

DARSIE HOMES CONDOMINIUM PUBLIC OFFERING STATEMENT

DATE: _____, 2025

RIGHT TO CANCEL

YOU ARE ENTITLED TO RECEIVE A COPY OF THIS PUBLIC OFFERING STATEMENT AND ALL MATERIAL AMENDMENTS TO THIS PUBLIC OFFERING STATEMENT BEFORE CONVEYANCE OF YOUR UNIT. UNDER RCW 64.90.635, YOU HAVE THE RIGHT TO CANCEL YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT WITHIN SEVEN DAYS AFTER FIRST RECEIVING THIS PUBLIC OFFERING STATEMENT. IF THIS PUBLIC OFFERING STATEMENT IS FIRST PROVIDED TO YOU MORE THAN SEVEN DAYS BEFORE YOU SIGN YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT, YOU HAVE NO RIGHT TO CANCEL YOUR CONTRACT. IF THIS PUBLIC OFFERING STATEMENT IS FIRST PROVIDED TO YOU SEVEN DAYS OR LESS BEFORE YOU SIGN YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT, YOU HAVE THE RIGHT TO CANCEL, BEFORE CONVEYANCE OF THE UNIT, THE EXECUTED CONTRACT BY DELIVERING, NO LATER THAN THE SEVENTH DAY AFTER FIRST RECEIVING THIS PUBLIC OFFERING STATEMENT, A NOTICE OF CANCELLATION PURSUANT TO THIS NOTICE. IF THIS PUBLIC OFFERING STATEMENT IS FIRST PROVIDED TO YOU LESS THAN SEVEN DAYS BEFORE THE CLOSING DATE FOR THE CONVEYANCE OF YOUR UNIT, YOU MAY, BEFORE CONVEYANCE OF YOUR UNIT TO YOU, EXTEND THE CLOSING DATE TO A DATE NOT MORE THAN SEVEN DAYS AFTER YOU FIRST RECEIVED THIS PUBLIC OFFERING STATEMENT, SO THAT YOU MAY HAVE SEVEN DAYS TO CANCEL YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT.

YOU HAVE NO RIGHT TO CANCEL YOUR CONTRACT UPON RECEIPT OF AN AMENDMENT TO THIS PUBLIC OFFERING STATEMENT; HOWEVER, THIS DOES NOT ELIMINATE ANY RIGHT TO RESCIND YOUR CONTRACT, DUE TO THE DISCLOSURE OF THE INFORMATION IN THE AMENDMENT, THAT IS OTHERWISE AVAILABLE TO YOU UNDER GENERALLY APPLICABLE CONTRACT LAW.

IF YOU ELECT TO CANCEL YOUR CONTRACT PURSUANT TO THIS NOTICE, YOU MAY DO SO BY HAND-DELIVERING NOTICE OF CANCELLATION, OR BY MAILING NOTICE OF CANCELLATION BY PREPAID UNITED STATES MAIL, TO THE SELLER AT THE ADDRESS SET FORTH IN THIS PUBLIC OFFERING STATEMENT OR AT THE ADDRESS OF THE SELLER'S REGISTERED AGENT FOR SERVICE OF PROCESS. THE DATE OF SUCH NOTICE IS THE DATE OF RECEIPT, IF HAND-DELIVERED, OR THE DATE OF DEPOSIT IN THE UNITED STATES MAIL, IF MAILED. CANCELLATION IS WITHOUT PENALTY, AND ALL PAYMENTS MADE TO THE SELLER BY YOU BEFORE CANCELLATION MUST BE REFUNDED PROMPTLY.

OTHER DOCUMENTS CREATING BINDING LEGAL OBLIGATIONS

THIS PUBLIC OFFERING STATEMENT IS A SUMMARY OF SOME OF THE SIGNIFICANT ASPECTS OF PURCHASING A UNIT IN THIS COMMON INTEREST COMMUNITY. THE GOVERNING DOCUMENTS AND THE PURCHASE AGREEMENT ARE COMPLEX, CONTAIN OTHER IMPORTANT INFORMATION, AND CREATE BINDING LEGAL OBLIGATIONS. YOU SHOULD CONSIDER SEEKING THE ASSISTANCE OF LEGAL COUNSEL.

OTHER REPRESENTATIONS

YOU MAY NOT RELY ON ANY STATEMENT, PROMISE, MODEL, DEPICTION, OR DESCRIPTION UNLESS IT IS (1) CONTAINED IN THE PUBLIC OFFERING STATEMENT DELIVERED TO YOU OR (2) MADE IN WRITING SIGNED BY THE DECLARANT OR DEALER OR THE DECLARANT'S OR DEALER'S AGENT IDENTIFIED IN THE PUBLIC OFFERING STATEMENT. A STATEMENT OF OPINION, OR A COMMENDATION OF THE REAL ESTATE, ITS QUALITY, OR ITS VALUE, DOES NOT CREATE A WARRANTY, AND A STATEMENT, PROMISE, MODEL, DEPICTION, OR DESCRIPTION DOES NOT CREATE A WARRANTY IF IT DISCLOSES THAT IT IS ONLY PROPOSED, IS NOT REPRESENTATIVE, OR IS SUBJECT TO CHANGE.

MODEL UNIT

THE MODEL UNIT IS INTENDED TO PROVIDE YOU WITH A GENERAL IDEA OF WHAT A FINISHED UNIT MIGHT LOOK LIKE. UNITS BEING OFFERED FOR SALE MAY VARY FROM THE MODEL UNIT. YOU ARE ADVISED TO OBTAIN SPECIFIC INFORMATION ABOUT THE UNIT YOU ARE CONSIDERING PURCHASING.

RESERVE STUDY

THE ASSOCIATION DOES NOT HAVE A CURRENT RESERVE STUDY. ANY RESERVE STUDY SHOULD BE REVIEWED CAREFULLY. IT MAY NOT INCLUDE ALL RESERVE COMPONENTS THAT WILL REQUIRE MAJOR MAINTENANCE, REPAIR, OR REPLACEMENT IN FUTURE YEARS, AND MAY NOT INCLUDE REGULAR CONTRIBUTIONS TO A RESERVE ACCOUNT FOR THE COST OF SUCH MAINTENANCE, REPAIR, OR REPLACEMENT. YOU MAY ENCOUNTER CERTAIN RISKS, INCLUDING BEING REQUIRED TO PAY AS A SPECIAL ASSESSMENT YOUR SHARE OF EXPENSES FOR THE COST OF MAJOR MAINTENANCE, REPAIR, OR REPLACEMENT OF A RESERVE COMPONENT, AS A RESULT OF THE FAILURE TO: (1) HAVE A CURRENT RESERVE STUDY OR FULLY FUNDED RESERVES, (2) INCLUDE A COMPONENT IN A RESERVE STUDY, OR (3) PROVIDE ANY OR SUFFICIENT CONTRIBUTIONS TO A RESERVE ACCOUNT FOR A COMPONENT.

DEPOSITS AND PAYMENTS

ONLY EARNEST MONEY AND RESERVATION DEPOSITS ARE REQUIRED TO BE PLACED IN AN ESCROW OR TRUST ACCOUNT. ANY OTHER PAYMENTS YOU MAKE TO THE SELLER OF A UNIT ARE AT RISK AND MAY BE LOST IF THE SELLER DEFAULTS.

CONSTRUCTION DEFECT CLAIMS

RCW CH. 64.50 CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FORTY-FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

ASSOCIATION INSURANCE

THE EXTENT TO WHICH ASSOCIATION INSURANCE PROVIDES COVERAGE FOR THE BENEFIT OF UNIT OWNERS (INCLUDING FURNISHINGS, FIXTURES, AND EQUIPMENT IN A UNIT) IS DETERMINED BY THE PROVISIONS OF THE DECLARATION AND THE ASSOCIATION'S INSURANCE POLICY, WHICH MAY BE MODIFIED FROM TIME TO TIME. YOU AND YOUR PERSONAL INSURANCE AGENT SHOULD READ THE DECLARATION AND THE ASSOCIATION'S POLICY PRIOR TO CLOSING TO DETERMINE WHAT INSURANCE IS REQUIRED OF THE ASSOCIATION AND UNIT OWNERS, UNIT OWNERS' RIGHTS AND DUTIES, WHAT IS AND IS NOT COVERED BY THE ASSOCIATION'S POLICY, AND WHAT ADDITIONAL INSURANCE YOU SHOULD OBTAIN.

QUALIFIED WARRANTY

YOUR UNIT IS NOT COVERED BY A QUALIFIED WARRANTY UNDER RCW CH. 64.35.

GOVERNING DOCUMENTS

THIS UNIT IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION, BYLAWS, RULES, AND OTHER WRITTEN INSTRUMENTS GRANTING AUTHORITY TO THE ASSOCIATION AS ADOPTED (THE "GOVERNING DOCUMENTS"). THE PURCHASER OF THIS UNIT WILL BE REQUIRED TO BE A MEMBER OF THE ASSOCIATION AND WILL BE SUBJECT TO THE GOVERNING DOCUMENTS. THE GOVERNING DOCUMENTS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE UNIT, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS TO THE ASSOCIATION WHICH MAY INCLUDE REGULAR AND SPECIAL ASSESSMENTS, FINES, FEES, INTEREST, LATE CHARGES, AND COSTS OF COLLECTION, INCLUDING REASONABLE ATTORNEYS' FEES. THE ASSOCIATION HAS A STATUTORY LIEN ON EACH INDIVIDUAL UNIT FOR ANY UNPAID ASSESSMENT FROM THE TIME IT IS DUE. FAILURE TO PAY ASSESSMENTS COULD RESULT IN THE FILING OF A LIEN ON THE UNIT AND LOSS OF THE UNIT THROUGH FORECLOSURE. THE GOVERNING DOCUMENTS MAY PROHIBIT OWNERS FROM MAKING CHANGES TO THE UNIT WITHOUT REVIEW AND THE APPROVAL OF THE ASSOCIATION, AND MAY ALSO IMPOSE RESTRICTIONS ON THE USE OF UNIT, DISPLAY OF SIGNS, CERTAIN BEHAVIORS, AND OTHER ITEMS. PURCHASERS OF THIS UNIT SHOULD CAREFULLY REVIEW THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION, THE CURRENT STATE OF THE ASSOCIATION'S FINANCES, THE CURRENT RESERVE STUDY, IF ANY, THE GOVERNING DOCUMENTS, AND THE OTHER INFORMATION AVAILABLE IN THE RESALE CERTIFICATE. THE GOVERNING DOCUMENTS CONTAIN IMPORTANT INFORMATION AND CREATE BINDING LEGAL OBLIGATIONS. YOU SHOULD CONSIDER SEEKING THE ASSISTANCE OF LEGAL COUNSEL

SPECIFIC INFORMATION

A) NAME AND ADDRESS OF THE DECLARANT:

Homestead Community Land Trust
412 Maynard Ave S, Unit 201
Seattle, WA 98104

No listing or selling broker or brokerage firm is an agent of the Homestead for purposes of the Other Representations paragraph on Page 2.

B) NAME AND ADDRESS OF THE MANAGEMENT COMPANY OF THE COMMON INTEREST COMMUNITY, IF ANY:

Homestead has not designated the management company or any person affiliated with the management company as its agent for purposes of the Other Representations paragraph on Page 2. However, Homestead intends to assist with community management.

C) RELATIONSHIP OF THE MANAGEMENT COMPANY TO THE DECLARANT, IF ANY:

None

D) NAME AND ADDRESS OF THE COMMON INTEREST COMMUNITY

Darsie Homes, a Condominium, 9634 28th Ave NW, Seattle, WA 98117

E) NATURE OF THE COMMON INTEREST COMMUNITY:

The community is a condominium community as defined in the Washington Uniform Common Interest Ownership Act.

F) FIVE MOST RECENT COMMON INTEREST COMMUNITIES COMPLETED BY THE DECLARANT OR AN AFFILIATE OF THE DECLARANT WITHIN THE PAST FIVE YEARS:

The Southard, 13843 32nd Lane S, Tukwila, WA 98168

Columbia 26
5006 Renton Ave S
Seattle, WA 98118

Village Gardens
1314 - 1340 Yakima Ave. S
2954-2958 S Irving Street
Seattle, WA 98144

G) NATURE OF THE INTEREST BEING OFFERED FOR SALE:

For all of the Units, the interest offered for sale is a 99-year, renewable leasehold in a condominium unit pursuant to a "Ground Lease" between you and Homestead Community Land Trust, a Washington nonprofit corporation ("Homestead"). At the time of closing, Homestead will enter into the Ground Lease with you. During the term of the Ground Lease, you will own the condominium unit residence.

H) GENERAL DESCRIPTION OF THE COMMON INTEREST COMMUNITY:

The community contains two condominium units.

I) STATUS OF CONSTRUCTION OF THE UNITS AND COMMON ELEMENTS:

Construction for the condominium is began in September 2024 and is estimated to be completed by June 2025.

J) NUMBER OF EXISTING UNITS IN THE COMMUNITY:

There are zero existing units in the community. However, there is an existing structure that will serve as one of the units.

K) BRIEF DESCRIPTION OF PRINCIPAL COMMON AMENITIES IN THE COMMUNITY, AND THOSE THAT WILL BE OR MAY BE ADDED TO THE COMMUNITY:

Shared walkways, fencing, and certain utilities that are subject to easements. There are no Common Elements in the community.

L) LIMITED COMMON ELEMENTS THAT MAY BE ALLOCATED TO THE UNITS OFFERED FOR SALE:

None.

M) RIGHTS OF NON-OWNERS TO USE ANY OF THE COMMON ELEMENTS:

None.

N) REAL PROPERTY NOT IN THE COMMUNITY THAT UNIT OWNERS HAVE A RIGHT TO USE:

None.

O) SERVICES PROVIDED OR EXPENSES PAID BY THE DECLARANT THAT ARE NOT IN THE COMMUNITY BUDGET BUT THAT MAY BECOME A COMMON EXPENSE:

None.

P) ESTIMATED ASSESSMENT OR PAYMENT, IF ANY, WHICH MUST BE PAID AT CLOSING:

The first buyer of each unit must pay to the association a non-refundable contribution to the working capital of the association in an amount equal to two months of estimated monthly Assessments. In addition, if assessments have commenced, the buyer must pay a pro-rata share of the monthly assessment, if any, for the month of closing.

Q) BRIEF DESCRIPTION OF LIENS OR ENCUMBRANCES ON THE COMMON ELEMENTS THAT WILL NOT BE DISCHARGED AT CLOSING:

None.

R) BRIEF DESCRIPTION OF EXPRESS CONSTRUCTION WARRANTIES TO BE PROVIDED TO THE BUYER:

Homestead will not provide a Home Builder's Limited Warranty, unless a Home Builder's Limited Warranty is provided under the Buyer's purchase and sale agreement with Homestead.

S) AVAILABILITY OF QUALIFIED WARRANTY:

RCW ch. 64.35 was enacted in April of 2004. Under that chapter, Homestead (as declarant) is not liable for construction defects if it provides the owners and association with a "Qualified Warranty". Neither the units nor common elements are covered by a qualified warranty as described in RCW 64.35.210.

T) MULTI-UNIT RESIDENTIAL BUILDING ENCLOSURE DESIGN AND INSPECTION:

The community contains two buildings that are not subject to RCW ch. 64.55 because the buildings do not fall within the scope of "Multiunit residential building" as defined in RCW ch. 64.50.010(6).

U) UNSATISFIED JUDGMENTS OR PENDING SUITS AGAINST THE ASSOCIATION; PENDING SUITS MATERIAL TO THE COMMUNITY KNOWN TO THE DECLARANT

None.

- V) LITIGATION BROUGHT BY AN OWNERS ASSOCIATION, UNIT OWNER OR GOVERNMENTAL ENTITY AGAINST THE DECLARANT OR ANY AFFILIATE ARISING OUT OF THE CONSTRUCTION, SALE OR ADMINISTRATION OF ANY COMMON INTEREST COMMUNITY WITHIN THE PREVIOUS FIVE YEARS:

None.

- W) BRIEF DESCRIPTION OF RESTRICTIONS ON USE OR OCCUPANCY OF UNITS; RENTAL OF UNITS; RIGHTS OF FIRST REFUSAL; RESALE RESTRICTIONS:

Use or Occupancy. The governing documents restrict the use of the units to residential purposes, including home business use. Units may not be rented for transient uses, or for hotel, motel, vacation rental or other similar uses. This includes any rentals made on vrbo.com, airbnb.com and other similar vacation rental websites.

Rental or Leasing. The governing documents prohibit leasing of all units.

Resale Price. The governing documents do not establish any restrictions on the resale price of a unit or the amount that may be received by a unit owner upon sale. However, the Ground Lease limits the resale price and limits the universe of potential buyers.

- X) INSURANCE COVERAGE PROVIDED FOR THE BENEFIT OF OWNERS:

In accordance with RCW 64.90.470, the Association will maintain, to the extent reasonably available and subject to reasonable deductibles:

- Property insurance on the Common Elements and the Units
- Commercial general liability insurance;
- Fidelity insurance; and
- Any other insurance required under the Declaration.

There are only two Units in this Condominium and there are no Common Elements, so the costs to maintain the above-described insurance would be unreasonably onerous. **Therefore, the Association will not obtain or maintain such insurance for the Condominium, until such time as the Association determines such insurance should be obtained and maintained by the Association.**

Because the Condominium is an airspace condominium with no Common Elements and no Limited Common Elements, each CLT Member Owner will obtain and maintain property insurance on their own Unit, including their Home, any other Structure within the Unit or the furnishings, fixtures or equipment in the Home.

- Y) CURRENT OR EXPECTED FEES FOR THE USE OF ANY COMMON ELEMENTS OR FACILITIES, OR TO ANY OTHER ASSOCIATION, WHICH ARE NOT INCLUDED IN THE COMMON EXPENSES:

None.

- Z) BONDS OR THIRD PARTY ASSURANCES THAT THE IMPROVEMENTS WILL BE BUILT:

Homestead has not obtained any bonds or other third party assurances for the completion of the improvements.

AA) COOPERATIVE: AVAILABILITY OF TAX PASS-THROUGH:

N/A. The community is not a cooperative.

BB) COOPERATIVE: EFFECT OF ASSOCIATION'S FAILURE TO PAY TAXES OR SECURED DEBT:

N/A. The community is not a cooperative.

CC) LEASEHOLD COMMUNITY: INFORMATION ABOUT MASTER LEASE:

N/A. The community is not a leasehold common interest community.

DD) RESERVE STUDY:

It is important for any condominium to save for future repairs and replacement of major condominium components. Because the Condominium contains no Common Elements and no Limited Common Elements, and the Association does not have, and does not anticipate having, significant assets, the Association does not have a current reserve study.

EE) COST SHARING ARRANGEMENTS WITH OTHER ASSOCIATIONS OR OWNERS:

None.

FF) ESTIMATED CURRENT COMMON EXPENSE LIABILITY FOR THE UNITS BEING OFFERED FOR SALE:

The expected initial monthly assessment for each unit is set forth in the proposed budget for the community, which is attached hereto as Exhibit E. Since the association is not responsible for maintaining units, the proposed budget does not include costs of maintaining your unit. The proposed budget is for 2025, which is expected to be the association's first full year of operation after completion of the buildings. The proposed budget was prepared by Homestead. The actual expenses of operating and maintaining the community may differ from the budgeted expenses. The estimated assessment for each unit is shown on the attached budget.

GG) ASSESSMENTS, FEES OR CHARGES KNOWN TO THE DECLARANT THAT MAY CONSTITUTE A LIEN IN FAVOR OF A GOVERNMENTAL AGENCY AGAINST A UNIT OR THE COMMON ELEMENTS IF NOT PAID:

None.

HH) PORTIONS OF THE COMMUNITY (OTHER THAN UNITS) THAT AN OWNER MUST MAINTAIN:

None. Each owner is responsible for maintaining its unit and all improvements.

II) TIMESHARING:

Timesharing of units is prohibited.

JJ) SPECIAL DECLARANT RIGHTS; TERMINATION DATES; POTENTIAL CHANGES OF ALLOCATED INTERESTS ARISING FROM EXERCISE:

Homestead (as declarant) has reserved the following special declarant rights relating to the community:

1. the right to complete any improvements indicated on the map or described in the Declaration or this public offering statement;

2. the right to maintain sales offices, management offices, advertising signs and models in units it owns or in the common elements and to remove them when no longer needed;
3. the right to use easements through the common elements for the purpose of making improvements in the community or within real estate that may be added to the community;
4. the right to appoint or remove officers and directors or to veto actions of the board or association;
5. the right to control construction, design review or aesthetic committees or processes; and
6. the right to attend meetings of the unit owners and the board.

Homestead (as declarant) has reserved development rights relating to the community for the potential addition of another unit or units, as further described in the declaration.

Unless otherwise required by law, all special declarant rights terminate five years after the declaration is recorded.

KK) LIENS ON REAL ESTATE TO BE CONVEYED TO THE ASSOCIATION:

None.

LL) PHYSICAL HAZARDS KNOWN TO THE DECLARANT THAT ARE NOT READILY ASCERTAINABLE BY THE BUYER:

None.

MM) BUILDING CODE VIOLATION CITATIONS KNOWN TO THE DECLARANT THAT HAVE NOT BEEN CORRECTED:

None.

NN) INFORMATION RELATING TO CONVERSION CONDOMINIUM BUILDINGS:

N/A. The community is not a conversion condominium.

OO) MULTI-UNIT RESIDENTIAL BUILDINGS OVER FIVE YEARS OLD:

N/A. The building will be new construction.

PP) AGE RELATED OCCUPANCY RESTRICTIONS:

N/A. The community is not age-restricted.

QQ) ADDITIONAL INFORMATION OF INTEREST:

Illustrations. The renderings, depictions and illustrations are not to scale and may not show the location or dimensions of the boundaries, ceiling heights, closet size, electrical outlet locations, views of surrounding buildings, or the actual appliances, equipment, fixtures, finishes, colors and landscaping to be installed in the units or the exterior of the building. The displays of finish materials and color boards are for illustrative purposes only. Buyer should not rely on renderings, depictions or illustrations as a precise depiction of the units, building or community.

Homestead's Tie-Breaking Vote. To the extent that the Board cannot unanimously vote on a matter, Homestead will serve as the tie-breaking vote on such matters. See Section 15.3 of the Declaration and Section 4.1 of the Bylaws.

RR) Sale of Unit After Termination of Condominium.

If the Condominium is terminated under RCW 64.90.290, then the Unit may be sold without consent of all the Owners, except as required by applicable law or a separately recorded agreement or restriction, including the ground lease.

SS) THE FOLLOWING DOCUMENTS ARE A PART OF THIS PUBLIC OFFERING STATEMENT:

Exhibit	Document
Exhibit A	Declaration
Exhibit B	Community Maps
Exhibit C	Association Articles of Incorporation
Exhibit D	Association Bylaws
Exhibit E	Association Budget
Exhibit F	Reserve Study
Exhibit G	Some Things You Should Know About Community Land Trusts and Common Interest Communities

**EXHIBIT A
TO
PUBLIC OFFERING STATEMENT

DRAFT DECLARATION**

When Recorded, Return to:

HOMESTEAD COMMUNITY LAND TRUST

Attention: Kathleen Hosfeld
412 Maynard Ave S, Unit 201
Seattle, WA 98104

**CONDOMINIUM DECLARATION
FOR
DARSIE HOMES, A CONDOMINIUM**

Grantor:	HOMESTEAD COMMUNITY LAND TRUST
Grantee:	DARSIE HOMES, A CONDOMINIUM
Legal Description (abbreviated):	LOTS 4-5, BLK 2, GOLDEN VIEW DIV. NO. 2 AN ADD TO THE CITY OF SEATTLE, VOL. 29, PG. 22
<input checked="" type="checkbox"/> Additional on:	SCHEDULE A
Assessor's Tax Parcel ID #s:	281860-0050-04
Reference Nos. of Documents Released or Assigned:	(Map)

THE MAP WAS RECORDED WITH THE RECORDER OF KING COUNTY,
WASHINGTON, CONTEMPORANEOUSLY WITH THE RECORDING OF THIS
DECLARATION UNDER REC. NO. _____, IN VOLUME ____ OF
CONDOMINIUMS, PAGES ____ THROUGH ____.

