

Looking Glass Owners Association, Inc.

Policy Regarding the Collection of Unpaid Assessments

The following procedures have been adopted by the Looking Glass Owners Association, Inc. (the "Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors (the "Board").

Purpose: The Board is committed to ensuring that every Assessment is paid to the Association and developing a fair and equitable policy providing that failure to pay in a timely manner shall result in penalties. It is the intent that this policy resolution shall be applicable to all Owners (as that term is defined in the Master Declaration of Covenants, Conditions and Restrictions for Looking Glass Owners Association, Inc. (the "Declaration")) for the payment of any delinquent amounts owing the Association.

NOW, THEREFORE, BE IT RESOLVED THAT the following policies and procedures are established regarding collection of Assessments:

1. Due Dates. The installments of the annual Assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first day of each month. Assessments or other charges not paid in full to the Association within 10 days of the due date shall be considered past due and delinquent and shall incur late fees and interest as provided below.
2. Interest. The Association shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay any Assessment within 10 days of the due date.
3. Late Fees. The Association shall impose a late fee in the amount of \$20.00 for all or any portion of the installment of the annual Assessment is past due and delinquent.
4. Return Check Charges. In addition to any and all charges imposed under the Declaration, a fee in the amount of the greater of (i) \$20.00, or (ii) the amount of the bank fee for a returned check shall be assessed against the Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds.
5. Application of Payments. When payments are received, they shall be applied to the Owner's account in the following order: any annual Assessments or special Assessments due to the Association, accrued interest, attorneys' fees, fines, late charges, any other amounts (other than annual Assessments or special Assessments) due to the Association (in the order listed).
6. Payment Plan. Upon request, and provided that the Owner has not previously entered into a Payment Plan (as defined below) with the Association, a delinquent Owner shall be eligible to enter a payment plan pursuant to which the amount of delinquent annual

Assessments or other charges due to the Association shall be paid in eighteen equal installments due on the first day of each month over a period of eighteen months (the "Payment Plan"). The Association shall make a good faith effort to coordinate with the delinquent Owner to enter into the Payment Plan. Payments made pursuant to the Payment Plan shall be in addition to the installments of the annual Assessments or other charges due to the Association on the first day of each month. If the delinquent Owner (i) declines to enter into a Payment Plan, or (ii) defaults in payment of at least three of the monthly installments under such Payment Plan beyond 15 days, or otherwise does not comply with the terms and conditions of the Payment Plan, including failing to make payment of the annual Assessments installments or other charges due to the Association when due within the 18-month period of the Payment Plan, then the Payment Plan shall automatically terminate and the Association, by a majority vote of the Board in an executive session at a duly called meeting of the Board, shall be entitled to refer the delinquent account to the Association's attorney or other entity for collection, provided that a majority of the Board has voted in an executive session at a duly called meeting of the Board, to do so. A delinquent Owner that does not occupy the Lot and has acquired the Lot through exercise of its rights as a Security Interest Holder shall not be eligible to enter into a Payment Plan with the Association.

7. Collection Process. Failure to pay installments of the annual Assessments or other charges due to the Association when due shall result in the following action:
 - (a) After an installment of an assessment or other charges due to the Association becomes more than thirty (30) days delinquent, the Board or its authorized management company (in such capacity the "Managing Agent") shall first contact the Owner who is delinquent in payment (or to the extent the Owner has previously notified the Association in writing of another person to be the designated contact for the Owner for such purposes, both the Owner and such designated contact), by certified mail, return receipt requested, posting on the Owners Lot, and at least one of the following means, at the Board's discretion: (1) First Class Mail; (2) Text Message to a cell number that the Association has on file for the Owner (if the Owner has provided the cell number to the Association); or (3) Email to the Owner (if the Owner has provided an email address to the Association). If the Owner has previously notified the Association in writing that Owner prefers correspondence in a language other than English, the Association shall send the correspondence in such language and in English. The Association shall maintain records of any such contact.
 - (b) If payment in full is not received within 15 days after the notice described in subsection (a) above, the Association shall before pursuing other remedies, send the Owner (and their designated contact, if any), in English and any language other than English that an Owner has previously notified the Association in writing that Owner prefers for communication, by certified mail, return receipt requested, a notice of delinquency specifying: (i) the amount past due with an accounting of how such amount was determined and notice of the fact that interest and late charges will accrue, and including

