



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

Board of Directors Regular Meeting

October 23, 2025, 6:00 PM, 8 Barn View Ct. MULTIPURPOSE ROOM A

- Call to Order
- Roll Call

- 1) Adoption of Agenda
- 2) Announcements

- 3) Property Owner Comments – 15 Minutes Total

Please note that comments are limited to 3 minutes per person.

- 4) Consent Agenda
 - a) None

- 5) Reports

- a) Financial Reports
 - i) 2024 Audit Presentation – Page 3
 - ii) August 2025 Financials – Page 29
- b) GM Report – October – Page 35
- c) Committee Updates
 - i) Architectural Control
 - ii) Document Review
 - iii) Finance Committee
 - iv) Long-Range Planning
 - v) N&E Committee
 - vi) Safety Committee

- 6) Continuing Business

- i) Discussion Area Z Community Garden License Renewal -- Page 37

- 7) New Business

- i) Discussion / Approval – 2026 Board Meeting Schedule – Page 43
- ii) Capital Request – Lake Louise Slide Gate Replacement Phase 2 – Page 46
- iii) Capital Request – Snow Removal Equipment – Page 50
- iv) Capital Request – Maintenance Truck OP-23 Replacement – Page 55
- v) Amend or Rescind SVCA Policies – Page 60
 - (1) Rescind Building Permits 1996.07- is now in the updated ACC Manual – Page 72
 - (2) Association Involvement in Member Property Matters Policy – Page 64
 - (3) Marina Moorage/Storage Policy – Page 66
 - (4) Purchasing Policy – Page 61

- 8) Executive Session – (Board of Directors Only)
 - a) Personnel – If Needed
 - b) Contract / Lot Sale Negotiation
- 9) Return to Open Session
 - a) Disclosure of action(s) taken in Executive Session
- Adjournment

Sudden Valley Community Association

Financial Statements and
Supplementary Information with
Independent Auditor's Report

Years Ended December 31, 2024 and 2023

Sudden Valley Community Association

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Independent Auditor's Report

To the Board of Directors and Association Members
Sudden Valley Community Association
Bellingham, Washington

Opinion

We have audited the accompanying financial statements of Sudden Valley Community Association (a nonprofit organization), which comprise the balance sheet as of December 31, 2024, and the related statements of revenues and expenses, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sudden Valley Community Association as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sudden Valley Community Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Sudden Valley Community Association as of and for the year ended December 31, 2023 were audited by Larson Gross, PLLC which restructured and created Larson Gross Assurance, PLLC as of December 19, 2024. Larson Gross, PLLC's report dated October 22, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sudden Valley Community Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sudden Valley Community Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sudden Valley Community Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Future Major Repairs and Replacements on pages 17-18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Larson Gross Assurance, PLLC

Bellingham, Washington
October 13, 2025

Sudden Valley Community Association

Balance Sheets

December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents		
Operating funds	\$ 579,484	\$ 678,243
Operating reserve funds	673,387	668,517
Building deposits	749,908	506,408
Total cash and cash equivalents	2,002,779	1,853,168
Cash held in reserve		
Capital	3,189,609	3,636,467
Roads	2,130,137	2,121,536
Capital reserve holding	219,618	222,019
Density reduction	87,889	87,689
Mailbox assessment	151,969	126,444
Mitigation assigned savings	64,759	151,527
Total cash held in reserve	5,843,981	6,345,682
Receivables, net	70,455	76,681
Inventory	5,823	5,659
Prepaid expenses	111,702	80,846
Total current assets	8,034,740	8,362,036
Parcels and lots held for sale, net	231,827	236,457
Property and equipment, net	16,941,751	15,444,985
Intangible assets, net	183,332	64,640
Total assets	\$ 25,391,650	\$ 24,108,118
Liabilities and Members' Equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 432,850	\$ 461,675
Refundable deposits	759,855	512,295
Deferred revenue	150,180	113,383
Prepaid dues	241,081	224,404
Contract liabilities	5,676,299	6,092,862
Current portion of property purchase and construction loan	196,252	188,100
Current portion of finance lease liabilities	52,848	62,393
Total current liabilities	7,509,365	7,655,112
Contingent liability	357,700	-
Property purchase and construction loan	1,342,821	1,611,325
Finance lease liabilities, net of current portion	51,608	44,203
Total liabilities	9,261,494	9,310,640
Members' equity		
Donated capital – developers	482,330	482,330
Paid-in capital – members	1,815,600	1,815,600
Paid-in capital – special assessment	690,291	690,291
Equity reserves	102,921	101,292
Retained earnings	13,039,014	11,707,965
Total members' equity	16,130,156	14,797,478
Total liabilities and members' equity	\$ 25,391,650	\$ 24,108,118

Sudden Valley Community Association

Statements of Revenues and Expenses

Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Dues and assessments – general	\$ 2,673,833	\$ 2,363,726
Dues and assessments – recreation	1,498	186,157
Dues and assessments – capital expenditures and reserve funding	3,176,598	2,849,583
Golf green fees	1,206,502	1,231,625
Rental income	576,460	504,345
Miscellaneous income	82,392	121,117
Fines, penalties, late and lien fees	169,844	92,231
New home construction fee	263,150	53,920
Investment income	57,831	40,200
Titles and transfers fees	24,600	25,625
Valuation adjustment on lots held for sale	(4,630)	8,415
Gain on disposal of property and equipment	4,618	-
Total revenues	<u>8,232,696</u>	<u>7,476,944</u>
Expenses		
Salaries and wages	1,998,181	1,717,643
Depreciation	1,377,170	1,242,196
Outside services	886,020	848,282
Paycheck protection program loan forgiveness clawback	357,700	-
Payroll taxes and fringe benefits	421,589	360,185
Repairs and maintenance	652,263	307,140
Golf maintenance	302,559	274,841
Taxes, licenses and insurance	258,494	238,286
Telephone and utilities	174,490	155,800
Materials and supplies	147,693	155,527
Golf management	110,222	141,963
Interest	75,448	88,469
Miscellaneous	43,752	72,235
Bad debt expense	65,067	22,808
Bank and credit card charges	11,523	9,502
Amortization	13,656	7,735
Other employee expenses	4,191	2,045
Total expenses	<u>6,900,018</u>	<u>5,644,657</u>
Excess of revenues over expenses	<u><u>\$ 1,332,678</u></u>	<u><u>\$ 1,832,287</u></u>

Sudden Valley Community Association

Statements of Changes in Members' Equity

Years Ended December 31, 2024 and 2023

	Donated Capital Developers	Paid-In Capital Members	Paid-In Capital Special Assessment	Equity Reserves	Retained Earnings	Total
Balance – December 31, 2022	\$ 482,330	\$ 1,815,600	\$ 690,291	\$ 100,190	\$ 9,876,780	\$ 12,965,191
Excess of revenues over expenses	-	-	-	-	1,832,287	1,832,287
Capital Assessments and Board of Director's appropriations for 2023, net						
Road reserves fund	-	-	-	-	-	-
Density reduction fund	-	-	-	137	(137)	-
Capital reserves fund	-	-	-	-	-	-
Capital reserves holding fund	-	-	-	695	(695)	-
Mailbox assessment fund	-	-	-	270	(270)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,102</u>	<u>(1,102)</u>	<u>-</u>
Balance – December 31, 2023	482,330	1,815,600	690,291	101,292	11,707,965	14,797,478
Excess of revenues over expenses	-	-	-	-	1,332,678	1,332,678
Capital Assessments and Board of Director's appropriations for 2024, net						
Road reserves fund	-	-	-	-	-	-
Density reduction fund	-	-	-	200	(200)	-
Capital reserves fund	-	-	-	-	-	-
Capital reserves holding fund	-	-	-	948	(948)	-
Mailbox assessment fund	-	-	-	481	(481)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,629</u>	<u>(1,629)</u>	<u>-</u>
Balance – December 31, 2024	<u>\$ 482,330</u>	<u>\$ 1,815,600</u>	<u>\$ 690,291</u>	<u>\$ 102,921</u>	<u>\$ 13,039,014</u>	<u>\$ 16,130,156</u>

Sudden Valley Community Association

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Excess of revenues over expenses	\$ 1,332,678	\$ 1,832,287
Adjustments to reconcile excess of revenues over expenses to cash, cash equivalents, and cash held in reserve from operating activities:		
Depreciation	1,377,170	1,242,196
Amortization	13,656	7,735
Gain on disposal of property and equipment	(4,618)	-
Valuation adjustment on lots held for sale	4,630	(8,415)
(Increase) decrease in current assets:		
Receivables, net	6,226	(2,356)
Inventory	(164)	541
Prepaid expenses	(30,856)	12,335
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	(28,825)	24,772
Deferred revenue	36,797	(40,984)
Prepaid dues	16,677	45,177
Contract liabilities	(416,563)	(120,375)
Net cash from operating activities	2,306,808	2,992,913
Cash flows from investing activities		
Proceeds from sale of property and equipment	4,618	-
Purchase of intangible assets	(132,348)	(12,188)
Purchase of construction in progress	(965,993)	(572,030)
Purchase of property and equipment	(1,907,943)	(1,850,838)
Net cash from investing activities	(3,001,666)	(2,435,056)
Cash flows from financing activities		
Refundable deposits	247,560	14,780
Contingent liability	357,700	-
Principle payments on property purchase and construction loan	(260,352)	(249,587)
Proceeds from finance lease	67,110	-
Principal payments on finance lease	(69,250)	(59,760)
Net cash from financing activities	342,768	(294,567)
Net (decrease) increase in cash, cash equivalents, and cash held in reserve	(352,090)	263,290
Cash, cash equivalents, and cash held in reserve – beginning of year	8,198,850	7,935,560
Cash, cash equivalents, and cash held in reserve – end of year	<u><u>\$ 7,846,760</u></u>	<u><u>\$ 8,198,850</u></u>
Reconciliation of cash, cash equivalents, and cash held in reserve to the Balance Sheet		
Cash and cash equivalents	\$ 2,002,779	\$ 1,853,168
Cash held in reserve	5,843,981	6,345,682
Total cash, cash equivalents, and cash held in reserve	<u><u>\$ 7,846,760</u></u>	<u><u>\$ 8,198,850</u></u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u><u>\$ 75,448</u></u>	<u><u>\$ 88,469</u></u>

Notes to the Financial Statements

December 31, 2024 and 2023

Note 1 – Organization

Sudden Valley Community Association (the Association) was formed in 1973 to operate and maintain the commonly owned property in Sudden Valley, Washington, and to provide security and maintenance services for its members. The Association also provides other services for the members including the operation of the Sudden Valley Golf Club (including the golf course and equipment), marina, parks, playgrounds, trails, fitness center, two swimming pools, community center barn, adult center, tennis courts, basketball court, campground, airfield, a road and drainage system, and over 10,000 feet of shoreline. The Association consisted of 4,641 total lots as of December 31, 2024 with 3,119 billable units. The Association is organized as a non-profit incorporated entity under the laws of Washington State and for federal tax purposes.

Note 2 – Summary of Significant Accounting Policies

Fund accounting – The Association uses fund accounting whereby financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Funds

Operating fund – This fund is used to account for financial resources available for the general operations of the Association.

Emergency operating reserve – This fund comprises a minimum of two months operating expenses for the purpose of defraying the costs of unexpected and/or emergency operating expenditures. These funds are included in operating retained earnings and totaled \$363,815 and \$362,252 at December 31, 2024 and 2023, respectively.

Undesignated reserve – This fund is used to account for the recoveries of prior years' delinquent operating dues (non-capital) and related penalties and interest. Expenditures from this fund must receive approval by the Board of Directors. These funds are included in operating retained earnings and totaled \$309,572 and \$306,265 at December 31, 2024 and 2023, respectively.

Reserve Funds

Road reserves fund – This fund is used to account for capital assessments from members for repairs and replacement of the various roads and bridges in the Association. Expenditures from this fund must receive approval by the Board of Directors.

Density reduction fund – This fund is used to account for financial resources designated by the Board of Directors to satisfy the density reduction goals of the Association and the water demand goals of Lake Whatcom Water and Sewer District. Expenditures from this fund must receive approval by the Board of Directors.

Capital reserve fund – This fund is used to account for capital assessments from members and financial resources designated by the Board of Directors for major repairs and replacements and capital improvement. Expenditures from this fund must receive approval by the Board of Directors.

Capital reserve holding fund – This fund is used to account for capital moneys derived from buyer transfer fees obtained through sales of privately-owned lots/homes. Expenditures from this fund must receive approval by the Board of Directors. In October 2021, the Board of Directors voted to discontinue collecting this fee for all real property transactions that close on or after January 1, 2022.

Notes to the Financial Statements

December 31, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies – (Continued)

Mailbox assessment fund – This fund is used to account for financial resources designated by the Board of Directors for the costs associated with the installation of cluster mailboxes and renaming of streets. Expenditures from this fund must receive approval by the Board of Directors.

Cash and cash equivalents – The Association considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents. The Association maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Association has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Parcels and lots held for sale – Parcels and lots held for sale are stated at lower of cost or fair market value less cost to sell.

Property and equipment – The Association recognizes all common property as assets in its balance sheets, including all common personal and real property to which it has title, regardless of whether or not it can dispose of the property for cash while retaining the proceeds, and whether or not it is used to generate significant cash flows from members or nonmembers. Common area real property consists of roads, water systems, electrical systems, greenbelts, parks, the golf course, and certain structures.

The Association capitalizes all property and equipment acquisitions with cost of \$2,500 and greater and a useful life of greater than one year. Improvements that increase the useful life of property and replacements of major components of property are capitalized and recorded as assets on the balance sheet. Maintenance, repairs and minor replacements are expensed as incurred. Depreciation is computed using straight-line methods over estimated useful lives of 3 to 40 years.

Whenever changes in circumstances indicate that the carrying amount may not be recoverable, the Association assesses the recoverability of property and equipment (and all other long-lived assets) by analyzing future cash flows. There were no events or changes in circumstances during 2024 or 2023 that indicated that the carrying amounts of any property or equipment were not fully recoverable. The Association believes the future cash flows to be received from property and equipment (and all other long-lived assets) exceed the assets' carrying values and, accordingly, the Association has not recognized any impairment losses through December 31, 2024 or 2023.

Intangible assets – Intangible assets consist of the acquisition of various design plans to benefit members and are amortized using the straight-line method over estimated useful lives of 15 years.

Contract liabilities – The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement capital expenditures and reserve funding assessments. The balances of contract liabilities at December 31, 2024, 2023, and 2022 are \$5,676,299, \$6,092,862, and \$6,213,237, respectively.

