



Cape George Colony Club

**BOARD of TRUSTEES
MEETING**

Thursday, December 21, 2023

3:00 p.m.

**In Person at the Clubhouse
and
Zoom Meeting**



Cape George Colony Club
Regular Board of Trustees Meeting Agenda
3:00 p.m., Thursday, December 21, 2023
Via Zoom and In-Person at the Clubhouse

- A. The Board President will call the meeting to order.
- B. President's Comments and Announcements – Betsy Coddington
- The result of the 30-3 S. Rhododendron variance request hearing held on Dec. 18, 2023.
 - The result of the Special Meeting held on December 18, 2023 is reported in the Information below in item "G".
 - For the next six months, to the best of our ability, all meetings of the board, with the exception of executive sessions, will be held in person, and via Zoom Meeting.
- C. Letters from Members – Marnie Levy. See one homeowner letter attached.
- D. Action on Minutes – Pat Gulick. See attached.
Approve minutes of the regular Board of Trustees meeting held November 16, 2023.
Approve minutes of the December 12, 2023, Executive Session
- E. Manager's Report – Marnie Levy. See attached.
- F. October & November Treasurer's Reports – Nancy Charpentier. See attached.
- G. New Members – Pat Gulick.
- H. Information items or documents submitted to the Trustees at, or after the Study Session.
1. In a Special Meeting of the Board, held on December 18, 2023, the Board voted to approve a motion to open two new non-discretionary accounts with Edward Jones & Company L.P.. There will be one account for the Reserve Funds and one for the Operating Funds. President Betsy Coddington and Treasurer Nancy Charpentier will be signers on the accounts.
- A second motion was approved in the Special Meeting on December 18, 2023, to move \$530,000 in Reserve Funds currently held in a CDARS account at Kitsap Bank into an Edward Jones Account established for Reserve Fund investments, and the transfer of \$100,000 in the Operations savings Account at Chase Bank into the Edward Jones Account established for Operating Funds.
- The third motion made in the Special meeting on December 18, 2023, was to approve an updated Marina Committee Registration form which includes a new \$25 annual fee to be included in the trailer boat parking area waitlist.

All three motions were approved unanimously by the Board. Minutes from the Special Meeting will be included in the January 2024 minutes. – Betsy Coddington. See attached.

2. In the January 2023 Board Meeting, the Water Advisory Committee announced their intention of purchasing and installing dedicated Water Sample Testing Stations in Cape George. Due to changes in personnel and introducing Ken Loomis, our manager, to our water system, the proposal and part acquisition didn't come together until now. The parts are available now and the quote is attached. In the January Board meeting we had information that each sample site would be \$1,100, and that is the current quote. With taxes and shipping the total quote is \$6,934.40.

Dedicated sample sites are the recommended method for taking monthly chloroform samples in a Type A water system, which ours is. They will be located throughout Cape George and instead of taking samples from home spigots or faucets, the sample is taken from an enclosed water tap that is only fed by water from the water system and only used for the monthly testing. This greatly reduces sample contamination. We had a sample that tested positive for chloroform in 2022. It would not be good to have a second bad sample.

-I am bringing this to the board because it is above my \$5000 authorized approval amount.

-We are at some risk NOT having dedicated sample sites.

-Nancy Charpentier, treasurer, and I have discussed the cost. We believe we have money for this project in the 2023 water budget to cover the expenses.

-I would like for us to get started on installing the sample stations before we start the water meter replacement project and the mandated pipe inspection project that will take place in 2024. – Marnie Levy. See attached.

3. Emergency Preparedness Neighborhood Meetings: In the first quarter of 2024 there will be neighborhood-specific emergency preparedness meetings held at the Clubhouse. – Marnie Levy. See attached.

I. Member Participation:

NOTICE: The President will ask members that have called into the Zoom Meeting that are listening to the Board Meeting to come forward with any questions, comments, compliments, or concerns. We encourage and wish to promote member participation with the following stipulations: Each member may speak once on any given topic until every member that wishes to speak has done so. Each member may have one rebuttal with a 2-minute time limit on the same topic. If another topic is raised the same procedure will follow. *Note: The Board of Trustees will not hear or discuss owner violations or owner account issues. They must be addressed in a separate hearing.*

J. New Business Agenda Items (*Consider approval of the following listed agenda items*)

Motion 1. Motion to approve the United Business Machines of Washington, five-year contract for a Kyocera 4004i Multifunctional Monochrome printer for a monthly amount of \$304.18, which includes 9,000 images per month, averaged quarterly, and service – Nancy Charpentier. **See attached.**

K. Open Board Discussion – Trustee Discussion Only

L. Committee Meeting Notes/Minutes:

- Environmental Committee Meeting Minutes, Nov. 14, 2023
- Finance Committee Meeting Minutes, Dec. 18, 2023
- Strategic Planning Committee Meeting Minutes: Oct. 30, 2023, Nov. 6, 2023, and Nov. 27, 2023
- Water Advisory Committee Meeting Minutes, Nov.14, 2023

M. Announcements

- Mon. Dec. 25, Christmas Day. The office will be closed.
- Sun. Dec. 31, New Year's Eve Party, Clubhouse, 7 p.m. – midnight.
- Monday, Jan. 1, New Year's Day. The office will be closed.
- Monday, Jan. 22, 3 p.m., Study Session.
- Thursday, Jan. 25, 3 p.m., Board Meeting.

N. Adjournment of the Board of Trustees Meeting.

Subject: Enlightenment center

Hi Gang,

I was thinking (bad start)... A great approach to meet the desires of people who want more facilities offered to them but don't want to drive into town is to develop an enlightenment center. The fire station could be converted to have yoga classes, personal and group fitness. The colony could set up a structured system to bring in instructors and classes to benefit the community.

This would be a win-win situation for all and a way to keep soliciting out if the common areas.

Richard S. Keller

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING MINUTES

November 16, 2023
3:00 p.m. Board Meeting

The Variance Hearing was called to order by President, Betsy Coddington at 2:45 pm – Lot 30-3 S. Rhododendron.

In Attendance: Betsy Coddington, Nancy Charpentier, Pat Gulick, Bart Mooyman-Beck, Mike Heckinger, Steve McFarland, and Ray Pierson.

Ray Pierson moved, and Nancy Charpentier seconded to delay vote until next month when we have more information. Passed – 6/0

The Board Meeting was called to order by Betsy Coddington at 3:00 p.m.

Action on Minutes: Pat Gulick moved, and Ray Pierson seconded:

To approve minutes of the October 19, 2023, Special Meeting held to review the proposed 2024 budget. Passed - 6/0

To approve minutes of the October 25, 2023, Executive Session held to discuss delinquent assessments and personnel topics. Passed - 6/0

To approve minutes of the regular Board of Trustees meeting, held October 26, 2023. Passed - 6/0

Manager's Report: Marnie Levy delivered her report for November 2023.

Treasurers Report

COMMENTS ON SEPTEMBER 2023 FINANCIALS

Balance Sheet

You'll notice an appreciable variation this year to last in two items- Accounts Receivable and Prepaid Income. This is the result of our posting the invoices for the 4th quarter when issued, in September, rather than waiting for October activity to post them. Consequently, in the past when people received and paid their quarterly invoices it would initially post to Prepaid income, and that would post to Accounts Receivable the following month (1st of the quarter for which the payment applied). This was an experiment that will be revisited next year. Unfortunately, illness prevented the posting of the corrected entries that would have accurately portrayed these activities in order to maintain consistency. The balances correct themselves in October.

Income Statement

A) General Operations: We continue to be \$10k ahead of budget in each of Payroll and Pool Expenses. Payroll doesn't yet reflect full annual benefits reimbursement, so we expect that overage to shrink as employees catch up to their ICHIRA reimbursement amounts. And Pool Expenses were reduced by the addition of a new Boiler and repair of the existing heat pump, which aids its efficiency.

**CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING MINUTES**

November 16, 2023

3:00 p.m. Board Meeting

We were expecting a large hit to contracted expenses owing to the number of dead trees on common property in need of removal, however Marnie has negotiated favorable pricing to limit the expense to \$3k which has us close to our targeted expenses.

BI Water Operations

Water has been running favorable to budget primarily owing to delays in planned maintenance and repair expenses owing to the transition to new water management.

Planned installation of Sampling Stations will be purchased and installed before the end of the year, adding \$9k expense.

C) Marina Operations

Marina is coming in on budget for all discretionary spending.

CAPE GEORGE COLONY CLUB								
As of SEP 30, 2023								
<i>Balance Sheet as of September 30, 2023 and 2022 - Preliminary Subject to Audit</i>								
Assets	2023	2022		Liabilities and Fund Balances	2023	2022		
Cash and Cash Equivalents:				Current Liabilities:				
Operations Checking & Petty Cash	\$ 68,098	\$ 186,117	-63%	Accounts Payable & Other Liabilities	\$ 22,734	\$ 17,559	29%	
Operating Savings & ICS	250,625	297,417	-16%	Prepaid Income	8,684	104,372	-92%	
Reserves - General, Water & Marina	1,619,767	1,262,858	28%	Unearned Income, Marina Wait List	196,955	1,124	17423%	
Total Cash & Equivalents	1,938,489	1,746,392	11%	Total Current Liabilities	228,374	123,055	86%	
Net Accounts Receivable	\$ 108,434	\$ 7,452	1355%	FUND BALANCES:				
Total Net Fixed Assets	1,693,297	1,669,384	1%	Fund Balances & Equity (Combined)	3,428,518	3,193,817	7%	
Total Prepaid & Other Assets	41,947	36,298	16%	Modified Cash Basis Income	125,275	142,654	-12%	
TOTAL ASSETS	\$3,782,167	\$3,459,526	9%	TOTAL LIABILITIES & FUND BALANCE	\$ 3,782,167	\$ 3,459,526	9%	

**CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING MINUTES**

November 16, 2023
3:00 p.m. Board Meeting

2023 Year to Date - Unaudited					Preliminary Subject to Audit					Comparative - Unaudited							
		Actual	Budget	Variance	%			2023 YTD	2022 YTD**	Variance	%						
General					General					General							
General Assessment	\$	259,133	\$ 259,140	(7)	0%	General Assessment	\$	259,133	\$ 245,982	\$ 13,151	5%	General Assessment	\$	259,133	\$ 245,982	\$ 13,151	5%
Revenue - All Other Sources		19,835	13,761	6,074	44%	Revenue - All Other Sources		19,835	17,700	2,135	12%	Revenue - All Other Sources		19,835	17,700	2,135	12%
Total General Revenue		278,968	272,901	6,067		Total General Revenue		278,968	263,682	15,286		Total General Revenue		278,968	263,682	15,286	
Expenses:					Expenses:					Expenses:							
Salaries, Benefits, PR Tax		101,987	112,560	10,573	9%	Salaries, Benefits, PR Tax		101,987	87,693	(14,294)	-16%	Salaries, Benefits, PR Tax		101,987	87,693	(14,294)	-16%
Repairs & Maintenance		24,986	16,404	(8,583)	-52%	Repairs & Maintenance		24,986	10,850	(14,136)	-130%	Repairs & Maintenance		24,986	10,850	(14,136)	-130%
Contracted Services		57,066	60,303	3,238	5%	Contracted Services		57,066	63,759	6,693	10%	Contracted Services		57,066	63,759	6,693	10%
Pool Expense & Utilities		17,533	29,375	11,842	40%	Pool Expense & Utilities		17,533	19,978	2,445	12%	Pool Expense & Utilities		17,533	19,978	2,445	12%
Utilities & Insurance		29,521	28,917	(604)	-2%	Utilities & Insurance		29,521	30,230	709	2%	Utilities & Insurance		29,521	30,230	709	2%
Other Expenses (incl taxes)		23,127	20,098	(3,029)	-15%	Other Expenses (incl taxes)		23,127	20,332	(2,795)	-14%	Other Expenses (incl taxes)		23,127	20,332	(2,795)	-14%
Total General Expenses		254,219	267,657	13,437		Total General Expenses		254,219	232,842	(21,377)		Total General Expenses		254,219	232,842	(21,377)	
General Net Income	\$	24,749	\$ 5,244	\$ 19,505	-372%	General Net Income	\$	24,749	\$ 30,840	\$ (6,091)	>-100%	General Net Income	\$	24,749	\$ 30,840	\$ (6,091)	>-100%
Water					Water					Water							
Revenue - Water Use Fees	\$	172,198	\$ 173,607	\$ (1,409)	-1%	Revenue - Water Use Fees	\$	172,198	\$ 163,371	\$ 8,827	5%	Revenue - Water Use Fees	\$	172,198	\$ 163,371	\$ 8,827	5%
Revenue - All Other Sources		2,857	6,000	(3,144)	-52%	Revenue - All Other Sources		2,857	13,140	(10,284)	-78%	Revenue - All Other Sources		2,857	13,140	(10,284)	-78%
Total Water Revenue		175,055	179,607	(4,552)		Total Water Revenue		175,055	176,511	(1,456)		Total Water Revenue		175,055	176,511	(1,456)	
Expenses:					Expenses:					Expenses:							
Salaries, Benefits, PR Tax		50,571	56,280	5,709	10%	Salaries, Benefits, PR Tax		50,571	47,519	(3,052)	-6%	Salaries, Benefits, PR Tax		50,571	47,519	(3,052)	-6%
Repairs & Maintenance		1,233	8,538	7,304	86%	Repairs & Maintenance		1,233	3,505	2,272	65%	Repairs & Maintenance		1,233	3,505	2,272	65%
Contracted Services		20,976	25,652	4,676	18%	Contracted Services		20,976	20,685	(291)	-1%	Contracted Services		20,976	20,685	(291)	-1%
Utilities & Insurance		20,021	23,012	2,991	13%	Utilities & Insurance		20,021	18,658	(1,363)	-7%	Utilities & Insurance		20,021	18,658	(1,363)	-7%
Other Expenses (incl taxes)		16,371	22,552	6,180	27%	Other Expenses (incl taxes)		16,371	15,142	(1,229)	-8%	Other Expenses (incl taxes)		16,371	15,142	(1,229)	-8%
Total Water Expenses		109,173	136,033	26,861		Total Water Expenses		109,173	105,509	(3,664)		Total Water Expenses		109,173	105,509	(3,664)	
Water Net Income	\$	65,882	\$ 43,574	\$ 22,308	51%	Water Net Income	\$	65,882	\$ 71,002	\$ (5,120)	-7%	Water Net Income	\$	65,882	\$ 71,002	\$ (5,120)	-7%
Marina					Marina					Marina							
Revenue - Moorage/Parking	\$	75,656	\$ 74,489	\$ 1,167	2%	Revenue - Moorage/Parking	\$	75,656	\$ 74,719	\$ 937	1%	Revenue - Moorage/Parking	\$	75,656	\$ 74,719	\$ 937	1%
Revenue - All Other Sources		19,249	18,171	\$ 1,078	6%	Revenue - All Other Sources		19,249	19,558	(309)	-2%	Revenue - All Other Sources		19,249	19,558	(309)	-2%
Total Marina Revenue		94,905	92,660	2,245		Total Marina Revenue		94,905	94,277	628		Total Marina Revenue		94,905	94,277	628	
Expenses:					Expenses:					Expenses:							
Salaries, Benefits, PR Tax		17,140	18,760	1,620	9%	Salaries, Benefits, PR Tax		17,140	15,892	(1,248)	-8%	Salaries, Benefits, PR Tax		17,140	15,892	(1,248)	-8%
Repairs & Maintenance		17,921	16,325	(1,596)	-10%	Repairs & Maintenance		17,921	15,632	(2,289)	0%	Repairs & Maintenance		17,921	15,632	(2,289)	0%
Contracted Services		6,045	7,825	1,779	23%	Contracted Services		6,045	6,208	163	3%	Contracted Services		6,045	6,208	163	3%
Utilities & Insurance		13,648	13,906	258	2%	Utilities & Insurance		13,648	13,775	127	1%	Utilities & Insurance		13,648	13,775	127	1%
Other Expenses (incl taxes)		5,359	4,932	(426)	-9%	Other Expenses (incl taxes)		5,359	1,958	(3,401)	-174%	Other Expenses (incl taxes)		5,359	1,958	(3,401)	-174%
Total Marina Expenses		60,113	61,748	1,635		Total Marina Expenses		60,113	53,465	(6,648)		Total Marina Expenses		60,113	53,465	(6,648)	
Marina Net Income	\$	34,792	\$ 30,912	\$ 3,880	13%	Marina Net Income	\$	34,792	\$ 40,812	\$ (6,020)	-15%	Marina Net Income	\$	34,792	\$ 40,812	\$ (6,020)	-15%
Net Income/Loss from Combined Operations, No Reserve Activity	\$	125,423	\$ 79,730	\$ 45,693	57%	Net Income/Loss from Combined Operations, No Reserve Activity	\$	125,423	\$ 142,654	\$ (17,231)	-12%	Net Income/Loss from Combined Operations, No Reserve Activity	\$	125,423	\$ 142,654	\$ (17,231)	-12%
Reserve Activity					**Reserve Activity					**Reserve Activity							
Routine Reserve Assessment		149,943	149,943	-	0%	Routine Reserve Revenue		149,943	144,984	(4,959)	3%	Routine Reserve Revenue		149,943	144,984	(4,959)	3%
Reserve Interest - all **		-	1,572	(1,572)	-100%	Reserve Interest - all		-	-	-	>100%	Reserve Interest - all		-	-	-	>100%
Less: Reserve Offset***		(149,943)	(149,943)	-		Less: Reserve Offset		(149,943)	(145,094)	4,849		Less: Reserve Offset		(149,943)	(145,094)	4,849	
Net Reserve Activity	\$	-	\$ 1,572	\$ (1,572)	-100%	Gross Reserve Activity	\$	-	\$ (110)	\$ (110)	-100%	Gross Reserve Activity	\$	-	\$ (110)	\$ (110)	-100%

New Members: Welcome

Pandora Canton Purchased 70 Cole Ave from Jeff Evans

BMM Family Trust purchased lot 15-4 Quinault Loop from Jeremy & Jennifer Wheat

Information items or documents submitted to the Trustees at Study Session

1. The President has appointed an Ad Hoc Strategic Planning Committee – Betsy Coddington
2. The Treasurer is inviting qualified individuals to contact her to become members of an Ad Hoc Investment Advisory Committee. Please send contact information to Nancy Charpentier at treasurer@capegeorge.org.

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES MEETING MINUTES

November 16, 2023

3:00 p.m. Board Meeting

3. Welcome to our New Office Administrator Roseann Warner.
4. Marina Chair Craig Muma provided purchase and warranty information for the new marina gantry.

Committee Reports: None

Member participation: None

New Business Action Items:

Motion 1. Nancy Charpentier moved, and Ray Pierson seconded to approve the Release of Water Easement on Lot 23, Sunset Blvd. Passed - 6/0

Motion 2. Mike Heckinger moved, and Ray Pierson seconded to approve Mike Thorwick as the new Marine Harbor Master. Passed - 6/0

Motion 3. Mike Heckinger moved, and Pat Gulick seconded to add Tips for Cleaner/Safer Marina Practices and Clean Water Practices Acknowledgement by Boat Owners to the Cape George website. Passed - 6/0

Motion 4. Nancy Charpentier withdrew motion to approve an exception for Rules and Regulations PP01 regarding livestock in the Highlands and beach access.

Motion 5. Steve McFarland moved, and Mike Heckinger seconded to approve the 2024 Flood Insurance Proposals for the Clubhouse facilities building, at \$2,404, and for the Workshop building at \$1,458. Passed - 6/0

Open Board Discussion: We have limited volunteers to set up and monitor hybrid meetings. In order to not burn out our current volunteers, we are asking for other Cape George members to step forward and help. An additional option discussed was to have the Study Session only hybrid since there seems to be more community involvement in this meeting than the Board Meeting. The Board Meeting could become ZOOM only.

Announcements:

- Monday November 27, Budget and Reserve Ballots are due in the office 2:00 p.m.
- Monday, December 18, 3 p.m. Study Session
- Thursday, December 21, 3 p.m. Board Meeting

Adjournment.

Ray Pierson moved, and Nancy Charpentier seconded, to adjourn the meeting at 4:01 pm. Passed - 6/0.

Submitted by:

Pat Gulick, Secretary

Approved by:

Betsy Coddington, President

CAPE GEORGE COLONY CLUB
BOARD OF TRUSTEES EXECUTIVE MEETING MINUTES
December 12, 2023
via ZOOM
DRAFT

The Executive Board Meeting was called to order by President, Betsy Coddington, at 12:00 pm

The purpose of this meeting was to discuss personnel issues.
No action was taken.

In Attendance: Betsy Coddington, Bart Mooyman-Beck, Pat Gulick, Nancy Charpentier, Mike Heckinger, Steve McFarland, and Ray Pierson.

Adjournment: The meeting was adjourned at 12:40.

Submitted by:

Pat Gulick, Secretary

Approved by:

Betsy Coddington, President



**Cape George Colony Club
December 2023
Manager's Report**

♥ Thank YOU!

Thank you to every member who has stepped up in 2023 to make a difference in the wild and wonderful community of Cape George Colony Club. Thanks to each of you, individually, for your participation on the Board, committees, and community projects. It has been such a pleasure to work with you and to share the success and challenges of everyday business.

♥ Thank you for supporting the Cape George management and staff as we have made changes this year in personnel and practices.

♥ Thank you, Terri Brown, Aimee Garrett, and Robert Lyons, for your time and dedication to the members of Cape George!

♥ Thank you to Jane Ludwig, Fayla Schwartz, and John Dwyer who left the Board in 2023. Your positive, and cooperative leadership has had a lasting influence on the community!

♥ Thank you to Betsy Coddington, Bart Mooyman-Beck, Pat Gulick, Nancy Charpentier, Mike Heckinger, Steve McFarland, and Ray Pierson who are working conscientiously and diligently as current Board Officers and Trustees.

♥ Thank you to our staff members Roseann, Donnie, and Eric! And our Water Manager Ken Loomis. Our small but efficient group is working together as a team to serve the maintenance and management needs of your community.



♥ Thank you to the endlessly wonderful Marina and Workshop volunteers who installed the beautiful Peter Wilding Memorial Bench at Memorial Park.

New Year's Eve Party at the Clubhouse!

Members are invited to a Cape George New Year's Eve Party at the Clubhouse, from 7 p.m. to midnight, December 31. Cocktail attire is encouraged. Bring your signature cocktail or appetizer to share.

Pool Cleaning Hours

The pool will be closed on Thursdays from 11:30 a.m. to 1 p.m. The pool maintenance schedule has changed to Thursdays from 11:30 to 1 p.m. **OPEN SWIM** will be at 1 p.m.

