



Sudden Valley Community Association

1850 Lake Whatcom Blvd Bellingham, WA 98229

www.suddenvalley.com 360-734-6430

Board of Directors Meeting

February 12, 2026, 7:00 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) Approval of Minutes – January 22, 2026 (page 2)

5) Reports

(a) GM Report (page 7)

(b) Financial Statements, November (page 12)

(c) Committee Reports:

(i) Architectural Control

(ii) Document Review

(iii) Executive

(iv) Finance

(v) Long Range Planning

(vi) Nominations & Elections

(vii) Safety

6) Continuing Business

a) Committee Business

(i) Appointments

(ii) Discussion of In-Person vs Zoom Meetings

b) Security Proposals Discussion and Next Steps (page 21)

c) Recreation Corridor Update and Discussion of Next Steps

7) Executive Session – Legal

8) New Business

a) Resolution Regarding WUCIOA-related Statutory Amendments (page 22)

b) Request for Approval – ACC Policy Revisions (page 43)

Adjournment



BOARD OF DIRECTORS REGULAR MEETING

Thursday, January 22, 2026, 7:00 PM

8 Barn View Ct, Multipurpose Room A

Minutes

CALLED TO ORDER AT: 7:03 PM

AUDIENCE MEMBERS: Not Recorded

BOARD MEMBERS PRESENT:

1. Keith McLean, President Present	4. Taimi Van de Polder, Secretary Absent - Excused	7. Sean Chaffee Present	10. Rob Gobbs, N&E Chair Absent - Excused
2. Tom Henning, Vice President Present	5. Laurie Robinson Present	8. Joseph Adams Present	11. Daniel Rodriguez, ACC Chair Present
3. Jean Maixner, Treasurer Present	6. Ray Meador Present	9. Linda Bradley Present	9 of 11 BOD members present.

ATTENDING:

Staff Members: Jo Anne Jensen, General Manager
Spencer Huston, IT

Call to Order:

Keith McLean, President, called the meeting to order at 7:03 PM.

1. President called for motion to adopt the agenda

Motion 1: Move to amend the agenda to remove the executive session (item #7) from the agenda.

Motion By: President McLean		Seconded By: Vice President Henning	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

Motion 2: Move to appoint Director Bradley as the meeting secretary while Taimi is absent.

Motion By: President McLean		Seconded By: Vice President Henning	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

Motion 3: Move to adopt the amended agenda.

Motion By: President McLean		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

2. Announcements

- There were no new announcements.

3. Property Owner Comments

- A resident spoke about the Lake Whatcom Policy Group.

4. Consent Agenda

Motion: Move to approve the minutes for the January 8, 2026 meeting.

Motion By: President McLean		Seconded By: Director Adams	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

5. Reports

None

6. Continuing Business

6a. Committee appointments

Motion 1: Move to appoint Jo Anne Jensen as the Long-Range Planning Committee staff member.

Motion By: President McLean		Seconded By: Vice President Henning	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

Motion 2: Move to appoint Anne Meador, Lish Jamtaas, and Mitch Waterman to the Document Review Committee.

Motion By: Director Bradley		Seconded By: Director Adams	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

6b. Update on Recreation Corridor construction.

- Building must stay as a community use building.
- Footprint can't be any larger than the existing footprint for Barn 6.
- Special zoning permits not required.
- Must do a shoreline exemption review to verify building was there prior to 1975.
- Standard building permits required.
- Separate review required.
- Wetlands mitigation review not required.
- Fire department has no issues with the construction.
- Building can only be 25ft high within 100ft of the creek. Can be taller but would require further review.
- First round plan check can take 4-6 months to be reviewed by Whatcom County.

6c. Request for Approval – Area Z Garden Lease (Revised)

Motion: Move that the SVCA Board of Directors approve the revised agreement with the 30-day termination clause retained.

Motion By: President McLean		Seconded By: Director Chaffee	
Approved:	Not Approved:	Tabled: X	Died:
In Favor: Unanimous	Against:	Abstained	

7. Executive Session – Legal

Removed from agenda.

