LAKE BALLINGER ESTATES
HOMEOWNERS ASSOCIATION
(“LBE”)

HOUSE RULES EDITION 2026

23401 - 23509 LAKEVIEW DRIVE,
MOUNTLAKE TERRACE
98043

LAKE BALLINGER ESTATES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS

Position	Name
President	Kevin Rasmussen
Vice President	Vacant
Treasurer	Janet Shadle
Secretary	Dave Wilder
At-Large	Jackie C Chang

Life threatening emergencies dial 911

LBE Board Email board@lbehoa.org

BEST After Hours Emergency: 425-553-129

PROPERTY MANAGER

Best Management
Tony Kasunic

Office - 425-553-1297 X112
tony.kasunic@bestpmc.net

MISCELLANEOUS PHONE NUMBERS

Emergency - Police-Fire-Sheriff Police Department	911
Non-Emergency Police MountLake Terrace	425-407-3999
Fire Department	425-670-8260
Mountlake Terrace City Hall	425-776-9694
Swedish Edmonds Hospital	425-640-4000
Northwest Hospital	206-364-0500
Snohomish County PUD (power outage)	425-783-1000
Snohomish County Sheriff	425-388-3393

PROPERTY INSURANCE

Nate Worden 425-404-3485
Alliance Insurance, Inc.
8423 Mukilteo Speedway Suite 201- Mukilteo, WA. 98275

WATER EMERGENCY

In the event of a water leak or flood, turn off the water source if possible. Notify the Office **425-502-5141** at once. After Hours **"911" - (425) 350-1496**

Please email the board with all pertinent info. lbeborad@gmail.com

These House Rules & Directory are for the use of LBE residents and owners only. The information contained in these House Rules & Directory is private and is to be treated as private information

LAKE BALLINGER ESTATES HOMEOWNERS' ASSOCIATION

HOUSE RULES

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1. SCOPE OF HOUSE RULES

To protect the welfare of all owners and to increase everyone's enjoyment of our shared “house”, the following rules have been approved by the Board of Directors.

The Rules shall be binding upon all Owners, Related Parties, Residents and/or Tenants occupying the Owner's unit and all other persons claiming any interest in or using any part of LBE property, and shall revoke, replace, and supersede any previous rules adopted by the Board.

As provided in Article 10 of the Declaration, the Board has the power to adopt Rules to ensure compliance with the general guidelines of the Declaration and to promote the comfortable use and enjoyment of LBE.

The House Rules are intended to supplement the Declaration and Covenants, Conditions, Restrictions and Reservations ("Declaration") For Lake Ballinger Estates. In the event there is a conflict between the Declaration and the House Rules, the Declaration is controlling.

ENFORCEMENT OF HOUSE RULES

Owners, Residents, we need a copy of the key to open in case of emergency. If access is not correct and entry is required, the owner will be responsible for all damage to enter forcibly.

2. EMERGENCY INFORMATION REQUIRED FROM RESIDENTS

Emergency contact numbers, and entry keys for all Owners and Tenants must remain current. Owner information forms are available on the LBE website. All new Owners and Tenants must complete an information form and provide it to the Office or upgrade on LBE Website. Current Owners or Tenants must update once a year. The LBE office requires a copy of your condo key if you change your locks. If you have an Electric Key lock.

3. NOISE CONTROL AND QUIET HOURS

Courtesy is always expected, particularly during typical sleeping hours including weekends. All Owners/Tenants and their guests are expected to comply with the quiet hours.

QUIET HOURS:

10:00 p.m. - 8:00 a.m. Weekdays 10:00 p.m. - 9:00 a.m. Weekends

Owners/Tenants shall not operate vacuum cleaners, washers/dryers, dishwashers, etc. during quiet hours. Televisions and stereos should always be kept at a reasonable volume.

OFFENSIVE ACTIVITY OR NOISE

a. No disruptive or offensive activity or Continuous loud noise shall be tolerated in any unit, parking lot, common or limited common area, nor shall any activity be carried out in these areas which may be, or become, an annoyance or nuisance to other Owners/Tenants.

b. "Excessive Noise" is defined as any loud, harsh, or disagreeable sound/sounds, intense enough to disturb occupants of ANY other unit.

c. Residents shall exercise extreme care towards noisy activities and noise in general particularly in the use of musical instruments, radios, televisions, or amplifiers that may disturb other residents.

d. Also, included in offensive noises are excessive dog barking (see page 12 Pet Rules) and power tools.

e. Do not harass or direct any contractor or vendor working on the property.

f. Do not harass other Owners/Tenants/Residents. If there is a rules violation, it should be reported to the Facility Manager, and the LBE Board in writing or email.

g. If an Owner/Tenant/Resident vandalizes personal or LBE property, it should be reported to the Property Manager, Facility Manager, the LBE Board and the proper authorities as soon as possible.dents, or their guests violating these House Rules will be issued notices of violation. Dependent upon reoccurring incidences and/or the severity of the initial incident, the Board will enforce compliance as defined in this document and the Fine and Due Process Policy. The Board of Lake Ballinger Estates shall have final determination of enforcement practices.

4. THREE TYPES OF AREAS WITHIN OUR COMPLEX

The Declaration and Covenants defines three types of areas within our complex. They are:

(1) Condominium/Unit
(2) Private (Limited Common Area)
(3) Common Area & Utility Closets

PHONE CLOSETS

A-103 & A-102	B-106	C-102
D-102 & D-106	F-103	G-102
H-103 & H-105	I-101 & I-203	J-103 & J-105

Article 11.12 states that:

"Nothing shall be altered or constructed in, or removed from, the Common or Limited Common Areas, except upon the written consent of the Board, and after procedures required herein or by the law."

a. CONDOMINIUM/UNIT

Units must be maintained so that they do not negatively affect the value of any other owner's unit. Owners must maintain appliances including water heaters, dishwashers, and clothes washers and dryers to protect Common Areas or other Units or to preserve the appearance and value of the Unit. Owners are liable for damages to other units, common areas and limited common areas caused by plumbing problems to the extent they are not covered by proceeds from the Association's insurance policy. Owners MUST carry homeowners' insurance covering water damage. Painting, wallpapering, replacing, or improving electrical or plumbing fixtures and like changes within a condominium/unit do not require Board approval. Failure to shut off outside water from inside your storage closet will result in costs to repair to be paid by the owners' failure to do so.
See "7. Remodeling"(page 14) for rules regarding more extensive unit changes.

b. PRIVATE (Limited Common Area)

The Private (Limited Common) areas are for private use by residents. They include patios and balconies, carports, and non-covered numbered parking spaces. These areas may not be used for storage.

