

**THE SOUTHARD
PUBLIC OFFERING STATEMENT**

DATE: February 16, 2024

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 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.

SPECIFIC INFORMATION

A) NAME AND ADDRESS OF THE DECLARANT:

Homestead Community Land Trust
412 Maynard Avenue South, Suite 201
Seattle, WA 98104

No listing or selling broker or brokerage firm is an agent of the declarant 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:

Nova Association Management Partners, LLC
1621 114th Avenue SE, Suite 123
Bellevue, WA 98004

The declarant 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.

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

None

D) NAME AND ADDRESS OF THE COMMON INTEREST COMMUNITY

The Southard
13801-13819 and 13831-13849
32nd Lane South,
Tukwila, WA 98168

E) NATURE OF THE COMMON INTEREST COMMUNITY:

The community is a plat 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:

Willowcrest Townhomes
2550-2597 NE 11th Place
Renton, WA 98056

Columbia 26
5006 Renton Ave S
Renton, 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 Units 2, 3, 5, 6, 7, 10, 11, 12, 13, 14, and 15 the interest offered for sale is a 99-year, renewable leasehold in a townhouse unit pursuant to a "Single Family Ground Lease Agreement ("Ground Lease") between you and Homestead Community Land Trust ("HCLT"). At the time of closing, the Declarant will convey the land under the townhouse to HCLT, who will enter into the Ground Lease with you. During the term of the Ground Lease, you will own the townhouse residence.

For Units 1, 4, 8, 9, 16, 17, and 18 the interest being offered for sale is a fee simple interest in the unit. These units are not subject to a Ground Lease. At the time of closing, the Declarant will convey the land and the townhouse to you.

H) GENERAL DESCRIPTION OF THE COMMON INTEREST COMMUNITY:

The community contains 18 townhouse units. Parkview Services is expected to purchase Units 17 and 18. Despite the general use and occupancy restrictions in the community, Parkview may use these units as a so-called "group home," "adult care home," "adult family home," "adult supported living," housing for persons with intellectual and developmental disabilities, or similar purposes.

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

Construction is essentially complete.

J) NUMBER OF EXISTING UNITS IN THE COMMUNITY:

There are 18 existing units in the community.

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

Bicycle parking, walkways, children's play area, community garden, parking lot, and trash storage.

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 (or the declarant, if the declarant has already made the payment to the association) a non-refundable contribution to the working capital of the association in an amount equal to two months of 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:

The Declarant will provide the warranties set forth in the Home Builder's Limited Warranty booklet attached as Exhibit G.

PROSPECTIVE BUYERS ARE ADVISED TO READ AND UNDERSTAND THE HOMEBUYERS WARRANTY BOOKLET BECAUSE (I) IT PROVIDES ONLY LIMITED CONSTRUCTION WARRANTIES; (II) IT CONTAINS WAIVERS OF COMMON LAW IMPLIED WARRANTIES; (III) IT EXCLUDES CERTAIN ITEMS FROM THE WARRANTIES; (IV) IT DISCLAIMS CERTAIN KNOWN AND SUSPECTED DEFECTS; (V) IT LIMITS THE DECLARANT'S RESPONSIBILITY FOR WARRANTED ITEMS; (VI) IT CONTAINS TIME LIMITS FOR MAKING CLAIMS; AND (VII) IT PROVIDES FOR MANDATORY ARBITRATION OF WARRANTY CLAIMS.

S) AVAILABILITY OF QUALIFIED WARRANTY:

RCW ch. 64.35 was enacted in April of 2004. Under that chapter, the declarant is not liable for construction defects if it provides the owners and association with a "Qualified Warranty". Qualified warranties must be offered by insurance companies and contain certain required terms and conditions. No such warranties are currently commercially available from insurers in Washington. 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 18 townhomes that are not subject to RCW ch. 64.55 because such townhomes do not fall within the definition of "Multiunit residential building."

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. Parkview Services is expected to purchase Units 17 and 18. Despite the general use and occupancy restrictions in the community, Parkview may use these units as a so-called “group home,” “adult care home,” “adult family home,” “adult supported living,” housing for persons with intellectual and developmental disabilities, or similar purposes.

Rental or Leasing. The governing documents prohibit short term leases of all units. An owner must obtain the prior written approval of a majority of the unit owners and HCLT to lease their home. In addition, the Ground Lease prohibits rental of the unit, if applicable.

Rights of First Refusal. The governing documents establish HCLT’s right of first refusal to purchase units not subject to the Ground Lease. Additionally, the Ground Lease gives HCLT an option right to purchase the homes in certain circumstances including: upon termination of the Ground Lease, upon a default under the Ground Lease, if you desire to sell your home, and upon default under your mortgage.

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:

The governing documents require the association to maintain replacement cost property insurance on the building, including the units and common elements and improvements or betterments to the units made by unit owners. The association has discretion whether to obtain earthquake and terrorism insurance. Deductibles will apply to various coverages. The association’s property insurance will not cover any personal property of the unit owners.

The governing documents require the association to maintain commercial general liability insurance insuring the association for bodily injury or property damage resulting from the operation, maintenance or use of the common elements. The association’s liability insurance will not cover the conduct of individual unit owners.

The governing documents require the association to maintain fidelity insurance relating to the handling of the association’s funds, or to ensure that its manager does so.

The governing documents require each owner to obtain a homeowner’s insurance policy and to deliver to the association proof of such insurance.

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:

The declarant 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:

Samdal & Associates has prepared a reserve study for the community. The reserve study recommends an initial annual reserve contribution of \$184.24 per Unit per Month, with annual increases of three percent to achieve "Full Funding" of the reserve fund. The reserve study states that the current annual reserve fund contribution required for the reserve fund to be fully funded is \$39,796.00. A Full Funding plan is one where the association should always have cash on hand to pay for future expenses and would not need to borrow or to impose special assessments. The reserve study includes charts showing the assumed remaining life of building components and makes statements about useful life. The reserve study is not a warranty or representation as to the useful life or future performance of any component of any improvement in the community. The declarant makes no representation or warranty as to the useful life or future performance of any such components. A copy of the reserve study is attached hereto as Exhibit F. The reserve study was prepared in accordance with the requirements of the Act and the Declaration.

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 2024, which is expected to be the association's first full year of operation after completion of the buildings. The proposed budget was prepared by the Declarant. The actual expenses of operating and maintaining the community may differ from the budgeted expenses. The proposed budget contains an annual reserve contribution of \$33,120.00 (\$153.33 per month for all Units.). The estimated monthly assessment for each unit is \$300.00.

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:

Upon completion of the building, King County will impose a sewer capacity charge on each unit therein. The charge for 2024 is \$23.00 month per residential unit in the community. There may also be a charge for the common element water fixtures. The monthly charge for common element fixtures will be based on the number of plumbing fixtures or the wastewater flow projections in the common element. The sewer capacity charge is billed every three months for 15 years. The sewer capacity charge will be included in the monthly assessments charged by the association. For more information, go to:

<http://www.kingcounty.gov/environment/wastewater/capacitycharge>

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

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

II) TIMESHARING:

Timesharing of units is prohibited.

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

The 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;
6. the right to attend meetings of the unit owners and the board;
7. the right of access to association records to the same extent as a unit owner.

The declarant has not reserved any development rights relating to the community.

The right to maintain sales facilities terminates 60 days after the declarant no longer owns any unit or has any right to create any additional units. The right to appoint or remove or veto terminates sixty days after conveyance of seventy-five percent of the units that may be created to unit owners other than the declarant. The right to subdivide or convert a unit or convert it to a common element terminates upon conveyance of that unit to an owner other than the declarant. The right to reallocate limited common elements with respect to an unsold unit terminates upon conveyance of that unit to an owner other than the declarant. All other special declarant rights terminate five or ten years after the Declaration is recorded, depending on the right.

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:

Unit Areas. The unit areas contained in floor plans, renderings, reservation agreements, advertisements, web sites, brochures, sales materials, multiple listings, advertising, marketing and promotional materials are based on measurement standards that include some or all of the thickness of the surrounding walls. The useable area and height of your unit, when measured from the front of the wallboard, will be smaller than the area or height shown on such materials.

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. The declarant has reserved the right to substitute different appliances, equipment, fixtures and finishes prior to closing. Buyer should not rely on renderings, depictions or illustrations as a precise depiction of the units, building or community.

No Smoking. No smoking of any kind is allowed in any portion of the building.

Binding Arbitration. Any claims between the buyer (and the association acting on behalf of the buyer) and the declarant are subject to mandatory binding arbitration under your purchase agreement. Your purchase agreement contains a waiver of your right, if any, to a jury trial.

RR) 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	Document
Exhibit F	Reserve Study
Exhibit G	Home Builder's Limited Warranty
Exhibit H	Some Things You Should Know About Community Land Trusts and Common Interest Communities
Exhibit I	Parking Assignments

**EXHIBIT A
TO
PUBLIC OFFERING STATEMENT**

DECLARATION

SEE ATTACHED.

Record Date:9/9/2022 9:14 AM

King County, WA



20220909000330

COVENANT Rec: \$258.50
9/9/2022 9:14 AM
KING COUNTY, WA

AFTER RECORDING RETURN TO:

KURT E. KRUCKEBERG
HILLIS CLARK MARTIN & PETERSON P.S.
999 3RD AVE #4600
SEATTLE, WA 98104

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE SOUTHARD

Grantor: Homestead Community Land Trust

Grantee: The Southard, a plat community

First American Title Insurance Company (Trustee)

Legal Description: Lots 1-18, inclusive, and Tracts A and B, of The Southard, a plat community, recorded under Recording No. 20220909000329 and in Volume 299 of Plats, Pages 14-18, in the records of King County, Washington.

(Legal also on Schedule A)

Assessor's Parcel No.: 162304-9060

THE MAP WAS RECORDED WITH THE RECORDER OF KING COUNTY, WASHINGTON, CONTEMPORANEOUSLY WITH THE RECORDING OF THIS DECLARATION UNDER REC. NO. 20220909000329 IN VOLUME 299 OF PLATS, PAGES 14-18 THROUGH 18.

THIS COMMUNITY IS A PLAT COMMUNITY AS DEFINED IN THE WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT, CODIFIED AT CH. 64.90 RCW, AS IT MAY BE FROM TIME TO TIME AMENDED.

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SCHEDULES:

- A Description of Real Estate Subject to Declaration
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- C Voting Chart

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
THE SOUTHARD

Article 1. CONSTRUCTION AND VALIDITY OF DECLARATION

Section 1.1 Purpose. The Declarant has recorded this Declaration to establish a system for governance for the Community, to enhance the value of the Community, and to support the community land trust model of home ownership in the Community, all pursuant to the CIC Act.

Section 1.2 Community Land Trust Program. Homestead Community Land Trust ("Homestead") is a nonprofit corporation organized for the charitable purposes of acquiring and holding land for the benefit of the community, and providing affordable, secure homeownership opportunities for low and moderate income households. Homestead preserves the long-term affordability of land and homes through a community land trust ("CLT"), which separates ownership of the land from ownership of the home. Most homebuyers in a Homestead CLT community own their homes and other improvements but lease the land beneath the home from Homestead pursuant to a long-term lease ("CLT Lease"). 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. To maintain affordability of most residences within the Community pursuant to Homestead's CLT program, Homestead will convey ownership of the Homes and improvements on the 11 CLT Units to the homebuyers. Homestead will simultaneously enter into a CLT Lease of the corresponding CLT Unit with the homebuyer. As a result, Homestead will own the land and the homebuyer will own the Home and Structures for these 11 CLT Units. Homestead will convey ownership of the remaining 7 Market Units, including the Homes and improvements on the Market Unit, to market-rate homebuyers. Each homebuyer will have an ownership interest in the Unit, and each will be a Unit Owner (as to its respective interests) of the Unit for purposes of this Declaration and the Governing Documents. The Governing Documents grant rights to Homestead as a Unit Owner (but not as the Declarant), to elect certain directors to the Association who will have rights to vote on certain Association matters and to consent to certain Association actions and decisions. The rights and obligations of the parties under this Declaration and the 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 Community is not a "leasehold common interest community" as that term is defined by the CIC Act because the CLT Leases are entered into on a Unit-by-Unit basis and the termination of the CLT Leases will not terminate the Community or reduce its size.

Section 1.3 Construction. The creation and operation of the Community are governed by this Declaration, the Map, and the CIC Act. This Declaration shall be interpreted to give effect to its provisions and to give effect to the CLT existing in the Community. If a provision of the Declaration is unavoidably inconsistent with a provision of the CIC Act, the provisions of the CIC Act will prevail. If there is a conflict between a provision of this Declaration and the Bylaws, the Declaration will prevail except to the extent the Declaration is unavoidably inconsistent with the CIC Act. An insignificant failure of the Declaration or the Map, or any amendment thereto, to comply with the CIC Act will not, however, invalidate the creation of the Community, nor will it make unmarketable or otherwise affect the title to a Unit and its Common Ownership Interest.

Section 1.4 Covenant Running with Land. This Declaration shall operate as a servitude and shall bind the Declarant, the Association, all Owners, and any other Persons having any right, title, or interest in the real estate subject to this Declaration, or any portion thereof, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns.

Section 1.5 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 the CIC Act.

Section 1.6 Percentage of Owners or Mortgagees. For purposes of determining the percentage of Owners, Mortgagees, or votes to approve a proposed decision or course of action where

an Owner owns, or a Mortgagee holds Mortgages on, more than one Unit, an Owner shall be deemed a separate Owner for each Unit so owned and a Mortgagee shall be deemed a separate Mortgagee for each first Mortgage so held.

Section 1.7 Inflationary Increase in Dollar Limits. Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association shall be proportionately increased on July 1 of each year by the percentage change in the consumer price index specified in RCW 64.90.065, as if RCW 64.90.065 applied to such amounts.

Article 2. DEFINITIONS

Section 2.1 Words Defined. For the purposes of this Declaration and any amendments hereto, the following definitions apply. The singular form of words includes the plural and the plural includes the singular. Masculine, feminine, and neutral pronouns are used interchangeably.

"Allocated Interests" means the Common Ownership Interest, if any, the Common Expense Liability, and the Voting Interest allocated to each of the Owners of the Units in the Community. The formulas used to determine the Allocated Interests are set forth in Article 6. The actual Allocated Interests are set forth in Schedule B.

"Arbitration Demand" is defined in Section 29.5.

"Architectural Control Committee" or "ACC" means any committee established by the Board for the purpose of carrying out some or all of the Board functions set forth in Article 24. If the Board has not established such a committee, the Board shall exercise such functions.

"Articles" means the Articles of Incorporation for the Association.

"Assessments" means all sums chargeable by the Association against a Unit, including, without limitation: (a) general and special assessments for Common Expenses; (b) charges and fines 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 in connection with the collection of a delinquent Owner's account.

"Association" means the owners' association defined in Article 14

"Authorized Users" means the Tenants, family members, agents, servants, invitees, and licensees of an Owner who are accorded rights, directly or indirectly, by that Owner to use or access all or a portion of that Owner's Unit and its appurtenant interest in the Common Elements.

"Board" means the board of directors of the Association, as described in Article 16 and in the Articles and the Bylaws.

"Books and Records of the Association" means the books and records of the Association, including the following:

- (a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the Association, and other appropriate accounting records within the last seven years;
- (b) Minutes of all meetings of its Unit Owners and Board other than executive sessions, a record of all actions taken by the Unit Owners or without a meeting, and a record of all actions taken by a committee in place of the Board on behalf of the Association;

- (c) The names of current Unit Owners, addresses used by the Association to communicate with them, and the number of votes allocated to each Unit;
- (d) Its original or restated Declaration, organizational documents, all amendments to the Declaration and organizational documents, and all rules currently in effect;
- (e) All financial statements and tax returns of the Association for the past seven years;
- (f) A list of the names and addresses of its current Board members and officers;
- (g) Its most recent annual report delivered to the secretary of state, if any;
- (h) Copies of contracts to which it is or was a party within the last seven years;
- (i) Materials relied upon by the Board or any committee to approve or deny any requests for design or architectural approval for a period of seven years after the decision is made;
- (j) Materials relied upon by the Board or any committee concerning a decision to enforce the governing documents for a period of seven years after the decision is made;
- (k) Copies of insurance policies under which the Association is a named insured;
- (l) Copies of all notices provided to Unit Owners or the Association in accordance with this chapter or the governing documents; and
- (m) Ballots, proxies, absentee ballots, and other records related to voting by Unit Owners for one year after the election, action, or vote to which they relate.

"Building Enclosure" means the building enclosure as defined in RCW ch. 64.55.

"Bylaws" means the bylaws of the Association as they may from time to time be amended.

"CIC Act" means the Washington Uniform Common Interest Ownership Act RCW ch. 64.90, as it may be from time to time amended.

"CLT" means a community land trust that separates ownership of the land from ownership of the home as generally described in Section 1.2.

"CLT Lease" means a community land trust ground lease between the CLT Sponsor Owner as lessor and the CLT Member Owner as lessee as generally described in Section 1.2.

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

"CLT Sponsor Owner" means the owner of the underlying fee interest in the CLT Unit and the lessor of the CLT Unit to the CLT Member Owner pursuant to a CLT Lease. In this Community, the CLT Sponsor Member is Homestead.

"CLT Unit" means a Unit intended for ownership by the CLT Sponsor Owner and the CLT Member Owner. The CLT Sponsor Owner owns the fee interest in the CLT Unit but not the Structures, and leases the land in the CLT Unit to the CLT Member Owner pursuant to a CLT Lease. The CLT Member Owner owns the Structures on the CLT Unit and leases the land in the CLT Unit from the CLT Sponsor Owner pursuant to a CLT Lease.

"Common Elements" means (i) any real estate, other than a Unit (including the Structures thereon), within the Community that is owned or leased either (a) by the Association or (b) in common by the Unit Owners, (ii) any other interests in real estate for the benefit of any Unit Owners that are subject to this Declaration, and (iii) other property interests and improvements where common usage by any Owners is permitted, as particularly described and identified on the Map and this Declaration. The Common Elements include the Limited Common Elements. The Common Elements include Tract A and Tract B shown on the Map.

"Common Expenses" means expenditures made by or financial liabilities of the Association, including expenses related to the maintenance, repair, and replacement of the Common Elements, allocations to reserves, and expenses related to any utility services provided by or billed through the Association to the Unit Owners. Some Common Expenses are allocated to the Units according to the Common Expense Liability of the Unit. Other Common Expenses are Specially Allocated Expenses.

"Common Expense Liability" means the liability for Common Expenses (other than Specially Allocated Expenses) allocated to each Unit, as described in Article 6. The Common Expense Liability may change if additional Units are added to the Community.

"Common Ownership Interest" means the undivided ownership interest in any Common Elements that are owned in common by the Unit Owners, allocated to each Unit, as described in Article 6. The Common Ownership Interest may change if additional Units are added to the Community.

"Community" means the Units and Common Elements created by this Declaration and the Map, as they may be amended.

"Community-Wide Standard" means the standard of conduct, maintenance, or other activity generally prevailing in the Community, or the minimum standards established by the Board pursuant to any Rules adopted by the Board, whichever is the higher standard. Declarant shall establish initially such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within the Community change.

"Control Termination Date" means the date that is the earlier of (i) 60 days after Conveyance of 75% of the Units that may be created in the Community, including Units later created, to Owners other than the Declarant, (ii) two years after the last Conveyance or transfer of record of a Unit except as security for a debt, (iii) two years after any Development Right to create Units was last exercised, or (iv) the date on which Declarant records a Record terminating all rights to appoint or remove any director or officer of the Association or any master association and to veto or approve a proposed action of any Board or Association.

"Conveyance" means any transfer of a Unit or the Home thereon, including, in either case, a transfer by deed, by real estate contract, or by CLT Lease. Conveyance does not mean a transfer solely as security for a debt or other obligation.

"Declarant" means Homestead Community Land Trust, a Washington nonprofit corporation.

"Declaration" means this Declaration of Covenants, Conditions, and Restrictions as it may from time to time be amended.

"Development Right" means any right or combination of rights reserved in this Declaration, or an amendment thereto, for the benefit of the Declarant, or its successors or assigns to: (a) add real estate or improvements to the Community; (b) create Units, Common Elements, or Limited Common Elements within any real estate initially included or subsequently added to the Community; (c) subdivide or combine Units or convert Units into Common Elements; (d) withdraw real estate from the Community; or (e) reallocate Limited Common Elements with respect to Units that have not been conveyed by the Declarant.

"Electronic Transmission" or "electronically transmitted" means any electronic communication (a) not directly involving the physical transfer of a Record in a Tangible Medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient of the communication, and that may be directly reproduced in a Tangible Medium by a sender and recipient.

"Fannie Mae" means the Federal National Mortgage Association, a federally chartered corporation.

"Foreclosure" means a forfeiture or judicial or non-judicial foreclosure of a Mortgage or a deed in lieu thereof.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a federally chartered corporation.

"Governing Documents" means this Declaration, the Map, and the Articles, the Bylaws, and the Rules of the Association, as they may be amended from time to time.

"Home" means a single-family residence and the associated improvements located on a Unit.

"Homestead" means Homestead Community Land Trust, a Washington nonprofit corporation, and its successors and assigns.

"HUD" means the United States Department of Housing and Urban Development.

"Limited Common Element" means a portion of the Common Elements allocated in this Declaration, or by operation of law, for the exclusive use of one or more but fewer than all of the Units.

"Managing Agent" means the Person, if any, designated by the Board under Section 16.3.

"Map" means The Southard plat recorded concurrently with this Declaration.

"Market Owner" means the owner of a Market Unit, including the Home on the Unit and the underlying fee interest of the Unit.

"Market Unit" means a Unit intended for ownership by a Market Owner. The Market Owner owns both the Structure in the Market Unit and the fee interest in the Market Unit. The Market Owner is not subject to a CLT Lease.

"Mortgage" means a recorded mortgage, deed of trust, or real estate contract.

"Mortgagee" means any holder, insurer, or guarantor of a Mortgage on a Home or an Owner's interest in a Unit.

"Notice and Opportunity to Be Heard" means the procedure described in Section 19.5.

"Owner" or "Unit Owner" means any Person who owns an interest in a Unit, but does not include any Person who (i) has an interest in a Unit solely as security for an obligation, monetary or regulatory, (ii) is the beneficiary of rights under easements and/or covenants granted by an Owner, or (iii) is an Authorized User. In this Community there are three classes of Owner: the CLT Sponsor Owner, the CLT Member Owner, and the Market Owner. The CLT Sponsor Owner owns the fee interest in the Unit but not the 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 on the Unit and leases the land in the Unit from the CLT Sponsor Owner pursuant to a CLT Lease. The Market Owner owns the fee interest in the Unit and owns the Structures on the Unit and is not subject to a CLT Lease. In some circumstances, the CLT Sponsor Owner can become the owner of the Structures. In those circumstances, the CLT Sponsor Owner will

also be the CLT Member Owner until it sells the Home to a different Person. Such circumstances will not cause a merger of the two ownership interests, which shall remain distinct and separate. As used in the Governing Documents, the terms "Owner" and "Unit Owner" include the CLT Sponsor Owner, CLT Member Owner, and Market Owner, unless indicated otherwise.

"Parkview" means Parkview Services, a Washington nonprofit corporation, or its successors and assigns. Unless stated otherwise in this Declaration, Parkview is considered a "Market Owner."

"Parkview Units" means Unit 17 and Unit 18. Unless stated otherwise in this Declaration, the Parkview Units are considered "Market Units."

"Property" means that certain real property as more particularly described on the attached Schedule A.

"Person" means a natural person, corporation, partnership, limited partnership, trust, governmental agency, or other legal entity.

"Qualified Financial Institution" means a bank, savings association, or credit union whose deposits are insured by the federal government.

"RCW" means Revised Code of Washington.

"Record", when used as a noun, means information inscribed on a Tangible Medium or contained in an Electronic Transmission.

"Rules" means any policy, guideline, restriction, procedure, or regulation adopted by the Association, however denominated, that is not set forth in the Declaration, Articles, or Bylaws, and that governs the conduct of Persons or the use or appearance of property.

"Solar Energy Panel" means any panel device or system or combination of panel devices or systems that rely on direct sunlight as an energy source, including a panel device or system or combination of panel devices or systems that collects sunlight for use in (i) the heating or cooling of a structure or building; (ii) the heating or pumping of water; or (iii) the generation of electricity.

"Special Declarant Rights" means any right or combination of rights reserved in this Declaration for the benefit of the Declarant to: (a) complete improvements indicated on the Map, described in the Declaration or the public offering statements pursuant to RCW 64.90.610(1)(b); (b) exercise any Development Rights; (c) maintain sales offices, management offices, and signs advertising the Community and models; (d) use easements through the Common Elements for the purpose of making improvements within the Community or within real estate that may be added to the Community; (e) make the Community subject to a master association; (f) merge or consolidate the Community with any other community of the same type; (g) appoint or remove any director or officer of the Association or any master association, or veto or approve a proposed action of any Board or Association pursuant to RCW 64.90.415(1); (h) control any construction, design review, or aesthetic standards committee or process; (i) attend meetings of Unit Owners and, except during an executive session, the Board; or (j) have access to the records of the Association to the same extent as a Unit Owner.

"Specially Allocated Expenses" means those Common Expenses described in Section 17.6 of this Declaration.

"Street Lighting" means any lighting for streets within or adjacent to the Community.

"Structure" means any improvement on any Unit, including without limitation, any Home, building, garage, carport, shed, greenhouse, porch, patio, deck, pool, pool cover, sidewalk, curbing, fence, wall, rockery, antenna, dish, or other receiving device.

"Tangible Medium" means a writing, copy of a writing, facsimile, or a physical reproduction, each on paper or on other tangible material.

"Tenant" means an occupant of a Home other than the CLT Member Owner, Market Owner, or that Owner's personal guests, family members, care givers, or roommates. The term includes renters, lessees, tenants, and subtenants.

"Timesharing" means timesharing as defined in RCW ch. 64.36, and any other form of fractional ownership, timesharing, or vacation club arrangement.

"Transition Date" means the date that is (i) 30 days after the Control Termination Date, or (ii) in the absence of a Special Declarant Right to appoint or remove directors and officers or veto or approve Board or Association actions, 60 days after the Conveyance of 75% of the Units that may be created to Unit Owners other than a Declarant.

"Transition Meeting" means the Association meeting called after the Transition Date to elect a new Board pursuant to RCW 64.90.415(4).

"Unit" means a physical portion of the Community designated for separate ownership, the boundaries of which are shown on the Map. Each lot shown on the Map is a Unit. For purposes of the Governing Documents, a Unit includes all Structures located within the Unit. Units include both CLT Units and Market Units.

"Voting Interest" means the proportionate number of votes in the Association allocated to each Owner of a Unit, as described in Section 6.2. The Voting Interest may change if additional Units are added to the Community.

"Yard" means the outdoor area within the Unit, including decks, porches, patios, and landscaped areas.

Section 2.2 Statutory Definitions. Some of the terms defined above are also defined in the CIC Act. The definitions in the Declaration are not intended to contradict the definitions in the CIC Act. If there is an unavoidable inconsistency, the definition in the CIC Act will prevail.

Article 3. NAME OF COMMUNITY

The name of the Community is The Southard. The Community is a plat community, as defined in the CIC Act.

Article 4. DESCRIPTION OF REAL ESTATE

Section 4.1 Description of Real Estate. The real estate subject to this Declaration is described in Schedule A. After recording of this Declaration, the Declarant will sever the ownership of the Structures in the CLT Units from the ownership of the land in the CLT Units, by conveying 11 Homes in the CLT Units to the CLT Member Owners and ground leasing the underlying fee interest in the CLT Units to the corresponding CLT Member Owner. Both of the severed interests will be subject to this Declaration and the Governing Documents. Declarant will convey the remaining 7 Homes in the Market Units, and the underlying fee interest in the Market Units, to Market Owners. The CLT Units are shown as Lots 2, 3, 5, 6, 7, 10, 11, 12, 13, 14, and 15, on the Map. The Market Units are shown as Lots 1, 4, 8, 9, 16, 17, and 18 on the Map.

Article 5. DESCRIPTION OF UNITS

Section 5.1 Number and Identification of Units. There are 18 Units in the Community. The location and configuration of each Unit are shown on the Map. The Declarant has not reserved a Development Right to create additional Units in the Community.

Article 6. ALLOCATED INTERESTS

Section 6.1 General. The Allocated Interests and the title to an interest in a Unit may not be separated or separately conveyed from that interest, whether voluntarily or involuntarily, except in conformity with this Declaration. The Allocated Interests shall be deemed to be conveyed with the interest in the Unit to which they are allocated even though the description in the instrument of Conveyance may refer only to the title to the Unit. The Allocated Interests can only be changed as provided in this Declaration. Notwithstanding the foregoing, the Declarant shall have the right to recalculate the Allocated Interests and amend the Declaration and the Map if the Allocated Interests are incorrect for any reason, including differences between estimated and "as-built" areas, changes in the data used to calculate the Allocated Interests, changes in Unit boundaries, the combination or subdivision of Units, or clerical errors in the Map or Declaration.

Section 6.2 Derivation of Allocated Interests. The Common Expense Liability is allocated to those Owners who own the Home and therefore have the rights to occupy the Home and use the Common Elements. Consequently, the Common Expense Liability is allocated 100% between the CLT Member Owners and Market Owners and 0% to the CLT Sponsor Owner. Among the CLT Member Owners and Market Owners, the Common Expense Liability is allocated equally. The Common Ownership Interest and Voting Interest are allocated to those Owners who have an interest in the maintenance, repair, reconstruction, insurance, condition, function, preservation, viability, and attractiveness of the Community and the long-term availability and affordability of the land and Homes pursuant to the CLT. Consequently, the Common Ownership Interest and Voting Interest are allocated equally to the CLT Member Owners, the Market Owners, and the CLT Sponsor Owner, with each such Owner having a Voting Interest of one vote per Unit. The Allocated Interests are set forth in Schedule B.

Article 7. COMMON ELEMENTS

Section 7.1 Description. The Common Elements include, without limitation, the following portions of the Community, even if otherwise located within a Unit: the ingress and egress access, bicycle parking, trash storage, address and sign maintenance, community garden, parking lot and driveway easement areas described in Section 9.2, together with the driveways, sidewalks, mail kiosks, bicycle racks, signage, and other improvements therein, storm water detention and treatment facilities, and common utility systems, if any. The portions of the storm drainage, sanitary sewer, electricity, gas, telephone and cable utility systems that serve more than one Home are also Common Elements, even if otherwise located within a Unit.

Section 7.2 Use of Common Elements. Except as otherwise stated in this Declaration, no Owner may alter any Common Element or construct or remove anything in or from any Common Element except upon the prior written consent of the Board. The right to use the Common Elements, including the Limited Common Elements, shall be governed by the provisions of the CIC Act and the Governing Documents.

Section 7.3 Conveyance or Encumbrance of Common Elements. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) by a Unit Owner of its interest in the Common Elements shall be void unless the ownership interest of that Owner in the Unit to which that Common Element interest is allocated is also transferred. The Association may not convey or subject to a security interest any portion of the Common Elements unless (i) CLT Member Owners holding at least 90% of the Voting Interests in the Association held by CLT Member Owners, (ii) Market Owners holding at least 90% of the Voting Interests in the Association held by Market Owners, and (iii) the CLT Sponsor Owner agree to that action. All Owners of Units to which any Limited Common Element is allocated must

also agree in order to convey that Limited Common Element or subject it to a security interest. Any agreement to convey Common Elements or subject them to a security interest must be evidenced by the execution of an agreement, or ratifications of an agreement, in the same manner as a deed, by the requisite number of Unit Owners. The agreement must specify a date after which it will be void unless recorded before that date. The agreement and all ratifications of the agreement must be recorded in every county in which a portion of the Community is located and will only be effective upon recordation. A conveyance or encumbrance of Common Elements shall not affect the priority or validity of preexisting encumbrances.

Section 7.4 Dedication of Common Elements. The Declarant, by recording the Map and this Declaration dedicated and conveyed the Common Elements (without warranty) to the Association. If the Association is ever dissolved, then each Unit in the Community shall own an equal and undivided interest in the Common Elements previously owned by the Association and shall have the attendant obligation to maintain those Common Elements.

Article 8. LIMITED COMMON ELEMENTS

Section 8.1 Description and Allocation of Limited Common Elements. As of the date of this Declaration, there are no Limited Common Elements in the Community.

Section 8.2 Change in Status of Common Elements. Except for the Development Rights of the Declarant, 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 and Market Owners holding at least 67% of the Voting Interests in the Association held by all CLT Member Owners and Market Owners, (ii) the CLT Sponsor Owner, and (iii) the 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.

Section 8.3 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 the Declarant, 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 8.3 within 30 days unless the reallocation does not comply with the CIC Act or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The amendment shall be recorded in the names of the parties and of the Community.

Section 8.4 Right to Use Limited Common Elements. Each CLT Member Owner and Market 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 Authorized Users but is governed by the provisions of the CIC Act and the Governing Documents.

Article 9. EASEMENTS

Section 9.1 Unit Owner Access and Use of Common Elements. Subject to the Governing Documents and to the Association's rights to regulate the use, maintenance, repair, replacement, and modification of the Common Elements and convey or encumber the Common Elements, each Unit Owner has (i) an easement in and through the Common Elements for access to its Unit, and (ii) a right to use the Common Elements for the purposes for which the Common Elements were intended at the time of their construction or replacement.

Section 9.2 Ingress and Egress Access, Bicycle Parking, Trash Storage and Other Easements. Subject to the Governing Documents and to the Association's rights to regulate the use,

maintenance, repair, replacement, and modification of these Common Elements and convey or encumber the Common Elements, the following easements are declared and granted:

9.2.1 Ingress and Egress Access Easement. There is declared and granted to the Owners a perpetual, non-exclusive easement for pedestrian access, ingress, and egress over, under, through, across and upon, that portion of the Property reasonably necessary for the Owners to access the Units.

9.2.2 Bicycle Parking Easement. There is declared and granted to the Owners, a perpetual, non-exclusive easement over that portion of the Property as such bicycle parking racks may be installed by Declarant for the purposes of installation, maintenance, use and replacement of bicycle racks serving the Property and for the storage of bicycles using such bicycle racks.

9.2.3 Trash Storage Easement. There is declared and granted to the Owners, a perpetual, non-exclusive easement over that portion of the Property as such trash storage areas may be installed by Declarant for the placement and storage of trash containers.

9.2.4 Address and Sign Maintenance Easement. There is declared and granted to the Owners, a perpetual, non-exclusive easement for the purpose of maintenance, repair, and replacement of an address sign upon that portion of the Property as such address sign is installed by Declarant.

9.2.5 Driveway Easement. There is declared and granted to the Owners, a perpetual, non-exclusive easement over and across that portion of the Property as vehicular driveways are constructed by Declarant for vehicular ingress and egress.

9.2.6 Parking Lot Easement. There is hereby declared and granted to the Owners a perpetual, non-exclusive easement for ingress, egress and parking over, under, through, across and upon that portion of the Property that Declarant constructs a parking lot with 46 parking stalls for the Owners' vehicles. The Owners' use of the parking lot shall be subject to the Rules, which may include the assignment of particular parking spots to particular Owners.

9.2.7 Electric Vehicle Charging Station Easement. Within the Parking Lot Easement, or as otherwise installed by Declarant, there is hereby declared and granted to the Owners a perpetual, non-exclusive easement for the maintenance, repair, replacement, and use of an electric vehicle charging station. The Owners' use of the electric vehicle charging station shall be subject to the Rules.

9.2.8 Community Garden and Children's Play Area. There is hereby declared and granted to the Owners a perpetual, non-exclusive easement for ingress, egress, and recreational activities over, through, across, and upon that portion of the Property that Declarant constructs a community garden and children's play area. The Owners' use of the community garden and children's play area shall be subject to the Rules.

Section 9.3 Encroachment Easements. To the extent not provided by the definition of Unit in this Declaration, each Unit is granted a non-exclusive easement over adjoining Units and Common Elements for the purpose of accommodating (i) any overhang, eaves, bay windows, gutters, downspouts, utility meters, vents, and other similar portions of the Owner's Home as originally constructed by Declarant, (ii) any encroachment of the Owner's Home as originally constructed by Declarant caused by engineering or surveying errors, and (iii) any replacements of the foregoing provided the replacements shall not increase the area of the encroachment.

Section 9.4 Rockery, Wall and Fence Easements. Declarant has constructed or may construct certain rockeries, walls, and fences along the property lines of certain Units. The intention of the Declarant is that each rockery, wall, or fence, when constructed, shall be located wholly within one Unit and not on or across the property line. A rockery, wall, or fence may not, however, be wholly within a Unit. Therefore, Declarant reserves an easement for encroachment on each side of each property line, for the

location, maintenance, repair, and replacement of rockeries, walls, and fences installed by the Declarant for as long as the rockery, wall, or fence exists. The owner of such a rockery, wall, or fence shall have the right to maintain, repair, and replace any portion of such improvement and shall have reasonable access over the adjoining Unit or Common Element for such purposes. Neither the location of any rockery, wall, or fence installed by Declarant, nor any conduct of an owner in maintaining such improvements or the land between the improvements and the property line shall be construed as modifying the property line. The owner of a fence shall be responsible for keeping the fence in good condition and repair. In doing so, the Owner shall obtain any required approvals by the Board and the City. Certain rockeries, walls, and fences may have been designed by a professional engineer and may require the services of a professional engineer for major repairs or replacement. No Owner shall take any action to add, construct, or place any improvement on their Unit that results in the disturbance of, weakening of, or damage to a rockery or wall, or that increases any engineered load or alters design criteria; or causes damage to the rockery or wall or the surrounding properties.