8. New Business

8a. Request for Approval – LGIT Information & Technology Consulting Contract

Motion: Move that the SVCA Board of Directors approve the proposed consulting agreement with LGIT and authorize that the General Manager to sign the agreement on SVCA's behalf.

Motion By: President McLean		Seconded By: Vice President Henning	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

8b. Capital Request – Replacement of NH 42 HP tractor model #TN55

Motion: Move that the SVCA Board of Directors approve the purchase of the 2026 Kubota M5660SUHD, for an amount not to exceed \$48,048.00 and authorize the Turfcare Superintendent to work with the Finance Director to arrange the purchase.

Motion By: President McLean		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

8c. Capital Request – 2026 On-Call Engineering

Motion 1: Move that the Board of Directors approve the allocation of \$44,995.00 from Roads for On-Call Engineering Services in 2026 with funds to be administered by the Maintenance & Facilities Manager.

Motion By: President McLean		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

Motion 2: Move that the Board of Directors approve the balance of funds in Capital Code 9925.2 to be added to the \$44,995.00, and Capital Code 9925.2 to be closed out with a \$0.00 balance.

Motion By: President McLean		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

8d. Capital Request – 2026 Fast Response

Motion 1: Move that the SVCA Board of Directors approve the allocation of \$95,613 from Roads for the 2026 Fast Response for Unforeseen Roads and Drainage Issues project. The Maintenance & Facilities Manager will be responsible for the distribution of funds and determining when SVCA staff can complete the work verse when to bring in one of the on-call contractors.

Motion By: President McLean		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

Motion 2: Move that the SVCA Board of Directors authorize the General Manager to execute On-Call Time & Materials contracts utilizing SVCA's standard construction contract with Stremmer Gravel Inc., Strider Construction Co. Inc., and Western Refinery, Inc.

Motion By: President McLean		Seconded By: Director Bradley	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

8e. Capital Request – 2026 CVC Funds

Motion 1: Move that the Board of Directors approve the allocation of \$135,546.00 from Roads for the 2026 Ditches, Culverts, and Swales (CVC) project with funds to be administered by the Maintenance & Facilities Manager.

Motion By: President McLean		Seconded By:	
Approved: X	Not Approved:	Tabled:	Died: Director Chaffee
In Favor: Unanimous	Against:	Abstained	

Motion 2: Move that the Board of Directors approve the balance of funds in Capital Code 9925.1 (approximately \$20,000) be added to the 2026 CVC budget of \$135,546.00, and Capital Code 9925.1 be closed out with a \$0.00 balance at the end of January.

Motion By: President McLean		Seconded By:	
Approved: X	Not Approved:	Tabled:	Died: Vice President Henning
In Favor: Unanimous	Against:	Abstained	

8f. Capital Request – Pothole & Minor Road Repairs

Motion: Move that the Board of Directors approve the allocation of \$39,370.00 from Roads for potholes and minor road repairs in 2026.

Motion By: President McLean		Seconded By: Vice President Henning	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

Motion: Move that the meeting be ajorned at 8:22 PM

Motion By: President McLean		Seconded By: Director Chaffee	
Approved: X	Not Approved:	Tabled:	Died:
In Favor: Unanimous	Against:	Abstained	

Meeting adjourned at 8:22 PM

Approved by: _____
Taimi Van de Polder, Board of Directors Secretary

DRAFT

General Manager’s Report – January 2026

January saw freezing temperatures descend on Sudden Valley for the first time this winter. Maintenance plowed some snow in the higher elevations and applied brine to the roads to prevent freezing. All departments used January’s “quiet time” to prepare for the busier spring and summer seasons ahead.

Marina Renewals

Renewal packets were mailed to 344 marina and kayak storage renters on January 7th. As of 1/28, 73 renewals have been completed, representing just over 20% of the total. In addition to renewals, we have also gotten some terminations, so staff have begun reaching out to individuals on the waiting lists. As a reminder, renewals must be complete by February 25th. After that date, any wet slips, dry slips, or kayak storage racks that haven’t been renewed will be offered to the waiting lists.