Examined and approved this _____ day of _____, 20__.

King County Assessor

By: _____ By: _____
ASSESSOR DEPUTY ASSESSOR

**This Condominium is subject to the Washington Uniform Common
Interest Ownership Act, codified at Ch. 64.90 RCW, as it may be from
time to time amended.**

DECLARATION EXPLANATION

This document is a condominium declaration under a law called WUCIOA: the Washington Uniform Common Interest Ownership Act. A condominium is a type of common interest community where a piece of property is divided into smaller units for separate ownership. Parts of the larger piece of property may also be set aside for owners to use in common. A condominium declaration is legally required by WUCIOA. The declaration helps accomplish division of the property for separate ownership, and it also helps owners manage the property they commonly own together. The declaration provides the “rules of the road” for owners of units in the condominium and for the homeowner’s association that will manage commonly owned property. It is necessarily lengthy: it contemplates everything from how day-to-day expenses will be shared to how improvements will be repaired if they’re destroyed by fire or other casualty (something we hope will not happen).

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Schedule B - Unit Data and Allocated Interests

**CONDOMINIUM DECLARATION
FOR
DARSIE HOMES, A CONDOMINIUM**

THIS CONDOMINIUM DECLARATION is dated as of the date set forth on the signature page below, and is made by Homestead Community Land Trust, a Washington nonprofit corporation (“*Homestead*”).

RECITALS

- A.** Homestead is the sole owner of the Property located in King County, Washington, legally described in **SCHEDULE A**.
- B.** Homestead recorded a Map of Darsie Homes, a Condominium, at the same time it recorded this Declaration.
- C.** Darsie Homes, a Condominium, has 2 Units. The Units are known as “airspace condominium units,” which means their boundaries are like boxes of air—they are defined by planes in space.
- D.** By recording this Declaration and the Map, Homestead is submitting the Property, along with all improved appurtenances attached to the Property, to the provisions of the Washington Uniform Common Interest Ownership Act, as it may be amended.

**ARTICLE 1.
DEFINITIONS**

1.1. Words Defined. For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.

1.1.1. “Allocated Interests” means the allocation of Common Expense Liability, Voting Interests, and undivided interest in Common Elements for each of the Units in the Condominium as set forth in Section 6.4 and as listed in **SCHEDULE B**. The Allocated Interest sets forth the financial responsibility and voting authority for matters impacting the Condominium.

1.1.2. “Articles” means the Articles of incorporation for the Association. The Articles formally create the Association.

1.1.3. “Assessments” means all sums chargeable by the Association against a Unit, including (a) general and special Assessments for Common Expenses and any Specially Allocated Expenses; (b) fines or fees levied or imposed by the Association; (c) interest and late charges on any delinquent account; and (d) costs of collection,

including reasonable attorneys' fees, incurred by the Association collecting a delinquent Owner's account. The Assessments are usually paid by the Owners on a monthly basis, and you may hear them referred to as "dues."

1.1.4. "Association" means the Darsie Homes Homeowners Association, a Washington nonprofit corporation. There is more information about the Association in Article 12. The Association is a nonprofit corporation that is governed by the Owners and has control over those Common Elements of the Condominium that are generally located outside of the Units.

1.1.5. "Board" means the board of directors of the Association. There is more about the Board ARTICLE 14. The Board votes on important Association matters and is elected by the Owners.

1.1.6. "Building Envelope" means, with respect to each Unit, the portions of the Unit on which the Home is originally constructed within that Unit, as shown on the Map (the "**Home Footprint**"), plus certain additional portions of the Unit located outside of and adjacent to the Home Footprint, if any, also as shown and designated on the Map. As further described in ARTICLE 9 subject to certain limited exceptions and conditions, installation or construction of improvements by an Owner outside of a Unit is generally prohibited.

1.1.7. "Bylaws" means the bylaws of the Association as they may be amended. The Bylaws set the rules and procedure for the Association and Board.

1.1.8. "CLT" means a community land trust that separates ownership of the land from ownership of the home as generally described in Section 2.2. Homestead is a CLT.

1.1.9. "CLT Lease" means a community land trust ground lease between Homestead as lessor and the CLT Member Owner as lessee as generally described in Section 2.2.

1.1.10. "CLT Member Owner" means the owner of the Home on the Unit and the lessee of the Unit from Homestead pursuant to a CLT Lease.

1.1.11. "Common Elements" means all portions of the Condominium other than the Units and any other interests in real estate for the benefit of any Unit Owners that are subject to the Declaration. Common Elements are the parts of the Condominium owned by the Owners in common. Common Elements may be further designated as Limited Common Elements if they benefit a specific Unit and Unit Owner.

1.1.12. "Common Expense Liability" means the liability for Common Expenses allocated to each Unit in proportion to its Allocated Interest.

1.1.13. “Common Expenses” means expenditures made by or financial liabilities of the Association made in accordance with the terms of this Declaration, including allocations to reserves.

1.1.14. “Condominium” means Darsie Homes, a Condominium, created under the Declaration and the Map.

1.1.15. “Conveyance” means any transfer of the ownership of a Unit, including a transfer by deed, by real estate contract, or by CLT Lease, but does not include the creation, transfer, or release of a security interest.

1.1.16. “Declaration” means this Condominium Declaration for Darsie Homes, a Condominium, as it may from time to time be amended.

1.1.17. “Development Rights” means any right, if expressly reserved by Homestead in this Declaration to: (a) add real property or improvements to the Condominium; (b) create Units, Common Elements or Limited Common Elements within the Condominium; (c) subdivide Units or convert Units into Common Elements; (d) withdraw real property from the Condominium; or (e) reallocate Limited Common Elements with respect to Units that have not been conveyed by Homestead.

1.1.18. “Eligible Mortgagee” means any Mortgagee that has filed with the Secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

1.1.19. “FHLMC” means the Federal Home Loan Mortgage Corporation.

1.1.20. “FNMA” means the Federal National Mortgage Association.

1.1.21. “Foreclosure” means a statutory forfeiture or judicial or nonjudicial foreclosure of a Mortgage or a deed in lieu of foreclosure.

1.1.22. “Governing Documents” means the Articles, Bylaws, Declaration, Map, rules, or other written instruments, as each may be amended, by which the Association makes decisions related to Condominium.

1.1.23. “Home” means the improvements located or to be located within a Unit. Each Home is designed and intended for use and occupancy as a single-family residence.

1.1.24. “Homestead” means Homestead Community Land Trust, a Washington nonprofit corporation, and its successors and assigns. Homestead is a community land trust aimed at addressing the ongoing need for permanently affordable housing in the communities in which it works. Homestead is the “declarant” under WUCIOA. Homestead is also an Owner: Homestead is the owner of the underlying fee

interest in the Unit and the lessor of the Unit to the CLT Member Owner pursuant to a CLT Lease.

1.1.25. “Homestead Control” means the right of Homestead or persons designated by Homestead to appoint and remove officers and members of the Board, or to veto or approve a proposed action of the Board or Association, pursuant to Section 13.1.

1.1.26. “HUD” means the Department of Housing and Urban Development.

1.1.27. “Identifying Number” means the number, symbol, or designation on the Map and as listed in **SCHEDULE B**, which identifies each Unit in the Condominium.

1.1.28. “Limited Common Element” means a portion of the Common Elements allocated in Article 8 for the exclusive use of one or more but fewer than all of the Units. For example, a Limited Common Element may be a parking space that is located outside a Unit that only one specific Owner may use.

1.1.29. “Map” means the survey map and plans recorded with this Declaration and any later amendments filed.

1.1.30. “Mortgage” means a mortgage, deed of trust, or real estate contract.

1.1.31. “Mortgagee” means any holder, insurer, or guarantor of a Mortgage on a Unit.

1.1.32. “Notice and Opportunity to Be Heard” means the procedure described in Section 14.4.1.

1.1.33. “Owner” or “Unit Owner” means any Person who owns a Unit, but does not include any Person who (i) has an interest in a Unit solely as security for an obligation, or (ii) is the beneficiary of rights under easements and/or covenants granted by an Owner. In this Condominium there are two classes of Owner: Homestead and the CLT Member Owner. Homestead owns the land in the Unit but not the Home or Structures, and leases the land in the Unit to the CLT Member Owner pursuant to a CLT Lease. The CLT Member Owner owns the Structures and Home on the Unit and leases the land in the Unit from Homestead pursuant to a CLT Lease. As used in the Governing Documents, the terms “Owner” and “Unit Owner” include Homestead and the CLT Member Owner unless indicated otherwise.

1.1.34. “Person” means an individual, corporation, partnership, limited partnership, limited liability company, trust, association, joint venture, public

corporation, government or governmental subdivision, agency, or instrumentality, or other legal entity. “Person” has this definition because many parties involved with real estate are not natural people, but artificial people—entities like banks that loan money to a homebuyer.

1.1.35. “*Project Mortgage*” means the holder of a Mortgage secured by Homestead’s interest in the Condominium, including any Units owned by Homestead or any Special Declarant Rights held by Homestead.

1.1.36. “*Property*” means the real property described in **SCHEDULE A** subjected to WUCIOA and made part of the Condominium. The Property includes both the Units and Common Elements.

1.1.37. “*Reserve Study*” means a reserve study prepared by a reserve study professional engaged by the Association in accordance with WUCIOA that estimates the anticipated major maintenance, repair, and replacement costs the Association is projected to incur, and provides the amount to be collected to establish and fund reserve accounts in amounts sufficient to pay those costs when due.

1.1.38. “*Special Declarant Rights*” means rights reserved for the benefit of Homestead as specified in Article 10.

1.1.39. “*Specially Allocated Expenses*” means certain expenditures or liabilities of the Association that are specially allocated among Units in accordance with usage or benefit, if any.

1.1.40. “*Structure*” means any building, fence, wall, pole, driveway, walkway, patio, antenna or the like within a Unit.

1.1.41. “*Transition Date*” means the date when the period of Homestead Control terminates as determined in Section 13.1.

1.1.42. “*Transition Meeting*” means the meeting of Owners held pursuant to Section 13.3.

1.1.43. “*Unit*” means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 6.2 and shown on the Map. Each Unit is intended for ownership by both Homestead and a CLT Member Owner. Homestead owns the fee interest in the Unit but not the Home or Structures, and leases the land and base interest of the Unit to the CLT Member Owner pursuant to a CLT Lease. The CLT Member Owner owns the Home and Structures on the Unit and leases the land and base interest of the Unit from Homestead pursuant to a CLT Lease.

1.1.44. “*VA*” means the Veterans Administration.

1.1.45. “Voting Interest” means the proportionate number of votes in the Association allocated to each Owner of a Unit, as described in Section 6.4. The Voting Interest may change if additional Units are added to the Community.

1.1.46. “WUCIOA” means the Washington Uniform Common Interest Ownership Act, codified at Ch. 64.90 RCW, as it may be amended. WUCIOA was enacted to provide protection to homeowners and uniformity in the governance of common interest communities. Common interest communities are communities like this one where homeowners own individual elements of the community, but the homeowners collectively own other parts of the community. Condominiums, cooperatives, and plat communities are examples of common interest communities. This Declaration is a requirement of WUCIOA.

1.2. Statutory Definitions. Some of the terms defined above are also defined in WUCIOA. The definitions in the Declaration are not intended to limit or contradict the definitions in WUCIOA. If there is any inconsistency or conflict, the definition in WUCIOA will prevail.

ARTICLE 2. CREATION OF CONDOMINIUM

2.1. Purpose. Homestead has recorded this Declaration to establish a system of governance for the Condominium and to support the community land trust model of affordable home ownership. The Declaration and WUCIOA provide the framework by which the Condominium is created and operated. If the provisions of the Declaration conflict with WUCIOA, WUCIOA shall prevail. If the provisions of this Declaration conflict with the Bylaws, the Declaration shall prevail except to the extent the Declaration is inconsistent with WUCIOA. The creation of the Condominium shall not be impaired, and title to a Unit and its interest in the Common Elements shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of this Declaration, the Map, or any amendment to the Declaration or Map to comply with WUCIOA.

2.2. Community Land Trust Program. This Section outlines certain unique characteristics of the Condominium related to ownership of parts of the Condominium by a community land trust.

2.2.1. Homestead is a nonprofit corporation organized for the purposes of acquiring and holding land for the benefit of the community, and providing affordable, secure homeownership opportunities for low and moderate income households.

2.2.2. Homestead preserves the long-term affordability of land and homes through a community land trust, which separates ownership of the land from ownership of the home.

2.2.3.Homebuyers in a Homestead community own their homes and other improvements and lease the land beneath the home pursuant to a long-term ground lease.

2.2.4.The CLT Lease has a term of 99 years, is renewable and inheritable, and provides for a small monthly lease payment. It also limits the equity that a homebuyer can accrue in their home and restricts resale of the Home to other income-qualified buyers.

2.2.5.To maintain the affordability of the Homes within the Condominium, Homestead will convey ownership of the Homes and Structures on the Unit to the homebuyers. Homestead will simultaneously enter into a CLT Lease of the corresponding Unit with the homebuyer. As a result, Homestead will own the land or base interest in the Unit (excluding the Home and Structures) and the homebuyer will own the Home and Structures.

2.2.6.The Governing Documents grant rights to Homestead as a Unit Owner (but not in its capacity as the “declarant” under WUCIOA) to consent to certain Association actions and decisions.

2.2.7.The rights and obligations of the parties under this Declaration and the other Governing Documents are independent of the rights and obligations of Homestead and any homebuyer that is party to a CLT Lease under the CLT Lease. The Condominium is not a “leasehold common interest community” as that term is defined by WUCIOA because the CLT Leases are entered into on a Unit-by-Unit basis and the termination of the CLT Leases will not terminate the Condominium or reduce its size.

ARTICLE 3. NAME OF CONDOMINIUM

The name of the Condominium created by this Declaration and the Map is Darsie Homes, a Condominium.

ARTICLE 4. DESCRIPTION OF REAL PROPERTY

4.1. Description of Real Property. The real property included in the Condominium is described in the Map and legally described on **SCHEDULE A**. Homestead has created 2 Units. After recording this Declaration, Homestead will sever the ownership of the Homes and Structures in the Units from the Ownership of the land in and base interest of the Units, by conveying 2 Homes and Structures in the Units to the CLT Member Owners and ground leasing the underlying fee interest in and base interest of the Units to the corresponding CLT Member Owners.

ARTICLE 5.
DESCRIPTION OF BUILDINGS

Each Unit will be improved with a single-family Home of wood-frame construction, which Home shall lie within the boundaries of the applicable Unit.

ARTICLE 6.
DESCRIPTION OF UNITS; ALLOCATED INTERESTS

6.1. Number and Identification of Units. The Condominium has 2 Units. The Identifying Number of each Unit is set forth in **SCHEDULE B**. The location of each Unit is shown on the Map.

6.2. Unit Boundaries. The Units are commonly known as “airspace units.” The horizontal and vertical boundaries of the Units are the planes in space shown on the Map, provided that each Unit’s boundaries extend to the lower limits of legal ownership of ground soils that are part of the Property. To the extent any shared utility lines (whether underground or not), pipes, infiltration tanks or facilities, or other shared improvements are located within such ground soils, such shared improvements shall be deemed Common Elements under this Declaration. The Home or other Structures or exclusive improvements within the boundaries of a Unit together with any open space are a part of the Unit.

6.3. Unit Data. **SCHEDULE B** sets forth the following data for each Unit, to include the following, to the extent constructed as of the date of this Declaration:

6.3.1. The approximate area of the Unit (which is the square footage of the airspace Unit as viewed in plan format, not the square footage of the Home located within the Unit);

6.3.2. The number of bathrooms, whole or partial in the Home within the Unit;

6.3.3. The number of rooms designated primarily as bedrooms in the Home within the Unit;

6.3.4. The level or levels of the Home within the Unit;

6.3.5. Whether the Home within the Unit has a fireplace; and

6.3.6. The Allocated Interest of each Unit.

The location and configuration of each Unit is shown in the Map.

6.4. Allocated Interests. The Common Expense Liability is allocated to the CLT Member Owners (and not Homestead) since the CLT Member Owners occupy

the Homes and use the Common Elements. Consequently, the Common Expense Liability is allocated 100% between the CLT Member Owners and 0% to Homestead. Among the CLT Member Owners, the Common Expense Liability is allocated equally. The Voting Interest is allocated equally among the Owners, with each such CLT Member Owner having a Voting Interest of one vote per Unit. The Allocated Interests are set forth in Schedule B. Because Homestead has an interest in the maintenance, repair, reconstruction, insurance, condition, function, preservation, viability, and attractiveness of the Condominium and Homes, and the long-term availability and affordability of the land and Homes, Homestead (in its capacity as Owner and not as “declarant” under WUCIOA) is granted certain consent rights and rights to participate in Board governance as set forth in this Declaration and the Bylaws.

ARTICLE 7. COMMON ELEMENTS

7.1. Description. The Common Elements include, without limitation, areas and structures not lying within any Unit as depicted on the Map. However, there are no Common Elements in the Condominium.

7.2. Use. Each CLT Member Owner shall have the right to use the Common Elements in common with all other CLT Member Owner and a right of access from the CLT Member Owner’s Unit across the Common Elements to the public streets. The right to use the Common Elements extends not only to each CLT Member Owner, but also to the CLT Member Owner’s guests. The right to use the Common Elements, including the Limited Common Elements, is governed by the provisions of WUCIOA, this Declaration, the Bylaws, and the rules and regulations of the Association.

7.3. Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if approved in accordance with RCW 64.90.465 (a portion of WUCIOA governing conveyance or encumbrance of Common Elements). All of the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

ARTICLE 8. STORAGE; LIMITED COMMON ELEMENTS

8.1. Storage. All storage is within the Home to be constructed within each Unit.

8.2. Fire Marshal Requirements. All private roads or drives within the Condominium are subject to any applicable regulations established by the King County Fire Marshal.

8.3. Change in Status of Common Elements. No Common Element may be reallocated as a Limited Common Element, and no Common Element or Limited Common Element may be incorporated into an existing Unit without the approval of (i) CLT Member Owners holding at least 67% of the Voting Interests in the Association, (ii) Homestead, and (iii) the CLT Member Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation or incorporation shall be reflected in an amendment to the Declaration and the Map.

8.4. Reallocation Between Units. An allocation of a Limited Common Element may not be altered without the consent of the Owners of the Units from which and to which the Limited Common Element is allocated. Except in regard to the Development Rights of Homestead, a Limited Common Element may be reallocated between Units only with the approval of the Board and by an amendment to the Declaration executed by the Owners of the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this Section 8.4 within 30 days unless the reallocation does not comply with WUCIOA or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval of the request. The amendment shall be recorded in the names of the parties and of the Condominium.

8.5. Right to Use Limited Common Elements. Each CLT Member Owner of a Unit to which a Limited Common Element is allocated shall have the exclusive right to use the Limited Common Element in common with the other Owners, if any, to which that Limited Common Element is allocated. The right to use the Limited Common Element extends to the Owner's guests but is governed by the provisions of WUCIOA and the Governing Documents.

ARTICLE 9.

PERMITTED USES, MAINTENANCE OF UNITS; CONVEYANCES

9.1. Use; Timesharing Prohibited. The Units are intended for and restricted to residential use and for social and recreational use generally associated with residential use. Timesharing of Units, as defined in RCW ch. 64.36, is prohibited. Nothing in this ARTICLE 9 or any other portion of the Governing Documents shall be construed to prevent or limit the use of a Unit or Homes or Structures thereon for CLT purposes or to prevent or limit the lease of a Unit pursuant to a CLT Lease.

9.2. Leasing. Subject to the CLT Lease or as otherwise approved by Homestead, no Unit may be leased to a third-party tenant. The Units are intended to be occupied by the CLT Member Owners and their family and guests.

9.2.1. To the extent that any provision set forth in this Declaration or the Bylaws regarding leasing is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veterans Affairs, as set forth in chapter 37 of title 38, United States 2 Code, or part 36 of title 38, Code of Federal Regulations (“**DVA Financing**”), such provision shall not apply to any Unit that is: (i) encumbered by DVA Financing; or (ii) owned by the Department of Veterans Affairs.

9.3. Maintenance of Units, Common Elements, and Limited Common Elements, Records. Unless otherwise provided herein, the Association is responsible for maintenance, repair, and replacement of (i) the Common Elements and Limited Common Elements, (ii) concrete, (iii) topography and trees, (iv) the shared walkway described as the “Easement Area” on the Map, (v) the shared fence between the Units, and the earthwork, swales, drainways, and erosion control for the ground around the fence, (vi) water mains/valves and submeters, if any, described in Section 15.9.2. Each CLT Member Owner shall, at each CLT Member Owner’s sole expense, maintain, repair, and replace such CLT Member Owner’s Unit and all improvements therein, including the Homes and Structures, except for Common Elements and Limited Common Elements, subject to the following:

9.3.1. Each CLT Member Owner shall, at such CLT Member Owner’s sole expense, keep the Home and any Structures in good order, condition, and repair and shall take all steps necessary to maintain the good appearance and condition of the Home and any Structures.

9.3.2. The roofs shall be cared for and maintained by the CLT Member Owner of the Home upon which the roof is located and if repaired or replaced, the materials will be similar in type, quality and color of the original roof, unless mutually agreed upon by the CLT Member Owners. The cost of such repair is the sole responsibility of the CLT Member Owner making the roof repair or replacement.

9.3.3. The cost of maintaining, repairing, and replacing the shared mailboxes for the Property, if any, shall be shared equally by the CLT Member Owners using such mailboxes. The Association may perform such services on behalf of the CLT Member Owners, in which case the associated costs and expenses may be treated as a Common Expense.

9.3.4. No improvements (including staking, clearing, excavation, grading and other site work), exterior alteration of existing Homes and Structures (including painting), placement or posting of any object or thing on the exterior of any Home or Structure (e.g., fences, signs, antennas, satellite dishes, clotheslines, playground equipment, lighting, storm or screen doors and windows, temporary structures, artificial vegetation, exterior sculptures and fountains) or planting or removal of plants, trees or shrubs shall take place except in compliance with this Article.

9.3.5. An Owner may remodel or redecorate the interior of the Owner's Home in any manner desired, repaint the exterior of the Owner's Home in accordance with the originally approved color scheme or rebuild Structures in accordance with originally approved plans and specifications without approval under this Section; however, modifications to the interior of screened porches, patios and similar portions of a Home or Structure visible from outside the Unit and modifications to enclose garages shall require approval of the Board.

9.3.6. All Homes constructed on any Unit shall be designed by and built in accordance with the plans and specifications of a building designer or licensed architect.

9.3.7. The cost of maintaining, repairing, and replacing the shared utilities, shared walkway described as the "Easement Area" on the Map, and the fence separating the Units shall be shared equally by the CLT Member Owners benefitting from such items, provided the Association shall perform such services on behalf of the CLT Member Owners, and the associated costs and expenses shall be a Common Expense.