Notes to the Financial Statements

December 31, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies – (Continued)

Revenue recognition – The Association recognizes revenue from members' assessments in the applicable time period. Revenue from other sources is recognized when the product or service is provided in accordance with the accrual basis of accounting. Amounts collected in advance of being earned are recorded as deferred revenue. Deferred revenue consisting of prepaid golf fees amounted to \$150,180, \$113,383, and \$154,367 at December 31, 2024, 2023, and 2022, respectively. For further discussion of revenue and related accounting policies, see Note 3.

Accounts receivable – Accounts receivable are stated net of the allowance for credit losses and represent the amount expected to be collected. At each balance sheet date, the Association recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics. The allowance estimate is derived from a review of historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions and reasonable and supportable forecasts of future economic conditions. The Association believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as Association member and customer characteristics have remained constant and there have been no significant changes in factors that influenced the estimate of expected credit losses.

Interest income – Interest income is allocated to the operating and reserve funds in proportion to the interest-bearing deposits of each fund and is included in investment income on the statement of revenues and expenses.

Rental activities – Rental activities of association property consist of marina wet slips and dry slips, facility leases, and other short-term rentals primarily in the form of golf cart rentals and storage facilities.

Income taxes – The Association is a non-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(4). There were no interest and penalties paid during the years ended December 31, 2024 and 2023. The Association evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2024, the Association had no uncertain tax positions requiring accrual. As of December 31, 2024, tax returns for the prior three fiscal years remain subject to examination by major tax jurisdictions.

Sales taxes – Taxes collected from customers for amounts assessed by governmental authorities on revenue-producing transactions are recorded on a net basis and are not included in the amounts on the accompanying statements of revenues and expenses.

Leases – The Association continues to record right-of-use assets and corresponding lease liabilities for leases classified as capital leases under previous guidance. The Association determines if an arrangement contains a lease at inception based on whether the Association has the right to control the asset during the contract period and other facts and circumstances. The Association elected not to record right-of-use assets and lease liabilities for leases with an initial term of 12 months or less and recognizes lease expense on a straight-line basis over the lease term.

Notes to the Financial Statements

December 31, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies – (Continued)

Advertising – The Association expenses advertising costs as incurred. Advertising expense totaled \$8,514 and \$16,850 for the years ended December 31, 2024 and 2023, respectively.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management and the Board of Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events – In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 13, 2025, the date the financial statements were available to be issued.

Note 3 – Revenue Recognition

Revenue recognition – The Association recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which provide a five-step model for recognizing revenue from contracts with customers as follows:

- 1) Identify the contract
- 2) Identify performance obligations
- 3) Determine the transaction price
- 4) Allocate the transaction price
- 5) Recognize revenue

Nature of products – The Association provides social and recreational activities and maintains the community assets.

Timing – The Association recognizes revenue from dues and assessments and title and transfer fees related to capital expenditures and reserve funding over time in the applicable time period when expenditures are incurred. Rental income is recognized in the month the facilities are used by the member or member's guest, and other revenue is recognized at a point in time. Revenue from golf and other sources is recognized at the point in time when the product or service is provided, which is when the performance obligation is satisfied.

Payment terms – Payments for annual dues and assessments related to capital expenditures and reserve funding are prorated and due monthly. The Association records payment from title and transfers fees at the point in time of transfer to the property owner, and records revenue from rental income, golf, and other sources at the point in time of delivery of the good or service to the member or member's guest. Payment terms are typically within 30 days. The primary purpose of the Association's invoicing terms is to provide property owners with simplified and predictable ways of purchasing the goods and services and not to receive financing from or provide financing to the property owner. Additionally, the Association has elected the practical expedient that permits an entity to not recognize a significant financing component if the time between the transfer of a good or service and payment is one year or less.

Notes to the Financial Statements

December 31, 2024 and 2023

Note 3 – Revenue Recognition – (Continued)

Transaction price – The transaction price is the amount of consideration to which the Association expects to be entitled in exchange for transferring goods and services to the property owner. The Association records reductions to net revenue related to future returns based on the Association’s expectations and historical experience.

Note 4 – Receivables, Net

Receivables consist of the following at December 31:

	2024	2023
Members' accounts receivable	\$ 725,750	\$ 640,426
Allowance for doubtful accounts	(658,645)	(580,304)
Receivables – other	3,350	16,559
	<u>\$ 70,455</u>	<u>\$ 76,681</u>

Allowance for doubtful accounts balances relate to members’ accounts receivable and includes receivable balances written-off in prior years. Management continues to pursue collection of these accounts. Bad debt expense totaled \$65,067 and \$22,808 for the years ended December 31, 2024 and 2023, respectively.

Note 5 – Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Roads and bridges	\$ 17,408,807	\$ 16,054,938
Land and improvements	7,540,025	6,866,015
Buildings and improvements	6,381,587	6,281,904
Vehicles, machinery and equipment	3,508,126	3,185,138
Furniture, fixtures and office equipment	303,435	303,435
Construction in progress	965,993	572,030
	<u>36,107,973</u>	<u>33,263,460</u>
Less accumulated depreciation	(19,166,222)	(17,818,475)
	<u>\$ 16,941,751</u>	<u>\$ 15,444,985</u>

Total depreciation expense amounted to \$1,377,170 and \$1,242,196 for the years ended December 31, 2024 and 2023, respectively.

Construction in progress consists primarily of facility remodels and refurbishments, land improvements, and roads and bridge repair projects which were not completed and placed in service as of December 31, 2024. Contractually obligated estimated costs to complete these projects total approximately \$811,593.

Sudden Valley Community Association

Notes to the Financial Statements

December 31, 2024 and 2023

Note 6 – Intangible Assets

Intangible assets consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Ten-year roads & drainage improvement plan	\$ 132,349	\$ -
Various design plans	122,125	122,125
Less accumulated amortization	(71,142)	(57,485)
	<u>\$ 183,332</u>	<u>\$ 64,640</u>

Total amortization expense related to these assets amounted to \$13,656 and \$7,735 for the years ended December 31, 2024 and 2023, respectively.

Estimated future amortization expense total the following for the years ending December 31:

2025	\$ 13,656
2026	13,656
2027	13,656
2028	13,656
2029	13,656
Thereafter	115,052
	<u>\$ 183,332</u>

Note 7 – Contingent Liability

At December 31, 2024, the Association recorded a contingent liability relating to Paycheck Protection Program (PPP) loan funds that were received in May 2020 and then forgiven by the Small Business Administration (SBA) in September 2021, which are funds that the SBA has since subsequently deemed that the Association did not qualify for because of its 501(c)(4) tax exempt status, which was communicated to the Association by the government in April 2025. This contingency was classified by the Association as probable. And upon final resolution with the SBA, the Association believes that the estimated amount of liability will be limited to the original amount of the PPP loan funds received (\$357,700) because of the fact that the Association fully disclosed its tax exempt status to the SBA during the PPP loan application process, which the government has especially acknowledged.

Note 8 – Property Purchase and Construction Loan

The Association has the following property purchase and construction loan at December 31:

	<u>2024</u>	<u>2023</u>
Note payable to First Citizens Bank, monthly payments totaling \$22,090 including interest at 4.25%, secured by cash and receivables, matures July 2032	\$ 1,539,073	\$ 1,799,425
Less current portion	(196,252)	(188,100)
	<u>\$ 1,342,821</u>	<u>\$ 1,611,325</u>

Notes to the Financial Statements

December 31, 2024 and 2023

Note 8 – Property Purchase and Construction Loan – (Continued)

Future annual principal payments due on the property purchase and construction loan are as follows for the years ending December 31:

2025	\$ 196,252
2026	204,757
2027	213,631
2028	222,889
2029	232,548
Thereafter	<u>468,996</u>
	1,539,073
Less current portion	<u>(196,252)</u>
	<u><u>\$ 1,342,821</u></u>

The property purchase and construction loan payable to First Citizens Bank contains certain financial covenants. Management is not aware of any violations of these covenants at the date of this report.

Note 9 – Finance Leases

Finance leases consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Finance lease to DLL Finance LLC, monthly payments totaling \$1,326 including interest at 5.08%, secured by equipment, matures July 2029	\$ 60,253	\$ -
Finance lease to Wells Fargo Equipment Finance, monthly payments totaling \$3,065 including interest at 3.76%, secured by equipment, matures January 2026	38,984	73,589
Finance lease to Wells Fargo Equipment Finance, monthly payments totaling \$2,409 including interest at 5.00%, secured by equipment, matures March 2025	<u>5,219</u>	<u>33,007</u>
	104,456	106,596
Less current portion	<u>(52,848)</u>	<u>(62,393)</u>
	<u><u>\$ 51,608</u></u>	<u><u>\$ 44,203</u></u>

Total capitalized cost and accumulated depreciation of the leased equipment is as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Cost	\$ 456,122	\$ 389,012
Accumulated depreciation	<u>(337,062)</u>	<u>(252,548)</u>
	<u><u>\$ 119,060</u></u>	<u><u>\$ 136,464</u></u>

Notes to the Financial Statements

December 31, 2024 and 2023

Note 9 – Finance Leases – (Continued)

Scheduled minimum lease payments are as follows for the years ending December 31:

2025	\$ 59,909
2026	18,967
2027	15,912
2028	15,912
2029	<u>9,257</u>
Total minimum lease payments	119,957
Less amount representing interest	<u>(15,501)</u>
Present value of minimum lease payments	104,456
Less current portion	<u>(52,848)</u>
	<u><u>\$ 51,608</u></u>

Note 10 – Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements related to the preservation and maintenance of common property. Accumulated funds are held in separate bank accounts and are generally not available for expenditures for normal operations.

The board of directors conducted reserve studies in August 2025 to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on this study.

The Capital Repair and Replacement Fund (CRRRF) reserve study includes the golf course, golf equipment, maintenance equipment, maintenance area, marina, campgrounds, adult center, core areas of buildings (including the clubhouse, Welcome Center, and barns 6 (Ice Barn) and 8 (Community Center)). The Mailbox reserve study includes mailboxes located throughout the community. The Roads reserve study includes forty miles of roads, culverts and ditches. Changes to the existing reserve studies can materially change assessment and expenditure projections.

The Association is partially funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to its governing documents, to increase regular assessments or to levy special assessments, or it may delay major repairs and replacements until funds are available.

Sudden Valley Community Association

Notes to the Financial Statements

December 31, 2024 and 2023

Note 10 – Future Major Repairs and Replacements – (Continued)

Reserve fund activity and balances for the year ended December 31, 2024 are presented below:

	Road Reserve Fund	Capital Reserve Fund	Capital Reserve Holding Fund	Mailbox Assessment Fund	Density Reduction Fund	Total
Balance – December 31, 2022	\$ -	\$ -	\$ 12,138	\$ 500	\$ 87,552	\$ 100,190
Recognized appropriations from prior years collections	1,864,188	944,934	-	-	-	2,809,122
Prior year(s) appropriations collected in 2023	21,009	19,452	1	374	-	40,836
2023 collected appropriations	1,371,104	1,333,399	-	24,738	-	2,729,241
Adjustment for unrecognized collected appropriations	(1,371,104)	(1,333,399)	(1)	(25,113)	-	(2,729,617)
Interest income	12,920	18,586	695	364	137	32,702
2023 bad debt recovery	-	-	-	-	-	-
Proceeds from sale of property and equipment	-	-	-	-	-	-
Capital loan distributions	-	-	-	-	-	-
Unrecognized prior year(s) appropriations to be refunded	-	-	40,869	-	-	40,869
Refund transfers of prior year(s) appropriations	-	-	(40,869)	-	-	(40,869)
Other transfers	-	32,799	-	-	-	32,799
2023 charges	(1,898,117)	(1,015,771)	-	(93)	-	(2,913,981)
Balance – December 31, 2023	-	-	12,833	770	87,689	101,292
Recognized appropriations from prior years collections	1,365,287	1,780,673	-	-	-	3,145,960
Prior year(s) appropriations collected in 2024	15,873	14,765	-	295	-	30,933
2024 collected appropriations	1,373,889	1,333,813	-	24,751	-	2,732,453
Adjustment for unrecognized collected appropriations	(1,373,889)	(1,333,813)	-	(25,045)	-	(2,732,747)
Interest Income	17,769	26,260	948	587	200	45,764
2024 bad debt recovery	-	-	-	-	-	-
Proceeds from sale of property and equipment	-	4,618	-	-	-	4,618
Capital loan distributions	-	-	-	-	-	-
Unrecognized prior year(s) appropriations to be refunded	-	-	3,350	-	-	3,350
Refund transfers of prior year(s) appropriations	-	-	(3,350)	-	-	(3,350)
Other transfers	86,923	145,600	-	-	-	232,523
2024 charges	(1,485,852)	(1,971,916)	-	(107)	-	(3,457,875)
Balance – December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,781</u>	<u>\$ 1,251</u>	<u>\$ 87,889</u>	<u>\$ 102,921</u>

The August 2025 reserve studies present total current replacement costs of \$37,291,010 and recommended fully funded total of \$20,931,989. The Association is projected to be 24% funded at December 31, 2025.

Note 11 – Density Reduction

As of December 31, 2024 and 2023, the Association had purchased a total of 437 lots through purchases with members or through foreclosure sales with Lake Whatcom Water and Sewer District, Whatcom County, and the City of Bellingham also sharing in the cost. Certain of these acquired lots were subject to transferable restrictive covenants, and these covenants have been transferred to other lots. As a result, the Association holds title to an equivalent number of properties, which are subject to a restrictive covenant prohibiting them from being developed. This program furthers the density reduction goals of the Association and the water and sewer demand goals of Lake Whatcom Water and Sewer District. As of December 31, 2024 and 2023, the Association had acquired and owned 774 lots, each of which had been turned into green space and removed from the tax rolls. Lots held as green space are included in land costs as a component of property and equipment. None of the remaining lots are restricted under Water District 10.

Supplementary Information

Supplementary Information on Future Major Repairs and Replacements

Year Ended December 31, 2024

(Unaudited)

Smart Property conducted a Level 2 reserve study in August 2025 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. The spreadsheet included as unaudited supplementary information takes into account the effects of an estimated 4.0% inflation between the date of the study and the date that the components will require repair or replacement. Actual expenditures may vary from the estimated amounts and the variations may be material.

The information on page 18 is based on the study and presents significant information about the components of common property. The full study is available from the Association.

