

## AGREEMENT OF ROLES AND RESPONSIBILITIES

The purpose of this agreement is to provide an understanding for the current and future boards of the Lake Cushman Maintenance Company (hereinafter referred to LCMC) as to its roles and responsibilities to the Lake Cushman Community, the City of Tacoma and The Lake Cushman Company (hereinafter referred to as LCC). Due to the lack of continuity that is inherent of a volunteer board, there is a true and valid need to have a written agreement between LCMC and LCC for future board members to refer to when questions arise as to the roles and responsibilities of these two entities.

It is for the overall benefit of the Lake Cushman Community that an attitude of mutual Co-operation exists between our two companies.

The Lake Cushman Company and the Lake Cushman Maintenance Company were established by the same persons with the intent that each would play a distinct and vital role in the continued success of the Lake Cushman Community.

LCC holds the master lease with the City of Tacoma. It has a responsibility to maintain that lease in good standing by complying with the terms of the lease. While LCC insures that the lease fee is current at all times with the City of Tacoma, it also must insure that its' sub-lessors do not undertake any action on this leased land that violates the terms of the master lease. It is this second part of LCC's obligation that it looks to LCMC to for enforcement. Because LCMC manages and maintains the development, the active and effective involvement of LCMC is imperative to assuring lease compliance.

Per the Articles of Incorporation and the By-Laws of the Lake Cushman Maintenance Company the roles and responsibilities of LCMC are clearly defined. The purpose of LCMC is for the "Maintenance" of the Lake Cushman community. The definition of "maintenance" in this matter is vast and broad. LCMC has CC & R's that were established in part to insure compliance with the master lease. It is the LCMC that has the responsibility to insure that these CC&R's, and in effect the master lease is adhered to and uniformly enforced.

To enable LCMC to carry out these responsibilities. LCMC has the ability "to make and collect charges to cover the costs and expenses therefore." Per Article II section 2 of the Articles of Incorporation.

LCC has always been and will continue to be a willing partner in addressing any and all issues. We will work to facilitate communications between the City of Tacoma and LCMC and to monitor progress in addressing these concerns.

LCMC, LCC and the City of Tacoma will have bi-annual meetings to insure continued open lines of communication and compliance with the Master Lease, identifying problem areas and development of an action plan to address and correct any issues

Moving forward, the City of Tacoma has recently identified several areas of concern where there has been non-compliance by members of the Lake Cushman Community. We are looking for a plan by LCMC to implement procedures and processes that will address these and any future issues that may arise. The goal is that this plan will provide a guideline for future boards to refer to when faced with these challenges. There are procedural steps that LCMC must take to notify the sub-lessor of infractions. An opportunity must be given for the sub-lessor to rectify the identified issue. Once all avenues have been exhausted to bring a sub-lessor into compliance, it is then that LCC has the ability to step in and take the legal action necessary to terminate the sub-lessors lease for non-compliance.

There is also a need for co-operation between our two companies to allow for the collection of delinquent accounts. The only recourse available to LCMC to handle delinquent accounts is to Lien the subject property. LCC has the ability per the terms of the sub-lease to terminate a lease for non-payment of its fees/dues owed to LCMC. LCC is willing to assist LCMC in handling these delinquent accounts subject to the following conditions:

LCMC shall follow agreed upon procedures for notifying delinquent members of their delinquent status.

Should the account not be brought current and/or a member fails to adhere to an agreed upon payment plan, LCMC shall notify LCC and LCC shall then implement the steps necessary to terminate that members lease subject to the following conditions:

LCMC shall provide documentation to LCC of collection steps taken.

LCMC shall pay all legal fees for said action. Should the member be delinquent to both LCMC and LCC then said fees shall be paid in equal parts by both LCMC and LCC.

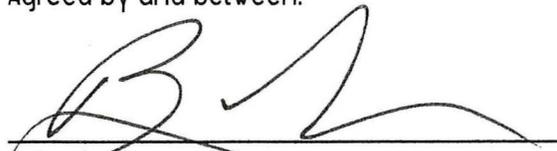
LCC shall list the property for "lease/sale" once the Quiet Title action has been completed. Once all fees/taxes/escrow/commissions/expenses are paid at closing should

there be any positive "net proceeds" from said transaction; LCC shall reimburse LCMC for said legal fees up to the amount that said fees do not exceed said "net proceeds"

LCMC agrees to not file notice on any LCC quiet title actions as the LCC lease supersedes the position of LCMC and all LCMC debt is erased by the LCC quiet title action.

LCMC agrees that it shall not charge any past or current "maintenance and/or water" fees on any property owned by LCC...

Agreed by and between:



Lake Cushman Company  
President

10/14/10  
Date



Lake Cushman Maintenance Company  
President

10/20/10  
Date

As authorized by the LCMC Board on: 10/9/10