

POLICIES, RULES, AND REGULATIONS OF ASPEN HIGHLANDS VILLAS
HOMEOWNERS ASSOCIATION

The following policies guide Highlands Villas Homeowners Association.

Expected Work and Assessments: homeowners are expected to perform work in order to keep dues low and maintain the Highlands Villas as a truly affordable housing project. To that end, all homeowners are required to shovel snow and remove ice in front of their units to keep areas in front of their units free from snow and ice, pick up trash, and keep those areas neat. Homeowners are expected to participate in the annual cleanup day or complete a board-assigned project, with \$50 of annual assessments returned to homeowners who participate according to board satisfaction within one month.

Association Operations and Improvements: It is the Association's policy to pay for those items that are necessary to maintain common areas in a manner consistent with the quality of the units when originally built, but not to pay for items desired by individual homeowners or to require all homeowners to pay for improvements beyond the original quality. The association pays for trash removal, parking lot snow removal, sewage, common water and electricity, grounds keeping, and miscellaneous common area repairs. The association pays for capitol items such as parking lot re-paving, painting and maintenance of siding. Individual homeowners, who are interested, pay for items such as annexation, window washing, cable service, flowers, and landscaping, paths, and patio extensions if approved by the board.

Products and Practices Restricted: The Association uses environmentally friendly maintenance products and endeavors to save water and energy. Spraying or using herbicides for weeds is not allowed, salt is not used for sidewalk deicing, low energy lights are used, supplemental watering is discouraged, and watering is done only before 10 am or after 6 pm.

Flexibility for homeowner requests: It is the Association's policy to be flexible in allowing homeowners to make changes to their units, so long as other homeowners are not significantly impacted. For example, homeowners have been allowed to alter doors, lights, unit numbers, have flower boxes, put in patio extensions and paths, create gardens, and individualize their areas. The association encourages tolerance of differing styles of the many other unit owners and does not impose any restrictions on reasonable use of individual units that does not significantly impact neighbors.

Permission Required: Homeowners are required to obtain permission of the Board for any change visible to the outside of an individual unit, common property, or landscaping.

Responsibility for Damages: Individual homeowners (or their insurance) are responsible for damage to their own, other units, or common areas caused by breaking or leaking water heaters and washing machines, or by any act or negligence on their part. The amount of such loss or damage may be collected by the Association from such unit owner as a special assessment against such unit owner and such amount shall be secured by a lien on the unit of such unit owner. The Association is responsible for damage resulting from common water lines or roof leaks.

Specific Rules:

- Use: Units may not be used for commercial or business purposes. The complex shall be used solely for residential purposes and for services, activities, and recreation in conjunction with said residential use. No business or commercial use of any nature may be conducted within a unit or on the complex. Activities that do not generate traffic, such as bookkeeping services, are allowed.
- Violation of the Law: Nothing shall be done within the complex that would be in violation of any statute, rule, ordinance, regulation, permit, covenant or other validly imposed requirement of any governmental body, including the zoning, subdivision or building restrictions of the City of Aspen.
- Woodburning, gas stoves or fireplaces or similar devices are not allowed except for the grandfathered device in unit 13, because of the proximity to other units and the nuisance and health impacts of woodsmoke.
- Dues are \$520/quarter, due Jan. 1, Apr. 1, July 1, and Oct. 1, or as they may be changed from time to time by the association. Dues are considered late after the 15th date of the previously listed months and a \$25 late fee will automatically be assessed, with additional \$25 late fees each succeeding month the dues are not paid. These fees may not be waived under any circumstance. Any homeowner unable to pay a fee may contact the board at least one month before assessments are due to see if snow shoveling or lawn mowing or other required work can be done to partially offset dues. This is required to ensure fairness for homeowners who pay dues in a timely manner. A lien will be placed on the property if the homeowner is late by a third month and shall include any required attorney's fees.
- Work Performed: Homeowners chosen by the Board to perform required work may be paid \$10/hour if they request, only with prior board approval.
- Notice of Meetings: Homeowners will be notified prior to any board meeting or annual or special meeting, by notice posted on the common mailbox, on doors, or other means. Homeowners are allowed to speak at board and annual meetings, although time limits may be imposed. As necessary, the board may make decisions via phone or email in which case notice or participation requirements do not apply.
- Quiet Hours: Consistent with city ordinance, no construction-related work of any kind is allowed on Sundays, after 7 pm on any day, or before 8 am on any day. Noise from units must comply with city noise standards.
- Condominium declarations can be amended by approval of 67% of homeowners unless County or City regulations impose additional requirements. This does not apply to other votes, which require a majority vote.
- Housing Authority Rules: Homeowners must comply with any and all requirements of the Housing Authority with regard to employment, occupancy, listing, and any other requirements.
- Association records: Copies of all association records will be made available to individual homeowners upon request, provided conditions below are met, with the homeowner responsible for paying the costs of copying beforehand. Wherever possible, homeowners must obtain copies of documents from the Housing Authority or City or County. Since the association has no central office, and no paid staff, homeowners should allow a reasonable amount of time for providing any records. Owners requesting records must make requests in good faith, for a proper purpose and describe in writing with reasonable detail what records are needed and why. They must be relevant to the unit owner's stated purpose for the request. At each annual meeting, homeowners will be provided with notice that such information is available, along with copies of any annual report or insurance coverage information.
- Financial Report: An annual financial review must be paid for and provided if over one third of homeowners so request. In lieu of that, and in consideration of the desire to maintain costs of the association consistent with this being affordable housing, the Association's intent is to provide a full financial statement to the homeowners as each annual meeting. Copies of electronic records are kept by board members.