Mail Theft

Thank you to every homeowner who has installed a locking mailbox. Maintaining your locked mailbox is the first line of defense against mail theft. If you choose to purchase a locking mailbox, we will install it for you. Locking mailboxes are great holiday gifts!

Safety Check-up

On December 1, East Jefferson Fire and Rescue did a Fire and Safety Inspection of the office building, clubhouse, pool, fitness room, workshop, and marina area. When we receive the report details, we will be updating alarms, signage, safety equipment, etc., to meet recommendations. The emergency phone will be replaced.

Emergency Preparedness Neighborhood Meetings

In the first quarter of 2024 there will be neighborhood-specific emergency preparedness meetings held at the Clubhouse. Members Susie Feller (fellersusi@icloud.com) and Mark Thayer (mark.allen.thayer@gmail.com) will meet with residents to discuss disaster preparedness for the Cascadia Subduction Zone Earthquake and what residents can do to be self-sufficient in the aftermath of disasters. **The dates of these meetings will be published in the January newsletter and in this Board Packet.**

Tree Branches on Power Lines

The PUD responded to our request to trim tree branches that were leaning on power lines on Saddle Drive in the Highlands. They are scheduled to return on January 2, 2024, to do a more thorough job. We will send an email blast to confirm that date.

Note: If you are concerned that a tree on your property, or common property, may be interfering with power lines, please call the PUD to report the location.

And Trees Down

Trees are falling. Several trees above Memorial Park hillside were broken dead and dying. The most critical trees were removed and the other dying trees will be removed in 2024. Please report dead or fallen trees to the office!

Power Outages in the Highlands

If there is a power outage in the Highlands, please call the office. After hours, please contact me, Cape George General Manager Marnie Levy, 310.435.6438. Please leave a message, including your name and phone number.

Required Septic Inspections

The clubhouse and office septic systems are complete. We are waiting for the written reports but know there is root intrusion of both septic systems. We are looking at estimates and will have the work done in the early months of 2024.

Meeting With the Manager

If you have community concerns that you would like to address with the manager, please email me to make an appointment: manager@capegeorge.org

Have a lovely holiday and all the best in 2024. Thank you for everything you do to help make Cape George Colony Club a great place to live!

Marnie W. Levy, CMCA® AMS®
General Manager
manager@capegeorge.org
360.385.2208



COMMENTS ON OCTOBER - NOVEMBER 2023 FINANCIALS

Balance Sheet

In October you'll notice an appreciable variation this year to last in two items - Accounts Receivable and Prepaid Income. This is the result of our posting the invoices for the 4th quarter when issued, in September, rather than waiting for October activity to post them. Consequently, in the past when people received and paid their quarterly invoices it would initially post to Prepaid income, and that would post to Accounts Receivable the following month (1st of the quarter for which the payment applied). This was an experiment that will be revisited next year. Unfortunately illness prevented the posting of the correcting entries that would have accurately portrayed these activities in order to maintain consistency. The balances correct themselves in October.

Discrepancy between Unearned Income this year vs last year is the result of a bookkeeping change this year where the revenue dollars are recognized quarterly, whereas in 2022 it was allocated monthly with the unallocated funds booked to unearned income awaiting distribution.

Income Statement

A) General Operations:

The \$10k positive overall variance in payroll is shrinking as we have required unbudgeted overlap between the outgoing and incoming office administrators, and it should further reduce by the end of the year once unclaimed reimbursements for benefits is claimed before year end.

We have not yet booked an additional \$3k in tree removal expense, which will expand the variance in that category. This year saw unbudgeted expenses of \$6k for tree removal earlier this year and \$4k for the berm fence protection and other grounds maintenance for its protection, contributing the most to the cost overruns in the Repair and Maintenance category.

We're awaiting \$10k invoice for Road Repair, which has been performed but not yet booked this year.

Pool Expenses have come in substantially under budget with regards to utility costs. Part of this is due to the pool being closed for several weeks this year for the recoating project and other maintenance, and part are from efficiency pickups with a new boiler.

In reviewing the YTD budget and anticipated bookings with the General Manager, it is anticipated that our year end net income will come in between break even and \$5k.

B) Water Operations

Water has been running favorable to budget primarily owing to delays in planned maintenance and repair expenses owing to the transition to new water management.

The planned purchase and installation of sampling stations estimated to cost \$9k will come in just over \$6k, leaving us with an overall favorable variance in the Water budget this year.

C) Marina Operations

Marina is coming in on budget for all discretionary spending.

As of OCT 31, 2023

CAPE GEORGE COLONY CLUB

Balance Sheet as of October 31, 2023 and 2022 - Preliminary Subject to Audit

Assets	2023		2022		2023	2022		
	2023	2022	2023	2022		2023	2022	
Liabilities and Fund Balances								
Cash and Cash Equivalents:								
Operating Checking & Petty Cash	\$	83,097	\$	158,586	\$	18,865	\$	15,272
Operating Savings & ICS		250,671		298,002		13,869		7,751
Reserves - General, Water & Marina		1,665,884		1,329,732		3,250		126,040
Total Cash & Equivalents		1,999,652		1,786,320		35,984		149,063
Net Accounts Receivable	\$	17,635	\$	18,624				
Total Net Fixed Assets		1,688,940		1,662,383		3,474,635		3,192,235
Total Prepaid & Other Assets		32,918		32,939		228,525		158,968
TOTAL ASSETS		<u>\$3,739,145</u>		<u>\$3,500,266</u>		<u>\$ 3,739,145</u>		<u>\$ 3,500,266</u>
FUND BALANCES:								
Fund Balances & Equity (Combined)						3,474,635		3,192,235
Modified Cash Basis Income						228,525		158,968
TOTAL LIABILITIES & FUND BALANCE						<u>\$ 3,739,145</u>		<u>\$ 3,500,266</u>

Summary Revenue and Expense Statements for the periods ended October 31, 2023 and 2022 (Modified cash basis, excludes depreciation)
Preliminary Subject to Audit

General	2023 Year to Date - Unaudited		Comparative - Unaudited		Variance	%
	Actual	Budget	2023 YTD	2022 YTD**		
General Assessment	\$	345,511	\$	273,758	\$	71,753
Revenue - All Other Sources		22,601		19,706		2,895
Total General Revenue		368,112		293,464		74,648
Expenses:						
Salaries, Benefits, PR Tax		113,303		98,965		(14,338)
Repairs & Maintenance		28,180		13,008		(15,172)
Contracted Services		62,904		73,021		10,117
Pool Expense & Utilities		19,127		20,535		1,408
Utilities & Insurance		32,989		27,106		(5,883)
Other Expenses (incl taxes)		24,662		22,712		(1,950)
Total General Expenses		281,165		255,347		(19,393)
General Net Income		<u>\$ 86,947</u>		<u>\$ 38,117</u>		<u>\$ 48,830</u>
						>-100%

Water	2023		2022		2023	2022		
	2023	2022	2023	2022		2023	2022	
Water								
Revenue - Water Use Fees	\$	229,856	\$	231,476	\$	182,498	\$	47,358
Revenue - All Other Sources		2,857		6,000		15,340		(12,483)
Total Water Revenue		232,713		237,476		197,838		34,875
Expenses:								
Salaries, Benefits, PR Tax		56,212		76,566		53,303		(2,909)
Repairs & Maintenance		1,233		14,050		3,505		2,272
Contracted Services		23,016		33,661		22,133		(883)
Utilities & Insurance		22,351		30,683		20,250		(2,101)
Other Expenses (incl taxes)		17,196		30,069		16,289		(907)
Total Water Expenses		120,008		185,029		115,480		(4,528)
Water Net Income		<u>\$ 112,705</u>		<u>\$ 52,447</u>		<u>\$ 82,358</u>		<u>\$ 30,347</u>

<u>Marina</u>			
Revenue - Moorage/Parking	\$ 75,656	\$ 74,489	\$ 1,167
Revenue - All Other Sources	19,525	18,171	1,354
Total Marina Revenue	95,181	92,660	2,521
Expenses:			
Salaries, Benefits, PR Tax	21,779	22,759	981
Repairs & Maintenance	20,423	16,508	(3,914)
Contracted Services	7,324	9,419	2,095
Utilities & Insurance	16,352	16,996	644
Other Expenses (incl taxes)	5,787	6,083	296
Total Marina Expenses	71,665	71,765	101
Marina Net Income	\$ 23,516	\$ 20,895	\$ 2,622

<u>Marina</u>			
Revenue - Moorage/Parking	\$ 75,656	\$ 74,719	\$ 937
Revenue - All Other Sources	19,525	15,408	4,117
Total Marina Revenue	95,181	90,127	5,054
Expenses:			
Salaries, Benefits, PR Tax	21,779	19,780	(1,999)
Repairs & Maintenance	20,423	15,632	(4,791)
Contracted Services	7,324	7,167	(157)
Utilities & Insurance	16,352	14,784	(1,568)
Other Expenses(incl taxes)	5,787	2,117	(3,670)
Total Marina Expenses	71,665	59,480	(12,185)
Marina Net Income	\$ 23,516	\$ 30,647	\$ (7,131)

Net Income/Loss from Combined Operations, No Reserve Activity	\$ 179,912	\$ 121,655	\$ 58,257	48%
Reserve Activity				
Routine Reserve Assessment	199,924	199,924	-	0%
Reserve Interest - all **	-	2,096	(2,096)	-100%
Less: Reserve Offset***	(199,924)	(199,924)	-	-
Net Reserve Activity	\$ -	\$ 2,096	\$ (2,096)	-100%

Net Income/Loss from Combined Operations, No Reserve Activity	\$ 179,912	\$ 159,800	\$ 20,112	13%
**Reserve Activity				
Routine Reserve Revenue	199,924	177,492	(22,432)	13%
Reserve Interest - all	-	-	-	->100%
Less: Reserve Offset	(199,924)	(177,602)	22,322	-
Gross Reserve Activity	\$ -	\$ (110)	\$ (110)	-100%

As of NOV 30, 2023

CAPE GEORGE COLONY CLUB

Balance Sheet as of Nov 30, 2023 and 2022 - Preliminary Subject to Audit

Assets	2023		2022		2023	2023		2022	
	2023	2022	2023	2022		2023	2022	2023	2022
Liabilities and Fund Balances									
Cash and Cash Equivalents:									
Operations Checking & Petty Cash	\$	129,628	\$	181,435	\$	13,198	\$	16,093	-18%
Operating Savings & ICS		225,716		150,277		14,984		17,570	-15%
Reserves - General, Water & Marina		1,554,310		1,146,161		3,650		60,435	-94%
Total Cash & Equivalents		<u>1,909,653</u>		<u>1,477,873</u>		<u>31,832</u>		<u>94,098</u>	-66%
Net Accounts Receivable	\$	9,993	\$	14,698					
Total Net Fixed Assets		1,623,256		1,677,339		3,363,062		3,074,892	9%
Total Prepaid & Other Assets		31,754		28,614		179,764		29,537	509%
TOTAL ASSETS		<u>\$3,574,657</u>		<u>\$3,198,524</u>		<u>\$ 3,574,657</u>		<u>\$ 3,198,527</u>	12%

Summary Revenue and Expense Statements for the periods ended November 30, 2023 and 2022 (Modified cash basis, excludes depreciation)

