

## AGREEMENT

Useless Bay Golf & Country Club, Inc., a Washington nonprofit corporation, (the "Club" hereinafter) and Useless Bay Colony, a Washington nonprofit corporation, (the "Colony" hereinafter) hereby agree as follows:

**1. Historical Information.** There has been an historic relationship between the Club and the Colony with respect to the utilization of some Club facilities by Colony property owners. The relationship was formed when the Colony transferred the rights to certain real properties to the Club, and the Club relinquished claims it had, or may have had, with respect to amounts, which may have been due from the Colony. The Club owns and operates the Useless Bay Golf and Country Club which includes a golf course, driving range, swimming pool, tennis courts and clubhouse. Colony is an association of homeowners within subdivisions in the vicinity of the Useless Bay Golf and Country Club. On November 24, 1990 the Club and Colony terminated their previous joint venture and entered a new agreement under which Colony homeowners could use the Club's pool (the "1990 Agreement" hereafter). The 1990 Agreement was last amended on July 20, 2002 by a written document entitled Amendment No. 1. Since 2002, the Club has extensively remodeled and improved its facilities. On August 19, 2015, the Club sent Colony its notice of termination of the 1990 Agreement, as amended, effective January 1, 2016, because the cost sharing and dues structure under that agreement were no longer economically viable for the Club. This Agreement sets forth a new cost reimbursement and dues structure to allow Colony property owners use of some of the Club's amenities.

**2. Definitions.** For terms used herein, the following definitions shall apply:

2.1 "Club Golfing Member" means an individual or couple holding a membership in the Club which allows full use of the Club's golf course, pool, tennis court, exercise facility and clubhouse subject to payment of dues and other conditions established by the Club or hereafter modified by the Club.

2.2 "Club Social Member" means an individual or couple holding a membership in the Club which allows use of the Club's pool, tennis court, exercise facility and clubhouse and limited use of its golf course subject to payment of dues and other conditions established by the Club or hereafter modified by the Club.

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2.3 "Colony Member" means an individual or couple who owns property within the properties described in **Exhibit A** and pays dues assessed by Colony for such property, provided that whenever title to such property is in a co-tenancy, joint tenancy, limited liability company, trust, partnership or other entity, the "Colony Member" shall mean the individual or couple which such ownership designates to the Club as the Colony Member for its property. In any event, there shall be only one Colony Member for each property ownership on Colony's assessment roles.

2.4 "Colony Clubhouse Member" shall mean a Colony Member who has subscribed to additional access to and benefits of the Club's clubhouse and limited golfing privileges and to payment of dues for such additional privileges, pursuant to Section 8 below.

2.5 "Consumer Price Index" means the Consumer Price Index for all Urban Consumers for the Seattle Area (CPI-U, Seattle) as maintained and published by the Bureau of Labor Statistics of the United States Department of Labor. Should The Bureau of Labor Statistics cease to maintain and publish CPI-U, the Club shall select another similar index measuring changes in consumer prices maintained and published by the federal government.

2.6 "Couple" means two persons married to one another or two persons in a domestic partnership, as recognized by the bylaws and regulations of the Club for its Club Golfing Members and Club Social Members.

2.7 "Exercise Facilities" means the existing exercise room and nearby men's and women's locker rooms on the lower floor of the Club's clubhouse building and all tenant improvements, furnishings, fixtures and equipment therein.

2.8 "Immediate Family" means unmarried children of a Colony Member or Colony Clubhouse Member who are under the age of 24 and reside with one or both parents. Children who temporarily live at or near their school, college or university and remain dependents for income tax purposes shall be deemed to reside with their parents.

### **3. Effective Date and Term.**

3.1 This Agreement shall be effective January 1, 2016 and shall be for a term of ten years thereafter. If one party has given written notice of termination to the other on or before September 30, 2025, this Agreement shall terminate on December 31, 2025. If neither party gives such notice, the term



of the Agreement shall be deemed annually extended for additional terms of one year each until one party gives the other written notice of termination on or before September 30 of termination of the Agreement at the end of that calendar year.