Tree Removals

January was a busy month for tree removals. The table below shows year-to-date activity in context with annual totals from previous years.

Hazard Tree Activity Thru January 2026				
	2023	2024	2025	YTD 2026
Tree Requests Identified/Received	118	244	170	11
Tree Requests Resolved by SVCA Maintenance	74	155	104	4
Hazard Trees Evaluated by Certified Arborist		5	19	1
Hazard Trees Resolved by Outside Contractor	39	78	63	7
Pending High Risk Trees	0	0	0	0

In January, \$28,179 was spent on tree removals by outside contractors. The majority of this amount, \$16,755, was spent on the removal of two very large trees that were close to multiple homes and/or roadways. The picture gives you a sense of the size of a large Douglas Fir that was removed recently. Cranes are often needed when removing large trees in proximity to homes or roads, which can dramatically increase the cost of a removal.



Golf Revenue

Golf revenues in January are significantly higher than last year. The growth is due to a large increase in the sale of 2026 memberships. This year, memberships accounted for \$156,649 in revenue, a 39% increase over the previous year. Golf director Kevin LeDuc feels this is a very positive sign. Notably, Some of this growth comes from Intermediate Memberships: for 2026, we are at 61 Intermediate members (people between 18 and 28 yrs of age qualify for this membership), compared to 18 Intermediates in 2024 and 49 in 2025. While it is good to see an increase in revenue, we will need to watch carefully to see if an increase in the number of members cannibalizes revenues throughout the year.

2026 Capital Projects Status

CRRRF Projects	Approved Budget	Status
<u>Facilities:</u>		
Barn 8 Refurbishment	\$ 843,555	Paused
Turfcare Building Remodel	\$ 125,446	In Progress
Clubhouse HVAC	\$ 169,928	In Progress
<u>Equipment:</u>		
Turfcare Tractor Replacement	\$ 48,048	In Progress
Total Budgeted	\$ 1,186,977	

Roads Projects	Approved Budget	Status
Design/Permits for 2026 Projects	\$ 41,888	In Progress
Area Z Access Bridge/Culvert #4 Replacement	\$ 1,219,468	In Progress
On Call Engineering	\$ 44,995	In Progress
Fast Response - Roads & Drainage	\$ 95,613	In Progress
Ditches, Culverts, & Swales (CVC)	\$ 135,546	In Progress
Potholes & Minor Road Repairs	\$ 39,370	In Progress
Total Budgeted	\$ 1,576,880	

Department Reports

Administration

Activity Summary

- Worked with vendors to answer questions about the security services RFP.
- Evaluated responses to the security services RFP.
- Developed a training plan for our new Member Services team member and began onboarding.
- Continued developing Standard Operating Procedures (SOPs) to reflect current processes.
- Completed implementation of online learning management system (LMS) to support role-specific training for board and committee members, as well as staff; will launch in the last week of January.
- Completed rollout of new computers; all departments are now on the new platform; old hardware is being decommissioned and recycled.
- Completed update of network hardware and firewalls to simplify network maintenance and prepare for moving servers to Azure.
- Began development of a process to register and manage short- and long-term rental properties within the Association.

Successes

- Implementation of LMS will enable SVCA to offer individualized training opportunities to staff at a very affordable cost.

Planned Work

- Finalize process to register and manage short- and long-term rental properties within the Association.
- Continue updating SOPs.