Note that with respect to limited common areas, condominium/unit occupants are required to maintain and preserve the limited common areas, but cannot alter them, unless Board approval is obtained. The limited common areas assigned to a condominium/unit are the assigned covered parking space and locker, entryway to the condominium/unit from the edge of the Stairwell to the front door, and the decks and patios, including the storage room. It is a requirement of the Declarations that major conversions from one type to another type require the approval of 75% of all homeowners and 80% of all liability holders. Hopefully, this situation will never arise; however, it emphasizes the need for homeowners to get written approval before considering any changes.

1. Per Declarations Section 11.11: "No obnoxious or offensive activity shall be carried on in any Unit or Common or Limited Common Areas, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners. "

2. Seasonal decorations may be installed on balconies/patios or hung in windows provided such decorations do not violate insurance, fire, or county regulations. Must not be added before 30 days prior to the holiday and removed before 30 days after.

3. Only deck furniture, Electric or Propane barbecues, plants, bicycles, and firewood are allowed on balconies/patios. Bicycles must be clean and in working order, and they should be parked as far back on the balconies/patio as possible. NOTE: AS Insurance Companies often change their rules, Propane BBQ’s may not always be allowed

To assure security of this property, residents or owners shall display their parking pass in the lower driver side back window or guest pass on the mirror. Residents or owners shall notify the LBE Board if they will be away, if other persons will be using their units, or if workmen are to be admitted to the grounds. The LBE Board may refuse admission to anyone until he/she has been satisfied with such a person's legitimate business. Guests' passes are for overnight stays and not intended for long term parking.

BUILDINGS & DECKS

1. To preserve and maintain a uniform exterior appearance, all window coverings in public view, such as draperies, drapery liners, blinds, and shades, **shall be white or off white in** color.

2. No Owner/Tenants may modify or decorate the exterior of LBE buildings, common areas, or limited common areas, without prior written approval of The Board.

3. Decisions regarding the standards/appearance/condition of limited common areas shall be made by the LBE Board of Directors.

4. Storm windows, doors, screens & patio fencing must be uniform with building decor and require written approval of the Board prior to installation. Receive pre-approved types, paint colors etc from Facility Manager. Current fencing, doors, screens etc needs to be removed and comply with house rules.

5. Rugs, dust mops, etc., are not to be shaken out over patio or deck edges or in entrance areas.

6. Throwing objects of any kind from patios or decks is strictly prohibited.

7. Patios are to be neat and attractive. No accumulations of waste items. No rugs, towels, or other items are to be hung over patio railings. Storage of appliances, furniture, and boxes is prohibited. No furniture that is normally intended for interior use may be stored on the patios.

8. Because of the potential for water damage/leakage, the Board cautions against the use of waterbeds in any unit. Owners/Tenants who do have a waterbed are not to drain the water over the patio edge, out a window, or through/over walkways or landings.

9. Throwing cigarette butts from decks or dropping them anywhere on the property is prohibited and subject to fines.

COMMON AREA CLUBHOUSE

Clubhouse Hours: Sunday thru Thursday: 10:00 a.m. to 10:00 p.m.
Friday and Saturday: 10:00 a.m. to 11:00p.m.

NOTE: Noise levels must always be controlled and greatly reduced after 9:00 p.m

1. The Clubhouse is for the exclusive use of all residents. The resident host/hostess is responsible for the conduct of his/her guests and must be always in their Company. The LBE Board has the authority to dismiss anyone being disorderly or to terminate any private party whose guests are not complying with the rules. Smoking is not allowed in the Clubhouse, recreation area or at the pool.

2. Furniture or equipment shall not be removed from the Clubhouse or the decks. Popcorn Machine is for HOA events or if approval is given by the Board.

3. Wet swimwear is not acceptable attire in Clubhouse.

4. Reservation of the Clubhouse for private parties does not include any use of any other facilities in the lower level.

5. Use of the Clubhouse by a resident owner or renter and more than 6 guests will require notification from the LBE Board. Users without such prior notification or reservation may be asked to leave. In any circumstance, the resident will be financially responsible for any cleanup required or damages incurred. Any Owner having more than 6 guests at the Clubhouse will require a reservation, and a refundable deposit.

6. Reservations for private parties may be made by a resident owner or tenant via submitting a service request through our website www.lbehoa.org or Maintainx. A Maintenance Fee and Refundable Damage deposit are required. Room capacity is 74 persons. The responsibility of cleaning up the Clubhouse after using it lies with the user of the Clubhouse. A checklist will be provided for what needs to be done before you leave the Clubhouse. The Facility Manager will determine any damages and report it immediately to the board.

7. Deposits When reserving the Clubhouse for 8 or more people, deposits are required, and it's excluded for use by other owners and renters. If there are 6 guests or less, you can use the Clubhouse and anyone else can still come into the Clubhouse - then it is considered a common area and it is not reserved. The fee is imposed only when you reserve the Clubhouse for your exclusive use. This does NOT include the pool or locker areas. Clubhouse use fees are as follows:

Resident Owners:	$0 Non-refundable Maintenance Fee (for immediate family, gatherings only) $50.00 Refundable/Damage Deposit
Resident Tenant:	$50.00 Non-refundable Maintenance Fee $100.00 Refundable/Damage Deposit
Outside Groups:	$100.00 Non-Refundable Maintenance Fee $100.00 Refundable Damage Deposit

Clubhouse is not available for the 3rd of July. It will be open for all owners to view the fireworks.

8. Parking Guests may use any of the uncovered parking areas. The host is responsible for the orderly parking of his guests. Vehicles improperly parked will be towed away at the vehicle owner's expense. Vehicles parked for more than 24 hrs will require a guest pass. Guest passes are NOT intended for long term parking. All owners/tenants' vehicles must have a numbered LBE pass on the lower driver side back window. Owners are allowed two numbered passes, and a third with written permission from the board if parking is available at the time.

9. The responsible party (host/hostess) is required to observe all Washington State Liquor laws.

10. A resident who uses the Clubhouse in the evening must assure that he/she is the last person to use the facility unless there is another resident present. The last person to depart the premises is responsible for turning off the building heat, turning off the lights (except the table light in the corner that is timer controlled) and making sure that the doors are firmly closed (not propped open) and locked.

11. Guests are not to be in the Clubhouse except when accompanied by a resident. The resident must stay in the same area as his or her guests.