3.2 On or before June 30, 2025, the parties agree to enter in good faith into negotiations of terms for a ten year extension of this Agreement. The parties acknowledge that any such extension may require the judgment and the approval of future members or governing boards of their respective organizations, which cannot be bound in advance.

3.3 Provisions of this Agreement may be amended, but only upon a written agreement approved by the governing board of each party's organization and signed by each party's duly authorized representative.

**4. Colony Member Privileges.** In consideration of payment of dues and reimbursements pursuant to sections 5 and 6 below, the Club will provide Colony Members and their Immediate Family with use of its swimming pool, tennis courts and exercise facilities during the term of this Agreement. Use of the swimming pool, tennis courts and exercise facilities are non-exclusive and shall be subject to the same rules and regulations as the Club applies to its Club Golfing Members and Club Social Members. The Club shall have the right from time to time to modify hours of operation and rules and regulations for use of the swimming pool, tennis courts and exercise facilities so long as they apply equally to Colony Members, Club Golfing Members, Club Social Members and Colony Clubhouse Members.

**5. Annual Dues Paid By Colony Members.**

5.1 Each Colony Member shall be charged for and shall pay annual dues in the amount set forth in section 5.3 below as part consideration for the benefits provided herein.

5.2 Not later than the second quarter of each calendar year, Colony shall send an invoice for the annual dues to each Colony Member as part of its billing of assessment to Colony property owners. Colony Members shall pay said annual dues to Colony. Following receipt, Colony shall remit to the Club each month the annual dues received from a Colony Member with identification of the name of the Colony Member who paid the annual dues.

5.3 Annual dues for 2016 shall be \$87.40 for each Colony Member. Annual dues for 2017 and each successive year of the term of this Agreement, and any extension thereof, shall be the annual dues

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for the previous year increased by a percentage equal to the Percentage Increase in the Consumer Price Index in the Previous Year. For purposes of calculating the Percentage Increase in The Consumer Price Index, the Previous Year shall be the most recent 12 month period from December to December. For example, in calculating annual dues for 2017, the Percentage Increase in The Consumer Price Index shall be the percentage increase in the Consumer Price Index from December 2015 to December 2016.

5.4. In the event a Colony Member fails to pay dues by June 30 of a calendar year, the Club may suspend the Colony Member's privileges under Section 4 until they are paid.

#### **6. Colony Reimbursement of Operating Expenses.**

6.1 In addition to remitting dues under Section 5 above, Colony shall annually reimburse the Club for its share of operating expenses of the swimming pool, tennis courts and exercise facilities as set forth below. Reimbursements for operating expenses hereunder shall be due and payable within 30 days of Colony's receipt of the Club's invoice which includes its accounting and calculation of the reimbursements due from Colony.

6.2 The Colony shall reimburse the Club for fifty percent (50%) of the reasonable costs related to the maintenance of and improvements to the tennis courts. Costs for improvements to or capital repairs of the tennis courts in a calendar year for which the Club seeks reimbursement under this subsection shall not exceed Five Thousand Dollars (\$5,000.00) without prior approval of the governing board of the Colony, which approval shall not be unreasonably withheld.

6.3 The Colony shall annually reimburse the Club for its proportionate share of the net operating expenses the Club has incurred for the operation, maintenance and repair of the swimming pool, the pool outbuilding and deck area and furnishings, fixtures and equipment related to the swimming pool. "Net Operating Expenses" means Operating Expenses of the swimming pool less income the Club has received for guest fees, swim lessons and pool rental. Operating expenses for the swimming pool shall mean:

- a. Materials and supplies purchased and third party services and rentals provided for the operation, maintenance and repair of the swimming pool and related equipment,
- b. Utility charges as the Club reasonably allocates to the pool on its financial records,
- c. The Club's personnel costs (including benefits and payroll taxes) for the time of its employees directly engaged in the operation and maintenance of the swimming pool,
- d. Other direct expenses historically reflected as a Pool Department expenses on the Club's financial records,

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e. Real estate taxes on the three tax parcels which include the pool, parking lot and tennis courts, and

f. A management charge of \$17,000 for the Club's management and administrative personnel in management of pool operations, provided that after 2016 said \$17,000 shall be increased by a percentage equal to the percentage increase in the Consumer Price Index from January 2016 to the January of the year for which the reimbursement of expenses applies.

