

CONDOMINIUM OWNERS' ASSOCIATION MANAGEMENT AGREEMENT

The undersigned BROWNSTONE AT ISSAQUAH HIGHLANDS CONDOMINIUM ASSOCIATION, duly incorporated and / or existing under the laws of the State of Washington (hereinafter "Association"), in consideration of the covenants herein contained, and MORRIS MANAGEMENT, INC., a Washington corporation (hereinafter "Agent"), agree as follows:

1. APPOINTMENT OF MANAGING AGENT.

1.1 Appointment and Acceptance. Association hereby appoints Agent as sole and exclusive Agent of Association to operate and manage the 176-unit condominium Property as described in Section 1.2 upon the terms and conditions provided herein. Agent accepts the appointment and agrees to furnish the services of its organization for the management of the Association as provided and specified in the Declaration for Brownstone at Issaquah Highlands, a Condominium (hereinafter "Declaration") and other governing documents.

1.2 Description of Premises. The Property to be managed by Agent under this Agreement is commonly known as Brownstone at Issaquah Highlands, located northeast of the intersection of Highland Drive NE and NE Discovery Drive, Issaquah, King County, WA 98029. The term "Property" as used hereinafter shall refer to the Association Property, including the operations thereon, as the context shall indicate. The terms "party" or "parties" as used hereinafter shall refer to the Agent as one party and the Association as the other party, as the context shall indicate.

1.3 Term. The term of this Agreement shall be for an initial period of one (1) year beginning on the 1st day of October, 2014, and thereafter for annual periods unless terminated as provided herein.

2. BANK ACCOUNTS. The various bank accounts established under this Agreement shall at all times be established under the Association's name but under Agent's control. Agent's designees shall be authorized to draw upon the operating accounts and others as authorized by Association. No amounts deposited in any accounts established under this Agreement shall in any event be commingled with any other funds of Agent.

2.1 Operating Accounts. Agent shall establish a business checking account for operating funds, separate and apart from Agent's corporate accounts, for the deposit of receipts collected as described herein, in a bank or other institution whose deposits are FDIC insured or backed by the federal government. Such depository shall be selected by Agent (currently Northwest Bank or US Bank). Agent shall not be liable in the event of bankruptcy or failure

of a depository. Funds deposited shall remain the Property of the Association subject to disbursement of expenses by Agent as described in this Agreement. Agent's designees shall be the only parties authorized to draw upon such account.

2.2 Savings Account. Agent shall establish a savings account for replacement funds, maintenance reserve funds or other funds to be placed in the account at the Association's direction, separate and apart from Agent's corporate accounts, for the deposit of receipts collected as described herein, in a bank or other institution whose deposits are FDIC insured or backed by the federal government. Such depository shall be selected by Agent and approved by Association (currently Northwest Bank or US Bank). Agent shall not be liable in the event of bankruptcy or failure of a depository. Association's designees shall be the only parties authorized to draw upon such account.

2.3 Other Accounts. Funds for the Association shall be maintained in either a business checking or a savings account. Should the Association desire its funds to be placed in an account other than the type described above, the Treasurer or other designated Association officer shall assume responsibility for the selection and administration of such account or the Agent may administer the account subject to an adjustment in the Agent's fees described in Section 18.

2.4 Fidelity Insurance. Association shall maintain Fidelity / Employee Dishonesty insurance coverage in the amount required by Fannie Mae and Freddie Mac for all Directors, Committee Members, on-site personnel and employees of the Association who handle or are responsible for the safekeeping of any moneys of the Association at Association's expense. Such coverage shall name the Agent as an additionally insured. Agent may, but shall not be obligated to, place said insurance and pay the cost thereof from the Operating Account. In addition, Agent shall maintain separate Fidelity / Employee Dishonesty insurance coverage for its employees who handle or are responsible for the safekeeping of moneys of Association at Agent's expense.

3. COLLECTION OF MONTHLY ASSESSMENTS AND OTHER RECEIPTS.

3.1 Agent's Authority. Agent shall collect for the Association all monthly assessments, special assessments, charges and other amounts receivable on Association's account in connection with the management and operation of the Association. Such receipts shall be deposited in the operating or savings account(s) maintained by Agent for the Association.

3.2 Collections. Agent shall use its best efforts to collect all regular monthly assessments and other charges as they become due and payable each month from all Association members and all other moneys which are due from other sources which are obligated to and for the benefit of the Association.