Sudden Valley Community Association

Supplementary Information on Future Major Repairs and Replacements

Year Ended December 31, 2024

(Unaudited)

Study Component	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs
Capital Repair and Replacement Fund (CRRRF)		
Adult center building	3-17	\$ 391,853
Area Z	5-29	325,104
Barn 6	10-11	1,672,676
Barn 8	0-19	5,246,609
Bus shelters	1-22	106,069
Clubhouse	1-46	4,891,614
Core area	0-28	1,164,185
Golf	0-36	10,867,732
Golf & maintenance equipment	0-29	3,308,415
Maintenance – building	2-19	1,137,949
Maintenance – vehicles	0-10	907,749
Marina & AM/PM areas	0-20	4,078,433
Miscellaneous	0-19	892,863
Park areas	1-19	586,737
Pool-main	2-23	1,413,897
Pool-quiet	2-23	582,235
Security building & equipment	0-9	275,673
Turf	0-39	609,998
Welcome center	6-23	239,556
Total CRRRF		38,699,347
Mailboxes	9-13	806,594
Road Fund		
Asphalt-engineering & planning	0-3	248,530
Asphalt-road & parking surfaces	0-11	3,607,450
Stormwater & drainage improvements & bridges	0-29	15,573,013
Total Road Fund		19,428,993
Total		\$ 58,934,934
Other Assumptions:		
Interest rate		<u>2.00%</u>
Inflation rate		<u>4.00%</u>

October 13, 2025

Board of Directors
Sudden Valley Community Association
4 Clubhouse Circle
Bellingham, WA 98229

We have audited the financial statements of Sudden Valley Community Association (the Association) as of and for the year ended December 31, 2024 and have issued our report thereon dated October 13, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our agreement letter dated January 8, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are represented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Association solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating matters related to the audit that are in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We are independent with respect to the Association under the requirements of the American Institute of Certified Public Accountants.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Association's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative Aspects of the Association's Significant Accounting Practices*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Association is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about 1) the methods used to account for significant unusual transactions and 2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the allowance for doubtful receivables. Management's estimate of the allowance for doubtful receivables is based on prior experience, the age of receivables at year end, the debtor's ability to repay the amount owed, and management's appraisal of current economic conditions. We evaluated these key factors and assumptions and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Association's financial statements relate to the items discussed in the significant accounting estimates section above, and Note 5 (Property & Equipment), 6 (Intangible Assets), and 10 (Future Major Repairs and Replacements).

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There were no uncorrected financial statement misstatements whose effects, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as result of our audit procedures. The attached schedule includes all material misstatements that we identified as a result of our audit procedures. They were brought to the attention of, and corrected by, management

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Association's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 13, 2025.

Management's Consultation with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the Association, we generally discussed a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Association, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Association's auditors.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with generally accepted accounting principles in the United States, the method of preparing it has not change from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to Sudden Valley Community Association.

This communication is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Larson Gross Assurance, PLLC

Bellingham, Washington
October 13, 2025

Corrected Misstatements

Account	Description	Debit	Credit
Reclassifying Journal Entries JE # 1			
To reclass current portion of long-term debt.			
LG2001-XXX	Less Current Portion: Capital Lease Obligation	\$ 59,909	\$ -
LG2005-XXX	Less Current Portion: CRRRF Loan	196,252	-
LG2002-000	Capital Lease Obligation, Current	-	59,909
LG2006-000	CRRRF Loan Obligation, Current	-	196,252
Total		\$ 256,161	\$ 256,161

Sudden Valley Community Association
Balance Sheet
August 31, 2025 and December 31, 2024

	Unaudited** Aug 31, 2025	Unaudited** Dec 31, 2024	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 429,848	\$ 579,484	\$ (149,636)
Building Completion Deposit Fund	859,890	749,910	109,980
Member Receivables - Operations*	-	53,456	(53,456)
Other Receivables	3,250	3,350	(100)
Prepaid Expenses	161,991	82,148	79,843
Operating Lease ROU Assets	25,254	29,554	(4,300)
Inventory	7,148	5,824	1,324
Total Current Assets	1,487,381	1,503,726	(16,345)
Current Liabilities			
Accounts Payable	(110,391)	(159,772)	49,381
Accrued Vacation Liability	(90,632)	(76,335)	(14,297)
Accrued Payroll	-	(115,575)	115,575
Prepaid Assessments	(246,071)	(241,080)	(4,991)
Building Completion Deposits	(859,890)	(749,910)	(109,980)
Other Refundable Deposits	(11,046)	(9,956)	(1,090)
Operating Lease Liability	(25,254)	(29,554)	4,300
Prepaid Golf Memberships	-	(112,307)	112,307
Total Current Liabilities	(1,343,284)	(1,494,489)	151,205
Other Liabilities			
Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(30,667)	(36,000)	5,333
Total Other Liabilities	(388,367)	(393,700)	5,333
Operating Reserve Funds			
Emergency Operating Cash	364,460	363,815	645
Undesignated Reserves Cash	331,024	302,135	28,889
Total Operating Reserve Funds	695,484	665,950	29,534
Net Operating Assets	\$ 451,214	\$ 281,487	\$ 169,727
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,666,370	3,172,197	494,173
Roads Reserve Cash Fund	2,778,578	2,102,138	676,440
Board Density Reduction Cash Fund	87,987	87,889	98
Mailbox Cash Fund	169,937	151,970	17,967
CRRRF Capital Reserve Holding Cash	220,007	219,618	389
Mitigation Assignment of Savings Cash	49,879	49,821	58
LWWSD Assignment of Savings Cash	14,946	14,939	7
Member Receivables - Capital**	-	13,625	(13,625)
Total Capital Current Assets	6,987,704	5,812,197	1,175,507
Capital Fixed Assets			
Fixed Assets	16,736,097	17,006,025	(269,928)
Finance ROU Assets	67,192	119,060	(51,868)
Lots Held for Sale	231,826	231,826	-
Total Capital Assets	17,035,115	17,356,911	(321,796)
Long Term Liabilities			
CRRRF Loan 2022	(1,358,403)	(1,539,073)	180,670
Finance Leases	(65,785)	(104,457)	38,672
Total Long Term Liabilities	(1,424,187)	(1,643,530)	219,343
NET ASSETS	\$ 23,049,846	\$ 21,807,065	\$1,242,781
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	164,985	(374,591)	539,576
Transfers Out from Operations to Capital	-	(145,600)	145,600
Current Year Net Income: Capital**	1,077,796	1,294,054	(216,258)
Transfers Into Capital from Operations	-	145,600	(145,600)
Retained Earnings**	4,858,301	5,232,892	(374,591)
Capital**	16,948,764	15,654,710	1,294,054
TOTAL MEMBER EQUITY	\$ 23,049,846	\$21,807,065	\$1,242,781

* The Association's internal policy is to write off any member receivables that are 30 days past due as bad debts for internal interim financial statement purposes. As per SVCA policy, Management continues to pursue collection of these receivables via all avenues allowed by Washington State laws. In addition, the Association records and bills finance charges on receivables that are thirty days past due at 1% per month. At August 31, 2025, and December 31, 2024, the balances of receivables written off were \$789,077 and \$699,426, respectively.

** Beginning with the 2020 year end audited financial statements, Accounting Standards Codification (ASC) 606 requires issued audited financial statements to reclassify unspent capital dues revenue, including related capital transfer fee collections, as a contract liability balance (unearned revenue), which is then reversed out in future years when capital dues/capital transfer fee collections are actually expended on capital related expenditures. This particular accounting standard change is only incorporated into the issued audited financial statements and is not factored into SVCA's internal monthly statements as it would obscure the reality of monthly capital dues/capital transfer fee revenues collected for internal monthly presentation purposes. See SVCA's 2020 through 2023 audited financial statements (2023 represents the most recently issued audited statements), which fully incorporate ASC 606 and comply with Generally Accepted Accounting Principals (GAAP).

*** At 2024 year end, the Association recorded a contingent liability relating to Paycheck Protection Program (PPP) loan funds that were received in May 2020 and then forgiven by the Small Business Administration (SBA) in September 2021, which are funds that the SBA has since subsequently deemed that the Association did not qualify for because of its 501(C)(4) tax exempt status, which was communicated to the Association by the government in April 2025. This contingency was classified by the Association as probable. And upon final resolution with the SBA, the Association believes that the estimated amount of liability will be limited to the original amount of the PPP loan funds received (\$357,700) because of the fact that the Association fully disclosed its tax exempt status to the SBA during the PPP loan application process, which the government has especially acknowledged.

**Sudden Valley Community Association
Income Statement Summary**

UNAUDITED	Current Month - August 2025			Year to Date - 8 Months Ending 8/31/2025			
	Operations & Operating Reserves	Operations Better / (Worse) Budget	Capital Reserves**	Operations & Operating Reserves	Operations Better / (Worse) Budget	Coll %	Capital Reserves**
REVENUE							
Current Year Dues & Assessments Income							
Dues & Assessments Income	238,092		246,560	1,907,418			1,975,497
Bad Debt Reserve	(3,993)		(4,083)	(48,506)			(35,133)
Net Current Year Assessment Income	234,099	7,992	242,477	1,858,912	50,057	97.5%	1,940,364
Bad Debt Recoveries - Prior Years			2,191				37,648
Golf Income	221,550	7,313	-	1,127,840	(6,567)		-
Marina Income	-	-	-	236,829	6,528		-
Rec Center & Pools Income	11,670	3,501	-	38,263	8,017		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	8,653	(4,346)	-	110,645	24,952		-
Rental Income - Other	525	142	-	13,720	5,475		-
Area Z Rental Income	1,309	1,309	-	20,014	1,116		-
Lease Income	5,832	948	-	46,052	7,585		-
New Home Construction Fees	18,050	6,610	-	105,150	30,700		-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-		1,200
Investment Income	509	(74)	3,088	4,858	194		23,245
Total Revenue	502,197	23,395	247,756	3,562,283	128,057		2,002,457
EXPENSES							
Salaries & Benefits	332,603	(1,388)	-	1,719,054	24,157		-
Contracted & Professional Services	73,854	(56,441)	-	243,215	(100,292)		-
CC&Rs/ Mandates	43,022	(5,423)	-	380,830	(76,906)		-
Maintenance & Landscaping	28,802	25,426	-	365,846	(8,477)		-
Utilities	27,793	(990)	-	157,929	4,483		-
Administrative	17,287	(5,240)	-	141,939	(11,637)		-
Regulatory Compliance	13,769	3,014	-	198,812	(53,249)		-
Insurance Premiums	20,587	(3,065)	-	140,696	(626)		-
Other Expenses	-	416	-	217	3,116		-
Depreciation Expense	-	-	108,710	-	-		869,680
Interest expense	-	-	4,976	-	-		41,356
Total Expenses	557,717	(43,691)	113,686	3,348,538	(219,431)		911,036
Net Income (Loss)	(55,520)	(20,296)	134,070	213,745	(91,374)		1,091,421
Net UDR Activity for Operations							
GM Recruiting Expense	(399)			(399)			
Legal Expenses - Past Due Account Collections	-			(9,984)			
Hazardous Tree Removal	(900)			(60,038)			
Net Income (Loss) with Board Approved UDR	(56,819)	(20,296)	134,070	143,324	(91,374)		1,091,421
Other Activity							
Net Other UDR Activity*	3,002			84,082			
AR Accrual - Prior Year Reversal	-		-	(53,456)			(13,625)
AR Accrual - Current Year	-		-	-			-
Lease Income- Library Prepaid Recognized	667			5,333			
Vacation Liability Accrual	(3,214)			(14,298)			
Total Other Activity	455		-	21,661			(13,625)
Grand Total Activity	(56,364)	(20,296)	134,070	164,985	(91,374)		1,077,796

*Prior year recoveries for operations are deposited into the Undesignated Reserve Account (UDR).

**Refer to the last footnote on the Balance Sheet (prior page) for a discussion of Accounting Standards Codification (ASC) 606 and capital dues revenue collections.

Sudden Valley Community Association
Reserve Cash Balance & Activity
8 Months Actual, 4 Months Projected

UNAUDITED

<u>UNAUDITED</u>	Capital Reserve Funds						Operating Reserve Funds			
	CRRRF	Roads	CRRRF Capital Reserve Holding Cash	Board Density Reduction	Mailbox	Mitigation Assignment of Savings*	Total Capital Reserve Funds	Emergency Ops	UDR	Total Operating Reserve Funds
Net Available Cash 12/31/2024	3,172,197	2,102,138	219,618	87,889	151,970	64,760	\$ 5,798,572	363,815	302,135	\$ 665,950
Dues Received	960,156	990,669		-	17,688		1,968,513	-	103,776	103,776
Storm Water Mitigation Plan Fee		-					-			-
Investment Income	12,965	9,448	389	99	279	65	23,245	645	568	1,213
Sale of Assets	1,200			-			1,200			-
Mitigation Release	-	-				-	-			-
2025 Expenditures	(480,148)	(323,677)	-	-	-		(803,825)		(75,455)	(75,455)
Net Available Cash at 8/31/2025	3,666,370	2,778,578	220,007	87,987	169,937	64,825	\$ 6,987,704	364,460	331,024	\$ 695,484
4 Month Outlook										
Outlook - 2025 Dues (95% collections)	457,997	471,039			8,418		\$ 937,454			\$ -
Outlook - Prior Year Collections	6,631	6,820			122		13,572		13,094	13,094
CRRRF Loan Payments for year 2025	(111,013)						(111,013)			-
Obligated Expenses/Holdings	(1,147,919)	(1,268,528)	(220,007)			(64,825)	(2,701,279)		(56,619)	(56,619)
Net Usable Cash Balance 12/31/2025	2,872,065	1,987,909	-	87,987	178,477	-	\$ 5,126,438	364,460	287,500	\$ 651,960
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2025, After Recommendation	\$ 2,272,065	\$ 1,487,909	\$ -	\$ 87,987	\$ 178,477	\$ -	\$ 4,026,438	\$ 364,460	\$ 287,500	\$ 651,960
Net Current Year Cash Increase (Decrease)	(300,132)	(114,229)	(219,618)	99	26,507	(64,760)	\$ (672,133)	645	(14,635)	\$ (13,990)

*Note, when mitigation period has ended, unspent funds will be returned to the source account, Roads and CRRRF.

