

EXHIBIT 28

MANAGEMENT CONTRACT



THE EDMONDS EBB TIDE ASSOCIATION OF APARTMENT OWNERS
MANAGEMENT SERVICES AGREEMENT
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Condominium Association Management Services Agreement

This Agreement, effective this _____ day of _____, 20 **16**, is by and between **THE EDMONDS EBB TIDE ASSOCIATION OF APARTMENT OWNERS**, a Washington non-profit corporation (the "Association"), and **RCA MANAGEMENT, INC.** a Washington corporation, (hereinafter "Agent," of the Association).

In consideration of the terms, conditions and covenants hereinafter set forth, the parties mutually agree as follows:

1. APPOINTMENT AND FUNCTION OF AGENT

1.1. Appointment of Agent.

The Association hereby appoints the agent, and the Agent accepts appointment, on the terms and conditions hereinafter provided, as the exclusive managing agent of the Association, to manage the affairs of the Association in accordance with the terms and conditions of this Agreement, as well as the Association's Declaration, the Bylaws, the Articles of Incorporation, Rules, Regulations, and Policies of the Association (hereinafter sometimes collectively referred to as the "Governing Documents"). Agent shall appoint a Community Association Manager, as Project Manager, to manage the affairs of the Association. The Project Manager shall serve at the discretion of Agent as Agent's primary representative to the Association's Board of Directors (hereinafter referred to as the "Board"). However, the Board shall, upon written notice to the Agent be entitled to have the designated Project Manager changed upon dissatisfaction with the individual assigned.

1.2. Duties and Services of Agent.

1.2.1. It shall be the duty of Agent during the period of this Agreement to provide counseling and advice to the Board and its committees in accordance with generally accepted industry standards in the area of community association management. Agent shall undertake best efforts to implement the decisions of the Board, subject to the compensation schedule and the limitations contained in this Management Agreement. It shall be the duty of Agent, during the term of this Agreement, to operate and maintain the property in a manner consistent with all federal, state and local laws, ordinances and regulations, within prevailing community association industry standards, and within the overall plan of this Association, as reflected in the policies adopted by the Board. It is further understood and agreed that the authority and duties conferred upon the Agent under the terms of this Agreement are confined to the Common Areas and Facilities as defined in the Declaration. The authority and duties of Agent do not and shall not include supervision, management, or interior maintenance of individual units except as may be required by the Declaration or covered by separate agreement.

1.2.2. It is understood that Agent is not authorized to practice law. The Association understands that the Agent is not a law firm and does not provide legal services and that this Agreement does

not include the rendering of legal services by Agent, or any attorney-at-law employed by Agent. Any services of an attorney that Association requires shall be provided by an attorney that the Association engages, and all fees, costs and expenses attendant to that engagement shall be the Association's responsibility.

1.2.3. It is understood that Agent is not authorized to practice as a Certified Public Accountant and is not a Certified Public Accounting Firm. Any services of a Certified Public Accountant required by the Association shall be provided by an independent Certified Public Accountant engaged by the Association and all fees, costs and expenses attendant to that engagement shall be an operating cost of the Association.

1.3. Independent Contractor Status

1.3.1. It is expressly understood that Agent is to perform services as an independent contractor. In no event shall Agent be deemed the employee of the Association. It is further understood that the individual agents, employees, officers, directors, members, shareholders and all other personal representatives of Agent and the Association are not parties to this Agreement, except to the extent that any of them have a right of indemnification under the terms of this Agreement.

1.3.2. The Association understands that Agent is engaged in similar management duties under contract with other Associations and property owners; and therefore, it is not intended that the Agent or its designated representatives devote full-time to the business of the Association. Agent shall, however, devote all necessary time to the business of the Association to cause the orderly operation of Association and the Condominium, consistent with generally accepted industry standards in the area of community association management and with due consideration to compensation paid under the terms of this Agreement. The Association also understands that Agent is engaged to perform services in relation to matters arising only during the term of this Agreement, termed "current services" and that the base compensation under the terms of this Agreement does not cover services for matters which precede or follow the term of this Agreement, including any extension of that term.

2. EMPLOYEES

2.1. Employees of Agent

Employees of the Agent who handle, or are responsible for handling monies of the Association, shall be bonded at Agent's expense by a fidelity bond in a face amount of not less than Fifty Thousand Dollars (\$50,000)

2.2. Employees of Association

Resident, on-site managers, project administrative, and maintenance personnel who work on the business and affairs of the Association shall be employees of the Association at the Association's expense. Fidelity bonding and liability coverage of such employees shall be at the Association's expense. Association agrees to comply with all local, State, and Federal laws in employing employees and agrees to hold harmless and defend Agent from any and all claims arising by reason of employment of any Association or Project employee.

3. DUTIES OF AGENT

3.1. General Management

3.1.1. Counseling. Agent shall utilize its experience, professional skills and knowledge to provide counseling and advice to the Board and its committees in accordance with generally accepted industry standards in the area of community association management. Agent shall inform the Board, on a continuing basis, concerning legislation, decisions, tax rulings, insurance and financial practices pertaining to

condominiums which come to Agent's attention. In furtherance of this responsibility, Agent shall maintain standards for the education of its professional staff and cause that staff to take appropriate steps to remain informed concerning community association matters.

3.1.2. Development of Policy. Agent shall provide the Board from time to time with draft copies of recommended procedures for an Operating Procedures Manual containing standard specifications, policies, and procedures for procurement and operations and other items relating to the operation of the Association's affairs.

3.1.3. Implementation of Policy. Agent shall undertake reasonable efforts to implement the decisions of the Board and the Association membership subject to the compensation schedule provided in this Agreement. However, Agent shall not be obligated to implement any decision which (a) is contrary to applicable law or the Governing Documents of the Association, (b) would involve transactions or services about which Agent has no expertise, knowledge, or requisite license, or (c) would involve transactions or services which are not expressed in this Agreement. If compelled to act pursuant to a directive of the Association that may be in conflict with this provision, and following the Board's opportunity and refusal to obtain the advice of legal counsel regarding the same, Agent may, upon prior notice to the Association, seek an independent opinion of legal counsel at the Association's expense.