Preliminary Subject to Audit

General	2023 Year to Date - Unaudited			Comparative - Unaudited					
	Actual	Budget	Variance	2023 YTD	2022 YTD**	Variance	%		
General Assessment	\$	345,511	\$	345,511	\$	301,444	\$	44,067	15%
Revenue - All Other Sources		23,232		23,232		19,598		3,634	19%
Total General Revenue		<u>368,743</u>		<u>368,743</u>		<u>321,042</u>		<u>47,701</u>	
Expenses:									
Salaries, Benefits, PR Tax		129,673		129,673		110,192		(19,481)	-18%
Repairs & Maintenance		28,626		28,626		14,841		(13,785)	-93%
Contracted Services		68,388		68,388		75,127		6,739	9%
Pool Expense & Utilities		20,633		20,633		22,220		1,587	7%
Utilities & Insurance		36,482		36,482		29,882		(6,602)	-22%
Other Expenses (incl taxes)		24,922		24,922		25,393		471	2%
Total General Expenses		<u>308,725</u>		<u>308,725</u>		<u>277,635</u>		<u>(26,526)</u>	
General Net Income	\$	<u>60,018</u>	\$	<u>32,435</u>	\$	<u>43,407</u>	\$	<u>16,611</u>	>-100%

Water	2023 Year to Date - Unaudited			Comparative - Unaudited					
	Actual	Budget	Variance	2023 YTD	2022 YTD**	Variance	%		
Revenue - Water Use Fees	\$	229,856	\$	229,856	\$	201,254	\$	28,602	14%
Revenue - All Other Sources		2,857		2,857		19,740		(16,884)	-86%
Total Water Revenue		<u>232,713</u>		<u>232,713</u>		<u>220,994</u>		<u>11,719</u>	
Expenses:									
Salaries, Benefits, PR Tax		64,396		64,396		59,144		(5,252)	-9%
Repairs & Maintenance		1,233		1,233		3,505		2,272	65%
Contracted Services		26,365		26,365		31,831		5,466	17%
Utilities & Insurance		24,594		24,594		22,402		(2,192)	-10%
Other Expenses (incl taxes)		19,746		19,746		18,366		(1,380)	-8%
Total Water Expenses		<u>136,335</u>		<u>136,335</u>		<u>135,248</u>		<u>(1,087)</u>	
Water Net Income	\$	<u>96,378</u>	\$	<u>68,325</u>	\$	<u>85,746</u>	\$	<u>10,632</u>	12%

<u>Marina</u>	
Revenue - Moorage/Parking	\$ 75,656
Revenue - All Other Sources	19,461
Total Marina Revenue	95,117
Expenses:	
Salaries, Benefits, PR Tax	19,033
Repairs & Maintenance	1,777
Contracted Services	6,774
Utilities & Insurance	14,961
Other Expenses (incl taxes)	23,549
Total Marina Expenses	66,094
Marina Net Income	\$ 29,023

Net Income/Loss from Combined Operations, No Reserve Activity \$ 228,675 \$ 72,547 \$ 156,128 215%

<u>Reserve Activity</u>	
Routine Reserve Assessment	199,924
Reserve Interest - all **	-
Less: Reserve Offset***	(199,924)
Net Reserve Activity	\$ -

<u>Marina</u>	
Revenue - Moorage/Parking	\$ 75,656
Revenue - All Other Sources	19,461
Total Marina Revenue	95,117
Expenses:	
Salaries, Benefits, PR Tax	19,033
Repairs & Maintenance	1,777
Contracted Services	6,774
Utilities & Insurance	14,961
Other Expenses(incl taxes)	23,549
Total Marina Expenses	66,094
Marina Net Income	\$ 29,023

Net Income/Loss from Combined Operations, No Reserve Activity \$ 228,675 \$ 159,076 \$ 69,599 44%

<u>**Reserve Activity</u>	
Routine Reserve Revenue	199,924
Reserve Interest - all	-
Less: Reserve Offset	(199,924)
Gross Reserve Activity	\$ -

	199,924	161,238	(38,686)	24%
	-	-	-	>100%
	(199,924)	(161,348)	38,576	-100%
	\$ -	\$ (110)	\$ (110)	-100%

INVESTMENT DISCUSSION FOR RESERVE FUNDS

There has not been a response from members to join the strategic investment committee per se, but Brian Ritchie and Barbara Barnhart have made themselves available to advise the Board on strategy based on their experience. Consequently, Nancy, Betsy and Bart are joining them in a meeting with an Edward Jones broker to discuss Certificates of Deposit opportunities that are conservative in preserving cash while increasing our earnings at a low cost for Brokerage fees.

A report will be provided of the results of that meeting, and recommendations, if any, will be presented to the Study Session.

Our current focus is to consider moving the \$530k CD account held at Kitsap bank in a CDARS account to Edward Jones broker to invest (in CD's or Treasuries only) in a larger pool of banks in order to increase the interest earnings of our funds. It will be distributed in a pattern that preserves FDIC insurance of the entire amount, meaning investing in multiple CD's based on the most favorable interest rates at the point of maturity, into CD's that mature in various time periods. If approved, the process will entail monthly meetings of the Broker and Treasurer or other Board representatives to review those accounts achieving maturity with approval of rollover activities.

It is expected there will be a Special Board Meeting following the Study Session to consider whether to open this non-discretionary account for the purposes discussed above.

The current fund is earning 2.35%; if renewed for the 13 weeks we will likely be bumped to 2.55%. If we place it into a 7 month CD with Kitsap it will earn 4.75%. Currently, that fund has matured and rather than roll it over, we have temporarily placed it into our money market fund at Kitsap Bank awaiting an immediate decision by the Board so it can be placed back into a protective status with FDIC insurance coverage. If the Board is undecided it will be placed into a Kitsap CD so that our exposure will not extend past next week.

Meanwhile, the following provides information regarding our Cash and Investment status with our Reserve accounts:

Account	Current Bal	Less Exp	2023 End Bal	2024		2024 Income	2024 Exp	End Bal
				Investment	Ready Cash			
PPB 0082	341,070	(85,574)	255,496		255,496	225,019	(425,047)	55,468
PPB 6 mo CD	77,052		77,052	77,052				77,052
Kitsap MM	242,762		242,762		242,762			242,762
Kitsap CDARS	475,000		475,000	475,000				475,000
Kitsap CDARS	530,000		530,000	530,000				530,000
	1,665,884	(85,574)	1,580,310	1,082,052	498,258	225,019	(425,047)	1,380,282
					\$ 1,580,310			1,380,282



Bremerton Branch
 4303 State Hwy 3 W
 Bremerton, WA 98312
 (360) 377-4507 or (800) 659-2257

QUOTATION

Date: 12/04/23

Project: SAMPLE STATION
Location: BREMERTON, WA

Quote #: Q536311
Bid Date: 12/04/23
Estimator: Ben Pimentel
benp@hdfowler.com

Engineer:
Owner/Agency:

TO CONTRACTORS:

Attached is the H. D. Fowler Company quotation for materials we are offering on the above-listed project. This quotation is based on our interpretation of the plans and specifications. To accurately bid any project, it is necessary for the contractor to perform his own item and quantity take-off. We also strongly suggest that the contractor confirm the material list before ordering. Please carefully review the Terms & Conditions of Sale which also accompany this bid.

All products quoted are furnished with the factory's standard shop coating, unless otherwise stated in our quote. The provisions for field startup and the technical service of a manufacturer's representative are not included, unless otherwise stated in our quote.

Prices quoted are based on quantities shown and are subject to revision if quantities ordered vary substantially.

Due to unstable market conditions, rising fuel and raw materials costs, HD Fowler Company requests that you carefully evaluate material costs and the duration of price protection we are able to offer and plan accordingly. We value your business and will do our best to communicate changes in market conditions while assisting you through this difficult situation. Due to current unstable price conditions, unless specifically stated otherwise, the prices in this proposal are subject to change and material will be invoiced at the prices in effect at the time of shipment.

Required drawings of any kind are not included in this proposal unless specifically stated as a line item.

Prices of fabricated piping are based on lengths shown. Contractor is advised to verify lengths, tap and seep ring locations prior to ordering. All products from our fabrication shop are made by non-union employees.

Bolt, nut, stud, gasket and other fastener products are for estimating purposes only. Required fasteners need to be determined by the contractor.

The prices quoted on pipe are based on shipping full truckloads direct from the factory. In the event quantity ordered is less than truckload, shipment would have to be combined with others to make full truck and delivery time would depend on our ability to do so.

Prices on copper tubing are extremely volatile and subject to change. They will be billed at the price in effect at time of shipment.

Due to varying trench depths and pumper thread specifications, we advise confirmation on fire hydrant requirements prior to ordering.

FOB: Our Yard

Payment Terms: Net 10th Prox.
 (subject to Credit approval)

Delivery:

Addenda Received for this project:

Davis

Cover Letter

HDFowler Quote

Terms & Conditions

Customer: CAPE GEORGE COLONY CLUB

Quote #: Q536311
Bid Date: 12/4/23



H.D. FOWLER
COMPANY

Line	Qty	UoM	Item	Description	Unit Price	Extended Price
1	6	EA	KU8830SS	3' BURY #88-SS STAINLESS STEEL ECLIPSE SAMPLING STATION KUPFERLE	1,051.00	6,306.00
2	1	MSOUTBOUND		FREIGHT FROM FOWLER TO CUSTOMER	50.00	50.00
Approximate Total						6,356.00
Estimated Tax						578.40
Grand Total						6,934.40

2024 EMERGENCY PREPARATION FOR ALL MEMBERS

Dear Neighbors,

We invite you to neighborhood preparation meetings regarding the Cascadia Subduction Zone Earthquake. Odds are you will survive the earthquake, but will you survive the aftermath?

Our goal is not only to make our neighbors aware of the need for preparation but also to give you a blueprint to become self-sufficient in the aftermath of a disaster.

There will be several meetings for different neighborhoods as outlined below. The meetings will be at the Clubhouse from 4-5:30pm on Tuesdays. Evening sessions from 6:30-8pm have been added to the March and April dates. If you cannot attend your neighborhood meeting, then please choose another date. We will also conduct repeat sessions during the summer months.

Rhododendron, San Juan, Vancouver: January 30, 2024, 4-5:30pm.

Cape George, Palmer, Quinault, Sunset, Queets, Quilcene, Dungeness, Sequim, Colman, Huckleberry: February 27, 2024, 4-5:30pm.

The Village: March 19, 2024, 4-5:30pm.

The Highlands: April 16, 2024, 4-5:30pm.

Evening hours for anyone: 3/19 and 4/16 from 6:30-8pm.

We look forward to your participation!