Maintenance

Activity Summary

- Gutter cleaning was performed at all facilities.
- Replaced door mats and rugs at facility entrances.
- Completed annual fire suppression inspection at SVCA facilities.
- Drainage maintenance during heavy rain event.
- Removed fallen trees from several roadways resulting from windstorm.
- Trimmed vegetation encroaching on the community garden and at several intersections to improve visibility.
- Plowed SVCA roads during early morning snow event.
- Applied anti-ice brine to SVCA roadways due to icy conditions.
- Replaced and repaired several street signs.
- Made drainage improvements at several locations and repaired drain line under the bridge on Sudden Valley Drive.
- Repaired potholes at various locations.
- Repaired landscaping at Barn 8.
- Removed Christmas lights and Christmas tree at Barn 8.
- Removed lock and repaired locking mechanism at the Rec Center.
- Repaired door to the Men's room at the Rec Center.
- Repaired exterior door at the Adult Center.
- Replaced and cleaned several exterior and interior lights at the Clubhouse.
- Replaced broken ceiling tiles at the Clubhouse.
- Installed new doors, hardware, and locks at archive room.
- Swept and cleaned Marina entrance.
- Graded Marina parking lot and storage area.
- Trail maintenance at AM/PM park.
- Repaired wooden sign holders at AM/PM Park.
- Installed snowplows and sanders for potential snow.
- Removed plows and sanders following brief snow event.
- Repaired brine tank on Yanmar.
- Repaired rearview mirror on 906.
- Troubleshoot traction control system on OP-28.
- Replaced front differential and oil cooler line on SP-6.
- Serviced transmission on AD-1.
- Started repairs on OP-22.
- Replaced hood struts and changed hydraulic fluid on OP-20.
- Cleaned and serviced Zero Turn mower.

Successes

- Equipment worked well in first snow fall of the season.
- SVCA roads were in better condition than Whatcom County roads in recent icy conditions.

Planned Work

- Continue trimming vegetation to improve visibility at intersections.
- Refurbish picnic tables for Welcome Center.
- Build and install new doors in the trash collection area at the Clubhouse.
- Move files to new archive room.
- Remove snow equipment to utilize vehicles for routine maintenance tasks if no snow is forecast.
- Perform service on OP-25 and OP-22.

Recreation

Activity Summary

- Marina Slips & Kayak Racks information audit.
- Marina & Kayak Renewals mailed & emailed out on 1/19.
- 11 of 87 wet slips renewed as of 1/21.
- 16 of 177 dry slips renewed as of 1/21.
- 15 of 139 kayak rack spots renewed as of 1/21.
- Barn Open House on 01/03.
- Trivia Night on 01/16. 40 people (15 teams) participated.
- Planning Open Mic Night for January 30th, have 6 sign-ups as on 1/21.
- Created marketing materials & online sign-up form for Open Mic Night on 01/30.
- Cleaned out & reorganized Media Closet in the Dance Barn.
- Met with Activities Director of YMCA about expanding programming in the Valley this Spring.

Successes

- Fully staffed heading into 2026.
- We have handled running Kayak & Marina renewals at the same time very well.

Planned Work

- Marina & Kayak Renewals.
- Need 1 more quote for weight machine replacement project. All cardio quotes are complete.
- Open Mic Night on 1/30.
- Valentines Day Craft Night on 02/10.
- High Tea on 02/17.
- Trivia Night on 02/20.

Golf

Activity Summary

- Completed inactivation of GHIN handicaps for unpaid members.
- Applied "Prepaid" golf rounds to Social and Associate members that have paid 2026 memberships.
- Reviewed all membership records for accuracy to start the 2026 year.
- Reversed prepaid membership sales recorded from October-December 2025 and recharged them into 2026 revenue on January 1st.
- Completed several golf event contracts for 2026.
- Completed our 5th Winter Series event with 98 players in a rainstorm.
- Wrote promotional article for the Women's Four Ball event in May.

- Set up our marketing commercial campaign with Comcast.
- Conducted daily meetings with Turfcare Superintendent to discuss winter maintenance, course conditions, upcoming events, and projects.
- The golf course was re-rated for handicap purposes this Fall, requiring the revision and redesign of a new score card.
- Annual maintenance of golf cart fleet.

Successes

- Prepaid membership sales for 2026 exceeded 2025 by \$45K.
- December revenue exceeded 2024 revenue by \$6K.
- January is trending to a record revenue month.

