

ESTES SQUARE CONDOMINIUM ASSOCIATION

*c/o Realty One, Inc.
1630 Carr Street, Suite D
Lakewood, CO 80214
303.237.8000
operations@realtyone-co.com*

June 4, 2024

Re: 2024 Monthly Dues Increase and Special Assessment

Dear Estes Square Home Owner,

The Board of Directors has conducted two Board of Director meetings since being elected as members, and are trying to prioritize projects that require addressing, while understanding our Association's financial situation. The most urgent need is replacement of the boiler in Building F, which is long overdue due to age and operating at very low efficiency. Building F boiler replacement requires an investment of almost \$25,000, and we do not have those funds at this time.

At the May 9, 2024 Annual Meeting, Realty One, Inc. did not adequately communicate the gravity of the Association's dire financial situation. This should have been communicated much earlier from the prior Board of Directors.

The Board of Directors has a fiduciary responsibility to the community and therefore, the total amount required by assessments for any fiscal year shall be that amount necessary to cover the costs and expenses of fulfilling the obligations of the Association. (Article VII 7.1 Declarations)

In 2023, the Association's expenses exceeded our income by over \$13,628 (Profit and Loss statement for January through December 2023 is available on your web-page www.realtyone-co.com/estes-square-condo-assoc..html). In addition to the boiler for Building F, and numerous other maintenance and repairs that are overdue. Increased costs in insurance and utilities due to inflation, as well as failure to address the need for a monthly dues increase in the past have brought us to a place where our dues no longer cover our expenses.

Furthermore, Colorado State Laws require a minimum for Reserves, which we do not have. After careful deliberation and discussion, we have voted to implement a Special Assessment to cover the cost of the new boiler. Each unit will be assessed based on that unit's Appurtenant/Undivided Interest (as stated in Exhibit B of our Condominium Declarations).

To remedy this financial shortfall the monthly dues are increasing by 13% beginning July 1, 2024 in order to cover our operating expenses. A full increase of 23% is necessary to meet the minimum reserve requirements to meet Colorado Law. However in order to make this process more gradual; the Board of Directors have voted to increase monthly dues by 13% starting July 1, 2024, and a minimum of 10% starting January 1, 2025. The Board of Directors will reassess in 6 months, an additional dues increase and additional Special Assessment may be forthcoming.

An error in the monthly dues calculation based on the Appurtenant Undivided Interest Table has been corrected and will be implemented with the July 1, 2024 increase.

Below you will find the monthly dues increase and Special Assessment for each unit:

Unit's: 1-4A, 7-10B, 13-16C, 18-19D

14 units at \$388.45 adjusted up \$4.45 from \$384.00
13% monthly dues increase: \$438.95
Special Assessment: \$1,100.00

Unit's: 5-6A, 11-12B, 17C, 20D, 22-23F

8 units at \$227.77 adjusted up \$1.77 from \$226.00
13% monthly dues increase: \$257.38
Special Assessment: \$645.00

Unit: 21F

1 unit at \$275.45 adjusted up \$2.45 from \$273.00
13% monthly dues increase: \$311.26
Special Assessment: \$780.00

Unit's 24-27E

4 units at \$211.00, no adjustment
13% monthly dues increase: \$238.43
Special Assessment: \$597.50

Unit 28G

1 unit at \$448.49 adjusted up .49 from \$448.00
13% monthly dues increase: \$506.79
Special Assessment: \$1,270.00

If you are currently enrolled in EFT with Realty One, Inc. your monthly dues will automatically be adjusted for your dues increase. If you pay via on-line banking, please update you're banking to reflect the new monthly increase. Late fees will apply to all outstanding accounts. No exceptions.

SPECIAL ASSESSMENT PAYMENT OPTIONS:

- Payment in Full no later than July 31, 2024. (5% Discount)

I elect this payment method _____

Withdraw from my current EFT Account with Realty One (circle one) Yes or No

- 3 Month Payment Plan each month, no later than the 16th of each month (July 2024 – September 2024). Divide your total assessment by 3 and that is what you will need to pay each month.

I elect this payment method _____

Withdraw from my current EFT Account with Realty One (circle one) Yes or No

Unit # _____ Signature of Owner: _____

This document must be signed regardless of your payment option and returned to Realty One, Inc.

If you have any question, you can reach us via email at operations@realtyone-co.com or 303.237.8000. Information will also be posted to your web-page for review. www.realtyone-co.com/estes-square-condo-assoc..html

Best Regards,

Realty One, Inc., Managing Agent and
Estes Square Board of Directors

*encl.: 2024 Budget Overview
Profit & Loss January through May 2024
Balance Sheet through May 2024
Article VII 7.1 Declarations
Appurtenant Undivided Interest*

Estes Square Condo Assoc.
Profit & Loss Budget Overview
 January through December 2024