9.3.8. This Article shall not apply to the construction of Homes or Structures by, or activities of, Homestead or to improvements or modifications to the Common Elements by or on behalf of the Association.

9.3.9. This Article may not be amended without Homestead's written consent so long as Homestead owns an interest in a Unit subject to this Declaration.

9.4. Effect on Insurance. Nothing shall be done or kept in any Unit or in any Common Element or Limited Common Element that will increase the rate of insurance on the Property without the prior written consent of the Board. Nothing shall be done or kept in any Unit or in any Common Element or Limited Common Element that will result in the cancellation of insurance on any part of the Property or that would be in violation of any laws.

9.5. Use or Alteration of Common and Limited Common Elements. Use of the Common Elements and Limited Common Elements shall be subject to the provisions of this Declaration and the rules and regulations of the Board. Nothing shall be altered or constructed in or removed from any Common Element or Limited Common Element by an Owner without the prior written consent of the Board.

9.6. Quiet Enjoyment. No Owner shall permit anything to be done or kept in the Owner's Unit, Limited Common Elements, or Common Elements that would interfere with the right of quiet enjoyment of the other residents of the Condominium.

9.7. Vehicles. No vehicle may be parked so as to block access from the Units or easement areas.

9.8. Offensive Activity. No noxious or offensive activity shall be carried on in any Unit, Limited Common Element or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners. Owners shall not permit any condition to exist that will induce, breed or harbor infectious plant diseases or noxious insects or vermin.

9.9. Hazardous Substances. The Owner of each Unit shall not permit any Hazardous Substance to be generated, processed, stored, transported, handled or disposed of on, under, in or through the Owner's Unit or the Property. Each Owner shall indemnify, defend, and hold harmless the other Owners and the Association from all fines, suits, procedures, claims, and actions of any kind arising out of or in any way connected with any spills or discharges of Hazardous Substances or wastes arising from the operation or use of the Unit or the Property by the Owner, tenants or invitees of the Unit. As used herein, the term "Hazardous Substance" means any hazardous, toxic or dangerous substance, waste or material that is or becomes regulated under any federal, state or local statute, ordinance, rule, regulation or other law now or hereafter in effect pertaining to environmental protection, contamination or cleanup, including without limitation any substance, waste or material that now or hereafter is designated as a "Hazardous Substance" under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*) or under any local or state rule or regulation. Without limiting the foregoing, Hazardous Substances shall include, but not be limited to, any substance which after being released into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, and/or genetic abnormalities.

ARTICLE 10.

DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

10.1. Development Rights Homestead shall have the right to exercise Development Rights under this Declaration or WUCIOA. Any such Development Rights shall terminate on the earlier of (a) the fifth anniversary of the recording of this Declaration or (b) the recording of a notice signed by Homestead that it no longer wishes to exercise any of the Development Rights.

10.2. Special Declarant Rights. Homestead reserves the following Special Declarant Rights in its capacity as "declarant" under WUCIOA so long as Homestead owns a Unit in its entirety: (a) to complete any Homes, Structures, or other improvements and otherwise perform work indicated on the Map, or described in this Declaration or Homestead's public offering statement, authorized by building permits applicable to the Condominium, provided for under any purchase and sale agreement between Homestead and a purchaser of any interest in a Unit, necessary to satisfy any express or implied warranty under which Homestead is obligated or as otherwise

authorized or required by law; (b) to maintain sales offices, management offices, interior and exterior signs advertising the Condominium, and models in Units that are not occupied and are for sale by Homestead, in Units owned by Homestead, and in the Common Elements of the Condominium; (c) to conduct sales events and other activities relating to the marketing of Units in the Common Elements of the Condominium; (d) to use easements through the Common Elements for the purpose of making improvements within the Condominium; (e) to elect, appoint, or remove any officer of the Association or any member of the Board or to veto or approve a proposed action of the Board or Association during the period of Homestead Control as provided by Section 13.1; (f) to control any construction, design review, or aesthetic standards committee or process; and (g) to attend meetings of the Unit Owners and the Board.

10.3. Declarant Inspections. Homestead shall have the right, but not the obligation, to conduct inspections and tests from time to time of all or any parts of the Condominium in order to ascertain the physical condition of the improvements in the Condominium and to determine whether maintenance, repairs, or replacements of any such improvements are indicated. Homestead shall pay all costs of such inspections and tests made pursuant to this Section, shall restore the affected portion of the property to its condition immediately prior to such inspections and tests, and shall indemnify the Association and Owners of any affected Units from any damage resulting from such inspections and tests. Homestead shall have such rights of entry on, over, under, across, and through the Property as may be reasonably necessary to exercise the rights described in this Section.

10.4. Transfer. The rights of Homestead as “declarant” described in this Article shall not be transferred except by instrument evidencing the transfer executed by Homestead or Homestead’s successor and the transferee, and recorded in King County. The rights and liabilities of the parties involved in such a transfer, and of all persons who succeed to any Development Right or Special Declarant Right, are set out in RCW 64.90.425.

10.5. Expiration of Special Declarant Rights. The Special Declarant Rights shall expire on the earlier of (a) the fifth anniversary of the recording of this Declaration or (b) the recording of a notice signed by Homestead that it no longer wishes to exercise any of the Special Declarant Rights.

ARTICLE 11. ENTRY FOR REPAIR OR MAINTENANCE

The Association and its agents may enter any Unit and the Limited Common Elements allocated to that Unit to effect repairs, improvements, replacements, maintenance, or sanitation work deemed by the Board to be necessary in the performance of its duties, to do necessary work that an Owner has failed to perform to prevent such Owner’s Unit from falling into disrepair, or to prevent damage to the Common Elements

or to another Unit. Without limitation, the Association and its agents shall be deemed to have the right to enter upon any Unit for regular maintenance of the landscaping and all other portions of such Unit except the interiors of the Homes, all of which maintenance shall be a Common Expense of the Association. Except in cases of great emergency that preclude advance notice, the Board shall cause the Unit occupant to be given Notice and an Opportunity to be Heard as far in advance of entry into the interior portion of a Home as is reasonably practicable, and such entry shall be made with as little inconvenience to Owners and occupants as practicable. The Board may levy a special Assessment against the Owner of the Unit for all or part of the cost of work that such Owner has failed to perform, which special Assessment may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 16.

ARTICLE 12. OWNERS ASSOCIATION

12.1. Form of Association. The Owners of Units shall be members of the Association. The Association shall be organized as a nonprofit corporation no later than the date the first Unit in the Condominium is conveyed. The number of Board members and qualifications and procedures for election to the Board shall be provided in the Bylaws. The rights and duties of the Board and of the Association shall be governed by the provisions of WUCIOA, the Declaration, and the Bylaws.

12.2. Bylaws. The Board will adopt Bylaws to supplement the Declaration, provide for the administration of the Association and the Property, and for other purposes not inconsistent with WUCIOA or the Declaration.

12.3. Qualification and Transfer Each Owner of a Unit (including Homestead) shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's interest in its Unit. Ownership of an interest in a Unit shall be the sole qualification for membership in the Association, and ownership of a Home in a Unit pursuant to a CLT Lease shall be the sole qualification for CLT Member Owner membership in the Association, and ownership of the underlying land in a Unit shall be the sole qualification for Homestead's membership in the Association. Each CLT Member Owner shall have a Voting Interest for its interest in its Unit, but Homestead shall not have a Voting Interest for Homestead's retained interest in the Unit that is subject the Ground Lease. A membership shall not be transferred in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit, provided that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of Owner for purposes of the Association, this Declaration, and the Bylaws, except as limited in this Declaration, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the

Association to the new Owner. **Powers of the Association.** In addition to those actions authorized elsewhere in the Declaration, the Association shall have the power to:

12.4.1. Adopt and amend the Bylaws and the rules and regulations for the Condominium;

12.4.2. Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Common Expenses and special Assessments from Owners;

12.4.3. Hire and discharge or contract with agents and independent contractors;

12.4.4. Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium, provided, however, that the approval of Owners holding at least 67% of the votes in the Association shall be required before the Association may institute, commence, or intervene in any litigation or administrative proceeding, including arbitration, other than litigation or other proceedings against Owners for collection of delinquent Assessments or for enforcement of the Declaration or rules and regulations of the Association; but Owner approval shall not be required for settlement of such litigation or administrative proceedings;

12.4.5. Make contracts, borrow money, and incur liabilities;

12.4.6. Regulate the use, maintenance, repair, replacement, and modification of Common Elements and Limited Common Elements;

12.4.7. Cause additional improvements to be made as a part of the Common Elements;

12.4.8. Acquire, hold, encumber, convey, and dispose of, in the Association's name, right, title, or interest to real or tangible and intangible personal property, and arrange for and supervise any addition or improvement to the Condominium, provided that:

12.4.8.1. If the estimated cost of any separate property acquisition, addition or improvement to the Condominium exceeds \$5,000, the approval of the Owners holding a majority of the votes in the Association shall be required;

12.4.8.2. No structural change shall be made to a Unit without the approval of the Owner of that Unit; and

12.4.8.3. The beneficial interest in any property acquired by the Association pursuant to this Section shall be owned by the Owners in the same

proportion as their respective interests in the Common Elements and shall thereafter be held, sold, leased, mortgaged, or otherwise dealt with as the Board shall determine.

12.4.9. Grant easements, leases, licenses, and concessions through or over the Common Elements and petition for or consent to the vacation of streets and alleys;

12.4.10. Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Owners;

12.4.11. Acquire and pay for all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Condominium;

12.4.12. Impose and collect charges for late payment of Assessments as further provided in this Article and, after Notice and an Opportunity to be Heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in this Declaration, the Bylaws, or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws, and rules and regulations of the Association;

12.4.13. Impose and collect reasonable charges for the preparation and recording of amendments to this Declaration, resale certificates required by RCW 64.90.640, and statements of unpaid Assessments;

12.4.14. Provide for the indemnification of its officers and Board, and maintain directors' and officers' liability insurance;

12.4.15. Assign its right to future income, including the right to receive Assessments;

12.4.16. Provide or pay, as part of the Common Expenses, utility services to the Unit Owners as reasonably determined by the Board;

12.4.17. Exercise any other powers conferred by this Declaration or the Bylaws;

12.4.18. Exercise all other powers that may be exercised in the State of Washington by the same type of corporation as the Association; and

12.4.19. Exercise any other powers necessary and proper for the governance and operation of the Association.

12.5. Financial Statements and Records The Association shall keep financial records in accordance with generally accepted accounting principles and in sufficient detail to enable the Association to comply with the resale certificate

requirements set forth in RCW 64.90.640. All financial and other records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare or cause to be prepared a financial statement of the Association in accordance with accrual based accounting practices. The annual financial statement shall be audited at least annually by a certified public accountant who is not a member of the Board or an Owner, unless waived in accordance with RCW 64.90.530(2). The financial statement shall be completed in time for the Association's annual meeting and in any event within 120 days following the end of the fiscal year. Any Mortgagee will, upon request, be entitled to receive the annual financial statement within 120 days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association be presented at any special meeting. An Owner, at such Owner's expense, may at any reasonable time conduct an audit of the books of the Association. Upon written request of FHLMC, FNMA, HUD, or VA, if it is a Mortgagee, the Association shall provide such Mortgagee within a reasonable time the audited financial statement of the Association for the preceding fiscal year.

12.6. Inspection of Condominium Documents, Books, and Records. The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the rules and regulations of the Association, and other books, records, and financial statements of the Association. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

ARTICLE 13.

TRANSITION TO OWNER CONTROL

13.1. Homestead Control Until Transition Date. Until the Transition Date, Homestead shall have the right to set the number of members and to appoint and remove all such members of the Board, provided that (a) not later than 60 days after conveyance of 25% of the Units that may be created to Owners other than Homestead, at least one member and not less than 25% of the members of the Board must be elected by Owners other than Homestead and (b) not later than 60 days after conveyance of 50% of the Units that may be created to Owners other than Homestead, not less than one-third of the members of the Board must be elected by Owners other than Homestead.

13.2. Transition Date. Homestead Control of the Association shall terminate on the Transition Date. The Transition Date shall be no later than the earliest of:
(a) five years after the recording of this Declaration, (b) 60 days after conveyance of 75% of the Units that may be created to Owners other than Homestead, (c) two years

after the last conveyance of a Unit, except to a dealer, or (d) the date on which Homestead, after giving notice in a record to Unit Owners, records an amendment to this Declaration signed by Homestead and the Project Mortgagee pursuant to which Homestead voluntarily surrenders the right to further appoint and remove officers and members of the Board. If Homestead voluntarily surrenders control pursuant to (d) above, Homestead may require (in its capacity as “declarant” under WUCIOA) that for the duration of the period of Homestead Control, specified actions of the Association or the Board, as described in a recorded instrument executed by Homestead, be approved by Homestead before they become effective.

13.3. Transition Meeting. Within 30 days after the Transition Date or not later than 60 days after conveyance of 75% of the Units that may be created to Owners other than Homestead, Homestead or the Board must schedule a special meeting of Owners to elect a Board in accordance with Section 4 of the Bylaws. Within 30 days after such special meeting, Homestead shall deliver to the Board elected at the special meeting all property of the Owners and of the Association held or controlled by Homestead including the following:

- (a) The original or a photocopy of the recorded Declaration and each amendment to the Declaration;
- (b) The certificate of incorporation and a copy of the Articles as filed with the Secretary of State and the Bylaws;
- (c) The minute books, including all minutes and other books and records of the Association;
- (d) Current rules and regulations that have been adopted;
- (e) Resignations of officers and members of the Board who are required to resign because Homestead is required to relinquish control of the Association;
- (f) The financial records, including cancelled checks, bank statements, and financial statements of the Association, and source documents from the time of incorporation of the Association through the date of transfer or control to Owners;
- (g) Association funds or the control of the funds of the Association;
- (h) Originals or copies of any recorded instruments of conveyance for any Common Elements included within the Condominium but not appurtenant to the Units;
- (i) All tangible personal property of the Association;

(j) Except for alterations to a Unit done by a Unit Owner other than Homestead, the copy of the most recent plans and specifications used in the construction or remodeling of the Condominium, except for buildings containing fewer than three Units;

(k) Originals or copies of insurance policies for the Condominium and the Association;

(l) Originals or copies of any certificates of occupancy that may have been issued for the Condominium;

(m) Originals or copies of any other permits obtained by or on behalf of Homestead and issued by governmental bodies applicable to the Condominium;

(n) Originals or copies of all written warranties that are still in effect for the Common Elements, or any other areas or facilities that the Association has the responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners' manuals or instructions furnished to Homestead with respect to installed equipment or building systems;

(o) A roster of Unit Owners and Eligible Mortgagees and their addresses and telephone numbers, if known, as shown on Homestead's records and the date of closing of the first sale of each Unit sold by Homestead;

(p) Originals or copies of any leases of the Common Elements and other leases to which the Association is a party;

(q) Originals or photocopies of any employment contracts or service contracts in which the Association is one of the contracting parties or service contracts in which the Association or the Unit Owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge of the Person performing the service;

(r) Originals or copies of any qualified warranty issued to the Association as provided for in RCW 64.35.505, if any; and

(s) All other contracts to which the Association is a party.

13.4. Audit of Records Upon Transfer. Within 60 days of the Transition Meeting, the Board must retain the services of a certified public accountant to audit the records of the Association as of the date of such special meeting in accordance with generally accepted auditing standards unless the Owners, other than Homestead, to which a majority of the votes are allocated elect to waive the audit. The costs of the audit shall be a Common Expense.

13.5. Termination of Contracts and Leases Made by Homestead. Within two years after the Transition Meeting, the Association may terminate without penalty, upon not less than 90 days' notice to the other party (or within such shorter notice period provided for without penalty in the contract or lease), any of the following if it was entered into before the Board elected at the Transition Meeting takes office: (a) any management, maintenance, operations, or employment contract, or lease of recreational or parking areas or facilities; or (b) any other contract or lease, including franchises and licenses, between the Association and Homestead or an affiliate of Homestead (as defined by RCW 64.90.010(1)). Further, the Association may terminate without penalty, at any time after the Board elected at the Transition Meeting takes office, upon not less than 90 days' notice to the other party (or within such shorter notice period provided for without penalty in the contract or lease), any contract or lease that is not bona fide or was unconscionable to the Owners at the time entered into. This Section does not apply to any lease, the termination of which would terminate the Condominium or reduce its size, unless the real property subject to that lease was included in the Condominium for the purpose of avoiding the right of the Association to terminate a lease under this Section, a proprietary lease, or a CLT Lease.

ARTICLE 14. THE BOARD

14.1. Selection of the Board and Officers. Prior to the Transition Meeting, election or appointment of members of the Board shall be governed by Section 14.1. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of the Board and officers shall take office upon election. Removal of Board members, and their terms of service shall be as provided in the Bylaws. Homestead (in its capacity as an Owner of an interest in each Unit and not as "declarant" under WUCIOA) shall be entitled to appoint a non-voting, ex officio member of the Board who shall be entitled to notice of, and to attend, all meetings of the Board.

14.2. Powers of the Board. Except as provided in this Declaration, the Bylaws, or WUCIOA, the Board shall at all times act on behalf of the Association. The Board may exercise all powers of the Association, except as otherwise provided in WUCIOA, the Declaration, or the Bylaws.

14.3. Homestead's Tie-Breaking Vote. To the extent that (i) the Board cannot unanimously vote on a matter appearing before the Board and (ii) the Board members use diligent and good faith efforts to unanimously vote on such matter, then the Board shall notify Homestead of such matter appearing before the Board and Homestead shall vote on such matter and Homestead's vote shall serve as a tie-breaking vote on such matter appearing before the Board.

14.4. Limitations on Board Authority. The Board shall not act on behalf of the Association, without the necessary vote or approval of the Unit Owners or Eligible Mortgagees, to amend this Declaration, except as provided in RCW 64.90.285, to amend the Articles or Bylaws, to terminate the Condominium, to elect members of the Board, or to determine the qualifications, powers, and duties or terms of office of members of the Board. The Board may, in accordance with the Bylaws, fill vacancies in its membership for the unexpired portion of any term.

14.4.1. Right to Notice and Opportunity to Be Heard. Whenever this Declaration requires that an action of the Board be taken after “Notice and Opportunity to be Heard,” the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, Eligible Mortgagees, and tenants or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time, and place of the hearing, which shall not be less than five days from the date notice is delivered by the Board. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing, or both (as specified in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

ARTICLE 15. BUDGET AND ASSESSMENTS

15.1. Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.

15.2. Preparation of Budget. Not less than 30 days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. The budget shall include: (a) the projected income to the Association by category; (b) the projected Common Expenses and, if any, those Specially Allocated Expenses that are subject to being budgeted, both by category; (c) the amount of the Assessments per Unit and the date the Assessments are due; (d) the current amount of regular assessments budgeted for contribution to the reserve account; (e) a statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 (the Section of WUCIOA relating to reserve studies) and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and (f) the current deficiency or surplus in reserve funding expressed on a per Unit basis.

15.3. Ratification of Budget Within 30 days after adoption of any proposed budget for the Condominium after the Transition Date, the Board shall provide a copy of the budget to all the Owners and shall set a date for a meeting of the Owners to

consider ratification of the budget not less than 14 nor more than 50 days after mailing of the budget. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.**Supplemental Budget.** If during the year the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessment, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget that results in an increase in an Owner's Assessments shall be subject to ratification pursuant to Section 15.3.

15.5. Monthly Assessments. The amounts required by the Association for Common Expenses as reflected by the annual budget and any supplemental budgets shall be divided into installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly Assessment for each Unit is the annual Common Expense Liability of that Unit divided by the number of months covered by the budget, plus any Specially Allocated Expenses for such Unit. Monthly Assessments begin accruing for all Units upon the closing of the sale of the first Unit by Homestead, provided that Homestead may delay the commencement of Assessments for Common Expenses and pay all actual Common Expenses (but no allocations to reserves). Once Common Expenses have commenced, Homestead may, but is not obligated to, supplement the budget by paying a portion of the Common Expenses from its own funds. The Association may opt to collect an annual Assessment, if that is more administratively convenient.

15.6. Common Expenses. Common Expenses shall include the cost of operation, maintenance, repair and replacement of Common Elements, Limited Common Elements, any other specific items described herein, and the general expenses of the Association, including management and professional fees and costs, insurance and any other costs that the Board determines benefits the Units. Common Expenses shall be allocated to all Unit Owners in accordance with their Common Expense Liability, except as provided in Section 15.7 and Section 15.8.

15.7. Limited Common Element. Any Common Expense associated with the operation, maintenance, repair or replacement of a Limited Common Element shall be paid by the Owner of the Unit to which it is assigned.

15.8. Only Some Units Benefited. Any Common Expense or portion thereof benefiting fewer than all of the Units must be assessed exclusively against the Units benefited.

15.9. Specially Allocated Expenses.

15.9.1. Any expenses or liabilities attributable to goods or services benefiting fewer than all of the Units shall be specially allocated, to the extent reasonably practicable, to the Unit benefited in proportion to the benefit received. In determining whether a Specially Allocated Expense is practicable, the Association shall consider the extent to which a Unit benefits more than the other Unit with regard to the particular good or service involved in each particular case, whether it is possible to separately contract for the applicable good or service, and the amount of the liability or expense involved.

15.9.2. The cost of utilities to each Unit, including but not limited to water, sewer, gas, solid waste, and electricity, shall be paid either directly by the CLT Member Owner of the Unit receiving the utility or specially allocated to the Units directly benefitted by the utility (a) based on usage, which may be determined by a submeter maintained by the Association, or (b) pro rata based on the benefitted Unit's Allocated Interest, with adjustments made by the Board based on actual usage as reasonably determined by the Board, if the utility is not submetered. The Association may initially base its allocations on estimates of usage provided the Association reconciles the estimates against actual usage at least annually.

15.10. Contribution to Initial Working Capital. The initial purchaser of each Unit from Homestead shall pay to the Association as a nonrefundable contribution to an initial working capital fund in an amount equal to two months of estimated monthly Assessments, which amount shall not be considered an advance payment of regular Assessments. On the Transition Date, Homestead shall make such contribution for any Units remaining unsold on that date and shall be entitled to be reimbursed the amount so paid as each such Unit is conveyed. Homestead shall not use any of the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits prior to the Transition Date.

15.11. Special Assessments. For those Common Expenses and any Specially Allocated Expenses that cannot reasonably be calculated and paid on a monthly basis, the Board may levy special Assessments for such expenses against the Units, subject to ratification by Owners pursuant to Section 15.3. To the extent that any Common Expense or Specially Allocated Expense is caused by the misconduct of an Owner or tenant of any Unit, the Association may, after Notice and Opportunity to Be Heard, levy a special Assessment for the expense against the Owner of that Unit.

15.12. Creation of Reserves, Assessments. The Board shall create reserve accounts for anticipated expenses for repair or replacement of the Common Elements and Limited Common Elements that will occur in the future in order to accumulate sufficient funds to pay such expenses when they occur. The operation of reserve accounts and Assessments for reserve accounts shall be further governed by the Bylaws.

15.13. Notice of Assessments. The Board shall notify each Owner in writing of the amount of the monthly general and special Assessments to be paid for the Owner's Unit and shall furnish copies of all budgets on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if so requested.

15.14. Payment of Monthly Assessments. On or before the first day of each calendar month each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments against the Unit for that month. Any Assessment not paid by the fifth day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges, and collection procedures as provided in Article 16.