Planned Work

- Aggressively contact previous outside tournament organizers to start rebooking events for the 2026 season.
- Promote and work with Avalon GC on the next two-day Winter Series event at the end of January.
- Coordinate our 5th Winter Series with Avalon GC at the end of the month.
- Develop Stay & Play packages to offer Sudden Valley vacation properties.
- Work with Darren on staffing plans for 2026 season.
- Finalize capital request for driving range equipment.

Turf Care

Activity Summary

- Turfcare building renovation continues a slow but steady track.
- Irrigation sprinkler maintenance continues.
- Started building new #8 gold tee. Ready for sod install.
- Getting bids together for tree trimming on #14 tee and fairway areas.
- Started construction of sod nursery.
- Blackberry mowing well underway.
- Wind event debris cleanup continues.
- Lake Louise irrigation intake impeller pump repair quotes out to contractor.
- Putting capex memos together for replacement equipment 2026.

Successes

- Lake Louise new dam gate working well.
- Annual rental golf cart r/m well under way.

Planned Work

- Construct #13 Gold tee box.
- Fairway aerating and sand topdressing set to go for next few weeks.
- Continue blackberry mowing.
- Golf course ditches to be cleaned out.

Sudden Valley Community Association
Balance Sheet
November 30, 2025 and December 31, 2024

	Unaudited** Nov 30, 2025	See Note** Dec 31, 2024	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 346,179	\$ 579,484	\$ (233,305)
Building Completion Deposit Fund	818,900	749,910	68,990
Member Receivables - Operations*	-	53,456	(53,456)
Other Receivables	3,850	3,350	500
Prepaid Expenses	111,697	82,148	29,549
Operating Lease ROU Assets	23,595	29,554	(5,959)
Inventory	5,917	5,824	93
Total Current Assets	1,310,138	1,503,726	(193,588)
Current Liabilities			
Accounts Payable	(70,506)	(159,772)	89,266
Accrued Vacation Liability	(90,700)	(76,335)	(14,365)
Accrued Payroll	-	(115,575)	115,575
Prepaid Assessments	(161,014)	(241,080)	80,066
Building Completion Deposits	(818,900)	(749,910)	(68,990)
Other Refundable Deposits	(9,696)	(9,956)	260
Operating Lease Liability	(23,595)	(29,554)	5,959
Prepaid Golf Memberships	(33,207)	(112,307)	79,100
Total Current Liabilities	(1,207,618)	(1,494,489)	286,871
Other Liabilities			
Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(28,667)	(36,000)	7,333
Total Other Liabilities	(386,367)	(393,700)	7,333
Operating Reserve Funds			
Emergency Operating Cash	364,647	363,815	832
Undesignated Reserves Cash	303,385	302,135	1,250
Total Operating Reserve Funds	668,032	665,950	2,082
Net Operating Assets	\$ 384,185	\$ 281,487	\$ 102,698
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,825,064	3,172,197	652,867
Roads Reserve Cash Fund	2,891,061	2,102,138	788,923
Board Density Reduction Cash Fund	150,775	87,889	62,886
Mailbox Cash Fund	176,647	151,970	24,677
CRRRF Capital Reserve Holding Cash	219,279	219,618	(339)
Mitigation Assignment of Savings Cash	49,898	49,821	77
LWWSD Assignment of Savings Cash	14,950	14,939	11
Member Receivables - Capital**	-	13,625	(13,625)
Total Capital Current Assets	7,327,674	5,812,197	1,515,477
Capital Fixed Assets			
Fixed Assets	16,801,734	17,006,025	(204,291)
Finance ROU Assets	47,741	119,060	(71,319)
Lots Held for Sale	188,706	231,826	(43,120)
Total Capital Assets	17,038,181	17,356,911	(318,730)
Long Term Liabilities			
CRRRF Loan 2022	(1,289,263)	(1,539,073)	249,810
Finance Leases	(53,715)	(104,457)	50,742
Total Long Term Liabilities	(1,342,978)	(1,643,530)	300,552
NET ASSETS	\$ 23,407,062	\$ 21,807,065	\$1,599,997
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	84,000	(374,591)	458,591
Transfers Out from Operations to Capital	-	(145,600)	145,600
Current Year Net Income: Capital**	1,516,838	1,294,054	222,784
Transfers Into Capital from Operations	-	145,600	(145,600)
Retained Earnings**	4,858,301	5,232,892	(374,591)
Capital**	16,947,923	15,654,710	1,293,213
TOTAL MEMBER EQUITY	\$ 23,407,062	\$21,807,065	\$1,599,997