Susi Feller
370 Victoria Loop
fellersusi@icloud.com
970-683-9370

Mark Thayer
391 Victoria Loop
mark.allan.thayer@gmail.com
360-302-6873

EQUIPMENT DESCRIPTION		
Equipment MFG Model & Description <u>Kyocera 4004i Multifunction Monochrome Printer</u>	Serial Number _____	Accessories <u>PF-7150 Paper Tray, DP7160 Document Processor, DF-7140 4,000 Sheet Finisher, PH-7A Hole Punch, BF-730 Booklet & Trifold Unit, Fax System 12</u>
<input type="checkbox"/> See attached schedule for additional Equipment / Accessories		

Billing Address: 61 Cape George Drive, Port Townsend, WA 98368-9403
 Equipment Location: 61 Cape George Drive, Port Townsend, WA 98368-9403

SUPPLIER	TRANSACTION TERMS
United Business Machines of WA Name <u>11050 118th PL NE</u> Address <u>Kirkland WA 98033</u> City State Zip	Term: <u>60</u> months Minimum Monthly Payment: \$ <u>304.18</u> (plus applicable taxes) Excess Per Image Billing Preference (monthly if not checked) <input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually Supplier Fuel/Freight Fee: \$ <u>0.00</u> per month (Not to exceed \$75.00 per month) The following additional payments are due on the date this Agreement is signed by you: Advance Payment: \$ <u>0.00</u> (plus applicable taxes) Applied to: <input type="checkbox"/> First <input type="checkbox"/> Last Document Fee: \$75.00 (included on first invoice)

Image Type	Minimum Number of Images	Excess Per Image Charge
Black	9,000	\$0.00850

YOU HAVE SELECTED THE EQUIPMENT. THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT OUR AGENTS AND ARE NOT AUTHORIZED TO MODIFY THE TERMS OF THIS AGREEMENT. YOU ARE AWARE OF THE NAME OF THE MANUFACTURER OF EACH ITEM OF EQUIPMENT AND YOU WILL CONTACT EACH MANUFACTURER FOR A DESCRIPTION OF YOUR WARRANTY RIGHTS. WE MAKE NO WARRANTIES TO YOU, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY OR OTHERWISE. WE PROVIDE THE EQUIPMENT TO YOU AS-IS. YOU AGREE TO USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES. WE SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES. WE MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEGAL, TAX OR ACCOUNTING TREATMENT OF THIS AGREEMENT AND YOU ACKNOWLEDGE THAT WE ARE AN INDEPENDENT CONTRACTOR AND NOT A FIDUCIARY OF CUSTOMER. YOU WILL OBTAIN YOUR OWN LEGAL, TAX AND ACCOUNTING ADVICE RELATED TO THIS AGREEMENT AND WILL MAKE YOUR OWN DETERMINATION OF THE PROPER AGREEMENT TERM FOR ACCOUNTING PURPOSES. YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER. BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF IOWA. YOU CONSENT TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN IOWA, TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS TO YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ALSO ASK TO SEE IDENTIFYING DOCUMENTS. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE RECEIPT OF PAGES 1 AND 2 OF THIS AGREEMENT AND AGREE TO THE TERMS OF PAGES 1 AND 2. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

TERMS AND CONDITIONS

1. **COMMENCEMENT OF AGREEMENT.** Commencement of this Agreement and acceptance of the Equipment shall occur upon delivery of the Equipment to you ("Commencement Date"). To the extent that the Equipment includes intangible property or associated services such as periodic software licenses and prepaid database subscription rights, such intangible property shall be referred to as "Software". You understand and agree that we have no right, title or interest in the Software and you will comply throughout the Term of this Agreement with any license and/or other agreement ("Software License") entered into with the supplier of the Software ("Software Supplier"). You are responsible for entering into any Software License with the Software Supplier no later than the Commencement Date of this Agreement. You agree to inspect the Equipment upon delivery and verify by telephone or in writing such information as we may require. The Equipment is accepted by you under this Agreement unless you notify us within three (3) days of delivery that you do not accept the Equipment and specify the defect or malfunction. In that event, we will replace the defective item of Equipment or cancel this Agreement and you will assume all our rights under any purchase order or agreement entered into by us to buy the Equipment. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing this Agreement you assign to us all of your rights, but none of your obligations under it. All attachments, accessories, replacements, replacement parts, substitutions, additions and repairs to the Equipment shall form part of the Equipment under this Agreement.

2. **IMAGE CHARGES.** Each month during the Term of this Agreement, you agree to remit to us the Minimum Monthly Payment ("Minimum Payment") and all other sums when due and payable at the address we provide to you from time to time. In return for the Minimum Payment, you are entitled to produce the Minimum Number of Images for each applicable Image Type each month. You agree that you will remit payments to us in the form of company checks (or personal checks in the case of sole proprietorships), direct debit or wires only. You also agree cash and cash equivalents are not acceptable forms of payment for this Agreement and that you will not remit such forms of payment to us. Payment in any other form may delay processing or be returned to you. Furthermore, only you or your authorized agent as approved by us will remit payments to us. Minimum Payments will include any freight, delivery, installation and other expenses we finance on your behalf at your request. You also agree to pay us the applicable Excess Per Image Charge (plus applicable taxes) for each metered image that exceeds the applicable Minimum Number of Images for each Image Type. You acknowledge that the Equipment includes a separate meter for each Image Type and that you understand the differences between the Image Types. We may estimate the number of images produced if you do not provide us with meter readings within seven (7) days of request. We will adjust the estimated charge for excess images upon receipt of actual meter readings. Notwithstanding any adjustments, you will never pay us less than the Minimum Payment. You agree that after the first twelve (12) months of the Term (or any extension or renewal) of this Agreement, and at the end of each following twelve (12) month period thereafter, the Minimum Payments and Excess Per Image Charges may be increased by an amount equal to the lesser of: (a) up to 15% of the Minimum Payments and Excess Per Image Charges in effect at the end of the prior twelve (12) month period; or (b) the maximum percentage permitted by applicable law. At our option, you will: (a) provide us by telephone or facsimile the actual meter readings when requested by us; (b) provide us (or our agent) access to the Equipment to obtain meter readings; or (c) allow us (or our agent) to attach an automatic meter reading device to the Equipment. We may audit any automatic meter reading device periodically. Minimum Payments are due whether or not you receive an invoice. If you have a dispute with the Supplier regarding the Equipment or any service, repair or maintenance of the Equipment (including without limitation, any Equipment designated "Service Only"), you shall continue to pay us all Minimum Payments and Excess Per Image Charges without deduction or withholding of any amounts. You authorize us to adjust the Minimum Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer and/or Supplier. You agree to pay us an interim payment from and including the Commencement Date through, but

Continued on Page 2

OWNER ("We", "Us")	CUSTOMER ("You")
<u>Wells Fargo Vendor Financial Services, LLC</u> By: X _____ Name: _____ Title: _____ Date: _____	<u>Cape George Colony Club</u> (Customer Full Legal Name) By: X _____ Name: _____ Title: _____ Date: _____ Federal Tax ID: _____

not including, the payment due date of the month next following the Commencement Date (the "Interim Rent Period") at a rate equal to 1/30th of the Minimum Payment set forth herein for each calendar day during the Interim Rent Period.

3. **OTHER CHARGES.** You agree to: (a) pay all assessments, taxes and charges governmentally imposed upon Owner's purchase, ownership, possession, leasing, renting, operation, control or use and pay all premiums and other costs of insuring the Equipment; (b) reimburse us for all costs and expenses incurred in enforcing this Agreement; and (c) pay all other costs and expenses for which you are obligated under this Agreement. You agree, at our discretion, to either: (1) reimburse us for all personal property and other similar taxes and governmental charges associated with the ownership, possession or use of the Equipment when billed by the jurisdictions; or (2) remit to us each month our estimate of the pro-rated equivalent of such taxes and governmental charges. In the event that the Billing Period sums includes a separately stated estimate of personal property and other similar taxes, you acknowledge and agree that such amount represents our estimate of such taxes that will be payable with respect to the Equipment during the Term. As compensation for our internal and external costs in the administration of taxes related to each unit of Equipment, you agree to pay us a "Tax Administrative Fee" equal to \$12 per unit of Equipment per year during the Term, not to exceed the maximum permitted by applicable law. The Tax Administrative Fee, at our sole discretion, may be increased by an amount not exceeding 10% thereof for each subsequent year of the Term to reflect our increased cost of administration and we will notify you of any such increase by indicating such increased amount in the relevant invoice or in such other manner as we deem appropriate. We may take on your behalf any action required under this Agreement which you fail to take, and upon receipt of our invoice you will promptly pay our costs (including insurance premiums and other payments to affiliates), plus reasonable processing fees. Restrictive endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge of \$25 for any check which is returned by the bank for any reason (not to exceed the maximum amount permitted by law). You agree to pay a monthly Fuel/Freight Fee, specified on page 1 of this Agreement, which will be remitted by us to the Supplier.

4. **LATE CHARGES.** For any payment which is not received within three (3) days of its due date, you agree to pay a late charge equal to the higher of 5% of the amount due or \$35 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

5. **MAINTENANCE AND SERVICE; OWNERSHIP AND USE.** The Supplier identified on page 1 of this Agreement ("Supplier") has agreed to provide FULL SERVICE MAINTENANCE DURING NORMAL BUSINESS HOURS, INCLUDING ALL TONER, DEVELOPER AND PARTS NECESSARY TO PRODUCE IMAGES. YOU MUST PURCHASE COPIER PAPER AND STAPLES SEPARATELY. You acknowledge that: (a) we are not responsible for any service, repair or maintenance of the Equipment; (b) we are not a party to any service maintenance agreement; and (c) we are billing (on a pass through basis) on behalf of Supplier any Excess Per Image Charges and that portion of the Minimum Payment attributable to service maintenance of the Equipment, whether "Service Only" or otherwise. You agree to pay for service maintenance outside of the Supplier's normal business hours for service required by your negligence or misuse of the Equipment at Supplier's customary rates. We reserve a security interest in the Equipment to secure all of your obligations under this Agreement. We own the Equipment and you have the right to use the Equipment under the terms of this Agreement. If this Agreement is deemed to be a secured transaction, you grant us a first priority security interest in the Equipment to secure all of your obligations under this Agreement. We hereby assign to you all our rights under any manufacturer and/or supplier warranties, so long as you are not in default hereunder. You must keep the Equipment free of liens. You may not remove the Equipment from the address indicated on page 1 of this Agreement without first obtaining our approval. You agree to: (a) keep the Equipment in your exclusive control and possession; (b) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (c) keep the Equipment repaired and maintained in good working order and as required by the manufacturer's warranty and specifications; and (d) give us reasonable access to inspect the Equipment and its maintenance and other records. If any Equipment is designated "Service Only", you acknowledge and agree that: (1) we do not own such Equipment; (2) we are not providing such Equipment to you pursuant to the terms of this Agreement; (3) Supplier has agreed to provide full service maintenance of such Equipment pursuant to the terms outlined above; (4) the portion of the Minimum Payment which relates to such Equipment includes only the full service maintenance of such Equipment and not the use or rental of the Equipment and (5) such "Service Only" Equipment may be added to or deleted from this Agreement by written notice from Supplier to us; provided that such addition or deletion does not modify the Minimum Payment or any other terms of this Agreement.

6. **INDEMNITY.** You are responsible for all losses, damages, claims, infringement claims, injuries and attorneys' fees and costs, including, without limitation, those incurred in connection with responding to subpoenas, third party or otherwise ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. You agree to defend and indemnify us against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. This indemnity continues beyond the termination of this Agreement for acts or omissions which occurred during the Term of this Agreement. You also agree that this Agreement has been entered into on the assumption that we are the owner of the Equipment for U.S. federal income tax purposes and will be entitled to certain U.S. federal income tax benefits available to the owner of the Equipment. You agree to indemnify us for the loss of any U.S. federal income tax benefits resulting from the failure of any assumptions in this Agreement to be correct or caused by your acts or omissions inconsistent with such assumption or this Agreement. In the event of any such loss, we may increase the Minimum Payments and other amounts due to offset any such adverse effect.