Sudden Valley Community Association
Operations - By Department
August 1, 2025 to August 31, 2025
CURRENT MONTH

Whole \$

UNAUDITED

<u>Department</u>	<u>Actual Revenue</u>	<u>Revenue B / (W)</u>	<u>Actual Salary Benefits</u>	<u>Salary & Benefits B / (W)</u>	<u>Actual Other Expense *</u>	<u>Other Exp B / (W)*</u>	<u>Net Income / (Loss) *</u>	<u>Net B / (W)*</u>
ACC / Security	21,400	4,914	10,820	(558)	73,510	(40,973)	(62,930)	(36,617)
Accounting	2,060	(1,752)	42,014	1,408	16,226	(3,402)	(56,180)	(3,746)
Administration	351	193	48,064	4,523	14,311	(5,014)	(62,024)	(298)
Common Costs	3,251	(665)	-	-	37,402	(8,306)	(34,151)	(8,971)
Facilities	7,140	2,090	7,244	(709)	22,504	1,297	(22,608)	2,678
Maintenance	-	-	35,742	16,215	7,276	4,308	(43,018)	20,523
Subtotal	34,202	4,780	143,884	20,879	171,229	(52,090)	(280,911)	(26,431)
Golf	221,550	7,313	120,962	(3,503)	34,178	8,097	66,410	11,907
Marina	150	(500)	-	-	783	1,323	(633)	823
Rec/ Pools/ Parks	12,195	3,809	67,757	(18,764)	18,923	368	(74,485)	(14,587)
Subtotal	233,895	10,622	188,719	(22,267)	53,884	9,788	(8,708)	(1,857)
Subtotal Operations before Ops Dues	268,097	15,402	332,603	(1,388)	225,113	(42,302)	(289,619)	(28,288)
Ops Dues Earned	238,092						238,092	
Curr Yr Bad Debts Activity	(3,993)						(3,993)	
Net Ops Dues	<u>234,099</u>	<u>7,992</u>					<u>234,099</u>	<u>7,992</u>
Net Operations	<u>502,196</u>	<u>23,394</u>	<u>332,603</u>	<u>(1,388)</u>	<u>225,113</u>	<u>(42,302)</u>	<u>(55,520)</u>	<u>(20,296)</u>
Net BOD Approved UDR Activity for Operations								
GM Recruiting Expense	-		-		399		(399)	
Legal Expenses - Past Due Account Collections	-		-		-		-	
Hazardous Tree Removal	-		-		900		(900)	
Net Operations with Board Approved UDR	<u>502,196</u>	<u>23,394</u>	<u>332,603</u>	<u>(1,388)</u>	<u>226,412</u>	<u>(42,302)</u>	<u>(56,819)</u>	<u>(20,296)</u>
Other Operating Activity								
UDR Activity	3,737				735		3,002	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				3,214		(3,214)	
Total Other Operating Activity	<u>4,404</u>				<u>3,949</u>		<u>455</u>	
Grand Total Operations Activity	<u>506,600</u>	<u>23,394</u>	<u>332,603</u>	<u>(1,388)</u>	<u>230,361</u>	<u>(42,302)</u>	<u>(56,364)</u>	<u>(20,296)</u>

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association
Operations - By Department
January 1, 2025 to August 31, 2025
YEAR TO DATE

Whole \$

UNAUDITED

<u>Department</u>	<u>Actual Revenue</u>	<u>Revenue B / (W)</u>	<u>Actual Salary Benefits</u>	<u>Salary & Benefits B / (W)</u>	<u>Actual Other Expense *</u>	<u>Other Exp B / (W)*</u>	<u>Net Income / (Loss) *</u>	<u>Net B / (W)*</u>
ACC / Security	146,449	50,456	62,951	(3,512)	413,225	(120,441)	(329,727)	(73,497)
Accounting	20,315	(10,106)	243,093	7,953	49,656	11,988	(272,434)	9,835
Administration	5,455	4,790	273,969	30,374	131,080	(47,887)	(399,594)	(12,723)
Common Costs	41,470	10,142	-	-	350,002	(85,239)	(308,532)	(75,097)
Facilities	66,066	7,368	40,171	(1,600)	121,475	32,850	(95,580)	38,618
Maintenance	-	-	247,583	26,916	68,685	9,397	(316,268)	36,313
Subtotal	279,755	62,650	867,767	60,131	1,134,123	(199,332)	(1,722,135)	(76,551)
Golf	1,127,840	(6,567)	585,027	26,231	363,673	(42,248)	179,140	(22,584)
Marina	243,793	7,092	-	-	16,328	(815)	227,465	6,277
Rec/ Pools/ Parks	51,983	14,825	266,260	(62,205)	115,360	(1,193)	(329,637)	(48,573)
Subtotal	1,423,616	15,350	851,287	(35,974)	495,361	(44,256)	76,968	(64,880)
Subtotal Operations before Ops Dues	1,703,371	78,000	1,719,054	24,157	1,629,484	(243,588)	(1,645,167)	(141,431)
Ops Dues Earned	1,907,418						1,907,418	
Curr Yr Bad Debts Activity	(48,506)						(48,506)	
Net Ops Dues	<u>1,858,912</u>	<u>50,057</u>					<u>1,858,912</u>	<u>50,057</u>
Net Operations	3,562,283	128,057	1,719,054	24,157	1,629,484	(243,588)	213,745	(91,374)
Net BOD Approved UDR Activity for Operations								
GM Recruiting Expense	-		-		399		(399)	
Legal Expenses - Past Due Account Collections	-		-		9,984		(9,984)	
Hazardous Tree Removal	-		-		60,038		(60,038)	
Net Operations with Board Approved UDR	3,562,283	128,057	1,719,054	24,157	1,699,905	(243,588)	143,324	(91,374)
Other Operating Activity								
UDR Activity	91,101				7,019		84,082	
AR Accrual - Prior Year Reversal	(53,456)				-		(53,456)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	5,333				-		5,333	
Vacation Liability Accrual	-				14,298		(14,298)	
Total Other Operating Activity	<u>42,978</u>				<u>21,317</u>		<u>21,661</u>	
Grand Total Operations Activity	3,605,261	128,057	1,719,054	24,157	1,721,222	(243,588)	164,985	(91,374)

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

SUDDEN VALLEY COMMUNITY ASSOCIATION - LOTS & DUES ANALYSIS 2025

																												SVCA Owned Lots				LLE & CTB	Dues Exempt	Total Non Billable Lots	Total All Lots
	Actual Year Prepaid			Actual Current			Actual 1 Mth Due		Actual 2 Mth Due		Actual 3 Mth Due		Actual 4+ Mth Due		Pmt Plans		Total Prepaid & Current			Total Not Current			Total Billable Lots			Restricted									
	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Total	Perm	WD10	Avail.	Total					
Jan	16	82	98	276	2,529	2,805	24	103	2	8	3	10	18	37	2	8	292	2,611	2,903	49	166	215	341	2,777	3,118	774	0	3	777	740	6	1,523	4,641		
Feb	18	96	114	277	2,527	2,804	16	82	8	24	0	6	19	34	2	8	295	2,623	2,918	45	154	199	340	2,777	3,117	775	0	3	778	740	6	1,524	4,641		
Mar	21	95	116	280	2,554	2,834	6	61	8	14	3	8	19	37	2	8	301	2,649	2,950	38	128	166	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641		
Apr	21	100	121	285	2,551	2,836	7	62	1	10	3	12	20	32	2	10	306	2,651	2,957	33	126	159	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641		
May	23	105	128	283	2,526	2,809	14	79	1	17	0	8	16	30	2	12	306	2,631	2,937	33	146	179	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641		
Jun	23	118	141	287	2,517	2,804	8	77	3	11	0	12	16	28	2	14	310	2,635	2,945	29	142	171	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641		
Jul	23	132	155	284	2,501	2,785	14	69	1	19	1	10	13	33	3	13	307	2,633	2,940	32	144	176	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641		
Aug	23	145	168	275	2,461	2,736	16	89	6	22	1	15	15	33	3	12	298	2,606	2,904	41	171	212	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641		
Sep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

LLE = Lot Line Eraser
CTB = Covenant to Bind

SVCA General Manager's Report – October–November 2025

Prepared by: Michael R. Bennett, CMCA, AMS, PCAM – General Manager

Date: October 16, 2025

As the fall season settles into Sudden Valley, and those first frost days are seen, Association operations have transitioned smoothly from summer activity levels to maintenance and preparation tasks typical for this time of year, in preparation for winter.

Staff across all departments have shown exceptional teamwork as they close out 2025 projects and prepare facilities, infrastructure, and programming for the 2026 budget year.

Key priorities include completing fall facility closures, performing aeration and stormwater maintenance, finalizing winter preparations, and engaging members through seasonal community events such as Trunk or Treat and the Holiday Market.

Recreation Department

The Recreation team is managing a vibrant fall calendar, highlighted by the upcoming Trunk or Treat event on October 25 and the nearly sold-out Holiday Market on November 22. Staff have also completed a tentative 2026 Events Calendar through August and are planning new programs and fitness activities for next year.

Facility maintenance remains a focus, with the Quiet Pool closed on September 29, and 2026 Lifeguard Certification and Training dates confirmed. The team has also been updating Marina dry slip assignments, repainting backstops, and finalizing 2026 renewal forms for Marina and Kayak storage.

Recreation management continues to plan capital improvements for new fitness equipment and is digitizing participant waivers for 2026. Muddy weather has increased cleaning demands in the gym, and a Community Center closure day is scheduled for deep cleaning and minor upgrades.

Golf Department

The Golf team successfully launched the Winter Series, drawing 126 players to the first event. Tournaments included the October 18 Winter Series and the U.S. Kids Tour event, with 136 players on October 19.

A 3% early renewal discount has been implemented in the POS system for 2026 membership payments. Preparations are underway for the Golf Club Annual Meeting on October 25, including the 2025 season recap and 2026 tournament planning. Favorable weather supported excellent turf recovery following aerification, and collaboration with Turfcare remains strong.

Maintenance Department

Maintenance continues to deliver an extensive range of seasonal and preventative work across the Valley, including: - Installation of new directional and informational signage - Stormwater catch-basin cleaning and ditch maintenance - Winter prep, brine mixing, and equipment servicing - Facility improvements such as repainting, vegetation trimming, and new kayak racks for the Welcome Center - Coordination with Whatcom County for vegetation protection and school bus signage.

The department also supported the Security Division following a vehicle accident (SP-5 total loss), recovering and redeploying equipment. Work continues on bridge drainage, street sweeping, and winter snow removal operations readiness training.

Turfcare Department

Turfcare has completed fall aeration of greens and tee boxes and applied lime to all greens. Equipment sharpening and conditioning are underway. The Turfcare building renovation begins at the end of October, and aeration of rough areas follows.

Rainfall through October 15 totals 29.43 inches for 2025, compared to 39.61 inches in 2024, providing improved working conditions for maintenance.

In Conclusion

Community participation remains strong, and staff continue to advance CRRRF projects, prepare to work with our newly elected board members, alongside our incumbent leaders, finalize 2026 renewal materials, and prepare for holiday operations. Year-end budget forecasts, Reserve Study alignment, and winter readiness are active management priorities.

The **October 23 and November 13 Board Meetings** will include updates on capital progress, personnel transitions, and 2026 operational planning.

As 2025 nears its close, I want to extend my appreciation to SVCA staff and volunteers for their dedication and professionalism. Each department's commitment continues to reflect the pride and quality that define Sudden Valley.

The coming weeks will bring seasonally cooler weather and the warmth of community gatherings as we prepare for another successful year ahead.

Respectfully submitted,

Michael R. Bennett, CMCA, AMS, PCAM

General Manager

Sudden Valley Community Association

Views Articles Area Z Garden Archived Information

March 2010 Views

Curt Casey, President

Article noting SVCA News

- Community Garden: Getting water to the garden. The Garden Club has offered to pay for the pipeline project with volunteers to run the line, including professional plumbers. SVCA will provide the water and determine an appropriate method of allocating the cost of water. The board and SVCA staff supports this effort and look forward to its completion.

June 2010 Views

Denise Champion

Community Garden Flourishes in Area Z-excerpt

With no water yet available, the money from the plot fees will go to running a water line, with assistance from the Sudden Valley Garden Club and volunteers from the Community Garden and the generous support, not financing, of the Sudden Valley Board and Dave Wareing, and the Sudden Valley Maintenance Crew who all saw the vision and were willing to help as best they could. It has been a self-supporting project from the start that has worked because we all came together to make it work.

Article July 2010 Views

- The SVCA is working with Whatcom County to reroute a waterline for the community garden after the original route was found to go through a “sensitive” area.

Article September 2010 Views

Project Updates

- The community garden now has water to it.

The Area Z Garden issue began this year when the Garden Manager presented a fiscal sponsorship form for the garden citing that the original resolution had one. After researching the Board minutes the original resolution was found and no fiscal sponsorship was referenced to get the grant to help start the garden. It was suggested that the garden form their own LLC or get their own EIN. This was an obligation the Association was unwilling to undertake. This issue has been resolved.

Regarding the opinion of the standing of the Area Z Garden. While the garden may well be an amenity of the Association it is much like the other Barn view Garden, an independently operated entity that creates its own rules and regulations and sets its own fees paid by those using the plots and collects the fees in a separate bank account. SVCA receives no accounting of the financial status of either garden. Those issued a plot are determined by the Club and only have a limited number of plots available to members. The library in the Adult Center is another independent amenity that pays rent and utilities for the Adult Center use.

All the amenities funded by the dues members pay are included in the Rules and Regulations and the Fee and Fines Schedule each under the purview of the Association and Board of Directors. None of the fees for the garden are determined by the Board. Many of our amenities have use fees by members. Marina storage, Area Z Storage to name a couple.

The Club without notice to the Association began looking at expanding the garden without first bringing information to the Board and getting approval to expand clearly in violation of the lease, the footprint of which is attached to the resolution. Since no other information has been provided by the Garden, although requested it is difficult to determine a water charge with an unknown number of new plots. Any expansion plans need to be presented to the Board for approval before any further work is undertaken to expand.

Regarding water usage. Articles in the Views document the understandings at the time when the garden was formed the group indicated if water were supplied it would be at no cost to the Association, initially each gardener furnished their own water for their plot. Other articles included the fact the Board would determine an appropriate method to allocate the cost of water. Records show that there was an issue with the County regarding the installation of the line and needed to be rerouted. SVCA has expended funds to get this installed and maintained. While confirmed there was a leak last year, perhaps when the new maintenance building was being built there was also another leak at the faucet in the garden. Is this SVCA's responsibility? Maintenance repaired that leak. Clearly only the Club benefits from the line. City plots have no charge for water, given that the city has their own water supply they can furnish for water for free. SVCA buys its water supply from LWSSD.

Every year since the line has been installed water rates have increased. In 2026 they will increase again. Records from the water district indicate that in the gardening months from April-September the water bills increase greatly. The bills are available on request. A minimal increase to gardeners is not a burden.

SVCA installed a meter on the faucet to track the water which only began in July of this year. The water bills show the earlier usage in April-June. The 2024 billings show the same peak in the growing season not experienced in other months of the year.

