



*HIGHLAND PARK 3
HOA
SPECIAL MEETING
MARCH 13, 2026*

HP3A Board of Directors

Ray Carrillo
Tony Hicks

KEY TOPICS

- New Board & ACC Member(s) Votes
- Financial Reports
- Urgent Business
- Why A Management Company Now?
- Expected Functions of a Management Company
- Implementation Timeline & Costs
- HP3A HOA Outlook



NEW BOARD(S) & ACC VOTES

- ❑ **A community vote is needed for – Dennis Maier – 3rd Board Member**

Dennis Maier: Dennis spent seven years on active duty in the US Army after attending West Point, lived in Indiana a couple years for grad school at Purdue and have lived several places (including Ireland) over the years - serving on a couple HOAs in Wisconsin and Georgia previously. Dennis and Angi enjoy visits with the kids, visiting the mountains, and working in the yard (a relaxing work in progress since moving in).

- ❑ **A community vote is needed for – Devin Himmelheber – 3rd ACC Member**

Devin Himmelheber : has lived in Colorado Springs for 10 years and is a proud UCCS alumnus. For the past 6 years, he has worked as a Software Engineer within both the private sector and defense contracting. Devin and Elizabeth, moved to Highland Park in September of last year and have quickly grown to love the neighborhood's character and the people who call it home.

- ❑ **Anyone else for the 4th & 5th Board Member ?**

FINANCIAL REPORTS

- **Year-end Reports - 2025**
- **Year-to-date Reports - 2026**



PROFIT & LOSS STATEMENT - 2025

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Accrual Basis

HIGHLAND PARK 3 ASSOCIATION, INC. Profit & Loss Prev Year Comparison January through December 2025

	Jan - Dec 25	Jan - Dec 24	\$ Change	% Change
Income				
401000 - ANNUAL DUES - OWNERS	7,600.00	7,800.00	-200.00	-2.6%
402000 - FEES	400.00	800.00	-400.00	-50.0%
404500 - FINES	0.00	100.00	-100.00	-100.0%
405000 - INTEREST INCOME	15.08	13.52	1.56	11.5%
406000 - MISCELLANEOUS REVENUES	0.00	18.22	-18.22	-100.0%
402001 - Trash Service Income	5,040.00	4,320.00	720.00	16.7%
Total Income	13,055.08	13,051.74	3.34	0.0%
Expense				
501100 - BOOKKEEPING	315.69	0.00	315.69	100.0%
501200 - LEGAL AND RECORDINGS	69.00	749.00	-680.00	-90.8%
512000 - MAINTENANCE COMMON ARE	1,741.66	1,635.71	105.95	6.5%
512100 - MEETINGS	168.11	168.11	0.00	0.0%
512150 - MISCELLANEOUS	0.00	312.87	-312.87	-100.0%
512200 - POSTAGE	268.00	256.00	12.00	4.7%
512900 - TRASH	4,556.91	3,770.06	786.85	20.9%
513200 - WEBSITE	340.00	190.00	150.00	79.0%
0101 - INSURANCE	1,131.00	1,093.00	38.00	3.5%
501300 - Accounting Fees	605.00	605.00	0.00	0.0%
Total Expense	9,195.37	8,779.75	415.62	4.7%
Net Income	3,859.71	4,271.99	-412.28	-9.7%

BALANCE SHEET - 2025

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Accrual Basis

HIGHLAND PARK 3 ASSOCIATION, INC.
Balance Sheet Prev Year Comparison
As of December 31, 2025

	Dec 31, 25	Dec 31, 24	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
100500 - ENT CHECKING	4,023.15	4,231.27	-208.12	-4.9%
100600 - CASH IN SAVINGS ENT	31,342.56	27,096.21	4,246.35	15.7%
Total Checking/Savings	35,365.71	31,327.48	4,038.23	12.9%
Accounts Receivable				
11000 - Accounts Receivable	-22.59	200.00	-222.59	-111.3%
Total Accounts Receivable	-22.59	200.00	-222.59	-111.3%
Total Current Assets	35,343.12	31,527.48	3,815.64	12.1%
TOTAL ASSETS	35,343.12	31,527.48	3,815.64	12.1%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 - Accounts Payable	-0.03	44.04	-44.07	-100.1%
Total Accounts Payable	-0.03	44.04	-44.07	-100.1%
Total Current Liabilities	-0.03	44.04	-44.07	-100.1%
Total Liabilities	-0.03	44.04	-44.07	-100.1%
Equity				
Opening Balance Equity	105.00	105.00	0.00	0.0%
32000 - Retained Earnings	31,378.44	27,106.45	4,271.99	15.8%
Net Income	3,859.71	4,271.99	-412.28	-9.7%
Total Equity	35,343.15	31,483.44	3,859.71	12.3%
TOTAL LIABILITIES & EQUITY	35,343.12	31,527.48	3,815.64	12.1%