15.15. Reconciliation of Assessments to Actual Expenses. The Association shall establish and maintain its accounts and records in a manner that will enable it to credit Assessments, including allocations to reserves, and other income to the Association, and to charge expenditures to the account of the appropriate Units in accordance with the provisions of the Declaration. The accounts of the Association must be reconciled at least annually unless the Board determines that a reconciliation would not result in a material savings to any Unit Owner. Any surplus funds of the Association remaining after the payment of or provision for Common Expenses and any prepayment of reserves must be paid annually to the Unit Owners in proportion to their Common Expense liabilities or credited to them to reduce their future Common Expense.

15.16. Proceeds Belong to Association. All Assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.

15.17. Failure to Assess. Any failure by the Board or the Association to make the budgets and Assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of Owners from the obligation to pay Assessments during that or any subsequent year, and the monthly Assessments amounts established for the preceding year shall continue until new Assessments are established.

15.18. Certificate of Unpaid Assessments. Upon the request of any Owner or Mortgagee of a Unit, the Board will furnish a certificate stating the amount, if any, of unpaid Assessments charged to the Unit. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and Mortgagees of the Unit who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

15.19. Recalculation of Assessments. If Common Expense Liabilities are reallocated, Assessments, special Assessments, and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

15.20. Reserve Study. The Association expects to be exempt under RCW 64.90.545(2) from the Reserve Study requirements, because the Association anticipates that it will have only nominal reserve costs or the cost of a Reserve Study will exceed ten percent of the Association's annual budget. If, however, the Association no longer qualifies under either exemption, then the Board shall prepare and update a Reserve Study in accordance with WUCIOA and as follows: An initial Reserve Study must be prepared by a reserve study professional and based upon either a visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both if construction of improvements is only partially complete. An updated Reserve Study must be prepared annually. At least every three years, an updated Reserve Study must be prepared by a reserve study professional and based upon a visual site inspection by the reserve study professional. The Reserve Study shall include each of the items required by WUCIOA. No failure of the Board to fulfill its obligations under this Section will excuse an Owner's duty to pay Assessments or invalidate a ratified budget.

ARTICLE 16.

LIEN AND COLLECTION OF ASSESSMENTS

16.1. Assessments Are a Lien; Priority. The Association has a lien on a Unit for any unpaid Assessment levied against a Unit from the time the Assessment is due. A lien under this Article shall be prior to all other liens and encumbrances on a Unit except (a) liens and encumbrances recorded before the recording of this Declaration; (b) a Mortgage on the Unit recorded before the date on which the Assessment sought to be enforced became delinquent, EXCEPT to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budgets adopted by the Association pursuant to ARTICLE 15 which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for judicial foreclosure by either the Association or a Mortgagee, the date of trustee's sale in a nonjudicial foreclosure of a Mortgage, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract, provided that the priority of the Association's lien against Units encumbered by a Mortgage held by an Eligible Mortgagee or by a Mortgagee which has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that such lien priority includes any delinquencies which relate to a period after such Mortgagee becomes an Eligible Mortgagee or has given such notice and before the Association gives such Mortgagee a written notice of the delinquency; and (c) liens for real property taxes and other governmental assessments or charges against the Unit. Recording of this Declaration constitutes record notice and perfection of the lien for Assessments;

however, the Association may also record a notice of claim of lien for Assessments in the real property records of the county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to above.

16.2. Lien May Be Foreclosed; Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW ch. 61.12 or nonjudicially in the manner set forth in Section 16.3. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure. Except as provided in the exception to (b) in Section 16.1, the holder of a Mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure or deed in lieu of foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such Mortgagee or other purchaser of the Unit. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale.

16.3. Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to First American Title Insurance Company, or its successors or assigns ("**Trustee**"), to secure the obligations of each CLT Member Owner ("**Grantor**") to the Association ("**Beneficiary**") for the payment of Assessments. Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay Assessments. Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. If the Association forecloses its lien nonjudicially pursuant to this Section, it shall not be entitled to the lien priority over Mortgages provided in exception (b) of Section 16.1.

16.4. Assessments Are Personal Obligation. In addition to constituting a lien on the Unit, all sums assessed by the Association chargeable to any Unit, including all charges provided in this Article, shall be the personal obligation of Owner of the Unit when the Assessment is made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

16.5. Extinguishment of Lien and Personal Liability. A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the Assessments sought to be recovered becomes due.

16.6. Joint and Several Liability. In addition to constituting a lien on the Unit and except as provided in Section 16.2 for a deed in lieu of foreclosure, each Assessment shall be the joint and several obligation of Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waving the lien securing such sums.

16.7. Late Charges and Interest on Delinquent Assessments. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established nonusurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

16.8. Recovery of Attorneys' Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

16.9. Security Deposit. An Owner who has been delinquent in paying his monthly Assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is 10 days or more delinquent in paying Assessments.

16.10. Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies that may be available under law although not expressed herein, either concurrently or in any order.

16.11. CLT Funds. Nothing in this ARTICLE 16 or any provision of the Governing Documents authorizes the Board or Association to terminate any CLT

Lease or to pay any debt or obligation secured by Homestead's interest in the Condominium, it being acknowledged that such debts and obligations allow the continued affordability of the Homes in the Condominium.

16.12. Lawsuits or Arbitration Proceedings. The Association may institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings, or any other legal proceedings in its own name on behalf of itself or on behalf of two or more Unit Owners, in a representative capacity, on matters affecting the Condominium, but any action on behalf of Unit Owners shall not convert any individual claims or legal rights that the Unit Owners may have into claims or rights of the Association. The Association shall have no authority to institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings, or any other legal proceedings relating to or arising from a CLT Lease or a dispute between a CLT Member Owner and Homestead.

16.13. Effect of Foreclosure. The Association or its authorized representative shall have the power to purchase an Owner's interest in a Unit at the Foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Nothing in this ARTICLE 16 shall prohibit the Association from taking a deed in lieu of foreclosure. Except as otherwise stated in this Declaration, the holder of a Mortgage or other purchaser of an Owner's interest in a Unit who obtains the right of possession through Foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the CLT Member Owners, including such Mortgagee or other purchaser of the interest in the Unit. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against their interest in the Unit prior to the date of such sale. In any proceedings to Foreclose on a CLT Member Owner's interest in a Unit, the Association must notify Homestead and must accept a cure from Homestead.

ARTICLE 17. ENFORCEMENT OF DECLARATION, BYLAWS, AND RULES AND REGULATIONS

17.1. Rights of Action. Each Owner, the Board, and the Association shall comply strictly with this Declaration, the Bylaws, and the rules and regulations adopted pursuant to the Declaration and Bylaws, as they may be lawfully amended from time to time, and the decisions of the Board. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board on behalf of the Association or by an Owner.

17.2. Failure of Board to Insist on Strict Performance. The failure of the Board in any instance to (i) insist upon the strict compliance with this Declaration or the Bylaws or the rules and regulations, (ii) exercise any right contained in such

documents, or (iii) serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment in the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of an Assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board. This Article also extends to Homestead in its capacity as “declarant” under WUCIOA.

17.3. Board Enforcement. The Board has the authority to enforce the Declaration, the Bylaws, and the rules and regulations by imposing the remedies provided in this Declaration. After repeated violations of the Declaration, Bylaws, or rules and regulations by an Owner, and after an Owner’s Right to Notice and Opportunity to be Heard, the Board shall have the authority to file an action for damages and for injunctive relief, including in a proper case, removal of the Owner from the Owner’s Unit and the authority to pursue any and all remedies available in law or equity.

ARTICLE 18.

TORT AND CONTRACT LIABILITY

18.1. Declarant Liability Neither the Association nor any Owner except Homestead is liable for Homestead’s torts in connection with any part of the Condominium that Homestead, in its capacity as “declarant” under WUCIOA, has the responsibility to maintain. Otherwise, an action alleging a wrong done by the Association must be brought against the Association and not against any Owner or any officer or director of the Association. If the wrong by the Association occurred during the period of Homestead Control and the Association gives Homestead reasonable notice of and an opportunity to defend against the action, Homestead who then controlled the Association is liable to the Association or to any Owner (a) for all tort losses not covered by insurance suffered by the Association or that Owner and (b) for all costs that the Association would not have incurred but for a breach of contract, other wrongful act or omission by the Association. If Homestead does not defend the action and is determined to be liable to the Association under this Section, Homestead is also liable for all litigation expenses, including reasonable attorneys’ fees, incurred by the Association in such defense. Any statute of limitations affecting the Association’s right of action under this Section is tolled until the period of Homestead Control terminates. An Owner is not precluded from bringing an action contemplated by this Section because he or she is a Unit Owner or a member or officer of the Association.

18.2. Limitation of Liability for Utility Failure. Except to the extent covered by insurance obtained by the Board, none of the Association, the Board, or Homestead shall be liable for: (a) the failure of any utility or other service to be obtained and paid for by the Board; (b) injury or damage to person or property caused

by the elements or resulting from electricity, water, rain, dust, or sand that may leak or flow from outside or from any parts of the Homes, or from any of their pipes, drains, conduits, appliances, or equipment or from any other place; or (c) inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, for such injury or damage, or for such inconvenience or discomfort.

18.3. No Personal Liability. So long as a Board member, Association committee member, Association officer, or Homestead has acted in good faith, without willful or intentional misconduct, or any of their agents, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person and shall be entitled to the immunities provided to officers and board members under RCW 64.90.410(b), provided that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board or an Owner. Without limiting the foregoing, this Section shall apply to limit the liability for damages or losses arising from or related to the Association or any of its agents carrying out its repair and maintenance obligations with respect to the Units and Common Elements pursuant to the terms of the Declaration.

ARTICLE 19. INDEMNIFICATION

Each Board member, Association committee member, Association officer, and Homestead shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of such person's duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 20. INSURANCE

20.1. Owner's Insurance. Given that this is an airspace condominium with few, if any, Common or Limited Common Elements, it has been determined that each CLT Member Owner shall obtain and maintain property insurance on their Unit,

including, but not limited to, the Home, Structures, equipment and improvements in their Unit, insuring against all risks of direct physical loss commonly insured against (including hazard insurance if applicable). The total amount of insurance after application of any deductibles shall not be less than 80% of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies. Each CLT Member Owner is hereby required to file a copy of such individual policy or policies with the Board within 30 days after purchase of such insurance, and the Board may review its effect with the Board's insurance broker, agent or carrier. If, at any time, an CLT Member Owner fails to fulfill the requirements of this Section 20.1, then the Association may obtain such insurance and shall assess against such CLT Member Owner a special charge for the cost of such insurance. Otherwise, any insurance policy issued to the Association does not prevent a CLT Member Owner from obtaining insurance of the CLT Member Owner's own benefit. The Association's failure to enforce this obligation does not constitute a waiver of its right to do so.

20.2. Insurance Coverage. Notwithstanding the provisions of Section 20.1, commencing not later than the time of the first conveyance of a Unit to a person other than Homestead, the Association shall maintain to the extent reasonably available and subject to reasonable deductibles:

20.2.1. Property insurance on the Common Elements, insuring against risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall not be less than 80% of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies.

20.2.2. Commercial general liability insurance, including medical payments insurance, in an amount determined by the Board covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and other portions of the Condominium for which the Association has maintenance responsibilities.

20.2.3. Workmen's compensation insurance to the extent required by applicable laws.

20.2.4. Fidelity insurance as the Board deems advisable.

20.2.5. Insurance against loss of personal property of the Association by fire, theft and other losses (including hazard insurance if applicable) with deductible provisions as the Board deems advisable.

20.2.6. Such other insurance (including directors' and officers' liability) as the Board deems advisable; provided that, notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by HUD, FNMA, FHLMC, VA or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a Mortgagee or Owner of a Unit within the Condominium, except to the extent such coverage is not available or has been waived in writing by such agency.

20.3. Coverage Not Available. If the insurance described in Section 20.2 is not reasonably available, or is modified, cancelled or not renewed, the Association shall promptly cause notice of that fact to be sent to all Owners, to each Eligible Mortgagee and to each Mortgagee to whom a certificate of insurance has been issued at their respective last known addresses in accordance with Sections 27.1 and 27.2, as applicable. The Association in any event may carry any other insurance it deems appropriate to protect the Association or the Owners. Further, notwithstanding anything to the contrary herein, if the insurance required in Section 20.2 is not applicable to the Condominium because there are no Common Elements or if the Association determines in its sole discretion that it is not reasonably available or subject to reasonable deductibles, the Association may elect to not obtain such insurance, provided that it must notify initial CLT Member Owners through the Public Offering Statement and current CLT Member Owners as outlined above.

20.4. Required Provisions. Insurance policies carried pursuant to this Article shall:

20.4.1. Provide a standard mortgage clause or equivalent endorsement;

20.4.2. Provide that each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

20.4.3. Provide that the insurer waives its right to subrogation under the policy as to any and all claims against the Association, the Owner of any Unit and/or their respective agents, employees or tenants, and members of their household, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

20.4.4. Provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, nor any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no direct control, will void the policy or be a condition to recovery under the policy;

20.4.5. Provide that if, at the time of loss under a policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance, and the liability of the insurer thereunder shall not be affected by, and the insurer shall not claim any right of setoff, counterclaims, apportionment, proration, contribution, or assessment by reason of any other insurance obtained by or for any Owner or any Mortgagee;

20.4.6. Provide that the policy cannot be canceled or substantially modified without 10 days' prior written notice to the Association and to each Mortgagee of a first Mortgage;

20.4.7. Contain no provision (other than insurance conditions) which will prevent Mortgagees from collecting insurance proceeds; and

20.4.8. Contain, if available, an agreed amount and Inflation Guard Endorsement.

20.5. Claims Adjustment. Any loss covered by the property insurance obtained by the Association under this Article must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Subject to the provisions of ARTICLE 22 the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated.

20.6. Certificate. An insurer that has issued an insurance policy under this Article shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of RCW 48.18 pertaining to cancellation or non-renewal of contracts of insurance. The insurer shall not modify the amount or the extent of the coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of RCW 48.18.

20.7. Notification on Sale of Unit. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners under this Article 20 of the name of the new Owner and request that the new Owner be made named insured under such policy.

ARTICLE 21.
DAMAGE OR DESTRUCTION; RECONSTRUCTION

21.1. Definitions; Significant Damage; Repair; Emergency Work.

21.1.1. As used in this Article, the term “*Significant Damage*” means damage or destruction, whether or not caused by casualty, to any part of the Property which the Board is responsible to maintain or repair: (a) for which funds are not available in the maintenance and repair or contingency budget of the Association to make timely repairs and (b) which has a significant adverse impact on the habitability of any Unit or the ability of an Owner or Owners to use the Property or any significant portion of the Property for its intended purpose.

21.1.2. As used in this Article, the term “*repair*” means to repair, reconstruct, rebuild, or restore the improvements that suffered Significant Damage to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then-applicable governmental rules and regulations or available means of construction may be made.

21.1.3. As used in this Article the term “*Emergency Work*” means the work the Board deems reasonably necessary to avoid further damage, destruction, or substantial diminution in value to the improvements and to reasonably protect the Owners from liability arising out of the condition of the Property.

21.2. Initial Board Determinations. If Significant Damage occurs to any part of the Condominium, the Board shall promptly, and in all events within 30 days after the date of Significant Damage, or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, make the following determinations with respect to the Significant Damage employing such advice as the Board deems advisable:

21.2.1. The nature and extent of the Significant Damage, together with an inventory of the improvements and property directly affected thereby;

21.2.2. A reasonably reliable estimate of the cost to repair the Significant Damage, which estimate shall, if reasonably practicable, be based upon a firm bid obtained from a responsible contractor;

21.2.3. The anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer;

21.2.4. The amount, if any, that the estimated cost of repair exceeds the anticipated insurance proceeds therefor and the amount of Assessment to each Unit if

such excess was paid as a Common Expense and specially assessed against all of the Units in proportion to their Allocated Interest in the Common Elements; and

21.2.5. The Board's recommendation as to whether such Significant Damage should be repaired.

21.3. Notice of Damage or Destruction. The Board shall promptly, and in all events within 30 days after the date of Significant Damage, provide each Owner and each first Mortgagee with a written notice summarizing the initial Board determination made under Section 21.2. If the Board fails to do so within said 30 days, then any Owner or Mortgagee may make the determination required under Section 21.2 and give the notice required under this Section.

21.4. General Provisions.

21.4.1. Duty to Restore. Any portion of the Condominium the Association is responsible for insuring that is Significantly Damaged shall be repaired promptly by the Association unless: (a) the Condominium is terminated; (b) repair would be illegal under any state or local health or safety statute or ordinance; or (c) 80% of the Owners, including every Owner of a Unit or assigned Limited Common Element which will not be repaired, and Homestead, vote not to repair. Even if the Significant Damage is not to be repaired, the Board shall still have authority to perform emergency work. The cost of repair in excess of insurance proceeds and reserves is a Common Expense.

21.4.2. Restoration in accordance with Declaration. Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration, the Map and original specifications unless consent is obtained from Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated.

21.4.3. Damage Not Restored. If all or any portion of the damaged portions of the Condominium are not repaired (regardless of whether such damage is Significant): (a) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (b) the insurance proceeds attributable to Units (if any) and Limited Common Elements which are not repaired shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and (c) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Allocated Interests in the Common Elements of all Units.

21.4.4. Reallocation. If the Owners vote not to repair any Home for which it has insurance obligations hereunder (if any), that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under 0, and

the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

21.5. Restoration by Board. If the damage (regardless of whether such damage is Significant) is to be repaired pursuant to Section 21.4, then:

21.5.1. Contract and Contractors. The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to effectuate the repair and restoration. Contracts for such repair and restoration shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with repair upon satisfaction of the Board that such work will be appropriately carried out.

21.5.2. Insurance Trustee. The Board may enter into a written agreement in recordable form with any reputable financial institution, trust, or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for a loss in excess of \$50,000, or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

21.6. Decision to Terminate. If the Owners decide to terminate the Condominium and not repair and restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and funds of the Association as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged or destroyed improvements and clearing, filling and grading the real property), and the remaining funds, if any, and property shall thereafter be held and distributed as provided in RCW 64.90.290.

ARTICLE 22. CONDEMNATION

22.1. In General. If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Unit Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element.

22.2. Partial Unit Condemnation. Except as provided in Section 22.1, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides: (a) that Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit and/or Home (as the case may be), and (b) the portion of the Allocated Interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced Allocated Interests.

22.3. Common Element Condemnation. If part of the Common Elements is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective Allocated Interests in the Common Elements. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

22.4. Recording of Judgment. The court judgment shall be recorded in the county in which the Condominium is located.

22.5. Association to Represent Owners. The Association shall represent the Unit Owners in any proceedings, negotiations, settlements or agreements regarding a condemnation of any part of the Condominium, and any condemnation proceeds shall be payable to the Association for the benefit of the Owners of affected Units and their Mortgagees. Should the Association not act on the Owner's behalf in a condemnation process, the affected Owners may individually or jointly act on their own behalf. Ownership of condemnation proceeds, as between the Owners and Mortgagees of the affected Units, shall be controlled by the terms of the mortgage agreements between the respective owners and their Mortgagees.

ARTICLE 23. EASEMENTS

23.1. In General. Each CLT Member Owner has an easement in the Common Elements for access to such CLT Member Owner's Unit and Home, subject to applicable rules and regulations of the Association or permitted conveyances or encumbrances of such Common Elements. Each Unit has an easement for ingress to and egress from the Unit and an easement in and through each other Unit and the Common Elements and Limited Common Elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. Such easements are perpetual and appurtenant to each Unit.

23.2. Ingress and Egress Easement. There is hereby declared and granted to the CLT Member Owners a perpetual, nonexclusive easement for pedestrian access, ingress, and egress over, under, through, across and upon, that portion of the Property more particularly described in the Map as the “Easement Area”.

23.3. Encroachments. To the extent not provided by the definition of “Unit” in the Declaration and in WUCIOA, each Unit and all Common Elements and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common and Limited Common Elements for the purpose of accommodating any present or future encroachment as a result of any meandering fence, engineering errors, construction, reconstruction, repairs, settlement, shifting or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Elements and Limited Common Elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the encroaching Owner. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

23.4. Easements Reserved by Homestead. Homestead reserves an easement over, across, and through the Units, Common Elements, and Limited Common Elements of the Condominium for the purposes of completing any unfinished Homes or other Structures or improvements, exhibiting and preparing Homes for sale, making repairs required pursuant to any contract of sale, and discharging Homestead’s obligations or exercising Special Declarant Rights. Homestead further reserves mutual nonexclusive easements over, across, and through the Common Elements of the Condominium (i.e., the real property described in Schedule A, as it may from time to time be amended by Homestead) for the benefit of Homestead and its successors and assigns, the Association, and all Owners of Units in the Condominium for ingress to and egress to the Condominium, the right to have access to and to tie into and use any water, sanitary sewer, storm sewer, electricity, gas, telephone, cable, television, or other utility lines now or hereafter established in the Condominium.

23.5. Utility Easements Granted by Homestead. Homestead grants to each company or municipality providing utility services to the Condominium or to Owners of Units in the Condominium an easement for the installation, construction, maintenance, repair, and reconstruction of all utilities serving the Condominium or Owners, including, without limitation, such utility services as gas, water, sanitary sewer, storm sewer, electricity, cable television, and telephone, and an easement for access over and under the Common Elements of the Condominium to the utility service facilities.

23.6. Maintenance Easement. The Association is hereby granted an easement over, across, and through the Common Elements and Units of the Condominium for the right to install, maintain, and replace the exterior of the Homes and other Structures, landscaping, or any other items in accordance with Section 9.3. Any such work undertaken by the Association shall be done in a good and workmanlike manner.

23.7. Utility and Repair Easements. Each Unit (the “*Owner’s Unit*”) shall have a nonexclusive easement over the other Units (“*Other Units*”) for all existing utility lines that serve the Owner’s Unit and for a right of access to the utility lines serving the Owner’s Unit for the purpose of repair and replacement, and shall include such additional area as is necessary to facilitate its intended purposes, provided the Owner promptly restores the Other Units to their prior condition. In addition, each Unit shall have a nonexclusive easement over that portion of any Other Units that (i) lie outside of the Home Footprint of the Homes located within such Other Units and (ii) are adjacent to the boundary of the Owner’s Unit for the purposes of accessing the Home in the Owner’s Unit for repair and maintenance of the Home, if reasonably necessary, provided the Owner promptly restores the Other Units to their prior condition.

23.8. Easement for Association. There is hereby reserved to Homestead and the Association for the benefit of the Owners, or their duly authorized agents and representatives, over and across and through all portions of the Condominium, such easements as are necessary to perform the duties and obligations of the Association as set forth herein. Without limiting the generality of the foregoing, such easements include an easement over, under, and across the Condominium for maintenance, repair, and replacement, as applicable, of all Common Elements, exterior Structures, exteriors of Homes, landscaping, and any related maintenance, repair, and replacement obligations of the Association hereunder. Homestead’s easement under this Section automatically terminates when Homestead no longer owns a Unit in the Condominium.

23.9. Mailboxes. There is hereby declared and granted to the Owners of the Units an easement for the purpose of installation, maintenance, use and replacement of mailboxes serving the Property as such mailboxes are installed by Homestead.

23.10. Homestead’s Signage, Logo, and Trademark Rights. Homestead may, in its sole discretion, construct signage at any entrance to the Condominium which identifies it and includes a notation indicating that it was developed “by Homestead Community Land Trust” (or some similar reference to Homestead), including the use of any particular logos or trademarks used by Homestead, and convey such signage to the Association along with a non-exclusive license to use the logos or trademarks depicted on the signage (but only for purposes of maintaining such logos or trademarks in the manner depicted on the signage at the time of

conveyance and for no other purpose), such license being revocable by Homestead at any time. If the license is revoked, all references to Homestead shall be removed from the signage.

