

Red Fox Hills Homeowners Association

Collection Policy

(Adopted pursuant to C.R.S. § 38-33.3-209.5 and § 38-33.3-316)

1. Purpose

This Collection Policy ("Policy") is adopted by Red Fox Hills Homeowners Association ("Association") to establish uniform procedures for the billing, collection, and enforcement of assessments and other charges owed by members. The purpose is to ensure compliance with Colorado law, promote fairness, and maintain the financial stability of the Association.

2. Authority

This Policy is adopted in accordance with C.R.S. § 38-33.3-209.5(1)(b)(II) (requiring a written collection policy) and C.R.S. § 38-33.3-316 (governing liens and foreclosures for common interest communities).

3. Definitions

- **Assessment:** Any monetary amount owed to the Association, including regular, special, or supplemental assessments, dues, late fees, interest, fines, legal fees, and costs.
- **Delinquent Account:** An owner's account that has not been paid in full within the timeframe established by this Policy.
- **Board:** The duly elected Board of Directors of the Association.
- **Owner:** Any person or entity obligated to pay assessments under the Association's Declaration.

4. Billing and Due Dates

1. The annual assessment and garbage invoices (twice a year), as determined by RFH HOA, as allowed for in the Declaration, Bylaws, and Rules and Regulations, shall be due and payable on the date of invoice of each year. Assessments, garbage invoices, or other charges not paid in full to RFH HOA within 30 days of the invoice date shall be considered past due and delinquent.
2. Assessments, garbage invoices, or other charges not paid in full to RFH HOA after 30 days of the invoice date shall incur late fees and interest as provided below.
3. The Association may charge a late fee of up to \$25 for past due assessments/invoices or may bear interest from the due date at a rate not to exceed eight percent (8%) per annum. All such fees and interest shall be due and payable immediately, without notice, in the manner provided for payment of assessments.

5. Collection Process

1. **Courtesy Notice:** A written notice shall be mailed to the owner after 30 days past due, identifying the amount owed, applicable late fees, and the right to discuss payment options.
2. **First Formal Notice of Delinquency:** If unpaid after 45 days, a Notice of Delinquency shall be sent by certified and first-class mail stating the total amount due and that a lien may be filed.
3. **Demand Letter / Intent to Lien:** After 45 days, a Demand Letter shall be sent giving 30 days to cure before a lien is filed. Failure to respond permits lien filing.

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6. Recording of Lien

1. Under C.R.S. § 38-33.3-316, the Association has a statutory lien on each property for unpaid assessments.
2. The lien arises automatically and may be recorded with the county clerk after notice.
3. The lien secures payment of assessments, fees, interest, attorney fees, and costs.
4. A recorded lien remains valid until the debt is paid or otherwise satisfied.

7. Payment Plans

1. Upon written request, the Association shall consider a payment plan of up to 6 months to any delinquent owner before pursuing foreclosure.
2. The owner must remain current on all new assessments while under the plan.
3. Default on the plan permits immediate lien enforcement.
4. The Board need not approve multiple payment plans for repeat delinquencies.

8. Engagement of Legal Counsel or Collection Agency

1. The Board may refer a delinquent account to its attorney or a licensed collection agency after 60 days.
2. Upon referral, all owner communication must go through the attorney or agency.
3. All reasonable attorney fees and collection costs are added to the owner's account.

9. Foreclosure of Lien

1. The Association may foreclose on its lien under C.R.S. § 38-33.3-316(2)(b) if:
 - a. The balance is at least \$500 or 6 months delinquent, and
 - b. The Association offered and the owner defaulted on a payment plan.
2. Foreclosure may occur only after a Board vote in executive session, confirmed in open session minutes.
3. The Association may pursue judicial foreclosure consistent with Colorado law.

10. Application of Payments

Payments received shall be applied in the following order:

1. Attorney fees and legal costs;
2. Collection costs and fees;
3. Late fees;
4. Interest;
5. Assessments (oldest to newest).

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11. Waivers

The Board may waive late fees, interest, or costs upon demonstration of hardship or good cause, provided the owner has not been delinquent in the past 12 months. All waivers must be approved by Board resolution.

12. Returned Checks

Returned payments will incur a \$35 fee, and future payments may be required by certified funds.

13. Bankruptcy

If an owner files for bankruptcy, the Association shall notify legal counsel and comply with bankruptcy law.

14. Order of Remedies

The Association may pursue any lawful remedies concurrently or sequentially, including:

1. Late fees and interest;
2. Suspension of voting or amenity privileges;
3. Filing a lien;
4. Legal or collection referral; and
5. Foreclosure.

15. Confidentiality

All collection actions shall remain confidential and disclosed only to the owner, attorney, or as required by law.

16. Recordkeeping

All collection documentation shall be retained in Association records for at least seven (7) years.

17. Effective Date

This Policy shall become effective upon adoption by the Board and remain in force until amended or repealed.

Adopted by the Board of Directors on: JAN 5, 2026

Effective Date: JAN 5, 2026

By: 

Helmuth Naumer, President, Board of Directors
Red Fox Hills Homeowners Association

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Attest: 
Jeff Kagan, Secretary