Under this subsection, the Colony's "proportionate share" of the net operating expenses shall be a percentage equal to the percentage of usage of the swimming pool by Colony Members (excluding those who also are Club Golfing Members) represents of the total usage of the swimming pool by Club Golfing Members, Club Social Members and Colony Members together. It is not the intention of this Agreement to at any time in the future, shift duties historically carried on by the Golf Course Administration to pool staff so as to unfairly burden the Colony with direct charges that are intended to be covered under the \$17,000 Club Administration Fee.

6.4 The Colony shall reimburse the Club for its proportionate share of the operating expenses for the exercise facilities. Operating expenses shall mean the sum total of:

a. Direct expenses of the operation of the exercise facilities for materials and supplies, third-party services and repairs and maintenance of its furnishings, fixtures and equipment and

b. 15% of the Building Costs (the parties having determined that the exercise facilities occupied 15% of the clubhouse building). "Building Costs" means the sum of (1) Building Expenses incurred for the operation of the clubhouse building, (2) real estate taxes due on the tax parcel containing the clubhouse and (3) 51% of the mortgage payments for principal and interest on the Club's mortgage loan in the year. However, if the mortgage loan is refinanced during the term of this agreement, only the unamortized balance of the existing mortgage loan and related interest will be considered for this calculation. "Building Expenses" shall mean 80% of expenses incurred for operation of the clubhouse under the Club's chart of accounts under Clubhouse Department in the Club's budget, a copy of which is attached as **Exhibit B** and incorporated by reference.

Under this subsection, the Colony's "proportionate share" of the operating expenses shall be a percentage equal to the percentage of usage of the exercise facilities by Colony Members (excluding those who are also Club Golfing Members) represents of the total usage of the exercise facilities by Club Golfing Members, Social Members and Colony Members together.

## **7. Colony Reimbursement for Capital Expenditures.**

7.1 The Colony shall reimburse the Club its proportionate share of any capital expenditure the Club incurs for the replacement and improvement of the swimming pool, pool outbuilding and deck area and pool related furnishings, fixtures and equipment. The Colony's "proportionate share" under this

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subsection shall be a percentage equal to the percentage of usage of the swimming pool by Colony Members (excluding those who are also Club Golfing Members) of the total usage of the swimming pool by the Club Golfing, Club Social and Colony Members together, as it occurred in the year prior to the capital expenditure to be reimbursed hereunder. Capital expenditures in a calendar year for which the Club seeks reimbursement under this subsection shall not exceed Five Thousand Dollars (\$5,000.00) without prior approval of the governing board of the Colony, which approval shall not unreasonably be withheld.

7.2 The Colony shall reimburse the Club its proportionate share of any capital expenditure the Club incurs for the replacement and improvement of the exercise facilities. The Colony's "proportionate share" under this subsection shall be a percentage equal to the percentage of usage of the exercise facilities by Colony Members (excluding those who are also Club Golfing Members) of the total usage of the exercise facilities by the Club Golfing, Club Social and Colony Members together, as it occurred in the year prior to the capital expenditure to be reimbursed hereunder. Capital expenditures in a calendar year for which the Club seeks reimbursement under this subsection shall not exceed Five Thousand Dollars (\$5,000.00) without prior approval of the governing board Colony, which approval shall not unreasonably be withheld.

7.3 Reimbursements under this section shall be paid to the Club within 30 days of Colony's receipt of an invoice notifying it of the expenditure and calculation of the reimbursement due.