12. Residents have priority to use all recreational equipment. As a courtesy, equipment such as the exercise machines should be passed on to others on a fair and frequent basis if there are no rules that specify a time limit.

13. All residents and guests shall maintain proper decorum when using facilities and shall not engage in any activities that may be offensive to others.

14. Smoking is not allowed in the Clubhouse, decks, exercise room or at the pool.

C. SWIMMING POOL & EXERCISE ROOM

WARNING: THERE IS NO LIFEGUARD ON DUTY, SWIM AT YOUR OWN RISK. THE AMERICAN RED CROSS STRESSES THAT SWIMMERS SHOULD NOT SWIM ALONE. THERE IS AN EMERGENCY 911 PHONE AT THE POOL-SITE.

Hours:

8:00 a.m. to 10:00 p.m. Monday through Friday / 9:00 a.m. to 10:00 p.m. Saturday & Sunday

1. The pool is for the use of residents and their guests. Residents are allowed 4 guests per unit. In consideration of all, music is to be kept at a low level.

2. Acceptable swimwear must always be worn. No cutoffs! For health reasons, infants and toddlers must wear disposable "Little Swimmer's" or similar items.

3. A shower, with soap (provided), is required before using the pool. This is a health code requirement.

4. No pets are allowed.

5. Absolutely no running or horseplay allowed.

6. Only plastic containers are permitted in the pool area. NO GLASS BOTTLES. No littering in the pool area. Individuals are responsible for leaving the area neat and orderly.

7. Smoking is not allowed.

8. No inflatable play equipment is allowed in the pool area. Noodles or a single floating device are acceptable. Child safety flotation devices are encouraged.

9. No persons with communicable diseases or open, wounds are allowed.

10. The pool area is fenced for safety and control. The gate must not be propped open. Owners must use their code to open the gate, and they must not admit anyone they do not recognize or ever share their code. We will be shut down by the Snohomish County Health Department if the pool gate is left open even a jar. If this occurs, not only is this a serious house rule violation, but it will result in a fine for the responsible resident. A good practice is to always pull the gate closed until you hear it latch, making sure it won't just push open.

11. Homeowners, your renters, or guests are responsible for knowing all the rules and any damage to pool furniture, structural damage in the bathrooms beyond normal wear and tear.

You will be liable for costs to repairs Pool or clubhouse privileges may be restricted at the discretion of the Board.

GENERAL RULES FOR COMMON AREAS

1. In the interest of resident safety, homeowners or guests shall not use the Common areas (driveways or walkways) for active sports, games, or other play.
2. Residents or owners shall not install anything in their unit (such as wiring, electrical installations, air conditioning, plumbing, antennas, etc.) that shall protrude or affect the Community (common) areas or in any way alter the building walls or hardy board.
3. Residents shall not attach anything to the outside of the building or make any external changes without prior Board permission.
4. Car washing is allowed only at the station behind H building. Do not dispose of the soapy water in any flowerbeds or around tree trunks as this is harmful to the plants and trees.

ACTIVITIES/SAFETY

1. Fireworks are prohibited on LBE property.
2. Driveways, parking lots, stairways and walkways are to be used for ingress and egress only. Use of bicycles, skateboards, scooters, etc., is prohibited in these areas.
3. No running, jumping, yelling, etc., on walkways or landings.
4. No loitering on LBE property.
5. No climbing in or out of windows, on trees, on/over rockeries, on/under/over fences, or on guardrails of patio's/landings/stairways.
6. Throwing rocks, knives, projectiles, shooting slingshots, arrows or guns, etc. is prohibited.

5. HOMEOWNER IMPROVEMENTS

IMPORTANT: FROM CCRs OF LAKE BALLINGER ESTATES CONDOMINIUM 11.7 Exterior Appearance

In order to preserve a uniform exterior appearance to the buildings and the common and limited common areas visible to the public, the Board may require and provide for the painting and other decorative finishes of the building, and decks or other common or limited common areas, and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of the buildings and decks or other limited common areas undertaken or proposed by any owner. This power of the Board extends to screens, doors, awnings, rails or other visible portions of each condominium/unit and condominium building. The Board may also require use of a uniform color of draperies, under draperies or drapery lining for all condominium/units.

1. GROUND FLOOR FLOWER BEDS: Ground floor flowerbeds immediately in front of the patios will be maintained by our landscape engineer. The plan is to use perennial shrubs which are

durable, attractive and require lower maintenance. Homeowners may plant their own flowers in these areas after obtaining a sign from the Facility Manager; however, they do so at their own expense and the bed must then be maintained by the homeowner.

2. FLOWER BOXES ON ENTRY-WALL OR DECK RAILS: Such additions are permissible with the following stipulations:
    a. secure to prevent any danger to people below,
    b. properly vented at the bottom to eliminate dry rot underneath.
    c. watered very carefully and used in conjunction with drip pans to keep water under control. Do not drip on lower units.

6. MISCELLANEOUS

3. OUTDOOR DROP SHADES: Bamboo or roll-up shades on decks or patios must be plain without printed patterns and must be light to medium brown in color. Shades cannot protrude beyond the perimeter of the original deck or patio.

4. OUTDOOR CARPETS: Outdoor carpet used in entryway or landings shall be plain neutral tones and pre-approved prior to installing. Second and third floor patio carpets must be removable (not glued down).

5. EXTENDED PATIOS AND GLASS ENCLOSED DECKS OR PATIOS: These are acceptable but must be installed to rigid specifications established by the Board of Directors. Plans from a certified building engineer will be required in advance for Board approval.

6. BARBECUES: Propane BBQ's are currently allowed by our insurance carrier. Electric type BBQs are preferred. No Charcoal Grills and no Fire-pits. This CAN change when insurance carriers change.

7. CARPORT FLOOR, WALLS, AND NOT ENTRYWAYS: Carport floors, walls and unit entryways must not be used for storage. They should always be kept clean by the user. Fire regulations do not permit any wood, plastic, or other combustible items in unit entryways or under stairwells. Properly installed plywood overlays above the ceiling joist in the carport are permissible. Materials stored on such platforms must show a neat and clean appearance.

8. 8. STRUCTURAL OR UTILITARIAN CHANGES: Any structural or utilitarian changes to the common areas such as major plantings, sidewalk modification, bricked in pots, picnic or play areas, etc., must be requested in writing and must have written approval of the Board before implementation. Failure to obtain such approval will require the initiating owner to restore the area to its original condition.

