RESOLUTION OF
REDCLIFF TWO CONDOMINIUMS OWNERS ASSOCIATION
POLICIES AND PROCEDURES – BUDGET AND ASSESSMENT GUIDELINES

SUBJECT: Adoption of a policy and procedure regarding the structure of the annual budget and allocation of annual and periodic assessments for the RedCliff Two Condominiums Owners Association.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to determine assessment amounts per Unit.

AUTHORITY: The Declaration of the RedCliff Two Condominiums Owners Association, (the "Declaration"), Articles of Incorporation and Bylaws of the Association, any amendments thereto (the "Governing Documents") and Colorado law.

EFFECTIVE DATE: October 29, 2021

RESOLUTION: In order to provide a clear and useful structure for the annual budget, non-budgeted expenses and a procedure for the allocation of assessments, the Association hereby adopts the following policy:

1. Categories. The Association's annual budget shall be comprised of, and annual and periodic assessments shall be calculated based on four categories. The percentage of Allocated Interests is set forth in the Declaration (Exhibit "B") as stated at this time or amended.
    a) Category A - Common Expenses: Not related to Unit size/type; eight (8) Units benefit/fund based on Exhibit "B", Allocated Interest-Category A
    b) Category B - Apportioned Expenses: Related to Unit size; eight (8) Units benefit/fund based on Exhibit "B", Allocated Interest-Category B
    c) Category C – Residential Unit Expenses: Related only to Residential Units; four (4) units benefit/fund based on 25% per Residential Unit as defined in Exhibit "B".
    d) Category D – Commercial Unit Expenses: Related only to Commercial Units; four (4) units benefit/fund based on 25% per Commercial Unit as defined in Exhibit "B".

2. Categorization of Expenses: Beginning with the 2019 fiscal year, and continuing until this Policy is either amended or replaced, the categorization of expenses shall be as follows:

a) Category A – Common Expenses:
   i) Bank Fees
   ii) Insurance
   iii) Licenses & Permits
   iv) Management Fees
   v) Office Supplies & Postage
   vi) Services – Landscaping, Snow Removal, Trash, Window Washing
   vii) Tax Preparation
   viii) Utilities: Electricity-Exterior Lights/Gutter Heaters. Based on 30% of the Common Area Electric bill.
   ix) Utilities: Water-Landscaping. Based on 20% of the Common Area Water bill.

b) Category B – Apportioned Expenses:
   i) Building Repair
   ii) Reserve Funding

c) Category C – Residential Unit Expenses:
   i) Utilities: Electricity-Garage Lights & Door Openers. Based on 10% of the Common Area Electric bill.

d) Category D – Commercial Unit Expenses:
   i) Utilities: Electricity-Unit Heating and A/C. Based on 60% of the Common Area Electric bill.
   ii) Utilities: Natural Gas-Unit Heating & Hot Water. Based on 100% of the Common Area Natural Gas bill.
   iii) Utilities: Water-Unit Water. Based on 80% of the common Area Water bill.

3. Miscellaneous: The following items may be executed by amendment or replacement of this Policy by the Executive Board:

a) Adjust expense categorization between Categories A and B as appropriate.
b) Adjust the percentage split of Common Area Electricity and Water based on usage changes and/or as better information regarding utility usage by type and/or unit(s) becomes available.
c) In the event that Utility (Electricity, Natural Gas, Water) exceed the budgeted amount, additional

funds to cover actual costs shall be apportioned per the guidelines set forth above and collected from each owner.

In the event that Utility (Electricity, Natural Gas, Water) are less than estimated, the surplus funds will be considered part of the overall net profit or loss for the fiscal year.

4. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

5. Supplement to Law. The provision of this Resolution shall be in addition to and in supplement of the terms and provision of the Declaration and the law of the State of Colorado governing the Project.

6. Deviations. The Executive Committee may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

7. Amendments. This Policy may be amended at any time by the Executive Committee.

EXECUTIVE COMMITTEE CERTIFICATION: The undersigned, being the Executive Committee of the Association, certifies that the foregoing Resolution was adopted at a duly called and held meeting of the Executive Committee on October 29, 2021 and in witness thereof, the undersigned has subscribed his/her name.

REDCLIFF TWO CONDOMINIUM OWNERS ASSOCIATION, INC.

By: Tanya Tobikawa

By: Kit Cassingham
Kit Cassingham (Nov 19, 2021 14:30 MST)

By: Shirley Olson

RedCliff Two - Policy - Budget and Assessment Guidelines

Final Audit Report 2021-11-19

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