3.1.4. Compliance with Government Order.

(a) Agent shall advise the Board, to the best of its ability and knowledge, with regard to the requirements for the compliance of the Association with any ordinance, laws, rules, or regulations of the City, County, State, or Federal Government, or any public authority or public official having jurisdiction over it as to which Agent has knowledge and shall notify the Board promptly of, and forward to the Board promptly, any complaints, warnings, notices, or summonses received by Agent relating to such matters. The Association represents to the best of its knowledge that the Association complies with all such requirements,.

(b) Agent shall take any necessary action to comply promptly with any and all orders or requirements affecting the premises placed thereon by any Federal, State, County or municipal authority having jurisdiction over the Association, subject to the limitations contained in this Agreement. The Agent, however, shall not take any action under this subparagraph so long as the Association is contesting, or has affirmed its intention to contest, any such order or requirements. The Agent shall promptly, and in no event later than seventy-two (72) hours from the time of their receipt, notify the Board of all such orders, notices or requirements.

3.1.5. Administration of Personnel. On the basis of an annual Operating Budget and Plan of Operation and subject to the policy making powers of the Board, Agent shall, at the direction of the Board of Directors, investigate, hire, pay, supervise, and discharge all Association personnel and independent contractors necessary in order to properly maintain and operate the Association, as follows:

(a) Should the Board determine that it is in the best interests of the Association for personnel to be employed exclusively for performance of services to the Association, then Agent shall, based upon the approved budget allocation, job description and all legal requirements, solicit, investigate, evaluate, and recommend qualified persons for all on-site employee positions to the Board. If the Board accepts the recommendation, Agent shall hire, in the name of Association, these persons. Thereafter, it shall be the administrative responsibility of the Association to instruct, train, supervise, and pay all such employees. Any action by employees in the course of the performance of their duties that do not adhere to the performance standards set forth in their job description shall be brought to the attention of Association. Association may thereupon take such action, as it deems fit. The power to hire and to dismiss any and all employees rests solely with the Association. Compensation of employees shall be considered an operating expense of the Association.

(b) With respect to any personnel that may be employed by Association in connection with this Agreement, Agent shall prepare, execute and file all forms, reports, and returns required by law in connection with unemployment insurance, disability benefits, social security and other similar taxes

now in effect or hereafter imposed, if any (but specifically excluding any income tax returns), and meet all other tax filing requirements relating to the employment of personnel on behalf of the Association. Any taxes paid exclusively in connection with services rendered to the Association shall be an expense of the Association.

3.1.6. Enforcement. Agent shall report to the Board on any actual and/or anticipated violations of the Governing Documents that come to Agent's attention, and take actions within its scope of authority to seek cures for such violations. Agent shall provide administrative support to the Board in connection with its activities and responsibilities to enforce the provisions of the Governing Documents.

3.1.7. Communications. Agent shall assist the Board in the development of good communications with the unit owners and a high level of owner participation in the affairs of the Association.

3.2. Administrative Management.

3.2.1. Administrative Records.

(a) Agent agrees to keep comprehensive systems of corporate administrative records in conjunction with the operation of the Association, including for example, legal documents, filings with public agencies, corporate minutes, insurance policies, service contracts, correspondence, memoranda and maintenance or other service requests. All records kept by Agent as provided in this Agreement shall be the property of the Association, and the expense of all supplies and external services, if any, necessary to the creation and maintenance of those records shall be that of the Association. Agent shall turn over to the Board or its designated representative on demand any or all of the records of the Association if so directed by resolution of the Board.

(b) Agent shall maintain a current list of Association members, their unit and mailing address, their phone numbers and make all other appropriate record changes in connection with all transfers of membership. Agent shall use reasonable efforts in keeping this list current by way of the reliable information supplied to it. Agent shall not be obligated to discover transfers of ownership that are not reported directly to Agent in writing, and, there is no obligation of Agent to search official county records for transfers of ownership of units in the Condominium. Unless at the commencement of the term of this Agreement the Association, or thereafter any owner, provides Agent, at Agent's place of business identified above, by first class mail or personal delivery, written notice to the contrary, there shall be a presumption that the address for the notice to any owner shall be their unit address within the Condominium.

(c) Upon termination of this Agreement, Agent agrees to return all records and correspondence kept under the terms of this Agreement to the Association, or to a person designated by the Board in writing, at Agent's place of business.

3.2.2. Record Maintenance and Storage. Agent agrees to maintain and store all corporate, administrative and operational records for the current and two immediately preceding fiscal years at Agent's place of business. Storage and maintenance of any and all other corporate, administrative and operational records are the responsibility of the Association and shall be at Association expense, if any.

3.2.3. Inspection. The records of the Association shall be open for inspection by the directors, officers, and members of the Association, and to any person authorized in writing by the Board or a member of the Association, during normal business hours, upon reasonable notice. This record availability shall be subject to Board or legal counsel approval where the records are deemed privileged, involve personnel matters; involve consultation or communications with legal counsel; involve contract negotiations, involve likely or pending litigation, involve possible violations of the Governing Documents of the association, or involve the possible liability of an owner to the Association. Agent shall be entitled to charge for clerical and administrative services at the rate of Thirty-Five Dollars (\$35.00) per hour where such services are necessary for such inspection. Agent shall be entitled to charge and receive copying costs, at a rate of Twenty Cents (\$.20) per copy from anyone requesting copies of documents and shall be entitled to reasonable prior notice for a request for copies.