2025-The meter on the faucet shows a partial growing period water usage of 30,700 gallons of water that translates into 4,103 Cubic centimeters. At the current rate charged that is \$580.58.

If we add in the 2025 charges from LWSSD for the total growing period of April -September SVCA was charged \$996.88. The total water usage during that period was 52,819.9481 gallons, rounded to 52,820 gallons or 7,061CF. For fifty plots that represents individual usage of approximately 1,056 gallons per plot. If this were a residential developed lot the monthly charge would be \$146.82.

2024- SVCA charges from LWSSD for the total growing period of April -September SVCA was charged \$1,243.48 for 80,834.4936 gallons rounded to 80,835 gallons a total of 9,006 CF. While the leaks may have accounted for some overage it is perfectly clear that the garden greatly increases the cost of water charged to Area Z. In 2026 the rates will again increase by 4.45% according to the water district. The extra water is billed accordingly for use over 600 CF, the base charge. With increasing charges, the more water that is used over 600-2500CF and again over 2500 CF.

If based on the current fifty plots and a water cost of basically \$1,000 that would be a water charge of \$20 added to the plot rate determined by the Club. Sudden Valley is willing to share the cost of the Garden's water usage with an even 50/50 split of the excess water charge with the Garden users being charged a \$10.00 fee. With the additional support of SVCA maintenance of the water line this is an equitable charge. The Garden to reimburse the Association at the end of the growing season. This amount would be included and set for the next five years of the lease.

Area Z Water Usage Based on Actual Billings from Lake Whatcom Water & Sewer District 2024-2025

		Previous	Current	Consumed		Base	Addl Water Consumption	Totals	Overage Charge	
2/25/2024	Dec-Jan	101380	102281	901		600	301		35.46	
4/25/2024	Feb-March	102281	102495	214		600	0		0	
6/25/2024	April-May	102495	103937	1442		600	842		103.65	
8/25/2024	June-July	103937	108480	4543		600	3,943		548.51	
10/25/2024	Aug-Sept	108480	113301	4821	10,806	600	4,221	9,006	591.32	1243.48
12/26/2024	Oct-Nov	113301	113923	622		600	22		2.71	
		Previous	Current	Consumed		Base	Addl Water Consumption		Overage Charge	
2/25/2025	Dec-Jan	113923	114351	428		600	0		0	
4/25/2025	Feb-March	114351	114796	445		600	0		0	
6/25/2025	April-May	114796	115915	1119		600	519		66.74	
8/25/2025	June-July	115915	120333	4418		600	3818		553.14	
10/25/2025	Aug-Sept	120333	123657	3324	8,861	600	2724	7,061	377.00	996.88
12/26/2025	Oct-Nov									

Area Z Community Garden Water Meter

Date	Meter Reading	Gallons	Employee	Comments
7/7/2025	0		MB	
8/14/2025	208	20,800	MB	
9/18/2025	299	29,900	MB	
9/19/2025	300	30,000	MB	100 gallon calibration test
10/15/2025	307	30,700	MB	

Area Z Community Garden – 2025 Water Cost Summary, Per Plot Breakdown, and Seasonal Projection

To: SVCA Board of Directors and Area Z Garden Club Members

From: Michael Bennett, General Manager

Date: 10.23.2025

Subject: Area Z Community Garden – 2025 Water Cost Summary, Per Plot Breakdown, and Seasonal Projection

Background

Following installation of a dedicated water sub-meter at the Area Z Community Garden, we have completed an analysis of actual irrigation usage from July 7 through October 15, 2025. This analysis was requested to help inform policy discussions regarding future cost-sharing or Association support for garden water utilities.

Water Usage Summary

- Total Water Used: 30,700 gallons (equivalent to 41.03 CCF)
- Period Covered: 100 days (July 7–October 15, 2025)
- Estimated Cost (Fixed + Usage): \$384.40
(Based on Lake Whatcom Water & Sewer District 2025 commercial rates)

Cost Breakdown

- Per Plot Cost (50 garden plots):
 - \$7.69 per plot (for July 7–Oct 15 period)
- Projected Full Growing Season Cost:
 - Approx. \$692.00 (for a typical 180-day growing season: mid-April to mid-October)
 - Projected per plot seasonal cost: \$13.84

2026 SVCA Board Calendar

Date	Time	Location	Session Type
January 08, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
January 22, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
February 12, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
February 26, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
March 12, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
March 26, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
April 09, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
April 23, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
May 14, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
May 28, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
June 11, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
June 25, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting

July 09, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
July 23, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
August 13, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
August 15, 2026	9:30 AM	Dance Barn	Budget Town Hall (Tentative)
August 27, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
September 10, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
September 24, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
October 08, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
October 22, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
November 7, 2026	1:00 PM	Dance Barn	Annual General Meeting (Tentative)
November 7, 2026	3:00 PM	Dance Barn	Organizational Meeting (Tentative)
November 12, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session
November 26, 2026	7:00 PM	Multi-Purpose Room A	Board Business Action – Regular Board Meeting
December 10, 2026	7:00 PM	Multi-Purpose Room A	Board Working Session

December 24, 2026 7:00 PM

Multi-Purpose
Room A

Board Business
Action – Regular
Board Meeting

Notes:

- 2nd Thursday = Board Working Session
- 4th Thursday = Board Business Action – Regular Board Meeting
- Times and locations subject to change with notice.



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

CAPITAL REQUEST MEMO

To: Sudden Valley Community Association Board of Directors
From: Michael Bennett, General Manager
Date: October 23, 2025
Subject: CRRRF Capital Code 9725.08 – Lake Louise Slide Gate Replacement – Phase 2

Purpose

To request Board authorization to proceed with Phase 2 of the Lake Louise Slide Gate Replacement project, funded under CRRRF Capital Code 9725.08, for the purpose of completing structural concrete reconstruction, installation of the new slide gate, and site restoration.

Background

On June 12, 2025, the SVCA Board approved Phase 1 of this project under CRRRF Code 9725.08. That authorization funded the installation of a temporary cofferdam, the removal of the existing failed slide gate, an assessment of site conditions, and the procurement of a new slide gate assembly.

All Phase 1 work has been successfully completed, including field assessment and engineering determinations confirming that the existing concrete headwall is structurally unsalvageable. A new gate assembly has been ordered and is scheduled for expedited delivery in October 2025.

Analysis

Phase 2 will complete the final installation and restoration work necessary to return the Lake Louise outfall structure to full operational capacity. The proposed scope of work includes:

- Demolition and removal of the existing concrete headwall.
- Construction of a new reinforced concrete headwall suitable for the new slide gate assembly.
- Installation of the new slide gate currently on order.
- Removal of the temporary cofferdam and site dewatering equipment; and
- Final grading and site restoration of the work area.

Stremmer Gravel, Inc. provided a detailed proposal dated September 10, 2025, estimating the total construction cost for Phase 2 at \$29,223.25 (labor, equipment, and materials).



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The following budget summary reflects all anticipated project costs:

Phase 2 Budget Summary	Amount
Stremler Gravel Construction (per estimate)	\$29,223.25
Expedited Slide Gate Delivery	\$2,403.50
WSST (9.8%)	\$2,846.41
PNW Services – Construction Oversight (4 half-days)	\$2,700.00
Contingency (10%)	\$3,717.32
Total Phase 2 Request	\$40,890.48

Expediting the slide gate delivery by approximately four weeks (from late November to October) will result in substantial cost avoidance compared to maintaining the cofferdam and pumping operations for an additional month.

Request

Authorize an additional \$40,890.48 from the CRRRF Fund as a change order to CRRRF Capital Code 9725.08, enabling completion of Phase 2 work and final commissioning of the Lake Louise Slide Gate Replacement project.

Motion

Move that the SVCA Board of Directors approve the allocation of \$40,890.48 from the CRRRF Fund as a change order to CRRRF Capital Code 9725.08 to complete Phase 2 of the Lake Louise Slide Gate Replacement project and authorize the General Manager to execute a change order with Stremler Gravel, Inc. as per their proposal dated September 10, 2025.

Finance Committee Review

Motion

Recommended: _____ Not Recommended: _____ Finance Committee

Board of Directors Approval

Motion

Approved: _____ Not Approved: _____ SVCA Board of Directors



P.O. Box 527
LYNDEN, WA 98264

PHONE (360) 354-8585
FAX (360) 354-8504

Estimate

Estimate #Flood Gate Ph. 2 R1
9/10/2025

TO: SVCA
ATTN: Tyler Andrews

JOB DESCRIPTION:

Estimate for R&R concrete headworks, grout fill between HDPE sleeve & CMP casing, installation of new flood gate.

Mobilization **\$1,335.00**

1 EA	Equipment Mobilization - Lowboy	\$465.00 EA	\$465.00
2 EA	Equipment Mobilization - 35,000LB	\$435.00 EA	\$870.00

Remove Concrete & Excavation **\$8,857.00**

4 Week	Light Tower / Pump	\$1,250.00 UNIT	\$5,000.00
4 HR	Excavator - 54,000LB Size	\$115.00 HR	\$460.00
8 HR	Dump Truck - Solo	\$90.00 HR	\$720.00
3 CY	Concrete Waste Export	\$125.00 CY	\$375.00
12 CY	Offsite Disposal via Truck & Trailer	\$18.50 CY	\$222.00
8 HR	Foreman W/ Tool Truck	\$115.00 HR	\$920.00
8 HR	Truck Driver	\$70.00 HR	\$560.00
8 HR	Laborer	\$75.00 HR	\$600.00

Grout & Concrete **\$9,920.00**

1 EST.	Grout Existing Casing	\$1,000.00 EST.	\$1,000.00
8 HR	Foreman W/ Tool Truck	\$115.00 HR	\$920.00
1 EST.	Concrete Headworks	\$8,000.00 EST.	\$8,000.00

Gate Installation **\$2,120.00**

8 HR	Foreman W/ Tool Truck	\$115.00 HR	\$920.00
16 HR	Laborer	\$75.00 HR	\$1,200.00

Backfill & Restoration **\$6,991.25**

12 HR	Excavator - 54,000LB Size	\$115.00 HR	\$1,380.00
8 HR	Dump Truck - Solo	\$90.00 HR	\$720.00
8 HR	Truck Driver	\$70.00 HR	\$560.00
12 HR	Foreman W/ Tool Truck	\$115.00 HR	\$1,380.00
24 HR	Laborer	\$75.00 HR	\$1,800.00
15 TON	Quarry Spalls	\$43.25 TON	\$648.75
15 TON	CSBC	\$33.50 TON	\$502.50

Total **\$29,223.25**

Standard Exclusions: *Engineering; Permitting; Surveying; Bonding; Materials Testing; Striping And Permanent Signage; Utility Purveyor Applications &/or Fees; Utility Ducting; Landscaping, Erosion Control Measures Not Listed On TESC Plan Or Listed In Proposal*

Specific Exclusions: Sales Tax

We Propose to furnish equipment and labor to perform project to be billed on a time and materials basis for work completed.

Payment Terms - Monthly Pay Request - % Complete - Net 30 Days

All material is guaranteed to be as specified. All work to be completed according to contract terms and conditions. Any alterations or deviation from above specifications involving extra costs should be executed upon written orders, and will become an extra charge over and above the proposal. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance. In the event of a dispute, the prevailing party shall be entitled to recover attorney's fees and costs.

Authorized

Signature _____

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Date of Acceptance: _____

Signature _____



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

CAPITAL REQUEST MEMO

To: Sudden Valley Community Association Board of Directors

From: Michael Bennett, General Manager

Date: October 23rd, 2025

Subject: Capital Request – Snow Removal Equipment

Purpose

To request funding authorization to replace two snowplows and sanders essential to SVCA's winter operations.

Background

The 2025 Capital Reserve Study allocates \$40,000 for the replacement of two sanders and two snowplows. SVCA operates six plow-equipped trucks used during snow events to maintain accessibility on community roads. Staff inspected all snow removal equipment and determined that the sander on OP-28 is beyond its useful life. Additionally, the new maintenance truck (replacing OP-23) requires plow and sander installation. The Kubota UTV snowplow blade is also worn and should be replaced. The remaining snow removal equipment is in serviceable condition.

Analysis

Quotes were solicited from local vendors Ferrotek Corporation and Scholten's Equipment. Due to the importance of this equipment during snow events and the need for rapid access to parts and repairs, staff recommends a sole-source purchase from Ferrotek, which is local, supports Snow-Way equipment, and maintains a compatible parts inventory. This approach ensures operational continuity and consistent equipment interchangeability.

Vendor	Equipment	Price
Ferrotek Corporation	(2) RVB 2500 Sanders	\$15,428.00
Ferrotek Corporation	29 HD 8' Series 2 Plow	\$10,782.80
Scholten's Equipment	Kubota Snowplow Blade	\$1,713.87

Subtotal: \$27,924.67 + WSST (approx. \$2,790) = \$30,714.67 total estimated cost.

The sanders and plows being replaced have limited value, so they will be kept for emergency backup or parted out for repairs.

Sources of Funding

The 2025 capital reserve study allocates \$40,000 for the replacement of snow removal equipment. Initial estimates are \$27,924.67 plus WSST tax for the equipment listed above.



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

Requests

Staff requests authorization to expend up to \$35,000 from CRRRF to cover the purchase, installation, freight, and taxes, with any unused funds to be returned to CRRRF upon project completion.

Motions

Move that the SVCA Board of Directors approve the allocation of up to \$35,000 from CRRRF for the purchase and installation of snow removal equipment as outlined, authorizing the Maintenance & Facilities Manager to proceed with procurement and installation.