9. RAILINGS ON UPPER DECKS AND 1st, 2nd, and 3rd FLOOR DECKS/ PATIOS: No towels, items of clothing, or any other type of material shall be displayed on the decks, patios, or railings on any level. No clotheslines, of any type, shall be allowed on decks/patios on any level.

10. WINDOWS: See "Remodeling" on page 14

11. DSS Systems and or antennas: Written requests by the Owner for a DSS system must be provided to the Board of Directors. The Board requests a copy of the contract outlining installation procedures ensuring compliance with the following restrictions prior to beginning installation. Installers must be licensed, bonded, and insured. Satellite dish must be less than one meter in diameter and is restricted to installation on limited Common property of the Owner requesting dish. No dish shall be placed on any Common Property of LBE. Common Property

1. STORAGE: In addition to the inside of the condominium/unit, the carport locker (and above the ceiling joist in the carports, as elsewhere described), storage is not permitted anywhere else.

2. FIRE DEPARTMENT: Fire Department regulations prohibit storage of flammable items, i.e. wood, plastic, paper or other combustible materials in entryways.

3. SMALL BOATS: Small boats may be suspended from the carport rafters if clean and not unattractive.

4. PET REGULATIONS:
    A. No more than two (2) pets per unit.
    B. Owners are liable for expenses resulting from damage done to a Unit, the Common Areas, and/or the Private (Limited Common Areas) due to the misconduct of a pet. Such expenses can also be specially assessed against an Owner's Unit and are collectable as are other assessments.
    C. Pets are to be always leashed and in the presence of their owners while on LBE property including Common and Private (Limited Common Areas). No pet shall be left unattended and/or off-leash tied, chained or locked outside their Owner's unit.
    D. Animals found roaming (unaccompanied by their Owner) on LBE property may be removed to the Lynnwood PAWS or other appropriate animal control center. If ownership of that animal can be determined, then that unit Owner will be fined, as set forth in the Fine Schedule.
    E. No pet shall be allowed to make excessive noise (continuous howling, barking, scratching doors, etc.) whether the animal's owner is present in the unit or not.
    F. Pet owners are responsible for picking up and properly disposing of their pet feces. Kitty litter and pet feces must be bagged when placed in the garbage container.
    G. To prevent rodent Infestation, pet food is strictly prohibited In Common or Private (Limited Common Areas).
    H. The Board reserves the right to evict any pet that is proven to be unduly disturbing to its neighbors.
    I. Walk dogs 20' away from buildings and patios. Keep pets out of flowerbeds.

5. WATERFOWL AND SEAGULLS: It is illegal by Mountlake Terrace ordinance to feed waterfowl and seagulls. No bird feeders on decks or patios as they attract rodents.

6. OWNERS ABSENCE: For proper security, the LBE Board should be notified of a prolonged absence and whether anyone will occupy the unit during that time or not. Some discretion should be used in the occupation of readily accessible uncovered

parking spaces during an owner's prolonged absence. These more convenient spaces should be left for residents who use their vehicle daily.

7. TRASH DISPOSAL: All garbage should be secured in sacks (preferably plastic). Styrofoam peanuts/popcorn, used for packing and shredded documents should be contained in a plastic or paper bag before depositing in the garbage dumpsters. Residents must flatten all cardboard boxes. The dumpster enclosures hold containers for garbage and recyclables. Food Waste & other compostable products in a special waste bin. - No plastic bags in the compost bin.
   In addition:
   - Breakage of glass, plastic, etc. or spillage of oil, paint, food, or any other materials or litter are to be cleaned up and disposed of by the Party responsible.
   - Dumpsters and the areas around them are not to be used for discarding furniture, mattresses, large appliances, or any other large Items not normally picked up by the refuse company. Owners/Tenants are responsible for removal of these items from LBE Property.
   - Christmas trees are not to be disposed of on LBE property.
   - Hazardous Waste should be dropped off at a hazardous waste site, not put in the dumpster. Items include household cleaners, oil-based paints, thinners, and stains; automotive products; household and vehicle batteries (alkaline batteries ok to put in household garbage); antifreeze; flammable liquids; propane and butane tanks; solvents; thermometers and thermostats that contain mercury; fluorescent tubes and bulbs.

Bulletins are issued periodically describing the use of these containers.

8. TREADMILLS AND BIKES and other equipment that would cause noise to the unit below or next door must have mats underneath to prevent extra noise. They are not to be used after quite hours.

9. EXTERIOR SIGNS ON UNITS:
   A. Signs advertising a unit for /// RENT," "LEASE" or "SALE" cannot be posted on the exterior of the building. A maximum of two signs (no larger than 18" x 24") may be displayed from the inside of the front window or a side window.

10. HOT WATER TANKS - Must be replaced every 10 years Or the expiration life indicated on the heater.

7. REMODELING

EMPLOYMENT OF INDEPENDENT LICENSED CONTRACTOR:

All installations or repairs of any magnitude must conform to the Uniform Building Code and to the Building Code of the City of Mountlake Terrace.

The attic space of all buildings at LBE is COMMON AREA. No homeowner shall direct or allow any contractor, technician, service person or handy person to perform any work in the attic or Common/Private Limited Common Areas of any building without the express written permission of

the LBE Board. Homeowners must submit a written request to the Board in advance of any remodel that must include:

a. A detailed explanation of the work to be performed.
b. The name of the contractor/ technician/handy person and his/her contractor's license number; and
c. A copy of the contractor/technician/handy person's insurance certificate or insurance with additional insured and verification that the insurance policy does not exclude work on condominiums.
d. A copy of the building permit (signed off by inspector) if required by the city of MLT.

Failure to comply with this rule will cause immediate work stoppage and liability will rest with the homeowner for any damages incurred by any person under the employ of the homeowner while performing such services.

A homeowner may request to remodel his/her unit any way that he/she wishes; if it does not involve integration with or alteration of the common or limited common areas or interferes with the structural integrity of the building. However, written Board approval must first be obtained when replacing floor covering, altering interior walls, replacing/installing windows/glass doors, and replacing front doors or screens.

General Home Improvement Rules

1. Contractors and home improvement work with noise must be limited to 8:00am-6:00 pm during the week, 9:00 am-6:00 pm on weekends and holidays so as not to disturb residents.

2. Any waste from home improvement projects must be disposed of off-site either by the contractor performing the work or by the homeowner and cannot be disposed of in any Lake Ballinger Estates dumpster.

Interior Wall Alterations

Notify the Facilities committee with the plans for the interior wall alteration. The alteration must be approved by the Board in writing prior to any remodeling work to ensure that the proposed wall alteration is following the City of Mountlake Terrace Building Code and with the rules of the Lake Ballinger Estates Homeowners Association.