Section 9.5 Easement for Maintenance. Each Owner shall have a right to enter upon the Yard of an adjacent Unit, as reasonably necessary to perform maintenance, repair, or replacement of the Structures within the Owner's Unit and to read utility meters. Except as set forth below, prior to entering an adjoining Yard, the benefitted Owner shall give the Owner of the adjacent Unit reasonable advance notice. Notice is not required in an emergency, in situations involving minor maintenance activities such as moving a lawn mower from the front of a Unit to the rear Yard of a Unit, or traversing a portion of the Yard of an adjacent Unit for other minimal impact activities such as meter reading (including the reading of a meter by an employee or agent for a utility provider). Each benefitted Owner must exercise reasonable care not to damage any landscaping or improvements in the adjoining Unit or the Common Elements and shall promptly repair any damage caused thereby and restore the property to the condition it was in prior to the entry and shall otherwise indemnify and hold the Association and the Owner of the adjacent Unit harmless from any damage, loss, or liability caused by such entry.

Section 9.6 Building System Easements. Due to the attached construction of the Homes, certain facilities serving one Home, such as utility meters, utility lines, sewer lines, and fire sprinkler systems may be located in the Yard or within or on the walls, crawl spaces, floor slabs, or attics or on the exterior of another Home. Each Unit has an easement for the maintenance, repair, and replacement of such facilities under, through, and over adjoining Yards and Homes as necessary for proper functioning of such facilities.

Section 9.7 Association Functions Easement. The Association has such easements throughout the Community as are necessary to perform the duties and obligations of the Association as are set forth in the Governing Documents.

Section 9.8 Private Utility Easements. The Map depicts various easements within the Community for the installation, maintenance, repair, and replacement of utilities. No structure, planting, or other material that may damage the utilities or interfere with the use of the easement may be placed within these easement areas. The Owners of the Units subject to utility easements shall not use or alter their Units in any way that would interfere with the proper operation of the utilities. The Association may adopt Rules regarding use of the portions of the Units subject to these easements.

Section 9.9 Declarant's Use of Common Elements. The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights. Such easements shall be in effect so long as the declarant or its successors or assignees has any obligations as a Declarant, holds any Special Declarant Rights, or owns any portion of the Community, whichever is later.

Section 9.10 Homestead's Signage, Logo, and Trademark Rights. Homestead may, in its sole discretion, construct signage at any entrance to the Community 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 and/or trademarks used by Homestead, and convey such signage to the Association along with a non-exclusive license to use the logos and/or

trademarks depicted on the signage (but only for purposes of maintaining such logos/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.

Section 9.11 Declarant's Easement for Maintenance Required by Permitting Agency. The Declarant has an easement to maintain, repair, and replace any improvements, landscaping, plants, or features in any Common Element, dedicated area, critical area, environmentally sensitive area, native growth protection area or other area, and a right of access thereto, to the extent and for so long as it has any maintenance obligations or bonds outstanding to a permitting agency.

Section 9.12 Declarant's Right to Grant Additional Utility and Municipal Easements. The Declarant reserves the right to grant and record easements to any utility provider or municipality (i) for the installation, construction, maintenance, repair, and reconstruction of all utilities serving any portion of the Community, including, without limitation, such utility services as water, sanitary sewer, storm sewer, electricity, cable television, site lighting, internet access and telecommunications; (ii) for access through the Common Elements to the utility installations; and (iii) for rights of way, sidewalks, roads, alleys, slopes, cuts, fills, environmentally critical areas, native growth protection areas, public facilities, or any other purpose or improvement as may be required for the development, construction, or sale of the Community.

Article 10. USE RESTRICTIONS AND CONDUCT RESTRICTIONS

Section 10.1 Use Restrictions. The following use restrictions shall apply to all Units, except (i) that the Declarant may use any of the Units owned by Declarant for any purpose or use, and (ii) no use restriction shall be interpreted to materially and adversely interfere with Parkview's use of the Parkview Units in furtherance of Parkview's housing mission and such use of the Parkview Units shall be deemed a residential use notwithstanding *Mains Farm Homeowners v. Worthington*, 121 Wn.2d 810, P.2d 1072 (1993) and its progeny. This Declaration gives notice to all Owners that the Parkview Units may be used for so-called "group home," "adult care home," "adult family home," "adult supported living," housing for persons with intellectual and developmental disabilities, or similar purposes, said uses to include without limitation the presence of support service providers such as social workers and nursing staff (the "Parkview Permitted Purpose").

10.1.1 Allowed Uses of the Units. The Units are restricted to use as single-family residences and for social, recreational, or other reasonable activities normally incidental to such use. The Units may be used for incidental home office or home business uses, as long as the use (i) does not involve the regular presence of employees, customers, or clients, (ii) is not open to the trade or public, and (iii) does not create safety, traffic, or parking problems or obtrusive noise, and (iv) complies with the other provisions of the Governing Documents. In general, the Board shall have the authority to determine whether a use is or is not incidental to use as a single-family residence. The Board may, by Rule, specify the limits of such uses in general and also in particular cases. Nothing in Article 10 or any other portion of the Governing Documents shall be construed (a) to prevent or limit the use of a Unit or Structures thereon for CLT purposes or to prevent or limit the lease of a Unit pursuant to a CLT Lease or (b) to prevent or limit the use of any Parkview Unit for the Parkview Permitted Purpose or to prevent or limit the lease of a Unit pursuant to a lease in furtherance of the Parkview Permitted Purpose.

10.1.2 Prohibited Uses of the Units. Except as otherwise provided in this Declaration, the Units may not be used for (i) Timesharing, (ii) rental of Units via Airbnb, vrbo.com, or other vacation rental websites, (iii) rental for a period of less than 30 days, (iv) rental under which occupants are provided services such as room service, maid service, laundry or linen, concierge services, or similar services, (v) the accommodation of business invitees, or (vi) transient accommodation. No Owner may lease all or any part of a Home without the prior written approval of (i) a majority of the Market Owners and CLT Member Owners, and (ii) the CLT Sponsor Owner, provided that an Owner may have roommates to the extent allowed under applicable law. This prohibition shall not be interpreted to prevent Parkview from

using the Parkview Units for the Parkview Permitted Purpose (which Parkview shall be free to exercise without approval by other Market Owners, CLT Member Owner, or the CLT Sponsor Owner).

Section 10.2 Conduct Restrictions. The following conduct restrictions shall apply to the conduct of all Owners, Tenants, and Authorized Users, except that they shall not apply to any conduct of Declarant.

10.2.1 Use of Yards. The Yards may only be used for ordinary family activities that do not interfere with the rights of easement holders. The Yards may not be used for storage, vehicle maintenance, or other activities or uses that the Board determines should be regulated or barred due to their impact on other Owners. Without limiting the foregoing, no Owner may store any trailers, boats, motor homes, recreational vehicles, motorcycles, or trucks over two tons or any disabled or inoperable motor vehicle in a Yard. Garbage, trash, clothes lines, bicycles, recreational gear, tools, equipment, firewood, ladders, and other items must be stored within a Home or garage or within a fenced or screened area where they will not be seen from any Home or road. The design and materials used for any fenced or screened area shall be consistent with the general appearance of the Home and must receive prior approval from the ACC.

10.2.2 Roads, Sidewalks, Walkways, Etc. The roads, sidewalks, and walkways used for access shall be used exclusively for normal ingress and egress. No obstructions shall be placed therein unless permitted by the Board or the Rules.

10.2.3 Effect on Insurance. Except for such activities and improvements as are permitted by the CIC Act or the Governing Documents, nothing shall be done or kept in any Unit or in any Common Element that will increase the rate of insurance or result in the cancellation of insurance on the property without the prior written consent of the Board.

10.2.4 Signage. Except as may be allowed pursuant to this Section 10.2.4 or the Rules, no signs shall be displayed to public view on any Unit except (i) one professionally created sign of not more than one square foot displaying the property address and/or resident's name; (ii) one sign of not more than five square feet advertising the Home for sale or rent by anyone other than the Declarant; (iii) signs of any size or similar display used by Declarant to advertise Units or Homes for sale so long as it owns a Unit within the Community; (iv) political yard signs displayed prior to any primary or general election which must be removed within 10 days after such election; or (v) any permanent entry monument signs, and fire lane, road, and directional signs for the Community.

10.2.5 Animals. Only domesticated dogs, cats, and household pets may be kept in the Units. No poultry may be kept or bred in the Community. Animals are not allowed outside a Home unless (i) they are on a leash or in a crate and are under the control of a person able to control the animal, or (ii) are prevented from leaving the Yard by fencing or invisible electronic confinement system not dangerous to humans. Animals may not leave waste on any Common Element. Each Owner must pick up any waste matter left by its animals. No dog houses, kennels, or dog runs are permitted outside of any Home without the prior approval of the Board. No animal may unreasonably interfere with the rights of others to enjoy the Community. The Board may at any time require the removal of any animal that it finds is disturbing other Owners unreasonably, and may exercise this authority for specific animals even though other animals are permitted to remain. The Board may adopt additional Rules governing the keeping of animals and the size, number, nature, conduct, and impact of animals.

10.2.6 Vibrations, Noises and Odors. No Owner may conduct or allow any continuing vibration, noise, or odor that is obnoxious or offensive to emanate from its Unit or Limited Common Elements into another Unit or the Common Elements. Without limiting the foregoing, no Owner may (i) make, amplify, or broadcast sounds that are unreasonably disruptive to other Unit Owners or constitute a nuisance, (ii) make any modification to or install any appliance or equipment that creates, enhances, or allows noise from the Unit to be unreasonably disruptive to other Unit Owners or to constitute a nuisance. This Section 10.2.6 shall not be interpreted to prevent the construction, remodeling, or maintenance of a

Unit. The Board may adopt such Rules pertaining to such matters as in the judgment of the Board are necessary.

10.2.7 Trash and Garbage. Each Owner must store trash and garbage inside the Unit and set it out for collection in such locations and receptacles as are authorized by the Board, or as otherwise allowed by the Rules. The Board shall determine what trash and garbage removal service, if any, to provide for the Community. Each Owner is responsible for removing from the Community all trash and garbage generated by that Owner that is not picked up by such service. The Board may adopt such Rules pertaining to such matters as in the judgment of the Board are necessary for the safe, sanitary, and efficient operation of the Community.

10.2.8 Hazardous Substances. No Owner may permit any Hazardous Substance to be released or disposed of in the Community. Each Owner must 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 use of the Unit or the property by that Owner, or its Tenants or invitees. As used herein, the term "Hazardous Substance" means any hazardous, toxic, or dangerous substance, waste, or material which 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 which 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. Notwithstanding the foregoing, the term "Hazardous Materials" does not include products or materials normally used or stored in similar properties for the maintenance, cleaning, or operation of the property or for household use by residents and which are used or stored in compliance with applicable environmental laws.

10.2.9 Conveyance by CLT Member Owners; Notice Required. A CLT Member Owner intending to convey its interest in a Unit must deliver a written notice to the Board before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, the closing agent, and the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The notice must be delivered by such date as the Board may establish by Rule. In the absence of any Rule on the subject, the notice must be delivered at least six weeks before closing. The Board has the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments owed by the conveying Owner and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the Conveyance of a Unit, the new CLT Member Owner must notify the Association of (i) the date of the Conveyance; (ii) the Unit Owner's name and address; and (iii) the name and notice address of every Mortgagee of the Owner's interest in the Unit. The Association must notify each insurance company that has issued an insurance policy under Article 21 of the name and address of the new Owner and request that the new Owner be made an additional insured under such policy. Each CLT Lease contains various provisions restricting the CLT Member Owner's ability to transfer of the Home and the leasehold. Nothing in this Section 10.2.9 shall be construed as a waiver or modification of any provisions of any CLT Lease.

10.2.10 Parking on Common Elements. Except as otherwise stated in this Declaration or allowed under the Rules, parking is not allowed on any portion of the roads, sidewalks, planter strips, or any other portion of the Common Elements (other than the parking areas so designated).

10.2.11 Regulation of Vehicles and Parking. The Board may adopt Rules further regulating the parking, storage, use, and maintenance of vehicles, and conduct on roads, sidewalks, driveways, parking spaces, and other Common Elements. The Board may direct that vehicles or other items improperly parked or used in the Community be removed, and if it is not removed the Board may cause it to be removed at the risk and cost of the owner of the vehicle or item.

10.2.12 No Smoking. To protect the Owners and occupants of the Community from second-hand smoke, and to protect the Owners from the potential costs of modifying Common Elements to prevent second-hand smoke from escaping from a Unit and entering any other Units or Common

Elements, no smoking of tobacco, marijuana, or any other substance is allowed within any Unit or any Common Element in the Community. Without limiting the foregoing, smoking is prohibited in any part of the building and on or in any entrances, balconies, patios, terraces, porches or decks, or from any window or door, or in any other part of the Community. While this prohibition is intended to render the Community smoke free, the Board is not a guarantor of a smoke-free environment. The Board shall have the right, but not the obligation, to enforce this restriction if the Board determines that it is appropriate to do so in any individual case or circumstance. If the Board determines to take any such action, then in addition to its other rights and remedies under the Governing Documents at law, and in equity, the Board shall be entitled to recover its costs and expenses, including all attorneys' fees and courts costs, incurred in enforcing this restriction. If the Board determines not to pursue enforcement of this restriction in any individual case or circumstance, any Owner may bring his or her own separate action to enforce this restriction against any other Owner who violates (or whose occupant, agent, Tenant, invitee, licensee, guest, friend, or family member violates) this provision. If an Owner who brings such an action succeeds in establishing that the other Owner has violated this restriction, the Owner bringing such action shall be entitled to recover his or her costs and expenses, including reasonable attorneys' fees and court costs, incurred in such action from the other Owner.

Article 11. MAINTENANCE

Section 11.1 Owner's Maintenance and Repair Responsibilities. Except for maintenance and repairs to be performed by the Association under this article 11, each CLT Member Owner and Market Owner must, at that Owner's sole expense, maintain, repair, and replace (i) its Home, (ii) all Structures, other improvements, and landscaping within its Unit, and (iii) that portion of the utility installations (including without limitation power, water, gas, telephone and data lines, and sanitary sewers) and storm drainage installations that are located outside of the Unit but that serve only that Unit. Each CLT Member Owner and Market Owner must keep all such items in good repair and in neat, clean, and sanitary condition, in compliance with applicable laws, the Governing Documents, and the Community-Wide Standard. No CLT Sponsor Member shall have any obligation to maintain, repair, or replace any Home or Structure or other portion of a Unit or the Community.

Section 11.2 Association's Maintenance and Repair Responsibilities. The Association is responsible for the maintenance and repair of the Common Elements and the improvements thereon. The Association is also responsible for the maintenance and repair of the Building Enclosures, including without limitation, painting, sealing, and caulking, although the Association is not responsible for maintaining or repairing foundations, any window or door glass, any exterior doors, or any window screens or screen doors, all of which shall be the responsibilities of the Unit Owner, and those utilities and building systems located within a Unit that serve more than one Unit within the Community and related pipes, wires, conduits, and other facilities may pass through the Units, for example and without limitation, fire sprinkler lines and sewer lines. The Association must keep such items in good repair and in a neat, clean, and sanitary condition, in compliance with applicable laws, the Governing Documents, and the Community-Wide Standard. Without limiting the foregoing, the Board shall develop, update, and adhere to schedules and procedures for the periodic inspection, maintenance, repair, and replacement of the items it must maintain and repair. The schedules and procedures shall be based upon regular inspections of the Community, regular reserve studies, and sound property management principles and practices, and shall be adequate to maintain those items in the condition required herein. The Association will have no claim against the Declarant or its officers, directors, managers, members, employees, contractors, agents, or assigns, for any loss or damage to the extent arising from any failure by the Board to properly maintain and repair such items. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Community, where the Board has determined that such maintenance would benefit all Owners. Without limiting the foregoing, if a municipality fails to maintain any property dedicated to it in conformance with the Community-Wide Standard, the Association may, but is not required to, maintain such property, including the performance of grass cutting and maintenance of shrubs, trees, and flowers.

Section 11.3 High Risk Components.

11.3.1 Notwithstanding other provisions of this Declaration, the Board may, from time to time, by Rule designate physical components of the Community for which an Owner is otherwise responsible that present a heightened risk of damage or harm to persons or property if the physical components fail. The Board may require that specific measures be taken by the Owner or the Board to diminish that risk of harm.

11.3.2 The imposition of any requirements under this Section 11.3 shall not relieve an Owner of its obligations under Section 11.1 or other Sections of the Declaration, including, but not limited to, the obligation to perform and pay for repairs, maintenance, and replacement.

11.3.3 If any Owner fails to repair, maintain, or replace a designated component in accordance with the requirements established by the Board under this Section 11.3, the Board may, in addition to any other rights and powers granted to it under the Governing Documents and the CIC Act, enter the Unit in accordance with Section 16.8 and inspect, repair, maintain, or replace the component, and in such event the cost thereof shall be assessed against the Unit as a Specially Allocated Expense.

Section 11.4 Transfer of Responsibility. The Board may adopt Rules transferring responsibility to maintain certain Limited Common Elements to the CLT Member Owners and Market Owners if it determines that such Owners will regularly, properly, and consistently maintain the Limited Common Elements, and that there is little risk of damage to the Community or cost to the Association from such transfer of maintenance responsibility. The Association may modify or revoke any such Rules if it determines that modification or revocation is in the best interest of the Community.

Article 12. RIGHT OF FIRST REFUSAL

Section 12.1 Right of First Refusal. If any Market Owner (the "Selling Owner"), decides to sell its interest in a Unit (the "Interest"), then CLT Sponsor Owner will have a right of first refusal to purchase the Interest. Any Selling Owner may market and receive offers to sell its Interest, but shall not accept any offer or enter into any agreement or contract to sell its Interest without presenting such proposed terms to sell the Interest to CLT Sponsor Owner. The word "sell" shall include any transfer or conveyance of all or any portion of the Interest, excluding a conveyance or transfer by gift, bequest, or inheritance.

Section 12.2 Right of First Refusal Option. Before a Selling Owner enters into any agreement to sell its Interest, the Selling Owner must present the terms of such offer in writing to CLT Sponsor Owner (the "ROFR Option"). The ROFR Option shall, at a minimum, include the following information: (i) the proposed purchase price proposed of the sale; (ii) the method of purchase price payment; (iii) the amount and terms of any proposed financing in connection with the proposed purchase; (iv) the amount of any earnest money deposit; (v) the time for the close of escrow; (vi) the name of the proposed purchaser; and (vii) any other material terms and conditions of the proposed sale of the Interest.

Section 12.3 Acceptance Period. CLT Sponsor Owner shall have 3 business days from the date of receipt of the ROFR Option to accept the ROFR Option (the "Acceptance Period") by delivering to the Selling Owner the acceptance on or before 5:00 p.m. on the last day of the Acceptance Period. The date of receipt shall be the earlier of (i) the date an individual with sufficient authority at CLT Sponsor Owner responds to an email sent by the Selling Owner, confirming receipt of the ROFR Option, or (ii) five business days after the day the ROFR Option is successfully mailed by USPS, FedEx, or UPS with signature verified delivery to CLT Sponsor Owner. If CLT Sponsor Owner fails to accept the ROFR Option on or before the last day of the Acceptance Period, then the ROFR Option shall be deemed to be rejected.

Section 12.4 Restoration. If CLT Sponsor Owner responds to the ROFR Option with anything other than an unequivocal, unconditional acceptance or rejection, then the ROFR Option shall be waived as to that proposed sale only. The ROFR Option shall be restored after each sale of the Units.

Section 12.5 Notice Address. For purposes of this article 12, CLT Sponsor Owner's mailing address is 412 Maynard Ave S, Unit 201, Seattle, WA 98104.

Article 13. DECLARANT RIGHTS

Section 13.1 Declarant's Right to Complete Improvements. The Declarant and its agents, employees and contractors have the right to complete any improvements and otherwise perform work that is authorized by the Declaration, indicated on the Map, authorized by building permits, provided for under any purchase and sale agreement or lease necessary to satisfy any express or implied warranty, or otherwise authorized or required by law. The Declarant also has the right to make any modifications, improvements, or changes to the Common Elements that the Declarant determines are appropriate to increase the appeal of the Community to potential buyers, to correct problems in the design or construction of the Community, or for the benefit of one or more Units. In conjunction with the foregoing rights, until construction of the Community is completed, the Declarant shall have the right to use any unassigned parking spaces and any portion of any garage or parking lot for staging, storage, parking, and other construction-related purposes. The foregoing rights shall terminate five years from the date this Declaration is recorded.

Section 13.2 Declarant's Right to Maintain Sales Facilities. The Declarant, its agents, and its employees have the right to install and maintain in any Units owned by the Declarant and in any of the Common Elements any facilities that the Declarant deems necessary or convenient to the construction, marketing, sale, or rental of Units. These facilities may include but are not limited to business offices, management offices, sales offices, construction offices, storage areas, signs, model units, and parking areas for Declarant and its employees, agents, and contractors, and prospective Tenants or purchasers and their agents. The Declarant may install and maintain as many of such facilities as it deems necessary or convenient in such locations as it deems necessary or convenient. The Declarant may relocate such facilities as it determines is appropriate in its sole discretion. The right to install and maintain such facilities will expire when the Declarant ceases to be a Unit Owner and has no further Special Declarant Rights in the Community. The Declarant will have a reasonable time, but in no event less than 60 days after such expiration, to remove any such facilities from the Community.

Section 13.3 Declarant's Right to Use Easements. The Declarant and its agents, employees and contractors have an easement over, across, under, and through the Common Elements of the Community as reasonably necessary for the purpose of completing construction, exhibiting and preparing Units for sale, making repairs required pursuant to any contract of sale, discharging the Declarant's obligations, or exercising Special Declarant Rights within the Community or within any real estate that may be added to the Community. The foregoing rights shall terminate five years from the date this Declaration is recorded.

Section 13.4 Declarant's Right to Appoint, Remove and Veto. Until the Control Termination Date, the Declarant shall have the right to appoint and remove all officers and members of the Board. Notwithstanding the foregoing, not later than 60 days after Conveyance of 25% of the Units that may be created to Owners other than the Declarant, at least one member and not less than 25% of the members of the Board must be elected by Owners other than the Declarant; and not later than 60 days after Conveyance of 50% of the Units that may be created to Owners other than the Declarant, not less than one-third of the members of the Board must be elected by Owners other than the Declarant. The Declarant may at any time voluntarily terminate its right to appoint and remove officers and members of the Board by recording an amendment to the Declaration surrendering such right. If the Declarant does so, it may, for the duration of the period ending on the Control Termination Date, retain the right to veto or approve proposed actions of the Association or Board before they become effective. To exercise this right, the Declarant must execute and record an instrument that specifies the proposed actions that may be vetoed or approved by the Declarant. The foregoing rights shall terminate on the Control Termination Date.

Section 13.5 Declarant's Right to Control Architectural Committees. Until the Declarant no longer owns any Unit in the Community and no longer has a Development Right to create any Units in the

Community or real estate added to the Community, the Declarant has the right to appoint and remove all officers and members of any construction, design review or aesthetic standards committee of the Association. In addition, during the period set forth in this Section 13.5, the Declarant shall have the right to control any construction, design review, or aesthetic standards review or approval process. The Declarant may voluntarily terminate its right to appoint and remove officers and members of any such committee or control any process by recording an amendment to the Declaration surrendering the right to appoint and remove officers and members of such committee. If the Declarant does so, it may, for the duration of the period set forth in this Section 13.5, exercise the right to approve certain actions of any such committee before they become effective. The foregoing rights will terminate on the later of the date the Declarant no longer owns any Unit in the Community, or the date the Declarant no longer has a Development Right to create any improvements in the Community or in real estate added to the Community.

Section 13.6 Declarant's Right to Attend Association Meetings. The Declarant has the right, whether or not it owns any Units in the Community, to attend all meetings of the Unit Owners and, except during any executive session when Owners are excluded, the Board, and the right to receive notices of all meetings and materials relating thereto, and the right to participate therein, to the same extent as an Owner under the CIC Act. Notices and minutes shall be delivered to the Declarant in a Tangible Medium at the address specified in Section 27.1 or in such other manner as the Declarant shall specify in a Record from time to time. The foregoing rights shall terminate ten years from the date this Declaration is recorded.

Section 13.7 Declarant's Right to Association Records. The Declarant has the right, whether or not it owns any Units in the Community, to have access to and copy the Books and Records of the Association to the same extent as a Unit Owner, including, without limitation, pursuant to RCW 64.90.495(2) and Section 13.6 and Section 13.7 of this Declaration. Except as otherwise stated in this Declaration, the foregoing rights shall terminate ten years from the date this Declaration is recorded.

Section 13.8 Transfer of Special Declarant Rights. The rights described in this Article 13 shall not be transferred except by instrument evidencing the transfer executed by the Declarant or the Declarant's successor and the transferee and recorded in the county in which the Community is located. The rights and liabilities of the parties involved in such a transfer and of all Persons who succeed to any Special Declarant Right are set out in RCW 64.90.425.

Section 13.9 Termination of Special Declarant Rights. Each Special Declarant Right shall terminate as set forth above. The Declarant may, however, voluntarily terminate any or all aspects of its Special Declarant Rights or Development Rights at any time by recording an amendment to the Declaration specifying which rights are thereby terminated.

Section 13.10 Declarant Inspections. Until the later of (i) the termination of all statutes of repose and limitation on any claims the Association or Unit Owners may have against Declarant, or (ii) the final termination of any such claims against the Declarant, the Declarant shall have, without the need to enter into any agreement with the Unit Owners or Association, a right of access to the Units and Common Elements, from time to time, as is appropriate in its reasonable discretion to enter, inspect, and test any portion of the Community to ascertain the physical condition of the improvements, determine whether maintenance, repairs, or replacements of any improvements are indicated, and to determine compliance with or violation of any requirements of the Governing Documents and any warranties provided by the Declarant. The Declarant shall pay all costs of such inspections and tests and restore the affected portion of the property to its condition immediately prior thereto, and shall indemnify the Association and Owners of any affected Units from any liens or damage resulting therefrom.

Article 14. OWNERS ASSOCIATION

Section 14.1 Form of Association. The Owners of Units shall constitute an owners association to be known as The Southard Homeowners Association. The Association shall be organized as a non-profit miscellaneous or mutual corporation, no later than the date the first Unit in the Community is

conveyed from Declarant to another Unit Owner. Except where expressly reserved to the Owners under the CIC Act or the Governing Documents, the affairs of the Association shall be managed by the Board. The rights and duties of the Board and the Association shall be governed by the provisions of the CIC Act, the Washington Nonprofit Act, Chapter 24.03A RCW, the Declaration, the Articles, and the Bylaws.

Section 14.2 Bylaws. The initial directors appointed in the Articles will adopt initial Bylaws to supplement the Declaration and to provide for the administration of the Association and the property and for other purposes not inconsistent with the CIC Act or the Governing Documents. The Bylaws may be amended pursuant to the procedures set forth in article 25.

Section 14.3 Qualifications for Membership. Each Owner of a Unit shall be a member of the Association and shall be entitled to one membership for each Unit owned. Only Unit Owners may be members of the Association. Ownership of a Home in a CLT Unit pursuant to a CLT Lease shall be the sole qualification for CLT Member Owner membership in the Association, and ownership of the underlying fee interest in a CLT Unit shall be the sole qualification for CLT Sponsor Owner membership in the Association. Ownership of a Home in a Market Unit and ownership of the underlying fee interest in a Market Unit shall be the sole qualification for Market Owner membership in 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.

Section 14.4 Transfer of Membership. The membership of an Owner in the Association is appurtenant to the Unit giving rise to the membership. The membership may not be transferred in any way except upon the transfer of the Owner's interest in the Unit and then only to the transferee of that interest in the Unit, provided that if an interest in a Unit has been sold on contract, the contract purchaser shall, except as otherwise set forth in the Governing Documents, exercise all rights of the selling Owner under the Governing Documents, and shall be the voting representative for that selling Owner unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to an interest in a Unit will automatically transfer the membership in the Association to the new Owner.

Section 14.5 Voting.

14.5.1 Number and Classes of Votes. The allocation of Voting Interests in the Association is set forth in Section 6.2. Other matters concerning voting are set forth in the Bylaws.

14.5.2 Class Voting. The CLT Member Owners and Market Owners shall constitute a class of members and the CLT Sponsor Owner shall constitute a class of members for purposes of voting or approving the matters described in this Section 14.5.2 and elsewhere in the Governing Documents. The Voting Interests of the CLT Member Owners derive from their ownership of the Structures on the Unit and not from the CLT Lease.

14.5.2.1 Election of Board. The Owners shall vote to elect, remove, and replace directors to the Board. The CLT Member Owners, Market Owners, and CLT Sponsor Owner shall collectively elect four directors to the Board. The CLT Sponsor Owner shall be entitled to appoint a non-voting, ex officio fifth member of the Board who shall be entitled to notice of, and to attend, all meetings of the Board.

14.5.2.2 Voting Rights of CLT Member Owners. The CLT Member Owners shall have the right to vote on any matter properly coming before the members of the Association.

14.5.2.3 Voting Rights of Market Owners. The Market Owners shall have the right to vote on any matter properly coming before the members of the Association.

14.5.2.4 Voting Rights of CLT Sponsor Owner. The CLT Sponsor Owner shall have the right to vote only on those matters described in Section 6.2 (Allocated Interests), Section 7.3 (Conveyance or Encumbrance of Common Elements), Section 8.2 (Change in Status of

Common Elements), Section 14.5.2 (Class Voting), Section 14.6.2 (Capital Improvements) Section 14.7 (Waiver of Audit), Section 16.4 (Association Borrowing), Section 17.3 (Budget Ratification), Section 22.4 (Decision Not to Repair), Article 25 (Amendment of Governing Documents), Section 26.1 (Termination of Community) of this Declaration, and any other provision of the Governing Documents granting voting rights to the CLT Sponsor Owner.

14.5.2.5 General Class Voting Rights. In addition to the foregoing, a class of members shall be entitled to vote as a class upon any proposition, whether or not entitled to vote thereon by the provisions of the Governing Documents, if the proposition would increase or decrease the rights, qualifications, limitations, responsibilities, or preferences of the class as related to any other class.

14.5.2.6 Voting Table. Schedule C summarizes the voting rights of the Owners.

14.5.3 Arbitration. If the votes are tied on any matter voted upon by the members of the Association, the matter shall be submitted to arbitration and mediation as provided in Article 29 of this Declaration.

Section 14.6 Powers of Association.

14.6.1 General Powers. Except to the extent limited by the Governing Documents, the Association shall have (i) all powers authorized under the CIC Act and the Washington Nonprofit Act; (ii) all powers necessary for the operation of the Community or governance of the Association; (iii) any other powers authorized by this Declaration; and (iv) all powers that may be exercised by any corporation of the same type as the Association.

14.6.2 Capital Improvements. The Association may cause additional improvements to be constructed within the Common Elements and may acquire, hold, encumber, convey, and dispose of, in the Association's name, any additional tangible or intangible personal property. If the estimated cost of any such improvements or personal property to the Community exceeds \$48,000, then the unanimous approval of CLT Member Owners and Market Owners holding all of the votes allocated to CLT Member Owners and Market Owners, and the approval of the CLT Sponsor Owner shall be required. This Section 14.6.2 does not apply to maintenance, repair or replacement of existing Common Element improvements.

14.6.3 Rules. The Board shall have the power to adopt Rules for any purpose authorized under the CIC Act, including the establishment and enforcement of construction and design criteria and aesthetic standards pertaining to the improvements and alterations to the Community. In adopting, amending, or rescinding Rules, the Board (i) shall give consideration to the matters brought to its attention after notice to the Unit Owners; and (ii) shall give consideration to the interests of individual Owners and Authorized Users as well as the interests of the Association. All Rules must be reasonable. All Rules must treat similarly situated Units, Owners, and Authorized Users similarly. Notwithstanding the foregoing, no Rules may be adopted that materially and adversely affect Parkview's use of the Parkview Units for the Parkview Permitted Purpose. No Rules shall be inconsistent with or violate the provisions of the Governing Documents. Before, adopting, amending, or repealing any Rule, the Board must give all Owners notice of: (i) its intention to adopt, amend, or repeal a Rule and provide the text of the Rule or the proposed change; and (ii) a date on which the Board will act on the proposed Rule or amendment after considering comments from Owners. Following adoption, amendment, or repeal of a Rule, the Board must give notice to the Owners of its action and provide a copy of any new or revised Rule.

Section 14.7 Accounts, Records, Financial Statements, Audits and Funds. The Association must keep all of its funds in accounts in the name of the Association with a Qualified Financial Institution. The Association shall keep financial records in accordance with accrual-based accounting principles. The Association must establish and maintain its accounts and records in a manner that will enable it to credit Assessments for Common Expenses and Specially Allocated Expenses, 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 this Declaration. To assure that the Unit Owners are correctly assessed for the actual expenses of the Association, 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. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with accrual-based accounting principles. 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 the annual Assessments for the year were less than \$50,000.00 and CLT Member Owners and Market Owners holding a majority of the votes allocated to CLT Member Owners and Market Owners, and the CLT Sponsor Owner, waive the audit for that year. 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. Each Mortgagee, and Declarant pursuant to Article 13, will be entitled to receive the audited financial statement upon written request. The Board, or Persons having 35% of the Voting Interests of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner or Mortgagee, or Declarant pursuant to Article 13, at such Person's expense, may at any reasonable time conduct an audit of the books of the Board and Association. Upon written request of Freddie Mac or Fannie Mae, if it is a Mortgagee or prospective Mortgagee, the Association shall provide within a reasonable time an audited financial statement of the Association for the preceding fiscal year.

Section 14.8 Inspection of Documents, Books, and Records. The Association shall make available for inspection and copying upon request, during normal business hours or under other reasonable circumstances to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and Declarant pursuant to Article 13, and the agents or attorneys of any of them, current copies of the Books and Records of the Association. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

Article 15. TRANSITION TO OWNER CONTROL

Section 15.1 Election of New Board. No later than the Transition Date, the Board shall call a Transition Meeting to elect a new Board. The Persons elected to the Board at the Transition Meeting shall take office upon such election. Nothing shall prevent previously elected or appointed directors from being elected at such election.

Section 15.2 Transfer of Association Property. No later than 30 days after the Transition Meeting, the Declarant shall deliver to the Board elected at the Transition Meeting, or the Managing Agent, all property of the Owners and of the Association held or controlled by the Declarant pursuant to RCW 64.90.420.

Section 15.3 Audit of Association Records. No later than 60 days after the Transition Meeting, the Board shall engage an independent certified public accountant to audit the records of the Association in accordance with generally accepted auditing standards, unless the Owners, other than the Declarant, by majority vote, elect to waive the audit. The cost of the audit shall be a Common Expense.

Section 15.4 Termination of Contracts and Leases Made by the Declarant. Within two years after the Transition Meeting, the Association may terminate, without penalty, upon not less than 90 days' notice to the other party, any of the following if it was entered into before the Transition Meeting: (a) any management, maintenance, operations or employment contract, or lease of recreational or parking areas or facilities or (b) any other contract or lease between the Association and the Declarant or an affiliate of the Declarant, as defined in RCW 64.90.010. 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 any contract or lease that is not bona fide or was unconscionable to the Unit Owners at the time entered into. This Section 15.4 does not apply to any lease, the termination of which would terminate the Community or reduce its size, unless the real estate subject to that lease was included in the Community for the purpose of avoiding the right of the Association to terminate a lease under this Section 15.4.

Article 16. THE BOARD OF DIRECTORS

Section 16.1 Qualifications of Directors and Officers. The qualifications, number, method of election, removal, and terms of service of the directors and officers shall be as specified in the Bylaws.

Section 16.2 Powers of the Board. Except where expressly reserved to the Owners under the CIC Act or the Governing Documents, the affairs of the Association shall be managed by the Board. The Board may exercise all powers of the Association, except as otherwise provided in the CIC Act, or the Governing Documents. The Board shall have the power to contract for, and provide goods and services necessary for the proper functioning of the Community pursuant to the Governing Documents. Those goods and services may include, but are not limited to, the following:

16.2.1 Utilities. All necessary utility services for the Common Elements and the Units.

16.2.2 Additions to Common Elements. The addition of improvements or personal property to the Common Elements.

16.2.3 Professional Services. Legal and accounting services necessary or proper for the operation of the Community or enforcement of Governing Documents; services of a hearing officer for quasi-judicial disputes; or services of an architect or other professional to assist with applications for changes to the Community.

16.2.4 Maintenance. The maintenance, repair, and replacement of the Common Elements including the Limited Common Elements.

16.2.5 Other Necessary Expenditures. Any other materials, supplies, furniture, labor, services, insurance, taxes, or assessments that the Board is required to secure or pay for pursuant to the terms of this Declaration or the Bylaws, or under law, or that, in its opinion, is necessary or proper for the operation of the Community, or for the enforcement of this Declaration or the Bylaws.

16.2.6 Liens. The Board may also pay any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof that may or is claimed to, in the opinion of the Board, constitute a lien against the property or against the Common Elements, rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expense incurred by the Board by reason of such lien or liens shall be assessed against the Owners and their interest in the Units responsible to the extent of their responsibility and shall be immediately due and payable to the Association. 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 the CLT Sponsor Owner's interest in the Community, it being acknowledged that such debts and obligations allow the continued affordability of the Homes in the Community.

Section 16.3 Managing Agent. The Declarant or Board may contract with a Managing Agent to assist the Board in the management and operation of the Community and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Any contract with a Managing Agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (a) for cause, on 30 days' written notice; or (b) without cause, on not more than 90 days' written notice.

Section 16.4 Authority to Borrow. If the Board determines that the funds of the Association are or will be insufficient to pay the expenses of the Association, the Association may borrow funds to pay such expenses. To secure the repayment thereof, the Association may, subject to Section 7.3, encumber (subject to the limitations set forth in this Declaration) any portion of the Common Elements. Proceeds of the Conveyance or financing are an asset of the Association. In addition, to secure the repayment

thereof, the Association may assign (subject to the limitations set forth in this Declaration) its right to receive future income, including any receivable, right to payment, and special and general Assessments from the Unit Owners. Prior to making such an assignment, the Board shall provide a notice of intent to borrow to all the Owners. The notice must include the purpose and maximum amount of the loan, the estimated amount and term of any assessments required to repay the loan, a reasonably detailed projection of how the money will be expended, and the interest rate and term of the loan, and it must set a date for a meeting of the Owners to consider ratification of the borrowing not fewer than 14 or more than 60 days after mailing of the notice. Unless at that meeting, whether or not a quorum is present, the CLT Member Owners and Market Owners to which a majority of the votes in the Association allocated to CLT Member Owners and Market Owners, or the CLT Sponsor Owner, reject the proposal to borrow funds, the Association may proceed to borrow the funds in substantial accordance with the terms contained in the notice. In connection with the encumbrance of future income of the Association, the Association may execute such loan documents and undertake such obligations as the lender may require to realize on the encumbrance including powers of attorney, control over deposit accounts, the right to file or foreclose Assessment liens, and the right to contact account debtors (including the Unit Owners) and require that payment be made directly to the lender.