ARTICLE 24. PROCEDURES FOR SUBDIVIDING

24.1. Subdivision of Units. Except as contemplated by Section 4.1, no Unit shall be subdivided either by agreement or legal proceedings, unless otherwise provided by an amendment to this Declaration.

24.2. Relocation of Boundaries.

24.2.1. Adjoining Units. The boundaries between adjoining Units may be relocated upon application to the Board by Owners of those Units and approval by the Board under this Section 24.2.1. The application must include plans showing the relocated boundaries and such other information as the Board may require. If the Unit Owners of the adjoining units have specified a reallocation between their Units of their Allocated Interests, the application must state the proposed reallocations. Unless the Board determines, after receipt of all required information, that the reallocations are unreasonable or that the proposed boundary relocation does not comply with the Declaration, WUCIOA, or other provisions of law, the Board must approve the application and prepare any amendments to the Declaration and Map in accordance with the requirements of Section 24.2.3.

24.2.2. Units and Common Elements. Boundaries between Units and Common Elements may be relocated to incorporate Common Elements within a Unit by an amendment to the Declaration upon application to the Association by the Unit Owner of the Unit who proposes to relocate a boundary. The amendment may be approved only if the Unit Owner of the Unit, the boundary of which is being relocated, and persons entitled to cast at least 67% of the votes in the Association, including 67% of the votes allocated to Units not owned by Homestead, agree. The Association may require payment to the Association of a one-time fee or charge or continuing fees or charges payable by the Unit Owners of the Units whose boundaries are being relocated to include Common Elements.

24.2.3. Preparation of Amendments to Declaration and Map. The Association must prepare any amendment to the Declaration in accordance with RCW 64.90.225 and any amendment to the Map in accordance with RCW 64.90.245 necessary to show or describe the altered boundaries of affected Units and their dimensions and Identifying Numbers. The amendment to the Declaration must be executed by the Unit Owner of the Unit, the boundaries of which are being relocated, and by the Association, contain words of conveyance between them, and be recorded in the names of the Unit Owner or Owners and the Association, as grantor or grantee, as

appropriate and as required under RCW 64.90.285(3). The amendments are effective upon recording

24.2.4. Costs for Amendments. All costs, including reasonable attorneys' fees, incurred by the Association for preparing and recording amendments to the Declaration and Map under this Section must be assessed to the Unit, the boundaries of which are being relocated.

ARTICLE 25. AMENDMENT OF DECLARATION, MAP, ARTICLES OR BYLAWS

25.1. Procedures. Except in cases of amendments that may be executed by Homestead under the Declaration or WUCIOA, this Declaration, the Map, the Articles, and the Bylaws may be amended only by vote or agreement of Owners, as specified in this Article. An Owner may propose amendments to this Declaration or the Map, the Articles, or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with 20% or more of the votes in the Association, then, irrespective of whether the Board concurs to the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice must be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Eligible Mortgagees) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of Eligible Mortgagees as provided below, amendment to the Declaration or the Map will become effective when it is recorded or filed in the real property records of King County. The amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. Such amendments shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

25.2. Percentages of Consent Required. Except as otherwise provided in ARTICLE 21 and ARTICLE 22 in the case of damage or condemnation of the property, the percentages of consent of Owners and Mortgagees required for adoption

of amendments to the Declaration, the Map, the Articles, and the Bylaws are as follows:

25.2.1. The consent of Owners holding at least 67% of the votes in the Association, Homestead's approval, and the consent of Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated shall be required to materially amend any provisions of the Declaration, the Map, the Articles, or the Bylaws, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following (a) voting rights; (b) Assessments, Assessment liens or subordination of such liens; (c) reserves for maintenance, repair, or replacement of the Common Elements; (d) responsibility for maintenance and repair of any portion of the Condominium; (e) rights to use Common Elements and Limited Common Elements; (f) reallocation of interests in Common Elements or Limited Common Elements or rights to their use; (g) redefinition of any Unit boundaries; (h) convertibility of Units into Common Elements or Limited Common Elements, Common Elements, or Limited Common Elements into Units or Common Elements into Limited Common Elements; (i) expansion or contraction of the Condominium or the addition, annexation, or withdrawal of property to or from the Condominium; (j) hazard or fidelity insurance requirements; (k) imposition of any restrictions on leasing of Units; (l) imposition of any restriction on the right of an Owner to sell or transfer a Unit; (m) establishment of self-management of the Condominium after professional management has been required by HUD, FNMA, VA, FHLMC, or other similar agency or corporation or by an Eligible Mortgagee; (n) restoration or repair (after damage or partial condemnation) in a manner other than specified in the Declaration or the Map; or (o) any provisions that are for the express benefit of holders of first Mortgages. An amendment that creates or increases Special Declarant Rights, increases the number of Units, changes the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted shall require the vote or agreement of the Owner of each Unit particularly affected, Homestead (if Homestead owns any interest in a Unit or has the rights to exercise any Special Declarant Rights), Owners having at least 90% of the votes in the Association other than Homestead, and Project Mortgagee.

25.2.2. In addition to the foregoing requirements, the consent of Homestead and the Project Mortgagee shall be required for any amendment of Article 10, Section 13.1, Section 13.2, Section 18.1, Section 18.3 or Article 19 relating to Homestead.

25.2.3. All other amendments shall be adopted if consented to by Owners holding at least 67% of the votes in the Association and Homestead's approval.

25.2.4. An Eligible Mortgagee or Mortgagee who receives a written request to consent to an amendment who does not deliver or post to the requesting party a negative response within 60 days shall be deemed to have consented to such request.

25.2.5. If the Condominium has received a project approval from the VA, the approval of the VA will be required for any amendment to the Declaration, Articles, Bylaws, or Map adopted prior to the Transition Date.

25.3. Limitations on Amendments. No amendment may restrict, eliminate, or otherwise modify any Development Right or Special Declarant Right provided in this Declaration without the consent of Homestead and Project Mortgagee and no amendment may restrict, eliminate, or otherwise modify any right granted to Project Mortgagee without the consent of Project Mortgagee.

25.4. Unilateral Corrections by Homestead. In accordance with RCW 64.90.285(10), upon 30 days' advance notice to Owners, Homestead may, without a vote of the Unit Owners or approval by the Board, unilaterally adopt, execute, and record a corrective amendment or supplement to the Governing Documents to correct a mathematical mistake, an inconsistency or a scrivener's error, or clarify an ambiguity in the Governing Documents, within 5 years after the recordation or adoption of the Governing Document containing or creating the mistake, inconsistency, error, or ambiguity.

25.5. Unilateral Corrections By Board. Upon 30 days' advance notice to Owners, the Association may, upon a vote of two-thirds of the members of the Board, without a vote of the Unit Owners, adopt, execute, and record an amendment to the Declaration for the purposes described in RCW 64.90.285(11).

25.6. Savings. To the extent it is determined that any rights of Homestead to vote on amendments to the Governing Documents are unenforceable, then Homestead, as a third party, shall have the right to approve any amendment to the Governing Documents pursuant to RCW 64.90.285(1)(b) and no amendments shall become effective without the approval of Homestead.

ARTICLE 26. TERMINATION OF CONDOMINIUM

26.1. Action Required. Except as provided in ARTICLE 21 and ARTICLE 22, the Condominium may be terminated only by agreement of CLT Member Owners of Units to which at least 80% of the votes in the Association are allocated, with the consent of Homestead, and with the consent of Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated and in accordance with WUCIOA; provided that the consent of Eligible Mortgagees of Units to which at least 67% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated is required to terminate the Condominium for reasons other than substantial destruction or a substantial taking in condemnation of the Property. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response

within 60 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

26.2. WUCIOA Governs. The provisions of WUCIOA relating to termination of a Condominium contained in RCW 64.90.290, as it may be amended, shall govern the termination of the Condominium, including, but not limited to, the disposition of the real property in the Condominium and the distribution of proceeds from the sale of that real property.

26.3. Covenants Running with Land. This Declaration (until terminated as provided above) shall be operative as covenants running with the land, or equitable servitudes, binding on Homestead, its successors and assigns, and all subsequent owners of all or any portion of the real property made subject to this Declaration, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns, supplementing and interpreting WUCIOA, and operating independently of WUCIOA should WUCIOA be, in any respect, inapplicable.

ARTICLE 27. NOTICES

27.1. Form and Delivery of Notice. Except as otherwise provided in the Declaration, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing.

27.1.1. Tangible Medium. Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or wireless equipment that transmits a facsimile of the notice.

(a) Notice in a tangible medium to the Association or to a committee may be addressed to the Association's registered agent at its registered office, to the Association at its principal office shown in its most recent annual report or provided by notice to the Owners, or to the president or secretary of the Association at the address shown in the Association's most recent annual report or provided by notice to the Owners.

(b) Notice in a tangible medium to an Owner must be addressed to the address of the Unit of such Owner unless the Owner has requested in writing, delivered to the Association that notices be sent to an alternate address or by other method allowed by law and the Governing Documents.

27.1.2. Electronic Transmission.

(a) Notice to Owners or directors by electronic transmission is effective only upon Owners and directors who have consented in writing to receive electronically transmitted notices under WUCIOA and have designated in the consent the

address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of WUCIOA and applicable law.

(b) Notice to Owners or directors under this Section 27.1.2 includes material that WUCIOA or the Governing Documents requires or permits to accompany the notice.

(c) An Owner or director who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a written revocation to the Association.

(d) The consent of any Owner or director is revoked if the Association is unable to electronically transmit two consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.

(e) Notice to Owners or directors who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Owner or director a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

(f) Notice to an Association in an electronic transmission is effective only with respect to an Association that has designated in a record an address, location, or system to which the notices may be electronically transmitted.

27.1.3. Alternative Methods. Notice may be given by any other method reasonably calculated to provide notice to the recipient.

27.1.4. Effectiveness. Notice is effective as follows:

(a) Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when sent by fax.

(b) Notice provided in an electronic transmission is effective as of the date it: (y) is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or (z) has been posted on an electronic network and a separate record of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network.

27.1.5. Failure to Deliver. The ineffectiveness of a good-faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

27.2. Notices to Eligible Mortgagees. An Eligible Mortgagee is a Mortgagee that has filed with the secretary of the Board a written request that it be given copies of the notices listed below and shall also mean the Project Mortgagees with respect to Units owned by Homestead upon which it has a Mortgage. The request must state the name and address of the Eligible Mortgagee and the Identifying Number or address of the Unit on which it has (or insures or guarantees) a Mortgage. Until such time thereafter that the Eligible Mortgagee withdraws the request or the Mortgage held, insured or guaranteed by the Eligible Mortgagee is satisfied, the Board shall send to the Eligible Mortgagee timely written notice of (a) any proposed amendment of this Declaration or Map effecting a change in (1) the boundaries of any Unit, (2) the exclusive easement rights, if any, appertaining to any Unit, (3) the interest in the Common Elements or the liability for Common Expenses of any Unit, (4) the number of votes in the Association allocated to any Unit, or (5) the purposes to which a Unit or the Common Elements are restricted; (b) any proposed termination of Condominium status, transfer, or mortgage of any part of the Common Elements, or termination of professional management of the Condominium; (c) any condemnation loss or casualty loss that affects a material portion of the Condominium or that affects any Unit on which an Eligible Mortgagee has a first Mortgage; (d) any delinquency that has continued for 60 days in the payment of Assessments or charges owed by an Owner of a Unit on which an Eligible Mortgagee had a Mortgage; (e) any lapse, cancellation, or material modification of any insurance policy maintained by the Association pursuant to Article 20; (f) any proposed action that would require the consent of a specified percentage of Eligible Mortgagees pursuant to this Declaration, the Articles, or Bylaws; and (g) any proposed special Assessment or supplemental budget.

ARTICLE 28. SEVERABILITY

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remaining provision or provisions comply with WUCIOA.

ARTICLE 29. EFFECTIVE DATE

This Declaration shall take effect upon recording.

ARTICLE 30.
ASSIGNMENT BY HOMESTEAD

Homestead reserves the right to assign, transfer, sell, lease, or rent all or a portion of the Property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

ARTICLE 31.
DISPUTE RESOLUTION

31.1. Mediation and Binding Arbitration of Claims. Any and all claims, disputes, or controversies (whether under federal, state, or local law) between or among any of the Association, the Board, or one or more Unit Owners arising from or related to (i) the Governing Documents, (ii) the Condominium, or (iii) the management or operation of the Condominium or the Association, including, without limitation, any such claim of breach of contract, negligence, breach of any duty under WUCIOA or breach of any alleged duty of good faith and fair dealing (collectively, “Claims”), shall be resolved exclusively by binding, non-appealable arbitration as set forth herein. Notwithstanding the foregoing, the following matters shall not be Claims subject to mandatory mediation or arbitration under this Section 31.1: (i) any action or remedy initiated by or against any Mortgagee, (ii) judicial Foreclosure actions, (iii) non-judicial trustee’s sales, (iv) the appointment of a receiver during Foreclosure, or (v) actions to collect or enforce any order, decision, or award rendered by arbitration.

31.2. Initiation of Arbitration; Mediation. If any party to a Claim determines that the Claim cannot be resolved without intervention, then that party shall give notice in a tangible medium (as defined under Section 27.1.1) to all other parties to the Claim demanding that the Claim be submitted to mediation and arbitration pursuant to this Section 31.2. The parties shall attempt to resolve any Claims in good faith through mediation at the outset of any arbitration proceeding. Any administrative fees of the mediation service and fees of the mediator shall be borne equally by the parties to the mediation. Each party shall pay its own attorneys’ fees and costs in connection with the mediation.

31.3. Arbitrator’s Authority. This Section 31.3 shall be deemed to be a self-executing arbitration agreement. Without limiting the authority of the arbitrator under the applicable arbitration rules, the arbitrator shall have the authority to decide (i) the substance of the Claim and any defenses and counterclaims relating to the Claim, (ii) procedural or evidentiary issues, (iii) issues relating to discovery, (iv) issues relating to applicable law, and (v) issues as to the interpretation or the enforceability of this arbitration agreement, including its revocability, unconscionability, or voidability, and the scope of issues arbitrable under this arbitration agreement. The arbitrator shall have the authority to award both damages and injunctive relief and to enforce the arbitration award. The arbitrator shall not have the authority to (x) amend the

Governing Documents, (y) render a decision that has the effect of amending the Governing Documents by ignoring a provision of the Governing Documents or excusing material non-compliance with a mandatory provision of the Governing Documents, or (z) award punitive or exemplary damages.

31.4. Arbitration Fees. All administrative fees of the arbitration service and fees of the arbitrator shall be borne equally by the parties to the arbitration, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice.

31.5. Arbitration Service; Arbitrator. The arbitration shall be conducted by Judicial Arbitration and Mediation Services (“JAMS”) pursuant to the JAMS Streamlined Arbitration Rules and Procedures for claims that do not exceed \$250,000, or the JAMS Comprehensive Arbitration Rules and Procedures for claims that exceed such amount in effect as of the date of the arbitration demand. The arbitrator shall possess sufficient knowledge in single-family plat communities as determined by the arbitration service.

31.6. Arbitration Procedures and Hearing. All arbitration hearings and meetings shall occur in the county in which the Condominium is located. The arbitrator shall apply the substantive law of the State of Washington. The arbitrator may allow factual discovery of information from the parties and witnesses to the extent reasonably relevant to claims and damages at issue but shall protect the parties from irrelevant, burdensome, or unreasonable discovery. Prior to the arbitration hearing, the parties must agree upon a written statement of the claim theories to be arbitrated. The arbitrator shall schedule the arbitration hearing for the earliest possible time that is consistent with fairness to the parties and the complexity of the issues. A party may request a stenographic record of the arbitration hearing. At the conclusion of the hearing in making the award, the arbitrator shall state in writing the theories raised by the parties and on which the award is based.

31.7. Attorneys’ Fees and Costs. The arbitrator shall have the authority to award actual reasonable attorneys’ fees and costs to the prevailing party. An attorneys’ fee award shall be calculated based upon the actual reasonable hours spent multiplied by a reasonable hourly rate given the experience and knowledge of the biller, without adjustment for risk, delay, or difficulty. An attorneys’ fee award must be reasonable under the Washington Rules of Professional Conduct. For purposes of this Section 31.7, a party is a prevailing party if it recovers the majority of the relief it has claimed, or if it prevents another party from recovering the majority of the relief it has claimed, including the enforcement of this Section 31.7. It may be appropriate in some cases to determine the prevailing party on a claim-by-claim basis. In some cases there may be no prevailing party.

31.8. Finality. The decision and award of the arbitrator shall be final and binding and may not be appealed to an arbitration panel or a court. The arbitrator’s decision and award may be entered as a judgment in any state or federal court of

competent jurisdiction, and a party may institute judicial proceedings to enforce the arbitration award.

31.9. Applicability of Arbitration Acts. The parties expressly agree that the use, operation, management, development, maintenance, repair, and replacement of the Condominium involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.) and the Washington Uniform Arbitration Act (chapter 7.04A RCW) now in effect and as the same may from time to time be amended, to the exclusion of any inconsistent state or local law, ordinance, or judicial rule. To the extent that any state or local law, ordinance, or judicial rule is inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding is conducted, the rules of the arbitration service shall govern the conduct of the arbitration.

31.10. Applicability of Statutes of Limitations. No Claim can be asserted in arbitration after the date such claim could be asserted in a judicial proceeding under applicable statutes of limitation and repose.

31.11. Enforceability. This Section 31.11 shall inure to the benefit of, and be enforceable by, the Association, the Board, Homestead, the Owners and their respective members, managers, officers, directors, employees, agents, attorneys, and insurers. The initiation of a judicial proceeding concerning this arbitration agreement or any matter arbitrable hereunder, or the filing of a lis pendens, by any party who reserves the right to arbitrate, shall not be deemed a waiver of the right to arbitrate or to enforce this arbitration agreement, and, notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay or refuse to participate in arbitration, or to refuse to enforce this arbitration agreement.

31.12. Severability. If any provision of this Section 31.12 shall be determined by the arbitrator or by any court to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms.

31.13. Waiver of Right to Judicial Proceedings. Each Person subject to this Declaration waives any right it may have to institute a judicial proceeding to decide a Claim, to demand arbitration under chapter 64.55 RCW, or to demand a trial de novo after arbitration under chapter 64.55 RCW.

31.14. Waiver of Right to Jury Trial. Each Person subject to this Declaration waives any right it may have to a jury trial under federal or state law as to any dispute between them arising from or involving a Claim. In addition, if the arbitration provisions of this Section 31.14 are deemed entirely or partially invalid, void, or unenforceable by the arbitrator or a judge, such that the parties are not required to resolve their disputes through binding arbitration for any reason, any and all Claims shall be tried before a judge in a court of competent jurisdiction in the State of

Washington in the county where the Condominium is located, and not before a jury, and all parties waive any right to a trial by jury.

31.15. Survival. The provisions of this Section 31.15 shall survive the transfer by any party of its interest or involvement in the Condominium or any Unit and the termination of this Declaration.

[Remainder of the page blank; signature on following page]

EXECUTED AS OF _____, 2025.

DECLARANT:

Homestead Community Land Trust,
a Washington nonprofit corporation

By: _____
Name: Kathleen Hosfeld
Its: CEO and Executive Director

STATE OF WASHINGTON

COUNTY OF _____

}

ss.

This record was acknowledged before me on _____, 2025, by Kathleen Hosfeld as CEO and Executive Director of Homestead Community Land Trust, a Washington nonprofit corporation.

[Stamp Below]

Signature

NOTARY PUBLIC in and for the State of Washington

My Commission

Expires _____

SCHEDULE A
DARSIE HOMES, A CONDOMINIUM

LOTS 4 AND 5, BLOCK 2, GOLDEN VIEW DIVISION NUMBER TWO AN
ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF
RECORDED IN VOLUME 29 OF PLATS, PAGE 22, RECORDS OF KING COUNTY,
WASHINGTON.

SCHEDULE B
UNIT DATA AND ALLOCATED INTERESTS

UNIT NUMBER AND ADDRESS	COMMON EXPENSE LIABILITY OF CLT MEMBER OWNER	COMMON EXPENSE LIABILITY OF HOMESTEAD	VOTING INTEREST OF CLT MEMBER OWNER	VOTING INTEREST OF HOMESTEAD
A 9634 A 28th Ave NW, Seattle, WA	1/2	0	1	0
B 9634 B 28th Ave NW, Seattle, WA	1/2	0	1	0
TOTAL	1	0	2	0

**EXHIBIT B
TO
PUBLIC OFFERING STATEMENT**

DRAFT MAPS

DARSIE HOMES, A CONDOMINIUM

DECLARATION

THE UNDERSIGNED OWNER OR OWNERS OF THE INTEREST IN THE REAL ESTATE DESCRIBED HEREIN HEREBY DECLARE THIS MAP AND DEDICATE THE SAME FOR A COMMON INTEREST COMMUNITY NAMED DARSIE HOMES, A CONDOMINIUM, AS THAT TERM IS DEFINED IN THE WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT, SOLELY TO MEET THE REQUIREMENTS OF THE WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT AND NOT FOR ANY OTHER PURPOSE. THIS MAP AND ANY PORTION THEREOF IS RESTRICTED BY LAW AND THE DECLARATION FOR DARSIE HOMES, A CONDOMINIUM (DECLARATION)

RECORDED UNDER KING COUNTY RECORDING NO. _____

IN WITNESS WHEREOF WE SET OUR HANDS AND SEALS.

HOMESTEAD COMMUNITY LAND TRUST A WASHINGTON NONPROFIT CORPORATION

BY: KATHLEEN HOSFELD
ITS: CEO AND EXECUTIVE DIRECTOR

ACKNOWLEDGMENTS

STATE OF _____)
) SS
COUNTY OF _____)

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT KATHLEEN HOSFELD IS THE PERSON WHO APPEARED BEFORE ME AND SAID PERSON ACKNOWLEDGED THAT HE/SHE SIGNED THIS INSTRUMENT ON OATH STATED THAT HE/SHE WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE CEO AND EXECUTIVE DIRECTOR OF HOMESTEAD COMMUNITY LAND TRUST A WASHINGTON NONPROFIT CORPORATION, TO BE THE FREE AND VOLUNTARY ACT OF SUCH ENTITY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.