1. If it is not a load-bearing wall, the remodel can proceed.

2. If it is a load-bearing wall, a structural engineer must be engaged, at the homeowner's expense, to determine the action required to preserve the structural integrity of the building. Upon receipt of the recommendation from the structural engineer, the request will be forwarded to the Facilities committee and Board for final approval.

Guidelines for Replacing/Installing Windows

New windows were installed when the siding was replaced in 2015-16. These are the uniform windows. Replacements must match the currently installed Milgard windows.

Entry Doors

1. When replacing an entry door, the new door must be approved by the board.

2. The door should have a deadbolt lock that can be disengaged from the inside without a key.

3. The colors are determined by the exterior paint colors. The owner should contact the Facilities Manager for the currently approved color numbers. Sherman Williams has our colors on file

Screen/Storm Doors

Owners intending to add a screen or storm door to their condo shall choose a color to blend with the building exterior

Outdoor Decor

Outdoor decor includes any non-plant items that are displayed outdoors. They can include small cement items, decorations, ceramic items, etc. The primary guideline is that the items are not excessive, overbearing, controversial or offensive to other residents. Nothing is to be placed on any walkways.

Hardie Board Siding

Nothing can be nailed or screwed into the Hardie Board Exterior. Damage to the Hardie Board will need to be covered at the homeowners' expense. This will be inspected by the Facilities Manager and a Board member.

8. VEHICLES, DRIVING AND PARKING

1. You are expected to OBSERVE the 10-mph speed limit.

2. Head-in parking only in the carports. Any vehicles backed into parking stalls are subject to a fine and towing after an initial warning.

3. No vehicle repairs including oil or coolant changes are permitted. Petroleum leaks must be contained and repaired. Please contact the Facility Manager and the LBE Board with questions.

4. Each unit is assigned one covered parking stall and is allowed one uncovered unassigned space. Request for additional parking space by resident owners must be submitted in writing for Board consideration and possible approval. Residents should have a numbered vinyl sticker on the back left window. Stickers are issued and tracked by the Facility Manager. Guests passes are not intended for long term parking.

5. For identification purposes, please leave your unit number on the dashboard of guest vehicles parked for over 48 hours. Also, guest passes are available to be hung from the rear-view mirror. If your guest is staying for more than 2 days, please notify the office. Passes are issued by the Facility Manager.

6. Electric Cars – LBE currently does not have the infrastructure to accommodate “charging” of electric a cars. Plugging into carport outlets is not allowed. Running an extension cord from your unit to charge your car is a hazard and not allowed.

7. Commercial vehicles, required for a homeowner's livelihood, may be allowed with prior Board approval.

RVs and boats on trailers must be parked in the designated area next to the shop behind the J Building. There will be a monthly $25 parking fee due to the limited space available. (Effective 2022). Each resident RV/ boat owner must submit a written request for an assigned spot to the LBE Board. The Facility Manager maintains an occupancy and waiting list for RV's and boats. Resident owners and renters may park an RV or boat overnight for loading or unloading with permission from the Facility Manager. LBE is not responsible for any damage or loss to parked RVs or boats in any area.

8. Notices of violation will be issued in connection with vehicles:
    A. Improperly parked.
    B. Inoperative over a period of 72 hours; or
    C. Unsightly and a nuisance in the judgment of the Board.
    D. Without parking pass or guest pass
    E. Not currently licensed, registered.

If corrective action is not taken within a reasonable period of time, the vehicle will be removed by a towing company and held in their lot. All related costs will be the responsibility of the vehicle owner.

9. To facilitate administering these rules, residents are required to provide the LBE Board with vehicle description and license plate numbers for vehicles which they or their guests park in covered and uncovered parking spaces for 48 hours or longer. Information may be emailed to board@lbehoa.net or dropped in locked box by office door

10. Car washing is limited to residents washing only their own cars in the designated car washing area located behind H Building

CONDITION OF VEHICLE(S)

1. Vehicles that leak fluids will be subject to fines.
1. The use of sand, kitty litter, cardboard, towels, or other absorbent material in place of repair is prohibited.
2. Excessively noisy vehicles may be cited.
3. Inoperable vehicles are prohibited and subject to fines and towing.
4. ALL vehicles must be currently licensed, registered and operational.

MOTORCYCLES AND OTHER VEHICLES

1. A car or truck parked with a motorcycle property per Rules & Regulations constitutes one vehicle.
2. Registered motorcycles may only be parked sideways at the front of the resident's reserved stall.

3. Parking any type of trailer, fifth wheel, boat, motor home, or truck larger than a pickup is prohibited unless in the RV parking area, and by permission of the board.

9. COMMUNICATIONS

1. Website - www.lbehoa.net

2. Email - Board@lbehoa.net or any board member's first name @lbehoa.net

3. LBE Newsletter, a periodic publication which contains a message from the President, summary of the board meeting minutes, and current concerns.

4. A locked box is located outside the LBE Board office. Residents and owners may use this method of communicating with the Board. Email is preferred and faster response times.

5. The bulletin boards are for the exclusive use of association activities. Residents are allowed to place notices on the bulletin boards for seven (7) days after receiving board approval. The notices must be dated and removed after 7 days.

6. Residents are encouraged to attend Board meetings. Meetings will run per Roberts Rules of Order. Times are to be announced in advance of each meeting. Time is allotted at each meeting for homeowner concerns and comments. In order to run a timely meeting, it is asked that owners email any questions in advance of seven days to the board@lbehoa.net to be answered at the meeting.

7. Letters from the homeowners are read and considered by the Board. The Property Manager advises the homeowners in writing on the Board's decisions.

8. The Annual meeting is held in January or February. Time to be announced.

9. Message boards: This is not intended for owner's complaints or dissatisfaction with the community, neighbors, staff or Board members. Use is a privilege and will be suspended if abused. Please communicate any dissatisfaction via email to board@lbehoa.net.

10. Facilities Committee: facilities@lbehoa.net, Facility Manager: Jake@lbehoa.net, 'board members first name'@lbehoa.net, Website bulletin board: www.lbehoa.net

LBE Homeowners Association uses a facilities committee to direct the staff for the maintenance and security of our complex.

1. The Facility Manager will provide all new residents with a copy of the LBE House Rules and Directory.
2. The Facilities Committee services relate to the proper maintenance of the Common areas and assistance with communications between the owners and/or tenants, the Board, and the Facility Manager. The duties of the Facilities Committee do not include performing work within a condominium/unit or limited to Common areas unless there is an emergency. The Committee

is available for consultation with respect to matters owners and/or residents feel is the responsibility of LBE, or on electrical, plumbing, and similar matters which connect to, and may be affected by, common areas.