Recommendation

Recommended: _____

Not Recommended : _____

SVCA Finance Committee

Approval

Approved: _____

Not Approved: _____

SVCA Board of Directors

Signed: _____

Date: _____

Keith McLean, SVCA Board President

SNO-WAY SPREADERS

Date: 9/11/2025
Contact: Rafael Torres
Customer: _____ **Phone:** 305.342.4152
Address: _____ **Fax:** _____
 _____ **E-mail:** Rafael.Torres@suddenvalley.com

Vehicle Information	Year	Make	Model	Notes

Description	Price
Model RVB 10 10 cu. Ft. 50:1 auger gear ratio	
Model RVB 750 3/4 cu. Yd. includes inverted V	
Model RVB 1500 1.5 cu. Yd. includes inverted V & 2nd.vibrator	
Model RVB 2000 2.0 cu. Yd. includes inverted V & 2nd.vibrator	
Model RVB 2500 2.5 cu. Yd. includes inverted V & 2nd.vibrator	\$ 5,899.00
RVB 2500 extension kit makes 3 cu. yd. total	
Transport brush for RVB spreaders 96116366	
2" nylon ratchet & web hold down kit for 8' spreaders	
16" Easy on/off short chute 99101113	\$ 799.00
29" Easy on/off short chute 99101116	
RVB spreader control 99101248	\$ 329.00
Power harness full size truck 99101260	\$ 262.00
Poly vinyl tarp 99101	per model
Vibrator kit	
Auxiliary light kit 99101310	
SWS 30 gallon wetting system 99101218	
30 gallon 2nd tank (add on) 99101219	
	\$ 7,289.00
	added to order no estimate

Total charge for unit uninstalled

**Freight in
Total Matl.**

	Hours	Rate		
Labor to install	5	\$85.00	\$425.00	\$ 425.00
Total Installed				

Dealer: **Ferrotek Corporation**

7135 Delta Line Rd, Ferndale, WA 98248 Phone 360-366-7444, Fax 360-366-7445

SNO-WAY PLOWS

Date: 9/11/2025

Contact:

Rafael Torres

Phone:

305.342.4152

Customer: Sudden Valley

Fax:

Address: _____

E-mail:

Rafael.Torres@suddenvalley.com

Vehicle Information	Year	Make	Model	Notes
				SERIES 2

Description	Price
29 HD 7'-6" Series 2 steel blade plow package with downpressure & ESS	
29 HD 8' Series 2 steel blade plow package with downpressure & ESS	\$ 8,103.06
Options:	
99101398 Wireless ProControl 2 plus (comes standard with wired control)	\$ 126.14
99101449 ESS Smart Sight System (series 2 only)	\$ 199.00
99101450 ESS Smart Flash System add \$83.00 for install	\$ 189.00
99101252 Emergency Parts Kit	\$ 160.80
99101042 E-Z fit deflector	\$ 309.60
99101435 8' Rubber Deflector	\$ 300.00
96113251 Plow shoe set (2 shoes)	\$ 104.68
99100986 9" scoop wing extension set (29 HD only)	\$ 1,012.80
99100975 3" box wing set (29 HD only)	\$ 675.60
99101213 Plow Parka cover	\$ 201.60
	\$ 600.00
Total charge for unit uninstalled	
Est. Freight in Total Matl.	

	Hours	Rate		
Labor to install	17	\$ 85.00	\$ 1,445.00	\$ 1,445.00
Total Installed				

**9534 Green Rd.
Burlington, WA 98233
(360) 755-0560**

KUBOTA
AGCO-ALLIS
CLAAS

AGCO-HESSTON
TRIOLIET
JCB



Website: www.scholtensequipment.com

SUDDEN VALLEY COMMUNITY 4 CLUBHOUSE CIRCLE BELLINGHAM WA 98229-2735	PAGE 1			
	CASH	CHG.	F.P.	
	ACCT. NO. 15070			

SALESMAN	PURCHASE ORDER NO.	R.O. NO.	P.T. NO.	INVOICE DATE	TIME	INVOICE NO.	QUOTE
DM			Q196132	09/12/2025	09:48 AM		

[illegible]

SHIP VIA Accounts due and payable on the 10th of the month following date of purchase. There will be a service charge of 1 1/2% per month with a \$1.00 minimum on past due accounts. After 60 days additional charges on approval only, after 90 days C.O.D. only until 90 day balance is paid. Received By: _____	DESCRIPTION		ACCOUNT	AMOUNT
	PARTS			
	TAXABLE			1570.92
	FREIGHT			
	SALES TAX			142.95
PLEASE PAY THIS TOTAL ►				1713.87

scholten_invoice.template Copyright (c) 2022 HBS Systems

No returns without a copy of this invoice.
No returns on electrical parts that have been installed.
25% restock charge on special order parts.

"FARM PLAN" INVOICES ARE SUBJECT TO THE TERMS OF THE "FARM PLAN" AGREEMENT.



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

CAPITAL REQUEST MEMO

To: Sudden Valley Community Association Board of Directors
From: Michael Bennett, General Manager, Mike Brock, Maintenance Manager
Date: October 23, 2025
Subject: Capital Request – Replacement of Maintenance Truck OP-23

Purpose

To request approval to replace SVCA Maintenance Truck OP-23 (2016 Chevrolet 3500) with a new 2025 or 2024 equivalent truck (Ford F-350, Chevrolet Silverado 3500, or RAM 3500), using funds allocated in the 2025 Capital Reserve Study.

Background

Maintenance Truck OP-23 is identified in the Capital Reserve Study for replacement in 2025, with \$56,243 reserved for this purpose. OP-23, although relatively low in mileage, exhibits undercarriage rust and is approaching the age when maintenance costs will accelerate and its resale value will diminish.

This vehicle is an essential fleet asset for the Maintenance Department, used daily for:

- Towing vac-trailers and dump trailers
- Snowplowing and sanding during winter months
- General maintenance and operational support

Replacing the truck on schedule ensures continued operational reliability and maximizes trade-in value.

Analysis

Three dealerships provided quotes for equivalent trucks capable of meeting SVCA's operational needs.

Vendor	Model	Quoted Price	Trade-in Allowance (est.)	Net Estimated Cost	Notes
Kendall Commercial Vehicle Sales	2025 Ford F-350	\$53,245	~\$17,000	~\$36,245	Lowest base price; solid trade-in allowance offered
Kendall Chevrolet	2025 Silverado 3500	\$56,875	~\$25,000	~\$31,875	Strongest trade-in allowance; net cost potentially lowest



Sudden Valley Community Association

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4 Clubhouse Circle Bellingham, WA 98229

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Vendor	Model	Quoted Price	Trade-in Allowance (est.)	Net Estimated Cost	Notes
Dwayne Lane's	2024 RAM 3500	\$71,470	~\$22,000	~\$49,470	Highest MSRP; less favorable net cost, but newer incentives available

Sources of Funding

- **2025 Capital Reserve Study Allocation:** \$56,243
- **Offset:** Proceeds from trade-in or sale of OP-23 (estimated \$15,000–\$25,000)
- **Net Impact:** Replacement can be completed within budget, with any unspent funds returned to CRRRF

Requests

- Approve allocation of up to \$56,243 from CRRRF for the purchase of a replacement maintenance truck.
- Authorize staff to negotiate with the selected vendor to maximize trade-in value and finalize purchase.
- Direct Finance and Maintenance staff to complete transaction, including trade-in/sale of OP-23, with any unused funds returned to CRRRF.

Motion(s)

Move that the SVCA Board of Directors approve the allocation of \$56,243 from CRRRF for the purchase of a replacement maintenance truck for OP-23, and authorize the General Manager and Maintenance Manager to negotiate final purchase terms with the selected vendor, including trade-in or sale of OP-23, with any unspent funds returned to CRRRF.

Finance Committee Review

Recommended: _____ Not Recommended: _____ Finance Committee

Board of Directors Approval

Approved: _____ Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____
Keith McLean, SVCA Board President

BUYER		CO-BUYER	Deal #:	29069
SUDDEN VALLEY COMMUNITY ASSOCIATION			Deal Type:	Retail
4 CLUBHOUSE CIRCLE			Deal Date:	08/12/2025
BELLINGHAM, WA 98229			Print Time:	09:15am
Cell #:	(360) 526-7034		Salesperson:	
Email:	RAFAEL.TORRES@SUDDENVALLEY.COM			

VEHICLE				
New	<input checked="" type="checkbox"/>	Stock #:	Description:	VIN:
Used	<input type="checkbox"/>			
Demo	<input type="checkbox"/>	18485	2025 FORD TRUCK S-DTY F-350 SRW	1FTRF3BAX5ED29341
		Mileage:		

TRADE	
Vehicle:	2018 CHEVROLET TRUCK SILVERA...
VIN:	1GC0KYEG8JZ129860
Mileage:	19,471
Allowance:	\$ 17,000.00
Payoff:	\$ 0.00

AFTERMARKETS			
		MSRP:	\$ 55,245.00
		Discount:	\$ 2,000.00
		Sale Price:	\$ 53,245.00
		Total Financed Aftermarkets:	\$ 0.00
		Total Trade Allowance:	\$ 17,000.00
		Trade Difference:	\$ 36,245.00
		Doc Fee:	\$ 200.00
		State & Local Taxes:	\$ 3,479.52
		Total License and Fees:	\$ 1,005.50
		Total Cash Price:	\$ 40,930.02
		Total Trade Payoff:	\$ 0.00
		Delivered Price:	\$ 40,930.02
Total Aftermarkets:			
		\$	0.00
		Cash Down Payment + Deposit:	\$ 0.00
		Total Rebates:	\$ 1,500.00
		Sub Total:	\$ 39,430.02
		Service Agreement:	\$ 0.00
		Maintenance Agreement:	\$ 0.00
		GAP Insurance:	\$ 0.00
		Credit Life, Accident & Health:	\$ 0.00
		Other:	\$ 13.24
		Amount Financed:	\$ 39,443.27
Rate:			
Amount Financed:	\$	39,443.27	

KENDALL CHEVROLET OF MARYSVILLE


6616 35TH AVE NE
TULALIP, WA
(360) 659-6236

BUYER		CO-BUYER		Deal #: 10702	
SUDDEN VALLEY COMMUNITY ASSOCIATION				Deal Type: Retail	
Home #: (360) 734-6430				Deal Date: 09/02/2025	
Email: rafaeltorres@suddenvalley.com				Print Time: 10:34am	
Salesperson: NICHOLAS BUCKLES					
VEHICLE					
New <input checked="" type="checkbox"/>	Stock #:	Description:	VIN:	Mileage:	
Used <input type="checkbox"/>	V12720	2025 CHEVROLET TRUCK SILVERAD...	1GC3KSEY7SF174567	7	
Demo <input type="checkbox"/>					
TRADE					
Vehicle: VIN: Mileage: Allowance: \$ 25,000.00 Payoff: \$ 0.00					
Suggested Retail: \$ 63,375.00 Discount: \$ 6,500.00 Kendall Price: \$ 56,875.00 Rebates: \$ 500.00 Price after Rebate: \$ 56,375.00 Trade Allowance: \$ 25,000.00 Trade Payoff: \$ 0.00 Cash Down/Deposit: \$ 0.00 Doc Fee: \$ 200.00 Dealer Fees: \$ 13.25 DMV Fees: \$ 1,077.50 Taxes: \$ 2,996.25 ESC Premium: \$ 0.00 Maintenance: \$ 0.00 GAP Insurance: \$ 0.00			PAYMENTS Option 1: (retail) Cash		
Balance: \$ 35,662.00					

By signing this authorization form, you certify that the above personal information is correct and accurate, and authorize the release of credit and employment information. By signing below, I provide to the dealership and its affiliates consent to communicate with me about my vehicle or any future vehicles using electronic, verbal and written communications including but not limited to eMail, text messaging, SMS, phone calls and direct mail. Terms and conditions subject to credit approval. For Information Only. This is not an offer or contract for sale.

Days to First Payment: 0


X _____
Customer Approval

X 
Management Approval

2024 RAM 3500, Body Type:

VIN:3C63R3GL7RG132421

Purchase	60 Months @ 11.99%	72 Months @ 12.99%
\$ Down	Est. \$/Monthly	Est. \$/Monthly
\$0	\$1,227	\$1,108
\$5,000	\$1,115	\$1,007
\$10,000	\$1,003	\$906

	Total Trade Allowance:	\$22,000
	Total Trade Adjustments:	\$0
	Net Trade Allowance:	\$22,000

MSRP/Retail	\$80,245.00
Selling Price	\$71,470.00
Rebate	\$4,500.00
Total Savings + Rebate	\$13,275.00
WA State Est. Lic. Fee	\$1,495.00
Proc/Doc Fee	\$202.50
Ethos Repel Upgrade	\$1,896.00
Ethos Select Premier	\$997.00
Total Taxes	\$5,341.02
Trade Allowance	\$22,000.00
Amount Financed	\$54,901.52



Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

www.suddenvalley.com

Board Request Memo

To: SVCA Board of Directors

From: Linda Bradley, Document Review Committee Chair

Date: October 23, 2025

Subject: Updated Board Policies

Background: The following policies are updated from their existing language. Some contained dated language that no longer applies to how the Association operates. The final listing is an ACC Policy has been incorporated into the updated 2025 ACC Manual.

2017.02	5/27/2017	Procurement and Purchasing Policy
2017.04	10/26/2017	Association Involvement in Member Property Matters
2018.09	09/27/2018	SVCA Marina Storage Policy
1996.07	11/18/1996	Rescinded ACC Policy 1996-07 Building Permits

Motion: Move that the SVCA Board of Directors approve the submitted updated Board Policies.

Approved: _____ Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____
Keith McLean, SVCA Board President



Sudden Valley Community Association

Procurement and Purchasing Policy

Policy No. 2025-06
Date: October 23, 2025

For all Capital and operational procurement and purchases over \$2,500, a minimum of three bids must be obtained from qualified bidders. If three responsible bids are not received, an explanation must be attached. This policy supersedes all previous purchasing policies.

Procurement ensures operations run smoothly by providing teams with the necessary resources. The procurement process begins with identifying a company's needs, which includes specifying the required goods and services. It connects with planning, logistics, and budgeting to maintain operational efficiency across departments. A robust procurement strategy ensures timely deliveries, high-quality input, and a steady inventory flow.

For operational expenses for the procurement of goods and services, or revenues earned by providing goods and services, the Association-designated department managers shall be authorized to approve and issue purchase orders for purchases of less than Ten Thousand Dollars (\$10,000). Examples of operational expenses include inspections, pest control, laundry services, etc. An example of operational revenues is the rental of various small facilities. Successful procurement involves:

1. **Supplier Selection:** Choose reliable suppliers based on pricing, service level, quality control, and delivery capability to reduce risks in the supply chain.
2. **Negotiations:** Discuss terms, prices, and delivery schedules to reach fair, clear agreements that support long-term supplier relationships.
3. **Purchase Orders:** Generate purchase orders that detail item specifications, prices, and delivery timelines for internal tracking and supplier communication.
4. **Goods Receipt:** Inspect goods upon delivery, check condition and accuracy, and report any issues for quick resolution and better quality assurance.
5. **Invoice Reconciliation and Payment:** Match invoices with purchase orders and receipts to approve payment and keep the overall procurement process error-free.

If a contract is required for such operational purchases, the General Manager (GM) shall be authorized to approve contracts for less than Ten Thousand Dollars (\$10,000).

*Exceptions may be goods and services that the Board is responsible for, such as the yearly external audit, legal settlements, reserve studies, and sales of assets such as lots. Contracts for these goods and services will require Board review and approval.

Reference Board Policy SVCA Contracting Policy No.2024-03 for further information on contracts.

