

# JOINT EQUIPMENT OWNERSHIP AND USAGE AGREEMENT

Between

**National Capital Tandy Computer User's Group, Inc.**

and

**Washington Area Computer User Group, Inc.**

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Winter, 2004

In the spirit of mutual cooperation on which the computer user group movement has been operated since its earliest beginnings, the undersigned representatives commit their respective organizations to this agreement. Both groups are members of APCUG, and in the unlikely event of a dispute, agree to binding arbitration by the APCUG Board of Directors, or its assigned representatives, of any dispute that arises from this joint equipment ownership and usage agreement. Arbitration to be by teleconference, and / or submission of paper documentation, not to exceed five pages in length.

The National Capital Tandy Computer User's Group (NCTCUG) and Washington Area Computer User Group (WACUG) agree to jointly own a computer video projector and certain ancillary equipment (the equipment), described below. Each group will own a 50% share of this equipment, and agrees to promptly pay for its share of the purchase price, maintenance agreements, insurance costs, and other expenses as may be agreed to during the term of this agreement.

- **General** - The groups agree to act with absolute integrity at all times with respect to this agreement, keeping accurate records and performing required duties under this agreement promptly. The parties recognize that any deviation from open and fair dealing is harmful to the user group movement and the members of their respective organizations. This agreement must be approved by each group's Board of Directors, and noted in the official minutes of each organization, a copy of said minutes to be provided to the other party to this agreement.
- **Term** - The initial term of the agreement will be three years. Maintenance agreement coverage will be obtained from the manufacturer during this initial period. Insurance coverage will be obtained for the entire initial term of this agreement.
- **Extension of Term** - At the end of the initial term of the agreement, the groups will communicate to decide on continuing the agreement, in one year extensions, and whether or not to continue insurance and maintenance agreement coverage.
- **Security and Insurance** - Each group will safeguard the equipment. In the event of the equipment's damage, loss, theft, or destruction, an insurance claim will be made and the proceeds from the paid claim will be shared equally by the two groups. The groups will communicate and decide on replacing the equipment at such an occasion and executing another agreement on ownership and use.
- **Replacement Funding** - Each group will establish an account within its financial record system to set aside funds for the replacement of the equipment. This account will be funded by a contribution from the group's general revenues each month for the initial term of the agreement of 1/36th of 80% of the group's initial outlay for the equipment. This equipment replacement account will remain in existence as long as the agreement is renewed. The treasurer of each group will provide a statement to his/her counterpart every six months attesting to the existing of this equipment replacement account, and its current value, countersigned by the group's president.

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- **Monthly usage - hours of use** - strict records of the usage of the projector will be kept by each group, with a copy accompanying the projector. Each group is allocated 120 hours per year of usage. Usage in excess of this amount by one group requires a compensatory payment of \$10 per hour, or portion thereof, to the other group, said payment to be allocated to the replacement fund account, and made on an annual basis.
  
- **Usage Restrictions** – The equipment shall only be used for the official business of the groups. It shall not be loaned for personal use by members or others, nor rented in contravention of provisions to the contrary by the insurance carriers holding loss, damage, and theft insurance coverage on the equipment. This restriction does not prohibit use of the equipment by a member in preparing / practicing for a presentation to the group.
  
- **Sharing arrangements - passing equipment between groups** - At the execution of this agreement, the intended use of the equipment is for NCTCUG meetings on the evenings of the 1<sup>st</sup> and 4<sup>th</sup> Wednesdays of the month, and for WACUG meetings on the afternoon of the 3<sup>rd</sup> Saturday of the month. The groups agree not to schedule events at the same date and time that would result in a conflict in the desired use of the equipment. The groups will assign responsible members as transfer agents to deliver the equipment between the groups at mutually agreeable times. Ideally, such individuals may be members of both groups. Equipment is expected to be securely stored in the homes of the transfer agents between meetings, and carried in vehicles only when necessary to be delivered to or from the other group.
  
- **Ownership at termination of agreement** - The depreciated value of this equipment is hereby consistently set at 50% of acquisition cost at the end of years 3, 4, or 5; reducing 10% per year at the end of each successive year thereafter. By mutual agreement, one group may buy out the other's interest in the equipment for 50% of the set depreciated value at the anniversary / renewal dates of the agreement. As an example, if the initial cost is \$2000, one group may, with mutual agreement buy out the other's ownership interest for \$500 at the end of five years. ( $\$2000 \times .5 = \$1000 \times .5 = \$500$ ).

ITEM	Make, Model, Description, Cost of Acquisition
Computer Video Projector and Spare Lamp	Dell 3000 Hour Replacement Lamp for 3300MP      \$279.00
	Dell 3300 MP Projector (includes 3 yr. warrantee)    \$1849.00
	Less discount      220.01
	Plus Tax      95.40
	Total      \$2003.39

WACUG Signature	Name	Title	Date
_____	<b><u>Paul L. Howard</u></b>	<b><u>President, WACUG</u></b>	_____
NCTCUG Signature	Name	Title	Date
_____	<b><u>James W. Rhodes</u></b>	<b><u>President, NCTCUG</u></b>	_____