7. **LOSS OR DAMAGE.** If any item of Equipment is lost, stolen or damaged you will, at your option and cost, either: (a) repair the item or replace the item with a comparable item reasonably acceptable to us; or (b) pay us the sum of: (i) all past due and current Minimum Payments, Excess Per Image Charges and other charges; (ii) the present value of all remaining Minimum Payments and other charges for the effected item(s) of Equipment, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the effected item(s) of Equipment. We will then transfer to you all our right, title and interest in the effected item(s) of Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE. Insurance proceeds shall be applied toward repair, replacement or payment hereunder, as applicable. In this Agreement, "Fair Market Value" of the Equipment means its fair market value at the end of the Term, assuming good order and condition (except for ordinary wear and tear from normal use), as estimated by us. No such loss or damage shall relieve you of your payment obligations under this Agreement.

8. **INSURANCE.** You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee; and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. The policy must be issued by an insurance carrier acceptable to us, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us.

9. **DEFAULT.** You will be in default under this Agreement if: (a) you fail to remit to us any payment within ten (10) days of the due date or breach any other obligation under this Agreement; (b) a petition is filed by or against you or any guarantor under any bankruptcy or insolvency law; or (c) you default under any other agreement with us.

10. **REMEDIES.** If you default, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Minimum Payments, Excess Per Image Charges and other charges; (ii) the present value of all remaining Minimum Payments and other charges, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the Equipment; (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 11, or take possession of the Equipment, in which case we shall not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within the Equipment, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds, less reasonable selling and administrative expenses, to the amounts due hereunder; (d) charge you interest on all amounts due us from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; and (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

11. **END OF TERM OPTIONS: RETURN OF EQUIPMENT.** If you are not in default, at least 30 days prior to the end of the Term (or the Renewal Term) you shall give us written notice of your intention at the end of the Term (or the Renewal Term) which election cannot be revoked, to return all, but not less than all, of the Equipment. IF YOU FAIL TO PROVIDE US WITH SUCH 30 DAY PRIOR WRITTEN NOTICE, OR HAVING NOTIFIED US, YOU FAIL TO RETURN THE EQUIPMENT, THE TERM OF THIS AGREEMENT SHALL AUTOMATICALLY RENEW ON A MONTH-TO-MONTH BASIS (THE "RENEWAL TERM") and all of the provisions of this Agreement shall continue to apply, including, without limitation, your obligations to remit Minimum Payments, Excess Per Image Charges and other charges, until all of the Equipment is returned to us (either because we demand return of the Equipment or you decide to return the Equipment). If you are in default, or at the end of the Term (or the Renewal Term), you shall: (1) return all of the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the continental United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications; and (2) securely remove all data from any and all disk drives or magnetic media prior to returning the Equipment (and you are solely responsible for selecting an appropriate removal standard that meets your business needs and complies with applicable laws). You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with this Agreement or for damages incurred in shipping and handling.

12. **ASSIGNMENT.** You may not assign or dispose of any rights or obligations under this Agreement or sublease the Equipment without our prior written consent. We may, without notifying you: (a) assign all or any portion of this Agreement or our interest in the Equipment; and (b) release information we have about you and this Agreement to the manufacturer, Supplier or any prospective investor, participant or purchaser of this Agreement. If we do make an assignment under subsection 12(a) above, our assignee will have all of our rights under this Agreement, but none of our obligations. You agree not to assert against our assignee claims, offsets or defenses you may have against us.

13. **MISCELLANEOUS.** Notices must be in writing and will be deemed given five (5) days after mailing to your (or our) business address. You represent that: (a) you have authority to enter into this Agreement and by so doing you will not violate any law or agreement; and (b) this Agreement is signed by your authorized officer or agent. This Agreement is the entire agreement between us, and cannot be modified except by another document signed by us. This Agreement is binding on you and your successors and assigns. All financial information you have provided is true and a reasonable representation of your financial condition. You authorize us, our agent or our assignee to: (a) obtain credit reports and make credit inquiries; (b) furnish your information, including credit application, payment history and account information, to credit reporting agencies and our assignees, potential purchasers or investors and parties having an economic interest in this Agreement or the Equipment, including, without limitation, the seller, Supplier or any manufacturer of the Equipment; and (c) you irrevocably grant us the power to prepare, sign on your behalf (if applicable), and file, electronically or otherwise, Uniform Commercial Code ("UCC") financing statements and any amendments thereto or continuation thereof relating to the Equipment, and containing any other information required by the applicable UCC. Any claim you have against us must be made within two (2) years after the event which caused it. If a court finds any provision of this Agreement to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on this Agreement, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Agreement, you agree to pay a fee for such privilege. THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UCC. YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC. YOU FURTHER HEREBY ACKNOWLEDGE AND AGREE THAT WE AND/OR THE SUPPLIER MAY MAKE A PROFIT ON ANY AND ALL FEES REFERENCED HEREIN AND, IN SO DOING WAIVE ANY AND ALL CLAIM WHICH YOU MAY HAVE FOR UNJUST ENRICHMENT. We may receive compensation from the manufacturer and/or Supplier of the Equipment in order to enable us to reduce the cost of this Agreement below what we otherwise would charge. If we received such compensation, the reduction in the cost of this Agreement is reflected in the Minimum Payment.

14. **ELECTRONIC TRANSMISSION OF DOCUMENTATION.** This Agreement may be executed (manually or electronically) in counterparts. The executed counterpart which (a) has our original signature (if executed by us manually), (b) is electronically maintained by us (if executed by us electronically), and/or (c) is in our possession shall constitute chattel paper as that term is defined in the UCC and shall constitute the original agreement for all purposes, including, without limitation: (i) any hearing, trial or proceeding with respect to this Agreement; and (ii) any determination as to which version of this Agreement constitutes the single true original item of chattel paper under the UCC. If you sign (manually or electronically) and transmit this Agreement to us by facsimile or other electronic transmission, the transmitted copy shall be binding upon the parties. You agree that the facsimile or other electronic transmission of this Agreement manually or electronically signed by us, when attached to the facsimile or other electronic copy manually or electronically signed by you, shall constitute the original agreement for all purposes. The parties further agree that, for purposes of executing this Agreement, and subject to our prior approval and at our sole discretion: (a) a document signed (manually or electronically) and transmitted by facsimile or other electronic transmission shall be treated as an original document; (b) the signature of any party on such document shall be considered as an original signature; (c) the document transmitted shall have the same effect as a counterpart thereof containing original signatures; and (d) at our request, you, who executed this Agreement manually and transmitted its signature by facsimile or other electronic transmission shall provide the counterpart of this Agreement containing your original manual signature to us. No party may raise as a defense to the enforcement of this Agreement that a facsimile or other electronic transmission was used to transmit any signature of a party to this Agreement.



Maintenance Agreement

United Business Machines of Washington, Inc.
 11050 118th Place NE Kirkland, WA 98033
 (P) 800-544-4120 (F) 425-827-2672
 www.ubmofwa.com

Customer Information

Bill To: Wells Fargo **Ship To:** Cape George Colony
 61 Cape George Dr.
 Port Townsend, WA 98368

AP Contact: Marnie Levy / General Manager **EQ Contact:** Marnie Levy / General Manager
 360-385-2208 360-385-2208
 Manager@capegeorge.org Manager@capegeorge.org

EQUIPMENT / COVERAGE / TERMS

Program Type: FULL **Meter Collection Method:** FM Audit

Contract Start Date: Same as Lease **Base Billing Cycle:** Monthly **Lease Reference #:** 450-7590744-005
Contract End Date: Same as Lease **Additional Image Cycle:** Quarterly **Base Cost:** NA

Model	Serial Number	ID #	Start Meter	Type	Base Allowance	Additional Images
Kyocera 4004i				B & W	9,000	\$0.008500
				Color		
				B & W		
				Color		
				B & W		
				Color		
				B & W		
				Color		
				B & W		
				Color		
				B & W		
				Color		

Special Instructions / Notes

UBM will remove and dispose of customer's Kyocera 4500i, serial number N432704626 / BB152.

AUTHORIZATION

By signing this Contract, you agree and acknowledge: (1) this is a binding contract and it is NON-CANCELABLE; (2) you have read and fully understand the terms and conditions printed on the reverse side; (3) no verbal, or implied changes will be valid unless identified on this contract. By executing this agreement, I acknowledge that I have read and fully understand this agreement and certify that I am authorized to execute this agreement.

Authorized Customer Signature	Title	Date	Print Name
UBM Authorized Signature	Title	Date	Print Name

Service & Supply Contract Terms and Conditions

AGREEMENT: References made to "UBM" or "Seller" shall mean United Business Machines of Washington, Inc., its' subsidiaries and any registered trade names. References made to "You", "Your" or "Customer" shall mean the entity listed on this contract or invoice. You appoint UBM and UBM accepts the appointment to provide the services described in this contract, with respect to the equipment listed on this contract or as listed on an attached equipment schedule.

TERMS: This contract shall be in effect upon customer's execution which is described as signature, payment or receipt of material goods or services. The initial term of this agreement shall be one (1) year commencing as of the date hereof. Thereafter, the term of this agreement shall automatically renew for successive one year terms unless one party provides written notice to the other party at least thirty (30) days in advance of the end of the then existing term that they do not wish to renew the term of this agreement.

PAYMENT: Payments for services provided under this contract will be made in advance or in accordance with the agreed upon billing cycle. All payments will be due thirty (30) days from the invoice date. Customer agrees to pay UBM the minimum payment as agreed upon, as well as for any additional images produced under this agreement in accordance with the agreed upon billing cycle. UBM may increase the service rate each year during any term by an amount not to exceed 10% of such charge.

FULL CONTRACT COVERAGE: UBM agrees to provide the following: (a) Parts found defective or worn as a result of normal equipment use; (b) Labor to repair and properly maintain the equipment; (c) Performance of all preventative maintenance at intervals specified by the manufacturer or by UBM; (d) Replacement of photoconductors and other consumable items found defective or worn as a result of normal use; (e) Toner in accordance with manufacture's yields; (f) Factory recommended retrofits and updates; (g) Provision of loaner equipment, at no extra charge, in the event the equipment cannot be repaired within three (3) business days or requires shop work to repair.

INCLUSIVE CONTRACT COVERAGE: UBM agrees to provide the following: (a) Parts found defective or worn as a result of normal equipment use; (b) Labor to repair and properly maintain the equipment; (c) Performance of all preventative maintenance at intervals specified by the manufacturer or by UBM; (d) Replacement of photoconductors and other consumable items found defective or worn as a result of normal use; (e) Factory recommended retrofits and updates.

STANDARD CONTRACT COVERAGE: UBM agrees to provide the following: (a) Parts found defective or worn as a result of normal equipment use; (b) Labor to repair and properly maintain the equipment; (c) Factory recommended retrofits and updates.

BASIC CONTRACT COVERAGE: UBM agrees to provide the following: (a) Labor to repair and properly maintain the equipment; (b) Factory recommended retrofits and updates.

For all contracts identified above, service may include reasonable use of Customer's image allotments and materials for repair. If applicable, items included in the contract including toner, will be supplied based upon the manufacturer's yield, excess usage of any item may be billed to You at UBM's current retail price. Service performed by UBM under this Agreement will be performed during the hours of 8 a.m. to 5 p.m., Monday through Friday, excluding holidays. All parts are furnished on an exchange basis; replaced parts become the property of UBM. If a contract is not renewed, Customer is responsible for returning all unused supplies to any UBM office location. If supplies are not returned within 30 days of non-renewal, UBM will invoice Customer for the retail value of supplies.

