insured for replacement value. Policy limit for liability is \$2 million aggregate, and \$1 million per occurrence, with a deductible of \$1000.

2. Great American Insurance Group policy number EPP 7513420-0 (Association Officer and Director professional liability coverage). Policy limit is \$1 million, with a deductible of \$1000. Additional insureds include officers, directors, employees and volunteers of the Association.

G. The Association's bylaws, articles of incorporation, declaration of covenants, rules and regulations, governance policies, past newsletters, financial statements, and 2006 Board of Directors and general membership meeting minutes are all posted in the Document Archive section of the Association's website at www.Rawhide.net/Highlandpark.

HIGHLAND PARK NEIGHBORHOOD ASSOC., INC.

Profit & Loss

January through December 2006

	<u>Jan - Dec 06</u>
Income	
401000 - ANNUAL DUES - OWNERS	36,450.34
404000 - FEES - ACC	600.00
405000 - INTEREST INCOME	1,496.37
Total Income	<u>38,546.71</u>
Expense	
511000 - ACCOUNTING	375.80
511300 - BANK CHARGES	0.00
511700 - INSURANCE	2,916.66
511900 - LEGAL & RECORDINGS	532.32
512000 - MAINTENANCE - COMMON A	5,221.11
512100 - PICNIC	542.36
512200 - POSTAGE/COPIES/MAILING	348.51
512500 - SUPPLIES	-51.56
512700 - TAXES (INCOME)	75.60
512900 - TRASH	7,677.92
513000 - UTILITIES	1,555.52
513100 - WATER & WATER LEGAL	95.00
513400 - MISCELLANEOUS	47.69
513500 - MEETINGS	600.37
Total Expense	<u>19,937.30</u>
Net Income	<u><u>18,609.41</u></u>

HIGHLAND PARK NEIGHBORHOOD ASSOC., INC.

Balance Sheet

As of December 31, 2006

	<u>Dec 31, 06</u>
ASSETS	
Current Assets	
Checking/Savings	
100500 - ENT CHECKING	12,225.67
100600 - CASH IN SAVINGS ENT	35.09
105000 - DAILY CASH FUND ENT	56,365.32
Total Checking/Savings	<u>68,626.08</u>
Total Current Assets	<u>68,626.08</u>
TOTAL ASSETS	<u><u>68,626.08</u></u>
LIABILITIES & EQUITY	
Equity	
Opening Bal Equity	18,386.98
Retained Earnings	31,629.69
Net Income	18,609.41
Total Equity	<u>68,626.08</u>
TOTAL LIABILITIES & EQUITY	<u><u>68,626.08</u></u>

HIGHLAND PARK NEIGHBORHOOD ASSOCIATION, INC.
2007 BUDGET (Finalized 12/30/06)

INCOME

Architectural Fees		Note 1
Dues	\$35,700.00	Note 2
Fines		Note 3
Interest (estimated)	<u>\$900.00</u>	Note 4
Total Income	\$36,600.00	

EXPENSES

Accounting & Administration	\$200.00	Note 5
Bank Charges	\$30.00	Note 6
Education (HPA & Board)	\$0.00	
Insurance	\$3,300.00	Note 7
Legal & Covenant Enforcement	\$3,000.00	Note 8
Maintenance	\$9,000.00	Note 9
Meetings	\$700.00	
Summer Picnic	\$1,200.00	
Annual Membership Mtg	\$400.00	
Board of Directors Mtgs	\$240.00	
Memberships	\$0.00	
Miscellaneous Expense	\$250.00	
Postage/copies/mailings	\$700.00	Note 10
Taxes	\$100.00	
Trash Service	\$12,852.00	Note 11
Utilities	\$1,600.00	Note 12
Water & Water Legal	\$3,000.00	Note 8
Website Hosting	<u>\$0.00</u>	Note 13
Total Expenses	\$36,572.00	