Rescinded: _(Date)_____

Superseded/Replaced: Policy # 2017.02

Sudden Valley Community Association Procurement & Purchasing Policy

Policy No. ~~202517-02-XX~~ ACCT

Date: ~~May 24, 2017~~TBD

~~This policy was approved by the SVCA Board of Directors on June 8, 2017.~~

For all Capital and Operation procurement and purchases over \$2,500, a minimum of three bids must be obtained from qualified bidders. If three responsible bids are not received, an explanation must be attached. This policy supersedes all previous purchasing policies.

Procurement keeps operations moving by making sure teams have what they need. The procurement process begins with identifying a company's needs, which includes specifying the required goods and services. It connects with planning, logistics, and budgeting to maintain operational efficiency across departments. A strong procurement strategy ensures timely deliveries, quality inputs, and steady inventory flow.

For operational expenses for the procurement of goods and services, or revenues earned by providing goods and services, Association designated department managers shall be authorized to approve and issue purchase orders for purchases for less than Ten Thousand Dollars (\$10,000). Examples of operational expenses include inspections, pest control, laundry services, etc. An example of operational revenues are various small facility rentals. Successful procurement involves:

1. **Supplier Selection:** Choose reliable suppliers based on pricing, service level, quality control, and delivery capability to reduce risks in the supply chain.
2. **Negotiations:** Discuss terms, prices, and delivery schedules to reach fair, clear agreements that support long-term supplier relationships.
3. **Purchase Orders:** Generate purchase orders that detail item specifications, prices, and delivery timelines for internal tracking and supplier communication.
4. **Goods Receipt:** Inspect goods upon delivery, check condition and accuracy, and report any issues for quick resolution and better quality assurance.
5. **Invoice Reconciliation and Payment:** Match invoices with purchase orders and receipts to approve payment and keep the overall procurement process error-free.

If a contract is required for such operational purchases the General Manager (GM) shall be authorized to approve contracts for less than Ten Thousand Dollars (\$10,000).

*Exceptions may be goods and services that the Board is responsible for, such as the yearly external audit, legal settlements, reserve studies, and sales of assets such as lots. Contracts for these goods and services will require Board review and approval.

Reference Board Policy SVCA Contracting Policy No.2024-03 for further information on contracts.

Rescinded: (Date) _____

Superseded/Replaced: Policy # _____

Sudden Valley Community Association Purchasing Policy

Policy No. 2017-02 ACCT

Date: May 24, 2017

This policy was approved by the SVCA Board of Directors on June 8, 2017.

For all Capital and Operation purchases over \$2,500, a minimum of three bids must be obtained from qualified bidders. If three responsible bids are not received, an explanation must be attached. This policy supersedes all previous purchasing policies.



Sudden Valley Community Association

Policy: Association Involvement in Member Property Matters

Date: October 23, 2025

Number: 2025-08

Sudden Valley Community Association maintains a policy of non-involvement in property matters including disputes and transactions between members (owners). The General Manager or staff may offer or direct members to legally permissible assistance that does not expose the Association to undue liability.

Any guidance shall adhere to all published, properly approved, and legally reviewed Association Guidelines, Policies, Procedures, Rules and Regulations, as well as all applicable federal, state and county statutes, codes and regulations. Any actions outside these bounds are considered unauthorized and contrary to Association policy.

History: Rescinded Policy: 2017.04 Superseded/Replaced by Policy # 2025.08

Sudden Valley Community Association

Policy: Association Involvement in Member Property Matters

Policy#: 2017.4

Date: October 26, 2017

Page: 1 of 1

Policy:

The Sudden Valley Community Association does not and shall not get involved in property matters, including disputes or transactions, between or among Association Members (owners). Should Members desire assistance in such matters, the General Manager may, at the General Manager's discretion, provide them with or direct them to such assistance as is legally permissible, and that does not create an undue risk of legal liability for the Association.

In general, regarding all property matters, including disputes or transactions, between or among Association Members (owners): SVCA, its staff, and every individual Association Member acting under any color of authority from the Association shall adhere to all published, properly approved, and legally reviewed Association Guidelines, Policies, Procedures, Rules and Regulations, as well as all applicable federal, state and county statutes, codes and regulations. Behavior or actions not in such compliance are disavowed by the Association as ultra vires, engaged in without authorization, and contrary to explicit Association Policy or other relevant directive.

History: Rescinded ____ Superseded/Replaced by Policy#_



Sudden Valley Community Association

Policy: SVCA Marina Storage
Policy #: 2025.
Date: October 23, 2025

Marina Agreement, Rules & Policy

Subject to the terms and conditions set forth herein, the Sudden Valley Community Association ("Association") hereby grants an annual license to the Customer for use of an assigned slip. This License is granted subject to the terms and conditions of this License and any Marina Rules and Regulations as they now exist or are from time to time amended. Failure to comply with all terms and conditions of this License and/or the Marina Rules and Regulations may result in termination of this License upon two days' notice and opportunity to cure.

1. Annual notice of License renewal will be sent in January of each year. The annual fee for marina moorage/storage must be paid by February 28th. If payment has not been received by the Association on that date, this License will be terminated.
2. This License is granted for the term of one calendar year, commencing on January 1st and ending on December 31st. Customers granted a License at any time during the calendar year will be required to pay the full annual fee.
3. Moorage/Storage fees are reviewed annually by the Board of Directors and are subject to change, effective as of the renewal date, if applicable, of this Agreement. The annual cost will not increase once the license is signed.
4. Lost Marina boat launch key cards can be replaced by paying a \$15.00 replacement card fee at the Recreation Department.
5. Marina Rules and Regulations Section 10. Use of the Marina, are incorporated into this Agreement by reference, as though fully set forth herein. The Customer shall be responsible for the expense of any maintenance, repair, or replacement necessary to the Association's property as a result of the activities resulting from the use, storage, or maintenance of the vessel and/or vehicle on Association property.
6. Customer further agrees and covenants that upon Customer's noncompliance with the terms of this Moorage/Storage Agreement, including violation of the Marina Rules and Regulations, the vessel and/or vehicle may be removed forthwith and all costs incurred including, but not limited to, additional handling, impound, collection costs, attorney fees, and all court costs connected with the collection of the amount due shall be borne by the Customer, in the manner provided by law, and charged as a fee to the Customer's Lot(s) in Sudden Valley.
7. The Customer acknowledges that information provided by the Customer is

true, accurate and complete. Customer shall notify the Association of any change in the information, including but not limited to, contact information such as address, phone number, email, etc. Customer agrees to contact the Association in writing when permanently removing the vessel and/or vehicle. No refunds will be given after May 1st.

8. Owner shall not sub-lease or share the slip or storage space.

9. Vessels moored in the Marina must be completely without hazardous conditions as determined solely by the Association, and ready for cruising in local waters. The Association may require that the Customer provide, at no cost to the Association, additional information (such as a marine survey) to establish seaworthiness.

10. Any fuel or oil that is spilled into the Marina must be reported immediately to the Recreation Center and/or Administration.

11. Only vessel and vessel trailers will be allowed to park in designated dry storage areas. Flatbed, utility, and other types of trailers are not permitted in the Marina.

12. Customer shall submit UP TO DATE registration and insurance once the documents on file expire. If this is not completed the access card will be turned off until current documentation is turned in to the Recreation Center. This can be done by email, fax, or in person.

13. Customer shall park only in the designated spot. Should the boat or trailer be found anywhere other than Customer's assigned spot Security/Recreation Department will attempt to notify you. If the boat is not moved upon notification then Security may have it towed or removed from the water and placed in storage at the Customer's sole cost and expense, which amounts may be charged as a fee against Customer's Lot(s) in Sudden Valley. (Note vehicles not parked within the Marina may not be parked outside of an approved garage, carport, or other appropriately screened area on any residential property for longer than 72 hours as per SVCA rules and regulations 2.3).

14. The Customer acknowledges that the Association shall not be liable or responsible in any manner for the safekeeping of the vessel it's tackle, gear, apparel, equipment and/or furnishings. In part consideration for the granting of the License herein, the Customer does hereby forever, release and discharge the Association, it's Board, Employees and Agents from any and all claims, demands, or damages for property damage or personal injury arising from or related to the presence of the Customer's Vehicle, or Vessel within the Marina except to the extent and in proportion that such property damage or personal injury is caused by the gross negligence of the Association, it's Board, or Employees. This waiver and release shall be binding upon the heirs, executors and assigns of the Customer. This release is a negotiated term of the economics of the License.

15. In part consideration for the granting of the License herein, the Customer shall save, defend and hold harmless the association, its Board, Employees and Agents from any and all claims, demands or damages for property damage or personal injury arising from or related to the presence of the Customer, the Vehicle or the Vessel within the Marina except to the extent and in proportion that such property damage or personal injury is caused by the gross negligence of the

Association, its Board or Employees. This indemnification and hold harmless is a negotiated term of the economics of the License.

16. This License Agreement shall be governed by Washington law. Exclusive jurisdiction and venue for any dispute arising under this License shall be the Whatcom County Superior Court. Without limiting the foregoing, the Customer specifically waives any jurisdiction of the federal district court or the right to seek removal to the federal district court. The substantially prevailing party in any action to enforce the terms of this License Agreement shall be entitled to an award of its attorneys' fees and costs.

17. The waiver or failure of the Association to enforce any term or condition of this License Agreement shall not be a waiver of any right to enforce this License Agreement.

18. In the event vessels or trailers need to be relocated due to Marina repairs, improvements or work within the Marina, Customer shall be given as much notice as reasonably possible. In the event Customer does not move the vessel within the given timeframe, the Association shall have the vessel/trailer relocated at the owner's expense and costs added to the Customer's account associated with the property listed on the Agreement. In the case of an immediate emergency where immediate relocation is necessary, should the Customer not be able to relocate the vessel/trailer, the Association will have the vessel relocated and will notify the Customer, with costs being charged as a fee against the Customer's lot(s) in Sudden Valley.

19. Each vessel and trailer using wet moorage and dry storage must have a current SVCA decal attached for identification purposes.

History: Rescinded: _____ Superseded/Replaced Policy 2018.09

Sudden Valley Community Association

Policy: Marina Moorage/Storage License Policy
Policy #: 2018.07
Date: September 27, 2018

Policy

Residents utilizing Sudden Valley Community Association Marina Dry/Wet Moorage and or storage will adhere to the licensed terms and conditions as presented on Attachment A: Sudden Valley 2019 Moorage/Storage License Agreement dated 1/24/2019.

~~SUDDEN VALLEY 2019~~ MARINA MOORAGE/STORAGE LICENSE AGREEMENT

LICENSE Terms and Conditions:

Subject to the terms and conditions set forth herein, the Sudden Valley Community Association ("Association") hereby grants ~~a month-to-month~~ an annual license to the Customer for use of an assigned slip. This License is granted subject to the terms and conditions of this License and any Marina Rules and Regulations as they now exist or are from time to time amended.

Failure to comply with all terms and conditions of this License and/or the Marina ~~rules~~ Rules and ~~regulations~~ Regulations may result in termination of this License upon two days' notice and opportunity to cure.

~~Invoices~~ 1. Annual notice of License renewal will be sent in January of each year. The annual fee for marina moorage/storage will ~~must~~ be billed ~~paid by, and, February 28th. If payment returned to, has not been received by the~~ Administration Office. Marina moorage/storage will be billed Association on an annual basis. Invoices that date, this License will be terminated.

2. This License is granted for the term of one calendar year, commencing on January 1st and ending on December 31st. Customers granted a License at any time during the calendar year will be dated and mailed one month prior to payment due date (payment due dates shall be stated on invoice). ~~required to pay the full annual fee.~~

~~1. Two payment options exist:~~

- ~~• Paying in full by due date~~
- ~~• Pay 25% of invoiced amount by due date and set up automatic bank payments to pay the remainder in~~

~~Updated: 1/24/19~~

~~monthly installments by July 1st of each year. See staff for form to set up payments.~~

~~If the second monthly installment is not received, your lease is voided, and your boat will be impounded. No refund will be issued for the initial deposit.~~

3. Moorage/Storage fees are reviewed annually by the Board of Directors and are subject to change ~~without notice~~, effective as of the renewal date, if applicable, of this Agreement. The annual cost will not increase once the license is signed.

4. Lost marina ~~Marina~~ boat launch ~~keys~~ key cards can be replaced by paying a \$15.00 replacement ~~keycard~~ fee at the ~~Administration Office~~ Recreation Department.

5. Marina Rules and Regulations Section 10. Use of the Marina, are incorporated into this Agreement by reference, as though fully set forth herein. The Customer shall be responsible for the expense of any maintenance, repair, or replacement necessary to the Association's property as a result of the activities resulting from the use, storage, or maintenance of the vessel and/or vehicle on Association property.

6. Customer further agrees and covenants that upon ~~nonpayment of fees or~~ Customer's noncompliance with the terms of this Moorage/Storage Agreement, including violation of the Marina Rules and Regulations, the vessel and/or vehicle may be removed forthwith and all costs incurred including, but not limited to, ~~late charges, interest,~~ additional handling, impound, collection costs, attorney fees, and all court costs connected with the collection of the amount due shall be borne by the Customer, in the manner provided by law, and ~~assessed~~charged as a ~~special-assessment~~fee to the Customer's Lot(s) in Sudden Valley.

7. The Customer acknowledges that information provided by the Customer is true, accurate and complete. Customer shall notify the Association of any change in the information, including but not limited to, contact information such as address, phone number, email, etc. Customer agrees to contact the ~~Administration~~Association in writing when permanently removing the vessel and/or vehicle. No refunds will be given after May 1st.

8. Owner shall not sub-lease or share the slip or storage space.

~~2. Customer shall comply with RCW 79.100.150 and RCW 79.100.170 with regard to vessels greater than 65 feet and more than 40 years old.~~

9. Vessels moored in the Marina must be completely without hazardous conditions as determined solely by the Association, and ready for cruising in local waters. ~~Upon approval of this License, the Customer grants permission to the Association, for an on board inspection of his/her Vessel by the Association, city, county, state, or federal representatives, or the vessel shall be deemed unseaworthy. Failure to allow such an inspection shall be cause for termination of moorage. Without limiting the foregoing, the Association is under no obligation or duty to undertake any inspection of any vessel.~~ The Association may require that the Customer provide, at no cost to the Association, additional information (such as a marine survey) to establish seaworthiness.

10. Any fuel or oil that is spilled into the Marina must be reported immediately to the ~~U.S. Coast Guard National Response~~Recreation Center, ~~Department of Ecology, and the/or~~ Administration ~~Office~~.

11. Only vessel and vessel trailers will be allowed to park in designated dry storage areas. Flatbed, utility, and other types of trailers are not permitted in the Marina.