DATE: _____

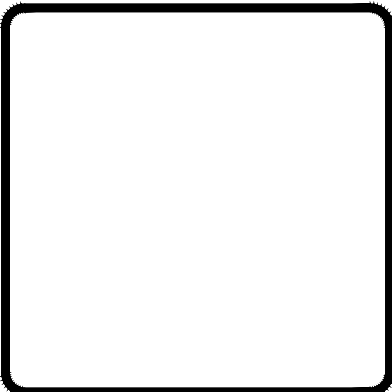
SIGNATURE OF NOTARY: _____

PRINTED NAME OF NOTARY: _____

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

RESIDING AT: _____

MY APPOINTMENT EXPIRES: _____



EXISTING LEGAL DESCRIPTION:

PARCEL B:
LOTS 4 AND 5 IN BLOCK 2 OF GOLDEN VIEW DIVISION NO. 2, AS PER PLAT RECORDED IN VOLUME 29 OF PLATS, PAGE 22, RECORDS OF KING COUNTY AUDITOR;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

SPECIAL EXCEPTIONS:

1.-10. (GENERAL OR FINANCIAL IN NATURE, NOT PLOTTABLE)

11. COVENANTS, CONDITIONS, RESTRICTIONS AND/OR EASEMENTS: RECORDING NO.: 3313178 (BLANKET IN NATURE, NOT PLOTTABLE)

12. RESTRICTIONS, CONDITIONS, DEDICATIONS THE PLAT OF GOLDEN VIEW DIV. NO. 2 AN ADDITION TO THE CITY OF SEATTLE RECORDED AS VOLUME 29 OF PLATS, PAGE 22, IN KING COUNTY, WASHINGTON. (THE PLAT DOES NOT DESCRIBE ANY EASEMENTS THEREFORE NONE ARE SHOWN)

13. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "POTENTIAL LANDSLIDE AREA COVENANT" RECORDED AUGUST 01, 2024 AS RECORDING NO. 20240801000382 OF OFFICIAL RECORDS. (BLANKET IN NATURE, NOT PLOTTABLE)

14.-17. (NOT APPLICABLE TO BE SHOWN)

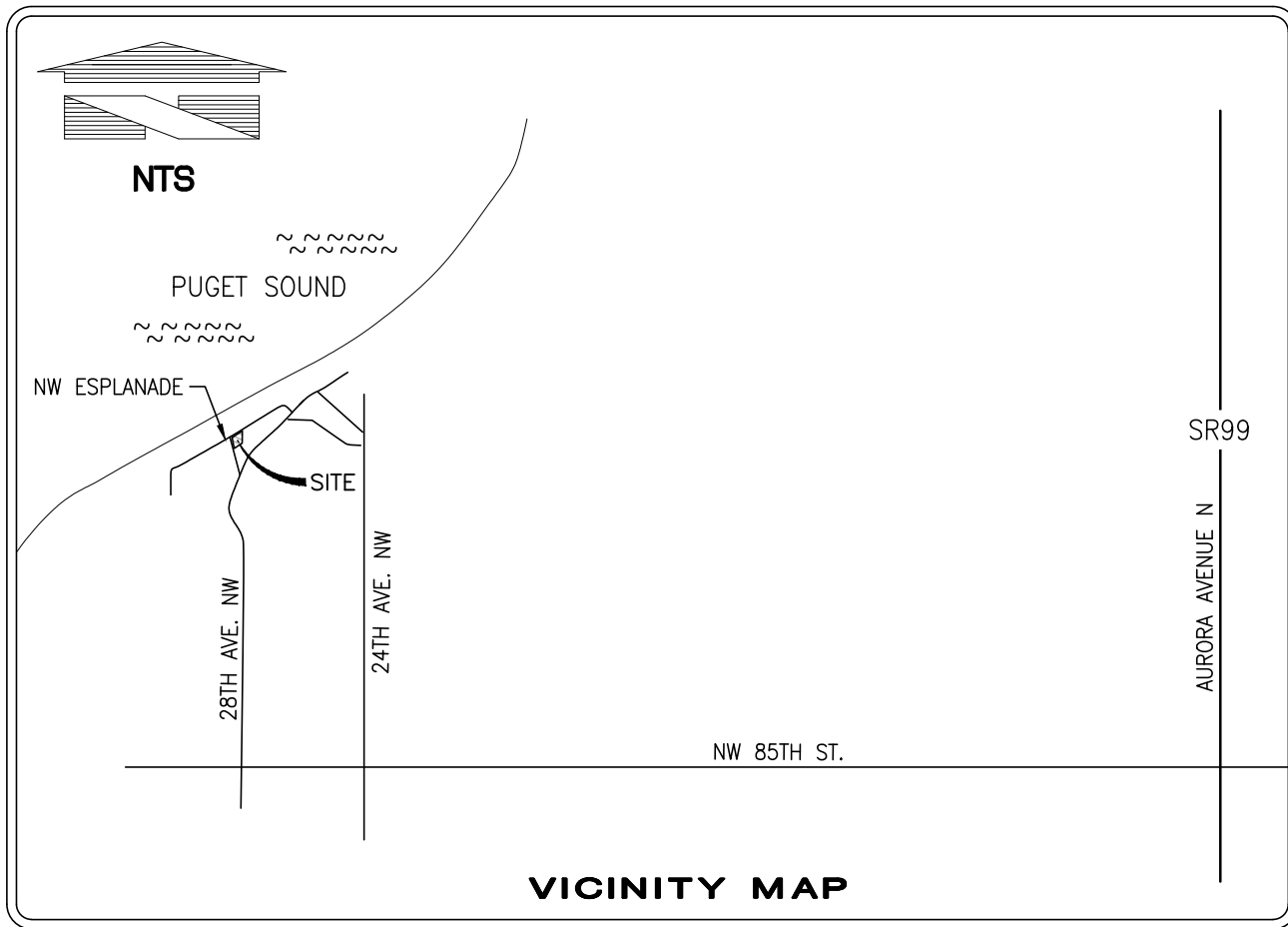
CONDOMINIUM NOTES

1. THE UNITS ARE COMMONLY KNOWN AS "AIRSPACE UNITS." THE HORIZONTAL AND VERTICAL BOUNDARIES OF THE UNITS ARE THE PLANES IN SPACE SHOWN ON THE MAP, PROVIDED THAT EACH UNIT'S BOUNDARIES EXTEND TO THE LOWER LIMITS OF LEGAL OWNERSHIP OF GROUND SOILS THAT ARE PART OF THE PROPERTY. TO THE EXTENT ANY SHARED UTILITY LINES (WHETHER UNDERGROUND OR NOT), PIPES, INFILTRATION TANKS OR FACILITIES, OR OTHER SHARED IMPROVEMENTS ARE LOCATED WITHIN SUCH GROUND SOILS, SUCH SHARED IMPROVEMENTS SHALL BE DEEMED COMMON ELEMENTS UNDER THIS DECLARATION.

2. ALL LAND IS SUBJECT TO DEVELOPMENT RIGHTS SET FORTH IN THE DECLARATION.

3. HORIZONTAL UNIT BOUNDARIES ARE THE UPPER AND LOWER LEGAL LIMITS OF OWNERSHIP DESCRIBED HEREIN.

4. SQUARE FOOTAGE OF EACH UNIT IS BASED ON THE AREA WITHIN THE VERTICAL BOUNDARIES AND IS NOT THE SQUARE FOOTAGE OF THE STRUCTURE WITHIN THE UNIT.



SURVEYOR'S VERIFICATION

STATE OF WASHINGTON }
COUNTY OF KING } SS.

TREVOR S. LANKTREE, BEING FIRST ON OATH DULY SWORN, STATES THAT HE IS THE REGISTERED PROFESSIONAL LAND SURVEYOR SIGNING THE BELOW CERTIFICATE, THAT HE HAS EXAMINED THESE SURVEY MAP AND PLANS, AND BELIEVES THE CERTIFICATE TO BE A TRUE STATEMENT.

DATED THIS 5TH DAY OF JUNE, 2025

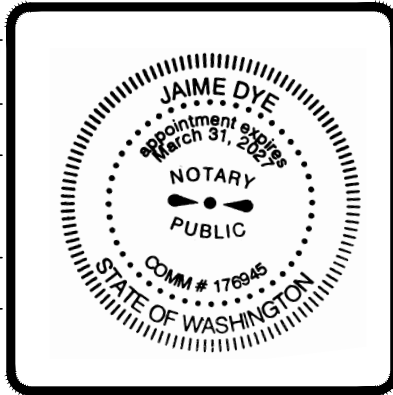
SIGNATURE OF NOTARY: _____

PRINTED NAME OF NOTARY: JAIME DYE

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

RESIDING AT: SEATTLE, WA

MY APPOINTMENT EXPIRES: MARCH 31, 2027



SURVEYOR CERTIFICATE:

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF ERIC PRAVITZ IN APRIL 2025. I HEREBY CERTIFY THAT THIS MAP FOR DARSIE HOMES, A CONDOMINIUM, IS BASED UPON AN ACTUAL SURVEY OF THE PROPERTY HEREIN DESCRIBED; THAT THE BEARINGS AND DISTANCES ARE CORRECTLY SHOWN; THAT ALL INFORMATION REQUIRED BY THE WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT (RCW 64.90) IS SUPPLIED HEREIN AND THAT ALL HORIZONTAL AND VERTICAL BOUNDARIES OF THE UNITS, TO THE EXTENT SUCH BOUNDARIES ARE NOT DEFINED BY PHYSICAL MONUMENTS, SUCH BOUNDARIES ARE SHOWN ON THIS MAP.

TREVOR S. LANKTREE
CERTIFICATE NO. 45789

06/05/2025
DATE

KING COUNTY DEPARTMENT OF ASSESSMENTS

EXAMINED AND APPROVED THIS _____ DAY OF _____, 202_____

ASSESSOR _____ DEPUTY ASSESSOR _____

281860-0050
ACCOUNT NUMBERS

RECORDERS CERTIFICATE

RECORDER'S FILE NUMBER _____

FILED FOR RECORD THIS _____ DAY OF _____

202_____ AT _____ M. IN BOOK _____ OF CONDOMINIUMS

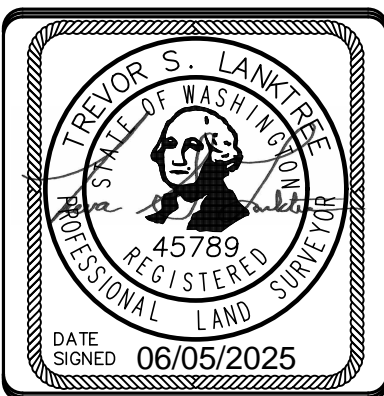
AT PAGE(S) _____ AT THE REQUEST OF LANKTREE LAND

SURVEYING, INC.

COUNTY RECORDER

SHEET INDEX

- NOTES AND SIGNATURES
- SURVEY CONTROL MAP AND DETAILS
- SITE PLAN

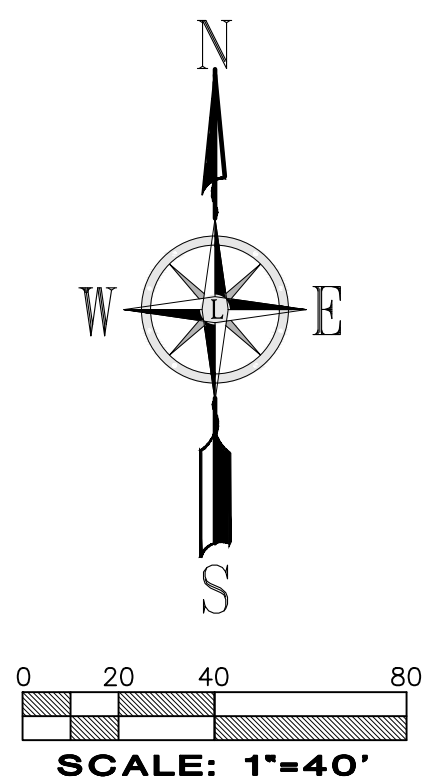


DRAWN BY	JRW
DATE	06/05/25
SCALE:	N/A
CHECKED BY:	TSL
JOB NO.:	7436
PROJECT NO.:	

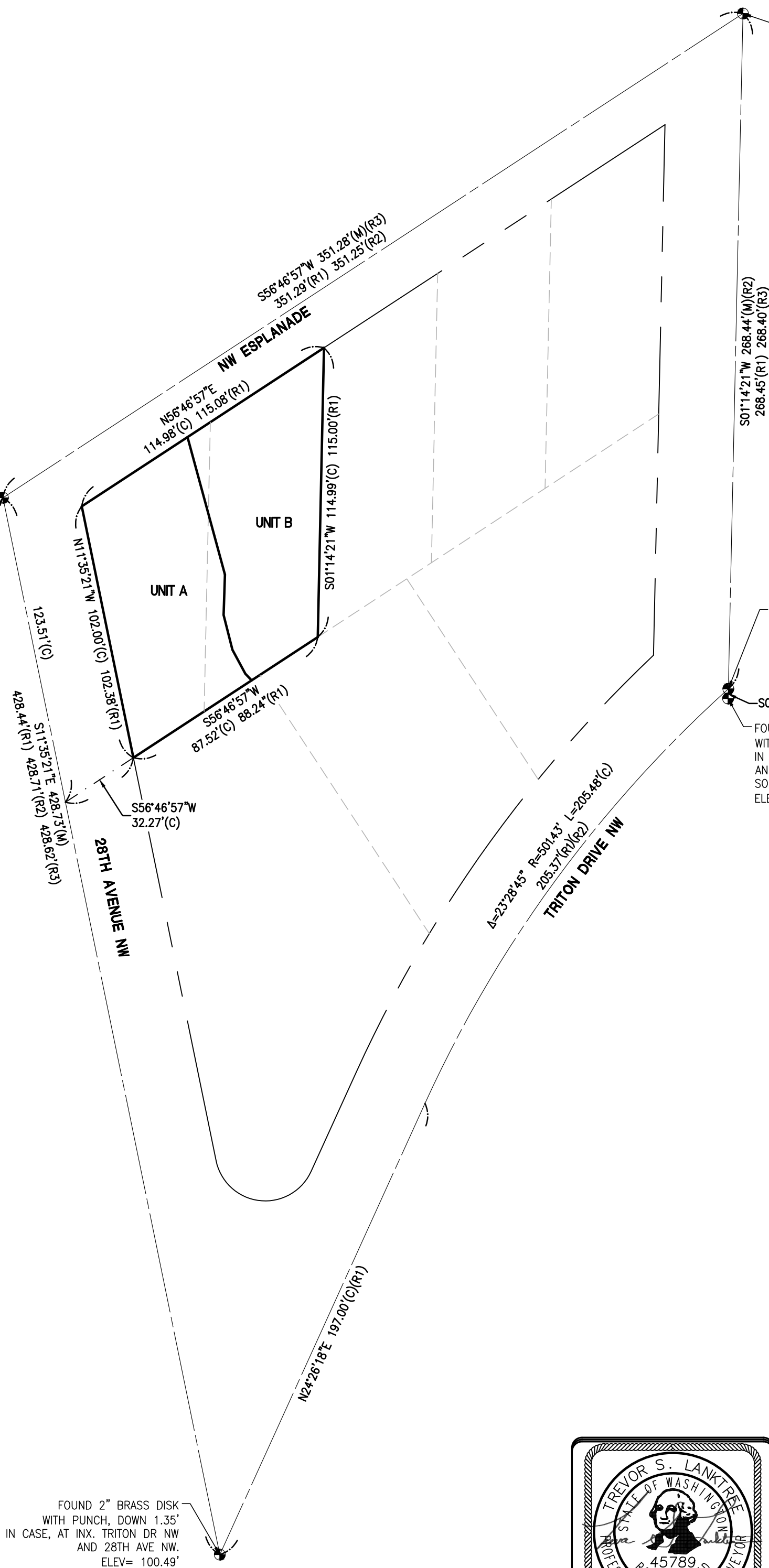
INDEX DATA
PTN OF THE SW1/4, OF THE NW1/4 OF SEC. 35, TWP. 26 N., RGE 3 EAST, W. M.
SURVEY FOR
HOMESTEAD COMMUNITY LAND TRUST 412 MAYNARD AVENUE SOUTH #201
KING COUNTY, WASHINGTON

SHT
1
OF
3

DARSIE HOMES, A CONDOMINIUM



FOUND 3/8" BRASS PIN
IN CONC., DOWN 1.10'
IN CASE AT INX.
NW ESPLANADE DR
AND 28TH AVE NW
ELEV= 73.01'



FOUND 3/8" BRASS PIN
IN CONC., DOWN 1.25'
IN CASE AT INX. NW ESPLANADE DR
AND 27TH AVE NW
ELEV= 83.80'

S01°14'21"W 268.44' (M)(R2)
268.45' (R1) 268.40' (R3)

FOUND 2" BRASS DISK
WITH PUNCH, DOWN 0.85'
IN CASE, AT INX. TRITON DR NW
AND 27TH AVE NW.
NORTH OF 2 MONUMENTS
ELEV= 97.97'

FOUND 2" BRASS DISK
WITH PUNCH, DOWN 1.05'
IN CASE, AT INX. TRITON DR NW
AND 27TH AVE NW.
SOUTH OF 2 MONUMENTS
ELEV= 97.93'

S01°14'21"W 3.85' (M)(R3) 3.92' (R1)

BASIS NAD83(2011) DATUM PER WASHINGTON STATE REFERENCE NETWORK(WSRN)
BASIS NAD83(2011) DATUM WAS ESTABLISHED BY HOLDING WSRN OBSERVATIONS ON MONUMENTS, SAID DIMENSIONS AS SHOWN HEREON.

PROJECT BASE POINT
LATITUDE: N47.700301152
LONGITUDE: W122.393491589
HEIGHT: 0.000000
PROJECT COMBINED SCALE: 1.0000313373

VERTICAL DATUM IS NAVD88 PER WSRN TIED TO GEOID18

PUBLISHED BENCHMARK
CITY OF SEATTLE BM#3836-1705
FOUND 2" BRASS CAP IN SIDEWALK
ON NW SIDE OF TRITON DR NW IN FRONT
OF HS#9921
NAVD88 ELEV=41.846'

LOCAL SITE/PROJECT BENCHMARKS
AS SHOWN ON THIS SURVEY

SITE ADDRESS
9634 28TH AVENUE NW
SEATTLE, WA 98117

ASSESSOR'S PARCEL NUMBER
281860-0050

FLOOD INFORMATION
PARCEL IS LOCATED IN ZONE "X" - AREA OF MINIMAL FLOOD HAZARD.
PER FEMA PANEL NUMBER 53033C0310G, DATED 8/19/2020.

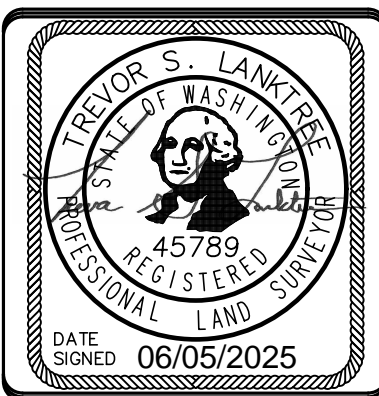
PARENT PARCEL AREA
9,600± SQ.FT. OR 0.220± ACRES

REFERENCE SURVEYS
R1) PLAT OF GOLDEN VIEW DIV. NO. 2, REC. NO. 192607192214334
R2) RECORD OF SURVEY, REC. NO. 20220512900019
R3) SEATTLE QUARTER-2010-12-09-NW263503

REFERENCE GIS DATA
G1) GIS MAP PROVIDED OR DOWNLOADED ON 7/26/2023 FROM CITY OF SEATTLE DEPARTMENT OF CONSTRUCTION & INSPECTIONS, AND DEVELOPMENT SERVICES OFFICE.

- NOTES
1. ALL DISTANCES SHOWN ON THIS SURVEY ARE IN US SURVEY FOOT.
 2. UTILITIES ARE SHOWN PER SURFACE OBSERVATIONS, UTILITY PAINT MARKINGS PER PRIVATE UTILITY LOCATOR ENLISTED AS PART OF THIS SURVEY AND PERFORMED BY APPLIED PROFESSIONAL SERVICES INC. AND OTHER REFERENCE INFORMATION. QUOTED ACCURACY OF UTILITIES SHOWN PER UTILITY LOCATE PAINT MARKINGS ARE 1.5'± HORIZONTALLY. VERTICAL UTILITY INFORMATION IS SHOWN TO THE SIGNIFICANT FIGURE AT WHICH THEY WERE MEASURED, BUT INHERENT ERROR EXISTS IN RESTRICTION OF ACCESS TO UNDERGROUND UTILITIES. UTILITIES SHOWN PER REFERENCE INFORMATION ARE PER BEST FIT AND INTERPOLATION AND SHOULD BE VERIFIED PRIOR TO CONSTRUCTION. FOR EXACT UTILITY DEPTH AND LOCATION INFORMATION, IT IS RECOMMENDED THAT POT-HOLING BE PERFORMED.
 3. FIELD SURVEY WAS COMPLETED IN JULY 2023 AND ALL MONUMENTS SHOWN AS FOUND WERE VISITED AT THIS TIME OR AS NOTED.
 4. THIS SURVEY IS A RETRACEMENT OF THE DEEDED DESCRIPTION STATED ABOVE AND DOES NOT PURPORT TO SHOW ANY UNRECORDED OWNERSHIP RIGHTS.
 5. FIRST AMERICAN TITLE INSURANCE COMPANY, GUARANTEE NO. 5003353-4028790, DATED JANUARY 13, 2023, WAS RELIED UPON FOR TITLE INFORMATION ON THIS SURVEY.

PROCEDURE / NARRATIVE:
A FIELD TRAVERSE USING A TRIMBLE SX10 TOTAL STATION SUPPLEMENTED WITH FIELD NOTES AND TRIMBLE R10-2 NETWORK RTK GPS ROVER, WAS PERFORMED, ESTABLISHING THE ANGULAR, DISTANCE, AND VERTICAL RELATIONSHIPS BETWEEN THE MONUMENTS, PROPERTY LINES AND IMPROVEMENTS. THE RESULTING DATA MEETS OR EXCEEDS THE STANDARDS FOR LAND BOUNDARY SURVEYS AS SET FORTH IN WAC 332-130-090.