Section 16.5 Standard of Conduct. In the performance of their duties, the officers and directors are required to exercise the degree of care and loyalty to the Association required of an officer or a director of a corporation organized, and are subject to the conflict of interest rules governing directors and officers, under RCW ch. 24.03A.

Section 16.6 Limitations on Board Authority. The Board shall act reasonably, in light of the facts determined by the Board, in making all determinations, exercising its discretion, granting or withholding consent, or taking any action on behalf of the Association. The Board shall not, without the required vote or agreement of the Unit Owners, (i) amend the Declaration except as set forth in Article 25, (ii) amend the organizational documents of the Association, (iii) terminate the Community, (iv) elect members of the Board, or (v) determine the qualifications, powers, 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.

Section 16.7 Limitation of Liability; Indemnification. The liability of each director, officer, and committee member, including the Declarant when acting in any such capacity, shall be limited as set forth in the Association's Articles. Each director, officer, and committee member, including the Declarant when acting in any such capacity, shall be entitled to indemnity, reimbursement of expenses, and advances of expenses as set forth in the Association's Articles.

Section 16.8 Entry for Repairs or Maintenance. The Association, the Managing Agent, and their agents or employees may enter a Unit and the Limited Common Elements allocated thereto to inspect and to effect repairs, improvements, replacements, maintenance, or sanitation work deemed by the Board to be necessary in the performance of its duties; to obtain access to Common Elements; to do work that the Owner has failed to perform in violation of this Declaration; to prevent damage to the Common Elements or to another Unit; or to prevent unnecessary Common Expenses. Except in cases of emergency, the Board shall cause the Unit Owner to be given notice as far in advance of entry as is reasonably practicable. If the Board determines there is a need to repair or replace a portion of a Unit or Limited Common Element, the Association may either require the CLT Member Owner or Market Owner to make the repair or replacement or make the repair or replacement itself and allocate the cost to such Owner. The Board may levy a special Assessment against the CLT Member Owner or Market Owner of the Unit for all or a part of such sums, which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 18. In furtherance of this right, the Board may require CLT Member Owners, Market Owners, and their Authorized Users to furnish the Board or its agent with duplicate keys to the Units.

Section 16.9 Lawsuits or Arbitration Proceedings.

16.9.1 General. 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 Community, 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 the CLT Sponsor Owner.

16.9.2 Notice. The Board must carefully evaluate the potential costs and risks to the Unit Owners before committing the Unit Owners to a course of action in any legal proceedings. The Board shall evaluate those matters and promptly provide notice in a Record to the Unit Owners about any legal proceedings in which the Association is a party other than legal proceedings involving the enforcement of Rules or to recover unpaid Assessments due to the Association. The notice shall summarize: (i) the principal amount sought to be recovered; (ii) the estimated attorneys' fees which will be chargeable to the Association; (iii) the basis on which the attorneys' fees will be paid (for example, hourly, flat fee, or contingent); (iv) the estimated cost of all witnesses or investigators including bookkeepers, accountants, consultants, investigators, contractors, and experts; (v) the nature of the Association's claims and defenses and the amount at issue; and (vi) the negative consequences the Unit Owners could suffer by reason of the proposed legal proceedings, including the likelihood of special Assessments and the impact of the litigation on Unit sales or refinancings while the legal proceedings are pending.

Article 17. BUDGET AND ASSESSMENTS

Section 17.1 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.

Section 17.2 Preparation of Budget. Not less than 30 days before the end of the fiscal year in which Assessments are collected, the Board shall prepare a budget for the Association for the coming year. The budget must include: (i) the projected income to the Association by category, (ii) the projected Common Expenses and those Specially Allocated Expenses that are subject to being budgeted, both by category, (iii) the amount of Assessments to each Unit Owner and the date the Assessments are due, (iv) the amount of regular Assessments budgeted for contribution to the reserve account, (v) a statement of whether the Association has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study, and (vi) the current deficiency or surplus in reserve funding expressed on a per unit basis. The budget shall also take into account any surplus or deficit carried over from the preceding year, and make provision for reasonable reserves for contingencies. Subject to the foregoing, the Board need not reserve for items that can reasonably be funded from cash flow or borrowing, and need not adopt a "fully funded" reserve plan or contribution and may adopt such plan and contribution rate as it deems appropriate in its reasonable discretion. The Board need not adopt a new budget prior to the Transition Date, and any budget adopted during such period may be based on the actual expenses for the Association and need not provide for accumulation of reserves.

Section 17.3 Ratification of Budget. Within 30 days after adoption of any proposed budget for the Community, 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 fewer than 14 or more than 50 days after mailing of the summary. Unless at that meeting the CLT Member Owners and Market Owners to which a majority of the votes in the Association held by CLT Member Owners and Market Owners are allocated, or the CLT Sponsor Owner, reject the budget, the budget and the Assessments against the Units included in the budget are ratified, whether or not a quorum is present. In the event 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. If the

Board proposes a supplemental budget during any fiscal year, such budget shall not take effect unless ratified by the Unit Owners in accordance with this Section 17.3.

Section 17.4 Revisions to Budget. The Board may revise the budget and any Assessments based thereon, from time to time for any reason, including non-payment of any Owner's Assessments. Any revision to the budget is, however, subject to the notice requirements and the right of Owners to ratify the revised budget set forth in Section 17.3.

Section 17.5 Assessments for Common Expenses. The sums required by the Association for Common Expenses as reflected in the annual budget and any supplemental budget shall be divided into installments to be paid each month over the period to be covered by the budget or supplemental budget. The monthly Assessment for Common Expenses for each Owner of a Unit shall be the sum of (a) the Common Expense Liability of that Unit Owner multiplied by the total monthly installment for Common Expenses (except Specially Allocated Expenses) for all Units; and (b) any Specially Allocated Expenses of that Unit Owner. Once monthly Assessments shall commence against a Unit, they must commence against all other existing Units. Until the commencement of monthly assessments, the Declarant must pay all of the Common Expenses or Specially Allocated Expenses. If Declarant has paid insurance premiums prior to the commencement of Assessments, it shall be entitled to a refund from the Association of any unearned premium for the period after commencement of Assessments. If the Association does not have adequate working capital at the commencement of Assessments to reimburse the Declarant for the unearned premiums, it may deliver a promissory note to the Declarant and pay the balance due over time.

Section 17.6 Specially Allocated Expenses. The Common Expenses described in this Section 17.6 shall be assessed against the Units as described herein, and not on the basis of the Unit's Common Expense Liability: Not applicable.

Section 17.7 Misconduct. To the extent that any Common Expense is caused by the negligence of any Owner or Authorized User of any Unit, the Association may assess that expense against that Owner's interest in their Unit to the extent set forth in Section 21.10.

Section 17.8 Special Assessments. For those Common Expenses that cannot reasonably be calculated and paid on a monthly basis, the Board may levy special Assessments for such expenses against the Owners' interests in their Units in accordance with the Common Expense Liability, subject to ratification by the Owners pursuant to Section 17.3.

Section 17.9 Reserve Studies. The Association shall obtain reserve studies and updated reserve studies as required by the CIC Act. An initial reserve study must be prepared by a reserve study professional and based upon either a reserve study professional's visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. Unless the reserve costs are minimal, an updated reserve study must be prepared annually, and an updated reserve study by a reserve study professional and based upon a visual site inspection conducted by the reserve study professional must be prepared at least every third year.

Section 17.10 Creation of Reserve Account. Once Assessments for replacement reserves are collected, the Board shall establish one or more accounts for the deposit of reserve contributions. Any reserve account must be an income-earning account maintained under the direct control of the Board, and the Board is responsible for administering the reserve account. The operation of the reserve account and any Assessments for contribution to the reserve account shall be further governed by this Article 17 and the Bylaws.

Section 17.11 Withdrawals from Reserve Accounts. The Board may withdraw funds from the Association's reserve accounts to pay for unforeseen or unbudgeted costs that are unrelated to replacement costs of the reserve components. Any such withdrawal must be recorded in the minute books of the Association. The Board must give notice of any such withdrawal to each Unit Owner and

adopt a repayment schedule not to exceed 24 months unless the Board determines that repayment within 24 months would impose an unreasonable burden on the Unit Owners. The Board must provide to Unit Owners along with the annual budget adopted in accordance with Section 17.2 of this Declaration (a) notice of any such withdrawal, (b) a statement of the current deficiency in reserve funding expressed on a per Unit basis, and (c) the repayment plan. The Board may withdraw funds from the reserve account without satisfying the notification of repayment requirements under this Section 17.11 to pay for replacement costs of reserve components not included in the reserve study.

Section 17.12 Payment of Monthly Assessments. On or before the first day of each calendar month, or such other date as the Board may establish by Rule, each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments against the Owner's interest in the Unit for that month. Any Assessment that is not paid when due will be subject to late charges, interest charges, and collection adopted by the Board.

Section 17.13 Proceeds Belong to Association. All Assessments and other receipts received by the Association on behalf of the Community shall belong to the Association.

Section 17.14 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 the Owner from the obligation to pay Assessments during that or any subsequent year, and the monthly Assessment amounts established for the preceding year shall continue until new Assessments are established.

Section 17.15 Certificate of Unpaid Assessments. Upon the request of any Owner or Mortgagee of the Owner's interest in the Unit, the Board must furnish a statement signed by an officer or authorized agent of the Association stating the amount of unpaid Assessments against the Owner's interest in that Unit. The Association must furnish the statement within 15 days after receiving the request. The statement shall be binding on the Association, the Board and every Unit Owner, unless and to the extent known by the recipient to be false. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the statement.

Section 17.16 Initial Contribution to Working Capital. The first CLT Member Owner or Market Owner that purchases any Unit shall, at the time of closing, pay to the Association (or the Declarant as set forth below), in addition to other amounts due, an amount equal to two times the initial monthly Assessment against the Unit as a non-refundable initial contribution to the Association's working capital. The Declarant shall not use any such contributions to defray expenses that are the obligation of Declarant.

Article 18. LIEN AND COLLECTION OF ASSESSMENTS

Section 18.1 Assessments Are a Lien; Priority.

18.1.1 The Association has a lien on an Owner's interest in a Unit for any unpaid Assessment levied against that interest from the time the Assessment is due.

18.1.2 A lien under this article 18 shall be prior to all other liens and encumbrances on an Owner's interest in Unit except: (i) liens and encumbrances recorded before the recording of this Declaration; (ii) a Mortgage on the Owner's interest in the Unit recorded before the date on which the unpaid Assessment became due; and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit.

18.1.3 Except as provided in this 18.1.3, the lien shall also be prior to the Mortgages described in 18.1.2 to the extent of an amount equal to:

18.1.3.1 Assessments (whether specially allocated or not) for: Common Expenses, excluding any amounts for capital improvements, based on the periodic budgets adopted by the Association pursuant to article 17, which would have become due in the absence of acceleration during the six months immediately preceding the institution of proceedings to foreclose either the Association's lien or a Mortgage described in 18.1.2; plus

18.1.3.2 The Association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the notice described in 18.1.3.3; provided, however, that the costs and reasonable attorneys' fees that will have priority under this 18.1.3.2 shall not exceed \$2,000 or an amount equal to the amounts described in 18.1.3.1, whichever is less.

18.1.3.3 The notice must satisfy the requirements of RCW 64.90.485(3)(a)(iii).

18.1.3.4 Recording of this Declaration constitutes recorded notice and perfection of the lien for Assessments; however, the Association may record a notice of claim of lien for Assessments in the real estate records of the county in which the Community is located. Such recording shall not constitute the notice referred to in 18.1.3.3.

Section 18.2 Judicial Foreclosure. A lien arising under this article 18 may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW ch. 61.12, subject to any rights of redemption under RCW ch. 6.23. 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.

Section 18.3 Non-Judicial Foreclosure. A lien arising under this Article 18 against a CLT Member Owner's interest in a Unit, or a Market Owner's interest in a Unit and underlying fee interest, may be foreclosed non-judicially in the manner set forth in RCW ch. 61.24 for non-judicial foreclosure of deeds of trust. For the purpose of preserving the Association's non-judicial 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 Unit Owner and Market Owner to the Association for the payment of Assessments. Each CLT Member Owner and Market Owner shall retain the right to possession of its Unit so long as the Unit Owner is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a CLT Member Owner's or Market Owner's obligation to pay Assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien non-judicially pursuant to this Section 18.3, it shall not be entitled to the lien priority over Mortgages provided in 18.1.3 and shall be subject to the limits on deficiency judgments under RCW ch. 61.24.

Section 18.4 Receiver During Foreclosure. In an action to collect Assessments or to foreclose on a lien on an Owner's interest in a Unit, the Association shall be entitled to the appointment of a receiver to collect all sums due and owing to the Owner before commencement of the action or during the pendency of the action. The receivership shall be governed by chapter 7.60 RCW. During the pendency of the action, the court may order the receiver to pay sums held by the receiver to the Association for any Assessments against the applicable Owner's interest in the Unit. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

Section 18.5 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 18 shall prohibit the Association from taking a deed in lieu of Foreclosure. Except as provided in 18.1.3, 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 and Market 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 the CLT Sponsor Owner and must accept a cure from the CLT Sponsor Owner.

Section 18.6 Assessments Are Personal Obligations. In addition to constituting a lien on an Owner's interest in a Unit, all sums assessed by the Association chargeable to that Owner's interest in the Unit, including all charges in this Article 18, shall be the personal obligation of the Owner of that interest in the Unit when the Assessments are made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 18.7 Extinguishment of Lien and Personal Liability. A lien for unpaid Assessments and the personal liability for payment of Assessments are extinguished unless legal proceedings to enforce the lien or collect the debt are instituted within six years after the full amount of the Assessments sought to be recovered becomes due.

Section 18.8 Joint and Several Liability. In addition to constituting a lien on the Owner's interest in the Unit, each Assessment shall be the joint and several obligation of the Owner or Owners of the interest in the Unit to which the same is assessed as of the time the Assessment is due. In a voluntary Conveyance, other than by Foreclosure, the grantee of an interest in a Unit shall be jointly and severally liable with the grantor of that interest 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 for such Assessments. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

Section 18.9 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, not to exceed the maximum rate calculated under RCW 19.52.020, on all subsequent delinquent Assessments or installments thereof. If the Association has not established such a 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.

Section 18.10 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 a suit being commenced or prosecuted to judgment. In addition, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

Section 18.11 Limitations on Foreclosure Proceedings. The Association may not commence an action to Foreclose a lien on an interest in a Unit under this Article 18 unless: (i) the delinquent Owner, at the time the action is commenced, owes a sum equal to a at least three months of Assessments, and (ii) the Board approves commencement of a Foreclosure action specifically against the Owner's interest in that Unit. Every aspect of a collection, Foreclosure, sale or other conveyance under this Article 18, including the method, advertising, time, date, place, and terms must be commercially reasonable.

Section 18.12 Security Deposit. An Owner who has been chronically delinquent in paying its monthly Assessments may, from time to time, be required by the Board, after Notice and Opportunity to Be Heard, 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 non-payment 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.

Section 18.13 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.

Article 19. ENFORCEMENT OF GOVERNING DOCUMENTS

Section 19.1 Rights of Action. Each Owner and its Authorized Users and the Association shall comply with the Governing Documents and the proper decisions of the Board. The Declarant shall enjoy all the rights and assume all the obligations of an Owner as to each unsold Unit in the Community owned by the Declarant. The Association acting on behalf of the Owners or any Owner acting on its own behalf may bring an action to recover sums due or damages, or for injunctive relief, or any or all of them, against any party who fails to comply with the Governing Documents and the proper decisions of the Board.

Section 19.2 Additional Rights. In addition to any rights authorized by the CIC Act, the Board may, after Notice and Opportunity to Be Heard, take any of the following actions against any party who fails to comply with the Governing Documents and the proper decisions of the Board:

19.2.1 Require the party, at its own expense, to stop work on, and remove, any improvement from such Unit or other areas of the Community in violation of the Governing Documents and to restore the property to its previous condition and, upon failure of the party to do so, the Board or its designee shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

19.2.2 Levy Assessments against that Owner's interest in its Unit to cover costs incurred by the Association to cure a violation of the Governing Documents;

19.2.3 Apply a security deposit to any unpaid charges or Assessments;

19.2.4 Suspend any right or privilege of an Authorized User or Unit Owner who fails to comply with the Governing Documents, but the Association may not (i) deny a Unit Owner or other occupant access to the Owner's Unit, (ii) suspend a Unit Owner's right to vote, or (iii) if the effect of withholding the service would be to endanger the health, safety, or property of any Person, withhold services provided to a Unit or a Unit Owner by the Association; and

19.2.5 Exercise self-help or take action to abate any violation of the Governing Documents.

Notice and Opportunity to Be Heard shall not be required in an emergency situation or in regard to the removal of vehicles or items that are in violation of parking Rules.

Section 19.3 Remedies Cumulative; Attorneys' Fees. All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association or Owner prevails, it shall be entitled to recover all costs, including, without limitation, its attorneys' fees and court costs, reasonably incurred in such action.

Section 19.4 Enforcement Discretion; No Waiver. The decision to pursue enforcement action in any particular case shall be left to the judgment of the Board, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

19.4.1 The Association's position does not justify taking action or further action;

19.4.2 The covenant, restriction, or Rule being enforced is, or is likely to be, construed as inconsistent with applicable law;

19.4.3 Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable Person or to justify expending the Association's resources; or;

19.4.4 It is not in the Association's best interests to pursue enforcement action.

Such a decision shall not be construed to be a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or Rule. 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 a Record and signed for by the Board. This Section 19.4 also extends and applies to the Declarant.

Section 19.5 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, 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 be not 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 a Record, or both (as specified in the notice), subject to reasonable Rules of procedure established by the Board to ensure 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 20. TORT AND CONTRACT LIABILITY

Section 20.1 Declarant Liability. An Owner is not liable, solely by reason of being an Owner, for an injury or damage arising out of the condition or use of the Common Elements. Neither the Association nor any Owner except the Declarant is liable for the Declarant's torts in connection with any part of the Community which the Declarant has the responsibility to maintain. An action alleging a wrong done by the Association must be brought against the Association and not against any Owner. An Owner is not precluded from bringing an action contemplated by this Section 20.1 because it is a Unit Owner or a director or officer of the Association.

Section 20.2 Limitation of Liability for Utility Failure. Except to the extent covered by insurance obtained by the Association, neither the Association, the Board, the Managing Agent, nor the Declarant shall be liable to any Unit Owner for:

20.2.1 the failure of any utility or other service to be obtained and paid for by the Board;

20.2.2 injury or damage to Person or property caused by the elements, or resulting from electricity, water, rain, dust, mold, or mildew which may leak, travel, or flow from outside of any building; from any Unit, Common Element, or part of the building; from any pipes, drains, conduits, appliances, or equipment; or from any other place; or

20.2.3 inconvenience or discomfort resulting from any action taken to comply with the Governing Documents or 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, or for such injury or damage, or for such inconvenience or discomfort.

Section 20.3 Limitation of Personal Liability; Indemnification. Each director and officer of the Association shall be insulated from liability for its conduct as a director or officer to the extent set forth in the Articles and shall be entitled to indemnification to the extent set forth in the Articles.

Article 21. INSURANCE

Section 21.1 Required Insurance. Commencing not later than the time of the first Conveyance of an interest in a Unit to a Person other than the Declarant, the Association shall maintain in its own name, to the extent reasonably available and subject to reasonable deductibles, insurance meeting the requirements of this Article 21. The Association may, however, delay procurement of fidelity insurance until the election of the Board at the Transition Meeting. All insurance must be obtained from insurance carriers who are generally acceptable for similar projects, are authorized to do business in the State of Washington, and to the extent the Community must meet the requirements of Fannie Mae, Freddie Mac, or HUD, meet the acceptability criteria of Fannie Mae, Freddie Mac, and HUD. The Board shall review at least annually the adequacy of the Association's insurance coverage. The Board shall promptly notify the Unit Owners if the required property or liability insurance is not reasonably available.

Section 21.2 Property Insurance Requirements. The Association shall maintain property insurance written on a "special form" of coverage. The property insurance shall cover (i) all Common Elements and (ii) each Home including, without limitation, the roofs, structural components, bearing walls, foundations, patios, balconies, and fixtures, machinery, and equipment, and all fixtures, improvements, betterments, and alterations therein including, without limitation, paneling, flooring, cabinets, plumbing, and light fixtures and appliances used for refrigerating, ventilating, cooking, dishwashing, laundering, security, or housekeeping. The property insurance shall insure against all risks of direct physical loss and may, but need not, include damage caused by earthquakes or terrorism. The property insurance shall not provide coverage for furniture, art, personal effects, or other personal property of the Unit Owners. The amount of insurance shall not be less than 100% of the current replacement cost 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, and subject to deductibles that do not exceed \$25,000, except that the exclusions and deductibles for any earthquake, flood, or terrorism coverage may conform to the then-common industry standards and practices. The policy shall contain, if available, agreed amount and inflation guard endorsements. The policy shall contain a construction code endorsement to the extent the applicable building codes require changes to undamaged portions of the Community when only a part of the Community is destroyed by an insured hazard and, when deemed appropriate by the Board or any Mortgagee, a mechanical breakdown or equivalent endorsement that provides for the insurer's minimum liability per accident of at least the lesser of (a) \$2,000,000, or (b) the insurable value of the building. To ensure adequate property insurance coverage, (A) the Board shall periodically obtain insurance replacement cost appraisals of the building and personal property for which insurance is required under this Section 21.2, and (B) each Unit Owner shall be required to promptly notify the Board in a Record of any improvements, betterments, alterations, and additions to the Owner's Unit costing more than \$10,000. The Board may, in its discretion (but without any obligation to do so), from time to time obtain, cancel, increase, or reduce earthquake insurance on any portion of the Community that is to be insured by the Association as provided above in this Declaration. If the Board cancels or reduces existing earthquake coverage, it will endeavor to notify Unit Owners of the change, so that Unit Owners can determine if they want to procure such coverage individually. Any Owner, including Declarant (and/or its lenders), may maintain earthquake insurance for its own benefit.

Section 21.3 Liability Insurance Requirements. The Association shall maintain commercial general liability insurance, including medical payment insurance, which provides coverage for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements in an amount of at least \$1,000,000 for any single occurrence and \$2,000,000 aggregate and which contains a specific endorsement to preclude the insurer's denial of a Unit Owner's claim because of the negligent act of the Association or other Unit Owners.

Section 21.4 Fidelity Insurance Requirements. The Association shall maintain, or require its Managing Agent to maintain, fidelity insurance naming the Association and its officers, directors, trustees and employees, any Managing Agent, and all other Persons who handle or are responsible for handling funds held or administered by the Association, whether or not the Person receives compensation for services, as insured. The bond shall contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definitions of "employee" or similar expression. The policy

must provide minimum limits at least equal to the larger of (i) the highest amount of funds, including reserve funds, that the Association is expected to hold at any time while the policy is in force, or (ii) three months of the expected aggregate Assessments for the policy term, plus reserve funds.

Section 21.5 Additional Insurance Requirements. The insurance policies obtained pursuant to Section 21.2 shall:

21.5.1 Provide that the Association is the named insured, and that each Unit Owner is an insured under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

21.5.2 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 waives any defenses based upon coinsurance or upon invalidity arising from the acts of the insured;

21.5.3 Provide that no act or omission by any Unit Owner, unless acting within the scope of that Person's authority on behalf of the Association, and no 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;

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

21.5.5 Provide that, despite any provision giving the insurer the right to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association, or when in conflict with the provisions of any insurance trust agreement to which the Association is a party, or any requirement of law, and that insurance trust agreements will be recognized; and

21.5.6 Contain standard mortgagee clauses that name Mortgagees and their successors and assigns, require at least 10 days' prior written notice to the insureds before the policy may be cancelled or substantially modified and contain no provision (other than insurance conditions) that will prevent Mortgagees from collecting insurance proceeds.

Section 21.6 Adjustment of Losses; Insurance Trustee; Power of Attorney. Any loss covered by the insurance described in Section 21.2 must be adjusted with the Association, but the 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 must hold any insurance proceeds in trust for the Association, Unit Owners, and lien holders as their interests may appear. Subject to the provisions of Section 21.9 and Section 22.4, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Unit Owners and lien holders 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 Community is terminated. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purposes. Each Owner and the Owner's Mortgagee, if any, are beneficiaries of the policy in accordance with percentages established by the Common Ownership Interest of the interest in the Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request.

Section 21.7 Additional Insurance. The Association may maintain such other insurance as the Board deems advisable; provided that notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood, loss of assessments, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Fannie Mae, Freddie Mac or HUD, so long as any such agency is a Mortgagee or an Owner of a Unit and such insurance requirements of that agency apply to the Community, except to the extent such coverage is not reasonably available or has been waived by such agency.

Section 21.8 Owners' Individual Insurance. Each CLT Member Unit Owner and Market Owner shall maintain insurance against liability for property damage or bodily injury caused by the Unit Owner or those for whom each is legally responsible, and cover any obligation to pay or reimburse the Association for any deductible under the Association's property insurance or for any portion of loss to the Home not covered by the Association's property insurance. The liability policy shall have a limit of liability of at least \$300,000. Owners must obtain the required insurance from insurance carriers authorized to do business in the State of Washington. All policies must provide that coverage may not be canceled without 30 days' written notice to the Association. The Board may adopt Rules that establish additional requirements for such policies, including minimum amounts and types of coverage. The Association shall have the right, but not the obligation, to monitor the maintenance of such insurance by CLT Member Owners and Market Owners. The Association shall have the right, but not the obligation, to obtain such insurance for a CLT Member Owner or Market Owner if that Owner fails to obtain or maintain such insurance, and to specially assess the cost thereof to that Owner. The CLT Sponsor Owner shall not be required to obtain or maintain any insurance.

Section 21.9 Use of Insurance Proceeds. The Association must, pursuant to Article 22, repair, or replace any damaged or destroyed portion of the Community that the Association is required to insure by Section 21.2.

Section 21.10 Responsibility for Deductibles and Uninsured Amounts. Notwithstanding any other provision of this Declaration, and except to the extent that a lack of insurance results from the negligence or breach of a duty to insure of the Board:

21.10.1 Where any expense of the Association results from a negligent or an intentional action or omission of a CLT Member Owner, Market Owner, or its Authorized User, including the failure to maintain any appliance, equipment, or fixture that the Owner is responsible to maintain, the Association may, after Notice and Opportunity to Be Heard, assess that expense against the Unit Owner's interest in the Unit to the extent of the Association's deductible and to the extent not covered by an insurance policy issued to the Association.

21.10.2 Except as provided in 21.10.1 or where damage to the Community is a result of the sole fault of the Association, where the damage is limited solely to a single Home, the Owner of that Home shall be responsible for paying the loss or damage within the limits of the deductible under any Association policy of insurance.

21.10.3 Except as provided in 21.10.1 or 21.10.2 or where the damage to the Community is a result of the sole fault of the Association, where the damage to the Community involves both the Common Elements and/or one or more Homes, the Association and the Owners of the damaged Homes shall be responsible for paying any loss or damage within the limits of the deductible under any Association policy of insurance in proportion to the relative amounts of damage to the Common Elements and to each of the damaged Homes.

21.10.4 Notwithstanding any other provision of this 21.10.4, any deductibles or otherwise uninsured amounts arising from perils, such as earthquake, flood, or terrorism, that have a materially higher deductible than the Association's standard property insurance shall be a Common Expense allocated to the CLT Member Owners and Market Owners according to their Common Expense Liability.

Section 21.11 Certificate. An insurer that has issued an insurance policy under this Article 21 shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Unit Owner or Mortgagee. 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 ch. 48.18 pertaining to the cancellation or non-renewal of contracts of insurance.

Section 21.12 Notification of Sale of Unit. Promptly upon Conveyance of a Home, the new CLT Member Owner or Market Owner shall notify the Association of the date of the Conveyance and the new 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 of the name and address of the new CLT Member Owner or Market Owner and request that the new Owner be made a named insured under such policy.

Article 22. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

Section 22.1 Definitions. As used in this Article 22:

22.1.1 "Damage" means all kinds of damage, whether of slight degree or total destruction, caused by casualty or an occurrence, but shall not include construction defects, deterioration, or wear and tear.

22.1.2 "Emergency Work" means work that the Board deems reasonably necessary to avoid further Damage or substantial diminution in value to the improvements and to protect the Owners from liability from the condition of the site.

22.1.3 "Repair" means restoring the damaged improvements to substantially the condition they were in before they were damaged, with the Unit and the Common Elements having substantially the same boundaries as before. "Repair" does include restoration of improvements or betterments installed after Conveyance by the Declarant if those improvements or betterments are not insured because the CLT Member Owner or Market Owner failed to notify the Board of their installation. Modifications to conform to applicable governmental rules or available means of construction may be made.

22.1.4 "Substantial Damage" means that in the judgment of a majority of the Board the estimated Assessment determined under 22.2.4 for any one Home exceeds 3% of the full, fair market value of the Home before the Damage occurred, as determined by the then-current assessed value for the purpose of real estate taxation.

Section 22.2 Initial Board Determination. In the event of Damage to any portion of the Community that the Association is required by this Declaration to insure, the Board shall promptly take the following actions. In doing so, the Board shall obtain such advice from professionals (such as engineers, architects, contractors, insurance consultants, lenders, and attorneys) as the Board deems advisable and shall consider the information then known to the Board.

22.2.1 Determine the nature and extent of the Damage to the insured property and loss to the Association and Unit Owners, together with an inventory of the improvements and property directly affected thereby.

22.2.2 Obtain as reliable an estimate as possible of the cost and time to Repair the Damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

22.2.3 Determine the insurance proceeds and reserves, if any, that will likely be available to pay for the Damage.

22.2.4 Determine (i) the amount, if any, by which the estimated cost of Repair is likely to exceed the expected insurance proceeds, the reserves available to Repair the Damage, other available funds of the Association, and the deductibles owed by Owners; and (ii) the likely amount of the Assessments that would have to be made against each Unit if the excess cost were to be paid as a Common Expense.

Section 22.3 Notice of Damage. The Board shall provide each Owner with a written notice summarizing the initial Board determinations made under Section 22.2, explaining any further information needed by the Board to make a final decision on the cost and schedule for Repairs. If the Board determines that the Damage is Substantial Damage then the notice shall also explain any further information needed by the Board to allow the Owners to make an informed decision about Repairs to the Community, and shall call a special meeting to consider whether to Repair the Damage. If the Damage affects a material portion of the Community, the Board shall also send the notice to each Mortgagee. If the Board fails to call a meeting within 30 days of the Damage, any Owner or Mortgagee may call such a meeting. The Board may, but is not required to, call such a meeting in other circumstances.

Section 22.4 Execution of Repairs.

22.4.1 The Association shall promptly Repair any damaged portion of the Community that the Association is responsible to insure and to maintain or repair unless:

22.4.1.1 The Community is terminated by vote at a special meeting called in accordance with Section 22.3 and taken in accordance with the termination provisions of the Declaration and CIC Act;

22.4.1.2 Repair would be illegal under any state or local health or safety statute or ordinance; or

22.4.1.3 CLT Member Owners and Market Owners holding at least 90% of the votes in the Association allocated to CLT Member Owners and Market Owners, and the CLT Sponsor Owner, including every Owner of a Unit or Limited Common Element which will not be rebuilt, and the Declarant if the Declarant has the right to create Units in the Community, vote not to Repair the Damage.

22.4.2 The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others and take such other action as is reasonably necessary to make the Repairs. Contracts for the Repair work shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the Repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.

22.4.3 The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of \$50,000, or for the institution or company to collect the insurance proceeds and carry out the provisions of this Article 22.

The Board may expend so much of the insurance proceeds and Association funds as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as provided in Section 22.5. The cost of Repair in excess of insurance proceeds, reserves, and deductibles paid by Owners is a Common Expense.

Section 22.5 Effect of Decision Not to Repair. If all of the damaged or destroyed portions of the insured property are not repaired or replaced:

22.5.1 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 Community;

22.5.2 The insurance proceeds attributable to Units and Limited Common Elements that are not repaired or replaced 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 lien holders, as their interests may appear; and

22.5.3 The remainder of the proceeds shall be distributed to all the Unit Owners or lien holders, as their interests may appear, in proportion to their Common Ownership Interests.

22.5.4 If the Unit Owners vote not to rebuild any Unit, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under Article 23, and the Association promptly shall prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Notwithstanding the provisions of this Section 22.5, Article 26 governs the distribution of insurance proceeds if the Community is terminated.

Article 23. CONDEMNATION

Section 23.1 Power of Attorney. The Association shall represent the Unit Owners in any legal proceedings related to the condemnation of all or part of the Common Elements, and shall have the sole authority to control, negotiate and settle such matters on behalf of the Unit Owners. Each Owner appoints the Association as attorney-in-fact for the purpose of representing the Owners in any proceedings, negotiations, settlements or agreements regarding a condemnation of any part of the Common Elements. Any proceeds from a condemnation of the Common Elements shall be paid to the Association for the benefit of affected Units and their Mortgagees, as set forth herein. Should the Association not act, based on its right to act pursuant to this Section 23.1, the affected Owners may individually or jointly act on their own behalf.

Section 23.2 Consequences of Condemnation; Notices. If any Unit or portion thereof or the Common Elements or Limited Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association shall promptly give notice of the proceeding or proposed acquisition to each Owner and Mortgagee and to the Declarant unless each and every Development Right and Special Declarant Right has expired.

Section 23.3 Condemnation of a Unit. 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 that may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owner's interest in the Unit and its interest in the Common Elements, whether or not any Common Elements are acquired. The award shall be distributed to the Owners or lien holder of the interests in the Unit, as their interests may appear. Upon acquisition, unless the decree otherwise provides, the Allocated Interests of the Owners of that Unit are automatically reallocated, by class, to the Owners of the remaining Units in proportion to the respective Allocated Interests of those Unit Owners before the taking, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section 23.3 is thereafter a Common Element.

Section 23.4 Condemnation of Part of a Unit. Except as provided in Section 23.3, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of its interest in the Unit and its interest in the Common Elements, whether or not any Common Elements are acquired. The award shall be distributed to the Owner or lien holders of the interest in the Unit, as

their interests may appear. Upon acquisition, unless the decree otherwise provides: (a) the Common Ownership Interest and Common Expense Liability allocated to the Owners of that Unit are reduced in proportion to the reduction in the size of the Unit; and (b) the portion of the Allocated Interests divested from the partially acquired Unit is automatically reallocated to the Owners of that Unit and the remaining Units, by class, in proportion to the respective Allocated Interests of those Unit Owners before the taking, with the Owners of the partially acquired Unit participating in the reallocation on the basis of their reduced Allocated Interests.

Section 23.5 Condemnation of Common Element or Limited Common Element. If part of the Common Elements is acquired by condemnation, any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of interests in the Unit to which that Limited Common Element was allocated at the time of the acquisition, or to lien holders, as their interests may appear, and the portion of the award attributable to the other Common Elements shall be distributed to the Association. If the Board determines that a particular Owner's interest in the Common Elements will be diminished with respect to other Owners by the acquisition of a Common Element, the Declaration may be amended to adjust that Owner's Common Expense Liability allocation, or to remove the allocation of a Limited Common Element to that Owner's Unit, as the case may be.

Section 23.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 23.

Section 23.7 Taking of Special Declarant Rights. The Association will have no power to represent the Declarant in any condemnation or eminent domain proceedings relating to any Development Rights or Special Declarant Rights. The Declarant, and not the Association, will be entitled to receive all awards attributable to any Development Rights or Special Declarant Rights.

Article 24. ALTERATIONS; SUBDIVISIONS OR COMBINATIONS

Section 24.1 Alteration of Common Elements. Except when undertaken by the Declarant when exercising rights reserved under this Declaration, or when otherwise allowed by the Governing Documents, Unit Owners may not modify or in any way alter the Common Elements without prior approval of the Board. Subject to the foregoing, the Association shall have the exclusive power to alter the Common Elements.

Section 24.2 Construction and Alterations; Architectural Control. The Board shall have the right to regulate the construction and alteration of Structures on Units to ensure that they (i) comply with the Governing Documents, (ii) are harmonious with the Homes and improvements in the Community, (iii) do not materially affect the cost or availability of insurance, and (iv) do not materially affect the Association's maintenance and repair obligations.

Section 24.3 Scope of Regulation and Authority. For the avoidance of doubt, the authority of the Board under this Article 24 includes the prohibition and regulation of: (i) the location, size, design, construction, and appearance of Structures, (ii) the materials and colors of features and surfaces of Structures, (iii) the Building Enclosure, including siding, roofing, windows, and doors, (iv) the placement and appearance of ancillary items such as antennae, security devices, and hardscaping, and (v) other factors relating to the items set forth in this Article. The Board shall not have authority to (x) regulate the maintenance, repair, or reconstruction of a Structure that does not change its location, size, or appearance and does not affect the function and safety of the Unit and adjacent Units, (y) prohibit the installation of basketball hoops to be used in a driveway, or (z) regulate any landscaping (other than hardscaping) on a Unit. The Board shall have the authority to adopt Rules to implement and clarify the scope, standards, and processes under this Article 24 and to appoint, pursuant to the Bylaws, an architectural control committee to exercise some or all of its authority hereunder or to advise it as to matters hereunder.

Section 24.4 Particular Standards. The following standards shall apply to all Structures and alterations of Structures in the Community.

24.4.1 The maximum height of any Home shall be 35 feet.

24.4.2 The maximum height of any fence shall be 6 feet. No fence may be closer than two feet to a Common Element road, drive or sidewalk and an Owner must install a landscape buffer between the fence and any Common Element road, driveway or sidewalk.