EXCLUSIONS: The following items are excluded from all contracts except as otherwise specified: (a) Paper, staples, and network support; (b) The repair of damage or the replacement of maintenance parts caused by accident, disaster, neglect, abuse or misuse of the machine; (c) The use of parts, supplies, components, modifications or personnel to affect repairs on the machine not approved by UBM as 'suitable' for your particular machine(s); (d) Transportation or re-location; (e) Re-location of machine(s) outside UBM authorized servicing area; (f) Service calls caused by any additions to, or changes to the customer's computer or network environment. Customer's network is defined as anything on the network side of the cable connecting the machine to the local area network. If customer network service is required, those services can be provided by UBM on a billable basis at the prevailing hourly rate.

STANDARD LIMITED WARRANTY: UBM warrants new equipment to be free of defect in materials and workmanship for a period of 90 days from installation. This warranty does not extend to replacement of supply items or consumables. For purposes of this paragraph, new equipment shall be defined as equipment with usage up to 10,000 total images.

RESPONSE TIME: UBM guarantees a four hour average response time for emergency services on equipment that is within a forty mile driving distance of any UBM office (excludes equipment located on islands or requiring ferry travel). If UBM does not achieve the guaranteed response time for the current contract term, upon written request, Customer will receive up to a \$100.00 credit towards Customer's future service or supply purchase from UBM.

SENSITIVE DATA: Customer shall make arrangements to protect or remove sensitive and private data that may become stored on Customer's equipment. While UBM may provide options for data removal and protection, Customer is solely responsible for selecting an appropriate data removal standard that meets Customer's business needs. UBM is not recommending any particular option, and UBM is not liable for damages arising from Customer's failure to fully remove and protect its data. Please note that regardless of which standard Customer chooses, Customer must return leased equipment in full working order at the end of any lease term.

MISCELLANEOUS: This contract shall be governed by and construed in accordance with State of Washington law, without giving effect to any principle of conflicts of law or choice of law that would otherwise make the law of any other jurisdiction govern this contract. Any liability that would result in doing business under the terms of this contract will in all cases be limited to the amount paid by the customer to UBM. The parties agree that the venue for any legal action arising out of the contract shall be in King County, Washington. In the event of collections, litigation or other proceedings by seller to enforce or defend any term or provision of this contract, customer agrees to pay all costs and expenses sustained by seller, including but not limited to, collection fees and reasonable attorney's fees. Seller may assign its rights and obligations under this contract without obtaining your permission. Limits of liability shall not exceed the total compensation received under this contract.

YOUR OBLIGATIONS: Throughout the term of this contract you shall (1) monitor the machine operation and notify UBM if you determine that the equipment is in need of repair (2) permit UBM to enter the property where the equipment is located to inspect it at any reasonable time (3) provide UBM with a reasonable amount of space to make necessary inspections or repairs (4) supply required electrical power (5) take responsibility for the daily maintenance of equipment, to include (a) replacing toner and waste toner bottle as needed (b) keeping the glass clean (c) having proper supply inventory (d) removal of occasional paper mis-feeds and (e) provide UBM with accurate meter readings for billing. If you do not supply UBM with the requested meter information, or use UBM's approved meter collection software, UBM will estimate your meters, or send a UBM representative to your location to retrieve the information at your expense.

Sale Agreement Terms and Conditions

Acceptance: References made to "UBM" or "Seller" shall mean United Business Machines of Washington, Inc., its' subsidiaries and any registered trade names. References made to "You", "Your" or "Customer" shall mean the entity listed on this contract. Seller agrees to sell You and You agree to buy from Seller the item(s) listed on this contract in accordance with the terms and conditions set forth. Your signature or payment indicates you have read the Sale Agreement and agree to all of the terms and conditions set forth.

Terms: This is a binding agreement and is not subject to cancellation or trial basis. This Sale Agreement shall not be modified or amended unless agreed upon in writing by an Officer of both the Seller, the Customer and/or the Leasing Company if applicable. No verbal changes or additions will be valid.

Payment: Unless otherwise provided, the payment terms of the Sale Agreement are net ten (10) days of invoice. Title to all goods and equipment shall remain with Seller until payment has been made in full by You or by the Leasing Company (if the equipment is being leased through an approved UBM lender). Seller agrees to provide reasonable assistance for the Customer to finance the purchase of the equipment and or software, however, Customer acknowledges that Seller cannot guarantee financing. In the event that neither UBM nor the Customer can secure financing for the equipment, it is understood that the Customer is responsible for payment of the equipment listed on the Sale Agreement. In the event You neglect or refuse to pay the full purchase price when due, Seller may take reasonable actions to collect the amount due or take back possession of the described equipment and its supplies. If it is determined that the equipment is to be removed from Your office due to non-payment, UBM will enforce a 25% restocking fee of the agreed upon selling price.

Delivery: UBM will deliver and install the equipment at the location identified on this contract. Your execution of UBM Delivery and Acceptance form will constitute Your acceptance of the equipment and acknowledgment that the equipment is in good working order. If necessary, Seller may deliver and install the equipment in installments.

Default: If You default in the performance of any of Your obligations under this contract or any other contract with Seller, Seller may, (a) enforce this contract, (b) recover damages for default or (c) exercise any other remedy available by law. If Seller refers this contract to an attorney or collections agency, you agree to pay Seller's reasonable attorney's fees, actual court costs and collection fees.

Disclaimer: Customer acknowledges that the equipment described on the reverse side may use a HDD or similar type of storage device to process information and therefore, sensitive or privileged information may be retained in whole or in part with the device. Customer shall make arrangements to protect or remove sensitive and private data that may become stored on Customer's equipment. While UBM may provide options for data removal and protection, Customer is solely responsible for selecting an appropriate data removal method that meets Customer's business needs. UBM is not recommending any particular option, and UBM is not liable for damages arising from Customer's failure to fully remove and protect its data. Please note that regardless of which method Customer chooses, if any, and the equipment has been leased through an approved UBM lender, Customer must return leased equipment in full working order at the end of any lease term. Seller shall have no liability if said information is breached at any time, including after Customer disposed of, traded in, returns equipment to leasing company or transfers ownership to another entity.

Miscellaneous: Customer shall bear all risk of theft, loss, or damage not caused by Seller's employees or agents, to all goods installed under this Sale Agreement. Customer agrees to indemnify, defend, and hold harmless Seller, its officers, directors, employees and agents from all loss, liability, claims or expenses (including reasonable attorney's fees) arising or Customers use of the goods, including but not limited to liabilities arising from bodily injury, including death, or property damage to any person. Any liability that would result in doing business under the terms of this contract will in all cases be limited to the amount paid by the Customer to UBM. Seller may assign its rights and obligations under this contract without obtaining your permission. Customer shall not assign their obligations without the written consent of the Seller or the UBM approved leasing company (if applicable). You represent that You are purchasing the equipment for business purposes only and not for individual, family or household purposes.

Governing Law: This contract shall be governed by and construed in accordance with State of Washington law, without giving effect to any principle of conflicts of law or choice of law that would otherwise make the law of any other jurisdiction govern this contract. The parties agree that the venue for any legal action arising out of the contract shall be in King County, Washington. In the event of collections, litigation or other proceedings by Seller to enforce or defend any term or provision of this contract, Customer agrees to pay all costs and expenses sustained by Seller, including but not limited to reasonable attorney's fees. If any provision of this agreement shall be unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from this agreement and shall not affect the validity and enforceability of the remaining provisions of this agreement.

C.G. ENVIRONMENTAL COMMITTEE MINUTES
Tuesday, November 14, 2023,
9:15 on Zoom

IN ATTENDANCE: Chris Buzzard, Lori Cameron, Sue Dunning, Harry Hayward, Carol Muzik, Ruth Ross, Lori VanDeMark

- I. CALL TO ORDER:** Chris Buzzard called the meeting to order at 9:15am.
- II. APPROVAL OF OCTOBER MINUTES:** Harry moved and Sue seconded to approve the minutes from the October meeting. The motion passed unanimously.
- III. FISCAL REPORT:** Current balance (which includes expenses and ticket/raffle sales from the Halloween party): \$3152.78
- IV. OLD BUSINESS:**
 - A. Report from October Halloween party.** The party was very successful, with over 70 attendees. About 10-12 children attended and enjoyed the trick or treat activity. \$830 was brought in, with \$405 from the raffle and \$425 from tickets; expenses were \$245 for a total of \$585 raised. Sue will send a thank you to everyone who helped and the committee thanked her for all her work organizing the event. Sue has asked those who took pictures to share them with her so that we can share a few with the community. It was noted that one of the biggest problems is getting people to sign up in advance so that we have a good idea of how much food will be needed. Gina submitted some other very helpful suggestions for next year, which Chris will save for us to refer to. A major concern this year was that more people were needed to help out in the kitchen and with putting out food and serving, and with cleanup, which would allow people to rotate in and out of tasks so that everyone would have a chance to enjoy the party.
 - B. Memorial Park Bioswale:** Steve and Harry are investigating trying to obtain grants to help with shoreline habitat restoration. It is hoped to install a bioswale for the park and obtain a permit to repair the culvert, as there is runoff from Colman to the Bay.
 - C. Upcoming programs.** Chris will follow-up with Steve King, Director of Public Works for Port Townsend, about doing a climate change presentation in the spring after work on his new house is completed. Harry will look into arranging for a nature film (perhaps one of David Attenborough's ocean films) to be shown at the clubhouse hosted by the Environmental Committee.
- V. NEW BUSINESS:**
 - A. Upcoming meetings.** The committee agreed not to meet during December or January since there are no projects needing our attention during those months. The next meeting will be held on Zoom at 9:15 am on Tuesday, February 13.

Chris Buzzard moved to adjourn the meeting at 9:51 am and Sue seconded the motion.

Respectfully Submitted
Ruth Ross
Secretary
Cape George Environmental Committee

Cape George Finance Committee meeting minutes: December 18, 2023 on Zoom

Present: Mark Kochendorfer, Susan Sanford, Fayla Schwartz, Nancy Charpentier, Bart Mooyman-Beck, Marnie Levy

Discussion and Actions:

1. Investment strategy. Nancy will introduce proposed new CG investment strategy to the Board at Study Session today. Nancy, Bart and Betsy met with a representative of Edward Jones Investments. Proposal to transfer \$530K from matured Kitsap Bank CDARS account into CDs carried by Edward Jones. Jones will advise us in monthly meetings how to reinvest.
2. End of Year tasks for Finance Committee. Nancy will post a task spreadsheet on the Sharepoint site. Nancy and Mark are monitoring the Exchange Account (holds fund amounts temporarily). It should be \$0 as of end of Nov. 2023.
3. Marina Waitlist. CG needs to refund money to people on waitlist. This will happen by issuing checks in early 2024. Nancy will notify the board when it happens.
4. 2023 Audit preparation. Nancy will contact Newman Auditors to get Control Questionnaire and checklist for the audit. There should be information from the 2022 audit prep available on the treasurer's computer and that will be loaded onto our Sharepoint site. Fayla and Bart will go through 2023 board minutes to find all actions related to finances and HR. Nancy will compile depreciation list. Nancy will get end of year reports from ADP and American Funds. We need new employee salary information from Marnie and Betsy.
5. Reserve Assessments for 2025. Do we need a Bylaws change? If so, we need to start working on this in Jan. 2024. Board needs to decide to what % we want Reserves to be funded (70%? 75%?). Do we want 3 different Reserve funds so members can see how much they are paying into each one? Nancy will discuss the funding amounts with RCL (reserve study) reps. Should we re-evaluate the pro rata system? Should we re-evaluate what cost items are considered Reserve items? Nancy plans to propose an increase in the threshold for Reserves and assets from \$3,000 to \$5,000. All are Board decisions.