3.2.4. Solicitation of Proposal for Service. Agent shall make recommendations to the Board concerning the propriety and desirability of engaging in contracts for goods and services based on community association industry standards. Agent shall assist the Association in acquiring such goods and services by participating in the development of bid specifications, solicitation of bids, qualification of vendors or contractors, and making recommendations to the Board. Agent shall not be obligated to solicit or interview more than three third parties for each kind of goods, materials and services to be supplied to the Association. All contracts for work for which the estimated cost exceeds Five Thousand Dollars (\$5,000) shall, whenever possible, be let pursuant to competitive bids from three contractors based on written specifications approved by the Board.

3.2.5. Contracting. Subject to approval by the Association, Agent shall arrange for the Association to enter into contracts for water, electricity, gas, fuel, garbage collection, telephone, pest control, maintenance, landscaping and grounds care, and maintenance and general repair of other common areas and facilities, including electrical and mechanical systems, security, laundry equipment, and other necessary services, or such of them as the Association shall deem advisable. Agent shall place purchase orders for any equipment, tools, appliances, materials, and supplies necessary to properly maintain the property for which the Association is responsible. All such contracts and orders will be subject to the limitations set forth in subparagraph 3.3.8.(b) of this Article. When taking bids or issuing purchase orders, Agent shall be under a duty to secure for the credit and benefit of the Association any discounts, commissions or rebates obtainable as a result of such purchases. Agent shall not incur any liability maturing more than one (1) year from the commencement of the contract or obligation without first obtaining the approval of the Board. All contracts on the behalf of the Association shall be in writing, executed only by an officer of the Association unless in case of emergency or unless Agent is specifically directed by Board resolution to execute a specific contract on behalf of the Association. Agent shall use reasonable diligence to assure that contracts and agreements between the Association and suppliers or service providers are performed in accordance with their terms, and to inform the Board in the event that performance is considered by Agent to be inadequate or contrary to the agreed terms.

3.2.6. Insurance Placement and Claims.

(a) On direction and approval of the Board, and in conjunction with and reliance upon qualified insurance professionals, Agent shall cause to be placed and kept in force all forms of insurance needed to adequately protect the Association (or as required by the Association's governing documents or by law), including, where appropriate, workman's compensation, public liability, boiler and machinery, fire and extended coverage, burglary and theft, directors and officers errors and omissions, and fidelity bonds. All of the various insurance shall be placed, at Association expense, with such companies, in such amounts, and with such beneficial interests appearing therein as shall be acceptable to the Association, in accordance with the provisions of the Declaration.

(b) Agent shall promptly investigate and make full written reports as to all accidents and claims for damage relating to personal injury in the common elements or the management, operation, maintenance, and welfare of Association property, and shall cooperate and promptly make any and all reports required by an insurance company in connection therewith.

(c) On direction and approval of the Board, and in conjunction with and reliance upon qualified insurance claims adjusters, Agent shall oversee, supervise, and provide administrative services in support of insurance claims, including but not limited to, emergency response, damage control, claim processing, repair administration and participation in subsequent subrogation actions. Where Agent is required and directed by the Board to be involved with the preparation of bid packages, solicitation of bids, qualification or selection of contractors, course-of-performance observation, funds control management and similar functions in relation to reconstruction in connection with an insured loss to the Association and the time expended by Agent exceeds four (4) hours per claim, the Association shall pay Agent an administrative fee in the amount of two and one half percent (2.5%) of the total of all contracts, services and materials or Five Hundred Dollars (\$500) per month, whichever is less. Such charges by Agent under this provision shall be considered a normal expense in filing a claim and administering the application of insurance proceeds and shall accordingly be submitted to the insurer as part of the claim.

3.2.7. Attendance at Meetings. Agent shall attend one (1) general membership meeting per year and up to four (4) meetings of the Board in each calendar year. All such meetings shall be held at mutually agreeable times and shall not be held on weekends or national holidays or exceeds two hours duration. Other meetings or meetings exceeding this time limit or held on weekends or holidays, if mutually agreed to, shall be charged at the rate of Seventy-Five Dollars (\$75) per hour.

3.2.8. Meeting Administration. Agent shall prepare an agenda for each regularly scheduled meeting of the Board and the Annual Meeting of the General Membership and shall give notice of all Board and membership meetings as required by the Governing Documents. Duplication costs and postage for such notices shall be the expense of the Association. The Association shall provide for recording the minutes of such meetings. Agent shall duplicate and distribute the minutes in final form at the expense of the Association as directed by the Board.

3.3. Financial Management.

3.3.1. Financial Records. Agent agrees to keep a comprehensive system of financial records, books and accounts in accordance with generally accepted accounting principles, standards and procedures showing the financial condition and revenues and expenditures of the Association on an accrual basis. All books and records maintained by Agent shall belong to the Association, and the expense of all supplies connected therewith shall be that of the Association. Financial records shall be maintained in Agent's current standard report format which shall be adequate to allow the Association to comply with the requirements of RCW 64.34.372 and 64.34.425, as they may be amended or supplemented by further enactment regarding the financial and other records of the Association; however, Agent will provide variations in its standard format or additional reports, as mutually agreed upon, at additional charge to Association appropriate to the changes or additions as mutually agreed upon. Agent shall turn over to the Board or its designated representative on demand any or all of the records of the Association if so directed by resolution of the Board.

3.3.2. Record Maintenance and Storage. Agent agrees to maintain and store all financial records for the current and two immediately preceding fiscal years at Agent's place of business. Storage and maintenance of any and all other records are the responsibility of the Association and shall be at Association expense, if any.

3.3.3. Inspection. Any Board member, officer, committee member, unit owner, or agent authorized in writing by the Board or a member of the Association shall have the right, during normal business hours and upon reasonable notice, to inspect any and all financial records of the Association at Agent's principal place of business. Agent shall be entitled to charge for clerical and administrative services at the rate of Thirty Five Dollars (\$35.00) per hour where such services are necessary for such inspection. Agent shall be entitled to charge and receive copying costs, at a rate of Twenty Cents (\$.20) per copy from anyone requesting copies of documents and shall be entitled to reasonable prior notice for a request for copies.