Budget Income / Shortfall \$28.00

Capital Improvements Budgeted For This Year

Landscaping	\$0.00
Signage	\$2,500.00
Well Tagging	<u>\$952.00</u>
Total Capital Improvements	\$3,452.00 Note 14

Scheduled (Planned) Reserves For Replacement Thru 2007 - Note 15

Fencing (\$40,000/10 year life)	\$12,000.00
Landscaping	\$0.00
Lighting (\$75/light/10 year life)	\$450.00
Notice Board (\$1,800 w/electric & install/10 year life)	\$360.00
Signage (\$10,000 per sign/50 year life)	<u>\$2,800.00</u>

Total Reserves Scheduled Through 2007 \$15,610.00

Currently Allocated to Reserves \$20,000.00

Allocate To Reserves this year \$0.00 (sufficient allocated now)

Summary:

HPA Fund Balance as of 12/31/06	\$68,626.08
Less Allocated For Reserves	<u>(\$20,000.00)</u>
Unallocated HPA Funds as of 12/31/06	\$48,626.08
Plus/Minus 2007 Budget Income/Shortfall	\$28.00
Less 2007 Budgeted Capital Improvements	<u>(\$3,452.00)</u>
Unallocated HPA Funds after Budget	\$45,202.08

Total HPA Fund Balance After Budget \$65,202.08

HPA 2997 Budget Notes

1. In the past, the ACC review fees were paid to Little London, LLC. Little London will no longer collect such fees, and they will accrue to the HPA. Filings 1 and 2 are largely built out, and there is no way to know when Filing 3 will be ready, so no income is scheduled for this line item. Any that is generated will improve HPA fund balance.
2. At the 2005 general membership meeting, a majority of the owners voted to have the Board of Directors negotiate a contract for community trash service as a dues-paid service. The Board has done so, resulting in a contract at approximately \$8.50 per month per lot (it can vary a bit). Dues will continue to be \$200.00 per year per lot for 2007, plus a \$100 surcharge for those who are on the trash service. Vacant lots and builder inventory only pay \$200.00, and will be charged for trash service for the remainder of the year after they build/sell and start using trash service.
3. The Board added a line item for income from covenant violations. Hopefully, we will not have to collect any, but are ready if we do.
4. Interest is from investment of our reserves. It is taxable, and the reason we have tax liability in expenses.
5. This includes \$200 for bookkeeping services and tax return preparation (by The Rawhide Company).
6. We might need to order new checks.
7. In 2006, the HPA received a "windfall" of \$28.34, representing a non-recurring benefit from an old class action lawsuit against our then insurer. We expect no further income.
8. Water and water legal will be strictly for water related issues. Legal and covenant enforcement includes filing liens and releases, annual reports to Secretary of State, and legal costs related to everything else. We may need our attorney to prepare/review the new contract with Cherokee, as well as to amend our decree. These are just estimates, and if not spent will remain in our coffers. For example, we expect that after its decree is approved, Cherokee will give us the "new" water to replace the "disappearing" water that was bought earlier from them. In case they won't, and want to charge us for the new water, we should have something budgeted.
9. Maintenance includes, but is not limited to, mowing of the grassy areas between the vinyl fences and Black Forest and Vollmer Roads, landscape maintenance of roundabouts, sidewalk, entry signs, and trail, lighting replacement at roundabouts and entrances, snow removal, asphalt maintenance and mowing at mailbox units. We have been using Green Thumb on an "as needed" basis. This assumes that 2007 will be similar to 2006, except that the HPA will pick up trail maintenance in 2007.
10. We will have at least one extra mailing in 2007 for the covenant change issue. We can also expect to spend more also due to covenant enforcement. This assumes three community mailings.
11. The HPA renewed the contract with Waste Management for 2007 at the same rate we paid for 4-9/2006.
12. Utilities will be a bit more, as we now have lighting at the Vollmer entrance.
13. The Rawhide Company, REALTORS® will continue hosting the HPA website for 2007 at no charge to the HPA.
14. This budget assumes that any capital projects would be funded from unallocated reserves.
15. In 2006, the Board established a separate line item in the budget, allocating some of the general fund money to a reserve for replacement of capital assets (fences, entrances, etc.). The Board also voted to fund the reserves to a level of \$20,000.00, using income from the 2006 budget, and the remainder from general fund cash reserves built up prior to turnover of the HPA to the property owners.

AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS
HIGHLAND PARK

Reference Declaration of Protective Covenants affecting the property known as Highland Park subdivision, Filings 1, 1A, 1B and 2 (“the Covenants”), which were recorded June 13, 2000 at Reception No. 200068418 and August 29, 2002 at Reception No. 202145113 of the records of Park County, Colorado.

WHEREAS Paragraphs, 3.A. and 20 of the Covenants provide that all vehicles must be parked inside a garage; and

WHEREAS Paragraph 25 (TERM OF COVENANTS) provides that the covenants may be amended at any time by a three-fourths (3/4) majority vote of all property owners (one vote per lot); which percentage has been subsequently amended to 67% by Senate Bill 06-100; and

WHEREAS owners in Highland Park representing a 67% majority of all owners desire to amend the covenants to make provision for limited outside parking of certain vehicles, as set forth herein,

NOW THEREFORE, the Covenants are amended as follows:

1. Sentences 5-9 of Paragraph 3.A. are modified to read as follows (the modification is in italics):

Doors shall be kept closed and all vehicles parked inside (see also paragraph 20), *except as provided in Paragraph 20.A.* Garages shall face the side or rear of the house, and shall not open toward the street where the driveway originates.

Oversized garages with extra stalls are recommended as economical and practical shop and storage space for the extra equipment and vehicles which people often have. Outside parking of recreational vehicles (boats, RV’s, trailers, etc.) is not permitted, *except as provided in Paragraph 20.A.* Garages will be designed where possible to appear as part of the house.

2. Paragraph 20 is modified to read as follows (the modification is in italics):

20. VEHICLE PARKING AND EQUIPMENT: *Except as provided in Paragraph 20.A.*, no boat, trailer, camper (on or off the supporting vehicle), tractor, commercial vehicle, van, mobile home, motor home, motorcycle, any towed trailer, truck or other vehicle shall be stored or parked within the subdivision, except in a completely enclosed approved garage or accessory building. Three car attached garages are required (oversized or even larger garages are recommended). The intent of this covenant is to prevent clutter and enhance natural appearance (see also paragraph 3).

3. The following Paragraph 20.A. is added to the Covenants:

Owners may park a maximum of two vehicles outside a garage. For purposes of this covenant, a vehicle is defined as a registered, licensed, operating passenger car, or light pickup truck or van up to a one ton rating, in reasonable condition, and which does not, in the sole opinion of the HPA Board of Directors, attract undue attention by its appearance, whether due to body damage, or paint scheme. All other vehicles, including but not limited to commercial vehicles, vehicles with advertising on them, motor homes, recreational vehicles, mowers, boats, motor homes, tractors, and trailers of any type are not included in this definition, and must be garaged or kept elsewhere. The HPA Board of Directors may establish reasonable rules and regulations relating to such outside parking, including guest and other temporary parking situations.

Dated this ____ day of _____, 2007, and effective on the date recorded in El Paso County, Colorado.

Following will be either signature sheets for owners to sign, or a statement by the Association that the requisite number of owners have signed a document agreeing to the amendment, whichever our lawyer feels is best.

STATE OF COLORADO

COUNTY OF EL PASO ss: The foregoing document was acknowledged before
me this _____ day of _____, 2007 by _____
_____.

My commission expires _____
_____ Notary Public

Recorded in El Paso County, Colorado
Reception Number _____
Date: _____

COVENANT CHANGE BALLOT

Shall the proposed covenant change (copy provided in this mailout) regarding parking vehicles outside a garage be approved? (No response will be counted as a NO vote)

_____ YES, change the covenant

_____ NO, do not change the covenant

Lot # _____

Name(s) of owner(s) signing ballot