whether the amount concerns unpaid assessments, unpaid fines, fees, or charges, or both; (ii) whether the delinquent Owner is eligible to enter into a Payment Plan and instructions for contacting the Association to enter into a Payment Plan; (iii) the name and contact information for the individual the delinquent Owner may contact to request a copy of such Owner's ledger in order to verify the amount of the amount owed; (iv) the action required to cure the delinquency and a warning that failure to take such curative action within 30 days may result in the delinquent Owner's account being turned over to the Association's attorney or other entity for collection, a lawsuit being filed against such Owner, the filing of a foreclosure of a lien against such Owner's property, or other remedies available under Colorado law, and the steps that the Association must take before the Association may take legal action against the Owner; and (v) that the delinquent Owner has the right to a hearing. If a judgment or decree is obtained, including without limitation in a foreclosure action, such judgment or decree shall include reasonable attorneys' fees together with the cost of the action and any applicable interest and late fees.

- (c) After an annual Assessment or other charges due to the Association becomes more than 30 days delinquent and the notice provided in subsection (b) above has been delivered, the Board, by a majority vote in an executive session at a duly called meeting of the Board, may direct the Managing Agent to turn the account over to the Association's attorney or other entity for collection.

8. Certificate of Status of Assessment. On a monthly basis, the Association shall furnish to any Owner who has an outstanding balance owed to the Association, and to any such Owner's designee, by first class mail, and, if the Association has the relevant e-mail address, by e-mail, an itemized list of all assessments, fines, fees, and charges that the Owner owes to the Association. However, if the account has been turned over to the Association's attorney, delivery of such itemized list may be handled through the attorney.

9. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any home within the Association, the Managing Agent shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

10. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Managing Agent, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against the delinquent Owner for a money judgment;

- (b) Instituting a judicial foreclosure action of the Association's lien;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- (d) Filing a court action seeking appointment of a receiver.


All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

Upon referral of any matter to the Association's attorney, the Association shall pay the attorney's usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

11. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a monetary judgment; provided, that the Association may not foreclose any lien to the extent the lien consists only of one or both of the following: (i) fines, or (ii) collections costs or attorney fees that the Association has incurred and that are only associated with assessed fines. The purpose of foreclosing is to obtain payment of all Assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. Notwithstanding anything to the contrary herein, the Association's lien shall not be eligible for foreclosure unless: (i) the balance of the past due and delinquent Assessments secured by the lien equals or exceeds six months of common expense assessments based on a periodic budget adopted by the Association; and (ii) the Board has formally resolved, by a recorded majority vote in an executive session of the Board, to authorize the filing of a legal action against the Lot on an individual basis (the "Legal Action Resolution"). The Legal Action Resolution shall not be delegated by the Board.
12. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current Assessments, reduce past due Assessments and prevent the waste and deterioration of the property.
13. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
14. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Managing Agent nor any member of the Board shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

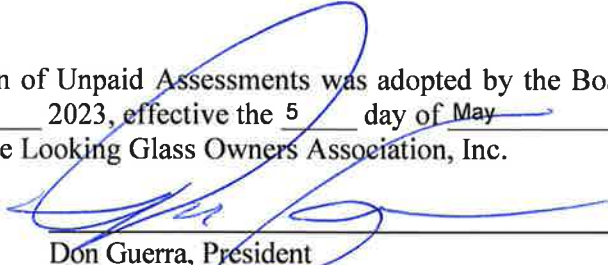
15. Defenses. Failure of the Association to comply with any provision in this policy shall not be deemed a defense to payment of Assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this policy.

Looking Glass Owners Association, Inc.



Don Guerra, President

This Policy Regarding Collection of Unpaid Assessments was adopted by the Board of Directors on the 25 day of April 2023, effective the 5 day of May 2023 and it is attested to by the Secretary of the Looking Glass Owners Association, Inc.



Don Guerra, President