

CHERRY CREEK ASSOCIATION  
ADMINISTRATIVE RESOLUTION # 1  
ASSESSMENT COLLECTION PROCEDURE

WHEREAS, Article XVIII, Section 18.3 of the Declaration of Covenants and Restrictions creating Cherry Creek provides for a Executive Board which shall manage the business, operation, and affairs of the property; and

WHEREAS, Article XV, Section 15.2.1 of the same Declaration creates the obligation of its Owners to pay assessments and describes the remedies available for the failure to do so; and

WHEREAS, Article XVIII, Section 3.6 (f) of the Cherry Creek Bylaws gives the Executive Board power for the determination, assessment, and collection of delinquent assessments for common expenses; and

WHEREAS, the Cherry Creek Executive Board of Directors wishes to clearly define the procedures it will utilize to collect delinquent assessments;

BE IT THEREFORE RESOLVED that effective June 1, 2004, these procedures will be followed:

1. The annual assessment for Common Expenses shall be divided into twelve (12) equal monthly installments called General and Limited Assessment fees, each rounded to the nearest dollar.
2. Each monthly fee is due by the first day of the appropriate month.
3. Any outstanding balance not received by the fifteenth (15<sup>th</sup>) of the month shall be termed delinquent.
4. On the sixteenth (16<sup>th</sup>) of each month, an automatic delinquent fee of \$25.00 will be assessed to every account with a balance in excess of \$25.
5. Assessments that remain delinquent beyond fifteen (15) days shall bear interest at a rate, not to exceed 15% per annum or such higher interest rate as may hereafter be authorized by the Act.
5. The first time a delinquent balance exceeds \$25.00, one warning letter shall be sent to the Owner from the Executive Board. Included in the mailing will be:
  - a. A copy of the Account History which shows the recent charges and payments.
  - b. A statement reflecting the amount of accelerated fees, if charged.
  - c. An explanation that the owner has twenty-one days to question the records or else it is assumed the debt amount is correct.
  - d. A copy of this resolution.

- e. Information on who the Owner may contact to obtain further information and have questions answered.
  - f. Request for payment in full within ten (10) days.
6. If the balance is not paid within the ten (10) days and no other satisfactory arrangements have been made, the remaining installments for the fiscal year shall become due and payable (accelerated). A letter will be sent notifying the Owner of this action and the amount due including any accrued legal charges. A copy of this letter is sent to the Mortgagee, if possible.
  7. As provided by Declaration, all related charges for collection of any delinquent account shall be the responsibility of the Owner. Included in this are: court and legal costs, late fees, interest, as well as the delinquent Assessment fees. All related bank charges for returned checks will be assessed.
  8. Should the account be brought current and a delinquent balance occurs again during the same fiscal year, the Executive Board reserves the right to accelerate remaining installments without prior notice.
  9. The delinquent Owner, (including family, friends, or tenants) may not use any recreational facilities, have any Association voting privileges, nor run for or serve on the Executive Board (or any of its committees) for as long as the delinquent account remains unpaid.
  10. Legal action on a delinquent account may result in any of the following steps as is required to collect amounts due:
    - a. Enforcing the lien which prohibits resale or remortgaging of the home.
    - b. Sheriff's sale of personal property.
    - c. Foreclosure and sale of the home in a manner similar to a mortgage foreclosure.
  11. The Association may exercise any and all of its rights as permitted by law and its decision is final.

Approved, by unanimous Board vote at its November 19, 2003 meeting.

ATTEST:

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date