24.4.3 No radio, television or satellite antenna, dish or receiving device other than a "protected antenna" (as defined in 47 C.F.R. §1.4000, as it may be amended) may be installed in a Unit.

24.4.4 No outdoor kennels or dog runs are allowed.

24.4.5 Exterior air conditioners and heat pumps must not unreasonably interfere with the enjoyment of adjacent Homes.

Section 24.5 Approval Process. Subject to any Rules adopted by the Board, an Owner desiring to construct or install any new Structures or the alter any existing Structures on its Unit must apply to the Board for approval the Board may require the submission of plans and specifications and other data relating to the proposal. The Board may require that plans and specifications be prepared by a competent professional and may establish requirements for the format and content of materials submitted to it. The Board may require evidence that the Owner has obtained all permits necessary for the proposed work. The Board may require that it approve the persons performing work and may require evidence of insurance satisfactory to the Board. Construction, alteration, or repair shall not be started until written approval thereof is given by the Board. The Board shall act promptly to process applications and render a decision. The failure of the Board to approve a proposal within 30 days after receiving a complete application shall be deemed to constitute the Board's approval of the proposal.

Section 24.6 Solar Energy Panels. Without limiting any other provision in this Article 24, a solar energy panel must meet the applicable health and safety standards and requirements imposed by state and local permitting authorities.

Section 24.7 Landscaping. The Board may require, at the CLT Member Owner's or Market Owner's expense, the trimming, topping or, removal of any tree, hedge or shrub on an Owner's Unit that it determines is interfering with travel on roads, sidewalks, or trails in the Community, or presents a safety hazard related to the Common Elements, or is damaging any portion of the Community that the Association must maintain or insure.

Section 24.8 Subdivision or Combination of Units. A Unit may not be subdivided into a greater number of Units, and two or more Units may not be combined into a lesser number of Units.

Section 24.9 Declarant Exempt. The Declarant (including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this article 24.

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

Section 25.1 Procedures. Except in cases of amendments that may be executed by the Declarant, the Association, or certain Owners under other provisions of this Declaration or under the CIC Act, the Declaration, the Map, the Articles, and the Bylaws may be amended only by vote or agreement of the Owners as specified in this Article 25.

25.1.1 Any Owner or Owners may propose amendments to the Board. If approved by a majority of the Board, the amendment shall 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, the Board shall submit the amendment to the members of the Association for their consideration at the next regular or special meeting for which timely notice can be given. The notice for any meeting at which an amendment will be considered shall include the text of the amendment.

25.1.2 Amendments may be adopted at a meeting of the members of the Association or by such alternative procedures as are allowed by the Bylaws, after such notice as is required by the Bylaws and this Declaration has been given to all Persons entitled to receive notices.

25.1.3 Upon its adoption and the receipt of any necessary consent under this Article 25, an amendment to the Declaration or the Map will become effective when it is recorded or filed in the real estate records in the county in which the Community is located. The amendment shall be indexed in the name of the Community and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. No action to challenge the validity of an amendment to the Governing Documents adopted by the Association pursuant to this Article 25 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.

25.1.4 Amendments under this 25.1.4 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.

Section 25.2 Consent Required. Except in cases of amendments that may be executed by a Declarant under RCW 64.90.285(10), RCW 64.90.240(2), 64.90.245(12), 64.90.250, or 64.90.415(2)(d); the Association under RCW 64.90.030, 64.90.230(5), 64.90.240(3), 64.90.260(1), 64.90.265 or 64.90.285(11); or certain Owners under RCW 64.90.240(2), 64.90.260(1), 64.90.265(2), 64.90.290(2), the percentages of consent of Owners and Mortgagees required for adoption of amendments to the Declaration, the Articles, and the Bylaws are as follows:

25.2.1 General. Except as set forth elsewhere in this 25.2.1, an amendment to the Declaration, the Map, Articles, or Bylaws shall require the vote or agreement of CLT Member Owners and Market Owners holding at least 67% of the Voting Interest in the Association allocated to CLT Member Owners and Market Owners, and the approval of the CLT Sponsor Owner.

25.2.2 Creation of Special Declarant Rights; Increase in Units; Boundary Changes; Changes in Allocated Interests Except to the extent permitted or required under the CIC Act or this Declaration, an amendment to the Declaration that creates or increases Special Declarant Rights, increases the number of Units, changes the boundaries of any Unit, or changes the Allocated Interests of a Unit shall require the vote or agreement of CLT Member Owners and Market Owners holding at least 90% of the Voting Interest in the Association allocated to CLT Member Owners and Market Owners, and the approval of the CLT Sponsor Owner, including the consent of any Owner of a Unit, the boundaries or Allocated Interests of which will be changed by the amendment.

25.2.3 Modification of Allowed and Prohibited Uses Except to the extent permitted or required under the CIC Act or this Declaration, an amendment to the Declaration, Articles or Bylaws that changes, or has the effect of changing, the allowed or prohibited uses of the Units under Section 10.1 shall require the vote or agreement of CLT Member Owners and Market Owners holding at least 90% of the Voting Interest in the Association allocated to CLT Member Owners and Market Owners, and the approval of the CLT Sponsor Owner. Any such amendment must provide reasonable protection for a use permitted at the time the amendment is adopted.

25.2.4 Director and Officer Indemnification. No amendment to any provision in the Declaration, Articles, or Bylaws may restrict, eliminate, or modify (i) any right of a director or officer of the Association to indemnification or (ii) any limitation of liability of such Person, as to conduct that occurred prior to the amendment. Any current or former director or officer affected by such amendment is a third party beneficiary of this provision entitled to enforce it.

25.2.5 Declarant Rights No amendment may restrict, eliminate, or otherwise modify any Special Declarant Right or other right of Declarant that has not expired without the consent of the Declarant and any Mortgagee of record with a security interest in such rights or in any real estate subject thereto.

Section 25.3 Amendments by the Declarant. In addition to any other rights to amend the Governing Documents in the CIC Act or this Declaration, the Declarant may at any time, upon 30 days advance notice to the Association, adopt, execute and record an amendment or supplement to the Governing Documents to (i) correct a mathematical mistake, an inconsistency, or a scrivener's error, or (ii) clarify an ambiguity in the Governing Documents with respect to an objectively verifiable fact, including, without limitation, recalculating any Allocated Interest, clarifying or correcting the location, dimensions or characteristics of the constructed improvements, clarifying or correcting the as-built boundaries or areas of the Units, or complying with the requirements of Fannie Mae, Freddie Mac, HUD, lenders, or title insurers, all within five years after the recordation or adoption of the Governing Document containing or creating the mistake, inconsistency, error or ambiguity. The Declarant may execute and record any such amendment itself and need not otherwise comply with the requirements of this Article 25.

Section 25.4 Savings. To the extent it is determined that any rights of the CLT Sponsor Member 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 COMMUNITY

Section 26.1 Action Required. Except in the case of the taking of all Units by condemnation or a judicial termination of the Community pursuant to the CIC Act, the Community may be terminated only by (i) agreement of CLT Member Owners and Market Owners holding at least 90% of the Voting Interest in the Association allocated to CLT Member Owners and Market Owners, and the approval of the CLT Sponsor Owner, and (ii) the consent of all the holders, including Declarant, of any unexpired Development Rights or Special Declarant Rights.

Section 26.2 Limitation on Termination. The Community may not be terminated while the Declarant has any Development Right or Special Declarant Right without the consent of the Declarant and any Mortgagee of record with a security interest in the Development Right or Special Declarant Right or in any real estate subject thereto, excluding Mortgagees of interests in Units owned by Persons other than the Declarant.

Section 26.3 CIC Act Governs. The applicable provisions of the CIC Act relating to termination of common interest communities, contained in RCW 64.90.290, as it may be amended, shall govern the termination of the Community, including, but not limited to, the disposition of real estate in the Community and the distribution of proceeds from the sale of real estate.

Article 27. NOTICES

Section 27.1 Form and Delivery of Notice. Notices to the Association, Board, any Owner, or any occupant of a Unit must be provided in such manner as provided in the CIC Act. Notices to the Declarant must be provided in a Tangible Medium and must be transmitted by mail, private carrier, or personal delivery to the following address, or such other address as the Declarant may specify in written notice to the Board or the Owners:

Homestead Community Land Trust
412 Maynard Avenue South Suite 210
Seattle, WA 98104

Article 28. ASSIGNMENT BY DECLARANT

The Declarant 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 29. DISPUTE RESOLUTION

Section 29.1 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 or Authorized Users arising from or related to (i) the Governing Documents, (ii) the Community, or (iii) the management or operation of the Community or the Association, including, without limitation, any such claim of breach of contract, negligence, breach of any duty under the Washington Uniform Common Interest Ownership Act 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 29.1: (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.

Section 29.2 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 to all other parties to the Claim demanding that the Claim be submitted to mediation and arbitration pursuant to this Section 29.2. 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.

Section 29.3 Arbitrator's Authority. This Section 29.3 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 thereto, (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, without limitation, its revocability, unconscionability or voidability, and the scope of issues arbitrable hereunder. 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.

Section 29.4 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.

Section 29.5 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.

Section 29.6 Arbitration Procedures and Hearing. All arbitration hearings and meetings shall occur in the county in which the Community 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.

Section 29.7 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 29.7, 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 29.7. 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.

Section 29.8 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.

Section 29.9 Applicability of Arbitration Acts. The parties expressly agree that the use, operation, management, development, maintenance, repair and replacement of the Community 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 shall be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the rules of the arbitration service shall govern the conduct of the arbitration.

Section 29.10 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.

Section 29.11 Enforceability. This Section 29.11 shall inure to the benefit of, and be enforceable by, the Association, the Board, the Declarant, the Unit Owners and Authorized Users 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.

Section 29.12 Severability. If any provision of this Section 29.12 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.

Section 29.13 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.

Section 29.14 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 29.14 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 Community is located, and not before a jury, and all parties waive any right to a trial by jury.

Section 29.15 Survival. The provisions of this Section 29.15 shall survive the transfer by any party of its interest or involvement in the Community or any Unit and the termination of this Declaration.

[SIGNATURE PAGE FOLLOWS]

Unofficial Copy

SCHEDULE A
THE SOUTHARD

LEGAL DESCRIPTION OF THE PROPERTY

Lots 1-18, inclusive, and Tracts A and B, of The Southard, a plat community, recorded under Recording No. 2022 09 09 000 329, and in Volume 299 of Plats, Pages 14-18, in the records of King County, Washington.

Unofficial Copy

SCHEDULE B
 THE SOUTHARD

ALLOCATED INTERESTS

UNIT NUMBER AND ADDRESS	COMMON EXPENSE LIABILITY OF CLT MEMBER OWNER OR MARKET OWNER	COMMON EXPENSE LIABILITY OF CLT SPONSOR OWNER	COMMON OWNERSHIP INTEREST OF CLT MEMBER OWNER OR MARKET OWNER	COMMON OWNERSHIP INTEREST OF CLT SPONSOR MEMBER	VOTING INTEREST OF CLT MEMBER OWNER OR MARKET OWNER	VOTING INTEREST OF CLT SPONSOR OWNER
1 13839 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	0	1	0
2 13843 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
3 13845 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
4 13847 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	0	1	0
5 13849 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
6 13819 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
7 13817 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1

UNIT NUMBER AND ADDRESS	COMMON EXPENSE LIABILITY OF CLT MEMBER OWNER OR MARKET OWNER	COMMON EXPENSE LIABILITY OF CLT SPONSOR OWNER	COMMON OWNERSHIP INTEREST OF CLT MEMBER OWNER OR MARKET OWNER	COMMON OWNERSHIP INTEREST OF CLT SPONSOR MEMBER	VOTING INTEREST OF CLT MEMBER OWNER OR MARKET OWNER	VOTING INTEREST OF CLT SPONSOR OWNER
8 13815 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	0	1	0
9 13813 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	0	1	0
10 13811 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
11 13809 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
12 13807 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
13 13805 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
14 13803 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1
15 13801 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	1/29th	1	1

UNIT NUMBER AND ADDRESS	COMMON EXPENSE LIABILITY OF CLT MEMBER OWNER OR MARKET OWNER	COMMON EXPENSE LIABILITY OF CLT SPONSOR OWNER	COMMON OWNERSHIP INTEREST OF CLT MEMBER OWNER OR MARKET OWNER	COMMON OWNERSHIP INTEREST OF CLT SPONSOR MEMBER	VOTING INTEREST OF CLT MEMBER OWNER OR MARKET OWNER	VOTING INTEREST OF CLT SPONSOR OWNER
16 13831 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	0	1	0
17 13833 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	0		0
18 13835 32 nd LN S, Tukwila 98168	1/18th	0	1/29th	0		0
TOTAL	1	0	18/29th	11/29th	18	11

Unofficial Copy

SCHEDULE C
 THE SOUTHARD

VOTING CHART

<u>Action</u>	<u>Declaration Section</u>	<u>CLT Member Owners and Market Owners</u>	<u>CLT Sponsor Owner</u>
Election of Board	14.5.2.1	Four Seats	Four Seats (Same seats as CLT Member Owners and Market Owners)
Conveyance or Encumbrance of Common Elements	7.3	90%	Approval Required
Change in Status of Common Elements	8.2	67%	Approval Required
Change in Class Voting	14.5.2.4	51%	Approval Required
Making Capital Improvements	14.6.2	51%	Approval Required
Waiver of Audit	14.7	51%	Approval Required
Association Borrowing	16.4	51%	Approval Required
Budget Ratification	17.3	51%	Approval Required
Decision Not to Repair	22.4	90%	Approval Required
Amendment of Governing Documents	25.2	51%, 67%, 80% or 90% as applicable	Approval Required
Termination of Community	26.1	90%	Approval Required
Other Matters	----	51%	NA

Record Date:2/15/2024 2:38 PM

Electronically Recorded King County, WA

When Recorded, Return to:

Robert R. Garcia
Hillis Clark Martin & Peterson P.S.
999 3rd Ave #4600
Seattle, WA 98104

**AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR THE SOUTHARD**

Grantor:	HOMESTEAD COMMUNITY LAND TRUST
Grantee:	THE SOUTHARD, A PLAT COMMUNITY
Legal Description (full):	Lots 1-18, inclusive, and Tracts A and B, of The Southard, a plat community, recorded under Recording No. 20220909000330, and in Volume 299 of Plats, Pages 14-18, in the records of King County, Washington.
Assessor's Tax Parcel ID #s:	162304-9060
Reference Nos. of Related Documents:	20220909000330

This AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE SOUTHARD (“*Amendment*”), dated for reference purposes as of the date provided below, and is made by HOMESTEAD COMMUNITY LAND TRUST, a Washington nonprofit corporation (“*Declarant*”).

RECITALS

A. That certain DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE SOUTHARD was recorded on September 9, 2022, under King County Recording No. 20220909000330 (the “*Declaration*”), encumbering the Property as described therein.

B. As the Declarant and sole owner of the Property, Declarant desires to amend certain provisions in the Declaration and approve this Amendment to the Declaration in its entirety, pursuant to Article 25 of the Declaration.

C. Terms used but not defined herein have the meanings assigned to them in the Declaration.

AMENDMENT

Declarant hereby publishes and declares this Amendment as follows:

1. **Class Voting.** The first paragraph of Section 14.5.2 of the Declaration is amended and restated in its entirety as follows:

14.5.2 Class Voting. The CLT Member Owners and Market Owners (excluding Parkview) shall constitute a class of members, Parkview shall constitute a class of members, and the CLT Sponsor Owner shall constitute a class of members for purposes of voting or approving the matters described in this Section 14.5.2 and elsewhere in the Governing Documents. Except for the election of the Board or as otherwise expressly stated in the Governance Documents, Parkview shall be subject to all obligations, restrictions, and benefits of the Market Owners. The Voting Interests of the CLT Member Owners derive from their ownership of the Structures on the Unit and not from the CLT Lease.

2. **Election of Board.** Section 14.5.2.1 of the Declaration is amended and restated in its entirety as follows:

14.5.2.1 Election of Board. The CLT Member Owners, Market Owners, and CLT Sponsor Owner shall vote to elect, remove, appoint and replace directors to the Board, as further described in this Section and the Bylaws. The Board shall consist of four directors, one of whom shall be appointed by Parkview, and the remainder of whom shall be elected by vote

of the CLT Member Owners, Market Owners (excluding Parkview), and the CLT Sponsor Owner. The CLT Sponsor Owner shall be entitled to appoint a non-voting, ex officio fifth member of the Board who shall be entitled to notice of, and to attend, all meetings of the Board.

3. **Modification of Allowed and Prohibited Uses.** Section 25.2.3 of the Declaration is amended and restated in its entirety as follows:

25.2.3 Modification of Allowed and Prohibited Uses. Except to the extent permitted or required under the CIC Act or this Declaration, an amendment to the Declaration, Articles or Bylaws that changes, or has the effect of changing, the allowed or prohibited uses of the Units under Section 10.1 shall require the vote or agreement of CLT Member Owners and Market Owners holding at least 90% of the Voting Interest in the Association allocated to CLT Member Owners and Market Owners, and the approval of Parkview and CLT Sponsor Owner. Any such amendment must provide reasonable protection for a use permitted at the time the amendment is adopted.

4. **Modification of Election of Board.** A new Section 25.2.6 is added to Article 25 of the Declaration as follows:

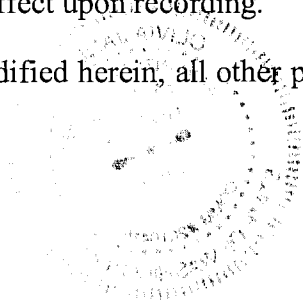
25.2.6 Modification of Election of Board. No amendment may restrict, eliminate, or otherwise modify Parkview's right to appoint one director to the Board without the approval and consent of Parkview.

5. **Updated Exhibit C to Declaration.** Exhibit C to the Declaration is amended and restated in accordance with the attached Exhibit C to this Amendment.

6. **Effective Date.** This Amendment shall take effect upon recording.

7. **Other Provisions.** Except as specifically modified herein, all other provisions of the Declaration shall remain in full force and effect.

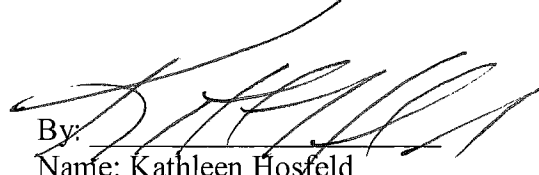
[Signature pages follow]



EXECUTED as of February 14, 2024.

DECLARANT:

HOMESTEAD COMMUNITY LAND TRUST,
a Washington nonprofit corporation

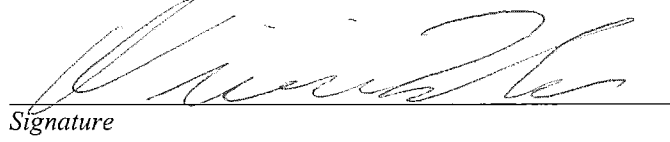
By: 

Name: Kathleen Hosfeld
Its: CEO and Executive Director

STATE OF WASHINGTON
COUNTY OF King } ss.

This record was acknowledged before me on February 14, 2024, by Kathleen Hosfeld as the CEO and Executive Director of HOMESTEAD COMMUNITY LAND TRUST, a Washington nonprofit corporation.




Signature

NOTARY PUBLIC in and for the State of Washington

My Commission Expires 4/6/24

SCHEDULE C
 THE SOUTHARD

VOTING CHART

<u>Action</u>	<u>Declaration Section</u>	<u>CLT Member Owners and Market Owners</u>	<u>CLT Sponsor Owner</u>
Election of Board	14.5.2.1	Four seats with three seats elected by CLT Member Owners and Market Owners (excluding Parkview) and one seat appointed by Parkview	Three seats (Same seats as CLT Member Owners and Market Owners, excluding Parkview)
Conveyance or Encumbrance of Common Elements	7.3	90%	Approval Required
Change in Status of Common Elements	8.2	67%	Approval Required
Change in Class Voting	14.5.2.4	51%	Approval Required
Making Capital Improvements	14.6.2	51%	Approval Required
Waiver of Audit	14.7	51%	Approval Required

Association Borrowing	16.4	51%	Approval Required
Budget Ratification	17.3	51%	Approval Required
Decision Not to Repair	22.4	90%	Approval Required
Amendment of Governing Documents	25.2	51%, 67%, 80% or 90% as applicable	Approval Required
Termination of Community	26.1	90%	Approval Required
Other Matters	----	51%	NA

**EXHIBIT B
TO
PUBLIC OFFERING STATEMENT**

MAPS

SEE ATTACHED.



CITY OF TUKWILA FILE NO. L21-0089
 CITY OF TUKWILA
 DEPARTMENT OF COMMUNITY DEVELOPMENT
 6300 SOUTHCENTER BOULEVARD, TUKWILA, WA 98188
 TELEPHONE: (206) 431-3670 / FAX: (206) 431-3665
 EMAIL: TUKPLAN@TUKWILA.WA.US

DEDICATION

KNOW ALL PEOPLE BY THESE PRESENTS THAT WE, THE UNDERSIGNED OWNERS IN FEE SIMPLE INTEREST OF THE LAND HEREBY PLATED, HEREBY DECLARE THIS PLAT AND FOREVER DEDICATE TO THE USE OF THE PUBLIC ALL STREETS AND AVENUES SHOWN AS PUBLIC HEREON AND THE USE THEREOF FOR PUBLIC HIGHWAY PURPOSES. ALSO TOGETHER WITH THE RIGHT TO MAKE ALL NECESSARY SLOPES FOR CUTS AND FILLS UPON THE LOTS, TRACTS AND BLOCKS SHOWN ON THIS PLAT IN THE ORIGINAL REASONABLE GRADING OF THE STREETS AND AVENUES SHOWN HEREON. THE UNDERSIGNED OWNERS HEREBY WAIVE ALL CLAIMS FOR DAMAGES AGAINST ANY GOVERNMENTAL AUTHORITY WHICH MAY BE OCCASIONED TO THE ADJACENT LAND BY THE ESTABLISHED CONSTRUCTION, DRAINAGE AND MAINTENANCE OF SAID STREETS AND AVENUES. THIS SUBDIVISION HAS BEEN MADE WITH OUR FREE CONSENT AND IN ACCORDANCE WITH OUR DESIRES, AS THE UNDERSIGNED OWNERS. 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 THE SOUTHWARD 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 PUBLIC PURPOSE. THIS MAP AND ANY PORTION THEREOF IS RESTRICTED BY LAW AND THE DECLARATION FOR THE SOUTHWARD, RECORDED UNDER KING COUNTY RECORDING NO. 20220909000330

IN WITNESS WHEREOF WE SET OUR HANDS AND SEALS.

HOMESTEAD EQUINITY LAND TRUST, A WASHINGTON STATE NONPROFIT CORPORATION

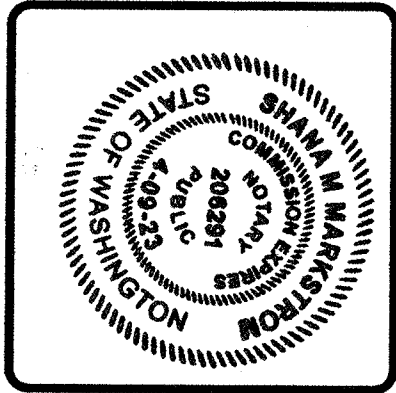
BY: *Rebecca L. Gobeille*
 REBECCA L. GOBEILLE
 Resident

ACKNOWLEDGMENTS

STATE OF WASHINGTON)
) SS
 COUNTY OF KING)

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT KATHLEEN HOMSTED IS THE PERSON WHO APPEARED BEFORE ME AND SAID PERSON ACKNOWLEDGED THAT HE SIGNED THIS INSTRUMENT ON OATH STATED THAT HE WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE EXECUTIVE DIRECTOR OF HOMESTEAD COMMUNITY LAND TRUST, TO BE THE FREE AND VOLUNTARY ACT OF SUCH ENTITY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.
 DATE: 8/22/2022

SIGNATURE OF NOTARY: *Sharon M. Markstrom*
 PRINTED NAME OF NOTARY: Sharon M. Markstrom
 NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
 RESIDING AT: Piece County
 MY APPOINTMENT EXPIRES: 4/09/2023



THE SOUTHWARD
 A PLAT COMMUNITY, PORTION OF THE NE1/4 OF SE1/4 OF SECTION 16,
 TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN
 CITY OF TUKWILA, KING COUNTY, WASHINGTON

PARENT LEGAL DESCRIPTION

PARCEL 1:
 THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:
 THE EAST 219 FEET IN WIDTH OF THE FOLLOWING:

BEGINNING AT THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, THENCE NORTHERLY ALONG THE EASTERLY LINE THEREOF, 695 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED, THENCE WESTERLY ALONG A LINE PARALLEL TO THE NORTHERLY LINE OF SAID SUBDIVISION, 620 FEET, MORE OR LESS, TO THE EASTERLY LINE OF THE ORIGINAL OLD MILITARY ROAD;
 THENCE SOUTHEASTERLY ALONG SAID ORIGINAL LINE, TO ITS INTERSECTION WITH THE EASTERLY LINE OF THE NEW LOCATION OF MILITARY ROAD AS NOW Laid OUT AND ESTABLISHED;
 THENCE SOUTHEASTERLY ALONG SAID EASTERLY LINE OF NEW LOCATION OF MILITARY ROAD, TO ITS INTERSECTION WITH A LINE 300 FEET SOUTH OF AND PARALLEL TO THE FIRST COURSE OF THIS DESCRIPTION;
 THENCE EASTERLY ALONG SAID PARALLEL LINE, 510 FEET, MORE OR LESS, TO THE EASTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER;
 THENCE NORTHERLY ALONG SAID EASTERLY LINE, 300 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

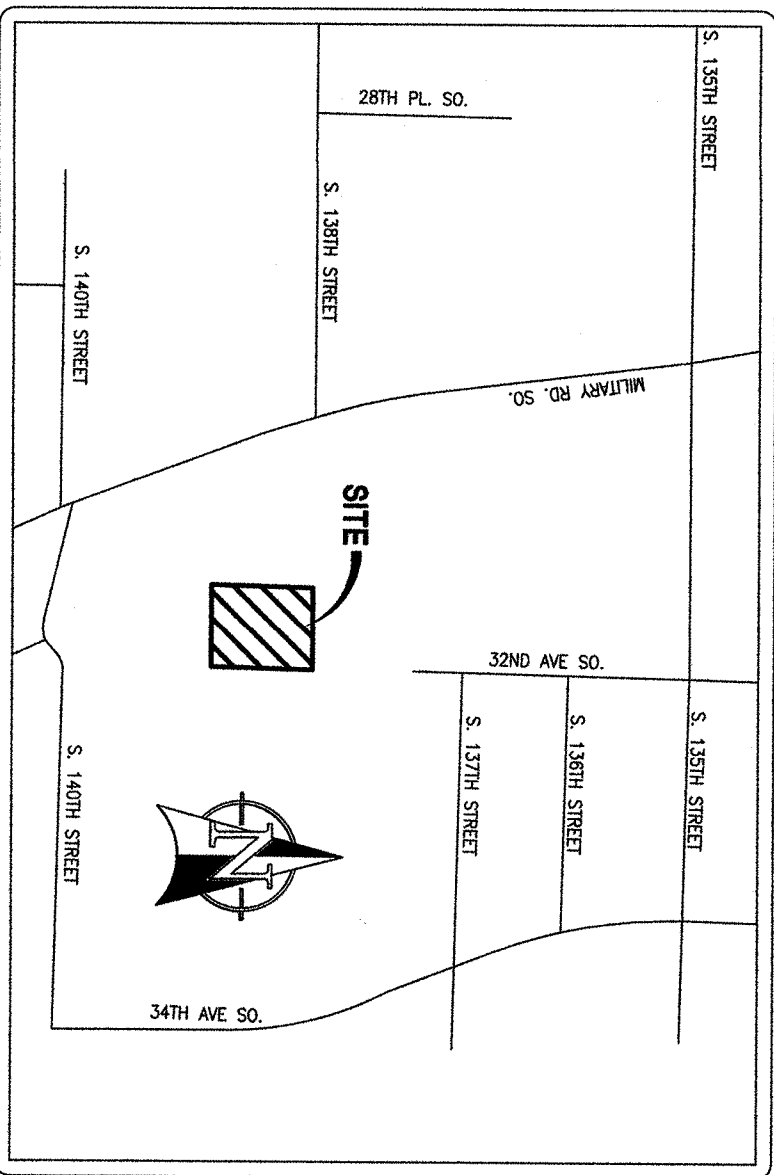
EXCEPT THAT PORTION, IF ANY, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:
 BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 16, SOUTH 01°40'11" WEST 673.42 FEET FROM THE EAST QUARTER CORNER THEREOF;
 THENCE NORTH 89°52'59" WEST 619.26 FEET, MORE OR LESS, TO THE EASTERLY LINE OF MILITARY ROAD AND THE TERMINUS OF SAID DESCRIBED LINE;

TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:
 BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 16, DISTANT SOUTH 01°40'11" WEST, 663.42 FEET FROM THE EAST QUARTER CORNER THEREOF;

THENCE CONTINUING SOUTH 01°40'11" WEST 10 FEET;
 THENCE NORTH 89°52'59" WEST 619.26 FEET, MORE OR LESS, TO THE NORTHEASTERLY MARGIN OF MILITARY ROAD AS ESTABLISHED ON JULY 3, 1962;
 THENCE NORTHWESTERLY ALONG SAID MARGIN TO A POINT WHICH BEARS NORTH 89°52'59" WEST FROM THE POINT OF BEGINNING;
 THENCE SOUTH 89°52'59" EAST TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 16,
 THENCE SOUTH 01°40'11" WEST ALONG THE EAST LINE OF SAID SUBDIVISION 673.42 FEET;
 THENCE NORTH 89°52'59" WEST 216.08 FEET TO A POINT 216 FEET FROM SAID EAST LINE, AS MEASURED AT RIGHT ANGLES;
 THENCE CONTINUING NORTH 89°52'59" WEST 3.00 FEET TO A POINT 219 FEET FROM SAID EAST LINE, AS MEASURED AT RIGHT ANGLES;
 THENCE CONTINUING NORTH 89°52'59" WEST 399.57 FEET, MORE OR LESS, TO THE EASTERLY LINE OF MILITARY ROAD;
 THENCE NORTH 19°45'42" WEST ALONG SAID EASTERLY LINE OF MILITARY ROAD 12.73 FEET;
 THENCE SOUTH 89°42'20" EAST 403.19 FEET TO A POINT 216 FEET FROM SAID EAST LINE, AS MEASURED AT RIGHT ANGLES;
 THENCE SOUTH 01°40'11" WEST 1070 FEET PARALLEL WITH SAID EAST LINE TO THE TRUE POINT OF BEGINNING;
 AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE FOLLOWING DESCRIBED TRACT:
 THE EAST 225 FEET OF THE SOUTH 695 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON;
 EXCEPT THE NORTH 300 FEET THEREOF;



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

DRAWN BY	TSL
DATE	08/05/2022
SCALE	N/A
CHECKED BY	TSL
JOB NO.	3340
PROJECT NO.	

SHT 1 OF 5

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 THE HOMESTEAD COMMUNITY LAND TRUST IN OCTOBER 2020. I HEREBY CERTIFY THAT THIS MAP FOR THE SOUTHWARD, A PLAT COMMUNITY, IS BASED UPON AN ACTUAL SURVEY OF THE PROPERTY HEREBY DESCRIBED, THAT THE BEARINGS AND DISTANCES ARE CORRECTLY SHOWN, THAT ALL INFORMATION REQUIRED BY THE WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT IS SUPPLIED HEREIN, AND TO THE EXTENT SUCH BOUNDARIES ARE NOT DENIED BY PHYSICAL MONUMENTS, SUCH BOUNDARIES ARE SHOWN ON THE MAP.
 TREVOR S. LANKTREE
 DATE: 08/05/2022
 PLS CERTIFICATE NO. 45789

KING COUNTY DEPARTMENT OF ASSESSMENTS
 EXAMINED AND APPROVED THIS 29th DAY OF September 2022
 John Wilson
 KING COUNTY ASSESSOR
 DEPUTY KING COUNTY ASSESSOR
 TAX ACCOUNT NOS. 162304-9060

KING COUNTY TREASURER APPROVAL
 THIS IS TO CERTIFY THAT ALL TAXES HERETOFORE LEVIED AND WHICH HAVE BECOME A LIEN UPON THE LANDS HEREBY DESCRIBED, HAVE BEEN FULLY PAID AND DISCHARGED, ACCORDING TO THE RECORDS OF MY OFFICE, UP TO AND INCLUDING THE YEAR 2022
 David Gobeille
 KING COUNTY TREASURER
 DATE: 9/8/22

CITY OF TUKWILA MAYOR
 EXAMINED AND APPROVED THIS 29th DAY OF August 2022
 [Signature]
 CITY OF TUKWILA CLERK
 EXAMINED AND APPROVED THIS 29th DAY OF August 2022
 [Signature]

CITY OF TUKWILA DIRECTOR OF COMMUNITY DEVELOPMENT
 EXAMINED AND APPROVED THIS 29th DAY OF August 2022
 [Signature]

CITY OF TUKWILA DIRECTOR OF FINANCE
 EXAMINED AND APPROVED THIS 29th DAY OF August 2022
 [Signature]

DIRECTOR OF PUBLIC WORKS
 EXAMINED AND APPROVED THIS 29th DAY OF August 2022
 [Signature]

DIRECTOR OF COMMUNITY DEVELOPMENT
 EXAMINED AND APPROVED BY THE DIRECTOR OF COMMUNITY DEVELOPMENT AND HEREBY CERTIFIED FOR FILING.
 THIS 29th DAY OF August 2022
 [Signature]

PUBLIC WORKS DIRECTOR'S CERTIFICATE
 I HEREBY APPROVE THE SURVEY DATA, THE LAYOUT OF THE STREETS, ALLEYS AND OTHER RIGHT-OF-WAY, DESIGN OF DRAINAGE SYSTEMS AND OTHER STRUCTURES.
 I CERTIFY THAT THE SUBDIVIDER HAS COMPLIED WITH ONE OF THE FOLLOWING:
 A. ALL IMPROVEMENTS HAVE BEEN INSTALLED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS TITLE AND WITH THE PRELIMINARY PLAT APPROVAL, AND THAT ORIGINAL AND REPRODUCIBLE MYLAR OR ELECTRONIC RECORDS IN A FORMAT APPROVED BY PUBLIC WORKS AND MEETING CURRENT PUBLIC WORKS DRAWING STANDARDS FOR ROAD, UTILITY AND DRAINAGE CONSTRUCTION PLANS CERTIFIED BY THE DESIGNING ENGINEER AS BEING "AS CONSTRUCTED" HAVE BEEN SUBMITTED FOR CITY RECORDS.
 B. AN AGREEMENT AND BOND OR OTHER FINANCIAL SECURITY HAVE BEEN EXECUTED IN ACCORDANCE WITH TAC 17.24.030 SUFFICIENT TO ASSURE COMPLETION OF REQUIRED IMPROVEMENTS AND CONSTRUCTION PLANS.
 BY ME THIS 29th DAY OF August 2022
 [Signature]



CITY OF TUKWILA FILE NO. L21-0089
 CITY OF TUKWILA
 DEPARTMENT OF COMMUNITY DEVELOPMENT
 6300 SOUTH CENTER BOULEVARD, TUKWILA, WA 98188
 TELEPHONE: (206) 431-3670 / FAX: (206) 431-3665
 EMAIL: TUKPLAN@TUKWILA.WA.US

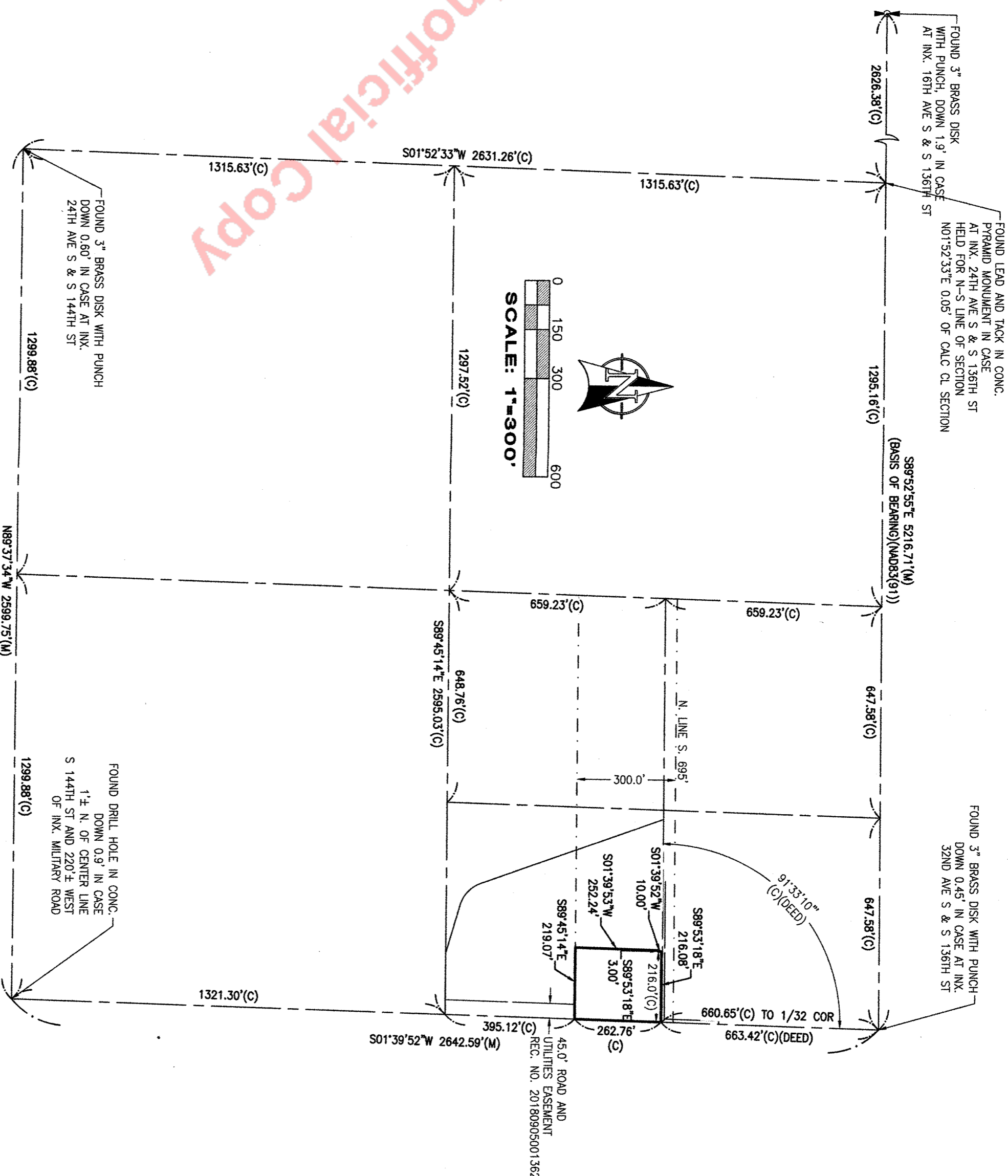
PLAT NOTES

1. THE SOUTHWARD HOMEOWNERS ASSOCIATION ("HOMEOWNERS' ASSOCIATION") WAS ESTABLISHED WITH THE WASHINGTON SECRETARY OF STATE. ALL LOTS WITHIN THIS PLAT ARE SUBJECT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE SAID HOMEOWNERS ASSOCIATION. SEE RECORDING NUMBER UNDER "DEDICATION" ON PAGE 1 OF 5 OF THIS PLAT.
2. TRACT A IS HEREBY CONVEYED TO THE HOMEOWNERS' ASSOCIATION UPON RECORDING OF THIS PLAT AND SUBJECT TO AN EASEMENT FOR THE PURPOSE OF VEHICULAR ACCESS, PARKING AND UTILITIES PURPOSES BENEFITING ALL LOT OWNERS WITHIN THIS PLAT. SAID HOMEOWNERS' ASSOCIATION IS HEREBY RESPONSIBLE FOR ALL MAINTENANCE, COSTS AND MANAGEMENT OBLIGATIONS ASSOCIATED WITH SAID TRACT A AND SAID RESPONSIBILITIES SHALL BE OUTLINED WITHIN THE DECLARATION AND AMENDMENTS THERETO.
3. TRACT B IS HEREBY CONVEYED TO THE HOMEOWNERS' ASSOCIATION UPON RECORDING OF THIS PLAT AND SUBJECT TO AN EASEMENT FOR THE PURPOSE OF ACCESS, PARKING, RECREATION AND UTILITIES PURPOSES BENEFITING ALL LOT OWNERS WITHIN THIS PLAT. SAID HOMEOWNERS' ASSOCIATION IS HEREBY RESPONSIBLE FOR ALL MAINTENANCE, COSTS AND MANAGEMENT OBLIGATIONS ASSOCIATED WITH SAID TRACT B AND SAID RESPONSIBILITIES SHALL BE OUTLINED WITHIN THE DECLARATION AND AMENDMENTS THERETO.
3. PLAT IS SUBJECT TO TO DEVELOPMENT AGREEMENT RECORDED UNDER RECORDING NO. 20200813001417, RECORDS OF KING COUNTY, WASHINGTON AND AMENDMENTS AND MODIFICATIONS THERETO.
4. A 20' PUBLIC EMERGENCY VEHICLE ACCESS EASEMENT IS HEREBY GRANTED AND CONVEYED TO THE CITY OF TUKWILA FOR THE PURPOSE OF ACCESS, STAGING AND PARKING OF EMERGENCY VEHICLES AND EQUIPMENT.
5. THE UNIT LOTS DEPICTED HEREON ARE NOT SEPARATE BUILDABLE LOTS, AND THAT ADDITIONAL DEVELOPMENT OF THE INDIVIDUAL UNIT LOTS MAY BE LIMITED AS A RESULT OF THE APPLICATION OF DEVELOPMENT STANDARDS TO THE PARENT LOT.
6. ALL HOMES CONSTRUCTED WITHIN THIS PLAT SHALL BE REQUIRED TO HAVE FIRE SPRINKLER SYSTEMS DESIGNED AND INSTALLED.