	Jan - Dec 24
Income	
2024 Boiler Special Assessment	25,000.00
Laundry Income	960.00
Monthly Assessment	
Building A	25,551.36
Building B	25,551.36
Building C	22,651.08
Building D	12,775.68
Building E	10,786.32
Building F	9,306.12
Building G	5,698.74
Total Monthly Assessment	112,320.66
Total Income	138,280.66
Expense	
ACH Quarterly Bank Fee	86.00
Annual Filing Fees DORA/State	40.00
Association Management Fees	7,800.00
Boiler Inspection	40.00
Boiler Replacement Bldg. F	25,000.00
Gas & Electric	20,158.50
Insurance Expense	35,100.00
Irrigation System	
Back Flow Annual Test	500.00
Total Irrigation System	500.00
Landscape Contract	1,894.00
Misc. Landscape	1,767.00
Office - Banking Supplies	45.00
Postage and Delivery	126.00
Repairs and Maintenance	4,807.84
Reserve Contribution	11,232.00
Reserve Study	0.00
Sewer/Storm Water	7,143.00
Snow Removal	10,500.00
Tax Preparation	325.00
Trash Removal	5,340.00
Water	6,376.32
Total Expense	138,280.66
Net Income	0.00

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Cash Basis

Estes Square Condo Assoc.
Profit & Loss
January through May 2024

	<u>Jan - May 24</u>
Income	
Interest Income	1.09
Laundry Income	775.00
Monthly Assessment	
Refunds	0.00
Monthly Assessment - Other	44,729.00
Total Monthly Assessment	<u>44,729.00</u>
Total Income	45,505.09
Expense	
ACH Quarterly Bank Fee	13.60
Association Management Fees	3,250.00
Boiler Repairs	
Building A	27.03
Total Boiler Repairs	27.03
Gas & Electric	
Building A	2,226.83
Building B	1,642.62
Building C	1,295.61
Building D	1,232.02
Building F	224.47
Building G	2,228.80
Total Gas & Electric	8,850.35
Insurance Expense	14,281.98
Landscape Contract	1,894.00
NSF Bank Fee	24.00
Office - Banking Supplies	36.49
Reconciliation Discrepancies	1.00
Repairs and Maintenance	572.39
Sewer	
#3175	1,275.42
#3177	562.49
#3179	543.17
Total Sewer	2,381.08
Snow Removal	6,292.00
Tax Preparation	325.00
Trash Removal	2,665.44
Water	
Acct. 2457	783.37
Acct. 2460	421.06
Acct. 2462	906.47
Total Water	<u>2,110.90</u>
Total Expense	42,725.26
Net Income	<u><u>2,779.83</u></u>

Estes Square Condo Assoc.
Balance Sheet
As of May 31, 2024

	<u>May 31, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
Operating/Checking	13,064.74
Reserve Acct./Savings	20,327.70
Total Checking/Savings	<u>33,392.44</u>
Accounts Receivable	
Accounts Receivable	-2,970.00
Total Accounts Receivable	<u>-2,970.00</u>
Total Current Assets	<u>30,422.44</u>
TOTAL ASSETS	<u>30,422.44</u>
LIABILITIES & EQUITY	
Equity	
Opening Balance Equity	14,200.18
Retained Earnings	13,442.43
Net Income	2,779.83
Total Equity	<u>30,422.44</u>
TOTAL LIABILITIES & EQUITY	<u>30,422.44</u>

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EXHIBIT A

TO ESTES SQUARE CONDOMINIUM DECLARATION

Dated April 10, 1978

A parcel of land situated in a portion of Budlong's Resubdivision of Block 2, Wights Subdivision in Section 3, Township 4 South, Range 69 West of the 6th P.M., City of Lakewood, Jefferson County, State of Colorado, more specifically described as follows: Beginning at the Southeast corner of the Northwest quarter of the Northeast quarter of said Section 3; thence N 00°02'32" W, Lakewood Assumed Datum, along the East line of said Northwest quarter of the Northeast quarter, a distance of 201.11 feet; thence S 89°18'23" W, a distance of 30.00 feet, to the Southeast corner of Lot 17 of said Budlong's Resubdivision, the True Point of Beginning; thence S 89°18'23" W; along the South line of Lots 17 and 32 of said Budlong's Resubdivision, a distance of 269.64 feet, to the Southwest corner of said Lot 32; thence continuing S 89°18'23" W a distance of 29.96 feet to the centerline of vacated Budlong Street; thence N 00°02'32" W, along said centerline, a distance of 176.63 feet; thence N 89°18'23" E, along the North line of Lot 38 of said Budlong's Resubdivision, a distance of 140.81 feet; thence N 00°02'32" W, a distance of 39.68 feet; thence N 89°18'23" E, a distance of 23.97 feet; thence S 00°02'32" E, a distance of 14.88 feet; thence N 89°18'23" E, along the North line of Lot 10 of said Budlong's Resubdivision, a distance of 134.82 feet, to the Northeast corner of said Lot 10, thence S 00°02'32" E along a line parallel and 30.00 feet East of the East line of said Northwest quarter of the Northeast quarter, a distance of 201.43 feet, to the True Point of Beginning. Containing 57,213.36 square feet, more or less.