3.3.4. Bank Accounts.

(a) **Operating Accounts.** Agent shall establish and maintain, in the name of, on the behalf of, and at the expense of the Association, in a bank or other financial institution of Agent's choice whose deposits are federally insured, one checking account, which shall be designated the Association's Operating Account. All funds received on behalf of the Association shall be deposited into the Operating Account and Agent shall have exclusive authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement, all of which payments shall be subject to the limitations in this Agreement. Funds deposited into the Operating Account, other than reserve funds of the Association, may be transferred by Agent from the Operating Account to other similar federally insured accounts maintained by agent for particular purposes. Any funds designated by the Association as reserves for any purpose shall be deposited and handled as provided in Subparagraph 3.3.4.(b). Funds of the Association will not be commingled with funds belonging to the Agent, to any other Association, or to any other party. Agent shall turn over to the Board on demand any or all of the funds of the Association if so directed by resolution of the Board.

(b) **Reserve Accounts.** The Agent shall establish a separate account with the Financial Institution of the Association's choice for the purpose of maintaining a capital reserve for repairs and replacement of those common and limited common areas and facilities which can be expected to wear out during the useful life of the Condominium and for which the Association is responsible and a separate checking account with said financial institution for the purpose of maintaining a reserve for payment of Association insurance premiums. The aforesaid accounts (hereinafter referred to as the "Reserve Accounts") shall be interest-bearing accounts and the interest earned on each Reserve Account shall be considered to be part of the reserve funds for the purpose designated on the account. Any transaction involving funds in a Reserve Account shall only be made pursuant to a check or other written instrument signed as provided in this Subparagraph. Telephone transfers of funds from the Reserve Accounts shall be prohibited; provided that this shall not be construed to prohibit telephonic transfers of funds from the Association's Operating Account into a Reserve Account. Any check or other transaction involving funds in a Reserve Account shall be signed by two (2) officers or directors of the Association who shall be designated by resolution of the Board. All checks for any Reserve Account of the Association shall be pre-printed with the name of the account, two signature lines and a legend stating "TWO SIGNATURES REQUIRED."

3.3.5. Investments. It is understood that the Agent is not a Money Manager nor a licensed securities broker and will not assist and/or advise the Board in any matters relating to investment of the funds of the Association.

3.3.6. Collections. Agent shall collect all regular and special monthly assessments and other charges as they become due and payable each month from all Association members and all other monies which are due from other sources that are obligated to and for the benefit of the Association. Agent shall maintain an accounting of each Association member's account. As a standard practice, the Agent shall furnish the Association with an itemized list of all delinquent accounts in the monthly Financial Statement. We shall generally take all steps necessary to collect assessments until delinquent owners are turned over to the Association's attorney. Once a collection matter is turned over to an attorney, we agree to cease all collection efforts in that matter, consult with the attorney before depositing payments received on the matter, and refer all inquiries regarding the status of the account, including payoff information, to the attorney.

3.3.7. Delinquency Enforcement. Subject to the limitations of 3.3.6, The Association will request, demand, collect, and receive any and all charges which may at any time be or become due to the Association and to take such action in the Association's name by way of legal process or otherwise as may be required for the collection of delinquent assessments. Agent will utilize attorneys designated by the Board in the pursuit of delinquent amounts due to the Association according to established procedures that have been approved by the Board and Agent is authorized to pay from Association's funds all costs, attorney fees and trustee's fees incurred or to be incurred in the collection of receivables. Agent is specifically authorized to turn delinquent accounts over to the attorney designated by the Board in accordance with the Association's Governing Documents and collection policy resolution. The Association agrees to hold Agent free and harmless from any and all costs, expenses and attorney's fees incurred by it in the collection of delinquent accounts and further agrees to indemnify and pay Agent for the same where the Agent's collection efforts result in costs, expenses and attorney fees as a result of incorrect information supplied to Agent by the Association.

3.3.8. Disbursements.

(a) From funds collected and deposited in the checking account(s) authorized by subparagraph 3.3.4.(a), Agent shall cause to be paid regularly and punctually: (1) all salaries and any other compensation and attendant payroll taxes or charges due and payable to employees or due as a result of their employment; (2) service contract fees of all independent contractors hired pursuant to the terms of this Agreement, including Agent's fees under this Agreement; (3) reserves and premiums for fire, liability, and other insurance, including bonds; (4) any taxes payable; (5) the amounts specified for allocation to any Reserve fund for replacements and repairs or any other Reserve accounts; and (6) sums otherwise due and payable as operating expenses authorized to be incurred under the terms of this Agreement, the Association budget or otherwise.

(b) With the exception of payments required under secured and unsecured loans of

the Association, taxes, insurance, utilities and Association approved contractual obligations, no disbursement shall be made or liability incurred in excess of Twenty Five Hundred Dollars (\$2,500.00) unless included in the operating budget, or unless specifically authorized by the Board, except, however, that emergency repairs, involving manifest danger to life or property, or which are immediately necessary for the preservation and safety of the members and occupants, or required to avoid the suspension of any necessary service, may be made or ordered by the Agent irrespective of the cost limitation imposed by this subparagraph. Notwithstanding this authority as to emergency repairs, it is understood and agreed that Agent, if at all possible, shall confer immediately with the Association through the designated Board liaison as defined in Paragraph 4.5 regarding every such expenditure and its effect on the budget.

