



HIGHLAND PARK 3 ASSOCIATION, INC.

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Rationale for Covenant Changes

The purpose of this letter is to provide interpretation and rationale behind the proposed Covenant changes in Highland Park Filings 3/3A. During the past 2 years several concerns and requests have been raised by homeowners and by the Architectural Control Committee (ACC) which the Covenants either did not anticipate or which have not kept pace with modern styles and tastes. As a result, the Highland Park 3 Homeowners Association (hereafter, HP3A) Board of Directors embarked on a process to propose changes, consult with members, and bring forward changes for approval at the HP3A Annual Meeting. Process:

- Starting with the 2021 Annual meeting, the Board began soliciting inputs from property owners in the community. This request for inputs continued at Board meetings throughout 2022.
- Emails to members requesting inputs continued through the year with many homeowners providing constructive inputs. These inputs formed the basis for the initial draft of proposed changes presented at the 8/30/2022 Board meeting. Many members provided suggestions and critiques and the discussion lasted about 1 hour. Drafts of the proposed Covenant changes have been posted on hp3a.org since August 2022.
- The Board followed up the August meeting with an updated draft at the 10/4/2022 Board meeting. Members were encouraged to submit any final suggestions to info@hp3a.org. The cutoff for changes was set for 10/21/2022 to allow time to prepare a slate of proposed changes for members to vote on at the Annual Meeting.
- The Board narrowed the list to make the changes easier to understand and developed a ballot. Proposed changes not included this year can be brought forward in 2023 if deemed necessary by members.
- The Board is grateful to members for their thoughtful consideration and inputs throughout the process.

Our next step is to bring proposed changes forward for HP3A member review and vote. Time will be allocated to the Annual Meeting for any remaining questions members might have. Members may vote by mail once their ballot is received. Members may vote in person at the Annual Meeting. Or, members may appoint another HP3 owner as their proxy using the proxy form everyone was mailed. If a member completes a proxy form, but does not name a proxy, the Board President is appointed to cast a vote on their behalf. *Full disclosure: The Board President (Tim Cerniglia) supports all of the proposed Covenant changes.*

To help members understand the rationale behind the proposed changes, we have created the table below. This table lists the original paragraph in the Covenants, the exact wording and placement of the change (bold/underlined), and the rationale for the change (why members think it is needed). Ballots sent to members allow members to vote for each change individually – it is not an “all or nothing” ballot. Member approved changes will be compiled by the Board of Directors and filed with the El Paso County Clerk and Recorder. Member disapproved changes will not be filed, and the Board can bring them forward for reconsideration at future Annual Meetings. Once filed and posted on the website, the changes officially go into effect.

Paragraph	Revision (changes identified with bold print)	Rationale
2, Building Type and Use	<p>No structure shall be erected, altered, converted, placed or permitted to remain on any Lot other than one single-family dwelling, and one accessory building for storing vehicles and equipment (<u>utility sheds are treated as accessory buildings and subject to the requirements in 3B, Accessory Buildings</u>), in keeping with the architecture of the principal residence, provided that such are not used for any commercial purpose, and subject to approval by the ACC, and the appropriate governmental building department. Outdoor playground equipment may also be permitted as approved by the ACC. Homes shall generally not exceed two stories in height; however, the ACC in its sole discretion is empowered to make exceptions based on site location, home appearance, or aesthetics. Structures shall not exceed thirty (30) feet in height, measured from the highest point on the building to the average grade level. Also, a reasonably sized area of lawn, garden and/or trees, not to exceed a combined area of 5,000 square feet, may be planted around the house and irrigated.</p>	<p>The original requirement said “<i>utility sheds are prohibited</i>”. Whether a structure is an accessory building or a utility shed is subjective. This change treats second structures on Lots fairly and allows for structures that meet HP3A design standards for accessory buildings defined in paragraph 3B..</p>
2, Building Type and Use	<p>All Lots shall be known and described as residential lots and shall be used only for private, custom, site-built homes. Short-term vacation rentals (e.g. VRBO and AirBnB) are prohibited as inconsistent with a single-family residential community. HP3 is intended only for new homes of harmonious design, materials, color and appearance to complement the natural terrain and other homes constructed in the subdivision. Mobile homes, manufactured/modular homes or similar buildings constructed elsewhere and moved onto a Lot, site-built homes existing elsewhere and moved onto a Lot, domes or other such homes of unusual architectural style, in the sole and subjective opinion of the ACC, shall not be approved. <u>Buildings that are not of distinctly residential appearance as determined by the ACC, such as but not limited to barndominiums and steel buildings, are not permitted in HP3.</u> No structure may be erected prior to construction of the residence. There shall be no more than two structures on any Lot.</p>	<p>In the past year, unusual designs for homes were brought to the ACC for approval including a steel building. This led to months of negotiations between the homeowner and the ACC, various attempts to make the home look residential, and required Board of Directors involvement due to an impasse. Ultimately, the ACC decided not to approve the design due to the “harmonious design” clause in the Covenants and the Board supports this decision. This change helps avoid future problems by making the prohibition on these styles of buildings explicit. Not only would new homeowners and builders know not to bring these designs forward, the ACC can more quickly dispatch these and similar designs.</p>
3B, Accessory Buildings	<p>Accessory buildings shall be not less than <u>150</u> square feet, nor more than 1,000 square feet in size. They shall have pitched roofs, be architecturally designed, and be of similar materials and colors to complement the main house. Accessory buildings shall normally be to the rear or side of the house. Accessory buildings may not be constructed on a lot prior to the house, but they may be constructed simultaneously. <u>Architecturally designed means the structure is attached to a concrete foundation such as a concrete slab, has a pitched roof, and has exterior colors and materials which blend naturally with the exterior of the main house. Accessory buildings that do not meet HP3A exterior requirements, such as but not limited to plastic/resin and metal/steel structures, are not permitted.</u></p>	<p>Members requested a lowering of the minimum square footage of an accessory building from 400 square feet to 150 square feet because of the costs of large structures. Members also indicated that while they would like a storage building the size minimum is overkill. We are also defining what “architecturally designed” means in the Covenant to ensure structures are affixed to a foundation and the design matches the main house in appearance and materials. Although the 150 square foot minimum should prevent it, the Covenant change explicitly bans the kinds of plastic and metal sheds found at many big box retailers like Walmart so that trashy unstable structures are not blowing around HP3 in the wind.</p>
9C, Color	<p>Structural color schemes shall be compatible with the natural environment of the subdivision. Subdued, unobtrusive natural or earth colors to blend with the background will normally be required, and color samples must be submitted with plans. <u>The ACC will allow homes with white exterior paint color as long as the overall design meets the remaining exterior design requirements. The ACC is empowered to disapprove colors and color schemes which in the opinion of the ACC do not blend harmoniously with other homes in the community.</u></p>	<p>In the past 2 years, the ACC has denied about 10 house plans where the predominant exterior color was white. This is a case of the Covenants not keeping up with popular design trends, like white farmhouses, which can affect property values. Allowing white houses gives the ACC flexibility to approve both new homes and the repainting of existing homes without controversy and without homeowners having to game the system through various off-white shades. That being said, other exterior requirements</p>