TITLE ENCUMBRANCES

5. MEMORANDUM OF LEASE RECORDING NOS. 20070518002421 AND 20140711001049. (NOT PLOTTABLE)
6. DEVELOPERS EXTENSION AGREEMENT RECORDING NO. 20080903000738 (NOT PLOTTABLE—CONTAINS REQUIREMENT TO PROVIDE 10' EASEMENT TO DISTRICT UPON COMPLETION)
7. MORTGAGE INSTRUMENTS REC. NOS. 20100108000581 AND 20141001001241 (AFFECT PARCEL TO SOUTH)
8. MORTGAGE INSTRUMENT REC. NO. 20110802001080 (AFFECT PARCEL TO SOUTH)
9. OVERHEAD POWER LINE EASEMENT REC. NO. 20140617000779 (BLANKET IN NATURE AFFECTING PARCEL TO SOUTH)
10. TEMPORARY CONSTRUCTION EASEMENT RECORDING NO. 20140711001100 (AS SHOWN)
11. WALKWAY AND DRAINAGE EASEMENT REC. NO. 20140711001101 AND 20220609000269 (REVISED LOCATION SHOWN HEREON)
12. TEMPORARY CONSTRUCTION EASEMENT RECORDING NO. 20140711001102 (LOCATED ON PARCEL TO SOUTH)
13. WALKWAY AND DRAINAGE EASEMENT REC. NO. 20140711001103 (LOCATED ON PARCEL TO SOUTH)
14. MEMORANDUM OF LEASE RECORDING NOS. 20160621000961 (NOT PLOTTABLE)
15. A DEED OF TRUST REC. NO. 20180905001361 (NOT PLOTTABLE)
16. EASEMENT AGREEMENT REC. NO. 20180905001362 (AS SHOWN)
17. A DEED OF TRUST REC. NO. 20191122001215 (NOT PLOTTABLE)
18. DEVELOPMENT AGREEMENT REC. NOS. 20200813001417, 20200914000164 AND 20210512000108 (NOT PLOTTABLE)
20. "CITY OF TUKWILA RESTRICTIVE COVENANT AGREEMENT" REC. NO. 20220609000270 (NOT PLOTTABLE)
21. "STORM DRAINAGE EASEMENT AGREEMENT" REC. NO. 20220719000147 (AS SHOWN)
22. "TEMPORARY CONSTRUCTION AND UTILITIES EASEMENT" REC. NO. 20220719000148 (AS SHOWN)

THE SOUTHWARD
 A PLAT COMMUNITY



REFERENCE SURVEYS

- R1) BIA REC. NO. 20150812900005
- R2) BIA REC. NO. 20180306900007

SURVEYOR'S NOTES

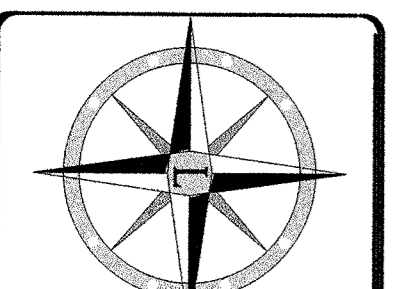
1. ALL DISTANCES SHOWN ON THIS SURVEY ARE IN US SURVEY FOOT.
2. UTILITIES ARE SHOWN PER SURFACE OBSERVATIONS. UTILITY PAINT MARKINGS PER PRIVATE UTILITY LOCATOR ENLISTED AS PART OF THIS SURVEY AND PERFORMED BY APPLIED PROFESSIONAL SERVICES INC. AND OTHER REFERENCE INFORMATION. QUOTED ACCURACY OF UTILITIES SHOWN PER UTILITY LOCATOR 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.

SURVEYOR'S NOTES

3. FIELD SURVEY WAS COMPLETED IN SEPTEMBER 2020 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 FILE NO. NCS-1041240, DATED JULY 22, 2022, WAS RELIED UPON FOR TITLE, RECORD AND BOUNDARY INFORMATION SHOWN ON THIS SURVEY.

PROCEDURE / NARRATIVE:

A FIELD TRAVERSE USING A TRIPLET S7 & SY10 ROBOTIC TOTAL STATION AND DATA COLLECTOR SUPPLEMENTED WITH FIELD GPS AND PRECISION SURVEYING KIT (GPS ROVER) WAS PERFORMED ESTABLISHING THE ANGULAR LINES AND IMPROVEMENTS. THE 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	TSL
DATE	08/05/2022
SCALE	N/A
CHECKED BY	TSL
JOB NO.:	3340
PROJECT NO.:	

SHT 2 OF 5

THE SOUTHARD

A PLAT COMMUNITY



CITY OF TUKWILA
DEPARTMENT OF COMMUNITY DEVELOPMENT
6500 SOUTHCENTER BOULEVARD, TUKWILA, WA 98188
TELEPHONE: (206) 431-3670 / FAX: (206) 431-3665
EMAIL: TUKPLAND@TUKWILA.WA.US

CITY OF TUKWILA FILE NO. L21-0089

LOTS/TRACTS LEGAL DESCRIPTIONS

LOT 1
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 130.69 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH, 154.11 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH, 31.17 FEET;
THENCE EAST, 47.73 FEET;
THENCE SOUTH, 31.17 FEET;
THENCE WEST, 47.73 FEET TO THE TRUE POINT OF BEGINNING.

LOT 2
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 130.69 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH, 84.97 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH, 25.39 FEET;
THENCE EAST, 50.64 FEET;
THENCE SOUTH, 25.39 FEET;
THENCE WEST, 50.64 FEET TO THE TRUE POINT OF BEGINNING.

LOT 3
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 130.69 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH, 59.52 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH, 23.45 FEET;
THENCE EAST, 50.64 FEET;
THENCE SOUTH, 23.45 FEET;
THENCE WEST, 50.64 FEET TO THE TRUE POINT OF BEGINNING.

LOT 4
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 130.69 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH, 31.56 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH, 27.96 FEET;
THENCE EAST, 50.64 FEET;
THENCE SOUTH, 27.96 FEET;
THENCE WEST, 50.64 FEET TO THE TRUE POINT OF BEGINNING.

LOT 5
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 130.69 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE NORTH, 31.56 FEET;
THENCE EAST, 50.64 FEET;
THENCE SOUTH, 31.78 FEET TO SAID SOUTH LINE;
THENCE NORTH 89°45'14" WEST, 50.64 FEET ALONG SAID SOUTH LINE TO THE TRUE POINT OF BEGINNING.

LOT 6
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 29.04 FEET ALONG THE WEST LINE OF SAID SUBDIVISION;
THENCE EAST, 56.18 FEET;
THENCE SOUTH, 29.27 FEET TO THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH 88°45'14" WEST, 57.02 FEET ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING.

LOT 7
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 29.04 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 24.01 FEET ALONG SAID WEST LINE;
THENCE EAST, 55.48 FEET;
THENCE SOUTH, 24.00 FEET;
THENCE WEST, 56.18 FEET TO THE TRUE POINT OF BEGINNING.

LOT 8
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 53.05 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 27.91 FEET;
THENCE EAST, 54.67 FEET;
THENCE SOUTH, 27.89 FEET;
THENCE WEST, 55.48 FEET TO THE TRUE POINT OF BEGINNING.

LOT 9
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 80.96 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 27.92 FEET ALONG SAID WEST LINE;
THENCE EAST, 58.21 FEET;
THENCE SOUTH, 27.91 FEET;
THENCE WEST, 89.02 FEET TO THE TRUE POINT OF BEGINNING.

LOT 10
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 108.88 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 24.08 FEET ALONG SAID WEST LINE;
THENCE EAST, 57.51 FEET;
THENCE SOUTH, 24.07 FEET;
THENCE WEST, 58.21 FEET TO THE TERMINUS.

LOT 11
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 132.96 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 23.96 FEET ALONG SAID WEST LINE;
THENCE EAST, 56.82 FEET;
THENCE SOUTH, 23.95 FEET;
THENCE WEST, 57.51 FEET TO THE TRUE POINT OF BEGINNING.

LOT 12
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 156.92 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 23.91 FEET ALONG SAID WEST LINE;
THENCE EAST, 56.12 FEET;
THENCE SOUTH, 23.90 FEET;
THENCE WEST, 56.82 FEET TO THE TRUE POINT OF BEGINNING.

LOT 13
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 180.83 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 23.92 FEET ALONG SAID WEST LINE;
THENCE EAST, 55.43 FEET;
THENCE SOUTH, 23.91 FEET;
THENCE WEST, 56.12 FEET TO THE TRUE POINT OF BEGINNING.

LOT 14
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 204.75 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 23.94 FEET ALONG SAID WEST LINE;
THENCE EAST, 56.74 FEET;
THENCE SOUTH, 23.93 FEET;
THENCE WEST, 57.43 FEET TO THE TRUE POINT OF BEGINNING.

LOT 15
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 228.69 FEET ALONG THE WEST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°39'52" EAST, 23.55 FEET ALONG SAID WEST LINE;
THENCE SOUTH 89°53'18" EAST, 3.00 FEET;
THENCE NORTH 01°39'52" EAST, 10.00 FEET;
THENCE SOUTH 89°53'18" EAST, 52.76 FEET;
THENCE WEST, 33.42 FEET;
THENCE SOUTH, 53.74 FEET TO THE TRUE POINT OF BEGINNING.

LOT 16
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 262.25 FEET ALONG THE WEST LINE OF SAID SUBDIVISION;
THENCE SOUTH 89°53'18" EAST, 57.76 FEET;
THENCE CONTINUING SOUTH 89°53'18" EAST, 27.08 FEET;
THENCE SOUTH, 54.20 FEET;
THENCE WEST, 27.08 FEET;
THENCE NORTH, 54.26 FEET TO THE TRUE POINT OF BEGINNING.

LOT 17
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 262.25 FEET ALONG THE WEST LINE OF SAID SUBDIVISION;
THENCE SOUTH 89°53'18" EAST, 84.85 FEET;
THENCE CONTINUING SOUTH 89°53'18" EAST, 40.98 FEET;
THENCE SOUTH, 54.12 FEET;
THENCE WEST, 40.98 FEET;
THENCE NORTH, 54.20 FEET TO THE TRUE POINT OF BEGINNING.

LOT 18
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 01°39'52" EAST, 262.25 FEET ALONG THE WEST LINE OF SAID SUBDIVISION;
THENCE SOUTH 89°53'18" EAST, 125.83 FEET;
THENCE CONTINUING SOUTH 89°53'18" EAST, 41.00 FEET;
THENCE SOUTH, 54.04 FEET;
THENCE WEST, 41.00 FEET;
THENCE NORTH, 54.12 FEET TO THE TRUE POINT OF BEGINNING.

TRACT A (SEE PLAT NOTE 2)
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

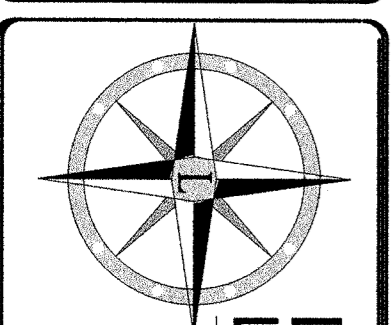
COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 80.05 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH, 110.58 FEET;
THENCE WEST, 50.64 FEET;
THENCE NORTH, 43.74 FEET;
THENCE EAST, 47.73 FEET;
THENCE NORTH, 34.03 FEET;
THENCE EAST, 41.34 FEET;
THENCE NORTH, 54.04 FEET;
THENCE SOUTH 89°53'18" EAST, 49.25 FEET TO THE EAST LINE OF SAID SUBDIVISION;
THENCE SOUTH 89°53'18" EAST, 262.76 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

TRACT B (SEE PLAT NOTE 3)
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 130.69 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 89°45'14" WEST, 31.35 FEET ALONG SAID SOUTH LINE;
THENCE NORTH, 81.17 FEET;
THENCE EAST, 4.55 FEET;
THENCE NORTH, 123.75 FEET;
THENCE EAST, 2.01 FEET;
THENCE NORTH, 57.35 FEET;
THENCE SOUTH 89°53'18" EAST, 5.01 FEET;
THENCE SOUTH, 54.26 FEET;
THENCE EAST, 67.72 FEET;
THENCE SOUTH, 22.86 FEET;
THENCE WEST, 47.73 FEET;
THENCE SOUTH, 185.28 FEET TO THE TRUE POINT OF BEGINNING.

PUBLIC EMERGENCY VEHICLE ACCESS EASEMENT LEGAL DESCRIPTION
THAT PORTION OF THE EAST 219.00 FEET OF THE NORTH 300.00 FEET OF THE SOUTH 695.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 04 EAST, WILLAMETTE MERIDIAN, KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

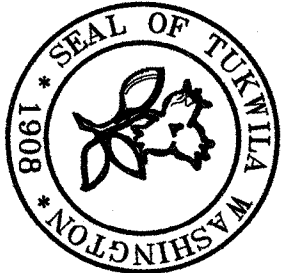
COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED SUBDIVISION;
THENCE NORTH 89°45'14" WEST, 36.05 FEET ALONG THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH, 205.24 FEET;
THENCE WEST, 20.00 FEET;
THENCE SOUTH, 22.00 FEET TO A POINT OF TANGENCY;
THENCE SOUTHWESTERLY ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 28.00 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00", AND AN ARC LENGTH OF 43.98 FEET;
THENCE WEST, 46.64 FEET;
THENCE SOUTH, 20.00 FEET;
THENCE EAST, 46.64 FEET TO A POINT OF TANGENCY;
THENCE SOUTHEASTERLY ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 28.00 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 43.98 FEET;
THENCE SOUTH 00°00'03" EAST, 100.02 FEET TO SAID SOUTH LINE;
THENCE SOUTH 89°45'14" EAST, 20.00 FEET ALONG SAID SOUTH LINE TO THE TRUE POINT OF BEGINNING.



LANKTREE LAND SURVEYING, INC.
25510 74TH AVENUE SOUTH
KENT, WA 98032
PHONE: (253) 653-6423
FAX: (253) 793-1616
WWW.LANKTRELANDSURVEYING.COM

DRAWN BY	TSL
DATE	08/05/2022
SCALE	N/A
CHECKED BY	TSL
JOB NO.	3340
PROJECT NO.	

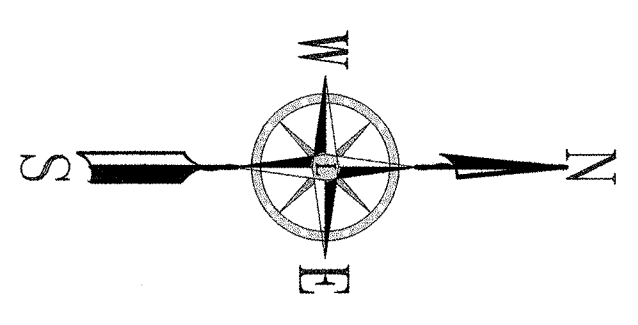
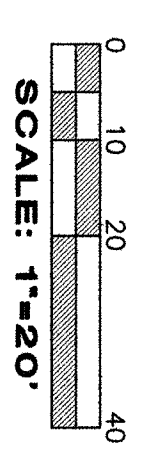
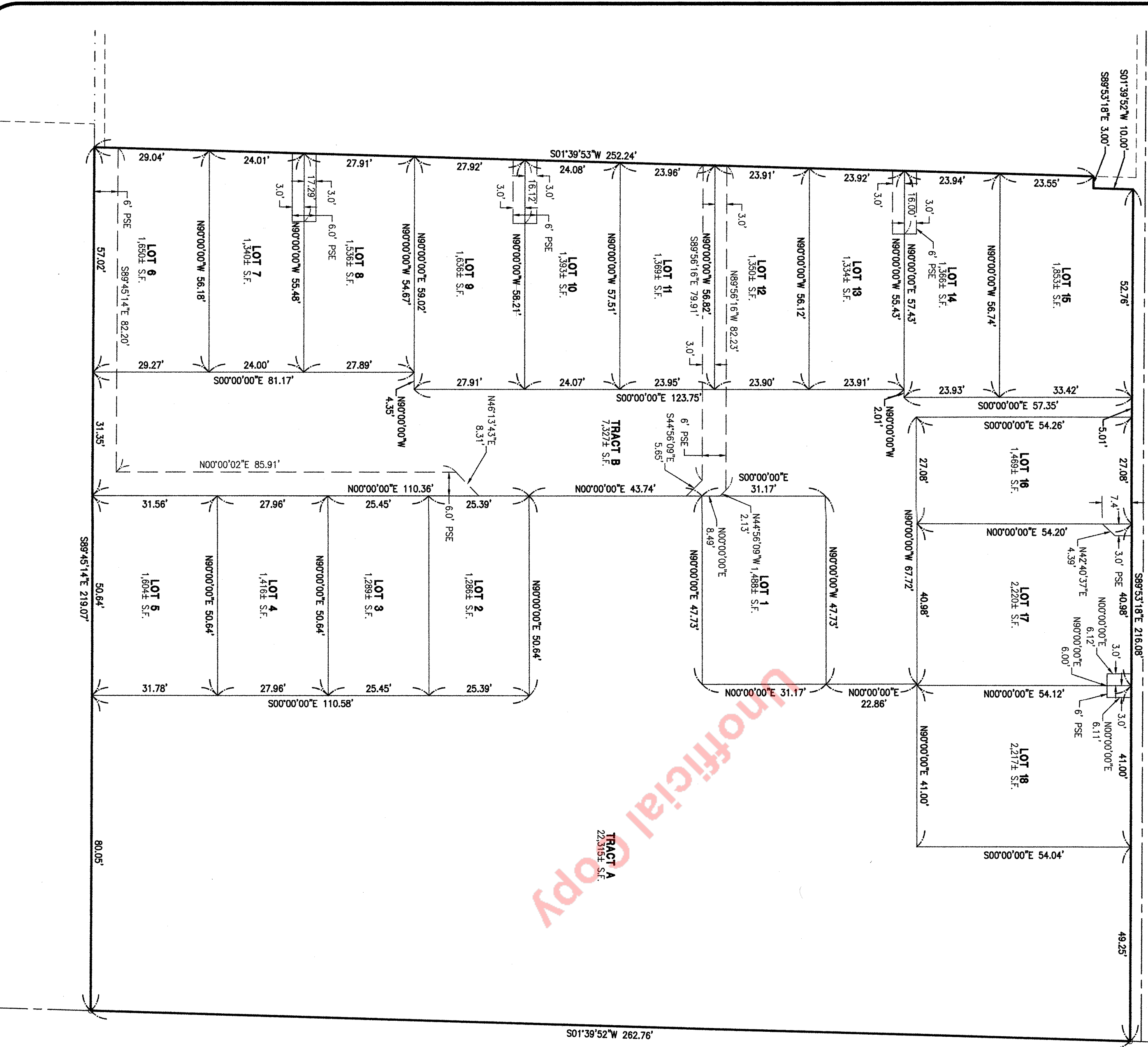
SHT **3** OF **5**



CITY OF TUKWILA FILE NO. L21-0089
 CITY OF TUKWILA
 DEPARTMENT OF COMMUNITY DEVELOPMENT
 6300 SOUTH CENTER BOULEVARD, TUKWILA, WA 98188
 TELEPHONE: (206) 431-3670 / FAX: (206) 431-3665
 EMAIL: TUKPLAN@TUKWILA.WA.US

THE SOUTHARD

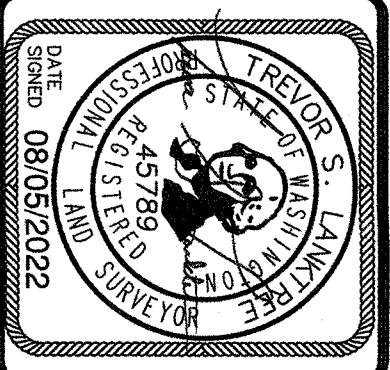
A PLAT COMMUNITY



- ABBREVIATIONS
- (R#) REFERENCE SURVEYS
 - (TYP) TYPICAL
 - (C) CALCULATED
 - (M) MEASURED
 - (B.S.B.L.) BUILDING SETBACK LINE SEE PLAT NOTE 3
 - (PSE) PRIVATE SEWER EASEMENT

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

DRAWN BY: TSL/JSK
 DATE: 08/05/2022
 SCALE: N/A
 CHECKED BY: TSL
 JOB NO.: 3340
 PROJECT NO.:



SHT 5 OF 5

**EXHIBIT C
TO
PUBLIC OFFERING STATEMENT**

**ASSOCIATION ARTICLES
OF INCORPORATION**

SEE ATTACHED.



WASHINGTON
Secretary of State
 Corporations & Charities Division

Contact Information
 Tel: 360.725.0377
 www.sos.wa.gov/corps

Physical/Overnight address: 801 Capitol Way S Olympia, WA 98501-1226

Mailing Address: PO Box 40234 Olympia, WA 98504-0234

FILED

Secretary of State
 State of Washington
 Date Filed: 09/06/2022
 Effective Date: 09/06/2022
 UBI No: 604 972 502

This Box For Office Use Only

Select one filing fee option

- Filing Fee \$80 - Default
 Filing Fee \$40 - Certification required (section 3)

To Expedite Filing, Add \$50

ARTICLES OF INCORPORATION
Washington Nonprofit Corporation
RCW 24.03A

All fields **REQUIRED** unless otherwise specified

(1) Do you already have a UBI No.? (Check one) Yes No If Yes, provide UBI No.: _____

If No, a new UBI No. will be issued to you upon successful completion of the filing.

(2) BUSINESS NAME: The Southard Homeowners Association

For name requirements review the following RCW(s): RCW 23.95.305

Does the business have a name reserved? (Check one) Yes No If Yes, provide the Reservation Number
 Reservation No.: _____

(3) GROSS REVENUE CERTIFICATION:

Per RCW 24.03A.960 does the Nonprofit certify that its total gross revenue in the most recent fiscal year was less than \$500,000? (Check one) YES NO (If Yes, the filing fee is reduced to \$40)

(4) CHARITABLE NONPROFIT CORPORATION:

Is the Nonprofit Corporation a Charitable Nonprofit as defined by RCW 24.03A.010(5)? (Check one) YES NO

(5) MEMBERS: RCW 24.03A.010(45)

Does the Nonprofit Corporation have members? (Check one) YES NO

(6) MEMBER NAME(S): (optional) attach additional pages if necessary. If names are provided section (5) will be considered as "yes"

Name: _____ Name: _____
 Name: _____ Name: _____

(7) PURPOSE OF CORPORATION: Purpose for which the nonprofit corporation is organized

The corporation is organized as a non-charitable nonprofit for the purpose of (i) exercising the powers and privileges, and performing the duties and obligations of the owners association and (ii) exercising any and all powers, rights, and privileges of a unit owners association pursuant to RCW ch. 64.90

(8) ANY OTHER PROVISIONS: IRS tax exempt language, attach additional pages if necessary

(9) REGISTERED AGENT:

COMMERCIAL REGISTERED AGENT: RCW 23.95.420

A Commercial Registered Agent is a business or individual that is registered with the Office of the Secretary of State to receive legal documents on behalf of a business. The Commercial Registered Agent's address has been registered with our office.

Is the Registered Agent a Commercial Registered Agent? (Check one) Yes No

If Yes, provide the name of the Commercial Registered Agent: _____

The Commercial Registered Agent must sign the consent to serve below.

If No, continue below

NON-COMMERCIAL REGISTERED AGENT

A Non-Commercial Registered Agent is an individual, business, or an office or position that is not registered as a Commercial Registered Agent.

- If an **individual** is serving as the Registered Agent, only provide the individual's first and last name below.
- If a **business** is serving as the Registered Agent, only provide the name of the business below.
- If an **office** or **position** within the business is serving as the Registered Agent, only provide the position title such as President, Secretary, Treasurer, or Member below.

Registered Agent: Homestead Community Land Trust

Phone: 206-323-1227

Email: info@homesteadclt.org

Registered Agent Street Address (required)
(Must be a physical address; No PO Box or PMB)

Registered Agent Mailing Address (optional)
 Check if mailing address is the same as street address

Country: United States State: Washington

Country: United States State: Washington

Address : 412 Maynard Ave S Ste 201

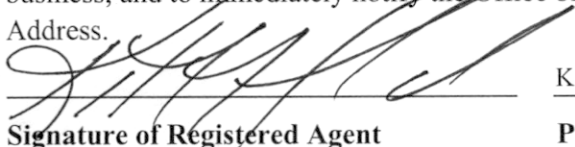
Address : _____

Zip: 98104 City: Seattle

Zip: _____ City: _____

CONSENT TO SERVE AS REGISTERED AGENT - REQUIRED FOR ALL TYPES

I hereby consent to serve as Registered Agent in the State of Washington for the named business. I understand it will be my responsibility to accept service of process, notices, and demands on behalf of the business; to forward mail to the business; and to immediately notify the Office of the Secretary of State if I resign or change the Registered Office Address.



Signature of Registered Agent

Kathleen Hosfeld, Executive Director

Printed Name/Title

9/2/22

Date

(10) PERIOD OF DURATION: Check ONE of the following

This Corporation shall have a perpetual duration (default) This Corporation shall have a duration of _____ years.

This Corporation shall expire on _____

(11) EFFECTIVE DATE: Check ONE of the following:

Date of filing Specify a date _____ (cannot be more than 90 days following received date)

(12) INITIAL BOARD OF DIRECTORS: Name and address of each initial director is required, attach additional pages if necessary.

Name: Kathleen Hosfeld **Address:** 412 Maynard Ave S Ste 201

City: Seattle **State:** WA **Zip:** 98104

Name: Eric Pravitz **Address:** 412 Maynard Ave S Ste 201

City: Seattle **State:** WA **Zip:** 98104

(13) DISTRIBUTION OF ASSETS:

In the event of voluntary dissolution, the net assets will be distributed as follows:

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 CIC Act and the Declaration.

(14) RETURN ADDRESS FOR THIS FILING: (optional)

If provided, the confirmation regarding this specific filing will be sent to the address below, in addition to the Registered Agent's address.

Attention: _____ **Email:** _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

(15) INCORPORATOR INFORMATION:

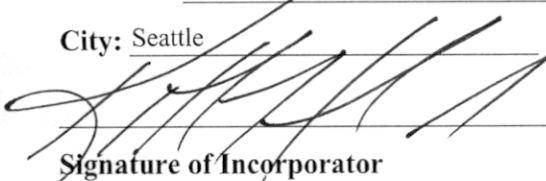
Name, address, and signature required. Attach additional sheets if necessary.

I hereby certify, under penalty of law, that the above information is accurate and complies with the filing requirements of state law.

Name: Kathleen Hosfeld

Address: 412 Maynard Ave S Ste 201

City: Seattle **State:** WA **Zip:** 98104 **Country:** USA



Kathleen Hosfeld, Executive Director 9/2/22

Signature of Incorporator

Printed Name/Title

Date

**EXHIBIT D
TO
PUBLIC OFFERING STATEMENT**

ASSOCIATION BYLAWS

SEE ATTACHED.

BYLAWS
OF
THE SOUTHARD HOMEOWNERS ASSOCIATION

These Bylaws provide for the governance of The Southard Homeowners Association ("Association"), a corporation organized under the Washington Nonprofit Act, RCW ch. 24.03A ("Nonprofit Act"), to be the Owners' association for The Southard (the "Community"), created pursuant to the Washington Uniform Common Interest Ownership Act, RCW ch. 64.90 ("Act") and the Declaration of Covenants, Conditions, and Restrictions for the Community, recorded in King County, Washington, as it may from time to time be amended ("Declaration"). Capitalized terms used in these Bylaws and not otherwise defined have the meaning given to them in the Declaration.

ARTICLE 1 MEMBERSHIP; VOTING

Section 1.1 Membership. The qualifications for membership in the Association are as set forth in the Declaration. Each CLT Member Owner, Market Owner, and the sole CLT Sponsor Owner, by virtue of such ownership, is a member of the Association.

Section 1.2 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, each CLT Member Owner is entitled to the Voting Interest for its interest in each Unit that it owns, the CLT Sponsor Owner is entitled to the Voting Interest for its interest in each Unit that it owns, and each Market Owner is entitled to the Voting Interest for its interest in each Unit that it owns. No provision of the Governing Documents shall be construed to allow one class of Owner to exercise the voting rights of another class of Owner with an interest in the same Unit.

Section 1.3 Association-Owned Units. In any vote of the Unit Owners, votes allocated to a Unit owned by the Association must be cast in the same proportion as the votes cast on the matter by Unit Owners other than the Association.

Section 1.4 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 their estate, through a parent having custody of the minor.

Section 1.5 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 the 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.

Section 1.6 Votes Pledged to a Mortgagee. 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 the Board has been notified by the Mortgagee that it is enforcing its right to vote pursuant to such pledge, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge; provided, however, that if the Board has received such notices from more than one Mortgagee, the Mortgagee holding the Mortgage with the highest level of priority among the Mortgages held by those Mortgagees shall be entitled to vote.

Section 1.7 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.

Section 1.8 Manner of Voting. When a vote is conducted at a meeting, Owners may vote in person, by absentee ballot pursuant to Section 1.11 of these Bylaws, or by a proxy pursuant to Section 1.12 of these Bylaws. When a vote is conducted without a meeting, Unit Owners may vote by ballot pursuant to Section 1.13 of these Bylaws.

Section 1.9 Voting at a Meeting. Unit Owners or their proxies who are present in person at a meeting of the members may vote by voice vote, show of hands, standing, written ballot, or any other method for determining the votes of Unit Owners, as designated by the person presiding at the meeting. If only one of the Owners of a Unit is present at a meeting, that Owner is entitled to cast all the votes allocated to that Unit.

Section 1.10 Voting by Multiple Owners at a Meeting. If more than one of the Owners of an interest in a Unit are present, the votes allocated to that interest in the Unit may be cast only in accordance with the agreement of a majority in interest of such Owners. There is a majority agreement if any one of such Owners casts the votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by any of such other Unit Owners of the Unit. If there is no majority agreement, the vote of those Owners shall not be counted.

Section 1.11 Voting by Absentee Ballot at a Meeting. Whenever proposals or Board members are to be voted upon at a meeting of the members, an Owner may vote by duly executed absentee ballot if: (i) 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 (ii) a ballot is provided by the Association for such purpose. When an Owner votes by absentee ballot, the Association must be able to verify that the ballot is cast by the Owner having the right to do so. Any absentee ballots shall be sent to all Owners in the same manner as notice of meetings, with a specified deadline for the return of the ballots, which shall be no later than the date of the meeting.

Section 1.12 Voting by Proxy; Pledged Votes to Mortgagee. Votes allocated to a Unit may be cast pursuant to a directed or undirected proxy duly executed by an Owner. If an interest in a Unit is owned by more than one person, each Owner of an interest in that Unit may vote or register a protest to the casting of votes by the other Owners of that interest in a Unit through a duly executed proxy. An Owner may revoke a proxy given pursuant to this Section 1.12 only by actual notice of revocation to the secretary or other person presiding over a meeting of the members or by delivery of a subsequent proxy. The death or disability of a Unit Owner does not revoke a proxy given by the Unit Owner unless the person presiding over the meeting has actual notice of the death or disability. 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.

Section 1.13 Voting Without a Meeting. The Association may conduct a vote without a meeting. In that event, the following requirements apply:

(a) The Association must notify the Unit Owners that the vote will be taken by ballot.

(b) The notice must state: (i) the time and date by which a ballot must be delivered to the Association to be counted, which may not be fewer than 14 days after the date of the notice, and which deadline may be extended in accordance with (g) of this Section 1.13; (ii) the percent of votes necessary to meet the quorum requirements; (iii) the percent of votes necessary to approve each matter other than election of Board members; and (iv) the time, date, and manner by which Unit Owners wishing to deliver information to all Unit Owners regarding the subject of the vote may do so.

(c) The Association must deliver a ballot to every Owner with the notice.

(d) The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.

(e) A ballot cast pursuant to this Section 1.13 may be revoked only by actual notice to the Association of revocation. The death or disability of a Unit Owner does not revoke a ballot unless the Association has actual notice of the death or disability prior to the date set forth in (b)(i) of this Section 1.13.

(f) Approval by ballot pursuant to this Section 1.13 is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

(g) If the Association does not receive a sufficient number of votes to constitute a quorum or to approve the proposal by the date and time established for return of ballots, the Board may extend the deadline for a reasonable period not to exceed 11 months upon further notice to all members in accordance with (b) of this Section 1.13. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked as provided in this Section 1.13.

(h) A ballot or revocation is not effective until received by the Association.

(i) The Association must give notice to Unit Owners of any action taken pursuant to this Section 1.13 within a reasonable time after the action is taken.

(j) When an action is taken pursuant to this Section 1.13, a record of the action, including the ballots or a report of the persons appointed to tabulate such ballots, must be kept with the minutes of meetings of the Association.

Section 1.14 Manner of Acting. Except as otherwise provided by the Act, the Declaration, or these Bylaws, a majority of the votes cast by each class of member determines the outcome of any action of that class of member.

Section 1.15 No Cumulative Voting. No Owner shall be entitled to cumulate votes in any election for directors.

ARTICLE 2 MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the members of the Association shall be held at the Community or a suitable place within the county in which the Community is located, as may be convenient to the membership and designated from time to time by the Board.

Section 2.2 Annual Meeting. A meeting of the members must be held at least once each year. 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 or appoint members to the Board or fill vacancies therein, and transact such other business as shall properly come before the meeting.

Section 2.3 Budget Meeting. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all of the members and set a date for a meeting of the members to consider ratification of the budget.

Section 2.4 Special Meetings. A special meeting of the members may be called by the president, by resolution 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 Voting Interest in the Association. If the Association does not provide notice to Unit Owners of a special meeting within 30 days after the requisite number or percentage of Unit Owners request the secretary to do so, the requesting members may directly provide notice to all the Unit Owners of the meeting. Only matters described in the meeting notice delivered pursuant to Section 2.5 may be considered at a special meeting.