(1) If the homeowner believes that the nature of the problem is properly an LBE responsibility, a letter should be written to the Board describing the project and requesting correction.

(2) If the problem does not prove to be an LBE concern, then the homeowner must employ a licensed independent contractor.

3. The primary duty is the LBE staff is the care of the Clubhouse, swimming pool, exercise area and other common areas. He/ she is responsible to the Board and receives direction from the Board of Directors, and more specifically from the Board President or Vice President.
4. While the Board of Directors retains responsibility for enforcing the general rules, the Staff has the authority from the Board to enforce the rules when immediate action is required, i.e., enforcement of rules for the pool and Common areas, trespassing, etc.

11. MONTHLY HOMEOWNER FEES

The Declaration of our Association, Section 12, and Washington statute RCW 64.90.525, define the method to be followed in budgeting common expenses and in establishing the maintenance fee for each unit. The Declaration and statute place the responsibility for the budget process with the Board of Directors, followed by ratification by the owners.

In summary, fees are established as follows:

1. The Board adopts a budget for the following year at the annual meeting of each year.

2. The budget must include an operating account (routine expenses) and a reserve account (savings for insurance and projected major maintenance.)

3. The monthly homeowner fee for each condominium is determined by the percentage of interest assigned to that condominium by the Declaration (Schedule C).

4. Monthly homeowner fees include regular monthly assessments and special assessments if approved by the Board and ratified by the owners.

Monthly homeowner fees are due on the 1st day of each month. They are payable by the 10th of the month without penalty. This fee goes toward maintaining the Community (Common) areas, paying for water, sewer, garbage pick-up, recycling, and funding the reserve account.

Condominium owners may sign up for direct payment of homeowner fees by contacting the property manager.

12. LEASE AND RENTAL OF UNIT BY OWNER

The limit to the number of rentals allowed at Lake Ballinger Estates is 25 units. Please contact the board

to see if there are any openings.

The Declaration permits the owner to rent or lease his/her condominium/unit. All such Arrangements should be confirmed in writing on the form titled "Request for Board Approval to Lease Unit". These forms are available from the Property Manager or the Facility Manager. The Rental agreement requires the renter to receive and accept the provisions of the [111]House Rules." An acknowledgement form will need to be signed by the Renter that they accept and understand the House Rules and turned into the Facility Manager. The original executed Rental Agreement and subsequent renewals must be filed with the Facility Manager. If not completed the owner is responsible for any violations of the tenants.
Subsequent Violations/Rental Violations
If an Owner rents or leases a unit in violation of Article 11.2 of the Declaration, the unit and the owner will be subject to a monthly fine of $875. The Board may also enforce the leasing provisions of the Declaration by pursuing legal action against the owner, as determined by the Board in its discretion.
LBE may only assess the fine of $875/month after providing the owner with notice of the violation and an opportunity to be heard.

1. If the fine is not paid with the regular monthly assessments, it will be dealt with in the same manner as delinquent assessments and will be subject to all the collection remedies detailed in the governing documents.
2. Owners receiving warning notices may respond in writing to the LBE Property Manager. The Board will consider the responses and justifications of the offending Owner before taking subsequent action.

13. SELLING YOUR UNIT

Owners shall notify the Facility Manager and the Board if their unit is for sale and when it is sold so that we can update our data. The Board needs to be aware that real estate agents may be on the premises.

Owner/Tenant move-in fee- $150. Assessed to Owner and due with monthly Homeowners' dues following the initial Owner or Tenant occupancy (non-refundable).

Preparation of a Condo Resale Certificate- $250. Payable to the Property Management Company.

Non-sufficient or returned check- $100.

Items to Give to New Owner/Resident

1. All condo keys and/or fobs, including the mailbox and personal storage lockers.
2. Lake Ballinger Estates Homeowners' Association House Rules.
3. All appliance user manuals and any other pertinent information regarding your unit.
4. If locks are changed, please give a copy of the entry door key to or code to the current Board President or put it into the locked drop box next to office door. This is for emergency use such as a medical emergency or fire.
5. RETURN YOUR PARKING AND GUESTS PASSES.

Signage

1. Marketing signs are limited to For Sale at the unit and small arrow signs directing possible buyers to the unit.

2. Small 1 sandwich" board signs may be displayed temporarily on Open House days.
3. A maximum of two For Sale signs (no larger than 18" x 24”) may be displayed from the inside of the front window or a side window. Two small arrow signs to direct potential buyers to the unit.

Open Houses

1. Prior to any Open House, the realtor should notify the LBE Board with the date and times.

ADDENDUM A -

LAKE BALLINGER ESTATES OWNERS' ASSOCIATION
FINE AND DUE PROCESS POLICY

This policy is intended to address enforcement of the governing documents by the Board of Directors. It does not apply to disputes between owners or other situations that do not constitute violations of the governing documents.

Owners may use the service request MaintainX to report violations within the community and the Board will use its discretion to investigate and determine whether a violation has occurred. If the Board determines that a violation has not occurred, the Association will not continue to be involved in the dispute and this policy will not apply.

A. Responsibility of Owners

All Owners are fully responsible for compliance with the governing documents by their animals, guests, tenants, invitees, residents, or other occupants of their Unit. Except to the extent covered by insurance, Owners are responsible for Common Expenses and damage to property caused by them or their animals, guests, tenants, invitees, or other occupants of their Units.

B. Violation Complaints

Since many individuals are not aware that their actions are in violation of the governing documents or a concern to their neighbors, residents are encouraged to first contact the parties involved to request resolution of the violation prior to submitting a written complaint.

All violation complaints must be submitted in writing (email accepted) to the board of directors board@lbehoa.net and shall include the specifics of the violation (date, time, persons involved, location or Unit, etc.) and the identification and Unit number of the complainant.

Tenants should also contact the Owner of their Unit regarding their complaint.

C. Board Determination Regarding Enforcement Action.

The Board will review complaints or problems brought to their attention by the Facility Manager or Owners. The Board may determine whether to take enforcement action by exercising the Association's power to impose fines or commence action to resolve any violation of the

governing documents. The Board has the sole discretion to determine whether to compromise any claim made by or against the Association.

The Board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

1. The Association's legal position does not justify taking any or further enforcement action.

2. The covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with law;
3. Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or
4. It is not in the Association's best interests to pursue an enforcement action.