#### **8. Colony Clubhouse Membership.**

8.1 Colony Members may obtain additional privileges to the Club's facilities by subscribing to a Colony Clubhouse Membership and paying the dues for such membership as provided below. To subscribe to a Colony Clubhouse Membership, a Colony Member shall execute such subscription agreement as the Club may require. A Colony Clubhouse Member and his/her/their Immediate Family shall be entitled to the same privileges as a Club Social Member, such as usage of the bar and restaurant, limited monthly golf privileges, driving range program participation and participation in Club sponsored activities, banquets and events. Colony Clubhouse Members will pay fees and charges for above activities at the same rates as are paid by Club Social Members.

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8.2 Colony Members who execute subscriptions for Colony Clubhouse Membership on or before January 31, 2016 shall be entitled to the following discounted rate. Monthly dues for Colony Members applying for Colony Clubhouse Membership on or before January 31, 2016, shall be as follows:

- a. In 2016, \$32.00 per month.
- b. In 2017, \$40.00 per month.
- c. In 2018, \$48.00 per month.
- d. In 2019, \$56.00 per month.
- e. In 2020, \$65.00 per month.
- f. In years 2021 through 2025, monthly dues shall be equal to 65% of the monthly dues the Club charges its Club Social Members.

8.3 Colony Members who did not subscribe for a Colony Clubhouse Membership on or before January 31, 2016, shall not be entitled to the discounted monthly rates set forth above. Nor shall such discounted rates be applicable to future Colony Members who purchase real estate from a Colony Clubhouse Member entitled to discounted rates set forth above. The monthly dues for all Colony Members subscribing for a Colony Clubhouse Membership after January 31, 2016 shall be \$65.00 per month through 2020. Beginning in 2021 the monthly rate for those Colony Clubhouse Members shall also be 65% of the monthly dues the Club charges for its Club Social Members.

8.4 Notwithstanding the forgoing, the Club shall have the right at its sole discretion to offer reduced rates and discounts in the future to encourage Colony Members to subscribe to a Colony Clubhouse Membership.

8.5 The terms of the Colony Clubhouse Membership will include a requirement that the Colony Clubhouse Member make a minimum amount of food purchases in a trimester on the same terms and conditions as Club Social Members are required to make, provided that in 2016 and 2017 the minimum level of food purchases for Colony Clubhouse Members shall be 80% of the minimum of the food level required for Club Social Members.

8.6 The Colony Clubhouse Membership subscription will require that Colony Clubhouse Members are subject to capital assessments related to Clubhouse capital expenditures in the same manner and amount as Club Social Members.

8.7 The Colony Clubhouse Membership subscription will require that the Membership is for an initial term of at least 12 months for any Colony Member subscribing after January 31, 2016. The Colony

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Clubhouse Membership shall also contain the rules and conditions for terminating the Colony Clubhouse Membership and later re-subscribing for a Colony Clubhouse Membership which are the same as exist for Club Social Members for terminating a membership and later re-subscribing.

8.8 In the event a Colony Clubhouse Member fails to pay dues or other financial obligations due, the Club may suspend or terminate his or her Colony Clubhouse Membership.

**9. No Assignment of Membership Privileges.** The privileges hereunder to Colony Members and Colony Clubhouse Members are personal to the individuals to whom they are issued and may not be assigned to third parties, including renters, lessees and guests occupying the property of the Colony Member or Colony Clubhouse Member.

**10. Transfer of Colony Member's Property.** In the event a Colony Member or a Colony Clubhouse Member sells, gifts or otherwise conveys to a third party his/her/their interest in the property on which his/her/their membership is based, his/her/their rights and privileges as a Colony Member or Colony Clubhouse Member shall immediately terminate. The transferee in such conveyance shall become a Colony Member and may elect to subscribe to be a Colony Clubhouse Member, provided that if title to the property following the conveyance is held by a tenancy in common, joint tenancy, a limited liability company, a corporation, trust, partnership or other entity, then the Colony Member shall be the individual or couple designated by the new ownership entity as the Colony Member for that property.