* 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 November 30, 2025, and December 31, 2024, the balances of receivables written off were \$803,905 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 2024 audited financial statements (2024 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 - November 2025			Year to Date - 11 Months Ending 11/30/2025		
	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	238,308		246,758	2,622,130		2,715,902
Bad Debt Reserve	(14,416)		3,883	(61,887)		(30,736)
Net Current Year Assessment Income	223,892	(2,215)	250,641	2,560,243	73,068	97.6% 2,685,166
Bad Debt Recoveries - Prior Years			2,208			43,773
Golf Income	41,506	2,271	-	1,379,209	(18,164)	-
Marina Income	300	300	-	237,129	6,828	-
Rec Center & Pools Income	1,158	765	-	41,561	9,741	-
Legal & Collections Income	-	-	-	-	-	-
Other Income	5,347	2,038	-	152,089	43,192	-
Rental Income - Other	2,409	1,498	-	16,889	5,464	-
Area Z Rental Income	746	669	-	26,764	2,766	-
Lease Income	5,832	948	-	63,547	10,430	-
New Home Construction Fees	3,400	(4,580)	-	115,600	28,890	-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-	1,200
Capital Gain (Loss) on Sale of Lots	-	-	2,172	-	-	26,880
Investment Income	454	(130)	2,807	6,288	(125)	31,979
Total Revenue	285,044	1,564	257,828	4,599,319	162,090	2,788,998
EXPENSES						
Salaries & Benefits	192,764	(93)	-	2,294,816	70,929	-
Contracted & Professional Services	25,534	(5,599)	-	299,882	(109,701)	-
CC&Rs/ Mandates	45,933	(31)	-	514,400	(76,781)	-
Maintenance & Landscaping	17,305	(197)	-	456,243	3,151	-
Utilities	8,320	5,514	-	209,195	5,052	-
Administrative	8,586	2,635	-	180,274	(9,151)	-
Regulatory Compliance	17,960	(12,541)	-	275,708	(60,588)	-
Insurance Premiums	19,240	(1,717)	-	199,972	(7,336)	-
Other Expenses	-	416	-	418	4,165	-
Depreciation Expense	-	-	108,710	-	-	1,195,810
Closing Costs - Lot Sales	-	-	2,711	-	-	7,249
Interest expense	-	-	4,577	-	-	55,476
Total Expenses	335,642	(11,613)	115,998	4,430,908	(180,260)	1,258,535
Net Income (Loss)	(50,598)	(10,049)	141,830	168,411	(18,170)	1,530,463
Net UDR Activity for Operations						
GM Recruiting Expense	-			(3,271)		
Legal Expenses - Past Due Account Collections	-			(9,984)		
Hazardous Tree Removal	-			(100,000)		
Net Income (Loss) with Board Approved UDR	(50,598)	(10,049)	141,830	55,156	(18,170)	1,530,463
Other Activity						
Net Other UDR Activity*	(161)			89,331		
AR Accrual - Prior Year Reversal	-		-	(53,456)		(13,625)
AR Accrual - Current Year	-		-	-		-
Lease Income- Library Prepaid Recognized	667			7,333		
Vacation Liability Accrual	(3,592)			(14,365)		
Total Other Activity	(3,086)		-	28,843		(13,625)
Grand Total Activity	(53,684)	(10,049)	141,830	84,000	(18,170)	1,516,838