(c) Notwithstanding the foregoing Sub-paragraphs 3.3.8.(a) and 3.3.8.(b), The Agent shall have no responsibility to pay any obligations of the Association for which the Association does not have adequate funds on deposit in the bank accounts maintained by the Agent pursuant to this Agreement. In the event that the funds on deposit in such accounts are not sufficient to pay the outstanding obligations of the Association, the Agent shall immediately communicate that fact to the Board, and the Board shall take all necessary and appropriate steps to cause the Association to provide sufficient funds to meet said obligations.

3.3.9. Financial Statements. As a standard procedure, Agent shall render to the Board each month, a Balance Sheet and Variance Report (reflecting monthly and year-to-date actual revenues and expenditures compared to budget) prepared on the accrual basis, a schedule showing disbursements made on behalf of the Association during the preceding month and outstanding accounts payable of the Association, a schedule showing the status of all accounts receivable of the Association, and a schedule showing the status of any Reserve accounts, including the amounts, if any, which have been designated for specific projects.

3.3.10. Budget Preparation. Agent shall provide, in consultation with the Board of Directors, the coming years draft annual Operating Budget. This draft budget shall set forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year based upon a projected schedule of monthly common area assessments, and taking into account the general condition of the Condominium and the Association's objectives for the ensuing year. The draft budget shall be submitted to the Board at least sixty (60) days prior to the commencement of the fiscal year in conformance with the provisions of the Association's Governing Documents and applicable statutes. Once approved by the Board of Directors, or ratified by the homeowners if required by the governing documents, the Operating Budget shall serve as a supporting document for the schedule of monthly assessments and special assessments, if any, proposed for the new fiscal year. It shall also constitute a major control under which the Agent shall operate, and any substantial variances therefrom shall be expressly approved by the Board.

3.3.11. Independent Audit. If required by the Association's governing documents or the State of Washington, an audit of the books and records of the Association shall be made no less than annually and at such other times as the Association may direct, at the Association's expense, by a firm of independent Certified Public Accountants selected and approved by the Association, which firm will furnish the Association with an annual certified statement of the financial condition and revenues and expenditures of the Association. The Agent will cooperate with said independent Certified Public Accountants in the performance of their audit. An audit of the books and records and the internal financial controls of Agent shall be made at least annually by an independent Certified Public Accountant at the Agent's expense. A copy of said audit would be provided to the Association without cost.

3.3.12. Tax Filing. Agent shall, working in conjunction with a tax accountant if necessary, at Association expense, if any, prepare for execution and filing by the Association all forms, reports and returns required by law in connection with any taxes required to be paid by the Association.

3.4. Property Management.

3.4.1. Supervision. It shall be the duty of Agent during the term of this Agreement to provide general supervision over operation and maintenance of the Association's common areas to cause buildings, appurtenances and grounds of the Association to be maintained in acceptable repair and condition.

The provision of adequate funds to attain and maintain an acceptable standard shall be the responsibility of the Association.

3.4.2. Preventative Maintenance. Agent shall assist the Board to establish and shall thereafter implement a preventative maintenance program for all real and personal property for which the Association is responsible, as approved by the Board. This preventative maintenance program shall be developed and maintained on a regular basis reflecting useful life cycles of common element components and/or equipment. Agent shall also establish and monitor a seasonal maintenance program for any common element heating and cooling systems both to insure working operations and to conserve utility consumption.

3.4.3. Inspection. Agent shall provide inspection of common areas and facilities up to four times annually to ascertain whether proper performance and maintenance and care is being provided per Association and industry standards. Agent shall report such findings to the Board concerning the maintenance of common areas in regards to contractor services being performed.

3.4.4. Work Request Administration. Agent shall receive requests from owners for services concerning those portions of the condominium that the Association is responsible to maintain in a business-like fashion. Maintenance requests and/or complaints concerning common areas received by Agent will be forwarded to employees of the Association or to contractors for correction in accordance with the policies of the Association or referred to the Board for consideration.

3.4.5. Emergency Service. Agent, through the use of either an outside, independent answering service or an automated paging system, shall have a twenty-four hour, seven-day a week, on-call representative available outside regular business hours for the purpose of communication with owners and administrative response for emergencies affecting common areas of the Association. Agent shall not be responsible for the failure of any such subcontractor to perform as specified. Significant problems, complaints, or requests of a serious nature shall be reported to the Board liaison with appropriate recommendations or for the purpose of receiving further instructions from the Board.

4. DUTIES OF ASSOCIATION

4.1. Provision and Accuracy of Records.

The Association shall promptly furnish Agent with all documents and records required for the management of the Association, including but not limited to a current and correct list of Association members with Unit numbers and mailing addresses; all contracts in effect, amendments thereto and correspondence related thereto; all warranties in effect pertinent to the common elements, the status of owner account payments; accounts payable information and payment instructions; and all applicable insurance policies. It is understood that the accuracy of ownership and financial information supplied to the Agent is the sole responsibility of the Association. Agent shall not be held responsible for the production of inaccurate financial statements, owner records or billings or any other financial reports if the financial data submitted by the Association or by prior management is inaccurate. In addition, the Association agrees to be responsible for any costs, expenses, accounting or attorney's fees incurred in an independent financial review for the purposes of correcting financial data.

4.2. Provision of Funds.

Everything done by the Agent under the provisions of Article 3 shall be done as Agent of the Association, and all obligations or expenses incurred under the terms of this Agreement shall be for the account, on behalf of and at the expense of the Association. Any payments to be made by the Agent under the terms of this Agreement shall be made out of such sums as are available in the account(s) of the Association, or as may be provided by the Association. Association shall at all times maintain sufficient funds in the account(s) to enable Agent to pay all such obligations of the Association in a timely manner. Agent shall not be obliged to make any advances to or for the account of the Association, nor shall the Agent be obliged to incur any liability or obligation for the account of the Association. Should Agent make a payment

for Association's account and should a deficit occur therein, upon notification by Agent, Association shall immediately remit to Agent sufficient funds to remove the deficit.