**11. Prior Agreement.** The 1990 Agreement, as amended, shall govern the Colony's reimbursement of the Club for operating expenses and capital expenditures incurred prior to January 1, 2016 and accountings between the parties concerning the assessment and collection of dues accruing prior to January 1, 2016. Otherwise, this Agreement shall supercede all prior agreements between the parties.

**12. Recorded Documents.** The parties agree that this Agreement be recorded with the Island County Recorder's Office and that the 1990 Agreement as recorded under Island County Recording No. 90022601 and Amendment No. 1 as recorded under Island County Recording No. 4040341 have been terminated and are superceded by this Agreement. The Colony will be responsible for recording this Agreement.

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**13. Legal Relationship of Parties.** This Agreement shall not be interpreted or construed as establishing a partnership or joint venture between the parties, nor shall it be interpreted or construed to create any lien or ownership interest of either party in the assets or bank accounts of the other party. Each party is an independent entity contracting with the other party.

**14. Reporting.** The Colony will submit to the Club monthly a list of all Colony Member dues received (by member) along with the payment of the amount due the Club under Section 5. As it receives information on the sale of properties on its assessment roles, the Colony will provide the Club regularly with a transfer report, showing with respect to each property sold, the names of the seller, new owner of the property and, if applicable, the designated Colony Member for the property. The Colony will submit to the Club at the beginning of each year a complete list of Colony property owners and their respective properties as maintained on the Colony's records. Upon annual billing of its property owners, Colony shall provide the Club with a list of the names of the members and amounts it has billed for the Club's dues to allow the Club to track outstanding receivables for its dues. The Club agrees to keep the lists provided by Colony under this section confidential and to use them only for its internal purposes. The Club will prepare and give the Colony a list of Colony Clubhouse Members each year by the end of January. The Club will prepare a usage report for the pool, tennis court and exercise room.

**15. Club Golfing Membership Dues Overlap.** Whenever a Club Golfing Member is subject to assessment of dues by Colony, the following provisions shall apply concerning his/hers/their annual dues. Upon receipt of the annual dues from Colony for a Colony Member who is also a Club Golfing Member, the Club shall give that Colony Member a credit toward his/her/their account in the amount of the annual dues received.

**16. Catastrophic Damage.** In the event the Club is unable to provide use of its clubhouse or pool to all classes of its members as a result of substantial damage to such improvements by earthquake, acts of terrorism, fire or other catastrophic event, the Club may terminate this Agreement. In such event, the parties will explore in good faith an alternative arrangement for benefits to Colony Member of the Club's remaining facilities and compensation to the Club for providing them.

**17. Club Board Meetings and Committee Meetings.** The Colony may designate one of its members to attend the Club Board Meetings and the meetings of the Club's House Committee, Social



Committee and Golf Committee. Its representatives shall be entitled to participate in discussions at such meetings on topics of interest to Colony Members, but shall not be entitled to vote on any matter. Notwithstanding the foregoing, the Colony designee may be excluded from executive sessions of meetings of the Board of the Club when the Board is considering personnel matters, matters involving litigation or privileged communication from its counsel or other internal matters which the Board determines do not affect Colony Members and should be kept private within its organization.

**18. General Provisions.**

18.1 Integration. This Agreement contains the entire Agreement between the parties regarding the subject matter hereof. All negotiations, communications, representations and discussions between the parties are incorporated herein. This Agreement may be amended, modified or altered only by an agreement in writing approved by the governing boards of each party and executed by each party's duly authorized representative.

18.2 Captions. Captions in this Agreement are for convenience only and are not part of this Agreement.

18.3 Governing Law and Venue. This Agreement shall be construed under the laws of the State of Washington. Venue for any action brought under this Agreement shall be in Island County, Washington, unless otherwise agreed by the parties in writing.

18.4 Notices. Notices required hereunder shall be deemed delivered to a party three (3) days after it is deposited in the United States Mails, postage prepaid to the party at the address set forth after the party's signature below, or such other address as the party may designate in writing to the other party.