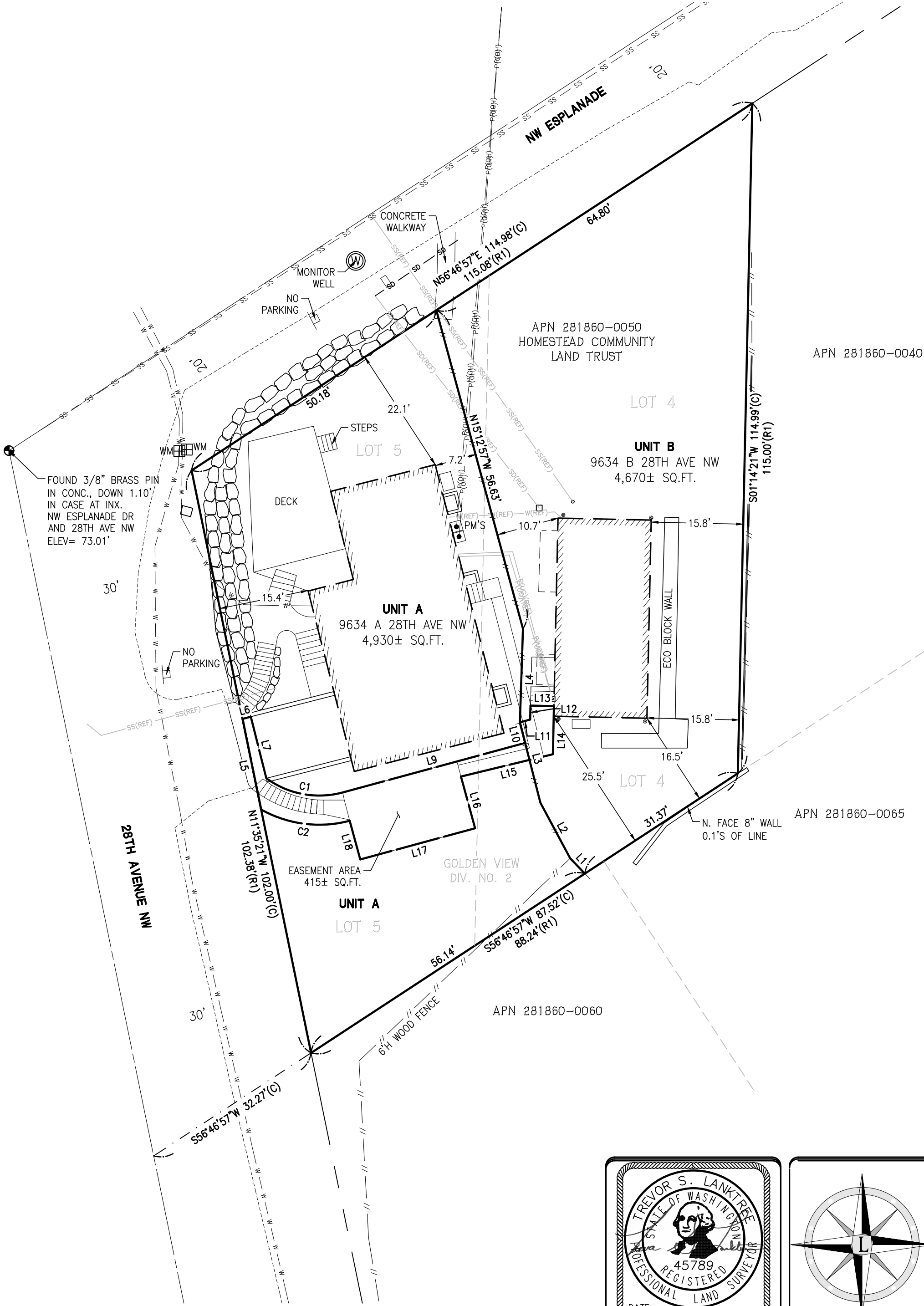
**LANKTREE
LAND SURVEYING, INC.**

25510 74TH AVENUE SOUTH
KENT, WA 98032
PHONE: (253) 653-6423
FAX: (253) 793-1616
WWW.LANKTREELANDSURVEYING.COM

DRAWN BY	JRW
DATE	06/05/25
SCALE:	1"=40'
CHECKED BY:	TSL
JOB NO.:	7436
PROJECT NO.:	

INDEX DATA
PTN OF THE SW1/4, OF THE NW1/4 OF SEC. 35, TWP. 26 N., RGE 3 EAST, W. M.
SURVEY FOR HOMESTEAD COMMUNITY LAND TRUST 412 MAYNARD AVENUE SOUTH #201
KING COUNTY, WASHINGTON

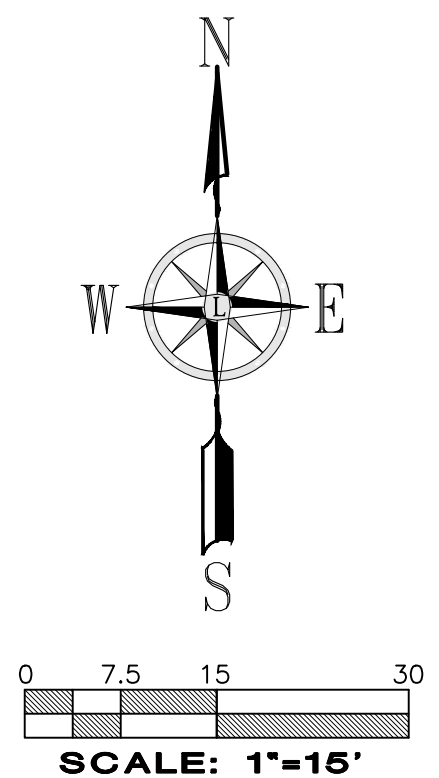
DARSIE HOMES, A CONDOMINIUM



CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	51°24'12"	15.37'	13.79'
C2	44°10'51"	20.37'	15.70'

LINE TABLE		
LINE	DIST	BEARING
L1	3.63'	N43°49'44"W
L2	10.83'	N28°12'33"W
L3	14.22'	N14°16'43"W
L4	16.07'	N01°53'01"E
L5	15.88'	N11°35'21"W
L6	1.47'	N75°38'47"E
L7	10.89'	S14°09'35"E
L9	32.42'	N74°48'10"E
L10	3.64'	N14°16'43"W

LINE TABLE		
LINE	DIST	BEARING
L11	1.83'	N74°48'10"E
L12	2.41'	N01°14'21"E
L13	4.02'	S88°26'46"E
L14	8.25'	S01°14'21"W
L15	16.22'	S76°21'55"W
L16	9.20'	S15°14'32"E
L17	20.41'	S74°48'10"W
L18	6.88'	N15°14'32"W



LEGEND

(NOTE: NOT ALL SYMBOLS MAY APPEAR ON THE MAP)



SURVEY MONUMENT (AS NOTED)

SECTION CORNER (AS NOTED)

SET REBAR/CAP (LS#45789)

FOUND REBAR/CAP (AS NOTED)

SET 2"x2" HUB/TACK LINE STAKE

MAG/WASHER OR LEAD/TACK (AS NOTED)

BENCHMARK

POWER METER (PM)

POWER POLE (PP)

TELEPHONE POLE (TP)

JUNCTION BOX (AS NOTED)

TELEPHONE MANHOLE (TM)

TELEPHONE RISER (TR)

CATCH BASIN (CB)

STORM MANHOLE (SDMH)

STORM CLEANOUT (SDCO)

ROOF DRAIN (RD)

SANITARY SEWER MANHOLE (SSMH)

SANITARY CLEANOUT (SSCO)

GAS METER (GM)

GAS VALVE (GV)

WATER VALVE (WV)

FAUCET

FIRE HYDRANT(FH) / CONNECTION(FDC)

POST INDICATOR VALVE (PIV)

WATER MANHOLE

WATER METER (WM)

BLOW-OFF / AIRVAC

WELL

SIGN

IRRIGATION VALVE (IV)

DIRECTIONAL ARROW

HANDICAP

MAILBOX (MB)

BARBED WIRE FENCE

CHAIN LINK FENCE

WOOD FENCE

HOGWIRE FENCE

SILT FENCE

METAL/IRON FENCE

GUARD RAIL/CABLE FENCE

WATER LINE

GAS LINE

STEAM LINE

TELEPHONE LINE (OH) OR (UG)

POWER LINE (OH) OR (UG)

STORM LINE

SEWER LINE

ROCKERY

KEYSTONE WALL

CONCRETE

GRAVEL/SAND (AS NOTED)

ASPHALT

BUILDING LINE

ABBREVIATIONS

(R#) REFERENCE SURVEYS

(OH) OVERHEAD

(UG) UNDERGROUND

(TYP) TYPICAL

(C) CALCULATED

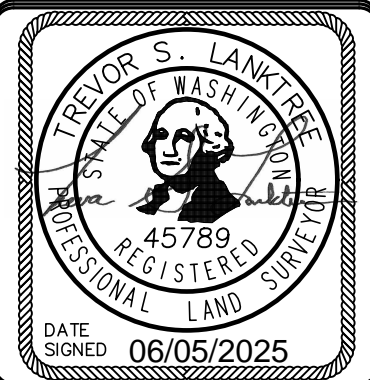
(M) MEASURED

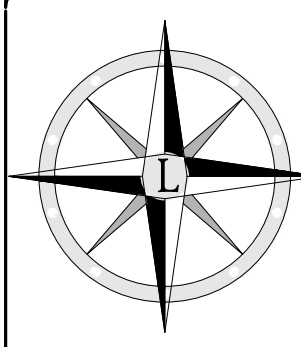
(GIS) GEOGRAPHICAL INFORMATION SYSTEMS

(REF) PER REFERENCE INFORMATION

(H) HIGH

(IV) IRRIGATION VALVE





**LANKTREE
LAND SURVEYING, INC.**

25510 74TH AVENUE SOUTH
KENT, WA 98032
PHONE: (253) 653-6423
FAX: (253) 793-1616
WWW.LANKTREELANDSURVEYING.COM

DRAWN BY	JRW
DATE	06/05/25
SCALE:	1"=15'
CHECKED BY:	TSL
JOB NO.:	7436
PROJECT NO.:	

INDEX DATA

**PTN OF THE SW1/4, OF THE NW1/4
OF SEC. 35, TWP. 26 N., RGE 3
EAST, W. M.**

SURVEY FOR

**HOMESTEAD COMMUNITY LAND TRUST
412 MAYNARD AVENUE SOUTH #201**

KING COUNTY, WASHINGTON

SHT
3
OF
3

EXHIBIT C
TO
PUBLIC OFFERING STATEMENT

ASSOCIATION ARTICLES OF
INCORPORATION

UNITED STATES OF AMERICA

The State of Washington



Secretary of State

I, **STEVE R. HOBBS**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

ARTICLES OF INCORPORATION

to

DARSIE HOMES HOMEOWNERS ASSOCIATION

A **WA NONPROFIT CORPORATION**, effective on the date indicated below.

Effective Date: 06/10/2025

UBI Number: 605 916 319



Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital

Steve R. Hobbs, Secretary of State

Date Issued: 06/10/2025

**ARTICLES OF INCORPORATION
OF
DARSIE HOMES HOMEOWNERS ASSOCIATION**

The undersigned, acting as incorporator of a corporation under the Washington Nonprofit Corporation Act (Ch. 24.03A RCW), adopts the following Articles of Incorporation for the corporation.

**ARTICLE 1.
NAME**

The name of this corporation is DARSIE HOMES HOMEOWNERS ASSOCIATION (*"Association"*).

**ARTICLE 2.
DURATION**

The duration of this Association is perpetual.

**ARTICLE 3.
PURPOSES**

This Association is organized as a non-charitable nonprofit to provide an entity pursuant to the Washington Uniform Common Interest Ownership Act, Ch. 64.90 RCW, hereinafter referred to as "*WUCIOA*," for the operation of Darsie Homes, a Condominium located in King County, Washington, and to engage in all such activities as are incidental or conducive to the attainment of the objectives of the Association and all activities which are permitted to be done by a nonprofit corporation under any laws that may now or hereafter be applicable or available to this Association. The powers of this Association shall be subject to and shall be exercised in accordance with WUCIOA and the provisions of the Condominium Declaration for Darsie Homes Condominium, as it may from time to time be amended, hereinafter referred to as the "*Declaration*."

**ARTICLE 4.
GROSS REVENUE**

The gross revenue of the Association was less than \$500,000 in the most recent fiscal year, and shall remain less than that amount in perpetuity.

**ARTICLE 5.
DISSOLUTION**

Upon dissolution or final liquidation of the Association, the assets of the Association shall be distributed among the members of the Association in accordance with WUCIOA and the Declaration.

ARTICLE 6. MEMBERS

The Association's members shall consist of the homeowners of the units at Darsie Homes Condominium. Additionally, Homestead Community Land Trust shall retain the land underneath all units and ground lease such land to the applicable homeowner. The rights, privileges, and obligations of the members and Homestead Community Land Trust are set forth in WUCIOA, the Declaration, and the Bylaws of the Association.

ARTICLE 7. REGISTERED OFFICE AND AGENT

The principal office street address and principal office mailing address for the Association is 412 Maynard Ave S, Unit 201, Seattle, WA 98104.

The name of the initial registered agent of the Association is Homestead Community Land Trust, a Washington limited liability company. The address of the initial registered office of the Association is 412 Maynard Ave S, Unit 201, Seattle, WA 98104.

ARTICLE 8. DIRECTORS

The number of directors of this Association shall be fixed by the Bylaws and may be increased or decreased from time to time in the manner specified therein. The initial Board of Directors shall consist of one (1) director. The name and address of the initial director is as follows:

Kathleen Hosfeld

412 Maynard Ave S, Unit 201
Seattle, WA 98104

ARTICLE 9. LIMITATION OF LIABILITY

A director of the Association shall not be personally liable to the Association or its members for monetary damages for conduct as a director, except for liability of the director (a) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director, (b) for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled, or (c) for conduct violating RCW 23B.08.310.

Any repeal or modification of this Article by the directors or members of the Association shall not adversely affect any right or protection of any individual who is or was a director of the Association which existed at the time of such repeal or modification.

**ARTICLE 10.
INDEMNIFICATION**

The Association shall indemnify any individual made a party to a proceeding because that individual is or was a director or officer of the Association to the extent provided in RCW 23B.17.030.

Any indemnification provided under this Article shall, unless limited by the terms of the undertaking to indemnify, continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of his or her heirs, executors, and administrators.

Any repeal or modification of this Article by the directors or members of the Association shall not adversely affect any right or protection of any individual who is or was a director or officer of the Association existing at the time of such repeal or modification.

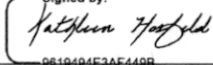
**ARTICLE 11.
AMENDMENT**

Any amendment to these Articles of Incorporation shall require the approval of not less than sixty-seven percent (67%) of the votes of the members of the Association and such other approvals as may be required in the Declaration.

**ARTICLE 12.
INCORPORATOR**

The name and address of the incorporator is Kathleen Hosfeld, 412 Maynard Ave S, Unit 201, Seattle, WA 98104.

EXECUTED as of June 6, 2025.

Signed by:

0610404E3AF440B
Kathleen Hosfeld

**CONSENT TO APPOINTMENT AS REGISTERED AGENT
OF**

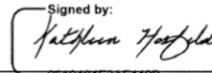
DARSIE HOMES HOMEOWNERS ASSOCIATION

Homestead Community Land Trust, a Washington nonprofit corporation, hereby consents to serve as Registered Agent in the State of Washington for DARSIE HOMES HOMEOWNERS ASSOCIATION, and understands that, as agent for the Association, it will be responsible to receive service of process in the name of the Association; to forward all mail to the Association; and to immediately notify the office of the Secretary of State in the event of resignation, or of any changes in the registered office address of the Association.

DATED as of June 6, 2025.

Homestead Community Land Trust,
a Washington nonprofit corporation

Signed by:



Name: Kathleen Hosfeld

Its: CEO and Executive Director

Address of Registered Agent:

412 Maynard Ave S, Unit 201
Seattle, WA 98104



WASHINGTON
Secretary of State
Corporations & Charities Division

Overnight address by commercial carrier:
801 Capitol Way S Olympia, WA 98501-1226
Mailing Address (ALL USPS):
PO Box 40228 Olympia, WA 98504-0234
Tel: 360.725.0377

Front Desk Transaction Request From

☐ Front Desk Wait (\$100 fee for Immediate Service) ☐ Routine (Drop Off - 10-14 business days) ☒ Expedite (\$100 fee Drop Off - 2-3 Business Days)

Name: FAIRCHILD RECORD SEARCH, LTD.
Address: 3400 CAPITOL BLVD SE, SUITE 101, TUMWATER, WA 98501
Phone: 360-786-8775; 800-547-7007
Email: wacorp@recordsearch.com

UBI Number	Business Entity Name	Type of Request
	DARSIE HOMES HOMEOWNERS ASSOCIATION	A

Type of Transactions:

- ☒ A. Formation/Articles/Registration
☐ B. Amendment
☐ C. Merger, Conversion, Domestication
☐ D. Annual Report, Amended Report, Reinstatement
☐ E. Apostille or Authentication - Country: _____
☐ F. Other: _____
☐ G. Long Form Certificate of Existence
☐ H. Short Form Certificate of Existence
☐ I. Photo Copies ☐ Charter Docs ☐ Other: _____
☐ J. Certified Copies ☐ Charter Docs ☐ Other: _____

SERVICE TYPE	FEE
Filing	
Filing	
APO	
Certificates	
Records	
Other	
Other	
Expedite Fee	
TOTAL DUE:	

NOTES:



WASHINGTON
Secretary of State
Corporations & Charities Division

Corporations and Charities Division

Mailing address:

PO Box 40234

Olympia, WA 98504-0234

Tel: 360.725.0377

www.sos.wa.gov/corporations

06/10/2025

HOMESTEAD COMMUNITY LAND TRUST
412 MAYNARD AVE S UNIT 201
SEATTLE WA 98104-2917

Business Entity Name: DARSIE HOMES HOMEOWNERS ASSOCIATION
UBI Number: 605 916 319
Expiration Date: 06/30/2026

Congratulations!

You have completed the filing to create a new business entity.

NEXT STEPS IN OPENING YOUR NEW BUSINESS ENTITY:

- **Complete a Business License Application.** The Business License Application can be completed online or downloaded at: <https://www.dor.wa.gov/> if you have not already completed this step. If you have any questions about the Business License Application, contact information for Business License Services can be found at <https://www.dor.wa.gov/contact>
- **File a Beneficial Ownership Information Report** with the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) within 30 days of registering your business. Updates or corrections to reports must be submitted within 30 days of becoming aware of the change. For a current link to file the report and additional information, see our website at <https://www.sos.wa.gov/corporations> under the Business Entity tab.
- **Apply for an Employer Identification Number "EIN".** The IRS requires business entities to receive an "EIN". See the IRS website for additional details on how to apply for an EIN through their online portal at <https://www.irs.gov>

IMPORTANT

To keep your business entity status Active and avoid Administrative Dissolution, you must:

1. **File an Annual Report** and pay the annual fees each year before the expiration date for the business entity. A notice to file your Annual Report will be sent to your registered agent on file. It is the business entity's responsibility to file the report even if no notice is received.
2. **Maintain a Registered Agent** and registered office in Washington State. You must submit changes regarding your Registered Agent, agent's address, email, registered office, or principal office address to the Corporations Division. Failure to do so may result in administrative dissolution/termination.

If your business entity accepts or solicits donations from the public OR the business entity is a nonprofit holding \$250,000 or more in charitable assets, you may also be required to register with the Charities Program. You may review the self-assessment guides on our website at <https://www.sos.wa.gov/charities>

For a rapid response to questions, requests for assistance, or to provide feedback, please visit the Corporations and Charities website at <https://www.sos.wa.gov/corporations> to chat with a representative.

Sincerely,
Washington Secretary of State
Corporations and Charities Division
corps@sos.wa.gov

EXHIBIT D
TO
PUBLIC OFFERING STATEMENT
DRAFT ASSOCIATION BYLAWS

**BYLAWS
OF
DARSIE HOMES HOMEOWNERS ASSOCIATION**

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1.5. Purpose.....	1
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**BYLAWS
OF
DARSIE HOMES HOMEOWNERS ASSOCIATION**

**ARTICLE 1.
GENERAL ASSOCIATION INFORMATION**

1.1. Name. The name of the corporation is Darsie Homes Homeowners Association, a Washington nonprofit corporation (the “*Association*”).

1.2. Principal Office. The principal office of the Association shall be located in King County, Washington.

1.3. Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that certain Condominium Declaration for Darsie Homes, a Condominium, recorded in the official records of King County, as it may be amended (the “*Declaration*”), unless the context indicates otherwise.

1.4. Washington Uniform Common Interest Ownership Act. This Association is formed as a nonprofit corporation under the Washington Nonprofit Corporation Act (Ch. 24.03A RCW) and the Washington Uniform Common Interest Ownership Act (Ch. 64.90 RCW) (“*WUCIOA*”). In the case of conflict between the Washington Nonprofit Corporation Act and WUCIOA, WUCIOA shall control.

1.5. Purpose. These Bylaws provide for operation of Darsie Homes, a Condominium located in the city of Seattle, King County, Washington, created pursuant to WUCIOA. They apply to the entire Condominium, each Unit therein, and all Common Elements. Each CLT Member Owner and Homestead automatically, by virtue of such ownership, becomes a member of the Association.

1.6. Type of Community. Darsie Homes Condominium is a Condominium. The Condominium is comprised of what are commonly referred to as “airspace units,” which are or will be improved with single-family homes.

**ARTICLE 2.
MEMBERSHIP; VOTING; REGISTER**

2.1. Membership. The Owners of Units in the Condominium shall constitute the Association. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members of the Association. Each Owner (excluding Homestead) shall be a member of the Association, as set forth in the Declaration. CLT Member Owners of a Unit as joint tenants, tenants in common, or community property shall be joint members of the

Association, but the sum total of their vote shall not exceed the voting power allocated to the Units owned.

2.2. Number of Votes. Each Owner is entitled to the Voting Interest set forth in the Declaration for each Unit owned by that Owner, so that the Owner's total Voting Interest is the aggregate Voting Interest allocated to all of that Owner's Units. For the avoidance of doubt, Homestead shall not have a Voting Interest for Homestead's retained interest in the land of each Unit that is subject to the Ground Lease with the applicable CLT Member Owner.

2.3. Voting by Multiple Owners. If only one of the multiple Owners of an interest in a Unit is present at a meeting of the Association, the Owner is entitled to cast all the votes allocated to that interest in such Unit. If more than one of the multiple Owners is present, the votes allocated to that interest in such Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that interest in the Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the interest in such Unit. For the avoidance of doubt, this Section does not apply to Homestead's ownership of the fee interest in each Unit and strictly applies to a CLT Member Owner's ownership of a Home.

2.4. Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for the Unit. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Unit, except in cases in which the person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact of Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners. If a Unit is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

2.5. Voting by Proxy; Pledged Votes to Mortgagee. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of a Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates 11 months after its date of issuance. An Owner may, but shall not be obligated to, pledge his or her vote on all issues or on specific issues to a Mortgagee. If an Owner is in default under a first Mortgage on the Unit for one year or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his or her vote on all issues to the Mortgagee during the continuance

of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

2.6. Voting by Absentee Ballot. Votes allocated to a Unit may be cast pursuant to an absentee ballot duly executed by an Owner if: (a) the name of each candidate and the text of each proposal to be voted upon are set forth in a writing accompanying or contained in the notice of meeting; and (b) a ballot is provided by the Association for such purpose. The Association must be able to verify that the ballot is cast by the Owner having the right to do so.

2.7. Persons Under Disability. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of the minor's estate, through a parent having custody of the minor.

2.8. Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a Unit shall promptly inform the Board of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Unit or any interest therein, and any Mortgages thereon.

ARTICLE 3. MEETINGS OF MEMBERS

3.1. Place. Meetings of the members of the Association shall be held at such suitable place as may be convenient to the Owners and designated by the Board.

3.2. Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year on a date fixed by the Board. At such annual meeting the Owners shall elect members to the Board or fill vacancies therein, and transact such other business as shall properly come before the meeting.

3.3. Budget Meeting. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a copy of the budget to all of the members and set a date for a meeting of the members to consider ratification of the budget. Unless at the meeting members holding a majority of the votes in the Association vote to reject the budget, the budget is ratified, whether or not a quorum is present for the meeting. In the event the proposed budget is rejected or the required notice for the meeting is not given, the budget last ratified by the Owners shall be continued until a budget proposed by the Board is ratified.

3.4. Special Meetings. A special meeting of the Association may be called by the President, by a majority of the Board or upon the written request of a majority of the Board, or upon the written request of Owners having not less than 20% of the votes in the Association. No business shall be transacted at a special meeting except as stated in the

notice given therefor unless consented to by each of the Owners present either in person or by proxy.

3.5. Notice of Meetings. Written or printed notice stating the time, date, and place of any meeting of the members shall be delivered in accordance with Section 9.2 to each member of the Association and to each Eligible Mortgagee, if required by the Declaration, not less than 14 nor more than 50 days before the date of such meeting. The notice shall also state the items on the agenda, including (a) the text of any proposed amendment to the Declaration or Bylaws, (b) changes in the previously approved budget that result in a change in Assessment obligations, and (c) any proposal to remove a director or officer. The minimum time to provide notice may be reduced or waived for a meeting called to deal with an emergency. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by such member of timely and adequate notice unless the member expressly challenges the notice when the meeting begins.

3.6. Quorum. A quorum is present at any meeting of the members of the Association if persons entitled to cast more than 50% of the total voting power: (a) are present in person or by proxy at the beginning of the meeting; (b) have voted by absentee ballot; or (c) are present by a combination of (a) or (b).

3.7. Adjournment of Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners present, in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

3.8. Majority Vote. Except as otherwise provided by WUCIOA, the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present shall require the affirmative vote of more than 50% of the votes present.

3.9. Voting without a Meeting. The Board may conduct a vote without a meeting of Unit Owners provided that such vote is conducted in accordance with the requirements set forth in RCW 64.90.455(6).