3.3 Enforcement of Collection. Association hereby authorizes and directs Agent to request, demand, collect, receive and receipt for any and all charges which may at any time be or become due to Association, and to take such action in the name of Association by way of legal process or otherwise as may be required for the collection of delinquent monthly assessments and / or special assessments. Agent is authorized, when expedient, to settle, compromise and release such actions or suits. Attorneys' fees, filing fees, court costs and other necessary expenses incurred in connection with such actions and not recovered from residents shall be paid out of the operating account or reimbursed directly to Agent by Association. Agent may select the attorney of its choice to handle such litigation. Agent may also collect from the Association and charge to the respective resident's account any or all of the following: an administrative charge, in addition to any Association imposed late charges, of \$25 per occurrence for returned or non-negotiable checks or electronic debit items; and / or an administrative charge, in addition to any Association imposed late charges, of \$25 per month, per delinquent Owner account, to process late notices or provide monthly updated information to the Association's Attorney for accounts placed for collection.

4. DISBURSEMENTS FROM OPERATING ACCOUNTS.

4.1 Operating Expenses. From the operating account, Agent is hereby authorized to pay or reimburse itself for all expenses and costs of operating the Association and for all other sums due Agent under this Agreement, including Agent's compensation under Section 18, and expenses as described in Exhibit A.

4.2 Debt Service. Association shall give Agent advance written notice of at least fifteen (15) calendar days if Association desires Agent to make any additional monthly or recurring payments (such as mortgage indebtedness, general taxes or special assessments) out of the proceeds for Association.

5. AGENT NOT REQUIRED TO ADVANCE FUNDS. In the event that the balance in the operating account is at any time insufficient to pay disbursements due and payable under Sections 4.1 and 4.2 herein, Association shall, immediately upon notice, remit to Agent sufficient funds to cover the deficiency. In no event shall Agent be required to use its own funds to pay such disbursements; nor shall Agent be required to advance any moneys to Association, to the Operating, Savings, or Other account(s). Agent shall notify Association in advance, at Agent's earliest knowledge of any anticipated funding shortages.

6. FINANCIAL AND OTHER REPORTS. Agent shall be available to review expenses and statements in a monthly meeting. By the tenth (10th) day of each month, Agent shall furnish each member of the Board of Directors of the Association, unless directed otherwise, with financial statements, including a balance sheet and income statement, from the operating of the Association during the previous month. Agent may make other reports available to the Association, with the content, frequency, and compensation to the Agent to be agreed upon by both parties in advance.

6.1 Audits. Periodic audits permitted or required by law or the Declaration shall be at Association's expense. Independent third-party auditors for this purpose are to be selected by the Agent and retained as necessary to comply with all such laws and / or Declaration provisions. Agent shall make Association's records available and cooperate in the conduct of the audit. Association shall hold auditor, not the Agent, responsible for the accuracy of all audits.

6.2 Tax Filing. Agent shall, at Association's expense, select and retain an accountant and provide all necessary paperwork for Association to prepare a federal income tax return, and shall cooperate with said accountant. Association shall hold said accountant, not the Agent, responsible for the accuracy of all tax returns.

6.3 Resale Certificates. In accordance with the requirement of RCW 64.34.425 (Section 4-107 of the Washington Condominium Act), Agent shall furnish resale certificates within ten (10) days after written request by either the selling unit owner or their agent, in connection with the proposed sale of a unit contained in the Premises. Agent is authorized to charge the selling unit owner a reasonable preparation fee for such certificates and / or any other charges chargeable with respect to information Agent must submit on the Association's behalf under the Washington Condominium Act, effective July 1, 1990 (refer to Exhibit A).

7. BUDGETING

7.1 Annual Budget. Agent shall coordinate activities to develop a proposed annual budget for review by the budget committee and approval by the Board of Directors and / or Association beginning at least sixty (60) days prior to the end of the fiscal accounting year.

7.1.1 Replacement Fund Reserve Study. Agent shall assist in the preparation of a replacement fund reserve study, the budget for which is to be identified in the annual operating budget. Agent recommends that a reserve study or update be performed annually in accordance with the intent of RCW 64.34.380 by an outside reserve study professional.