18.5 Authority. Each party represents to the other that the individual executing this Agreement is duly authorized to execute it and this Agreement constitutes a legal and binding obligation of its organization. This Agreement shall become effective and its Term shall commence on January 1, 2016 even though signed by representatives of the parties after January 1, 2016.





18.6 Interpretation. Neither party shall be deemed the drafter of this Agreement for purposes of its construction and interpretation, since both participated in its negotiation.

Dated this 31<sup>st</sup> day of December, 2015.

USELESS BAY GOLF & COUNTRY CLUB, INC.

By Laila A. Ross  
Its President

Address: 5725 S. Country Club Drive  
Langley, WA 98260

USELESS BAY COLONY

By Ron Donkers  
Its President

Address: P.O. Box 956  
Freeland, WA 98249

Exhibit A

Useless Bay Beach and Country Club Division No. 1, according to the plat recorded in Volume 7 of Plats, page 54, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 2, according to the plat recorded in Volume 7 of Plats, page 60, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 3, according to the plat recorded in Volume 7 of Plats, page 70, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 4, according to the plat recorded in Volume 8 of Plats, page 8, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 5, according to the plat recorded in Volume 8 of Plats, page 9, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 6, according to the plat recorded in Volume 8 of Plats, pages 41-45, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 7, according to the plat recorded in Volume 8 of Plats, pages 68-71, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 8, according to the plat recorded in Volume 8 of Plats, page 8, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 9, according to the plat recorded in Volume 10 of Plats, page 53, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 10, according to the plat recorded in Volume 10 of Plats, Pages 72-75, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 11, according to the plat recorded in Volume 12 of Plats, page 64, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 12, according to the plat recorded in Volume 10 of Plats, page 59, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 14, according to the plat recorded in Volume 11 of Plats, pages 49-52, records of Island County, Washington.

Useless Bay Beach and Country Club "Division No. 15," Parcel Numbers: R22924-415-3450, R22924-420-3690, R22924-425-3880, R22924-432-4120. AKA "Tracts 1, 2, 3, & 4 LOT 16 USELESS BAY BCH & CTRY CLUB #11"