PROFIT & LOSS STATEMENT - 2026

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Accrual Basis

HIGHLAND PARK 3 ASSOCIATION, INC. Profit & Loss Prev Year Comparison January 1 through March 7, 2026

	<u>Jan 1 - Mar 7, 26</u>	<u>Jan 1 - Mar 7, 25</u>	<u>\$ Change</u>	<u>% Change</u>
Income				
401000 - ANNUAL DUES - OWNERS	7,600.00	7,600.00	0.00	0.0%
402000 - FEES	100.00	0.00	100.00	100.0%
405000 - INTEREST INCOME	2.53	2.19	0.34	15.5%
402001 - Trash Service Income	5,760.00	5,040.00	720.00	14.3%
Total Income	<u>13,462.53</u>	<u>12,642.19</u>	<u>820.34</u>	<u>6.5%</u>
Expense				
512900 - TRASH	1,139.17	1,108.31	30.86	2.8%
513200 - WEBSITE	0.00	340.00	-340.00	-100.0%
501300 - Accounting Fees	605.00	605.00	0.00	0.0%
Total Expense	<u>1,744.17</u>	<u>2,053.31</u>	<u>-309.14</u>	<u>-15.1%</u>
Net Income	<u><u>11,718.36</u></u>	<u><u>10,588.88</u></u>	<u><u>1,129.48</u></u>	<u><u>10.7%</u></u>

BALANCE SHEET - 2026

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Accrual Basis

HIGHLAND PARK 3 ASSOCIATION, INC. Balance Sheet Prev Year Comparison As of March 7, 2026

	Mar 7, 26	Mar 7, 25	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
100500 - ENT CHECKING	12,218.05	14,019.06	-1,801.01	-12.9%
100600 - CASH IN SAVINGS ENT	35,368.24	27,098.40	8,269.84	30.5%
Total Checking/Savings	47,586.29	41,117.46	6,468.83	15.7%
Accounts Receivable				
11000 - Accounts Receivable	357.41	1,700.00	-1,342.59	-79.0%
Total Accounts Receivable	357.41	1,700.00	-1,342.59	-79.0%
Other Current Assets				
12000 - Undeposited Funds	100.00	-380.00	480.00	126.3%
Total Other Current Assets	100.00	-380.00	480.00	126.3%
Total Current Assets	48,043.70	42,437.46	5,606.24	13.2%
TOTAL ASSETS	48,043.70	42,437.46	5,606.24	13.2%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 - Accounts Payable	982.19	365.14	617.05	169.0%
Total Accounts Payable	982.19	365.14	617.05	169.0%
Total Current Liabilities	982.19	365.14	617.05	169.0%
Total Liabilities	982.19	365.14	617.05	169.0%
Equity				
Opening Balance Equity	105.00	105.00	0.00	0.0%
32000 - Retained Earnings	35,238.15	31,378.44	3,859.71	12.3%
Net Income	11,718.36	10,588.88	1,129.48	10.7%
Total Equity	47,061.51	42,072.32	4,989.19	11.9%
TOTAL LIABILITIES & EQUITY	48,043.70	42,437.46	5,606.24	13.2%



URGENT BUSINESS

- **Claims of Non-compliant HP3A HOA and Lack of Covenant Enforcement**

A BETTER UNDERSTANDING OF:

- Legal Aspect of Covenants
- What is a Homeowner Association and its Benefits
- Studies show HOA improves home values

CLAIMS OF NON-COMPLIANT HP3A HOA & LACK OF COVENANTS ENFORCEMENT

NON-COMPLIANCE OF HOA LAWS

- Failure to update HP3A registered agent with the State of Colorado after a Director who was the registered agent resigned from the Board (2025)
- HP3A is out of compliance

HP3A HAS BEEN LACKING IN COVENANT ENFORCEMENT

- Trailer, RV, and/or camper outdoor storage
- Debris removal after construction
- ATV and off-road vehicles usage
- Children toys, tools and/or equipment in the front or side yard
- Tampering of our rain overflow pond
- Delinquent payments of HOA due, fines and/or trash fees

LEGAL ASPECTS OF COVENANTS (CC&RS)

DECLARATION of COVENANTS, CONDITIONS, and RESTRICTIONS

- are **legally binding documents that establish rules, restrictions, and obligations for property owners** within a specific community or development, typically in planned communities, condominiums, or common interest developments
- are recorded in the county clerk's office, making them part of the official real estate records. **CC&Rs run with the land**, meaning they apply to current and future property owners, regardless of ownership changes.
- are considered equitable **servitudes—contractual restrictions on land use that are enforceable against all owners** in the development.