The date of the next Finance Committee meeting has not been set. Fayla will send out an email to set the date (Jan. 16, 17 or 18?).

Minutes submitted by Fayla Schwartz

**Cape George Water Advisory Committee
Meeting Report November 14, 2023**

We met at 4 PM November 14, 2023, in the clubhouse. Present: Water Manager Ken Loomis, Stew Pugh, Thad Bickling, Carl Berger, Mark Costanti, Board Liaison Bart Mooyman-Beck, and Chair Marty Gilmore. Also attending were Board President Betsy Coddington, Nancy Charpentier, and Susan Sanford.

We reviewed the preliminary proposal from the PUD to manage the Cape George water system. Committee members will develop questions and comments, Marty will collect them and will send them to the PUD. Marnie will arrange a meeting with Kevin Streett, PUD General Manager, to review the questions and comments. The Committee does not have a recommendation at this time.

The Committee recommends purchase of materials for six dedicated water sample points. Dedicated points reduce the risk of contamination of samples. Funds are available in the 2023 budget.

Susan Sanford presented the results of her work to collect water use data and overuse by month. This information will be needed as Cape George moves from annual billing for water overages to monthly billing for over-use. Her work will also allow each water user to receive a statement showing monthly use for each month in a twelve-month period since at present community members do not know how much water they use unless they exceed the allowable amount.

Status updates on several ongoing projects:

- Ken has developed an approach to water meter replacement that will allow use of the existing meter body with a new head and new electronic components. This will reduce the estimated cost. Ken will invite the vendor to present to the committee and we will trial-fit their new meter head to an existing meter body.
- Adjustments to the filter backwash system are nearing completion and system operation is stabilizing. We are still not sure if the media needs to be replaced.
- A larger diesel storage tank for the emergency generator would cost about \$6900. This would increase capacity from the current 160 gallons to 300 gallons and would use the existing diesel room. We are gathering more information.
- Purchase of a fan to reduce moisture in the filter building is still under consideration.
- Tagging/painting/exercising underground valves will be done as workload allows.

Our next meeting will be on Tuesday, December 12 at 4 PM in the clubhouse.

Betsy Coddington convened the group, welcomed everyone, and provided a framework.

Current members

1. Judy Caruso
2. Betsy Coddington, board liaison
3. Susi Feller
4. Marty Gilmore, Chair
5. Mary Larson, Secretary
6. Linda Mollino

Each member shared their interest and motivation in participating. Each reviewed a list provided by Betsy and identified their top three areas to recommend as the planning focus. From the ensuing discussion, these areas emerged as our planning focus (with rough descriptions which will be refined as we work on them):

1. **Property & Facilities:** what do we own in common; what will it take to maintain over the planning horizon; are we using these to the highest and best, how else could these be used; how will these be impacted by weather patterns, climate change, fire, or other emergencies; what is the proper balance of how these are funded between community-wide and individual users
2. **Emergency Preparedness:** fire, tsunami, earthquake, other disruptions; how much responsibility should CG take on for its residents, what can we do together to support each other; what shared problems should we work on now to increased preparedness; how to communicate before, during and after an emergency
3. **Communication:** how do CG residents get and share information; what is the source for documents and other information; how and where can residents learn about history, planning and existing resources; communication as community building

These additional areas of interest emerged as also important to keep in mind:

4. **Staffing:** how to ensure longevity of staff; appropriate workloads and expectations; proper mix of paid/volunteer/contracted work
5. **Finances:** the needs of the three CG reserves are of great interest to this committee; however the mechanisms for funding seem to be a board responsibility. We recognize that the existing work, lists and numbers will provide a good basis for strategic planning and at the same time that our strategic planning work might inform and improve the planning documents in the reserve studies.
6. **Firehouse:** as we understand it, this facility becomes available for CG use sometime in 2025. How can this asset be used to support near-term and long-term needs?

Planning Horizon

The committee agreed on a planning horizon of about 25 years, aka 2050. We also discussed describing the plan in terms of changes rather than exact years. For example, when king-tides reach this point two years in a row, we will do xyz; when tree moisture reaches xyz, we will instigate these fire safety measures.

Next Steps

1. Marty Gilmore agreed to chair this committee.
2. Mary Larson agreed to serve as secretary and to provide meeting notes.
3. We agreed to review meeting notes and share them in the Study Session packet in an ongoing and timely manner.
4. Susi Feller agreed to compile a draft list of emergency preparedness issues, including properties and facilities that would be involved.
5. Mary Larson agreed to interview Marni Levy, CG Manager, to gather her ideas for priorities and needs that she has witnessed.
6. We agreed to do individual education by looking at the General Reserve Study.

Meeting Schedule for 2023—all are Mondays, 3:00 to 4:30 pm, in upper office conference room

October 30

November 6

November 27

December 11

Notes submitted by Mary Larson

Meeting Notes_11-6-23_CG Strategic Planning Committee

Present: Marty Gilmore (chair)

Judy Caruso, Betsy Coddington, Susi Feller, Linda Mollino, Mary Larson (secretary)

Members reported back on news and updates from the previous meeting. Mary reported two changes to meeting notes from 10-30-23 (Susi's assignment and the November 27 meeting date). These have been made and the notes have been forwarded to the office and Marnie for inclusion in the Board Study Session Packet for 11-16-23.

EMERGENCY PREPAREDNESS

Climate Change: We discussed whether a shoreline evaluation has been done. Judy reported that this was turned down earlier due to cost (\$2,400). The original Coastal Engineering Report was in 2003, with the decision to make the berm in 2013. Marty and Judy will review those reports.

We discussed what we know about a condemned property on Victoria Loop and the options of who to ask about the state of buildings such as the CG barn.

Another concern related to climate and weather is the state of the drainage ditches. We realized we don't know who is responsible for them (owner or CG) nor do we know if the Roads and Building committee also works on ditches.

Emergency Preparedness Committee: We discussed the status of this committee and the idea of having a volunteer response team, and a group that was preparing an emergency plan (for water distribution, as an example).

PROPERTY & FACILITIES

We noted that neither the Firehouse nor the Barn are listed on a Reserve study. We brainstormed on how to find out more about both buildings.

COMMUNICATION

Planning Horizon: We agreed to lengthen our planning horizon to 30 years to match that of the Reserves Studies.

We discussed preparing as one of our committee outcomes a set of fact sheets or backgrounders on major Cape George assets so that the history, strengths and challenges can be easily found by community members.

We discussed when and how to include information in the newsletter, which is one of the main communication channels already being used at CG (although we don't know how effectively it is being used).

We discussed possibly meeting at the Firehouse so we can better understand that facility and in the future we could meet there to help involve members from the Village and Highlands in our discussions.

Meeting Notes_11-6-23_CG Strategic Planning Committee

Judy agreed to prepare an outline of current communication channels, including who is communicating with whom.

Additional concerns raised included the often-repeated statement that there is no money to do what needs to be done or to fund new ideas so why try.

Committee Chairs: We agreed to interview committee chairs to introduce the Strategic Planning Committee and to ask an initial set of questions so that we can gather information. Committee assignments are as follows:

SP Cmte Member	Committee	Committee Chair
Marty Gilmore	Water Advisory	Marty Gilmore
Betsy Coddington	Building & Roads	George Martin
Marty Gilmore	Shoreline Stewardship	Steve McDevett
Mary Larson	Workshop	Mike LaPointe
Marty Gilmore	Marina	Craig Muma
Judy Caruso	Environmental	Chris Buzzard
Susi Feller	Pool	Kris Edwards
Linda Mollino	Fitness	Allan Zee, Judy Chambliss
Mary Larson	Elections	Joyce Skoien
Mary Larson	Manager of Operations	Marnie Levy
Mary Larson to ask Marnie	Technology Committee	Michael Volkman
Mary Larson to ask Marnie	Talking to staff	Work through Marnie

Meeting Notes_11-27-23_CG Strategic Planning Committee

Present: Marty Gilmore (chair), Marnie Levy (Cape George manager)
Judy Caruso, Betsy Coddington, Susi Feller, Linda Mollino, Mary Larson (secretary)

EMERGENCY PREPAREDNESS

Name of This Focus Area: We discussed possibly renaming this focus area so to reduce confusion with the existing Emergency Preparedness Committee. Community Resilience was suggested. Also suggested was to rename that committee to Emergency Resilience Committee.

Contact Information: We discussed the urgency and importance of having contact information for everyone living at Cape George (owners and renters) and debated options of how to gather and maintain this information, how to keep the info secure and at the same time available to those who need it, which we understand to be Emergency Preparedness and Water Systems.

PROPERTY & FACILITIES

Barn: We discussed what we did and did not know about the barn, noting that it is not included in the Reserves Study. Linda will coordinate a committee tour of the barn and research additional information about structural integrity, historical preservation, past, current and possible uses. Marnie reported that management is responsible for the buildings at 61 Cape George (ie office, barn, maintenance shop).

Firehouse: We noted that the Firehouse is not included in the Reserves Study. Marty is working on coordinating a committee tour.

Facilities: We discussed possibly forming a Facilities Committee for oversight of Cape George Facilities held in common (not private homes which is the work of Building and Roads.)

COMMUNICATION

Roll-out: We discussed how to roll-out our information and plans when ready. For now, we are concentrating on interviews and gathering information.

Website: We discussed suggestions for how to move forward with the website update.

Charter: We discussed whether or not we should be an ad hoc, short-term, or standing committee. For now, we are working on developing something to report by June 2024, with a draft mission statement such as this:

Committee Mission: *We are creating a comprehensive living strategic plan for Cape George Colony Club with our focus on community resilience over the next 30 years. We intend to step back, look at how things are connected, and be proactive in our suggestions. This is a needed perspective in contrast to the necessarily shorter-term, reactive and responsive work done by committees and the Board of Trustees.*

Meeting Notes_11-27-23_CG Strategic Planning Committee

Communication from Committees: Marty reported on a tour of the berm organized by the Shoreline Stewardship committee. We discussed our lack of understanding about how information gleaned in that tour will be communicated and used by the Board. This is an example of passionate dedicated work being done at the committee level that is not necessarily known by others outside of that committee. We see this as a communication gap that may be hampering Cape George.

Committee File Storage: We discussed creating a Strategic Planning Committee Team in the Cape George Microsoft Team Sharepoint site. Mark Kochendorfer has set that up; Mary will coordinate access requests and create folders for file storage. By using this shared software, the committee's work will not reside on someone(s) private drive(s) but will be accessible by Cape George management ongoing. We confirmed that the work is not accessible by other committees who may also have set up a Team, such as the Finance Committee, and is not accessible by Cape George owners in general.

Additional Assignments

SP Cmte Member	Tasks	Status (assignment date)
Susi Feller	Welcome, Carol Chandler	11-27-23
Mary Larson	Finance, Mark Kochendorfer	11-27-23
Linda Mollino	Social Club, Cassie Reeves	11-27-23
Linda Mollino	Barn Tour	11-27-23
Mary Larson	Set up Sharepoint Site; give emails for access	11-27-23