7.2 Regular and Special or Specific Assessments. Agent is authorized, after approval by Association, to establish and change or revise all regular assessments, fees or deposits, and any other special charges chargeable with respect to the Premises. Association acknowledges and agrees there will be an additional charge by Agent to collect Special or Specific Assessments. Such charge to be agreed upon by both parties prior to commencement of collection of Special or Specific Assessments.

7.3 Budget Shortfalls. Association has ultimate responsibility for proper budgeting and, as such, shall not hold Agent responsible for any budget shortfalls.

8. MEETINGS. Agent shall attend 1 annual general membership meeting, 1 annual budget ratification meeting, and up to 10 Board of Directors meetings (annually). Agent's attendance of all meetings shall not exceed two hours per meeting. Agent may be available to attend meetings for a longer period of time or attend additional meetings at an additional cost of \$95.00 per hour to the Association. Meetings shall be held at mutually agreeable times and venues.

8.1 Notices and Agendas. Agent shall, at Association's expense, prepare and mail notices, proxies, ballots and agendas under the established requirements of Association's Declaration and / or Bylaws and as directed by the governing Board of Directors.

9. RULES ENFORCEMENT. Agent shall, based on Association policy, or at the direction of the Board of Directors, issue formal notices of alleged violations of governing documents within ten (10) calendar days of formal written notification from the Board of Directors.

10. EMPLOYEES.

10.1 Agent's Authority to Hire. Agent is authorized, after approval by Association, to hire, direct, discharge and pay all employees, contractors or other personnel necessary to be employed in the management, maintenance and operation of the Property. All compensation, unemployment charges, employee benefits, business and occupation tax, and those costs and liabilities associated with the employment or termination of employment of Association employees shall be paid out of the gross monthly assessments. Agent shall be reimbursed for all Association employee payroll administration costs.

11. MAINTENANCE AND REPAIR.

11.1 Authorization for Maintenance and Repairs. Agent is authorized to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the Property in its present condition and for the operating efficiency of the Property, and all alterations required to comply with Declaration requirements, governmental regulations or insurance requirements. Agent is also authorized, after approval by Association, to decorate the Property and to purchase or rent, on Association's behalf, all equipment, tools, appliances, materials, supplies, uniforms and other items necessary for the management, maintenance or operation of the Property. Such maintenance, repair and decorating expenses shall be paid out of the operating account. This Section applies except where maintenance, repair and / or decorating are at unit owner's expense as stipulated in the Declaration. Association authorizes Agent the right to use its own

employees to perform hourly or contract repair and maintenance work. All such repair and maintenance work shall be billed based upon Agent's current fee of \$55 per hour. Notwithstanding the foregoing, Association is ultimately responsible for determining what maintenance or repair work is required.

11.2 Approval of Exceptional Maintenance Expenses. The expense to be incurred for any one item of maintenance, alteration, refurbishing or repair shall not exceed \$1,500, unless such expense is specifically authorized by Association, or is provided in an approved budget. In an emergency where repairs are immediately necessary for the preservation and safety of the Premises, or to avoid the suspension of any essential service to the Premises, or to prevent or limit substantial additional damages, or to avoid danger to life or Property, or to comply with federal, state or local law, such emergency repairs shall be made by Agent at Association's expense without prior approval.

12. CONTRACTS, UTILITIES AND SERVICES. Agent is authorized to negotiate contracts for nonrecurring items of expense, not to exceed \$1,500, unless approved by Association, and to enter into agreements in Association's name for all necessary repairs, maintenance, minor alterations and utility services. Agent shall, in Association's name and at Association's expense, make contracts on Association's behalf for electricity, gas, telephone, fuel, water, sewer, garbage, financial audits, janitorial and such other services as Agent shall deem necessary or prudent for the operation of the Premises. All utility deposits shall be the Association's responsibility, and Agent may pay same from the operating account.

13. RELATIONSHIP OF AGENT TO ASSOCIATION. The relationship of the parties to the Agreement shall be that of Principal and Agent, and all duties to be performed by Agent under this Agreement shall be for and on behalf of Association, in Association's name, and for Association's account. In taking any action under this Agreement, Agent shall be acting only as Agent for Association, and nothing in this Agreement shall be construed as creating a partnership or any other relationship between the parties to this Agreement except that of Principal and Agent, or as requiring Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Property. Nor shall Agent at any time during the period of this Agreement be considered a direct employee of Association. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

14. SAVE HARMLESS. Association shall indemnify, defend and save Agent harmless from all loss, damage, cost, expense (including attorneys' fees), liability, claims for personal injury or Property damage, error of judgment, or for any mistake of fact of law incurred or occurring in, on or about the Property, except in the case of willful misconduct or gross negligence.