*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
11 Months Actual, 1 Months Projected

UNAUDITED

UNAUDITED	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	1,319,565	1,361,609		-	24,310		2,705,484	-	124,108	124,108
Storm Water Mitigation Plan Fee		-					-			-
Investment Income	17,744	13,143	502	135	367	88	31,979	832	735	1,568
Sale of Assets	1,200						1,200			-
Sale of Lots (Net Proceeds)				62,751			62,751			-
Mitigation Release	-	-				-	-			-
2025 Expenditures	(688,042)	(585,829)	(841)	-	-		(1,274,712)		(123,593)	(123,593)
Net Available Cash at 11/30/2025	3,825,064	2,891,061	219,279	150,775	176,647	64,848	\$ 7,327,674	364,647	303,385	\$ 668,032
1 Month Outlook										
Outlook - 2025 Dues (95% collections)	114,499	117,760			2,104		\$ 234,363			\$ -
Outlook - Prior Year Collections	1,658	1,705			30		3,393		3,274	3,274
CRRRF Loan Payments for year 2025	(27,753)						(27,753)			-
Obligated Expenses/Holdings	(1,191,377)	(1,005,636)	(219,279)			(64,848)	(2,481,140)		(13,785)	(13,785)
Net Usable Cash Balance 12/31/2025	2,722,090	2,004,890	-	150,775	178,782	-	\$ 5,056,537	364,647	292,874	\$ 657,521
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2025, After Recommendation	\$ 2,122,090	\$ 1,504,890	\$ -	\$ 150,775	\$ 178,782	\$ -	\$ 3,956,537	\$ 364,647	\$ 292,874	\$ 657,521
Net Current Year Cash Increase (Decrease)	(450,107)	(97,248)	(219,618)	62,887	26,812	(64,760)	\$ (742,034)	832	(9,261)	\$ (8,429)

*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
November 1, 2025 to November 30, 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	3,400	(2,984)	7,583	(468)	37,791	(5,638)	(41,974)	(9,090)
Accounting	1,168	(333)	30,324	(282)	8,757	(982)	(37,913)	(1,597)
Administration	278	209	37,471	(1,046)	14,018	(1,226)	(51,211)	(2,063)
Common Costs	4,055	137	-	-	39,102	(10,006)	(35,047)	(9,869)
Facilities	6,577	1,450	4,626	6	4,736	6,685	(2,785)	8,141
Maintenance	-	-	36,076	1,220	23,009	(4,933)	(59,085)	(3,713)
Subtotal	15,478	(1,521)	116,080	(570)	127,413	(16,100)	(228,015)	(18,191)
Golf	41,506	2,271	54,914	9,211	11,782	3,757	(25,190)	15,239
Marina	600	600	-	-	410	174	190	774
Rec/ Pools/ Parks	3,567	2,429	21,770	(8,734)	3,272	649	(21,475)	(5,656)
Subtotal	45,673	5,300	76,684	477	15,464	4,580	(46,475)	10,357
Subtotal Operations before Ops Dues	61,151	3,779	192,764	(93)	142,877	(11,520)	(274,490)	(7,834)
Ops Dues Earned	238,308						238,308	
Curr Yr Bad Debts Activity	(14,416)						(14,416)	
Net Ops Dues	223,892	(2,215)					223,892	(2,215)
Net Operations	285,043	1,564	192,764	(93)	142,877	(11,520)	(50,598)	(10,049)
Net BOD Approved UDR Activity for Operations								
GM Recruiting Expense	-		-		-		-	
Legal Expenses - Past Due Account Collections	-		-		-		-	
Hazardous Tree Removal	-		-		-		-	
Net Operations with Board Approved UDR	285,043	1,564	192,764	(93)	142,877	(11,520)	(50,598)	(10,049)
Other Operating Activity								
UDR Activity	272				433		(161)	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				3,592		(3,592)	
Total Other Operating Activity	939				4,025		(3,086)	
Grand Total Operations Activity	285,982	1,564	192,764	(93)	146,902	(11,520)	(53,684)	(10,049)