12. Customer shall submit UP TO DATE registration and insurance once the documents on file expire. If this is not completed the access card will be turned off until current documentation is turned in to the ~~Administration~~Office. ~~Recreation Center~~. This can be done by email, fax, or in person.

13. Customer shall park only in the designated spot, ~~unless permission is given by the Association.~~ Should the boat or trailer be found anywhere other than Customer's assigned spot Security/~~Administration~~Recreation Department will attempt to notify you. If the boat is not moved ~~in a timely manner, upon notification~~ then Security may ~~tow~~have it and/towed or remove it~~removed~~ from the water and ~~place it~~placed in storage at the ~~Customer's~~Customer's sole cost and expense, which amounts may be ~~assessed~~charged as a ~~special-assessment~~fee against ~~Customer's~~Customer's Lot(s) in Sudden Valley. (Note vehicles not parked within the Marina may not be parked outside of an approved garage, carport, or other appropriately screened area on any residential property for longer than 72 hours as per SVCA rules and regulations 2.3).

~~3. THE CUSTOMER ACKNOWLEDGES THAT THE ASSOCIATION DOES NOT ACCEPT CUSTOMER'S VESSEL OR VEHICLE FOR BAILMENT OR STORAGE AND SHALL NOT BE LIABLE OR RESPONSIBLE IN ANY MANNER FOR ITS SAFE KEEPING AND CONDITION OF ITS TACKLE, GEAR, APPAREL, EQUIPMENT, AND/OR FURNISHINGS. IN PART CONSIDERATION FOR THE GRANTING OF THE LICENSE HEREIN, THE CUSTOMER DOES HEREBY FOREVER, RELEASE AND DISCHARGE THE ASSOCIATION, ITS BOARD, EMPLOYEES AND AGENTS FROM ANY AND ALL CLAIMS, DEMANDS, OR DAMAGES FOR PROPERTY DAMAGE OR PERSONAL INJURY ARISING FROM OR RELATED TO THE PRESENCE OF THE CUSTOMER, VEHICLE, OR THE VESSEL WITHIN THE MARINA EXCEPT TO THE EXTENT AND IN PROPORTION THAT SUCH PROPERTY DAMAGE OR PERSONAL INJURY IS CAUSED BY THE GROSS NEGLIGENCE OF THE ASSOCIATION, ITS BOARD, OR EMPLOYEES. THIS WAIVER AND RELEASE SHALL BE BINDING UPON THE HEIRS, EXECUTORS AND ASSIGNS OF THE CUSTOMER. THIS RELEASE IS A NEGOTIATED TERM OF THE ECONOMICS OF THE LICENSE.~~

~~4. IN PART CONSIDERATION FOR THE GRANTING OF THE LICENSE HEREIN, THE CUSTOMER SHALL SAVE, DEFEND AND HOLD HARMLESS THE ASSOCIATION, ITS BOARD, EMPLOYEES AND AGENTS FROM ANY AND ALL CLAIMS, DEMANDS, OR DAMAGES FOR PROPERTY DAMAGE OR PERSONAL INJURY ARISING FROM OR RELATED TO THE PRESENCE OF THE CUSTOMER, THE VEHICLE, OR THE VESSEL WITHIN THE MARINA.~~

~~EXCEPT TO THE EXTENT AND IN PROPORTION THAT SUCH PROPERTY DAMAGE OR PERSONAL INJURY IS CAUSED BY THE GROSS NEGLIGENCE OF THE ASSOCIATION, ITS BOARD, OR EMPLOYEES. THIS INDEMNIFICATION AND HOLD HARMLESS INCLUDES CLAIMS BROUGHT BY EMPLOYEES OF THE CUSTOMER AND THEREFORE CONSTITUTES A WAIVER UNDER TITLE 51. THIS INDEMNIFICATION AND HOLD HARMLESS IS A NEGOTIATED TERM OF THE ECONOMICS OF THE LICENSE.~~

14. The Customer acknowledges that the Association shall not be liable or responsible in any manner for the safekeeping of the vessel it's tackle, gear, apparel, equipment and/or furnishings. In part consideration for the granting of the License herein, the Customer does hereby forever, release and discharge the Association, it's Board, Employees and Agents from any and all claims, demands, or damages for property damage or personal injury arising from or related to the presence of the Customer's Vehicle, or Vessel within the Marina except to the extent and in proportion that such property damage or personal injury is caused by the gross negligence of the Association, it's Board, or Employees. This waiver and release shall be binding upon the heirs, executors and assigns of the Customer. This release is a negotiated term of the economics of the License.

15. In part consideration for the granting of the License herein, the Customer shall save, defend and hold harmless the association, its Board, Employees and Agents from any and all claims, demands or damages for property damage or personal injury arising from or related to the presence of the Customer, the Vehicle or the Vessel within the Marina except to the extent and in proportion that such property damage or personal injury is caused by the gross negligence of the Association, it's Board or Employees. This indemnification and hold harmless is a negotiated term of the economics of the License.

16. This License Agreement shall be governed by Washington law. Exclusive jurisdiction and venue for any dispute arising under this License shall be the Whatcom County Superior Court. Without limiting the foregoing, the Customer specifically waives any jurisdiction of the federal district court or the right to seek removal to the federal district court. The substantially prevailing party in any action to enforce the terms of this License Agreement shall be entitled to an award of its attorneys' fees and costs.

17. The waiver or failure of the Association to enforce any term or condition of this License Agreement shall not be a waiver of any right to enforce this License Agreement.

~~5. The Association reserves the right to move and/or re-assign the vessel to a different slip or storage location at any time as deemed reasonably necessary by the Association. By way of example, and not limitation, the Association may temporarily relocate the vessel to another slip or to upland storage as necessary to conduct repairs, improvements, or work within the marina. As such, Customer shall store the vessel trailer with SVCA at all times the vessel is located within the marina so that the Association can store the vessel on the trailer if necessary. By way of further example, and not limitation, the Association may re-assign the Customer's vessel from one slip to another at any time.~~

18. In the event ~~the vessel must~~ vessels or trailers need to be relocated pursuant ~~due~~ to Paragraph 19, above, Marina repairs, improvements or work within the Association will provide Marina, Customer with five days' shall be given as much notice to move the vessel ~~as reasonably possible~~. In the event that the Customer does not timely move the vessel within the given timeframe, the Association shall be authorized to relocate ~~have~~ the vessel with all/trailer relocated at the owner's expense and costs charged ~~added~~ to the Customer's account and/or assessed against its Lot(s) as a special assessment. Additionally, in the event the Association relocates the vessel hereunder, the Customer shall save, defend, and hold the Association harmless from any and all associated with the property damage to the vessel during such relocation except for any such damage caused by the Association's gross negligence. The Association shall be authorized to relocate the vessel without notice to Customer in the event listed on the Agreement. In the case of an immediate emergency where immediate relocation is necessary, should the Customer not be able to relocate the vessel/trailer, the Association will have the vessel relocated and will notify the Customer, with costs being charged as a fee against the Customer's lot(s) in Sudden Valley.

19. Each vessel and trailer using wet moorage and dry storage must have a current SVCA decal attached for identification purposes.

~~twenty (20) days' notice to Customer. In the event of such a termination, the Association shall reimburse Customer for any previously collected~~

RELEASE:

~~By signing the Sudden Valley Marina Moorage Agreement, you agree that you have read and will abide by this agreement and the Marina Rules and Regulation~~

with assessment of fines based on existing SVCA fees and fines schedule. As a courtesy, Administration may send out notices of time remaining on construction period or extensions one (1) month prior to existing completion date.

Failure to receive a notice from Administration in no way removes the Contractor/Owner from responsibility for a timely request for an extension.

14.7.6 Re-Inspections: Staff will re-inspect work associated with necessary or recommended changes following initial inspection. Costs for repetition of review, without considerable progress or completion, missed appointments, or subsequent inspections due to actions of the applicant for foreseeable problems may be reasonably charged to the property owner for each re-inspection.

14.7.7 Completion of Construction/Time Limits: The construction of any single-family detached residence or addition on any platted property in Sudden Valley, the plans for which are approved by the Committee, must begin within ninety (90) days after approval, and the exterior (including exterior finish and minimum landscaping) and final inspection must be completed no later than twelve (12) months after start of construction.

- a) Failure to commence construction of any single-family residence within ninety (90) days after ACC approval will require that the plan be re-approved by the ACC.
- b) Consistent progress must be made throughout the construction project. The ACC shall specify to the property owner what constitutes a violation under this section and shall issue a Notice of Violation or Non-Compliance which may result in penalties and/or increased construction deposit requirements.

Failure to complete construction by the twelve (12) month deadline can result in penalties (see Section 14.8.9).

14.8 CONSTRUCTION SUBMITTALS:

14.8.1 Process of Approval for Construction of an Addition or a Detached Single-Family Residence: All construction projects undertaken in Sudden Valley are subject to Whatcom County, state, and any other applicable permitting requirements. The ACC recommends that property owners contact Whatcom County for information or requirements for their specific project. For all new single-family homes, permit applications may be made with the Association and Whatcom County concurrently; however, ACC approval and verification of a Whatcom County Building Permit are required prior to construction.

Any and all member(s) delinquent in the payment of annual dues, assessments, special assessments, or any other charges associated therewith shall be suspended from all membership privileges:

- a) Including the ability to submit or have considered, directly or indirectly, plans, specifications, and/or details for improvements to real property, by the Committee, and
- b) The ability to obtain an encroachment permit to perform work within SVCA owned roads, rights of way, parks, greenbelts, or common areas (collectively the “common

areas), to connect to public and private utilities such as water, sewer, etc., or to construct either temporary or permanent improvements within such common areas.

14.8.2 Construction Application: All documents shall be submitted in electronic pdf form in addition to the standard paper submissions. The following items shall be submitted and/or completed at time of application:

- a) SVCA Construction Application and Checklist shall be signed by property owner
- b) Application fee (see Section 14.8.8)
- c) Copy of survey by a licensed surveyor including topography, trees, and square footage (see Section 14.8.10)
- d) Two (2) sets of construction plans (including floor plan, elevations, and finished grade)
- e) Two (2) copies of site plan @ 1"=10' scale (see Appendix I for sample)
- f) Two (2) copies of landscaping plan @ 1"=10' scale
- g) Driveway cross-section, showing road edge to garage slab
- h) One (1) copy of specification sheet including paint chips, roof color, lighting sample
- i) Proof of insurance shall be provided for general aggregate liability coverage (see Section 14.4.1)
- j) One (1) copy of water/sewer availability
- k) Property and building corners must be staked as described in Section 14.8.11.
- l) ALL trees requested for removal must be clearly ribboned and indicated on site plan
- m) Written application for variance, if any
- n) A refundable Completion Deposit is due during permit compliance review meeting (see Section 14.8.9)

14.8.3 Preliminary Review: To help property owners and potential property owners in Sudden Valley avoid unnecessary expenses, the ACC will consider partial submittals for unusual or questionable projects (see Section 14.8.13). These submittals would be for approval "in concept only" and a complete submittal would be required prior to final approval being granted. Any approval of these submittals is non-binding.

14.8.4 Submittal Deadline and Completeness: Plans submitted to the Committee for consideration must be complete as to the content specified below and must be received at least ten (10) working days (excluding holidays) prior to the scheduled meeting of the Committee at which the request is to be considered. A submittal meeting must be scheduled with the Administration Staff.

14.8.5 Other Submittal Requirements: Any individual or company making application for new construction, repair, or substantial remodeling within Sudden Valley shall provide to the ACC:

- a) A current and valid State of Washington General Contractor's license, unless owner-built for owner use in accordance with exceptions to state licensing requirements (see Section 14.4)

Policy No. 1996.17

Date: November 18 Board
Page: 3
Subject: **Building Permits**

POLICY:

To adopt the resolution entitled "Building Permits Delinquent Members" and attached to these corporate minutes.

Attachment: Resolution

Canceled/Superseded

Date;

By: Policy No.

Building Permits Delinquent Members

Whereas, limited relief from the District 10 Sewer Moratorium is predicted for 1997,

Whereas, there is no current policy on issuing Sudden Valley building permits to delinquent Sudden Valley members in the SVCA Architectural Control Guidelines, current edition,

Whereas, Art. I, Sec. 2. (a) of the SVCA Bylaws defines a member in good standing as one who is current in the payment of all annual dues, assessments, special assessments and any charges associated there with for each lot owned (emphasis added),

Whereas, Art. III, Sec. 1. of the SVCA Bylaws delegates to the SVCA Board all powers to regulate SVCA policy except those specifically reserved to the members or prohibited by Washington State law (see also Art. III, c. Sect. 16.),

Whereas, Art. I, Sec. 2. (c) of the SVCA Bylaws allows for membership privileges to be suspended for the non-payment of annual dues, assessments, special assessments or any charges associated therewith,

Whereas, Art. III, c. Sec. 22. of the SVCA Bylaws empowers the SVCA Board to impose monetary fines and other penalties for violations of the Bylaws after notice and an opportunity to be heard,

Whereas, Art. III, c. Sec. 19 (a) of the SVCA Bylaws states that all accounts are delinquent if payment in full is not received on the date fixed by the SVCA Board.

Now therefore be it resolved:

1. Any and all member(s) delinquent in the payment of annual dues, assessments, special assessments or any other charges associated therewith as of February 1 1997, shall be and hereby is suspended from all membership privileges:
 - (a) including the ability to submit or have considered, directly or indirectly, plans specifications, and or details for improvements to real property, by the Architectural Control Committee pursuant to its guidelines, current edition;
 - (b) the ability to obtain an encroachment permit to perform work within SVCA owned roads, rights of way, parks, greenbelts, or common areas (collectively the "common areas"), to connect to public and private utilities such as water, sewer, etc., or to construct either temporary or permanent improvements within such common areas.
2. On a monthly basis, the General Manager will furnish the ACC a current listing of delinquent members, and the ACC is directed to refuse to review any and all plans, specifications and/or details for improvements to real property submitted by delinquent members, directly or indirectly, pursuant to this resolution, and to refrain from issuing any encroachment permits.

1996.17 att 2

3. Notice of this policy and resolution will be given to members via appropriate publication and any member who feels aggrieved may appeal directly to the Appeals Committee of the SVCA Board.
4. Upon payment in full or other agreed method of cure on the delinquency on each lot owned a member will be returned to the status of a member in good standing and this policy and resolution will be of no effect as long as delinquency does not reoccur on each lot owned.
5. This resolution is effective immediately on adoption.

Policy No. 97-

Date of Enactment

11/18/96

Secretary of the Board

[Signature]