15. LIABILITY INSURANCE. Association shall obtain and keep in force adequate insurance against physical damage and against liability for loss, damage or

injury to Property or persons which might arise out of the occupancy, management, operation or maintenance of the Property. The amounts and types of insurance shall be in accordance with the provisions of the Declaration and Bylaws, acceptable to both Association and Agent, and any deductible required under such insurance policies shall be Association's expense. Agent shall be covered as an additional insured on all liability insurance maintained with respect to the Property. Liability insurance shall be in accordance with the provisions of the Declaration and Bylaws, and adequate to protect the interests of both Association and Agent, and in form, substance and amounts reasonably satisfactory to Agent. Agent may, but shall not be obligated to, place said insurance and charge the cost thereof to the operating account.

16. AGENT ASSUMES NO LIABILITY. Agent assumes no liability whatsoever for any acts or omissions of Association, or any previous owners of the Property, or any previous management or other agent of either. Agent assumes no liability for any failure of or default by any resident in the payment of any assessment or other charges due Association or in the performance of any obligations owed by any unit owner to Association. Nor does Agent assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Agent shall be brought to the attention of Association in writing, and Association shall promptly cure them. Agent assumes no liability for the accuracy or completeness of any Association records or actions produced prior to the execution of this agreement by either the Association or Association's previous Agents. Agent assumes all pre-existing Association records will be in order such that Agent will be able to accurately and completely establish financial records and controls, maintenance and inspection history, status, and controls, and perform all other normal "set-up" functions within ten hours of time. Additional time needed to properly organize and incorporate the Association's records into Agent's systems due to improper prior handling shall be billable back to the Association at Agent's current Professional Services rate of \$75.00 per hour. If requested by Association, and with Association's full cooperation and support, Agent shall conduct a complimentary preliminary examination of the Association's records and provide a good faith estimate of any anticipated additional expenses prior to final execution of this agreement.

17. ASSOCIATION RESPONSIBLE FOR ALL EXPENSES OF LITIGATION. Association shall pay all expenses incurred by Agent, including, but not limited to, reasonable attorneys' fees and Agent's cost and time, and any liability, fines, penalties or the like, in connection with any claim, proceeding or suit involving an alleged violation by Agent or Association, or other, of any law pertaining to fair employment, environmental protection, taxes, or fair housing including but not limited to, any law prohibiting or making illegal discrimination, provided, however, that Association shall not be responsible to Agent for such expenses in the event Agent is finally adjudged to have personally, and not in a representative capacity, violated any such law. Nothing contained in this Agreement shall obligate Agent to employ legal counsel to represent Association in any such proceeding or suit.

17.1 Fees for Legal Advice. Association shall pay reasonable expenses incurred by Agent in obtaining legal advice regarding compliance with any law affecting the Property or activities related to them. Agent shall obtain approval from Association to obtain such legal advice, if the cost is anticipated to exceed \$1,000.

17.2 Agent Does Not Provide Legal Advice. Association acknowledges, agrees, and understands that Agent is not licensed to practice as an Attorney or offer legal advice. Any correspondence and communication, written or oral, by Agent is not intended, implied, expressed, or otherwise, to offer a legal opinion, interpretation, or guidance to the Association.

18. MANAGING AGENT'S COMPENSATION AND EXPENSES. As compensation for the services provided by Agent under this Agreement (exclusive of reimbursement of expenses to which Agent is entitled hereunder), Association agrees to pay Agent as follows:

18.1 For Management Services. Managing Agent shall be entitled to receive for services performed under this Agreement a fee of \$3,168.00 per month, prorated to commence at a point of substantial completion of any given phase of the Condominium. Substantial completion shall be identified at a point where fifty percent (50%) of units in a phase are occupied, or when assessments are commenced, or sooner, if directed by Declarant. Notwithstanding the foregoing, the monthly management fee shall be the greater of \$395.00 or the amount calculated based upon the commencement of assessments as described above. Payments due Agent for periods of less than a calendar month shall be prorated over the number of days for which compensation is due. Managing Agent's monthly fees shall not be paid until the last check run of the month for which they were earned. The monthly management fee may be increased when the Association approves a new budget indicating an increased monthly fee for management services. Approval of the annual budget by the Association's Board of Directors shall constitute an approval of a monthly management fee adjustment. In addition to the management fee, Association shall pay for reimbursable expenses and additional fees based upon the schedule shown on Exhibit A. Such expenses may include, but are not limited to, bank fees, postage, express mail, courier service, office supplies, photocopying, mailing, and extra management time.