The Board's decision to not pursue enforcement under one set of circumstances does not prevent the Board from taking enforcement action under another set of circumstances, but the Board may not be arbitrary or capricious in taking enforcement action.

D. Fines

1. An Owner may be assessed a fine for a violation of the Association's governing documents. The fines shall be assessed against the Unit and collected as delinquent Assessments if not paid by the due date.

2. Any violation by an Owner, or the animals, guests, tenants, invitees, or other occupants of a Unit shall be treated as a violation by the Owner and any fine or Common Expense resulting from that violation shall be assessed against the Unit.

3. Failure of the Association to act on any violation shall not constitute a waiver on the part of the Association to act on such violation or future similar violations as the Board deems appropriate.

4. To regulate the number of violations, the Board has instituted the following process and fine schedule for repeat or unresolved violations. Except as otherwise provided in the governing documents, the following actions will be taken in the event of a violation:

Warning Notice: A violation warning notice will be sent to the Owner except as otherwise noted in this policy. The violation warning notice will state the nature of the violation, the required measures to be taken by the Owner to resolve the violation, and the date by which the measures must be completed to avoid a fine (if applicable). The violation warning notice will also advise the Owner of their opportunity to contest the violation.

Second or Ongoing Violations: If the Owner does not resolve or contest the violation by the deadline given in the initial violation warning notice or if the violation is repeated, a fine of up to $100.00 may be assessed against the Unit and a second violation notice shall be mailed to the Owner advising of the amount of the fine and the Owner's opportunity to contest the violation. The notice will again state the required measures to be taken by the Owner to resolve the violation and the date by which the measures must be completed to avoid additional fines.

Third or Ongoing Violations: If the Owner does not resolve or contest the violation by the deadline given in the second violation notice or if the violation is repeated, a fine of up to $150.00 may be assessed against the Unit.

Subsequent and Ongoing Violations: Repeat and unresolved violations are subject to additional fines of up to $250.00 per occurrence or in daily increments, and legal action against the Owner, all of which will be determined by the Board in its sole discretion.

5. If a fine is not paid with the next regular monthly Assessment after the fine is assessed, it will be treated as a delinquent Assessment and will be subject to all of the collection remedies detailed in the governing documents and a monthly $75.00 late fee.
6. Owners who receive violation notices may respond in writing to the Board or Association manager. The Board will consider the responses and justifications of the Owner before taking subsequent action.

E. Fine Schedule

Violation	Action or Fine Amount
Notice of Violation	Warning
1st Violation	Up to $100.00
2nd or Ongoing Violation	Up to $150.00
Subsequent or Ongoing Violation	Up to $250.00
Rental Restriction Noncompliance	Up to $875.00/month

F. Due Process/Appeal Procedure

In accordance with RCW 64.34.304(1)(k) and Declaration Section 16.2, the following procedures allow members of the Association and the Board to review issues and evidence of a contested violation or proposed enforcement action:

1. All Owners have the right to be "heard" before a panel of their peers ("Hearing Panel") if the Owner contests the violation or proposed enforcement action.
2. To obtain a hearing, the Owners shall request a hearing from the Board, in writing, within ten (10) days of the initial notice of violation.
3. The Board or Association manager will respond to the hearing request within thirty (30) days following receipt of the written request. Once the hearing is scheduled, if any party desires to reschedule the hearing, the Board and the other party shall be provided with notice and at least three alternate dates, at least ten (10) days prior to the scheduled date of the hearing. A hearing may only be rescheduled once.

4. The Hearing Panel will consist of three (3) Owners, one of whom shall be a Board Member and the other two may be Board Members. The Board shall determine who is on the Hearing Panel. None of the Hearing Panel members shall be a party to the complaint. The hearing participants will consist of:

    a. The Hearing Panel members;
    b. The party bringing the complaint;
    c. The party requesting the hearing (who shall be an Owner);
    d. Witnesses, if not included in above; and
    e. Any other Owner who has an interest or concern related to the complaint.

5. The hearing will be informal with a Hearing Panel member acting as chair. All sides will present evidence, witnesses and testimony regarding the validity, non validity or other issues relevant to the complaint. The time allowed for such evidence, witnesses and testimony may be limited by the Hearing Panel. Minutes of the hearing will be kept by the Hearing Panel or person designated by the Hearing Panel. All evidence presented at the hearing shall become the properly of the Association.

6. If a hearing is requested and any of the parties fail to appear at the hearing, the Hearing Panel will base its findings on information presented at the hearing.

7. Within five (5) working days of the hearing, the Hearing Panel shall prepare written findings and recommendations to Board (if the Hearing Panel is comprised of members other than Board members). At the next regular Board meeting, or special meeting called for that purpose, the Board will consider the findings and recommendations and accept, reject, or modify the recommendations or take other appropriate action.

8. Notice of the Board's determination shall be provided to the parties.

9. Any party has a right to appeal the Hearing Panel finding and recommendations by submitting a written request to the Board within ten (10) days of the notice *of* the findings and recommendations; except that no new hearing shall be held in the event the party requesting the appeal failed to appear at the original hearing.

10. The Board may decline to hold the second hearing if it determines that there is no pertinent new information to be considered.

11. In the event a dispute cannot be resolved via the Hearing Board, the parties will follow dispute resolution process outlined in Article 16.

12. Nothing contained herein shall prevent the Association from taking any action to recover the cost of damages or to seek injunctive relief, or both. In the event the Association commences a lawsuit or undertakes other legal action, it shall be entitled to reasonable attorneys' fees, expenses, and costs incurred for such action if it is the substantially prevailing party.

Lake Ballinger Estates Owners' Association.

By: Steve Ruppert President

By: Kevin Black Secretary

ADDENDUM B -

LAKE BALLINGER ESTATES OWNERS' ASSOCIATION
COLLECTION POLICY

Prompt payment of assessments by all Owners is critical to the financial health of the Association and to the preservation and enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligations under the Association's governing documents and Washington State law to enforce the members' obligations to pay assessments. The policies and practices in this Collection Policy shall remain in effect until the Board adopts an updated Collection Policy.

Please be advised that nonpayment of assessments may lead to a lawsuit to foreclose on the Association's lien against an Owner's Unit. The homestead exemption under Chapter 6.13 of the Revised Code of Washington will not apply in an action to foreclose on an Association lien.