- **Conflicts of Interest:** Board members and homeowners must disclose any conflicts of interest and may not vote on an item where they have a financial or personal conflict of interest. Homeowners not meeting the Housing Office's asset limitations may vote on all matters other than spending increases.
- **Fines** for non-compliance with rules and regulations are imposed by the board if homeowners do not comply with rules and regulations after being notified, given a reasonable time to come into compliance, as determined by the board, and given an opportunity to present reasons why they are not in violation. Such hearings are not to be used to request changes to existing rules. Fine amounts are up to \$200/month for violations of rules, after 15 days written notice, plus damages. Repeated violations after 12 months result in a fine of up to \$1,000/month plus damages.
- Liens shall be imposed in the same manner as discussed above for any unpaid fines. Attorney's fees may be collected by the association and included in such liens or fines. The Homeowners Association must apply all payments on homeowner accounts in the following manner (please note that your payment of current annual assessments appears LAST in this list): attorney fees and costs, fines, late charges and interest, returned check charges, past-due assessments, current special assessments, and current annual assessments.
- **Applicability of rules:** In no case shall any rules be specific to one homeowner or unit, except in the case of grandfathered approvals. For example, there are to be no regulation of specific appearance or kinds of décor; noise level standards may be set, but restrictions may not be specific to one type of noise or unit.
- **Association investments:** Association funds must be invested in a prudent and responsible manner as determined by the board and treasurer.
- **Voting:** Secret ballots are required for any contested election.
- **Bids:** A minimum of three bids shall be required for any association work except emergency repairs, and unless it is not possible or practical to obtain three bids. In no case shall work be contracted with an entity having a personal or financial connection with a homeowner unless that contractor is the lowest of three bidders.
- **Education** to homeowners on general operations of the association, policies, or other matters, shall be provided at the annual meeting or via newsletters or minutes.
- **Claims:** Homeowners may make claims against association insurance policy as provided in the condominium declarations only if they provide notice in writing at least 15 days beforehand, the item is covered by the association policy, and the homeowner allows inspection of damages by the board.
- **Disputes:** Any dispute between a homeowner and the association must be heard and decided by the board. Other homeowners may be brought in as witnesses. The board's decision shall be final. The board shall endeavor to allow as much discretion to individual homeowners as possible so long as compliance with rules and regulations and policies is ensured. All decisions must be based on ensuring the greatest good for the greatest number of homeowners.
- The association may enter into an agreement with a unit owner's mortgagee to collect assessments.
- **Parking:** Each unit is restricted to two parking spaces. In order to ensure adequate visitor parking and prevent unsightliness, additional vehicles may not be parked anywhere on Highlands Villas property unless another homeowner with an available space allows use of one of their two parking spaces. Parking is not allowed by residents at any time in the visitor area along the fence and wall of building 1, so that this area remains available for use by guests. Skier parking by friends or guests is not allowed in the visitor area along fence and wall of building 1. Homeowners are required to notify the board of any visitor's cars being parked at the Villas for more than one day. Only vehicles fitting within the parking space so neighboring cars are accessible, shall be parked within the project. No vehicle maintenance or repair taking more than one day shall be carried out at any unit or on the common elements. No motor homes, boats, snowmobiles, construction trailers, or similar items shall be parked within the project unless prior approval is obtained from the board for temporary use. Owners of vehicles that are not moved throughout the winter are

responsible for clearing snow and ice around that vehicle. The Association may preclude any vehicle or motorcycle that makes excessive noise.

- Vehicles shall not idle in parking areas while unoccupied, as required by city ordinance.
- No homeowner may give out a list of homeowner names for a purpose unrelated to the homeowners association.
- Sellers of units must furnish to buyers, prior to sale, a current copy of the association governing documents, if not already provided by the Housing Authority, and copies of the most recent financial statement.