4.3. Provision of Plans.

In order to facilitate efficient operation of the physical plant, Association shall furnish Agent with all reasonably available plans including, any available site plans, as-built construction plans, landscape plans, irrigation plans, mechanical plans and plans for all safety installations such as fire protection and security systems.

4.4. Designation of Association Principal Place of Business.

The principal place of business of the Association shall be designated by resolution as the office of the Agent unless required to be located on Association premises by the terms of the Association's Governing Documents.

4.5. Designation of Corporate Contact.

Association shall designate a single individual who shall be authorized to deal with the Agent on any matter relating to management of the Association, hereinafter called the "Board liaison". The Agent is directed not to accept directions or instructions with regard to the management of the Association from anyone else except in the form of a resolution adopted at a duly called meeting or by unanimous written consent of the Board. In the absence of any other designation by Association, the President of the Board shall have the authority to act as Board liaison. The Board shall also appoint an alternate Board liaison to act in the place of the President should the President be unavailable.

4.6. Enforcement.

The Association retains the primary responsibility of enforcing the provisions of its Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws, Rules and Regulations, and contracts; however, Agent will provide administrative support in these matters.

5. COMPENSATION

5.1. Management Fee.

The Association shall pay Agent a management fee of **One Thousand Dollars (\$1,000.00) per month**. The management fee shall be paid monthly in advance. Agent shall make no further charge for Agent's services and other services of Agent's professional staff, except as otherwise expressly provided in this Agreement. Any clerical services performed for the Association, such as the preparation and circulation of notices and newsletters and general correspondence of the Association, shall be at the Association's expense, including postage and other expenses.

5.2. Annual Adjustment.

Unless agreed to in writing pursuant to subparagraph 9.2, there will be an annual adjustment to Agent's base compensation stated in subparagraph 5.1 on each anniversary of this Agreement; to adjust for inflation (or deflation.) The annual adjustment rate shall be equal to the most recent "Annual Percentage Change" that is posted on the on the "Anniversary Date" (See Section 7.1.1) of this Agreement, from the All-Urban Consumer Price Index (CPI-U) for Seattle-Tacoma-Bremerton; as published by the Bureau of Labor Statistics on the United States Department of Labor website; www.bls.gov

5.3. Resale Certificates, Broker and Lender Requests.

Agent may process Resale Certificates required under the Washington Condominium Act, RCW 64.34.425, as well as certain financial forms and questionnaires necessary to complete loan packages

for prospective purchasers. Resale Certificates shall be billed at a fee of Two Hundred Seventy Five Dollars (\$275.00) to the individual owner when the resale certificate or questionnaire is ordered. An Escrow Transfer Fee shall be billed at the rate of Fifty Dollars (\$50.00) payable by the buyer of a unit at time of purchase. Lender documents and form requests for refinancing shall be billed at Seventy Five Dollars (\$75.00) for up to three pages. Additional pages shall be billed at Twenty Five Dollars (\$25.00) per page. These prices are subject to change per RCW's.

6. REIMBURSABLE EXPENSES

6.1. Administrative Expenses.

In the administration of the Association, Agent may advance certain costs or provide supplies from inventory, which are costs of the Association. These costs include, but are not limited to, postage, printing, photocopying, mass mailings, bank charges (NSF charged to maker), delinquency letters, long distance telephone charges, fax charges, messenger service, and consumable supplies for record maintenance. The additional costs are outlined in "Addendum A" of this contract. Association shall either pay these costs directly or, where such expenses are advanced by Agent, Association specifically authorizes Agent to reimburse itself for such expenses at cost or based upon the Agent's then prevailing rates, which are intended to approximate cost.

6.2. Travel Expense.

Except for travel to and from the Association to attend Board Meetings as detailed in subparagraph 3.2.7 and to conduct property inspections as detailed in subparagraph 3.4.3, travel expense is reimbursable at cost. Vehicle mileage shall be reimbursable at the maximum rate defined in IRS Regulations.

6.2. Maintenance Services.

Expenses of manual and skilled maintenance labor performed by Agent's employees for the benefit of Association shall be an expense of the Association at the then published hourly rate for such services; however, use of Agent's maintenance personnel and incurring of such expense is solely at the discretion of Board.

6.3. Professional Services.

Fees for professional services including but not limited to Legal, Accounting, Architectural and Engineering services and attendant expenses for the direct benefit of the Association shall be an expense of the Association.

7. TERM OF AGREEMENT AND TERMINATION

7.1. Term.

7.1.1. The term of this Agreement shall commence on September 1, 2016, ("Anniversary Date") and unless sooner canceled pursuant to the terms of subparagraph 7.2 or 7.3, will continue for one full year, and shall, unless otherwise notified in writing as provided herein, be automatically renewed at the end of the original term for successive one-year terms.

7.1.2. Upon expiration of the twelve-month initial term, and upon not being otherwise extended by separate written agreement, the terms of this Agreement shall continue on an annual basis.

7.2. Termination.

7.2.1. During Initial One-Year Term. During the initial one-year term, either party may terminate this Agreement in writing with or without cause with at least sixty (60) days of written notice;

provided however, in the circumstance that the Association terminates this agreement, Agent shall be entitled to be paid a closing fee equivalent to twice the current monthly base fee to defray costs in the orderly turnover of all books and records.

7.2.2. During Successive One-Year Terms. Following the Initial One-Year Term, either party may terminate this Agreement in writing with or without cause by giving at least sixty (60) days of written notice prior to the Anniversary Date of this contract. The Anniversary Date is stated in subparagraph 7.1.1.