WHEN AN HOA IS DISSOLVED:

- CC&Rs do not automatically expire or cease to exist and **remain in effect** because they are recorded against the land and "**run with the land**," meaning they bind current and future property owners regardless of the HOA's status.
- Enforcement responsibility shifts to individual homeowners.
- **Homeowners can enforce CC&Rs individually by taking legal action against neighbors for violations of the CC&Rs.**

WHAT IS A HOMEOWNER ASSOCIATION AND ITS BENEFITS

A corporation, unincorporated association, or entity that enforces Covenants, Conditions, and Restrictions (CC&Rs) on the behalf of homeowners — the governing documents that legally bind all homeowners to specific standards regarding property appearance, use, and maintenance.

Push backs:

Certain Restrictions: HOAs enforce strict rules over property appearance and use, including restrictions on paint colors, landscaping, fences, building materials, exterior modifications, and even outside storage certain types of vehicle.

Benefits:

- **Improved Neighborhood Aesthetics:** Strict rules ensure consistent curb appeal, well-kept lawns, and regulated exterior modifications.
- **Reduced Maintenance Responsibilities:** Manages and maintains common areas, including lawn mowing, snow removal, trash collection, and repairs to shared facilities.
- **Enhanced Property Values:** Helps maintain and often increases property values by enforcing consistent standards for home appearance, landscaping, and exterior maintenance. Studies show homes in HOA communities can be worth more than similar homes outside HOAs.

STUDIES SHOW HOMEOWNER ASSOCIATION IMPROVES HOME VALUES

- **George Mason University Study (2019):** A study by George Mason University found that homes in homeowner association (HOA) communities sell for **5% to 6% more** than comparable homes in non-HOA neighborhoods. This premium is attributed to the market's valuation of HOA benefits, including consistent property maintenance, aesthetic standards, and access to amenities. The study analyzed sales data from Prince William County, Virginia, between 2000 and 2004, comparing homes with similar characteristics (e.g., size, age, number of bedrooms) to isolate the HOA effect.
- **The National Association of Realtors (NAR):** Homes in HOA communities are worth **5% to 6% more** than comparable non-HOA homes, as supported by multiple studies and data sources including the Cato Institute and the Foundation for Community Association Research. This premium is attributed to consistent neighborhood maintenance, enforced aesthetic standards, and the presence of shared amenities like parks, pools, and landscaped common areas. These factors enhance curb appeal, reduce property neglect, and create a more desirable living environment, all of which contribute to higher resale values.

WHY A MANAGEMENT COMPANY NOW?

HOW DID WE GET HERE AND BOD'S
RECOVERY PLAN

BENEFIT OF A MANAGEMENT COMPANY



How Did We Get Here?

- Our HOA due has been very low @ \$16/mo. in respect to our home values (\$1 million to \$2 million for each home).
- Many of us had high performance expectation from our HOA despite the extreme low dues for the past 7 years.
- But only a few willing volunteers stepped up.
- Our volunteers do not have the necessary knowledge of all HOA Laws and Regulations.
- Some homeowners are pushing to dissolve our HOA
- Some of us seem to forget that our CC&R's were put in place **to specifically regulate** our property appearance and use for one main reason: **TO MAINTAIN OUR PROPERTY VALUES.**

BOD's Recovery Plan

Due to complaints of HP3A being out of compliance and lack of covenant enforcement, we will retain a Management Company on a trial basis for 8 months – May through December 2026:

- To audit our HOA Compliance in every aspect of our operations.
- To lay out and carry out steps to become Compliant with HOA Laws.
- To enforce our covenants
- And we will do a performance review of the Management Company at the year-end before continuing into 2027

BENEFIT OF A MANAGEMENT COMPANY

- **Legal and Compliance Support:** Legal resources and up-to-date knowledge of state and federal laws helping boards make legally sound decisions and reduce liability.
- **Expertise and Experience:** Brings specialized knowledge in HOA operations, legal compliance, financial management, and community governance ensuring effective handling of complex tasks, from covenants enforcement to navigating evolving regulations.
- **Enhanced Communication and Community Engagement:** Modern tools—like portals, websites, and newsletters for clear, timely communication.
- **Efficient Financial Administration:** Manage budgets, collect assessments, track expenses, and produce transparent financial reports ensuring financial stability.