Common Areas:

- No person may change, damage, alter, repair or store anything on common areas without written approval of the board, with the exception of picnic tables stored immediately behind the owner's unit. This includes any change to landscaping, and includes antenna, dishes, and similar items.
- Nothing may be stored on back patios other than outdoor lawn furniture including attractive storage units, barbeque grills, flowerpots, and bicycles, and in the one grandfathered unit, firewood. All such items shall be stored in a neat and orderly manner, and no unsightliness shall be permitted on or in any part of the project.
- There is no prohibition against political signs placed inside doorways, windows, or on cars, nor is there a prohibition against flying of American flags from balconies, although duration of window signs and sizes of window signs and flags may be regulated. No other signs or advertising shall be placed on the premises.
- Nothing in these rules may prevent a homeowner from installing solar or wind energy generating devices, although the board may regulate their design in a way that does not preclude their use.
- Trash: All garbage/trash shall be placed in the dumpster provided by the association, and all recycling in recycle containers provided by the association. Any trash, debris, garbage, or large items left on the ground or other common areas may be removed by the association and the Board shall impose a fine in the amount of fifty dollars (\$50.00) per occurrence, assessed against the unit responsible for such trash.
- Maintenance: Individual unit owners are responsible for snow, ice and trash removal from the area immediately in front of their unit, or in the case of unit 16 which has no front area, to remove snow and ice from the adjacent stairs. In the case of snow and ice removal, areas must be kept free and clear of snow and ice in a safe manner and comply with city snow removal standards.

Architectural and Landscape Review:

- The Board sits as the architectural and landscape review committee. No landscape alteration or alteration to a unit visible from the outside or capable of affecting the structure or other units or homeowners is allowed without board approval.
- No work requiring a building, electrical, plumbing or other permit may be performed without first obtaining such permit. Final building department approval is required for all work inside and outside units.
- The Association wishes to approve as many homeowner desired measures as possible consistent with protecting the enjoyment of other homeowners and value of the property. The board will keep records of the reasons for any denials. The association may not make arbitrary decisions about remodel/architectural or landscape proposals, but must use adopted standards and procedures as described below and amended as necessary.
- The board's policy is to approve remodels that use the same colors and materials as existing original materials, with restrictions and conditions including requirements for use of a construction dumpster instead of use of the Villas dumpster, daily cleanup and removal of construction materials, limits on the amount of time allowed to complete construction, and other

conditions approved by the board. Doors, light fixtures, address numbers, and similar items have been approved by the board without requiring original colors or design.

- Except in unusual and unique situations, the board would not approve work extending onto common property. In any case where such were may be allowed; the extension may not interfere with unlimited access by all homeowners to this common property.
- The board's general policy is to approve homeowners' requests to install trees, shrubs or flowers, at their own expense, in an area approved by the board that has not already been planted by others, so long as trees are not planted within 20' of buildings, and plantings do not shade other units or plantings, do not negatively impact other homeowners, and are not high water use plantings. Watering of trees and shrubs is provided for the first years to allow them to become established. Association landscaping is provided through the City of Aspen Arbor Day free tree giveaway, with planting locations determined by the board.
- Homeowners may place and decorate planters, pots, plantings, rocks, bark mulch, and similar items around their units or planted areas without prior approval provided such plantings do not impede access or otherwise impact other homeowners. All such items must be moved to allow snow removal.

Renters Rules:

- Homeowners must obtain written approval from the Board of Directors before signing a lease with renters or agreeing to rent their units, because Highlands Villas is an owner-only-occupied project. The homeowner is required to return to the board a copy of the rules signed by the proposed tenant(s). The Homeowners Association may evict any renters not complying with rules and regulations of the Association, by providing written notice to the owners. Each owner shall be individually responsible to send to the Board a copy of any current lease between that owner and their tenant(s) as well as the tenant(s) phone number and local mailing address, and a copy of the current Rules and Regulations signed by the tenant(s).
- Past due assessments, fees and fines must be paid in full before the board may approve tenants.
- Leases must have a maximum 30-day notice provision, so that if the unit is sold, the tenants know they must move out within 30 days.
- A condition of approval for any owner to rent a unit is that the association recovers any costs it incurs due to renters, from the owner(s) of the unit being rented.
- Renters may not have indoor or outdoor pets. Units may not be rented to tenants with pets.

Pets:

- Indoor-only cats, salamanders, hamsters, or gerbils are allowed with the condition that they not be allowed outside at any time. This applies to owners, and not renters.

I hereby certify that I have read the above rules and agree to abide by the rules of the Highlands Villas Homeowners Association.

Name: _____

Unit # _____ Date: _____