1. **Payment of Assessments**. Monthly and special assessments, late fees, interest charges, and collection costs, including attorneys' fees and management fees, are the personal obligation of the Owner of the Unit at the time the assessment or other charge is due. It is the Owner's responsibility to pay each assessment in full regardless of whether a payment statement or payment coupon is received. An Owner may not withhold assessments owed to the Association or claim offset on the alleged grounds that the Owner is entitled to recover money or damages from the Association for some other obligation.

2. **Association Lien.** Delinquent amounts automatically create a lien against the Unit even before a written lien is recorded. The Association has the right to record a lien against the Unit whenever the Owner's account is past due, and nothing in this Collection Policy shall limit or otherwise affect the Association's right to record a lien against the Unit to protect and provide public notice of the Association's interest in the Unit.

3. **First Late Fee & Delinquency Notice**. Monthly assessments are assessed against each Unit on the first (1st) of each month and become due and payable immediately. All other assessments, including special assessments, are due on the date specified by the Board. An account becomes delinquent when a monthly assessment is not paid in full by the tenth (10th) of the month and when a special assessment is not paid by its due date. A delinquent account will incur a late fee in the amount of $75.00 on the date the account becomes delinquent. The President, Treasurer, or Manager is authorized and directed to charge a late fee against any delinquent account on the date the account becomes delinquent. The President, Treasurer, or Manager is further directed to send a notice by First Class Mail once the account becomes delinquent, informing the Unit Owner of the status of that Owner's account, the late charge, and the steps the Association will take if the Owner does not immediately pay the full amount due.

4. **Second Late Fee & Delinquency Notice**. If a Unit Owner's account remains delinquent, the President, Treasurer, or Manager is directed to charge another $75.00 late fee on the tenth (10th) of the second month. The President, Treasurer, or Manager is also directed to send the Unit Owner a second notice of delinquency by Certified Mail advising the Unit Owner that: if the account is not paid in full in ten (10) days, it will be turned over to the Association's attorney for collection; a lien will be recorded against the Unit; and the Unit Owner will be liable for all fees and costs associated with collecting on a delinquent account.

5. **Ongoing Late Fees, Interest, and Other Charges**. Every account with an outstanding balance shall be subject to a monthly late fee of $75.00. Interest at the rate of twelve percent (12%) per annum shall be collected on all outstanding balances, including but not limited to late charges and legal fees. Interest charges will be assessed from the original due date after the outstanding balance becomes due and will be assessed each month until the account is brought current. Non-sufficient fund (NSF) payments will incur a fee of $100.00. The Association may also assess any fees associated with the collection of the delinquent account charged by its management company. The Board retains the authority to waive this requirement in whole or n part.

6. **Referral to Association Attorney.** If an account remains delinquent for ten (10) days after the second written notice, the Board may refer the account to the Association's attorney. Additionally, the Board may consult with the Association's attorney at any time when: the Unit Owner has filed for bankruptcy or is the subject of a petition for relief under the bankruptcy code; a lender has started a foreclosure action against the Unit; or any other legal action has commenced against the Unit. Once an account has been referred to the Association's attorney for collection, the President, Treasurer, or Manager is directed to cease sending delinquency notices and account statements to the Owner and is directed to send any such notices to the Association's attorney.

7. **Assessment of Attorneys' Fees and Collection Costs.** All attorneys' fees and costs incurred in the collection of past due assessments, including but not limited to any fees paid to the Association's Manager as a result of the delinquency, shall be assessed against the Owner's delinquent account and shall be collectible as an assessment.

8. **Payment Plans** & **Communication with Owners.** Once an account is placed with the Association's attorney for collection, all communication regarding the Owner's delinquent account should be handled through the attorney. If an Owner requests an accounting from the Association or its Manager, the Owner should be referred to the Association's attorney. If the Association or its manager provide the Owner with an account ledger or balance due while the Owner's account is being handled by the Association's attorney, the Association shall not be bound by any such statement. The

Owner may not rely on a statement of account from any source other than the Association's attorney so long as the attorney is handling the delinquency.

9. Any revisions of the amounts demanded of the Unit Owner or any payment plans proposed by the Owner should be handled through or immediately communicated to the attorney. The Board will consider payment plan requests on a case-by-case basis and with the advice of the Association's attorney. The Board is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien against the Unit.

10. **Foreclosure.** Declaration Sections 12.22 and 12.23 provide that if an Owner fails to respond to the Association's attorney's attempts to collect from the Owner, the Board may foreclose on the Association's lien. The Owner could lose ownership of the property if a foreclosure is completed and will be responsible for significant additional attorneys' fees and costs if a foreclosure is started against the Owner's property.

11. **Security Deposit.** Declaration Section 12.21provides that the Association may assess a security deposit of up to three (3) months' assessments on delinquent accounts.

12. **Acceleration of Assessments.** Declaration Section 12.14 provides that if an account is more than thirty (30) days delinquent, the Association may, upon fifteen (15) days' notice, require acceleration of twelve months' of assessments.

13. **Appointing a Receiver.** Declaration Section 12.24 provides that if a foreclosure action has been initiated, the Association may request that the Court appoint a receiver to take possession of a property that is not occupied by the Owner. The receiver has the authority to refurbish and rent out the property on behalf of the Association.

14. **Rent Intercept.** Declaration Section 12.29 provides that if a Unit is rented by its Owner, the Board may collect, and the tenant or lessee shall pay to the Association, so much of the rent for such Unit as is required to pay any amounts due the Association, plus interest and costs.

15. **Application of Payments Received.** All payments received may be applied to the oldest amounts due first, as is the Association's standard practice. At the Board's discretion, payments may be applied differently if such application is in the Association's best interest. All payments collected from Owners during the collection process shall be made out to the Association and mailed or delivered to the attorney's office so that the attorney can keep accurate, up-to-date records of the remaining amounts due. If the President, Treasurer, or Manager receives payment from an Owner after the file has been referred to the Association's attorney, the President, Treasurer, or Manager is directed to provide a copy of the payment to the attorney before depositing

it in the Association's account. Payments should only be deposited after the Association's attorney has approved it. The President, Treasurer, or Manager is directed to send an updated account ledger for the accounts in collection to the Association's attorney once a month for the duration of the collection action.

16. **Waiver & Additional Collection Action.** Nothing in this Collection Policy limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent amounts owed to the Association. Specifically, the Association retains the right to refer a delinquent account to the Association's attorney at any time. The Association's failure (or the failure of any agent of the Association) to comply with any provision of this policy shall not be viewed as a waiver of the Association's right to proceed to collect delinquent assessments in any lawful manner.

Lake Ballinger Estates Owners' Association.