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		such as masonry must still be met. And, the ACC retains the authority to deny exterior color choices and color schemes that do not (in the view of the ACC) blend harmoniously with the community. For example, a white house with a blue stucco skirt and neon purple trim would be disapproved.
9O, Landscaping	<p><u>Within 12 months of occupying any residence, the homeowner is required to submit a landscaping plan to the ACC and obtain ACC approval. The homeowner may implement landscaping in phases. No ACC approval is required for tree planting in HP3.</u> Owners are encouraged, but not required, to plant and maintain on their Lot a minimum of five (5) trees of at least five feet in height, and at least ten (10) other trees (which may be saplings) of at least three feet in height, for a total of fifteen (15) trees, within one year after occupying any residence. <u>The minimum requirement for a landscape plan restores the native landscape to its pre-construction state by re-seeding the Lot with native grasses, mitigating weeds, and ensuring proper grading and erosion control to prevent unsightly rills and gullies on the Lot. Homeowners should adopt the Wildfire Mitigation strategies defined in paragraph 10.</u></p>	Members requested that landscaping plans be required. Following construction, several homes in HP3 remained unlandscaped. The owners did not maintain proper grading, control erosion, control weeds or remove remnants of construction. As a result, several Lots in HP3 quickly deteriorated with erosion channels and weeds growing from the foundations. This detracts from the high end look and feel buyers and owners expect in a neighborhood with \$1million+ homes. Therefore, we changed 9O from “Tree Planting” to “Landscaping” and added the requirement to have an approved plan in place within 12 months of occupancy of the home. Because formal landscaping can be quite expensive, we allow for a minimalist plan that restores native grasses damaged by construction, controls weeds, and prevents erosion. Based on member feedback regarding costs, the Covenant change allows for phased implementation of landscaping over time. Finally, trees increase property values and we want to encourage tree planting by removing any requirement to get ACC approval to plant trees. The Covenants provide reminders not to plant trees and shrubs in the easements and they also provide guidance for wildfire mitigation.
11A, Utility and drainage	Easements for installation and maintenance of utilities, roadways, drainage and water augmentation facilities, and such other purposes incident to development of the property are reserved as shown on the recorded plat. Owners shall not change the natural drainage, nor take any action inconsistent with the drainage plan of Highland Park. Lot owners are responsible for maintaining the easements on their property. <u>This includes mowing and weed mitigation of the easement, including includes gas line easements, drainage ditches, and culverts on the property.</u> If an owner owns contiguous Lots, easements and setbacks shall apply unless the owner formally vacates the common Lot line through the appropriate government agencies. Lot owners are responsible for providing access to the HP3A, utility companies and other government agencies who have reason to use said easements, and if damage is done to fences, shrubbery or plantings in said easements, Lot owners have no recourse against said agencies, Declarant, HP3A or ACC. No building or similar structure may be placed within the easements unless vacated by agencies involved, and approved by the ACC. It is recommended that they be kept open and unfenced.	All Lots in HP3 have a drainage ditch and culvert as well as easements for utilities. Several Lots have natural gas easements. As the Board enforced the community’s mowing policies the past 2 summers, we encountered members who either did not know or did not think the ditch, culvert, or gas easement was their responsibility to mow and mitigate weeds. As a result, we had many unmaintained areas in the community. For example, we had owners mowing up to, but not in, the ditch. And weeds were allowed to grow out of control around the drainage culverts and gas line easements. This Covenant change eliminates any question as to who is responsible for mowing the easements that run through the property.

Covenants for the HP3 Homeowners Association require property owners to obtain written approval from the Architectural Control Committee (ACC), and states “**NO CHANGES IN LOTS, CUTTING OF VEGETATION (NOT INCLUDING MOWING OF LOT), CONSTRUCTION OF DRIVEWAYS, WELL DRILLING, EXCAVATION OR OTHER CLEARING SHALL BE MADE PRIOR TO WRITTEN APPROVAL BY THE ACC.**” Nothing in these proposed Covenant changes will be interpreted as a change to the basic requirement to obtain ACC approval. No other changes or interpretations of the design standards in the covenants are intended or implied.

A handwritten signature in black ink, appearing to read 'Timothy R. Cerniglia', with a long horizontal line extending from the top left of the signature.

Timothy R. Cerniglia
President, Highland Park 3 Homeowners Association