18.2 For Major Maintenance, Reconstruction and Renovation. In the event Association directs Agent to be involved with the preparation of bid packages, solicitation of bids, qualification or selection of contractor, course-of-performance observation, funds control management and similar functions in relation to major maintenance, reconstruction or renovation not in the normal course of operation (such as re-roofing, re-painting, asphalt overlaying and seal coating, deck, window, stair and door replacements, flood or storm damage restoration, landscaping overhaul, insurance claim repairs, pool, spa or recreational area overhaul, etc.), with Association for which the total cost of all

contracts exceeds \$5,000 annually, Association shall pay Agent an oversight fee of seven percent (7%) of the total cost of renovation, construction and major maintenance to be pre-approved by Association prior to commencement by Agent. Agent shall not be obligated to accept such assignment.

18.3 For Fire Restoration. To be mutually agreed upon in advance by Association and Agent prior to commencement. Agent shall not be obligated to accept such assignment.

18.4 Interest on Unpaid Sums. Any sums due Agent under any provision of this Agreement, and not paid within thirty (30) days after such sums have become due, shall bear interest at the rate of twelve percent (12%) per annum.

18.5 Community Association Manager. If Association is not satisfied with the Community Association Manager provided by Agent, upon ninety (90) days' written notice by Association to Agent, Agent will provide a different Manager.

19. REPRESENTATIONS. Association represents and warrants that: (a) Association has full power and authority to enter into this Agreement; (b) there are no written or oral agreements affecting the Property other than those which have been furnished to Agent; (c) there are no recorded easements, restrictions, reservations or rights of way which adversely affect the use of the Property for the purposes intended under this Agreement; (d) to the best of Association's knowledge, all permits for the operation of the Property have been secured and are current; (e) the building(s) and its construction and operation, when each unit is occupied, do not violate any applicable statutes, laws, ordinance, rules, regulations, orders or the like; (f) the building does not contain any asbestos, urea, formaldehyde, radon or other toxic or hazardous substances; and (g) no unsafe condition exists.

20. STRUCTURAL CHANGES. Association expressly withholds from Agent any power or authority to make any structural changes in any building, or to make any other major alterations or additions in or to any such building or to any equipment in any such building, or to incur any expense chargeable to Association other than expenses related to exercising the express powers vested in Agent through this Agreement or budget without the written consent of Association.

21. BUILDING COMPLIANCE. Agent does not assume and is given no responsibility for compliance of the Property or any building thereon, or any equipment therein with the requirements of any building codes or with any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify Association promptly or forward to Association promptly any complaints, warnings, notices or summonses received by Agent relating to such matters. Association represents that to the best of Association's knowledge, the Property and all such equipment comply with all such requirements, and Association authorizes Agent to disclose the ownership of the Property to any such officials and

agrees to indemnify and hold Agent, its representatives and employees harmless of and from all loss, cost, expense and liability whatsoever which may be imposed by reason of any present or future violation or alleged violation.

21.1 Building Code Violations and Warranty Issues. Agent shall notify the Declarant of any and all issues pertaining to building compliance, building code violation, warranty issues and / or common area warranty issues as per RCW 64.34. The intent of such notification is to seek possible resolution or solutions to any building issues that may arise between Declarant and Association.

22. TERMINATION.

22.1 Termination by Either Party. Either party may terminate this agreement by providing 30 days written notice to the other. This termination provision may be invoked with or without cause with no termination fee. Upon such notice of termination, both parties agree this agreement shall remain in full force and effect for the entire 30 days.

22.1.1 Surrender of Materials in the Event of Termination. Agent shall deliver to Association, within ten (10) days after the end of the month in which this Agreement is terminated, any balance of moneys due Association or of unit owner deposits, or both, which were held by Agent with respect to Association, and shall deliver to Association, within thirty (30) days after the end of the month in which this Agreement is terminated, a final accounting reflecting the balance of income and expenses with respect to Association as of the date of termination or withdrawal, and all records, contracts and other papers or documents which pertain to Association.