Section 2.5 Notice of Meetings. The Board shall provide notice to Unit Owners of the time, date, and place of each annual, budget and special meeting of members not less than 14 days and not more than 50 days before the meeting date. Notice may be by any means described in RCW 64.90.515 to each Owner, the Declarant pursuant to the Declaration, and to each Eligible Mortgagee, if required by Article 25 of the Declaration. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the text of any proposed amendment to the Declaration or organizational documents of the Association, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer. Before, during, or after any meeting of the members, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the members shall constitute a waiver of timely and adequate notice unless the member expressly challenges the notice when the meeting begins.

Section 2.6 Quorum. A quorum is present throughout any meeting of the members if persons entitled to cast 25% of the votes in the Association are present in person or by proxy at the beginning of the meeting, have voted by absentee ballot, or are present by any combination of the foregoing. If the agenda for the meeting contains any proposal on which a class of members is entitled to vote as a class, a quorum of the class entitled to vote as a class must also be present. If a quorum is present at a meeting, a majority of the members present may adjourn the meeting from day to day or to such time and place as may be decided by the directors and no notice of such adjournment need be given. No business shall be transacted at an adjourned meeting that could not have been transacted at the meeting from which the adjournment was taken.

Section 2.7 Adjournment of Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members present, in person or by proxy, may by majority vote adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 2.8 Order of Business. The order of business at meetings of the members 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 directors (annual meeting or special meeting called for such purpose);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

Owners must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the Community or the Association.

Section 2.9 Parliamentary Authority. In the event of dispute as to parliamentary procedure at a meeting of the members, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

Section 2.10 Action of Members by Communications Equipment. Meetings of the members may be conducted by telephonic, video, or other conferencing process if (i) the meeting notice states the conferencing 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 (ii) the process provides all Unit Owners the opportunity to hear or perceive the discussion and to comment regarding matters affecting the Community and the Association.

Section 2.11 Presumption of Assent. A member of the Association present at a membership meeting at which action is taken on any matter put to a vote of the membership shall be presumed to have

assented to the action taken unless that member's dissent or abstention is entered in the minutes of the meeting, or unless such member files a written dissent or abstention to such action with the person acting as secretary of the meeting before the adjournment thereof, or forwards such dissent or abstention to the secretary of the Association immediately after the adjournment of the meeting. The right to dissent or abstain shall not apply to a member who voted in favor of an action.

Section 2.12 Minutes. Minutes of all membership meetings shall be maintained in a record by the secretary of the Association or by another person designated by the directors. The decision of each matter voted upon at a membership meeting must be recorded in the minutes. Minutes for every meeting shall be approved by the Association before or at the next Association meeting.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 Number. The affairs of the Association shall be initially governed by a Board composed of the directors set forth in the Articles. Prior to the Control Termination Date, the Declarant may appoint and remove the directors pursuant to any Special Declarant Right to appoint and remove directors, subject to the right of the Owners to elect additional director or directors, as described in the Declaration. No later than the Transition Date, the Board shall give notice of a Transition Meeting of the Owners to elect a new Board. At the Transition Meeting, the newly elected and appointed Board shall consist of four directors, one of whom shall be appointed by Parkview, and the remainder of whom shall be elected by vote of the CLT Member Owners, Market Owners (excluding Parkview), and CLT Sponsor Owner. After the Transition Meeting, the Board shall consist of four directors, one of whom shall be appointed by Parkview, and the remainder of whom shall be elected by vote of the CLT Member Owners, Market Owners (excluding Parkview), and CLT Sponsor Owner. The CLT Sponsor Owner 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 (i) the CLT Sponsor Owner 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 and (ii) Parkview remains entitled to appoint a director to the Board.

Section 3.2 Term. The directors shall take office upon adjournment of the meeting at which they are elected or appointed. The directors shall hold office until their respective successors shall be elected and qualified, subject to provisions herein relating to vacancy, removal, and Parkview's right to appoint a director. The normal term of office for directors will be for three years. However, to provide for staggered terms, at the first election, one-third of the number of directors (or the whole number nearest to one-third) shall be elected for one year, the same number shall be elected for two years, and the remainder shall be elected for three years.

Section 3.3 Qualifications. A majority of the directors must be Unit Owners in the Community. A director identified in the Articles or appointed by the Declarant pursuant to any Special Declarant Right to appoint directors or officers need not be a member of the Association. In determining the qualifications of a director or officer, the term "Unit Owner" shall include any director, officer, member, partner, or trustee of any corporation, limited liability company, partnership, trust, or other person who is, either alone or in conjunction with another person, a Unit Owner. Any such person shall be disqualified from continuing in office if the person ceases to have such affiliation with the Unit Owner or is otherwise disqualified from continuing in such office as a natural person.

Section 3.4 Vacancies. An vacancy occurring in the board of directors or any directorship to be filled by reason of an increase in the number of directors shall be filled by vote of the class of members entitled to elect that position. Each person so selected shall be a director for the unexpired portion of the term or, if earlier, until the next regularly scheduled election of directors.

Section 3.5 Removal of Directors and Officers by Owners. Owners present in person, by proxy, or by absentee ballot at any meeting of the members at which a quorum is present may remove any Board member and any officer elected by the Unit Owners, with or without cause, if the number of votes in favor of removal cast by those Unit Owners entitled to vote for election of the Board member or officer proposed

to be removed is at least the lesser of: (i) a majority of the votes in the Association held by such class of Unit Owners, or (ii) two-thirds of the votes cast by such class of Unit Owners at the meeting. Notwithstanding the foregoing, (x) a Board member appointed by the declarant may not be removed by a Unit Owner vote during any period of declarant control, (y) a Board member appointed under RCW 64.90.420(3) may be removed only by the person who appointed that member; and (z) the Unit Owners may not consider whether to remove a Board member or officer at a meeting of the Unit Owners unless that subject was listed in the notice of the meeting. At any meeting at which a vote to remove a Board member or officer is to be taken, the Board member or officer being considered for removal must have a reasonable opportunity to speak before the vote. At any meeting at which a Board member or officer is removed, the Unit Owners entitled to vote for the Board member or officer may immediately elect a successor Board member or officer consistent with this chapter.

Section 3.6 Removal of Directors and Officers by the Board. The Board may, without an Owner vote, remove from the Board a director or officer elected by the Owners if (i) the Board member or officer is delinquent in the payment of Assessments more than 60 days, and (ii) the Board member or officer has not cured the delinquency within 30 days after receiving notice of the Board's intent to remove the Board member or officer. The Board may remove an officer elected by the Board at any time, with or without cause. At any meeting at which a vote to remove a Board member or officer is to be taken, the Board member or officer being considered for removal must have a reasonable opportunity to speak before the vote. The removal must be recorded in the minutes of the next Board meeting.

Section 3.7 Compensation. A director who is an Owner shall not be entitled to compensation for service as a director. If the members determine that it is in their best interest to elect a director who is not an Owner, the directors who are Owners may establish reasonable compensation to the non-Owner director, obtain directors' and officers' insurance coverage, and take other actions to attract and retain competent outside directors.

Section 3.8 Organization Meeting. The first meeting of the initial Board shall be held on a date and at a place to be fixed by the president, and no notice shall be necessary to the newly elected directors in order to legally call the meeting.

Section 3.9 Board Meetings During Declarant Control. During the period of declarant control, the Board must meet at least four times a year. At least one of those meetings must be held at the Community or at a place convenient to the Community.

Section 3.10 Board Meetings After Declarant Control. After the transition meeting, all Board meetings must be at the Community or at a place convenient to the Community unless the Unit Owners amend these bylaws to vary the location of those meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year.

Section 3.11 Notice of Board Meetings. Unless the meeting is included in a schedule given to the Unit Owners or the meeting is called to deal with an emergency, the secretary must provide notice of each Board meeting to each Board member and to the Owners. The notice must be given at least 14 days before the meeting and must state the time, date, place, and agenda of the meeting.

Section 3.12 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 the director 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.

Section 3.13 Quorum and Voting. A quorum of the Board is present for purposes of determining the validity of any action taken at a meeting of the Board only if individuals entitled to cast a majority of the votes on that board are present at the time a vote regarding that action is taken. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from

time to time. At the adjourned meeting, provided a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice. The directors present at a duly convened meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum; provided however, that any act of the Board shall require a quorum and the votes described in this Section 3.13. Abstention from voting on a motion by a director present at a meeting at which there is a quorum shall be counted as a vote against the motion

Section 3.14 Manner of Acting. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Board members present is the act of the Board.

Section 3.15 Voting by Proxy or Ballot. A Board member may not vote by proxy or absentee ballot.

Section 3.16 Presumption of Assent. A Board member who is present at a Board meeting at which any action is taken is presumed to have assented to the action taken unless the Board member's dissent or abstention to such action is lodged with the person acting as the secretary of the meeting before adjournment of the meeting or provided in a record to the secretary of the Association immediately after adjournment of the meeting. The right to dissent or abstain does not apply to a Board member who voted in favor of such action at the meeting.

Section 3.17 Board Packets. If any materials are distributed to the Board before the meeting, the Board must make copies of those materials reasonably available to the Owners, except that the Board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

Section 3.18 Open Meetings. Meetings must be open to the Unit Owners and their voting representatives except during executive sessions, but the Board may expel or prohibit attendance by any person who, after warning by the chair of the meeting, disrupts the meeting. At each Board meeting, the Board must provide a reasonable opportunity for Owners to comment regarding matters affecting the Community and the Association. A gathering of members of the Board or committees at which the Board or committee members do not conduct Association business is not a meeting of the Board or committee. Board members and committee members may not use incidental or social gatherings to evade the open meeting requirements of this Section 3.18.

Section 3.19 Executive Sessions. The Board may hold an executive session only during a regular or special meeting of the Board. A final vote or action may not be taken during an executive session. An executive session may be held only to: (i) consult with the Association's attorney concerning legal matters; (ii) discuss existing or potential litigation or mediation, arbitration, or administrative proceedings; (iii) discuss labor or personnel matters; (iv) discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or (v) prevent public knowledge of the matter to be discussed if the Board or committee determines that public knowledge would violate the privacy of any person.

Section 3.20 Participation by Communications Equipment. Fewer than all Board members may participate in a regular or special meeting of the Board by, or conduct a meeting through, the use of any means of communication by which all Board members participating can hear each other during the meeting. A Board member participating in a meeting by these means is deemed to be present in person at the meeting.

Section 3.21 Meetings by Communications Equipment. All members of the Board may meet by telephonic, video, or other conferencing process if: (i) the meeting notice states the conferencing process to be used and provides information explaining how Owners may participate in the conference directly or by meeting at a central location or conference connection; and (ii) the process provides all Owners the opportunity to hear or perceive the discussion and to comment as provided in Section 3.20.

Section 3.22 Board Action by Written Consent. Instead of meeting, the Board may act by unanimous consent as documented in a record by all its members. Actions taken by unanimous consent must be kept as a record of the Association with the meeting minutes. After the transition meeting, 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. Such written consent may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

Section 3.23 Minutes. Minutes of all Board meetings shall be maintained in a record by the secretary of the Association or by another person designated by the directors. The decision of each matter voted upon at a membership meeting must be recorded in the minutes. Minutes for every meeting shall be approved by the Association before or at the next Association meeting.

Section 3.24 Duties of Directors. In the performance of their duties, the officers and directors are (i) required to exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized under RCW ch. 24.03A, and (ii) subject to the conflict of interest rules governing directors and officers, under RCW ch. 24.03A. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Association whom the director believes to be reliable and competent in the matter presented;

(b) Counsel, public accountants, or other persons as to matters that the director believes to be within such person's professional or expert competence; or

(c) A committee of the Board upon which the director does not serve, duly designated in accordance with a provision in the Articles or Bylaws as to matters within its designated authority, which committee the director believes to merit confidence;

as long as, in any such case, the director acts in good faith, after reasonable inquiry, when the need thereof is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

ARTICLE 4 OFFICERS

Section 4.1 Designation. The principal officers of the Association shall initially be a 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. If there are more than three directors, the directors may also elect a vice president. 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.

Section 4.2 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.

Section 4.3 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.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and the Board and shall have all powers and duties usually vested in the office of the president.

Section 4.5 Vice President. The vice president, if any, shall perform the duties of the president when the president is absent or unable to act, and shall perform such other duties as may be prescribed by the Board.

Section 4.6 Secretary. The secretary shall keep the minutes of all meetings of the Board and of the Association and shall have custody of the business records of the Board and the Association, other than financial records kept by the treasurer. The secretary shall also perform such other duties as may be prescribed by the Board.

Section 4.7 Treasurer. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.

Section 4.8 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.

Section 4.9 Compensation. The Board may pay reasonable compensation to any officer or Owner who performs substantial services for the Association 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.

Section 4.10 Vacancies. Vacancies in any office arising from any cause may be filled by the Board at any regular or special meeting of the Board.

ARTICLE 5 COMMITTEES

Section 5.1 Committees of Directors. The Board may appoint one or more committees that consist of one or more directors. Any committee 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 shall be advisory only. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the Association and the Community.

Section 5.2 Limitation on Committees. No committee shall have the authority to: amend the organizational documents of the Association; recommend the sale, lease, or transfer of substantially all the assets of the Association; recommend a voluntary dissolution of the Association; declare distributions; make Assessments; approve a plan of merger, consolidation, or exchange; or take any action prohibited under the Nonprofit Act, the Act, the Declaration, or the Articles, or otherwise reserved to the full Board of Directors or to the members of the Association.

ARTICLE 6 HANDLING OF FUNDS

Section 6.1 Accounts. The Association shall establish such accounts as the directors deem necessary to properly administer the Association and operate and maintain the Community. The treasurer shall be responsible for supervising the funds of the Association. Once the Association begins making Assessments, it shall keep at least two separate funds as described in this Article 6.

Section 6.2 Working Capital Account. The Association shall establish and keep a separate checking account to be known as the "Working Capital Account." This account will be used for the normal administration of the Association and operation and maintenance of the Community and will receive all monthly Assessments, first purchasers' initial working capital contributions to the Association, and other monies received by the Association. Checks shall be issued from this account for all management and

operation expenditures necessary for the Community and maintenance expenses that do not require resorting to reserve funds. Reserve funds for the Replacement Reserve Account and any other reserve account that may be established will normally be deposited in the Working Capital Account and checks immediately issued to the other account so an overall account of the funds received and disbursed by the Association is centralized in the ledger of the Working Capital Account.

Section 6.3 Replacement Reserve Account. If the Association collects Assessments for replacement reserves, it shall maintain a separate account or fund that shall be known as the "Replacement Reserve Account." The treasurer shall deposit to this account all funds received for the future periodic maintenance, repair, and replacement of the Common Elements. The monies in this account may not be commingled with any other funds of the Association and may only be used for the purposes and in the manner set forth in the Declaration.

Section 6.4 Deposit or Investment of Funds. The funds of the Association may not be commingled with the funds of any other association or with the funds of any managing agent 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. Withdrawals of funds from the Replacement Reserve Account shall require the signature of at least two persons who are officers or directors of the Association.

ARTICLE 7 ADMINISTRATIVE AND FINANCIAL PROVISIONS

Section 7.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 7.2 Contracts. The Board, except as otherwise provided in the Bylaws, may by resolution authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have power or authority to bind the Association in any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount.

Section 7.3 Checks, Drafts, Etc. Except as otherwise specifically determined by resolution of the Board, or as otherwise required by the laws of the State of Washington, checks, drafts, promissory notes, orders for the payment of money, or other evidence of indebtedness of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as is from time to time determined by resolution of the Board.

Section 7.4 Books and Records. The Association shall keep at its registered office, its principal office in Washington, or at its secretary's office in Washington, the following:

- (a) The Association's current Articles and any amendments thereto;
- (b) The Association's current Bylaws and any amendments thereto;
- (c) The Association's records of accounts and finances;
- (d) The name and addresses of the Association's current officers and directors; and
- (e) The minutes of the proceedings of the Board, and any minutes that may be maintained by committees of the Board.

Records may be written or electronic if capable of being converted to writing.

Section 7.5 Copies of Resolutions. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board when certified by the president or secretary.

Section 7.6 A Director's Inspection Rights. Every director shall have the right at any reasonable time to inspect and copy all books, records, and documents of any kind and inspect the physical properties of the Association and shall have such other rights to inspect the books, records, and properties of the

Association as may be required under any of the Governing Documents or by the provisions of the laws of the State of Washington.

Section 7.7 Right to Copy and Make Extracts. Any inspection under the provisions of this Article 7 may be made in person or by an agent or attorney of that person, and the right to make such inspection shall include the right to make copies and to make extracts at the sole expense of the party conducting the inspection.

ARTICLE 8 AMENDMENTS


These Bylaws may only be amended as set forth in Article 25 of the Declaration.

CERTIFICATE OF ADOPTION

The undersigned directors of The Southard Homeowners Association certifies that the foregoing Bylaws were adopted on the 16th day of February, 2024, and are effective as of that date.

DATED this 16th day of February, 2024.


Name: Kathleen Hosfeld
Title: Director


Name: Eric Pravitz
Title: Director

**EXHIBIT E
TO
PUBLIC OFFERING STATEMENT**

ASSOCIATION BUDGET

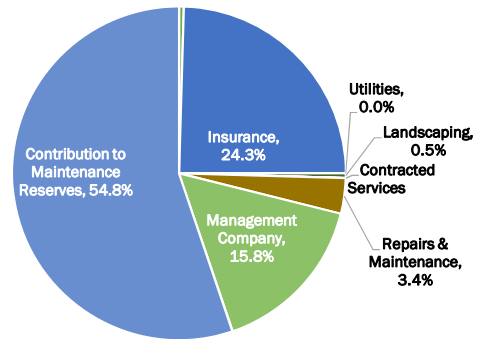
SEE ATTACHED.

Budget Summary Report

The Southard HOA
Operating Budget

	First 12 Months	Second 12 Months
INCOME		
Assessment Income		
Contributions at Sale	10,717	
Assessments (Dues)	50,220	65,280
Total Assessment Income	60,937	65,280
Other Income		
Miscellaneous Income (Trash)	0	0
Total Other Income	0	0
EXPENSE		
Administrative		
General Administrative	300	600
Total Administrative	300	600
Insurance		
Insurance Premiums	9,000	9,400
Total Insurance	9,000	9,400
Utilities		
Electric Service (No Common)		
Trash and Recycling (No Common)	0	0
Water Service (No common)		
Total Utilities	0	0
Landscaping		
Landscaping Repair and Maintenance	500	500
Landscape Other		
Total Landscaping	500	500
Contracted Services		
Fire Prevention and Protection	1,000	1,000
Total Contracted Services	1,000	1,000
Repair and Maintenance		
General Repair & Maintenance	2,000	2,000
Gutter Repair & Maintenance	2,000	2,000
Dryer Vent Cleaning	0	650
Total Repair and Maintenance	4,000	4,650
Professional Services		
Audit and Tax Services	500	500
Legal Services	252	252
Management Fees	9,000	9,000
Total Professional Services	9,752	9,752
Other Expenses		
Contingency	5,000	5,000
EV Charging Station Software	280	280
Reserve Contribution Expense	33,120	33,120
Total Other Expense	38,400	38,400
TOTAL INCOME	60,937	65,280
TOTAL EXPENSE	62,952	64,302

What Does Pay For



This budget translates to HOA Dues of \$300 per month.

Total expense divided by 18 homes divided by 12 months.

Trash, Recycling, Sewer Capacity and Utilities are NOT Included In the HOA dues.

Water and sewer are paid through individual accounts.

**EXHIBIT F
TO
PUBLIC OFFERING STATEMENT**

RESERVE STUDY

SEE ATTACHED.



PROFESSIONAL RESERVE STUDY



The Southard

13801 to 13849 - 32nd Lane South, Tukwila, WA 98168

For:

Homestead Community Land Trust
c/o Eric Pravitz
412 Maynard Ave S, Suite 201
Seattle, WA 98104
(206) 660-7030

Prepared By:

Jeff Samdal, PE, RS, PRA
jeff@samdalassoc.com
(206) 412-4305

Date Prepared:

September 29, 2023

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1.0 EXECUTIVE SUMMARY

1.1 DISCLOSURES REQUIRED BY STATE OF WA RCW 64.90.550

The undersigned makes the following disclosures required by RCW 64.90.550 to establish that this Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act, Chapter 64.90 RCW:

- a. This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
- b. This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
- c. This reserve study should be reviewed carefully. It may not include all common and limited common element 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. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.

1.2 GENERAL DESCRIPTION OF PROPERTY

The subject property is located just west of Military Road South in Tukwila. There will be 11 one-and two-story buildings containing 18 residential townhomes. These buildings are currently under construction. The property will consist of asphalt, concrete, lawn, fencing, and basic landscaping outside of the buildings themselves. Adjacent to the property there are other residential properties.

The majority of the roofs of these buildings will be pitched and will be surfaced with asphalt-composition roof surfacing with solar panels above them. The exteriors of these buildings will be clad with fiber-cement lap siding and fiber-cement panel siding. The windows of these buildings will be vinyl-frame windows.

Like all properties, this property will require capital maintenance. We have itemized areas of capital maintenance that we anticipate over the next thirty (30) years along with estimated costs and estimated schedule of repair/replacement.

1.3 IMMEDIATE NECESSARY CAPITAL EXPENDITURES

Table 1.3 below shows the items that are in need of action immediately or within the near future. This is a summary; all tasks are explained in greater detail in Section 3.0 Physical Analysis.

Table 1.3: Summary of Immediate Necessary Capital Expenditures

Component	Cost	Urgency	Section
<i>No immediate necessary capital expenditures</i>			

1.4 CURRENT STATUS OF CAPITAL RESERVE FUND

Table 1.4 below shows the current status of the Capital Reserve Fund and how it relates to Full Funding. The current Reserve Fund data was provided to us by Eric Pravitz.

Table 1.4: Current Status of the Reserve Fund

Current Reserve Balance	\$0 assumed on January 1, 2023
Current Annual Reserve Fund Contribution	TBD
Average Per Unit Per Month	TBD
Planned Special Assessment(s)	N/A
Balance Required for Full Funding	\$0
Current Percentage of Full Funding	N/A

1.5 RECOMMENDATIONS AND ASSUMPTIONS FOR FUTURE RESERVE CONTRIBUTIONS

The following table is a summary of our assumptions and several options that we have provided for funding contributions to the Reserve Fund. This is only a summary table; for a detailed view of our recommended funding plans, please see section 4 of this report.

Table 1.5: Recommendations and Assumptions for Future Reserve Contributions

Assumed Average Future Inflation Rate over 30 Years	3%
Assumed Average Future Interest Rate over 30 Years	3%
Option 1 –Full Funding	
Annual Reserve Fund Contribution Required for the Reserve Fund to remain Fully Funded	\$39,796
Average Contribution per Unit per Month	\$184.24

2.0 RESERVE STUDY BACKGROUND

2.1 PURPOSE OF THIS LEVEL 1 RESERVE STUDY

The primary purpose of this Level 1 Reserve Study is to provide the Association with a planning and budgeting tool to adequately maintain the property 30 years into the future without unexpected special assessments. This study is intended to provide the Association with an understanding of their property and to bring to light necessary immediate expenditures and reasonably anticipated future capital expenses that should be addressed.

Associations have a responsibility to their members to adequately maintain their properties and our Reserve Studies provide our clients with the tools to implement capital maintenance. When small issues and maintenance items are addressed prior to becoming larger problems, there is typically a significant overall savings for a property owner. Properly maintained properties maintain higher property values than those with an abundance of deferred maintenance.

An additional benefit of this Reserve Study is that it is one of the qualifications required for Associations to obtain FHA approval (which is very helpful in selling or refinancing individual units). Many other sources of funding are also beginning to require them as well.

2.2 WASHINGTON STATE RCW 64.90.550

As of July 1, 2018, WA State RCW 64.90.550 defined a Reserve Study in WA State as the following:

- (1) Any reserve study is supplemental to the association's operating and maintenance budget.
- (2) A reserve study must include:
 - (a) A reserve component list, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component. If one of these reserve components is not included in the reserve study, the study must explain the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component;
 - (b) The date of the study and a disclosure as to whether the study meets the requirements of this section;
 - (c) The following level of reserve study performed:
 - (i) Level I: Full reserve study funding analysis and plan;
 - (ii) Level II: Update with visual site inspection; or
 - (iii) Level III: Update with no visual site inspection;
 - (d) The association's reserve account balance;
 - (e) The percentage of the fully funded balance to which the reserve account is funded;
 - (f) Special assessments already implemented or planned;
 - (g) Interest and inflation assumptions;
 - (h) Current reserve account contribution rates for a full funding plan and a baseline funding plan;
 - (i) A recommended reserve account contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a recommended reserve account contribution rate for a baseline funding plan to maintain the reserve account balance above zero throughout the thirty-year study period without special assessments, and a reserve account contribution rate recommended by the reserve study professional;
 - (j) A projected reserve account balance for thirty years based on each funding plan presented in the reserve study;

This reserve study meets the qualifications of WA State RCW 64.90.550

(k) A disclosure on whether the reserve study was prepared with the assistance of a reserve study professional, and whether the reserve study professional was independent; and

(l) A statement of the amount of any current deficit or surplus in reserve funding expressed on a dollars per unit basis. The amount is calculated by subtracting the association's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the association allocable to each unit; except that if the fraction or percentage of the common expenses of the association allocable vary by unit, the association must calculate any current deficit or surplus in a manner that reflects the variation.

(3) A reserve study must also include the following disclosure:

"This reserve study should be reviewed carefully. It may not include all common and limited common element 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. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement."

2.3 SCOPE AND METHODOLOGY

This Level 1 Reserve Study has been prepared based on Community Associations Institute (CAI) standards and our proposal to the Association dated August 23, 2023, which was based on our correspondence with Eric Pravitz.

Information Gathering

Our initial task was to gather information regarding the property such as financials, drawings, maintenance records, and historical background. This Reserve Study is a reflection of the information provided to us.

Physical Analysis

These buildings have not been constructed yet. Therefore, there was no physical analysis at this building.

Component Analysis

The component analysis included the following tasks:

1. Identification of Anticipated Capital Expenses: We consider anticipated capital expenses to be major expenses that can be reasonably predicted. Anticipated capital expenses are not considered routine maintenance such as routine landscaping or touch-up paint; routine maintenance should be taken care of through an operating budget. Nor do we consider anticipated capital needs to be expenditures that result from an accident or an unpredictable event, such as flood damage or earthquake damage; these items should be paid for by insurance.

The general criteria that we used to define an anticipated capital expense that warranted inclusion on our Itemized capital expenses is the following:

- The component must be a common component that is the responsibility of the Association.
- Repair or replacement of the component is significant and not budgeted for in the operating budget.
- The component repair or replacement occurs within the period of this study.

2. Estimated Replacement Schedule: Our opinions of the various life expectancy estimates that we prepared are based on a combination of the following:

- National Association of Home Builders (NAHB) averages
- Building Owners and Managers (BOMA) averages
- Product vendors and suppliers
- Our company database

3. Estimated Replacement Cost: Our opinions of the various costs for repair or replacement are based on a combination of the following:

- R.S. Means
- Product vendors and suppliers
- Our company database

4. Financial Analysis: We performed an analysis on the financial needs and current status at the property. The financial analysis provides the following:

- Forecasts the anticipated Capital Reserves necessary at the property over the next 30 years.
- Projects future Capital Reserve balances and determines the appropriate funding levels necessary.
- Reviews the current funding plan and current financial position.
- Provides our recommended annual contribution to the Reserve Fund to maintain Full Funding.

2.4 SOURCES OF INFORMATION

The following people provided us information for this study:

- Eric Pravitz, Director of Real Estate Development, Homestead Community Land Trust

The following documents were viewed as part of this study:

- Architectural Drawings, by Sage Architectural Alliance, dated January 27, 2021

The physical inspection of the property occurred on the following date:

- *No inspection was part of this scope of work, as this development is under construction*

2.5 DEFINITIONS

Assumed Inflation - Our assumed inflation rate is our best guess of the long term average of the inflation rate over the next thirty years; it is not based on the current Consumer Price Index (CPI). Our number is much closer to the historical average of the CPI over the previous 25 years.

Capital Reserves Balance - Actual or projected funds as of a particular point in time that the Association has identified for use to defray the future repair or replacement of those major components which the Association is obligated to maintain. Also known as reserves, reserve accounts, cash reserves.

Component - An individual line item in the Reserve Study developed or updated in the physical analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited useful life expectancies, 3) predictable remaining useful life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

Component Inventory - The task of selecting and quantifying reserve components. This task is accomplished through onsite visual observations, review of Association design and organizational documents, and a review of established Association precedents.

Deficit - An actual (or projected) reserve balance less than the fully funded balance. The opposite would be a surplus.

Effective Age - The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computation.

Financial Analysis - The portion of a Reserve Study where current status of the reserves measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived. The financial analysis is one of the two parts of a Reserve Study.

Fully Funded - 100% funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

Fully Funded Balance (FFB) - Total accrued depreciation. An indicator against which actual (or projected) reserve balance can be compared. In essence, it is the reserve balance that is proportional to the current Repair/replacement cost and the fraction of life "used up". This number is calculated for each component, then summed together for an Association total.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

Special Assessment - An assessment levied on the members of an Association in addition to regular assessments. Special assessments are often regulated by governing documents or local statutes.

2.6 FREQUENTLY ASKED QUESTIONS ABOUT RESERVE STUDIES

Reserve studies are comprehensive reports that are used as budget planning tools that will assess the current financial health of the reserve fund as well as create a plan for future funding to offset anticipated major future common area expenditures.

According to *Community Association Institute's Best Practices, Reserve Studies/Management*: "There are two components of a reserve study—a physical analysis and a financial analysis. During the physical analysis, a reserve provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates. A financial analysis assesses only the association's reserve balance or fund status (measured in cash or as percent funded) to determine a recommendation for an appropriate reserve contribution rate (funding plan)."

What are the different types of reserve studies?

Reserve studies fit into one of three categories: Full; Update with Site Visit; and Update with No Site Visit. They are frequently called Level 1, Level 2, and Level 3 respectively (as defined by Washington State RCW 64.90.550).

Level 1: A full reserve study – the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a fund status and a funding plan. They typically extend 30-years. A full reserve study must be in place before a Level 2 or Level 3 can take place.

Level 2: An update with site visit (on-site review) -- the reserve study provider conducts a component inventory (verification only, not quantification), a condition assessment (based on on-site visual observations), and life and valuation estimates to determine both a fund status and a funding plan. A Level 2 update is performed every third year, with the first one scheduled 3 years after the Level 1 was completed.

Level 3: An update with no site visit (off-site review) -- the reserve study provider conducts life and valuation estimates to determine a fund status and a funding plan. A Level 3 update is performed annually, except in years when a Level 1 or Level 2 has been conducted.

When should associations obtain reserve studies?

Most association experts would agree that an initial full 30-year reserve study should be conducted sooner rather than later if one is not already in place. They are typically updated annually after that to account for things such as inflation and any adjustments in funding levels, budgets, repairs or replacements.

If you follow Washington State RCW 64.90.555 (which we recommend), your reserve study schedule would look like this:

- Year 1: Level 1 full 30-year study
- Years 2, 3: Level 3 annual updates
- Year 4: Level 2 update with site visit
- Years 5, 6: Level 3 annual updates
- Year 7: Level 2 update with site visit

The cycle of Level 2 and Level 3 updates continues indefinitely. A Level 1 full study is not necessary after year 1.

What are the benefits of a Reserve Study?

Benefits of reserve studies, in short, include improved property maintenance (and therefore value) as well as complying with the law. In more detail:

Complying with Washington State law

View the rules regarding Reserve Studies and Reserve Accounts here:

<http://app.leg.wa.gov/RCW/default.aspx?cite=64.90> - Sections 535, 540, 545, 550, 555, and 560

Fulfilling lender requirements (such as FHA)

Many lenders are requiring up-to-date reserve studies that indicate adequate financial health before they lend. Having a reserve study in place that shows a healthy funding plan before a homeowner finds a buyer could save significant time in the closing process.

Help maintain the property's value and appearance

A reserve study helps maintain the property's value and the property owner's investment. By identifying and budgeting for future repairs or replacement (anticipated capital expenditures), the property's common elements continue to look attractive and well-kept, adding to the community's overall quality of life. Many features, when properly maintained, can also benefit from an extended lifespan resulting in overall cost savings to the owners. Well maintained properties almost always have higher resale values than those that have been neglected.

Establishing sound financial planning and budget direction

A comprehensive reserve study lays out a schedule of anticipated major repairs or replacements to common property elements and applies cost estimates to them. It typically spans a 30-year period, and will serve as a financial planning tool for the association to use when determining homeowners dues and contributions to the reserve fund.

Reducing the need for special assessments

An association that has properly implemented their reserve study will strategically collect fees over time from homeowners (via monthly dues) rather than need large sums of cash unexpectedly (special assessments). Therefore, the need for special assessments should be minimized because expenses have already been planned for and the funds exist when needed.

Fulfilling the board of directors' fiduciary responsibility

Board members of community associations have a fiduciary responsibility to their members. Directors are legally bound to use sound business judgment in guiding the association and cannot ignore major capital expenditures or eliminate them from the budget.

3.0 PHYSICAL ANALYSIS

3.1 COMPONENT ASSESSMENT AND VALUATION

The component assessment and valuation of the itemized capital expenses on this property was done by providing our opinion of Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. Table 3.1A lists this component inventory, and is based on the information that we were provided and on onsite visual observations.

The remainder of “Section 3.0 Physical Analysis” details each of the items in Table 3.1A using narratives and photos. They are meant to be read together.

Table 3.1B is a summary of expenses, grouped according to their expense category. Chart 3.1B is a pie chart illustrating the same.

Table 3.1A Key:

Quantity - The total quantity of each component.

Units - SF = Square Feet SY = Square Yards LF = Lineal Feet
EA = Each LS = Lump Sum SQ = Roofing Square (10 ft X 10 ft)

Cost/Unit - The cost of a component. The unit cost is multiplied by the component’s quantity to obtain the total estimated replacement cost for the component.

Remaining Life – An opinion of the probable remaining life, in years, which a reserve component can be expected to continue to serve its intended function. Replacements anticipated to occur in the initial or base year have “zero” Remaining Life.

Useful Life - Total Useful Life or Depreciable Life. An opinion of the total probable life, in years, that a reserve component can be expected to serve its intended function in its present condition.

Table 3.1A: Component Assessment and Valuation

Note: All numbers provided are the engineer's opinion of probable life and cost in 2023 dollars. Exact numbers may vary.

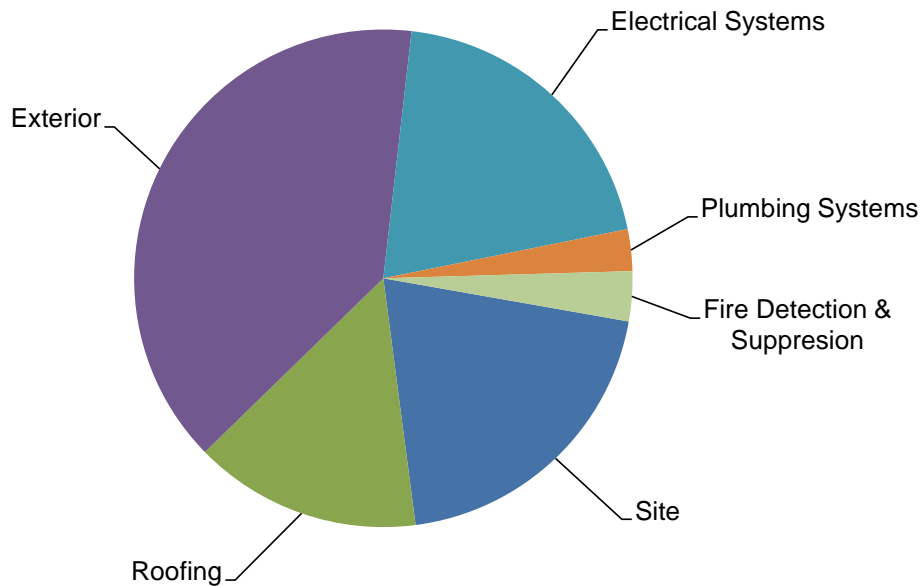
Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost	Cost per Unit	Avg. Cost per Unit per Year
3.2 SITE								
Asphalt overlay	12,400	SF	\$3.95	30	30	\$48,980	\$2,721	\$90.70
Asphalt repairs prior to resealing and overlay	620	SF	\$9.50	5	5	\$5,890	\$327	\$65.44
Asphalt seal coating and restriping	12,400	SF	\$0.38	5	5	\$4,712	\$262	\$52.36
Landscaping and irrigation allotment	1	LS	\$8,000	4	4	\$8,000	\$444	\$111.11
Concrete flatwork allotment	1	LS	\$4,000	10	10	\$4,000	\$222	\$22.22
Clean out the detention vault and all storm drains	1	LS	\$7,000	5	5	\$7,000	\$389	\$77.78
3.3 STRUCTURE								
<i>No structural expenditures budgeted</i>								
3.4 ROOFING								
Resurface roofs	196	SQ	\$575	30	30	\$112,700	\$6,261	\$208.70
Replace gutters and downspouts	1,300	LF	\$9.95	30	30	\$12,935	\$719	\$23.95
3.5 EXTERIOR								
Paint exterior fiber-cement siding and re-caulk all failing caulking joints	24,300	SF	\$4.15	10	10	\$100,845	\$5,603	\$560.25
Spot siding and trim repairs prior to each painting cycle	11	BLDGS	\$4,000	10	10	\$44,000	\$2,444	\$244.44
<i>Replacement of all exterior siding is assumed to be well beyond the 30-year duration of this study</i>								
<i>Window and door replacement is assumed to be well beyond the 30-year duration of this study</i>								
3.6 ELECTRICAL SYSTEMS								
Replace the solar panels and all corresponding solar equipment	1	LS	\$200,000	20	20	\$200,000	\$11,111	\$555.56
Replace exterior light fixtures	54	EA	\$250	20	20	\$13,500	\$750	\$37.50
Miscellaneous electrical system expenditures	18	UNIT	\$150	5	5	\$2,700	\$150	\$30.00
3.7 PLUMBING SYSTEMS								
Miscellaneous plumbing system expenditures	18	UNIT	\$300	5	5	\$5,400	\$300	\$60.00

Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost	Cost per Unit	Avg. Cost per Unit per Year
3.8 HVAC SYSTEMS								
<i>Individual homeowners are responsible for their own heating and cooling units</i>								
3.9 ELEVATORS								
<i>There will not be any elevators on this property</i>								
3.10 FIRE DETECTION & SUPPRESSION								
Replace the fire alarm control panels	11	EA	\$2,900	25	25	\$31,900	\$1,772	\$70.89
3.11 COMMON INTERIOR FINISHES								
<i>There are no common interior areas on this property</i>								
3.12 MISCELLANEOUS MECHANICAL								
<i>There are no miscellaneous mechanical items that are not addressed in other areas of this report</i>								
3.13 AMENITIES								
<i>There are no amenities on this property that we are aware of</i>								
Average Cost Per Unit Per Year								\$2,210.91

Table 3.1B: Table of Categorized Expenses over the Duration of the Study

Category	Total Expenditure over 30 Years	Percentage
Site	\$416,448	20.2%
Structure	\$0	0.0%
Roofing	\$304,949	14.8%
Exterior	\$807,843	39.1%
Electrical Systems	\$413,653	20.0%
Plumbing Systems	\$56,097	2.7%
HVAC Systems	\$0	0.0%
Elevators	\$0	0.0%
Fire Detection & Suppresion	\$66,792	3.2%
Common Interior Finishes	\$0	0.0%
Miscellaneous Mechanical	\$0	0.0%
Amenities	\$0	0.0%
TOTAL	\$2,065,781	

Figure 3.1B: Pie Chart of Categorized Expenses over the Duration of the Study



3.2 SITE

The address of this property is 13801 to 13849 - 32nd Lane South, Tukwila, WA 98168.