3.10. Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;

- (f) Election of inspectors of election;
- (g) Election of directors (annual meeting or special meeting called for such purpose);
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

3.11. Opportunity to Comment. Members must be given a reasonable opportunity at any meeting of members to comment regarding any matter affecting the Condominium or the Association.

3.12. Participation by Conferencing Process. One or more members may participate in and vote during any regular or special meeting of the members by means of telephone, video, or other conferencing process if: (a) the meeting notice states the conference process to be used and provides information explaining how members may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all members the opportunity to hear or perceive the discussion and to comment as required under Section 3.11. Those members so participating shall be present at such meeting for purposes of quorum.

ARTICLE 4. BOARD OF DIRECTORS

4.1. Number, Term, and Qualifications. The affairs of the Association shall be initially governed by a Board of one director. Until the Transition Date, Homestead (as declarant) shall appoint and remove the directors pursuant to the Declaration, subject to the right of Owners to elect a director or directors, as provided in the Declaration. Directors elected by Homestead (as declarant) need not be Owners. Within 30 days after the Transition Date, Homestead (as declarant) or the Board must schedule the Transition Meeting, which is a special meeting of Owners to appoint a Board of two directors to serve until the first day of the calendar month following the date of adjournment of the first annual meeting. Homestead shall be entitled to appoint a non-voting, ex officio member of the Board who shall be entitled to notice of, and to attend, all meetings of the Board. The number of directors may be increased from time to time, by amendment of these Bylaws, provided that Homestead has the right to appoint one non-voting, ex officio member of the Board and provided further that no decrease in number shall have the effect of shortening the term of any incumbent director.

The directors appointed by Owners after the Transition Date shall be members of the Association. Any of the following may be appointed to the Board as a director if an entity is a member of the Association: any officer, director or employee of a corporation; any partner or employee of a partnership; any member or employee of a limited liability company; or any trustee or beneficiary of a trust. Notwithstanding the foregoing, after the Transition Date, Homestead shall not serve as a director on the Board. To the extent

that (i) the Board cannot unanimously vote on a matter appearing before the Board and (ii) the Board members use diligent and good faith efforts to unanimously vote on such matter, then the Board shall notify Homestead of such matter appearing before the Board and Homestead shall vote on such matter and Homestead's vote shall serve as a tie-breaking vote on such matter appearing before the Board.

Directors shall take office at the conclusion of the meeting at which they are appointed.

4.2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in WUCIOA and the Governing Documents, and may do all such acts and things as are not prohibited by law or by the Declaration required to be done in another manner.

4.3. Vacancies. Vacancies on the Board shall be filled by the member whose director vacated the Board. Each person so selected shall be a director until a successor is appointed at the next annual meeting of the Association to serve the balance of the unexpired term.

4.4. Removal of Directors and Officers

(a) At any regular or special meeting after the Transition Date at which quorum is present, any one or more of the directors or officers may be removed, with or without cause, but excluding Homestead's designated ex officio member of the Board, if the number of votes in favor of removal cast by members entitled to vote for election of the director or officer to be removed is at least the lesser of (a) a majority of the votes in the Association held by such members or (b) two-thirds of the votes cast by such members at the meeting as long as the subject of the removal of directors and officers was listed in the notice of the meeting. Any director or officer whose removal has been proposed shall be given an opportunity to be heard at the meeting. At any meeting at which a director or officer is removed, the members entitled to vote for the director or officer may immediately elect a successor board member or officer.

(b) The Board may, without a member vote, remove from the board a director or officer elected by the members if (a) the director or officer is more than 60 days delinquent in the payment of Assessments and (b) the director or officer has not cured the delinquency within 30 days after receiving notice of the Board's intent to remove the director or officer. Unless provided otherwise by the Governing Documents, the Board may remove an officer elected by the Board at any time, with or without cause. The removal must be recorded in the minutes of the next Board meeting.

4.5. Compensation. No compensation shall be paid to directors for their services as directors.

4.6. Standard of Care. In the performance of their duties, the directors and officers of the Association must exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized, and are subject to the

conflict of interest rules governing directors and officers, under the Washington Nonprofit Act (Ch. 24.03A RCW). More specifically, each officer and director shall discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner the officer or director believes to be in the best interests of the Association.

ARTICLE 5.

Meetings of the Board

5.1. Organizational Meeting. The first meeting of the newly elected Board after the Transition Date shall be held within 30 days of election at a place to be fixed by the directors at the meeting at which the directors were elected, and no notice shall be necessary to the newly elected directors in order legally to call the meeting, providing a majority of the whole Board shall be present at the meeting.

5.2. Meetings. Prior to the Transition Date, the Board must meet at least four times per year and at least one of those meetings must be held at Darsie Homes Condominium or another place convenient to Darsie Homes Condominium. After the Transition Date, all meetings of the Board must be held at Darsie Homes Condominium or another place convenient to Darsie Homes Condominium.

5.3. Notice. Unless a schedule of the meetings of the Board is given to the Unit Owners or the meeting is called to deal with an emergency, the Secretary or other officer specified in the Governing Documents must provide notice of each meeting of the Board to each director and the Unit Owners. Notice must be given at least 14 days before the meeting and must state the time, date, place, and agenda of the meeting. If any materials are distributed to the Board before the meeting, the Board must also make such materials reasonably available to Unit Owners, except for unapproved minutes or materials to be considered in an executive session.

5.4. Waiver of Notice. Before any meeting of the Board, any director may, in writing, waive notice of such meeting. Attendance by a director at any meeting of the Board shall be a waiver by the director of timely and adequate notice unless he or she expressly challenges the notice when the meeting begins. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

5.5. Quorum. At all meetings of the Board, a majority of the directors entitled to cast votes shall constitute a quorum for the transaction of business, and the majority of the directors present at a meeting at which a quorum is present shall be an act of the Board.

5.6. Open Meetings. Any Owner or voting representative may attend any meeting of the Board or committee authorized to act for the Board, except during executive sessions, which are permitted only for the purposes set forth in RCW 64.90.445(2)(b). The Board may expel or prohibit attendance by any person, who, after warning by the chair of the meeting, disrupts the meeting. Executive sessions may

only be held during a regular or special meeting of the Board or Board committee. A final vote or action may not be taken during an executive session.

5.7. Opportunity to Comment. Members must be given a reasonable opportunity at any meeting of the Board to comment regarding any matter affecting Darsie Homes Condominium or the Association.

5.8. Presumption of Assent. A director of the Association present at a Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or unless the director forwards such dissent by certified or registered mail to the Secretary of the Association immediately after the adjournment of the meeting. A director who voted in favor of such action may not dissent.

5.9. Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a written consent setting forth the action to be taken is signed by each of the directors. Any such written consent shall be inserted in the minute book as if it were the minutes of a Board meeting. After the Transition Date, the Board may act by unanimous consent only to undertake ministerial actions, actions subject to ratification by the Unit Owners, or to implement actions previously taken at a meeting of the Board.

5.10. Telephonic Participation in Meetings. Fewer than all the members of the Board or any committee designated by the Board may participate in a regular or special meeting by, or conduct a meeting through, the use of any means of communication by which all persons participating in the meeting (including Unit Owners) can hear each other during the meeting. Participation in a meeting by these means shall constitute presence in person at such meeting.

5.11. Participation by Conferencing Process. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone, video, or other conferencing process if: (a) the meeting notice states the conference process to be used and provides information explaining how Unit Owners may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all Unit Owners the opportunity to hear or perceive the discussion and to comment as required under Section 5.7.

ARTICLE 6. OFFICERS

6.1. Designation. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by and from the Board. The directors may appoint from the Board such other officers as in their judgment may be necessary or desirable. Two or more offices may be held by the

same person, except that a person may not hold the offices of president and secretary simultaneously.

6.2. Election of Officers. The officers of the Association shall be elected annually by the Board at the first Board meeting after the annual meeting of the Association. They shall hold office at the pleasure of the Board.

6.3. Removal of Officers. At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor to the removed officer may be elected at any such meeting.

6.4. President. The President shall be the principal executive officer of the Association and, subject to the Board's authorization and control, shall supervise all of the business and affairs of the Association. When present, the President shall preside over all members' meetings and over all Board meetings. With the Secretary or other officer of the Association authorized by the Board, the President may prepare, execute, certify, and record amendments to the Association's governing documents, and sign deeds, easements, licenses, bonds, contracts, or other instruments that the Board has authorized to be executed, except when the signing and execution thereof has been expressly delegated by the Board or by these Bylaws to some other officer or agent of the Association or is required by law to be otherwise signed or executed by some other officer or in some other manner. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

6.5. Vice President. In the absence of the President or in the event of the President's death, inability, or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board.

6.6. Secretary. The Secretary shall: (a) keep the minutes of members' and Board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of the Association; (d) keep a register of the post office address of each member as furnished to the Secretary by each member; (e) have general charge of the membership books of the Association; and (f) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

6.7. Treasurer. The Treasurer shall have primary responsibility for oversight of all financial matters for the Association, including preparation of the budget as provided for in the Declaration, preparing and delivering the annual financial report, and insuring that the financial records of the Association have been maintained properly and in accordance with good accounting practices. The Treasurer may delegate all or part of

the preparation and notification duties to a finance committee, a management agent, or both.

6.8. Other Officers and Employees. Other officers of the Association and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration, and these Bylaws.

6.9. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

6.10. Compensation. The Board may pay reasonable compensation to any officer or Owner who performs substantial services for the Condominium in carrying out the management duties of the Board. The Board's decision to compensate an officer shall not become final until 60 days after notice of it (including the amount of compensation to be paid) has been given to all persons entitled to notice of meetings of the Association, and such decision may be reversed by the members of the Association at a meeting duly called and held within 60 days after the notice of the decision was given.

ARTICLE 7. COMMITTEES

Except for committees appointed by Homestead pursuant to Homestead's Special Declarant Rights as declarant, all committees of the Association must be appointed by the Board. Committees authorized to exercise any power reserved to the Board must include at least two Board members who have exclusive voting power for that committee. Committees that are not so composed may not exercise the authority of the Board and are advisory only. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the Condominium.

ARTICLE 8. HANDLING OF FUNDS

8.1. Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Condominium. Oversight of these funds shall be the responsibility of the Treasurer of the Association. There shall be at least the separate funds described in Sections 8.2 and 8.3.

8.2. Operating Fund. The Association shall establish one or more checking accounts to be known as the "Operating Fund." The Operating Fund will be used for the normal operation of the Association and will receive all monthly Assessments for Common Expenses, first purchasers' initial contributions to the fund, and other monies received by the Association. Checks shall be issued from this account for all management and operational expenditures necessary for the Condominium and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund.

8.3. Reserve Funds. The Association shall maintain a banking account known as the “Reserve Fund for Common Elements.” The Treasurer shall deposit or cause to be deposited into the Reserve Fund for Common Elements amounts reasonably anticipated to be required for the periodic maintenance, repair, and replacement of the Common Elements and Limited Common Elements as required by the Declaration to be performed by the Association. Withdrawals from the Reserve Fund for Common Elements are subject to RCW 64.90.540.

8.4. Combination and Deposit or Investment of Funds. All funds of the Association shall be kept in accounts at a financial institution whose deposits are insured by the United States federal government. The funds of the Association shall not be commingled with the funds of any other association or with the funds of any manager of the Association, or any other person, or be kept in any trust account or custodial account in the name of any trustee or custodian. The reserve funds may be combined in one or more savings accounts, certificates of deposit, or other accounts or deposits. Withdrawals of reserve funds from such account shall require the signature of at least two persons who are officers or directors of the Association.

8.5. Reconciliation of Actual Expenses to Assessments. The Association shall maintain accounts and records, and reconcile its accounts, in accordance with the Declaration.

ARTICLE 9. MISCELLANEOUS

9.1. Books and Records. The Board shall keep Association records in accordance with RCW 64.90.495, including, but not limited to, complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles; minutes of all meetings of Unit Owners and the Board; actions taken by Unit Owners or the Board without a meeting; the names and addresses of current Unit Owners, and the number of votes allocated to each Unit; etc. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

9.2. Notices. Notice to the Association, Board, or any Unit Owner or occupant of a Unit under WUCIOA must be provided in the form of a record.

(a) *Tangible Medium.* Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or wireless equipment that transmits a facsimile of the notice.

(i) Notice in a tangible medium to the Association or to a committee may be addressed to the Association’s registered agent at its registered office, to the Association at its principal office shown in its most recent annual report or

provided by notice to the Unit Owners, or to the President or Secretary of the Association at the address shown in the Association's most recent annual report or provided by notice to the Unit Owners.

(ii) Notice in a tangible medium to a Unit Owner or occupant must be addressed to the Unit address unless the Unit Owner has requested in writing delivered to the Association that notices be sent to an alternate address or by other method allowed by law and the Governing Documents.

(b) *Electronic Transmission.*

(i) Notice to Unit Owners or directors by electronic transmission is effective only for Unit Owners and directors who have provided the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of WUCIOA and applicable law. Providing such information shall be deemed consent to receive notices by electronic transmission.

(ii) Notice to Unit Owners or directors under this subsection includes material that WUCIOA or the Governing Documents requires or permits to accompany the notice.

(iii) A Unit Owner or director who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association, in writing.

(iv) The consent of any Unit Owner or director is revoked if the Association is unable to electronically transmit two consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the Secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.

(v) Notice to Unit Owners or directors who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Unit Owner or director a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

(vi) Notice to an Association in an electronic transmission is effective only with respect to an Association that has designated in a record an address, location, or system to which the notices may be electronically transmitted.

(c) *Alternative Methods.* Notice may be given by any other method reasonably calculated to provide notice to the recipient.

(d) *Effectiveness.* Notice is effective as follows:

(i) Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when sent by fax.

(ii) Notice provided in an electronic transmission is effective as of the date it: (A) is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or (B) has been posted on an electronic network and a separate record of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network.

(e) *Failure to Deliver.* The ineffectiveness of a good-faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

9.3. Amendments. The requirements and procedure for amendments to the Bylaws are set forth in the Declaration.

The foregoing Bylaws were adopted by the Board of Directors of the Association by and pursuant to a Consent in Lieu of Organizational Meeting of Board of Directors executed concurrently herewith and dated as of _____, 2025.

By: _____

Print name: Eric Pravitz

Title: Secretary

EXHIBIT E
TO
PUBLIC OFFERING STATEMENT
DRAFT ASSOCIATION BUDGET

Budget Summary Report

Darsie Homes
Operating Budget

	2025	Starting Balances	
		Operating	Reserve
INCOME		1449	
Assessment Income			
40000 Regular Assessment Income	2,516		
45000 Contributions to Reserves	1,030		
Total Assessment Income	3,546		
Other Income			
Water & Sewer	0		
45000 Interest Income Operating	14		
45000 Interest Income - Reserves	10		
Total Other Income	24		
Total Income	3,570		

EXPENSE

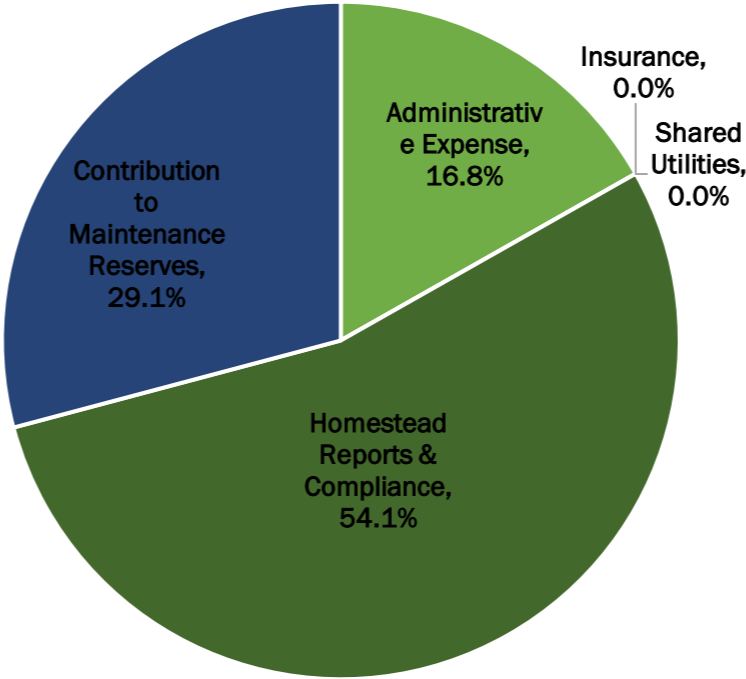
Administrative	
50000 Office Supplies	0
50300 Homestead Reports & Admin	1,930
50400 Insurance Premiums	0
50530 Property Tax	0
50320 Legal Fees	100
50340 Audit/Accounting	500
Total Administrative	2,530
Utilities	
56060 EV Charging	0
56000 Electric Service	0
56500 Trash and Recycling	0
56610 Water Service & Sewer	0
Total Utilities	0
Reserve contribution	
59900 Reserve Contribution Expense	1,040
Total Other Expense	1,040

TOTAL INCOME	3,570
TOTAL EXPENSE	3,570

This budget translates to HOA Dues of \$147.77 per unit per month.

		Expense	
Administrative Expense	16.8%	\$ 600.00	16.8%
Insurance	0.0%	\$ -	0.0%
Shared Utilities	0.0%	\$ -	0.0%
Homestead Reports & Compliance	54.1%	\$ 1,930.00	54.1%
Contribution to Maintenance Reserves	29.1%	\$ 1,040.37	29.1%
Reserves	100.0%		

What Dues Pay For



**EXHIBIT F
TO
PUBLIC OFFERING STATEMENT**

RESERVE STUDY

NONE.

EXHIBIT G

SOME THINGS YOU SHOULD KNOW ABOUT COMMUNITY LAND TRUSTS AND COMMON INTEREST COMMUNITIES

COMMUNITY LAND TRUST STRUCTURE

Community Land Trusts.

A Community Land Trust (CLT) is a nonprofit, community-based organization that acquires, owns, and stewards land for the benefit of its community, particularly for affordable housing and other community assets. CLTs separate ownership of the land from the homes built on it, typically through a long-term ground lease, ensuring lasting affordability and community control.

Removing the cost of land from the purchase price is *one component* of creating affordability for income-qualified buyers. Affordability is also achieved through other means, including public or philanthropic subsidies that reduce the price of the home on the first sale. The home is kept affordable after the first sale through agreements with homeowners.

In exchange for purchasing a home at a price significantly below market value, homeowners agree to preserve affordability for future buyers. The ground lease includes a resale formula that allows for predictable, modest appreciation of the home and sets the future sale price. Homeowners build equity through this appreciation and by paying down their mortgage principal.

About Darsie Homes

The two Darsie Homes were made possible by the generous donation of Jean Darsie of her personal residence and a unique provision in Seattle's housing code that allows for a Detached Accessory Dwelling Unit (DADU) on a single-family lot, where site conditions permit. Homestead utilized this provision to build a second home on the property, honoring the donor's wish to expand ownership opportunities at this location. This arrangement is only possible when both homes share the same underlying lot.

To make this feasible, Homestead established the Darsie Homes Condominium Association and designated the main house and the DADU as separate condominium units. Both homeowners are members of the Association and share responsibility for maintaining the common amenities. Easements provide access to these shared amenities such as fencing and walkways.

In this model, the homes are structured as condominium units, and the land beneath each home is owned by Homestead. Homestead leases the ground underneath the home to each homeowner. This lease gives each household exclusive use of the land designated for their home. The homeowner purchases the "improvements"—the physical structure of the home—they will live in.

COMMON INTEREST COMMUNITY- OWNERSHIP AND MAINTENANCE

What You Own – A Condominium

You have purchased a Unit in what's called a "common interest community," as defined by Washington

State law. This means you own your home, but you also share some parts of the property with the owner of the other home.

Your Unit includes the house itself and everything inside the boundaries shown on the official Map. These are your private areas. You also have a Ground Lease that explains your rights to use the land under your home.

Some parts of the property are shared with your neighbor. These shared parts are covered by *easements*, which are agreements that allow both of you to use the common amenities. However, the HOA will manage the common amenities. These shared elements include:

- The fence
- The retaining walls
- Utility connections that serve both homes

Because you both use these features, you both share the responsibility to maintain them. However, the HOA is responsible for maintaining, replacing, and repairing them when maintenance is needed.

Maintenance

There are two types of maintenance responsibilities at the Darsie Homes:

1. Shared Elements:

As a homeowner, you are responsible—through the Homeowners Association (HOA)—for maintaining shared elements. You will pay HOA dues, which are pooled to cover future repairs and upkeep of these shared features. The Association maintains improvements covered by easements, including:

- Fence
- Retaining Walls
- Shared Utility Entrances

2. Private Unit Maintenance:

Except where otherwise stated, homeowners are individually responsible for maintaining both the exterior and interior of their own Unit. This maintenance is not coordinated through or paid for by the HOA.

Remodeling and Exterior Modifications

You do not need HOA approval to remodel the interior of your Home. However, exterior changes may be allowed only if they follow any rules adopted by the Association or otherwise set forth in the community documents. All modifications—inside or out—must comply with the terms of your Ground Lease, where applicable.

COMMON INTEREST COMMUNITY- FINANCIAL MATTERS

Insurance

The Association has **not** obtained a blanket insurance policy for the community, as noted in Section X of

the Public Offering Statement. Each homeowner is individually responsible for obtaining insurance and must:

1. Maintain an individual homeowners' insurance policy consistent with the requirements of their Ground Lease;
2. Ensure the policy covers all items included under the easements on your Unit; and
3. List the Association as an **Additional Named Insured** on the policy.

Homeowners should review the insurance requirements outlined in the Declaration and consult with their insurance provider to ensure adequate coverage. Additional insurance beyond the Association's requirements may be necessary.

Assessments

All homeowners must pay a monthly assessment (HOA fee) to cover the normal operating expenses of the community and reserves for maintenance. These fees may increase over time as operating costs rise. For details on what the assessment covers, please refer to the budget included in the Public Offering Statement.

Reserves

Homestead will establish and the HOA will maintain a reserve fund to cover future repairs and replacement of major shared components in the community. This reserve helps avoid large, unexpected special assessments.

The reserve will be funded through monthly assessment fees and will be owned by the HOA. Because of this structure, the reserve remains available to support the property into the future, including for the next homeowner.

Budget

Each year, Homestead will prepare a draft annual budget for the Association. Homeowners have the right to review and ratify this budget annually.

COMMON INTEREST COMMUNITY- COMMUNITY GOVERNANCE INFORMATION

The Association

Everyone who owns a home in the community automatically becomes a member of the Darsie Homes Condominium Association.

Before the homes are sold, the two-member Board of Directors is appointed by the Declarant (Homestead). The initial Directors are Kathleen Hosfeld, CEO/Executive Director of Homestead Community Land Trust, and Eric Pravitz, Director of Real Estate Development at Homestead.

Shortly after the final home is sold, the homeowners will assume control of the Association and become its Board Members through a formal "turnover meeting."

Homestead's Role in Supporting the Association

Because Darsie Homes is a small community with limited shared elements, Homestead has opted not to hire a professional management company. Instead, Homestead will provide light-touch support to help the homeowners manage the Association effectively.

Homestead will:

- Maintain the Association's financial records and prepare the required annual financial statements.
- Offer guidance to help homeowners organize meetings and board elections.
- Step in as a tie-breaking vote on the Board if needed.

Homestead will not:

- Organize HOA meetings or conduct voting processes.
- Enforce community rules or mediate disputes between homeowners.
- Oversee service providers or manage property maintenance beyond its obligations as Declarant.

This approach balances the autonomy of the homeowner-led Association with basic administrative support to help ensure a smooth transition and long-term success.