22.2 Association Responsible for Payments. Upon termination of or withdrawal from this Agreement, Association shall assume the obligations of any contract or outstanding bill executed by Agent under this Agreement for and on behalf of Association and responsibility for payment of all unpaid bills. In addition, Association shall furnish Agent security, in an amount satisfactory to Agent, against any obligations or liabilities which Agent may have properly incurred on Association's behalf under this Agreement.

23. INDEMNIFICATION SURVIVES TERMINATION. All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require Association to have insured or defend, reimburse or indemnify Agent (including, but not limited to, Sections 2.1, 2.3, 3.2, 5, 14, 15, 16, 17, 18.3 and 21) shall survive any termination; and if Agent is or becomes involved in any proceedings or litigation by reason of having been Association's Agent, such provisions shall apply as if this Agreement were still in effect.

24. FORCE MAJEURE. Any delays in the performance of any obligation of Agent under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of Agent, and any time periods required for performance shall be extended accordingly.

25. COMPLETE AGREEMENT. This Agreement, including any specified attachments, constitutes the entire agreement between Association and Agent with respect to the management and operation of the Property and supersedes and replaces any and all previous management agreements entered into and / or negotiated between Association and Agent relating to the Property covered by this Agreement. No change to this Agreement shall be valid unless made by a supplemental written agreement executed and approved by Association and Agent. Except as otherwise provided herein, any and all amendments, additions or deletions to this Agreement shall be null and void unless approved by Association and Agent in writing. Agent and Association as parties to this Agreement hereby acknowledge and agree that the other party has made no warranties, representations, covenants or agreements, express or implied, to such party, other than those expressly set forth herein, and each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants or agreements, express or implied, to such party, other than those expressly set forth herein.

26. RIGHTS CUMULATIVE; NO WAIVER. No right or remedy herein conferred upon or reserved to Agent or Association as parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of Agent or Association as parties to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

27. APPLICABLE LAW. The execution, interpretation and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of Washington.

28. NOTICES. Any notices, demands, consents and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Association and Agent individually may specify hereafter in writing:

TO AGENT: MORRIS MANAGEMENT, INC.
325 – 118th Avenue SE, Suite 204
Bellevue, WA 98005

TO ASSOCIATION: BROWNSTONE AT ISSAQUAH HIGHLANDS
CONDOMINIUM ASSOCIATION
11624 SE 5th Street
Bellevue, WA 98005

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the Post Office. Such notices, demands, consents and reports may also be delivered by hand or by any other receipted method or means permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mail as provided herein.

29. AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

By signing and entering into this Agreement, the Association and the Association's signers represent and warrant that the Association and the Association's signers have the authority to sign and enter into this Agreement.

This Agreement is not binding upon MORRIS MANAGEMENT, INC., until accepted and countersigned by the Designated Broker or authorized Corporate Officer for MORRIS MANAGEMENT, INC.

30. OTHER TERMS AND CONDITIONS. See Exhibit A.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this 10th day of September, 2014.

ASSOCIATION:

BROWNSTONE AT ISSAQUAH HIGHLANDS CONDOMINIUM ASSOCIATION,
a Washington non-profit corporation

By: Jennifer Mahaffey

[Print Name] Jennifer Mahaffey

Its: President

By: Karen J. Erickson

[Print Name] Karen J. Erickson

Its: Secretary

AGENT:

MORRIS MANAGEMENT, INC.,
a Washington corporation

By: Coral Cardon

CORAL CARDON

Its: Representative

ACCEPTED AND APPROVED this 10th
day of September, 2014.

By: Bruce Clary

BRUCE CLARY

Its: President / Designated Broker

EXHIBIT A

Summary of Reimbursable Expenses

Photocopies (black & white)	\$.10 ea. (or actual cost if outsourced)
Photocopies (color)	\$.20 ea. (or actual cost if outsourced)
Envelopes (#9 and #10)	\$.20 ea.
Envelopes (large format)	\$.35 ea.
Standard Postcards	\$.20 ea.
Padded Mailers	\$.75 ea.
Miscellaneous Office Supplies	Reimbursed at Agent's actual cost
Billing Statements	Reimbursed at Agent's actual cost
Payment Coupons	Reimbursed at Agent's actual cost
Remittance Envelopes	Reimbursed at Agent's actual cost
Postage	Reimbursed at Agent's actual cost
FedEx, UPS and Courier	Reimbursed at Agent's actual cost

Bank Fees: Reimbursed as billed by the banking institution for account maintenance, supplies, payment and deposit processing, and special services.