General Description of Site

The subject property is located just west of Military Road South in Tukwila. There will be 11 one-and two-story buildings containing 18 residential townhomes. These buildings are currently under construction. The property will consist of asphalt, concrete, lawn, fencing, and basic landscaping outside of the buildings themselves. Adjacent to the property there are other residential properties.

Asphalt

There will be an asphalt parking lot on this property with 74 parking spaces, of which 2 parking spaces of which are ADA parking spaces (1 van accessible) and 23 are compact parking spaces.

The future condominium association will be responsible for the maintenance of the asphalt parking lot on this property. Along with a complete overlay of this asphalt well into the future, we have also budgeted for periodic patching and other repairs, as necessary.

In addition to asphalt repairs, the asphalt should be emulsion seal coated every 5 years following any repairs that are necessary. Following emulsion seal coating, the asphalt and curbing should be painted with any appropriate fire lane markings that are recommended.

Landscaping, Irrigation, and Feature Lighting

Generally, landscaping and irrigation systems are maintained via the operating budget. However, we have included a small landscaping and irrigation allotment to cover expenses such as the replacement of dead trees and large scale repairs to the irrigation system.

Concrete Flatwork and Concrete Curbing

There will be concrete flatwork and concrete pavers on this property. We have scheduled a small periodic allotment for repair of this concrete flatwork and concrete curbing as there is inevitably settlement and other damage that occurs over time. We do not know how much repair will be necessary; ultimately, historical costs will set the budget for concrete flatwork repair.

Storm Drainage

There is a detention vault on this property. We have budgeted for clean-out of the detention vault and all storm drains with a vacuum truck every 5 years.

3.3 STRUCTURE

There are no anticipated capital expenditures associated with the structures of these buildings during the next 30 years. The buildings all have concrete foundations, and the superstructures are wood.

3.4 ROOFING

The majority of the roofs of these buildings will be pitched and will be surfaced with asphalt-composition roof surfacing with solar panels above them. We have assumed that these roofs will have a total lifespan of 30 years.

Additionally, we have budgeted for replacement of the gutters and downspouts every 30 years.

3.5 EXTERIOR

The exteriors of these buildings are clad with fiber-cement lap siding and fiber-cement panel siding. The windows of these buildings are vinyl-frame windows.

The exterior cladding and all fenestrations (windows, doors, other openings) of these buildings should have a lifespan well beyond the duration of this study as long as the building is maintained adequately. Below are our estimates for proper maintenance of the exterior of this building. We have scheduled all of this routine maintenance to occur every 10 years to allow one company to mobilize, which will limit the cost. We expect that minor repairs will be paid for via the operating budget.

Fiber-Cement Siding

Every ten years, the fiber-cement siding should be cleaned and painted with a high-quality paint that carries a 10-year warranty. It is important, and more cost effective, to make small corrections and recoat the building before moisture penetration creates larger more expensive problems.

Caulking

Every 10 years, we believe that the caulking at all transitions should be inspected and re-caulked (as necessary). Failed caulking should be removed and new backer rod and quality urethane caulking should be installed.

Windows and Pedestrian Entrance Doors

The doors and the windows on this building should have a lifespan of approximately 50 years or more, which is well beyond the 30-year duration of this study. Therefore, we have not budgeted for door and window replacement. If the Association would like to upgrade the doors and windows at some point in the future, then this should be done as a special assessment. Any door and window replacement that occurs will require significant siding replacement as well. This has not been budgeted for.

Front Doors

The front doors on this property should have a long life of 50 years or more. We have budgeted for replacement of these doors on these schedules; however, in reality, the doors should only be replaced as necessary and this schedule will vary up or down.

3.6 ELECTRICAL SYSTEMS

The electrical systems on this property should be relatively low maintenance over the duration of this study. However, we have budgeted for periodic expenditures with the electrical system for miscellaneous expenses that tend to occur periodically. We have budgeted for \$30 per unit per year for miscellaneous electrical system expenses.

These roofs have solar panels and corresponding solar inducers. We have assumed that the solar panels and the entire system will have a total lifespan of 20 years.

We have assumed that each unit will have approximately 3 exterior lights per unit. We have assumed that exterior lights will have a 20-year lifespan.

Interior lighting should be the responsibility of each individual unit.

3.7 PLUMBING SYSTEMS

The plumbing system at this property should be relatively low maintenance. However, we have budgeted for periodic expenditures with the plumbing system for miscellaneous expenses that tend to occur periodically. We have budgeted for \$60 per unit per year for miscellaneous plumbing systems.

We understand individual water heaters will provide hot water to each individual unit. These water heaters are not the responsibility of the Homeowners Association.

3.8 HVAC SYSTEMS

There will be no common HVAC systems on this property.

3.9 ELEVATORS

There will not be any elevators on this property.

3.10 FIRE DETECTION AND SUPPRESSION

We assume that each building will have a central fire alarm system. We do not know the details of this fire detection system; however, we assume that it conforms to all modern building codes. We have assumed that the 11 fire alarm control panels will be updated every 25 years, per NFPA recommendations.

We understand that there will not be any fire suppression systems on this property.

3.11 COMMON INTERIOR FINISHES

There will be no common interior areas on this property.

3.12 MISCELLANEOUS MECHANICAL

There are no miscellaneous mechanical items that are not addressed in other areas of this report.

3.13 AMENITIES

There are no amenities on this property that we are aware of.

3.20 SUMMARY OF ANNUAL ANTICIPATED EXPENSES

Using the conclusions described throughout "Section 3.0 Physical Analysis", the following Table 3.20 lists the annual anticipated capital expenses for each reserve item in the year that we believe is most probable. All of these anticipated expenses already have inflation factored into them at the assumed level that is listed in "Section 4.3 Assumptions for Future Interest Rate and Inflation".

LEVEL 1 RESERVE STUDY FOR THE SOUTHARD

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
3.2 SITE																
Asphalt overlay																
Asphalt repairs prior to resealing and overlay						\$6,828					\$7,916					\$9,176
Asphalt seal coating and restriping						\$5,462					\$6,333					\$7,341
Landscaping and irrigation allotment					\$9,004				\$10,134				\$11,406			
Concrete flatwork allotment											\$5,376					
Clean out the detention vault and all storm drains						\$8,115					\$9,407					\$10,906
3.3 STRUCTURE																
<i>No structural expenditures budgeted</i>																
3.4 ROOFING																
Resurface roofs																
Replace gutters and downspouts																
3.5 EXTERIOR																
Paint exterior fiber-cement siding and re-caulk all failing caulking joints											\$135,527					
Spot siding and trim repairs prior to each painting cycle											\$59,132					
3.6 ELECTRICAL SYSTEMS																
Replace the solar panels and all corresponding solar equipment																
Replace exterior light fixtures																
Miscellaneous electrical system expenditures						\$3,130					\$3,629					\$4,207
3.7 PLUMBING SYSTEMS																
Miscellaneous plumbing system expenditures						\$6,260					\$7,257					\$8,413
3.8 HVAC SYSTEMS																
<i>Individual homeowners are responsible for their own heating and cooling units</i>																
3.9 ELEVATORS																
<i>There will not be any elevators on this property</i>																
3.10 FIRE DETECTION & SUPPRESSION																
Replace the fire alarm control panels																
3.11 COMMON INTERIOR FINISHES																
<i>There are no common interior areas on this property</i>																
3.12 MISCELLANEOUS MECHANICAL																
<i>There are no miscellaneous mechanical items that are not addressed in other areas of this report</i>																
3.13 AMENITIES																
<i>There are no amenities on this property that we are aware of</i>																
ANNUAL EXPENSES BY YEAR	\$0	\$0	\$0	\$0	\$9,004	\$29,796	\$0	\$0	\$10,134	\$0	\$234,577	\$0	\$11,406	\$0	\$0	\$40,043

LEVEL 1 RESERVE STUDY FOR THE SOUTHARD

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
3.2	SITE															
	Asphalt overlay															\$118,887
	Asphalt repairs prior to resealing and overlay					\$10,638					\$12,332					\$14,297
	Asphalt seal coating and restriping					\$8,510					\$9,866					\$11,437
	Landscaping and irrigation allotment	\$12,838				\$14,449				\$16,262				\$18,303		
	Concrete flatwork allotment					\$7,224										\$9,709
	Clean out the detention vault and all storm drains					\$12,643					\$14,656					\$16,991
3.3	STRUCTURE															
	<i>No structural expenditures budgeted</i>															
3.4	ROOFING															
	Resurface roofs															\$273,552
	Replace gutters and downspouts															\$31,397
3.5	EXTERIOR															
	Paint exterior fiber-cement siding and re-caulk all failing caulking joints					\$182,137										\$244,777
	Spot siding and trim repairs prior to each painting cycle					\$79,469										\$106,800
3.6	ELECTRICAL SYSTEMS															
	Replace the solar panels and all corresponding solar equipment					\$361,222										
	Replace exterior light fixtures					\$24,383										
	Miscellaneous electrical system expenditures					\$4,877					\$5,653					\$6,554
3.7	PLUMBING SYSTEMS															
	Miscellaneous plumbing system expenditures					\$9,753					\$11,306					\$13,107
3.8	HVAC SYSTEMS															
	<i>Individual homeowners are responsible for their own heating and cooling units</i>															
3.9	ELEVATORS															
	<i>There will not be any elevators on this property</i>															
3.10	FIRE DETECTION & SUPPRESSION															
	Replace the fire alarm control panels										\$66,792					
3.11	COMMON INTERIOR FINISHES															
	<i>There are no common interior areas on this property</i>															
3.12	MISCELLANEOUS MECHANICAL															
	<i>There are no miscellaneous mechanical items that are not addressed in other areas of this report</i>															
3.13	AMENITIES															
	<i>There are no amenities on this property that we are aware of</i>															
ANNUAL EXPENSES BY YEAR		\$12,838	\$0	\$0	\$0	\$715,305	\$0	\$0	\$0	\$16,262	\$120,606	\$0	\$0	\$18,303	\$0	\$847,508

4.0 FINANCIAL ANALYSIS

The financial analysis in this Reserve Study is a proprietary system that was developed by Samdal & Associates. We have provided the funding method that we believe will most adequately fund the reserves of this Association.

4.1 CURRENT FINANCIAL INFORMATION AND CURRENT FUNDING PLAN

This is a new property, and this is the initial Reserve Study to help to set the appropriate funding plan. There is not a current Reserve Fund balance.

4.2 RECOMMENDED RESERVE FUNDING PLAN

Full Funding is the ideal position for any property and represents a strong financial position. We recommend that all properties be Fully Funded, as Full Funding allows Associations to maintain their properties adequately and minimizes their risk of unplanned special assessments.

Our funding recommendations are as follows:

Option One: Full Funding

The funding plan necessary to maintain a Fully Funded Capital Reserve Fund for the duration of this study will be a total property contribution of \$39,796 per year in the initial year, which translates to \$184.24 per unit per month. This annual contribution will need to be increased 3% each subsequent year to maintain Full Funding and to account for inflation.

For a detailed look at the annual funding contribution necessary per year, see Table 4.5 "Reserve Fund Balance Sheet" (Section 4.5).

Option One	
Avg. Contribution Per Unit Per Month:	
2024	\$184.24
(with 3% annual increase thereafter)	

4.3 OTHER REQUIRED FUNDING PLAN OPTIONS

Per Washington State HB 1309, our Reserve Study is required to provide the following funding plans:

- **30-Year Make up** - Funding Plan necessary for the Association Reserve Fund to reach a Full Funding Level in 30 years.
This option is not applicable as the property is new and does not require a current level of funding in the Reserve Fund
- **Baseline Funding** - Minimum level of funding required in order to maintain the Reserve Fund above zero while paying for all components listed in Table 3.1 - Component Assessment and Valuation Table.
This option is not applicable as the property as Baseline Funding is essentially the same as full funding.

4.4 ASSUMPTIONS FOR FUTURE INTEREST RATE AND INFLATION

For the purposes of this report, we have assumed that the inflation rate over the next 30 years will average **3%**. This is based on historical averages over the last 25 years and our conservative best guess for the future. This percentage can vary greatly just as global economic conditions can vary, which is one reason why this Reserve Study should be updated annually per Washington State RCW 64.90.550, which we provide complimentary over the next two years with this Reserve Study (see Appendix).

For the purpose of this study, we will assume that the Association manages their money in the Reserve Fund so that the average interest rate return on its money will be equal to that of inflation. This is a conservative estimate given that since 1965, the average yield between short term treasuries and inflation has been 1.04%, which means that these relatively conservative investments have been able to outpace inflation over the long term (according to Crestmont Research, www.crestmontresearch.com). Since we have assumed that the inflation rate over the duration of this study will average **3%**, we have conservatively also assumed that the Reserve Fund average interest rate will equal **3%**. Again, this does not reflect current averages but rather a best guess of the future assuming you have invested effectively.

A common strategy is to invest in multiple accounts. Funds that will be necessary in the shorter term must be kept in a relatively liquid account. Funds that are not allotted for near future planned expenditures can be deposited into longer term investments which frequently earn higher interest rates. Consult with a qualified financial advisor for the best solution for your Association.

4.5 ANNUAL FUND BALANCES; ANNUAL FUNDING TABLE AND FIGURES

The table and figures shown in this section are intended to give the Association a clearer view of the likely future financial position that the Association will be in, provided that the reserve funding plan is followed.

- Table 4.5: “Reserve Fund Balance Sheet”. This table lists annual revenue, expenses, and year end reserve fund balances. All Section 4.5 Figures are based on this data.
- Figure 4.5A: “Comparison of Funding Plans -- Reserve Fund Balances Through 2053”. This line graph depicts the funding balances of the proposed funding options vs. the current.
- Figure 4.5B: “Comparison of Funding Plans -- Association Contributions to Reserve Fund by Year”

Figure 4.5A Comparison of Funding Plans – Reserve Fund Balances Through 2053

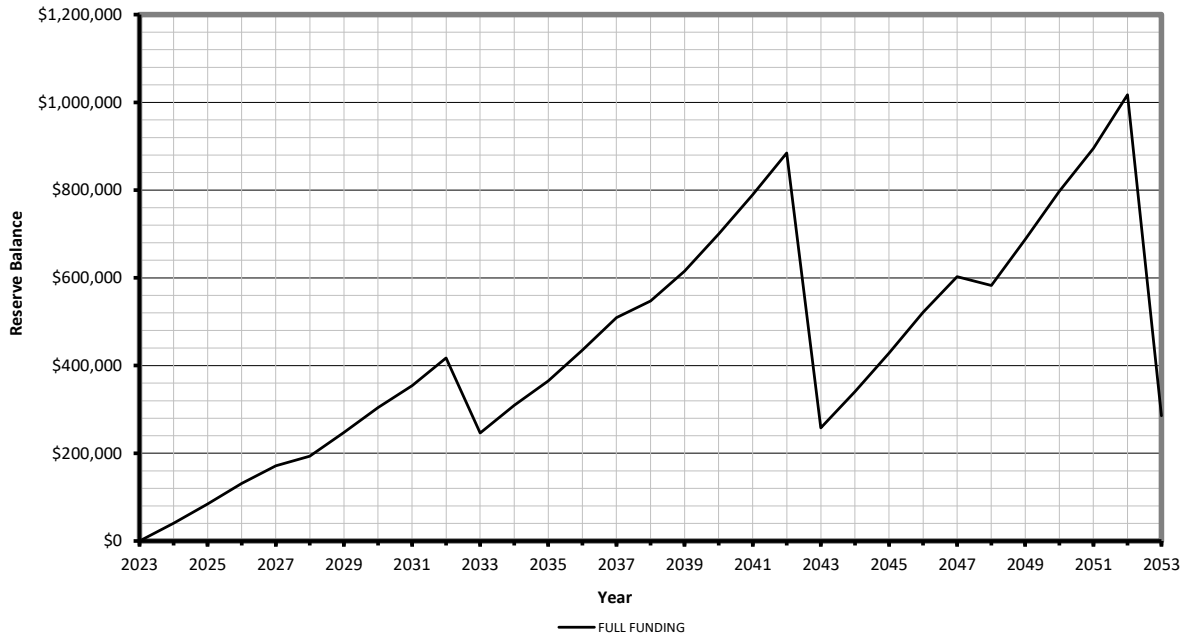
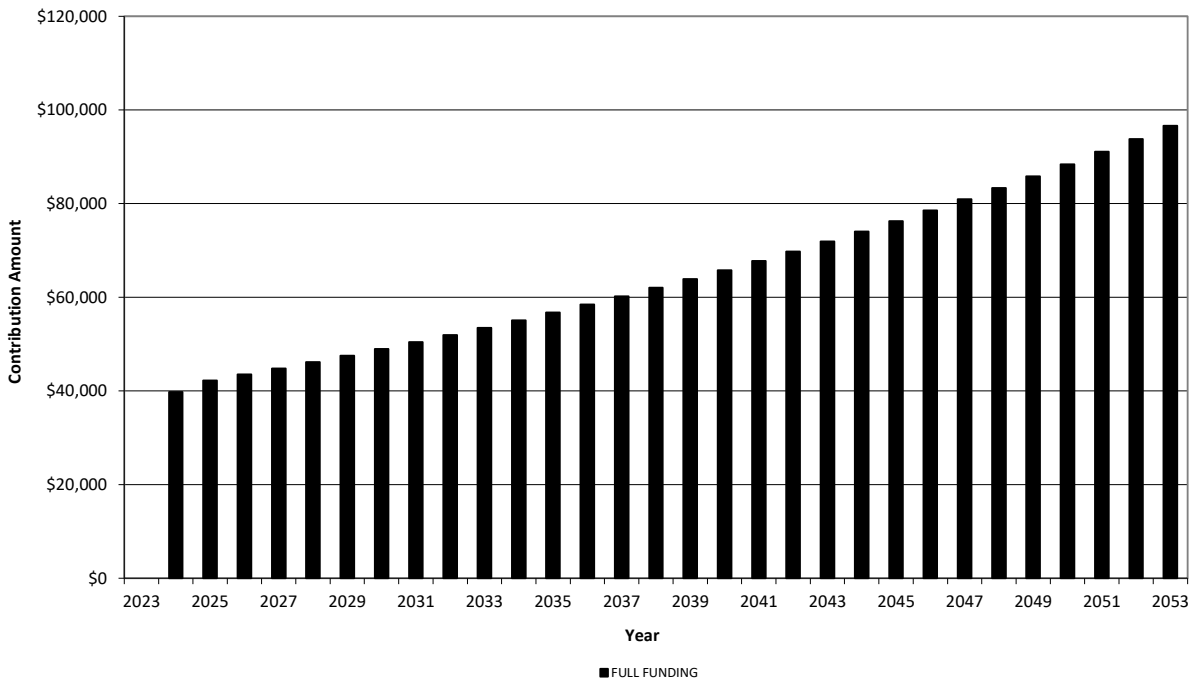


Table 4.5B Comparison of Funding Plans -- Association Contributions to Reserve Fund by Year



4.6 OTHER COMMON FUNDING METHODS

The following methods are methods that are sometimes implemented. We believe that many of these funding methods that keep the reserve fund at less than “Fully Funded” represent a weaker position for the Association. As the Fully Funded percentage decreases, the likelihood of unplanned special assessments increases.

Cash Flow Method

A method of calculating Reserve contributions where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

Component Method

A method of calculating Reserve contributions where the total reserve contribution is based on the sum of contributions for individual components.

Baseline Funding

Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Full Funding

Setting a Reserve funding goal of attaining and maintaining the Reserve Fund at or near 100% funded. *Recommended by Jeff Samdal & Associates*

Statutory Funding

Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

Threshold Funding

Establishing a Reserve funding goal of keeping the Reserve Balance above a specified dollar or Percent Funded amount. Depending on the threshold this may be more or less conservative than “Fully Funded.”

5.0 LIMITATIONS

This report has been prepared for the exclusive use of Homestead Community Land Trust and their property management company. We do not intend for any other party to rely on this report for any reason without our expressed written consent. If another individual or party relies on this study, they shall indemnify and hold Samdal & Associates harmless for any damages, losses, or expenses they may incur as a result of its use.

The Level 1 Reserve Study is a reflection of the information provided to us. This report has been prepared for Homestead Community Land Trust's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records. Our inspection report is not an exhaustive technical inspection of the property; we merely comment on the items that we believe that our clients would benefit from knowing. During a typical inspection, no invasive inspection is performed, no furnishings are moved, and no finishes are removed.

This report is a snap shot in time of the condition of the property at the time of inspection. The remaining life values that we list are based on our opinion of the remaining useful life and are by no means a guarantee. Our opinions are based on what we believe one could reasonably expect and are not based on worst case scenarios. These opinions are based upon our experience with other buildings of similar age and construction type. Opinions will vary and you may encounter contractors and/or consultants with differing opinions from ours. Ratings of various building components are most often determined by comparison to other buildings of similar age and construction type. The quality of materials originally impacts our judgment of their current state.

The life expectancy estimates that we prepare are based on National Association of Home Builders (NAHB) averages, Building Owners and Managers (BOMA) averages, product defined expected life averages, and our own assessment of typical life expectancy based on our experience with similar components in our area.

This report will tell you a great deal about the overall condition of this property. However, this report does not constitute a warranty, an insurance policy, or a guarantee of any kind. Owning any property involves some risk and while we can give an excellent overview of the property, we cannot inspect what we cannot see.

Our inspection and report do not include building code compliance or municipal regulatory compliance. Nor do they include mold investigations, hazardous materials investigations, or indoor air quality analysis.

The purpose of this report is not intended to be a statement of insurability of this property as insurance companies have particular standards for insurability of certain building types and certain building materials.

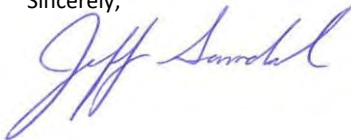
While we may comment that certain components have been recalled that we are aware of, we are not aware of all recalls. It is beyond the scope of this inspection to determine all systems or components that are currently or will be part of any recall in the future. You may wish to subscribe or contact the CPSC (Consumer Product Safety Commission) web site for recall information regarding any system or component. If a problem is encountered on your property, we cannot be responsible for any corrective action that you take, unless we have the opportunity to review the conditions, before repairs are made.

Please ensure that you have read and understand the entire proposal to perform this Level 1 Reserve Study that was signed prior to our inspection. If you have any questions regarding this document, please contact us.

We appreciate the opportunity to be of assistance and we hope that we have provided you with a clear understanding of your financial situation and given you a better overall understanding of the property. This report supersedes any opinion or discussion that occurred during the inspection and should be considered our complete opinion of the condition of this property.

Please contact us if you have any questions regarding this report. We will be happy to be of assistance.

Sincerely,



Jeff Samdal, PE, RS, PRA

APPENDIX

Resume of Engineer Performing Study

Jeff Samdal, P.E., Principal

Professional Qualifications and Experience

Areas of Expertise

Mr. Samdal is the owner of Samdal & Associates, Inc., a corporation that specializes in building inspections, engineering, project management, and related services. He is a double-licensed Professional Engineer (Mechanical and Civil) in Washington State. He is also an accredited Building Inspection Engineer (BIE) and Reserve Specialist (RS), and Professional Reserve Analyst (PRA). He has performed thousands of building inspections as well as numerous additional services such as building envelope investigations, construction management, and general consulting for property owners pertaining to building maintenance and long-term budgeting. Mr. Samdal consistently earns repeat and referral business because of his attention to detail, practical approach, knowledge of the industry, and genuine appreciation for clients' concerns for their real estate investments.

Capabilities

Mr. Samdal is experienced at performing residential (single- and multi-family), commercial, and industrial inspections in Washington State and beyond. Mr. Samdal's experience includes the following:

- Property Condition Assessments (PCAs)
- Capital Needs Assessments (CNAs)
- Reserve Studies for Condominiums and Homeowner's Association
- Building Envelope Studies

Relevant Work History

Mr. Samdal has been owner and operator of Samdal & Associates since 2005, performing or managing all aspects of this business. Additionally, Mr. Samdal has been the co-owner and president of True North Construction Management since 2017, which is informative in obtaining current construction costs and keeping up to date with modern construction methods and construction products.

Prior to concentrating on building inspections, Mr. Samdal worked for Washington Group International's (WGI) Hydropower and Water Resources Group. While working for WGI, Mr. Samdal was involved in rebuilding and rehabilitating hydro facilities. He served as the on-site powerhouse and switchyard inspector during construction. His duties included design, drawing and specification preparation, cost estimating, scheduling, and construction management. Prior to working for WGI, Mr. Samdal worked for Duke Energy in a similar role.

Education

BS in Mechanical Engineering, University of Washington

Licenses and Certifications

- *Licensed Professional Engineer (PE)*, Mechanical Engineering, State of Washington, #40985
- *Licensed Professional Engineer (PE)*, Civil Engineering, State of Washington, #40985
- *Reserve Specialist (RS)*, Community Associations Institute (CAI), #173
- *Professional Reserve Analyst (PRA)*, Association of Professional Reserve Analysts
- *Building Inspection Engineer (BIE)*, National Association of Building Inspection Engineers
- *Structural Pest Inspector*, State of Washington, #70763

Professional Affiliation

American Society of Mechanical Engineers, 2002 – present

Community Involvement

Mr. Samdal lives in Woodinville with his wife and 2 children and has been involved with many of their activities as a Little League coach, a scout leader, a personal fitness coach, among other activities.

EXHIBIT G
TO
PUBLIC OFFERING STATEMENT
HOME BUILDER'S LIMITED WARRANTY

SEE ATTACHED.

HOME BUILDER'S LIMITED WARRANTY

Administered by Professional Warranty Service Corporation ("PWC")

TABLE OF CONTENTS

	Introduction
Section I.	Warranty Coverage
Section II.	OUR Warranty Obligations
Section III.	Homeowner Maintenance Obligations
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Section V.	Exclusions
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Section VII.	Binding Arbitration Procedure
Section VIII.	General Conditions
Section IX.	Definitions
	Binding Arbitration Request Form
	Subsequent Home Buyer Acknowledgment and Transfer form

**THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION, WHICH MAY
BE ENFORCED BY EITHER PARTY**

Throughout this **HOME BUILDER'S LIMITED WARRANTY**, referred to hereinafter as the "**LIMITED WARRANTY**", the words "**YOU**" and "**YOUR**" refer to the **HOMEOWNER**, including any subsequent owners, and, where applicable, a **HOMEOWNERS ASSOCIATION**. The words "**WE**", "**US**" and "**OUR**" refer to the **BUILDER**. The other words and phrases which appear in boldface uppercase type also have special meaning. Refer to the **Section IX. Definitions**, so that **YOU** will understand the terminology applicable to this **LIMITED WARRANTY**.

This **LIMITED WARRANTY** establishes an agreed method for determining when a **CONSTRUCTION DEFECT** exists and a clear understanding of **OUR** responsibilities for remedying any such **CONSTRUCTION DEFECT**. This **LIMITED WARRANTY** also helps distinguish a **CONSTRUCTION DEFECT** that is **OUR** responsibility from those minor imperfections that can reasonably be expected in a **HOME** or the **COMMON ELEMENTS**, or that result from normal wear and tear or the neglect of routine **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** maintenance responsibilities.

This **LIMITED WARRANTY** contains the procedures **YOU** must use to notify **US** of a condition in **YOUR HOME** or the **COMMON ELEMENTS** which **YOU** believe may constitute a **CONSTRUCTION DEFECT**. In the event a condition occurs in the **HOME** or the **COMMON ELEMENTS** that **YOU** believe may constitute a **CONSTRUCTION DEFECT**, **YOU** agree to submit any request for warranty performance in accordance with the procedure described in this **LIMITED WARRANTY**. Based on the information **YOU** provide and, where **WE** deem it necessary, information obtained from **OUR** onsite investigation, inspection and/or testing of the **HOME** or the **COMMON ELEMENTS**, **WE** will determine whether **WE** agree with **YOU** that the condition constitutes a **CONSTRUCTION DEFECT**. If **WE** determine that the condition reported by **YOU** is a **CONSTRUCTION DEFECT**, **WE** will remedy the condition in accordance with the remedies prescribed in this **LIMITED WARRANTY**. **WE** will make this determination in accordance with **Section II, OUR Warranty Obligations**, contained in this **LIMITED WARRANTY**.

THIS **LIMITED WARRANTY** PROVIDES THAT ANY AND ALL CLAIMS AND DISPUTES BETWEEN **YOU** AND **US** WHICH **YOU** AND **WE** ARE UNABLE TO RESOLVE BY MUTUAL AGREEMENT, SHALL BE RESOLVED SOLELY AND EXCLUSIVELY THROUGH FINAL AND BINDING ARBITRATION IN ACCORDANCE WITH THE TERMS AND PROCESS DESCRIBED WITHIN THIS DOCUMENT. BY THIS AGREEMENT, BOTH **YOU** AND **WE** ARE WAIVING THE RIGHT TO LITIGATE DISPUTES IN COURT.

To the extent permitted by law, all express or implied warranties other than this **LIMITED WARRANTY**, including any oral or written statement or representation made by **US** or any other person, and any implied warranty of habitability, merchantability or fitness for a particular purpose, are hereby disclaimed by **US** and are waived by **YOU**. **YOUR** only remedy in the event of a **CONSTRUCTION DEFECT** in or to the **HOME** or the **COMMON ELEMENTS** or to the real property on which the **HOME** or the **COMMON ELEMENTS** is situated is that provided to **YOU** under this **LIMITED WARRANTY**.

Enclosed with this **LIMITED WARRANTY** is a Limited Warranty Validation Form. The Limited Warranty Validation Form is a part of the **LIMITED WARRANTY** and provides the dates on which the warranty coverage period begins and expires. It is important that this form be retained with the **LIMITED WARRANTY**.

WE have contracted with **PWC** for certain administrative services relative to this **LIMITED WARRANTY**. **PWC's** sole responsibility is to provide administrative services as set forth herein. Under no circumstances or conditions is **PWC** responsible for fulfilling **OUR** obligations under this **LIMITED WARRANTY**.

There may be instances where an additional **PWC** administered Builder's Limited Warranty is issued together with this **LIMITED WARRANTY**. If both of these warranties are issued to **YOU**, **YOU** agree to request warranty performance under either warranty relative to warrantable issues on the **HOME** or the **COMMON ELEMENTS**. **YOU** may not collect twice relative to the same issue.

If any provision of this **LIMITED WARRANTY** is determined to be unenforceable, such a determination will not affect the remaining provisions. If this **LIMITED WARRANTY** or any provision herein is determined to be

unenforceable as to a **HOMEOWNERS ASSOCIATION** or a specific **HOMEOWNER**, such a determination will not affect the enforceability of this **LIMITED WARRANTY** or such provision as to any other **HOMEOWNERS ASSOCIATION** or any other **HOMEOWNER**. Any dispute as to the enforceability of any provision of this **LIMITED WARRANTY**, including any dispute as to the scope or enforceability of the arbitration provision contained herein, shall be determined by binding arbitration as provided for in this **LIMITED WARRANTY**.

I. Warranty Coverage

Coverage under this **LIMITED WARRANTY** is expressly limited to **CONSTRUCTION DEFECTS** which occur during the **WARRANTY PERIOD** indicated on the Limited Warranty Validation Form and which are reported by **YOU** in accordance with the notification requirements of **Section VI. Procedure to Request US To Perform Under This LIMITED WARRANTY**. **OUR** obligations under this **LIMITED WARRANTY** apply to workmanship actually performed and materials actually installed in the **HOME** or the **COMMON ELEMENTS**. Any failure by **US** to complete construction of the **HOME** or **COMMON ELEMENTS**, where such failure is apparent and obvious, is not covered by this **LIMITED WARRANTY** and is not a **CONSTRUCTION DEFECT**.

During the **WARRANTY PERIOD** indicated on the Limited Warranty Validation Form, **WE** warrant that the **HOME** and the **COMMON ELEMENTS** will be free of **CONSTRUCTION DEFECTS**. **OUR** obligation to perform under this **LIMITED WARRANTY** requires that **WE** must receive written notice from **YOU** of the alleged **CONSTRUCTION DEFECT** as soon as reasonably possible after **YOU** become aware of a **CONSTRUCTION DEFECT** but not later than thirty (30) days after the expiration of the coverage. Telephonic or face-to-face discussion is not a substitute for required written notice and will not protect **YOUR** rights under this **LIMITED WARRANTY** (see **Section VI. Procedure to Request US To Perform Under This LIMITED WARRANTY**).

II. OUR Warranty Obligations

Upon **OUR** timely receipt of written notice from **YOU** alleging a **CONSTRUCTION DEFECT** during the **WARRANTY PERIOD**, **WE**, or parties acting on **OUR** behalf, will, where **WE** deem it necessary, inspect, investigate and/or test (including destructive testing) the condition alleged to be a **CONSTRUCTION DEFECT**. If **WE** determine that a **CONSTRUCTION DEFECT** exists, **WE**, or parties acting on **OUR** behalf, will (1) repair or replace the **CONSTRUCTION DEFECT**, (2) pay to **YOU** the actual amount it would cost **US** to repair or replace the **CONSTRUCTION DEFECT**, or (3) pay to **YOU** an amount equal to the diminution in fair market value caused by the uncorrected **CONSTRUCTION DEFECT**. Subject to the limitations described in **Section IV. Coverage Limitations**, if the **HOME** is rendered temporarily uninhabitable by a **CONSTRUCTION DEFECT** or by work necessary to repair a **CONSTRUCTION DEFECT**, **WE** shall pay the reasonable cost for **YOUR** alternate shelter until the **HOME** is restored to a habitable condition. Additionally, in connection with **OUR** remedy of a **CONSTRUCTION DEFECT**, and subject to the limitations described in **Section IV. Coverage Limitations**, **WE** shall repair, replace or pay the reasonable cost for:

- Those surfaces, finishes and coverings that are part of the **HOME** and that are damaged directly by a **CONSTRUCTION DEFECT** or that are damaged in the course of **OUR** repair of a **CONSTRUCTION DEFECT**.
- Home furnishings, carpet or personal property damaged directly by the **CONSTRUCTION DEFECT**.

The decision to repair, replace, or to make payment in lieu of repair or replacement is at **OUR** or **OUR** authorized representative's sole discretion. These remedies are **OUR** only obligations under this **LIMITED WARRANTY**.

A. Standards By Which the Existence of a CONSTRUCTION DEFECT Will Be Determined:

The following factors will be considered in determining whether a condition constitutes a **CONSTRUCTION DEFECT**. If **WE** dispute the existence of a **CONSTRUCTION DEFECT** and that dispute is submitted to binding arbitration, the parties agree these same factors will be considered by the arbitrator:

1. Any performance standards, tolerances or guidelines contained in documents provided to **YOU** by **US** at or prior to closing on the **HOME** or, in the case of a **HOMEOWNERS ASSOCIATION**, prior to transferring title or control to all the **COMMON ELEMENTS**. In the absence of a specific standard, tolerance or guideline in the documents for a condition occurring during the first year of the **WARRANTY PERIOD**, the Residential Construction Performance Guidelines published by the National Association of Home Builders, in effect at the time of construction of the **HOME** or, in the case of the **HOMEOWNERS ASSOCIATION**, at the time of construction of the **COMMON ELEMENTS**, shall apply. If no specific standard, tolerance or guideline is contained in any of the documents identified above, generally accepted local building practices and standards shall apply;
2. Consideration as to whether the condition:
 - materially affects the structural integrity of the **HOME** or **COMMON ELEMENTS**; or
 - has an obvious and material negative impact on the appearance of the **HOME** or **COMMON ELEMENTS**; or
 - jeopardizes the life or safety of the occupants of the **HOME** or the users of the **COMMON ELEMENTS**; or
 - results in the inability of the **HOME** or a **COMMON ELEMENT** to provide the functions that can reasonably be expected in such a **HOME** or **COMMON ELEMENT**.
3. Consideration as to whether a condition is the result of normal wear and tear. Conditions that are normal wear and tear, or that are caused by normal wear and tear are not **CONSTRUCTION DEFECTS**;
4. Consideration as to whether the condition was caused by, or in any way resulted from, the failure of the **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** to perform normal or routine maintenance. Any condition that is determined to be a **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** maintenance issue, or any condition that results from improper or inadequate **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** maintenance, is not a **CONSTRUCTION DEFECT**;
5. Consideration as to whether the condition was caused by persons or entities other than **US** or someone acting on **OUR** behalf. Damage caused by persons or entities other than **US** or someone acting on **OUR** behalf is not a **CONSTRUCTION DEFECT**. For example, a large, visible scratch on marble tile in the entry foyer that was not noted in the pre-closing walk through inspection, but was reported after furniture was moved into the **HOME**, will not be considered a **CONSTRUCTION DEFECT**;
6. Recognition that any condition resulting directly or indirectly from or worsened by changes, additions, alterations or other actions or omissions by persons or entities other than **US** or someone acting on **OUR** behalf, will not be considered a **CONSTRUCTION DEFECT** (this includes, for example, changes to the topography, drainage or grade of the property);
7. Any **Exclusions** contained in this **LIMITED WARRANTY**.