EXHIBIT B

TO ESTES SQUARE CONDOMINIUM DECLARATION

Dated April 10, 1978

<u>Unit Number</u>	<u>Appurtenant Undivided Interest</u>
1A	.0440
2A	.0440
3A	.0440
4A	.0440
5A	.0258
6A	.0258
7B	.0440
8B	.0440
9B	.0440
10B	.0440
11B	.0258
12B	.0258
13C	.0440
14C	.0440
15C	.0440
16C	.0440
17C	.0258
18D	.0440
19D	.0440
20D	.0258
21F	.0312
22F	.0258
23F	.0258
24E	.0239
25E	.0239
26E	.0239
27E	.0239
28G	.0508
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Error in Monthly Dues as calculated from the Appurtenant Undivided Interest Table

Unit	Appurtenant/ Undivided Interest	Payments as they should be per the formula	Payments as they are	difference in monthly dues
1A	0.044	\$388.45	\$384.00	\$4.45
2A	0.044	\$388.45	\$384.00	\$4.45
3A	0.044	\$388.45	\$384.00	\$4.45
4A	0.044	\$388.45	\$384.00	\$4.45
5A	0.0258	\$227.77	\$226.00	\$1.77
6A	0.0258	\$227.77	\$226.00	\$1.77
7B	0.044	\$388.45	\$384.00	\$4.45
8B	0.044	\$388.45	\$384.00	\$4.45
9B	0.044	\$388.45	\$384.00	\$4.45
10B	0.044	\$388.45	\$384.00	\$4.45
11B	0.0258	\$227.77	\$226.00	\$1.77
12B	0.0258	\$227.77	\$226.00	\$1.77
13C	0.044	\$388.45	\$384.00	\$4.45
14C	0.044	\$388.45	\$384.00	\$4.45
15C	0.044	\$388.45	\$384.00	\$4.45
16C	0.044	\$388.45	\$384.00	\$4.45
17C	0.0258	\$227.77	\$226.00	\$1.77
18D	0.044	\$388.45	\$384.00	\$4.45
19D	0.044	\$388.45	\$384.00	\$4.45
20D	0.0258	\$227.77	\$226.00	\$1.77
21F	0.0312	\$275.45	\$273.00	\$2.45
22F	0.0258	\$227.77	\$226.00	\$1.77
23F	0.0258	\$227.77	\$226.00	\$1.77
24E	0.0239	\$211.00	\$211.00	\$0.00
25E	0.0239	\$211.00	\$211.00	\$0.00
26E	0.0239	\$211.00	\$211.00	\$0.00
27E	0.0239	\$211.00	\$211.00	\$0.00
28G	0.0508	\$448.49	\$448.00	\$0.49
	total	\$8,828.45	\$8,749.00	-\$79.45
		Total of yearly undercollections:		\$953.42

after recording this Declaration.

6.5 Association Right to Acquire Additional Property. The Association may acquire and hold for the benefit of all of the condominium unit owners, real, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the condominium unit owners in the same proportions as their respective interests in the general common elements, and such interest therein shall not be transferable except with a conveyance of a condominium unit. 12

ARTICLE VII

Assessments

7.1 Budget Determination and Assessments. The total amount required to be raised for the payment of common expenses shall be determined for each fiscal year of the Association by its Board of Directors. The budget shall be prepared, and the assessment determined at least two months in advance of the beginning of the fiscal year to which applicable.

To determine the total amount required to be raised, the Board of Directors shall prepare the budget for the fiscal year showing, in reasonable detail, the various matters proposed to be covered by the budget, the estimated costs and expenses which shall be payable, and any estimated income and other funds which will be received, and the estimated total amount required to be raised by assessments to cover costs and expenses and to provide a reasonable reserve. The Board of Directors shall furnish a copy of the budget to any owner upon request.

The total amount required to be raised by assessments for any fiscal year shall be that amount necessary to cover the costs and expenses of fulfilling the obligations of the Association made in connection with or contemplated under any previously approved budget. The total amount required to be raised by assessments for any fiscal period less than a full fiscal year shall be the total amount required to be raised for the fiscal year determined as above and multiplied by a fraction, the numerator of which is the number of days in the fiscal period and the denominator of which is the number of days in that fiscal year. Any deficit, occurring or anticipated, shall be the subject of a special assessment.

Except as emergencies may require, the Association shall make no commitment or expenditures in excess of the funds reasonably expected to be available to the Association.

The total amount to be assessed shall be allocated among the condominium units on the basis of each owner's interest in the general common elements as set forth on Exhibit B.

7.2 Time for Payment. One-twelfth of each owner's annual assessment shall be due on the first day of the fiscal year and on the first day of each month thereafter. A monthly assessment installment shall be considered past due on the sixteenth day of the month for which it is due. A late charge of ten percent of the past due payment shall be charged to the owner. In the event a monthly assessment installment has not been received by the Association by the end of the month for which it is due, interest shall accrue on such amount from the first day of such month at the rate of 12 percent per annum.

7.3 Assessment Reserves. Each owner shall be required