Record Archiving / Storage: Reimbursed at \$3 per box, per month plus actual service charges as billed by offsite records storage vendor.

Summary of Extra Charges

Association Management: An additional charge of \$95 per hour is charged for duties that are deemed to be over and above what is included in the Management Agreement. This includes any activity associated with litigation and small claims or administrative hearings.

Bookkeeping: An additional charge of \$75 per hour is charged for Bookkeeping Services that are deemed to be over and above what is included in the Management Agreement.

Clerical: An additional charge of \$55 per hour is charged for Clerical Services which are deemed to be over and above what is included in the Management Agreement.

The following services are charged to the unit owner, not to the Association:

Resale Certificates: \$275.

Escrow / Mortgage Questionnaires: \$100. (Excluding initial sale from Builder)

Transfer Fee: \$100. (Excluding initial sale from Builder)

Copies for personal use: \$.35 per black & white copy.

Insurance Binders: Billed to owner at actual cost.

Returned / Declined Bank Items: \$25. Includes checks, pre-authorized electronic withdrawals, e-banking transactions, and credit card transactions.

Payment Coupon Books: Additional book requested by Unit owner at \$15 per book.

Memorandum of Understanding

between

Morris Management, Inc.

and

Brownstone @ Isaacson Highlands
(legal name of Association)

This Memorandum of Understanding shall memorialize the following agreement(s) between Morris Management, Inc. and the Association:

During the process of creating, approving, and ratifying the Association's budget for fiscal year 2019, Morris Management, Inc. (Agent) and the Association have agreed that in lieu of increasing the monthly base management fee, to instead adjust the fees identified in Exhibit "A" of the Management Agreement for Escrow / Mortgage Questionnaires (\$150.) and Transfer Fee (\$150., or \$175. if utility sub-metering is coordinated by Agent). Those changes shall be effective as of January 1, 2019.

Morris Management, Inc. has made the decision to upgrade to a new cloud-based operating system to deploy better technology for the benefit of our clients. The majority of the transition should be completed during 2019 and one of the new features will be the availability of a portal for homeowners and Board members (with differing levels of access) to be able to access community documents and individual Owner / Lot / Unit information in real time as well as interact with the management company. The portal access is optional and there is a nominal cost of \$15 per month to the Association to participate. The Association X does (or) does not wish to participate in the portal access when it becomes available.

Acknowledged this 5th day of AUGUST, 2019.

[Signature]
Director signature

BRIAN NEVILLE
Print name

Director signature

Print name

[Signature]
MMI signature

irene dallum
Print name

Memorandum of Understanding

between

Morris Management, Inc.

and

Brownstone @ Issaquah Highlands
(legal name of Association)

This Memorandum of Understanding shall memorialize the following agreement(s) between Morris Management, Inc. and the Association:

During the process of creating, approving, and ratifying the Association's budget for fiscal year 2019, Morris Management, Inc. (Agent) and the Association have agreed that in lieu of increasing the monthly base management fee, to instead adjust the fees identified in Exhibit "A" of the Management Agreement for Escrow / Mortgage Questionnaires (\$150.) and Transfer Fee (\$150., or \$175. if utility sub-metering is coordinated by Agent). Those changes shall be effective as of January 1, 2019.

Morris Management, Inc. has made the decision to upgrade to a new cloud-based operating system to deploy better technology for the benefit of our clients. The majority of the transition should be completed during 2019 and one of the new features will be the availability of a portal for homeowners and Board members (with differing levels of access) to be able to access community documents and individual Owner / Lot / Unit information in real time as well as interact with the management company. The portal access is optional and there is a nominal cost of \$15 per month to the Association to participate. The Association ☒ does (or) ☐ does not wish to participate in the portal access when it becomes available.

Acknowledged this 5th day of AUGUST, 2019.

[Signature]
Director signature

BRIAN NEVILLE
Print name

Director signature

Print name

[Signature]
MMI signature

irene dallum
Print name