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CLUBHOUSE	2015 Budget	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	2014 Budget	2014 Actual
8030 - Supplies															
8031 - Paper	3,265	185	168	179	342	182	235	572	380	248	258	258	258	3,096	2,525
8045 - Cleaning & Janitorial	360	30	30	30	30	30	30	30	30	30	30	30	30	2,400	1,461
8050 - Furnishings & Decorations	2,099	20	254	55	170	170	20	170	410	20	270	270	270	2,974	3,421
8055 - Parts	1,260	105	105	105	105	105	105	105	105	105	105	105	105	840	1,121
8060 - Small Tools & Equipment	1,667	739	64	64	139	64	64	139	64	64	64	139	64	1,068	819
8070 - Landscaping & Maintenance	500	-	-	-	250	250	-	-	-	-	-	-	-	300	-
8090 - Misc Supplies	4,800	400	400	400	400	400	400	400	400	400	400	400	400	6,743	4,670
Total Supplies	13,951	1,479	1,021	832	1,436	1,201	854	1,416	1,389	867	1,127	1,202	1,127	17,421	14,017
8100 - Purchased Services															
8125 - Dues & Subscriptions	931	104	52	103	52	52	103	104	52	103	52	52	103	605	1,124
8130 - Inspections	2,009	87	-	87	-	1,487	87	87	-	87	-	-	87	609	3,575
8140 - Consulting	458	238	-	220	-	-	-	-	-	-	-	-	-	238	-
8155 - Linen & Uniforms	3,136	345	122	256	193	272	244	298	252	226	351	226	351	2,968	3,032
8160 - Travel & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,067
8162 - Housekeeping Services	40,703	3,392	3,392	3,392	3,392	3,392	3,392	3,392	3,392	3,392	3,392	3,392	3,392	-	6,462
8165 - Maintenance & Repairs-Equip	19,528	1,130	1,394	2,191	1,347	1,392	3,181	1,143	1,007	2,014	1,006	1,006	2,718	7,025	18,800
8170 - Purchased Services Rentals	490	35	35	35	35	35	35	35	35	35	105	35	35	490	963
8195 - Maintenance & Repairs-Bldg	14,451	142	974	1,436	2,710	792	877	949	1,390	2,117	142	2,212	712	21,414	22,011
Total Purchased Services	81,706	5,473	5,969	7,719	7,729	7,422	7,919	6,008	6,128	7,973	5,047	6,923	7,397	33,349	57,033
8200 - Utilities															
8201 - Electricity	39,808	2,300	3,351	3,681	2,553	3,258	2,987	3,920	3,201	3,533	3,709	3,606	3,709	42,653	35,129
8205 - Gas/Fuel	26,148	3,887	1,871	3,687	1,444	1,260	2,206	2,651	1,179	2,102	1,055	2,171	2,635	18,250	23,498
8210 - Garbage	14,984	1,123	1,119	1,339	1,070	1,240	1,364	1,361	1,059	1,300	1,495	1,388	1,125	14,379	14,360
8215 - Telephone	7,276	607	607	607	606	606	606	606	606	606	606	606	606	7,033	7,274
8220 - Water	7,344	-	-	1,705	606	606	2,544	-	-	1,750	-	-	1,345	6,183	8,282
Total Utilities	95,560	7,917	6,948	11,019	5,674	6,364	9,707	8,539	6,045	9,291	6,865	7,771	9,420	88,498	88,543
8600 - Licenses, Permits & Insurance	315	315	-	-	-	-	-	-	-	-	-	-	-	315	-
8805 - Interest Expense (HVAC)	2,305	216	211	207	203	199	194	190	186	181	177	173	168	2,907	2,907
8907 - Social	4,800	400	400	400	400	400	400	400	400	400	400	400	400	3,480	4,998
Total Expenses	198,637	15,800	14,549	20,177	15,442	15,586	19,075	16,554	14,148	18,713	13,615	16,468	18,512	210,913	224,643

EXHIBIT B

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Useless Bay Beach and Country Club "Division No. 16", according to the short plat recorded on April 21, 1994, book No. 2 short Plat, Pages 458-459, #9400-9237, Records of Island County, Washington. VILLAGE AT USELESS BAY #16 Units: 301, 302, 303, 401, 402, 403, 501, 502, 503, 601, 602, 603, 701, and 702.

Useless Bay Beach and Country Club Division No. 17, Parcel Numbers: S8340-17-00001-0, S8340-17-00002-0, S8340-17-00003-0, S8340-17-00004-0, S8340-17-00005-0, S8340-17-00006-0, S8340-17-00007-0, S8340-17-00008-0, S8340-17-00996-0, S8340-17-00997-0

Useless Bay Beach and Country Club Division No. 18, according to the long plat recorded on February 12, 2007, Volume 3 of Long Plats, Page 324, records of Island County.

Bayview Beach Garden addition, including Parcel Numbers: S6085-00-00015-0, S6085-00-00016-0, S6085-00-00017-0, S6085-00-00018-0, S6085-00-00021-0, S6085-00-00022-0, S6085-00-00023-0, S6085-00-00025-0, S6085-00-00026-0, S6085-00-00027-0, S6085-00-00028-0, R22924-261-0200, S6085-00-00030-0

*Handwritten notes above text:* Ducharme, Ephon/Olson, Marriott, Rice/Ward, Crispin, Yarn, Reader, Hodge, Seivers, Seivers, Chris, Miller, Karl, Olson, Rod & Sonja

H&H Parcels R32918-37-1960 and R32908-333-2870. Total lots to be developed will not exceed 55 including those developed in Divisions 15 and 17.

*Handwritten initials:* LR

*Handwritten initials:* RD