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Date: Wednesday, February 13, 2013 11:54 PM
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Subject: RE: We need to submit to umpqua bank to get the cheap financing. The promotion is over but they might extend till the 14th. They are for a client of mine

I'm not advocating Umpqua; it just had a special rate for a limited time like banks do. We need to submit our financials to Banks or whomever, so the committee, Board and membership can evaluate financing options and proposals. I don't have time to read and address your email; just would appreciate the Board putting out feelers so something can get accomplished sometime in the not too distant future. When will we get the streetlights in we approved awhile ago?

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 Subject: RE: We need to submit to umpqua bank to get the cheap financing. The promotion is over but they might extend till the 14th. They are for a client of mine
 Date: Wed, 13 Feb 2013 20:32:55 -0800

Hello Gwyn,

I appreciate your efforts and enthusiasm. I also believe that we should proceed with all deliberation, according to plan, if we expect the members to approve this project. The project cannot proceed without member approval, and that includes financing.

As a director and an officer, I intend to honor the commitment the Board made to give our committees the time to evaluate alternatives and develop a plan to rehabilitate and refurbish our pool facility. I do not think we should ignore that commitment by prematurely applying for a loan from a bank employing an experimental management plan applied to branches they acquired as failed banks from the federal government.

Last year, the board received unprecedented membership support as evidenced by ballots that reflected the will of the members. Some votes were as much as 90% in support of the board's proposals, which were designed to empower the members and protect and strengthen their rights to exercise oversight of the Board with respect to significant financial decisions.

I believe that the overwhelming membership support last year was a direct result of the board's new openness and transparency.

- The board did not usurp but protected the members' rights to exercise the authority conferred upon them in the Bylaws.
- The board did not attempt to circumvent the Bylaws by itemizing projects greater than \$4,000 bolt by bolt and minute by minute with the express intent of depriving the membership of their right to oversee and limit the spending of the Board.

ving the Board to encumber Club property to generate funds that the members are not willing to vote to relinquish to the Club, violates the spirit of the Bylaws that gives members oversight authority over any potential financial excesses of the Board as defined in those Bylaws.

The Board is not permitted to spend any money if the spending exceeds the limits intended to be imposed upon the Board by the Bylaws, regardless of the source of the funds. If you believe the Board is not subject to such oversight or restrictions, then we have a fundamental ethical dilemma that would have to be resolved before we could come to any agreement.

I find it difficult to fathom why so many people refuse to accept the provisions of our governing documents, statues, or court rulings without always looking for ways to circumvent or bypass the restrictions and limits they were intended to impose. I think it is time to stop walking on the edge for a while and seek the middle ground.

The four "Cs" of credit are capacity, character, collateral, and conditions. I am not sure our club would fare well with such low dues, a high delinquency rate, multiple lawsuits prompted by director mismanagement, and the threats from the Internal Revenue Service to seize the Club's property for improper payment and reporting of payroll taxes over the past three or four years.

Rather than borrowing money we may not need, I think we need to get our house in order first. I'd rather keep our property than lose it to a bank because a future board might decide to borrow in excess of the member's ability to repay.

The members overwhelmingly approved replacement of much of the equipment last year, so a revolving credit line for replacing our equipment is probably unnecessary. Last year, the upgrades, repairs, and replacements were paid out of the general fund without having to take out a loan. A loan for repairs of this magnitude always requires approval of the membership, as would taking out a mortgage. This loan, in my opinion, would exceed the authority of the Board of Directors.

The board voted at the last meeting to hire a professional firm to conduct a complete reserve study to evaluate our need for financing, dues increases, and assessments. It would be premature and counterproductive to take rash action at this time to secure a huge revolving charge account before the study has been completed and without authorization of the members.

The members have not yet voted to authorize the pool facility rehabilitation project. Voting is time consuming and expensive, and best done all at one time, not piecemeal. We will need to pay for more than equipment, and need to review the proposed costs before we can responsibly seek any financing. The Bylaws give the members as a whole, financial oversight of the Board of Directors.

Your proposal may be inadequate to meet our needs and may create a credit encumbrance that could prove to be deleterious to our ability to acquire the financing we actually need at a reasonable cost. Most of the

money we will need will not fund equipment, so the credit line may not be useful. Have you looked into any other bank or any other kind of financing? Is this your personal bank?

Umpqua's method of doing business appears to lack the expertise one usually expects in a financial institution. Although the labor is much cheaper, the teller could be our loan officer. I would be uncomfortable participating in this kind of experimental bank management plan until there has been some long-term evidence of its viability. Cheap does not mean better, although I have not seen any evidence that Umpqua bank is willing to approve any kind of financing for our Club.

The nearest branch is pretty far away, and it appears to be a holding company headquartered in Oregon that picks up failed banking institutions, like Evergreen Bank. The reviews I have read are mixed. Here's one review:

- Umpqua has made it exceptionally hard to apply for Business & Personal loans. They've imposed document requirements and bounced me around the organization in ways I've never experienced in prior banking, to the point that my credit line is with another bank.
- They've repeatedly snuck in fees without warning that I had to discover and report.
- They've change my credit card numbers twice which is a huge hassle as anyone who does many online payments would know.
- Their phone customer support has quite limited hours, which I've found inconvenient on many occasions.
- I've been repeatedly treated with an attitude by their phone support staff (although to their credit, their phone staff is usually very knowledgeable)
- Their online banking interface leaves *much* to be desired
- They are late-comers when it comes to mobile banking. Even when they introduced "mobile baking" they only targeted iPhones. To date Android users still have to use a laughable WAP interface.
- I transferred my Mortgage from BoA to Umpqua in an attempt to consolidate. Since the transfer I have not received a single monthly statement, nor is there a web site where I can check my mortgage.
- I have my checking & savings accounts connected (overdraft protection), yet Umpqua will charge \$10 every time it needs to transfer from savings to checking (have not seen this before in my prior banks)
- They open at 9 or 10 am depending on location, so forget about taking care of something before work.