7.2.3. Upon termination Agent's duties shall be performed through 5:00 p.m. on the termination date.

7.3. Material Breach.

In the event either party seeks to terminate this Agreement for material breach of performance, the aggrieved party shall deliver an Allegation of Default containing a specific list of the item(s) constituting the agreed breach to the violating party. Thereafter, the violating party shall have thirty (30) days from the date of delivery of the Allegation of Default to cure the alleged breach or to respond to the Allegation of Default. In the event the violating party does cure the alleged breach within the appropriate time period, this Agreement shall continue as though no default has occurred. No forbearance under this Agreement shall be deemed a waiver of that or any subsequent breach.

7.4. Bankruptcy.

In the event a petition in bankruptcy is filed by or against either Association or Agent, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, subject to Federal Bankruptcy Law, either party hereto may immediately terminate this Agreement by written notice to other.

7.5. Notice.

Notice to be given under the terms of this Agreement shall be written and shall be delivered by certified mail addressed to the Association at the last known address of the then President of the Board and to Agent at the address set forth above, or such subsequent address for Agent's principal place of business of which Association has been notified.

7.6. Termination Procedure.

7.6.1. Turnover of Records. Within three (3) weeks of any notice of termination of this Agreement, representatives of the Board (or its designated agent) shall have the full right and authority to enter the premises of Agent to review the Association's records and make an itemized claim for delivery (within thirty days of the last day of the contract period) of such records as the Board's representatives determine. Agent shall not be entitled to any compensation or reimbursement of costs for activities relating to turn-over of records providing the Association pays the cost of reproducing any records Agent deems necessary to its continuing interests in the period following the termination date of the contract. This latter provision is not intended to cover total duplication of records, but to afford Agent the opportunity to retain copies of such documentation as may be material in any future claim regarding Agent's performance during the contract period under its responsibility.

7.6.2. Termination Accounting.

(a) Within thirty (30) days of any notice of termination of this Agreement, upon written request, Agent shall furnish to the Association an itemized statement of the estimated amounts due from the Association to the Agent as of the last day of the term of the Agreement and an itemized statement of the estimated amounts due suppliers of services and goods which have been ordered by Agent in the name of the Association. To the extent these amounts have not been paid by the last day of the term of the Agreement, an escrow account equal to such amounts in these regards as are outstanding shall be

established to secure their payment. Agent and the Board shall jointly control the escrow account. As to any invoices in dispute by the Board, the Association agrees to retain ultimate responsibility to the provider of such goods or services represented by an invoice in contention. Also, the Association shall bear the costs of any legal action between itself and the vendor should such occur. Upon discharge of all obligations as herein cited, any remainder in the escrow account shall be the property of the Association.

(b) Within thirty (30) days of the date of termination of this Agreement, Agent shall provide to the Association a final set of financial statements and management report, in the form specified in Sub-paragraph 3.3.9, above.

(c) At the Association's expense, an independent audit by a certified public accountant may be commenced within two (2) weeks following the delivery by Agent of the final financial statements and management report required by Sub-paragraph 7.6.2.(b), above. Agent agrees to provide such assistance to the audit at hourly expense to the Association provided that the audit is concluded within forty five (45) days following the last day of the term of this Agreement. Thereafter, Agent shall be entitled to reasonable compensation for such time as the auditor requires additional time from Agent, except if such failure to complete the audit within the time period provided is, in the opinion of the auditor, due to the action or omissions of Agent.

7.7. Expenses Incurred After Termination.

At the request of the Board, Agent is willing and able to provide post agreement services such as, but not limited to, forwarding of mail and telephone contact, historical information on accounting and administrative matters, etc., on the basis of reimbursement of actual expenses, such as postage, long distance charges and supplies and compensation for service time at the published rate in effect at the time such services are performed. Where the Association shall not agree to such compensation or reimbursement of actual expenses, the Agent is specifically released from any obligation to provide any post-agreement services.

8. LIABILITY AND INDEMNIFICATION

8.1. Agent's Liability.

Agent shall be liable to Association for any willful misconduct or gross negligence, but shall not be held responsible for any matters relating to error of judgment, or for any mistakes of fact or of law, or for anything which it may do or refrain from doing, which does not include any willful misconduct or gross negligence. The foregoing shall not, however, apply to Agent's provision of services as a contractor, e.g., cleaning, lawn care or maintenance, for which Agent shall be held to a standard of ordinary due care.

8.2. Agent's Insurance.

Regardless of the provisions of indemnification set forth in this Agreement, Agent shall, throughout the term of this Agreement, subject to market availability and at Agent's expense, maintain insurance for general comprehensive liability, errors and omissions and property damage covering Agent and its employees with a combined single limit of One Million Dollars (\$1,000,000).

8.3. Association's Insurance.

8.3.1. The Association shall maintain, at Association's expense, a policy of comprehensive general public liability insurance, including bodily injury, property damage, personal injury and non-owned automobile in an amount not less than Two Million Dollars (\$2,000,000) per occurrence.

8.3.2. The Association shall carry property damage insurance in accordance with the terms of Association's Governing Documents for fire and extended coverage, burglary and theft, boiler coverage, flood and earthquake as appropriate.

8.3.3. The Association shall maintain a bond or insurance policy for director's and officer's errors and omissions coverage in a minimum face amount of One Million Dollars (\$1,000,000).

8.3.4. The Association shall maintain State Labor and Industries coverage covering all employees of Association, if appropriate.

8.3.5. The Association expressly agrees that Agent shall be covered by name as an additional co-insured under the policies of Comprehensive General Liability Insurance. The Association further agrees to furnish Agent with certified copies of these policies or certificates of insurance. The provisions of this subparagraph shall survive the termination of this Agreement.

8.4. Placement of Association's Insurance.

All of the various types of insurance coverage required for the benefit of the Association shall be placed, at Association expense, with such companies, in such amounts, and with such beneficial interests appearing therein as shall be acceptable to the Association, in accordance with the provisions of the Governing Documents. Agent shall assist Association in procuring proposals for such coverages, but the decision and authority as to type, scope and source of coverage shall be solely that of the Board.