III. Homeowner Maintenance Obligations

Maintenance of the **HOME** and the **COMMON ELEMENTS** is **YOUR** responsibility. All homes and common elements require periodic maintenance to prevent premature deterioration, water intrusion, and to ensure adequate performance of the **SYSTEMS**. **WE** will make a "Homeowner Maintenance Manual" or similar publication available to **YOU** upon request. Whether from this document or others that are readily available to **YOU**, **YOU** must understand and perform the maintenance that the **HOME** and **COMMON ELEMENTS** require. **WE** are not responsible for **HOME** or **COMMON ELEMENTS** maintenance issues or for damage that results from **YOUR** failure to maintain the **HOME** or the **COMMON ELEMENTS**.

IV. Coverage Limitations

Surfaces, finishes and coverings in the **HOME** which require repair due to damage caused by a **CONSTRUCTION DEFECT**, or such damage caused in the course of **OUR** repair of a **CONSTRUCTION DEFECT**, shall be repaired and restored to approximately the same condition as existed prior to the **CONSTRUCTION DEFECT**, but not necessarily to a like new condition. When repairing or replacing surfaces, finishes and coverings, the repair or replacement will attempt to achieve as close a match with the original surrounding areas as is reasonably possible, but an exact match cannot be guaranteed due to such factors as fading, aging and unavailability of the same materials.

Home furnishings, carpet or personal property damaged by a **CONSTRUCTION DEFECT** shall be repaired or replaced at market value of the item at the time of damage. "Market value" shall mean the amount it would cost to repair or replace the damaged item with material of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.

Alternate shelter during such time as the **HOME** is uninhabitable due to a **CONSTRUCTION DEFECT** or uninhabitable during work to repair a **CONSTRUCTION DEFECT**, shall be limited to those shelter costs expressly pre-approved by **US** or **OUR** designated representative.

V. Exclusions

- A. This **LIMITED WARRANTY** does not cover:
1. Any loss or damage resulting, either directly or indirectly, from the following causes, or occurring in the following situations:
 - a. Fire (unless caused by a **CONSTRUCTION DEFECT**);
 - b. Lightning;
 - c. Explosion (unless caused by a **CONSTRUCTION DEFECT**);
 - d. Riot and Civil Commotion;
 - e. Smoke (unless resulting from a **CONSTRUCTION DEFECT**);
 - f. Hail;
 - g. Aircraft;
 - h. Falling Objects;
 - i. Vehicles;
 - j. Floods;
 - k. Earthquake;
 - l. Landslide or mudslide originating on property other than the site of the **HOME** or the **COMMON ELEMENTS** or other property developed by the **BUILDER**;
 - m. Mine subsidence or sinkholes;
 - n. Changes in the underground water table not reasonably foreseeable by the **BUILDER**;

- o. Volcanic eruption; explosion or effusion;
 - p. Wind including:
 - (i). Gale force winds;
 - (ii). Hurricanes;
 - (iii). Tropical storms;
 - (iv). Tornadoes;
 - (v). Rain or water intrusion or moisture within the **HOME** resulting from any wind forces described in p. (i) – (iv) above.
 - q. Insects, animals or vermin;
 - r. Changes to the grading of the ground, or the installation or alteration of improvements such as drain or gutter outlets by anyone other than **US** or **OUR** agents, or subcontractors which results in surface drainage towards the **HOME**, or other improper drainage that permits water to pond or become trapped in localized areas or against the foundation;
 - s. Changes, additions, or alterations made to the **HOME** or the **COMMON ELEMENTS** by anyone after the **WARRANTY PERIOD** begins, except those made or authorized by **US**;
 - t. Any defect in material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors, including any loss or damage to the **HOME** or the **COMMON ELEMENTS** resulting from material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors;
 - u. Improper maintenance, negligence or improper use of the **HOME** or the **COMMON ELEMENTS** by **YOU** or anyone other than **US** that results in rot, dry rot, moisture, rust, mildew or any other damage;
 - v. Dampness or condensation due to **YOUR** failure to maintain adequate ventilation;
 - w. Damage resulting from the weight and/or performance of any type of waterbed or other furnishings which exceeds the load-bearing design of the **HOME** or the **COMMON ELEMENTS**;
 - x. Normal wear and tear or normal deterioration of materials;
 - y. Economic damages due to the **HOME'S** or the **COMMON ELEMENTS'** failure to meet expectations of the **HOMEOWNER** or **HOMEOWNERS ASSOCIATION**.
2. Any loss or damage resulting from the actual, alleged or threatened discharge, dispersal, release or escape of **POLLUTANTS**. **WE** will not cover costs or expenses arising from the uninhabitability of the **HOME** or the **COMMON ELEMENTS** or health risk due to the proximity of **POLLUTANTS**. **WE** will not cover costs, or expenses resulting from the direction of any governmental entity to test, clean-up, remove, treat, contain or monitor **POLLUTANTS**;
 3. Any loss or damage resulting from the effects of electromagnetic fields (EMF's) or radiation;
 4. Any damage to personal property that does not result from a **CONSTRUCTION DEFECT**;
 5. Any **CONSEQUENTIAL OR INCIDENTAL DAMAGES**;
 6. Any **CONSUMER PRODUCTS**;
 7. Any **CONSTRUCTION DEFECT** as to which **YOU** have not taken timely and reasonable steps to protect and minimize damage after **WE** or **OUR** authorized representative have provided **YOU** with authorization to prevent further damage;
 8. Any damage to the extent it is incurred after or as a result of **YOUR** failure to notify **US** in the manner and time required under this **LIMITED WARRANTY**;
 9. Any costs or obligations paid or incurred by **YOU** in violation of **Section VI. C.** below;
 10. Any non-conformity with local building codes, regulations or requirements where the condition does not meet the definition of a **CONSTRUCTION DEFECT**. While **WE** acknowledge **OUR** responsibility

to build in accordance with applicable building codes, this **LIMITED WARRANTY** does not cover building code violations in the absence of a **CONSTRUCTION DEFECT**;

11. Any deviation from plans and specifications where the condition does not meet the definition of a **CONSTRUCTION DEFECT**.
- B. **OUR LIMITED WARRANTY** does not cover any **CONSTRUCTION DEFECT** which would not have occurred in the absence of one or more of the excluded events or conditions listed in the Exclusions above, regardless of:
1. The cause of the excluded event or condition;
 2. Other causes of the loss or damage; or
 3. Whether other causes acted concurrently or in any sequence with the excluded event or condition to produce the loss or damage.

VI. Procedure to Request US To Perform Under This LIMITED WARRANTY

If **YOU** become aware of a condition that **YOU** believe is a **CONSTRUCTION DEFECT** under this **LIMITED WARRANTY**, **YOU** have the following responsibilities:

A. Notification

YOU must notify **US** in writing as soon as reasonably possible after **YOU** become aware of a condition that **YOU** believe may constitute a **CONSTRUCTION DEFECT**, but in no event may **YOUR** written notice of a **CONSTRUCTION DEFECT** or **YOUR** written request for warranty performance be received by **US** later than thirty (30) days after this **LIMITED WARRANTY** has expired. This extended period for providing notice of a **CONSTRUCTION DEFECT** shall not operate to extend the **WARRANTY PERIOD**.

If the written notice is received by **US** more than thirty (30) days after the expiration of this **LIMITED WARRANTY**, **WE** shall have no obligation to remedy the **CONSTRUCTION DEFECT**. Because of the importance of this written notice requirement, **WE** recommend that notice always be sent by Certified Mail, return receipt requested, in order to establish a record.

B. Cooperate With US

YOU must give **US** and any third parties acting on **OUR** behalf reasonable help in inspecting, investigating, testing (including destructive testing), monitoring, repairing, replacing or otherwise correcting an alleged **CONSTRUCTION DEFECT**. Help includes, but is not limited to, granting reasonable access to the **HOME** or **COMMON ELEMENTS** for the forgoing purposes. If **YOU** fail to cooperate or provide **US** reasonable access to the **HOME** or **COMMON ELEMENTS**, **WE** will have no further obligation under this **LIMITED WARRANTY**.

C. Do Not Make Voluntary Payments

YOU agree not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a condition **YOU** believe is a **CONSTRUCTION DEFECT** without prior written approval from **US**, or other parties authorized to act on **OUR** behalf. **WE** will not reimburse **YOU** for costs incurred where **YOU** did not obtain prior written approval.

However, **YOU** may incur reasonable expenses in making repairs in an **EMERGENCY CONDITION** without prior written approval, provided the repairs are solely for the protection of the **HOME** or **COMMON**

ELEMENTS from further damage or to prevent an unsafe living condition and provided **YOU** notify **US** as soon as is reasonably possible. To obtain reimbursement for repairs made during an **EMERGENCY CONDITION**, **YOU** must provide **US** with an accurate written record of the repair costs.

D. Sign A Release

When **WE** or a third party acting on **OUR** behalf have completed repairing, replacing or paying **YOU** as to any **CONSTRUCTION DEFECTS** and related damage covered by this **LIMITED WARRANTY**, **YOU** may be requested to sign a full release of **OUR** obligation for the **CONSTRUCTION DEFECTS**. The release shall be applicable to the **CONSTRUCTION DEFECTS** and shall not prevent **YOU** from notifying **US** should **YOU** become aware of a subsequent **CONSTRUCTION DEFECT**.

E. If YOU Disagree With US

If **YOU** believe **WE** have not satisfactorily responded to **YOUR** request for warranty performance or satisfactorily worked with **YOU** to resolve any other claim or dispute between **YOU** and **US**, **YOU** should provide written notice to **PWC** requesting Mediation. Upon **PWC's** receipt of written notice from **YOU**, **PWC** may review and mediate **YOUR** request. **PWC** may communicate with **YOU**, **US**, and any other individuals or entities that **PWC** believes may possess relevant information. If after forty-five (45) days, **PWC** is unable to successfully mediate **YOUR** claim or dispute, or at any earlier time when **PWC** determines that **YOU** and **WE** are at an impasse, **PWC** will notify **YOU** that **YOUR** request remains unresolved and that **YOU** may elect to initiate binding arbitration. Binding arbitration as described in the following section is the sole remedy for the resolution of disputes between **YOU** and **US**.

VII. Binding Arbitration Procedure

Following commencement of the **WARRANTY PERIOD**, any claim, controversy or dispute (hereafter collectively referred to as "dispute") between **YOU** and **US**, or parties acting on **YOUR** or **OUR** behalf, including **PWC**, and any successor, or assign of either **YOU** or **US**, which relates to or arises from this **LIMITED WARRANTY**, or the design or construction of the **HOME** or the **COMMON ELEMENTS**, or the sale of the **HOME** or transfer of title to the **COMMON ELEMENTS**, will be resolved solely by binding arbitration and not through litigation in court before a judge or jury. This agreement to arbitrate is intended to inure to the benefit of, and be enforceable by, **OUR** contractor, subcontractors, agents, vendors, suppliers, design professionals, materialmen, and any of **OUR** direct or indirect subsidiaries or related entities alleged to be responsible for any **CONSTRUCTION DEFECT**. Disputes subject to binding arbitration include, but are not limited to:

- A. Any disagreement that a condition in the **HOME** or the **COMMON ELEMENTS** is a **CONSTRUCTION DEFECT**;
- B. Any disagreement as to the method or scope of repair required to correct a **CONSTRUCTION DEFECT** or whether a **CONSTRUCTION DEFECT** has been corrected in compliance with this **LIMITED WARRANTY**;
- C. Any alleged breach of this **LIMITED WARRANTY**;
- D. Any alleged violation of consumer protection, unfair trade practice, or any other statute;
- E. Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and any other claims arising in equity or from common law;
- F. Any dispute concerning the interpretation of this arbitration provision or the arbitrability of any issue;

- G. Any dispute concerning the timeliness of **OUR** performance and/or **YOUR** notifications under this **LIMITED WARRANTY**;
- H. Any dispute as to the payment or reimbursement of the arbitration filing fee;
- I. Any dispute as to whether this **LIMITED WARRANTY**, or any provision hereof, including, but not limited to, this arbitration clause and any waiver hereunder, is enforceable;
- J. Any other claim arising out of or relating to the sale, design or construction of **YOUR HOME** or the **COMMON ELEMENTS**, including, but not limited to any claim arising out of, relating to or based on any implied warranty or claim for negligence or strict liability not effectively waived by this **LIMITED WARRANTY**.

The arbitration shall be conducted by DeMars and Associates, Ltd. (www.demarsassociates.com) pursuant to its Construction Arbitration Program ("CAP"), or by such other neutral, independent arbitration service that **PWC** shall appoint. If **YOU** object to the arbitration service appointed by **PWC**, **YOU** must so inform **PWC**, in writing, within ten (10) days of **YOUR** receipt of **PWC's** written notice informing **YOU** of the appointed arbitration service. **PWC** will then appoint an alternative neutral arbitration service provider. If **YOU** object to this alternative provider and if **YOU** and **WE** are unable to agree on another alternative, then either party may, pursuant to the applicable provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.), apply to a court of competent jurisdiction to designate an arbitration service provider, which designation shall be binding upon the parties. Selection of the arbitrator shall be the responsibility of the appointed arbitration service. The rules and procedures of the arbitration service, including its rules and procedures pertaining to its selection of the arbitrator who will conduct the arbitration, that are in effect at the time the request for arbitration is submitted will be followed unless the parties expressly agree otherwise. **PWC** will obtain and provide to **YOU** and **US**, upon request, the rules and procedures of the arbitration organization appointed to administer the arbitration. The arbitration service finally appointed or designated as aforesaid shall administer the arbitration of any and all disputes required to be joined under the law.

This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by and interpreted under the Federal Arbitration Act now in effect and as it may be hereafter amended (the "FAA") to the exclusion of any inconsistent state law, regulation or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

Each party shall bear its own attorney's fees and costs (including expert's costs) for the arbitration. If **YOU** initiate the arbitration request, the arbitration filing fee and other fees charged by the arbitration service shall be divided and paid equally by **YOU** and **US**, unless **YOU** and **WE** have otherwise agreed in writing to a different allocation. If **WE** initiate the request for arbitration, **WE** shall pay the entire arbitration filing fee as well as all other fees charged by the arbitration service.

As part of any arbitration award, the arbitrator may, at his/her discretion, direct that **WE** reimburse **YOU** some or all of the arbitration filing fee and other arbitration fees **YOU** paid to the arbitration service, but under no circumstances shall **YOU** be required to reimburse **US** any portion of the arbitration filing fee and other arbitration fees **WE** paid.

Arbitration filing fees and other arbitration fees vary among arbitration service providers. Before submitting a Binding Arbitration Request Form, **YOU** may contact **PWC** to obtain information on the fees charged by the appointed arbitration service provider. The arbitration service's filing fee and other arbitration fees in effect at the time arbitration is requested shall apply.

The process for initiating arbitration is described below.

- Step 1** The Initiating Party Completes A Binding Arbitration Request Form And Mails It To PWC Along With Their Share Of The Arbitration Filing Fee. A Binding Arbitration Request Form is attached to this **LIMITED WARRANTY**. **YOUR** Binding Arbitration Request Form must be received by **PWC** no later than ninety (90) days after the **WARRANTY PERIOD** expires. Please Note that while **YOU** have ninety (90) days after the **WARRANTY PERIOD** expires to file for arbitration, this time period does not extend the **WARRANTY PERIOD** for **CONSTRUCTION DEFECTS**. Additionally, no investigation, inspection, testing, repair, replacement, or payment, nor any promise of same by **US** under this **LIMITED WARRANTY**, nor any dispute resolution efforts, shall extend the term of this **LIMITED WARRANTY** or extend or toll any statutes of limitations or any of **YOUR** rights or remedies.
- Step 2** The Arbitration Service Will Arrange For The Arbitration. The arbitrator or arbitration organization will notify **YOU** and **US** of the time, date and location of the arbitration hearing. If the dispute involves the allegation of a **CONSTRUCTION DEFECT** or **OUR** performance under this **LIMITED WARRANTY**, most often the hearing will be conducted at the **HOME** or, if applicable, the location of the **COMMON ELEMENTS**. Other disputes between **YOU** and **US** that are subject to arbitration, but which do not include a **CONSTRUCTION DEFECT** claim, may be scheduled for hearing at the **HOME** or another location within the county where the **HOME** is located. In scheduling the hearing the arbitrator will set a time and date that is reasonably convenient to all the parties.
- Step 3** The Arbitration Hearing. The parties at the arbitration hearing will include the arbitrator, **YOU**, **US** and/or a third party designated by **YOU** or **US** or acting on **YOUR** or **OUR** behalf. Any party to the proceeding may be represented at the hearing. All persons who are parties to the arbitration, as well as representatives and witnesses, are entitled to attend hearings.

After evidence is presented by **YOU**, **US** or **YOUR** or **OUR** representatives, a decision will be rendered by the arbitrator. The decision is final and binding on **YOU** and **US**. The arbitrator may grant any remedy, including statutory remedies, and other relief that the arbitrator deems just and equitable and within the scope of this **LIMITED WARRANTY** or other applicable agreements.

The arbitrator will decide any dispute between the parties, as described above. Where a **CONSTRUCTION DEFECT** is alleged, the arbitrator will determine whether the alleged **CONSTRUCTION DEFECT** exists and whether it is **OUR** responsibility. If the arbitrator finds **US** responsible for a **CONSTRUCTION DEFECT**, **WE** shall be obligated to perform in accordance with **OUR Warranty Obligations** as described in **Section II** above.

In connection with a **CONSTRUCTION DEFECT** dispute, the arbitrator retains jurisdiction and authority to decide any dispute as to the required scope of repair and the cost to repair the **CONSTRUCTION DEFECT**. In deciding such disputes, the arbitrator considers the terms of this **LIMITED WARRANTY**, any third-party evaluations, binding bids for repair work supplied by either of the parties, any estimates of diminished fair market value, and such other information submitted by the parties and deemed relevant by the arbitrator. Except where otherwise directed by the arbitrator's award, the decision to repair, replace, or to make payment to **YOU** in lieu of repair or replacement is at **OUR** or **OUR** authorized representative's sole option. The arbitrator will also render a decision as to any other claims, disputed matters or issues stated in the Binding Arbitration Request Form.

- Step 4** OUR Arbitration Performance Obligations. If an arbitrator concludes that **WE** are responsible for a **CONSTRUCTION DEFECT**, **WE** will perform in accordance with the arbitrator's decision within sixty (60) days from the date of the award or such greater time as may be allowed by the arbitrator's decision. Delays caused by circumstances beyond **OUR** or **OUR** representative's control shall be excused.
- Step 5** Disputes As To Compliance With The Award. If there is any dispute as to **OUR** compliance with an arbitrator's award, either party shall so inform **PWC** in writing at its mailing address specified in this **LIMITED WARRANTY**. **PWC** will mediate this dispute and if it cannot be resolved, either party may request a compliance inspection arbitration to decide the question of compliance with the arbitration award. If it is determined that **WE** have not properly performed, **WE** will be obligated to immediately

comply. As with the original arbitration award, any such subsequent arbitration rulings shall be enforceable by any court of competent jurisdiction.

VIII. General Conditions

A. Separation of This LIMITED WARRANTY From The Contract Of Sale

This **LIMITED WARRANTY** is separate and independent of the contract between **YOU** and **US** for the construction and/or sale of the **HOME** or transfer of the **COMMON ELEMENTS**. Except as otherwise expressly provided herein, the provisions of this **LIMITED WARRANTY** shall in no way be restricted or expanded by anything contained in the construction and/or sales contract or other documents between **YOU** and **US**.

B. Transfer to Subsequent HOMEOWNERS

This **LIMITED WARRANTY**, subject to all of its terms and conditions, including, but not limited to, its mandatory binding arbitration provision, will transfer to new owners of the **HOME** for the remainder of the **WARRANTY PERIOD**. **YOU** agree to provide this **LIMITED WARRANTY** to any subsequent purchaser of the **HOME** as a part of the contract of sale of the **HOME**. Please see the form "SUBSEQUENT HOME BUYER ACKNOWLEDGEMENT AND TRANSFER" contained at the end of this document.

C. Transfer of Manufacturer's Warranties

WE assign to **YOU** all the manufacturer's warranties on all appliances, fixtures and items of equipment that **WE** installed in the **HOME**. Should an appliance or item of equipment malfunction **YOU** must follow the procedures set forth in that manufacturer's warranty to correct the problem. **OUR** obligation under this **LIMITED WARRANTY** is limited to the workmanlike installation of such appliances and equipment. **WE** have no obligation for appliances and equipment defined as **CONSUMER PRODUCTS**.

D. Recovery Rights

If **WE** or a third party designated by **US** or acting on **OUR** behalf repairs, replaces or pays the cost to repair or replace **CONSTRUCTION DEFECT**, or other related damage to the **HOME** or the **COMMON ELEMENTS** covered by this **LIMITED WARRANTY**, or if **WE** elect to pay the diminished market value of the **HOME** in lieu of repair or replacement of a **CONSTRUCTION DEFECT**, **WE** are then entitled, to the extent of **OUR** cost or payment, to take over **YOUR** related rights of recovery from other people and entities, including but not limited to, other warranties and insurance. **YOU** have an obligation not to make it harder for **US** to enforce these rights. **YOU** agree to sign any papers, deliver them to **US**, and do anything else that is necessary to help **US** exercise **OUR** rights.

E. General Provisions

1. If any provision of this **LIMITED WARRANTY** is determined to be unenforceable, such a determination will not affect the remaining provisions. If this **LIMITED WARRANTY** or any provision herein is determined to be unenforceable as to a **HOMEOWNERS ASSOCIATION** or a specific **HOMEOWNER**, such a determination will not affect the enforceability of this **LIMITED WARRANTY** or such provision as to any other **HOMEOWNERS ASSOCIATION** or any other **HOMEOWNER**. The issue of enforceability, as well as all other issues, will be determined by Binding Arbitration as provided for in this **LIMITED WARRANTY**.
2. This **LIMITED WARRANTY** and the binding arbitration process are binding on **YOU** and **US**. It is also binding on **YOUR** and **OUR** heirs, executors, administrators, successors, and assigns.
3. As may be appropriate, the use of the plural in this **LIMITED WARRANTY** includes the singular, and the use of one gender includes all genders.

IX. Definitions

BUILDER means the individual, partnership, corporation or other entity which participates in the Warranty Program administered by the Professional Warranty Service Corporation and provides **YOU** with this **LIMITED WARRANTY**. Throughout this document the **BUILDER** is also referred to as "**WE**", "**US**" and "**OUR**".

COMMON ELEMENTS means the property as specified in the recorded Covenants, Conditions and Restrictions as common area and any other property as to which the **HOMEOWNERS ASSOCIATION** has standing under the law to make a claim. This may include, but is not limited to, streets, slopes, the structure or components of enclosure or other parts of the **HOME**, corridors, lobbies, vertical transportation elements, rooms, balconies, clubhouses or other spaces that are for the common use of the residents of the development in which the **HOME** is located. **SYSTEMS** serving two or more **HOMES**, and the outbuildings that contain parts of such **SYSTEMS** are also included in this definition.

CONSEQUENTIAL OR INCIDENTAL DAMAGES means any loss or injury **other than**:

- A. **OUR** cost to correct a **CONSTRUCTION DEFECT** including the correction of those surfaces, finishes and coverings damaged by the **CONSTRUCTION DEFECT**;
- B. **OUR** cost to repair or replace, at market value, furniture, carpet or personal property damaged by the **CONSTRUCTION DEFECT**;
- C. **OUR** cost to repair damage to the **HOME** which occurs in the course of **OUR** repair or replacement of a **CONSTRUCTION DEFECT**;
- D. The reasonable cost of the **HOMEOWNER'S** alternative shelter when the **HOME** is temporarily uninhabitable due to a **CONSTRUCTION DEFECT** and while the **HOME** is rendered uninhabitable by the work necessary to repair a **CONSTRUCTION DEFECT**.

Time **YOU** take off from work and/or **YOUR** inability to work from the **HOME** as a result of a **CONSTRUCTION DEFECT** or the repair/replacement of a **CONSTRUCTION DEFECT**, are among those damages considered "**CONSEQUENTIAL OR INCIDENTAL DAMAGE**" and are excluded under this **LIMITED WARRANTY**. Diminished fair market value of the **HOME** is also among those damages considered "**CONSEQUENTIAL OR INCIDENTAL DAMAGE**" and is excluded under this **LIMITED WARRANTY** notwithstanding that **WE** reserve the right to elect to pay **YOU** diminished fair market value in lieu of **OUR** repair, replacement or payment for the cost to repair or replace a **CONSTRUCTION DEFECT**.

CONSTRUCTION DEFECT(S) means a condition in the materials or workmanship used in constructing the **HOME** and/or the **COMMON ELEMENTS** that:

- materially affects the structural integrity of the **HOME** or the **COMMON ELEMENTS**; or
- has an obvious and material negative impact on the appearance of the **HOME** or the **COMMON ELEMENTS**; or
- jeopardizes the life or safety of the occupants of the **HOME** or the users of the **COMMON ELEMENTS**;
or
- results in the inability of the **HOME** or the applicable **COMMON ELEMENTS** to provide the functions that can reasonably be expected in such a **HOME** or **COMMON ELEMENT**.

CONSUMER PRODUCT means any piece of equipment, appliance or other item that is a **CONSUMER PRODUCT** for purposes of the Magnuson-Moss Warranty Act (15 U.S.C. § 2301, *et seq.*) installed or included in the **HOME**. Examples of Consumer Products include, but are not limited to, dishwasher, garbage disposal, gas or electric cook-top, range, range hood, refrigerator or refrigerator/freezer combination, gas oven, electric oven, microwave oven, trash compactor, automatic garage door opener, clothes washer and dryer, hot water heater, solar water heater, solar water heating panels, furnace, boiler, heat pump, air conditioning unit, humidifier, thermostat, and security alarm system.

EMERGENCY CONDITION means an event or situation that creates the imminent threat of damage to the **HOME** or **COMMON ELEMENTS**, or results in an unsafe living condition due to a **CONSTRUCTION DEFECT** that **YOU** (or as applicable, the **HOMEOWNERS ASSOCIATION**) become aware of at a point in time other than **OUR** normal business hours and **YOU** were unable to obtain **OUR** or **OUR** authorized representative's

prior written approval to initiate repairs to stabilize the condition or prevent further damage.

HOME means a single family residence either attached or detached covered by this **LIMITED WARRANTY** and the land on which it sits, or a condominium or cooperative unit in a multi-unit residential structure/building covered by this **LIMITED WARRANTY**, and the land on which it sits, except to the extent such unit, structure/building or land is part of the **COMMON ELEMENTS**.

HOME BUILDER'S LIMITED WARRANTY means only this express warranty document provided to **YOU** by **US**.

HOMEOWNER means the first person(s) to whom a **HOME** (or a unit in a multi-unit residential structure/building) is sold, or for whom such **HOME** is constructed, for occupancy by such person or such person's family, and such person's(s') successors in title to the **HOME**, or mortgagees in possession and any representative of such person(s) who has standing to make a claim on that person(s) behalf, including any class representative or **HOMEOWNERS ASSOCIATION** making a claim in a representative capacity.

HOMEOWNERS ASSOCIATION means a profit or nonprofit corporation, unincorporated association, organization, partnership, assessment district, limited liability company, limited liability partnership or other entity of any kind that owns, manages, maintains, repairs, administers, or is otherwise responsible for and has standing to make a claim as to any part of the **COMMON ELEMENTS**.

POLLUTANTS means all solid, liquid, or gaseous irritants or contaminants. The term includes, but is not limited to, petroleum products, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, radon gas, and waste materials, including materials to be recycled.

PWC means Professional Warranty Service Corporation which administers the warranty program in which **WE** participate. As such, **PWC** assumes no other liabilities in connection with this **LIMITED WARRANTY**. The **PWC** mailing address is: **Professional Warranty Service Corporation**
P.O. Box 800 Annandale, VA 22003-0800

SYSTEMS means the following:

- (a) Plumbing system - gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; and water, gas and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.
- (b) Electrical system - all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection.
- (c) Heating, Cooling, and Ventilation system - all duct-work; steam, water and refrigerant lines; and registers, connectors, radiation elements and dampers.

WARRANTY PERIOD shall commence on the date the title to the **HOME** is transferred to the first **HOMEOWNER**. Notwithstanding anything to the contrary set forth in this **LIMITED WARRANTY**, the **WARRANTY PERIOD** for the **COMMON ELEMENTS** of an individual structure/building commences on the date the title for the first **HOME** in the structure/building is transferred to the first **HOMEOWNER** or, as concerns clubhouses or outbuildings or other **COMMON ELEMENTS** not part of the **HOME**, the earlier of the date of substantial completion or the date title to these structures is transferred to the **HOMEOWNERS ASSOCIATION**. The dates the **WARRANTY PERIOD** begins and ends are indicated on the Limited Warranty Validation Form which is attached to and made part of this **LIMITED WARRANTY**.

WE, US, OUR means the **BUILDER**.

YOU, YOUR means the **HOMEOWNER** and the **HOMEOWNERS ASSOCIATION**.

BINDING ARBITRATION REQUEST FORM

Prior to requesting binding arbitration under the terms of the HOME BUILDER'S LIMITED WARRANTY, the initiating party should have sent the other party a clear and specific written request outlining the claim(s) or dispute(s) that are being submitted for decision through binding arbitration. If you have taken this step and believe the other party has not satisfactorily responded in accordance with the HOME BUILDER'S LIMITED WARRANTY, fill out this form and send it to PWC along with the arbitration filing fee. Be sure to attach a copy of all pertinent correspondence between you and the other party relative to the issue.

The information you need to fill out this form can be found on the Limited Warranty Validation Form. However, if you do not know the answers to any questions, write "Don't Know." Please do not leave any item blank.

Homeowner name(s): _____

Address: _____
_____ CITY STATE ZIP

Home Phone :(_____) _____ Business/Cell Phone:(_____) _____

Email: _____

LIMITED WARRANTY #: _____ Date Warranty Period begins: _____

Builder's Name: _____

Address: _____

Business Phone: (_____) _____

Describe the dispute that you wish to submit to binding arbitration under the terms of the HOME BUILDER'S LIMITED WARRANTY. If the dispute is relative to a construction defect please include information on when the construction defect(s) first occurred or when you first noticed the construction defect. (Attach additional sheets, if necessary).

I/we are hereby requesting PWC to initiate a binding arbitration to resolve the dispute described herein above.

Signature Date Signature Date

INSTRUCTIONS: Photo-copy this form and complete the fields.

Obtain the required arbitration filing fee by contacting PWC at 1-800/850-2799.

Send this Binding Arbitration Request Form and the arbitration filing fee to:

**PROFESSIONAL WARRANTY SERVICE CORPORATION
P. O. BOX 800
ANNANDALE, VIRGINIA 22003-0800**

SUBSEQUENT HOME BUYER ACKNOWLEDGMENT AND TRANSFER

Any coverage remaining under the **HOME BUILDER'S LIMITED WARRANTY** applicable to the home specified on the Limited Warranty Validation Form is transferred to the subsequent homeowner.

The undersigned home buyer(s) hereby acknowledge and agree:

I/we acknowledge that I/we have reviewed, understand and agree to all the terms of the **HOME BUILDER'S LIMITED WARRANTY** document (PWC Form No. 117).

I/we understand and acknowledge that Professional Warranty Service Corporation ("PWC") is not the warrantor of the **HOME BUILDER'S LIMITED WARRANTY**.

I/we understand that I/we am/are responsible for the maintenance of the home including maintenance of the grade of the land surrounding the home, and that the Builder shall not be responsible for any defect or damage to the home which is the result of my/our failure to maintain the home.

I/we acknowledge and agree to the Binding Arbitration Procedure contained in the **HOME BUILDER'S LIMITED WARRANTY**.

Signature(s) of Subsequent Home Buyer(s): _____ Date: _____

_____ Date: _____

Print above name(s): _____

Email: _____

Delivery Preference: Email Mail Both

Re-issuance of the Limited Warranty Validation Form with the name(s) of the new Home Buyer(s) is not necessary for you to receive the coverage remaining under the **HOME BUILDER'S LIMITED WARRANTY**. Upon receipt of this signed form, PWC will update its records to reflect the name(s) of the new homeowner(s). If you want PWC to issue another Limited Warranty Validation Form with your name(s) on the form, please check the box below and send a check in the amount of \$20.00 made payable to "PWC" with your submission of this form.

YES, re-issue the Limited Warranty Validation Form in the above name(s) (check box) Initial _____

Address of Home: _____

Limited Warranty No.: _____

INSTRUCTIONS: Photo-copy this form. Provide information requested, sign, fill in Limited Warranty # in the space provided (this number is provided on the Limited Warranty Validation Form), and provide a telephone number where you can be reached (_____) _____. If you want the Limited Warranty Validation Form reissued in your name, enclose your check to PWC in the amount of \$20.00 (check box above and initial). To reach PWC by phone, call: 1-800/850-2799.

Mail this form and a photocopy of applicable settlement/closing documents indicating transfer of title, to:

PROFESSIONAL WARRANTY SERVICE CORPORATION P.O. BOX 800 ANNANDALE, VA 22003-0800

EXHIBIT H

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 private, nonprofit organization that acquires land for the benefit of a community by providing affordable housing for community residents. Under a traditional CLT structure, community residents own their homes and any improvements made to their homes and they lease the land beneath their home from a CLT, such as Homestead, through a process called “ground-leasing”. Ground leases within a CLT typically last for 99 years and are inheritable, thus allowing homeowners to transfer their homes to their children, spouse, or partner.

CLTs preserve the long-term affordability of housing within the community by controlling the resale price of homes within the community, while still providing homeowners with fair compensation for their investment. In this way, Homestead preserves the community's investment of public and private resources and makes each home within the CLT permanently affordable.

The Southard's CLT Structure. To maintain affordability within the Community, 11 Units will be sold to homebuyers under a traditional CLT structure and 7 units will be sold to homebuyers at fair market value rates. The fair market value rate homebuyers will purchase both their homes and the land beneath their homes from Homestead.

All homeowners within the Community will be members of an Association that will work together for the betterment of the Community.

COMMON INTEREST COMMUNITY- OWNERSHIP AND MAINTENANCE

What You Own. You have purchased a Unit in a common interest community with the boundaries shown on the Map. Your Unit includes your Home and anything else located within those boundaries, subject to the Ground Lease, as applicable.

Maintenance. Except as expressly provided otherwise, homeowners are responsible for maintaining the exterior of their Unit. Homeowners are also responsible for maintaining the interior of their Unit.

The Association is responsible for maintaining Common Elements, which includes bike racks, community garden, children's play area, and sidewalks.

Remodeling and Exterior Modifications. Homeowners do not need to consult with the Association before remodeling the interior of their Home. Exterior modifications for all Units may be permitted, but subject to any rules that the Association adopts. All modifications to Units are subject to the Ground Lease's restrictions, as applicable.

COMMON INTEREST COMMUNITY- FINANCIAL MATTERS

Insurance. The Association has obtained insurance for the Community as described in Section x of the Public Offering Statement. Homeowners should review the Association's insurance policy and consult with their insurance advisors to fully understand the coverage provided by the Association's insurance, as additional insurance may be necessary.

Assessments. All Homeowners must pay a monthly assessment fee to pay the normal operating expenses of the Community. As these costs increase, so will each Homeowners' assessment fee. Please

see the budget included in the Public Offering Statement for details of the expenses paid by your assessment fee.

Reserves. Homestead will establish and maintain a reserve fund for future repairs and replacement of major community components. Maintaining a healthy reserve account helps CLT communities avoid potentially large special assessments in the future.

Budget. The Board of Directors will prepare a budget for the Association every year. Homeowners have the right to ratify that budget annually.

COMMON INTEREST COMMUNITY- COMMUNITY GOVERNANCE INFORMATION

The Association. Everyone who owns a Unit in the Community automatically becomes a member of The Southard Homeowners Association. The initial, two-member Board of Directors is appointed by the Declarant who can increase the size of the Board until Homeowners assume control of the Association at a transition meeting. The initial Directors of the Board are Kathleen Hosfeld, who is also the Executive Director of Homestead Community Land Trust, and Eric Pravitz, who is the Director of Real Estate Development at Homestead Community Land Trust. Upon assuming control of the Association, Homeowners vote to establish the Board of the Association and can even run to be elected as members of the Board themselves. After assuming control of the Association, Parkview may appoint one member to the Board and the Owners will then elect three members to the Board.

The Importance of Professional Community Association Management. Given the size of this Community and the Common Elements, Homestead has elected to hire a professional management firm, which will assist the Homeowner's Association (and its board) with daily operations. Management firms are primarily responsible for maintaining records, collecting monthly assessments, managing the necessary service providers, and enforcing community rules.

Because the Association is required to generate annual financial statements, it is important that the Association's books and records be maintained competently and professionally.

EXHIBIT I
PARKING ASSIGNMENTS

Parking Assignments - The Southard

Lot Number	Address 32 nd Lane S	Assigned Parking Space(s)
1	13839	3 & 4
2	13843	12
3	13845	13
4	13847	14 & 26
5	13849	15 & 23
6	13819	16
7	13817	17
8	13815	18 & 32
9	13813	19 & 33
10	13811	10
11	13809	11
12	13807	9
13	13805	8
14	13803	7
15	13801	6
16	13831	5
17	13833	2
18	13835	1