Here's some other mixed comments:

- . "If you want a coffee shop and free computers...go to Umpqua. If you want a BANK...go elsewhere."
- . "I like the branch, service, and they always have coffee and treats!"
- . "They also have free web browsing available if you ever do have to wait."
- . "I've never had such bad service, inaccurate information, and lack of interest in understanding clients' needs as I experienced at Umpqua bank."

This guy liked it; do you think these are reasons we should choose it?

- - The people were really nice. There were no fake smiles. They all seemed to genuinely want to help me out setting up my account and didn't care that I'm a poor college student opening up my checking account with the absolute minimum needed.
- - They had free (good) coffee and tea while you wait, as well as cookies on Friday.
- - Their website is so cute! As I am a girl, I constantly fall into the black hole of loving anything that's aesthetically pleasing, something I will not apologize for.
- - The location is mighty convenient. It's just a free blocks down from my apartment and it's also right on the streetcar line.
- - They have free internet that both patrons and non-patrons alike can partake of, as well as computers that anyone can use to check their email or look something up.
- - They gave me chocolate for making a deposit. Let me repeat this statement for the full effect ... THEY GAVE ME CHOCOLATE! This basically sealed the deal for me. Yup, I'm fickle like that.

You appear to have a strong desire to serve as an intermediary in this transaction and to negotiate the terms. I believe that it would be more appropriate for the directors to study the proposals submitted to them by the committees (and you if you want to do research independently of the committee and not share your ideas with them), and make a decision freely, without any undue influence being exerted by anyone. Proposals should come with appropriate details, logical commentary, and multiple alternatives, citing potential benefits and drawbacks of each choice.

When the costs for rehabilitating our pool have been compiled, we will have a better idea of our financial needs. At that time, the officers will contact any institutions recommended by appropriate committees or the corporation performing the reserve study. The board may choose to consider any institutions that individual directors believe will have the ability to provide us with the services we require. We may not need any financing.

The appropriate committees have not provided the board with their recommendations, but have been working diligently toward that end. Until we have recommendations in hand and have reviewed the minority opinions of the committees, I believe that any attempts to reach a conclusion or embark on a plan of action would be premature and counterproductive at this time.

Before we send any financial information to any institution, it is usually appropriate to file an application, which we have not done. The board does not have sufficient information to make that decision nor permission from the members to encumber the Club assets in that manner or to spend that much money.

The Bylaws were designed to prevent small groups from effecting a forceful takeover of the Club. All members have the right to be informed in advance of meetings at which certain topics are to be discussed and to be secure in the knowledge that all members would be permitted to vote on any and all matters that the Bylaws have deemed as deserving of a ballot by mail.

Last year, a minority of the membership made a concerted attempt to deprive the majority of the members of their rights when they perceived the board had moved too quickly to get membership approval to expedite pool repairs. They slowed, but did not stop the process.

Last year, some members resorted to threats, extortion, and blackmail in an attempt to override the bylaws to force the board to take unlawful actions. Things got so far out of control; it required the intervention of federal and local law enforcement. Lives were threatened.

I will not succumb to pressure to rescind the unanimous commitment that this Board made to allow our committees to work on the pool rehabilitation and funding issues and submit recommendations to the board before voting to submit a proposal to the members for approval. The Board is not omnipotent; it is subject to the will and oversight of the Club's members, as outlined in statutes, the Articles of Incorporation, and the Bylaws.

To facilitate the reasonable and deliberate approach members have demanded, please submit your ideas through your committee so it can be developed and evaluated more thoroughly. Experience should have taught us all that proceeding too hastily may result in hostility, threats, and even crimes against board members when actions of the board to expedite this project are perceived by members as an abuse of power.

I have seen many closer banks with better reputations and more experience offering much better deals than Umpqua. I understand the attraction of chocolates, snacks, coffee, and web-surfing, but I'm not certain this bank has the right credentials for our Club. Maybe after you present your proposal, I will formulate a different opinion.

Right now, I think they're too far away for us to benefit from all the perks they offer. I usually don't have time to surf the web at my bank while consuming free snacks and beverages anyway.

Whidbey Island Bank often gives free snacks and even hotdogs, chips, pop, and ice cream. They are a more stable bank than Umpqua, in my opinion. They are only minutes away and easily accessible online.

Wells Fargo in Coupeville offers snacks beverages, and internet, too (if you bring your own computer).

Why are you so fixated in this branch and a revolving line of credit for the sole purpose of buying equipment? What kind of equipment did you have in mind? We already have most of it replaced. Maybe a more eclectic approach would be more bebficial.

Kindest regards,
Dan'l

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Subject: We need to submit to umpqua bank to get the cheap financing. The promotion is over but they might extend till the 14th. They are for a client of mine
Date: Sun, 10 Feb 2013 13:47:56 -0800

can you please just send the financials so you can see if they can help purchase the physical equipment?

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