EXPECTED FUNCTIONS OF A MANAGEMENT COMPANY

- Communication Services
- Accounting Services
- Administrative Services
- Management Services



COMMUNICATION SERVICES

- **Inquiry Handling:** First point of contact for calls, emails and/or portal inquiries from homeowners.
- **Community Communication:** Information distribution to all homeowners via emails.
- **HOA Website and Online Portal:** The quickest and most efficient way to communicate with homeowners and Board members. Through the portal, owners can submit maintenance requests, see details of their accounts and correspondence, view governing documents, and submit ACC requests.
- **Emergency Response Protocol:** Emergency calls during regular business hours or after-hours for HOA-related matters will be prioritized based on our protocol to ensure issues or concerns are addressed as quickly as possible. This service is available 24/7.

ACCOUNTING SERVICES

- **Financial Reporting:** Monthly financial statements such as variance report, cash disbursement report, AP & AR aging, reconciled bank statements, balance sheet, statement of revenues and expenses, and a general ledger report for Board members and annual statements for members.
- **Federal and State Tax Returns Preparation and Audits:** Assist a Certified Public Accountant (CPA) in preparing the annual federal and state non-profit corporation tax returns and annual audit for our HOA.
- **Account Payable (AP):** Collect W-9s; prepare, distribute, and submit 1099s and 1096s for all sub-contractors and service providers. Process, review, and pay all expenses and obligations incurred by our HOA.
- **Account Receivable (AR):** Manage homeowner accounts which involve charging assessments, fines, late fees and interest, and receiving payments. Billing via paper statements or e-statements. Mail collection letters and communicate with collection attorneys based on Board approved actions such as liens, lawsuits, or foreclosures. Provide payment options for homeowners via auto-draft, online by eCheck or credit card, bank bill-pay, or by paper checks. Issue HOA Status letter to Title companies.

ADMINISTRATIVE SERVICES

- **Insurance:** Review, recommend replacement costs, deductibles and coverage to the Board, and maintain HOA's insurance coverage.
- **Laws & Documents:** Advise the Board on federal and state laws and governing documents related to decisions and actions of the Board. Help enforce the HOA's Declaration of Covenants, By-Laws, and Rules & Regulations and provide liaison with homeowners, caring for reasonable requests and representations.
- **Document Retention:** Manage HOA's documents and official records electronically, including: association meeting minutes, financial statements, legal documents, maintenance and repair logs, policies, budgets, standard operating procedures manual, inspection reports, etc.
- **Correspondence:** Welcome new owners to the community via mail and/or email. Send out emails, mailings, and notices on behalf of our HOA. Request and maintain email addresses.
- **Meetings Management:** Attend and facilitate annual membership and Board of Directors meetings. Prepare notices and meeting agendas. List requested actions and tasks from Board meetings. Meeting proxies, ballots, roll calls, and other materials needed for membership meetings. Upon approval of the Board, distribute your meeting minutes.

MANAGEMENT SERVICES

- **Audit & Guidance on Policies, Procedure, and Legal:** During the transition process, audit & review the governing documents, HOA's policies and procedures, and insurance policies for LEGAL COMPLIANCE. Adjust & develop policies and procedures in accordance with the industry's best practices and the HOA's governing documents. Work with the HOA's selected legal counsel on all legal issues and concerns affecting the HOA and its members.
- **Covenant Enforcement:** Conduct routine property inspections of common areas to ensure compliance with the HOA's rules and regulations. Work with the community's governing documents at the board's direction to ensure that all owners are treated fairly while consistently ensuring the community standards and rules are upheld. Make recommendations to the Board and/or committees regarding landscaping, building, and common area maintenance. Handle all owner violations and concerns and follow up to be sure they are resolved. These will be processed in accordance with HOA policy & procedures and federal & state laws.
- **Management of Architectural Procedure (not review):** Assist the architectural review committee in managing the architectural procedures, including verifying that submissions comply with design guidelines and applications, bonds, and fees are received.
- **Maintenance Projects, Contracts, and Supervision (when necessary)**



***IMPLEMENTATION
TIMELINE & COSTS***

Implementation Timeline

1. Selection of a Management Company was done
2. Final contract negotiation – March 2026
3. Target on-boarding month – May 2026

Estimated Costs for the balance of 2026:

- It would have been **\$56/month** per owner **but no change to our HOA due for 2026**
- \$17,000 has been allocated from our reserve fund for this compliant task
- \$1,500 per month for 8 months plus start up & contingent costs of no more than \$5,000 during those 8 months
- BOD will review Management Company progress and performance in November

HP3A HOA OUTLOOK

Correct our HOA current shortfalls

- Audit our compliant status and get us into compliance

Let the HOA Management Professionals do the tough work

- Relieve the grunt work burden for our BOD

BOD's only responsibility is to manage the HOA

- Let our BOD focus on HOA operating costs and directions

Make it easier for volunteers to step up

- Will allow the current BOD volunteers to rotate out

MEETING ADJOURN

HP3A BOARD OF DIRECTORS

RAY CARRILLO

TONY HICKS