8.5. Indemnification.

The Association shall indemnify and save Agent and its employees, officers, directors and shareholders harmless from any and all claims, costs, expenses, demands, attorney's fees, suits, liabilities, judgments and damages arising out of this Agreement or in connection with the operation of the Association by Agent or the performance or exercise of any of the duties, obligations, powers or authorities granted to Agent to the extent such claims do not arise as a result of Agent's, or Agent's management personnel's gross negligence or intentional act or omission, including any intentional failure to comply with the provisions of this Agreement. The Association's obligation under this paragraph shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, attorney's fees and such other awards as the court may grant. The provisions of this paragraph shall survive the termination of this Agreement.

9. GENERAL PROVISIONS

9.1. Affiliated Interest.

Agent shall not enter into any agreement to provide goods or services to the Association with any party, partnership, corporation, or other entity related to or affiliated with Agent, its directors, officers, and employees without prior written approval of the Board.

9.2. Modification of Agreement.

This Agreement shall constitute the entire Agreement between the contracting parties, and no variance or modification of this Agreement shall be valid and enforceable, except by supplemental agreement in writing executed and approved in the same manner as this Agreement.

9.3. Use of Counterparts.

For the convenience of the parties, this Agreement has been executed in several counterparts, which are in all respects similar and each of which shall be deemed to be in itself so that any one may be introduced in evidence or used for any other purpose without the production of the other counterparts.

9.4. Legal Fees and Costs.

If any legal proceedings are necessary to enforce or interpret the provisions of the Agreement, the

prevailing party shall be entitled to reasonable attorney's fees and any legal costs in addition to any other relief to which it may be entitled.

9.5. Jurisdiction.

The laws of the State of Washington shall govern this Agreement.

9.6. Void or Unenforceable Terms.

Should any part of this Agreement be held to be invalid, void or unenforceable, the other provisions of the Agreement which can be given effect without the invalid, void, or unenforceable provision shall be valid and enforceable and shall remain in full force and effect as though the void or unenforceable provision were not contained therein.

9.7. Precedence and Scope of Agreement.

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said matter, and each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. It is further understood and agreed that this Agreement extends only to "current services" for matters specifically described in the Agreement and taking place during the term of the Agreement.

10. ASSIGNMENT

No assignment, either in whole or in part, of this Agreement, or the continuation of this Agreement after a merger or consolidation with another corporation, shall be valid without the prior written approval of the Board. Failure to secure prior approval shall be just cause for termination of the Agreement. A transfer of more than 33-1/3% of the stock of Agent shall be deemed a transfer-requiring prior written approval by the Board. In the event of assignment or the creation of a successor interest with the approval of the Board, Agent shall be released from all liability under the terms of this Agreement upon the express assumption of such liability by its successor or assignee and thereafter this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Agent.

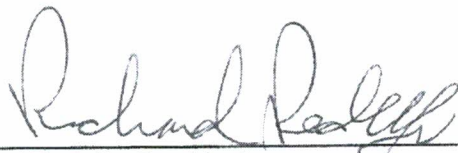
IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective the day and year first written above.

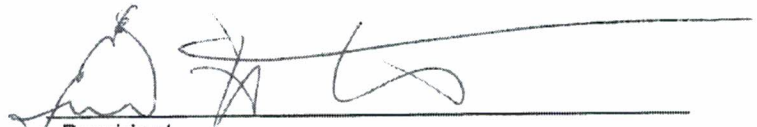
Agent

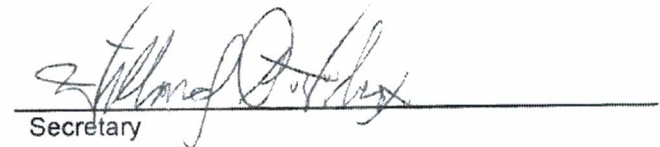
Association

RCA MANAGEMENT, INC.

THE EDMONDS EBB TIDE ASSOCIATION
OF APARTMENT OWNERS


Richard Redelfs, President


President


Secretary



ADDENDUM 'A'

OCCASIONAL & EXTRAORDINARY SERVICES

MISCELLANEOUS CHARGES (BILLED TO ASSOCIATION):	
Duplication and Mailing Costs:	
Copies, Prints & Postcard Notifications - Black & White	\$.20/ea
Copies, Prints & Postcard Notifications - Color	\$.50/ea
Small Envelope (Letter or Remittance)	\$.20/ea
Large Manilla Envelope & Folders	\$.50/ea
Opt-In Mass Email Correspondence	\$.50/email
Postage	At Cost + 5%
Coupon Books	At Cost
Association Payroll Administration	\$75.00/Pay Period
Association Purchases W/ RCA Management Credit Card	At Cost + 5%
Archived Storage - Banker's Box (Records > Two Years)	\$4.00/Box/Month
ACH (Automatic Dues Withdrawal) Administration	No Charge
Special Assessment Charge	\$4.00/month/unit
Clerical (Mass Mailing Preparation)	\$35.00/hour

COLLECTION COSTS:	
Delinquent Notification Service Fee	\$10.00
Certified Letter Service Fee	\$20.00
Returned Check/NSF Fee	\$25.00
Collection Turn Over Fee	\$35.00

RESALE & DISCLOSURE (BILLED AT ESCROW OR TO HOMEOWNER):	
Resale Certificate	\$275.00
Escrow/Lender/Mortgage Questionnaire	\$75.00
Transfer of Ownership	\$50.00

<u>CURRENT HOURLY RATES - EXTRAORDINARY SERVICES:</u> (THESE CHARGES REQUIRE BOARD APPROVAL PRIOR TO BILLING)	
Clerical & Word Processing	\$35.00/hour
Administrative Assistant	\$35.00/hour
Accountant	\$40.00/hour
Senior Accountant	\$50.00/hour
Project Manager	\$75.00/hour