* Excludes Depreciation

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

Sudden Valley Community Association
Operations - By Department
January 1, 2025 to November 30, 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	161,249	47,602	85,369	(4,585)	514,204	(111,016)	(438,324)	(67,999)
Accounting	28,418	(9,476)	330,951	10,220	91,723	(4,387)	(394,256)	(3,643)
Administration	8,162	7,162	376,647	36,972	170,284	(45,811)	(538,769)	(1,677)
Common Costs	68,831	25,753	-	-	495,839	(112,290)	(427,008)	(86,537)
Facilities	90,310	11,362	54,814	(2,350)	159,858	38,350	(124,362)	47,362
Maintenance	-	-	332,743	45,959	119,721	12,442	(452,464)	58,401
Subtotal	356,970	82,403	1,180,524	86,216	1,551,629	(222,712)	(2,375,183)	(54,093)
Golf	1,379,209	(18,164)	773,699	73,173	428,561	(27,461)	176,949	27,548
Marina	244,443	7,742	-	-	19,024	(1,389)	225,419	6,353
Rec/ Pools/ Parks	58,450	17,038	340,593	(88,460)	136,874	376	(419,017)	(71,046)
Subtotal	1,682,102	6,616	1,114,292	(15,287)	584,459	(28,474)	(16,649)	(37,145)
Subtotal Operations before Ops Dues	2,039,072	89,019	2,294,816	70,929	2,136,088	(251,186)	(2,391,832)	(91,238)
Ops Dues Earned	2,622,130						2,622,130	
Curr Yr Bad Debts Activity	(61,887)						(61,887)	
Net Ops Dues	<u>2,560,243</u>	<u>73,068</u>					<u>2,560,243</u>	<u>73,068</u>
Net Operations	<u>4,599,315</u>	<u>162,087</u>	<u>2,294,816</u>	<u>70,929</u>	<u>2,136,088</u>	<u>(251,186)</u>	<u>168,411</u>	<u>(18,170)</u>
Net BOD Approved UDR Activity for Operations								
GM Recruiting Expense	-		-		3,271		(3,271)	
Legal Expenses - Past Due Account Collections	-		-		9,984		(9,984)	
Hazardous Tree Removal	-		-		100,000		(100,000)	
Net Operations with Board Approved UDR	<u>4,599,315</u>	<u>162,087</u>	<u>2,294,816</u>	<u>70,929</u>	<u>2,249,343</u>	<u>(251,186)</u>	<u>55,156</u>	<u>(18,170)</u>
Other Operating Activity								
UDR Activity	99,475				10,143		89,332	
AR Accrual - Prior Year Reversal	(53,456)				-		(53,456)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	7,333				-		7,333	
Vacation Liability Accrual	-				14,365		(14,365)	
Total Other Operating Activity	<u>53,352</u>				<u>24,508</u>		<u>28,844</u>	
Grand Total Operations Activity	<u>4,652,667</u>	<u>162,087</u>	<u>2,294,816</u>	<u>70,929</u>	<u>2,273,851</u>	<u>(251,186)</u>	<u>84,000</u>	<u>(18,170)</u>

* Excludes Depreciation

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

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	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	30	176	206	272	2,442	2,714	9	84	9	20	1	11	16	32	2	12	302	2,618	2,920	37	159	196	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641		
Oct	41	246	287	263	2,388	2,651	9	74	4	20	6	5	15	31	2	13	304	2,634	2,938	36	143	179	340	2,777	3,117	774	2	2	778	740	6	1,524	4,641		
Nov	20	195	215	304	2,419	2,723	9	74	4	20	6	5	15	31	2	13	304	2,634	2,938	36	143	179	340	2,777	3,117	774	2	2	778	740	6	1,524	4,641		
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

		Sudden Valley Community Association - Capital Project Report									
		CRRRF Projects Open in 2025									
		Updated as of			11/30/2025						
							A	B	A-B		
	BOARD APPROVED PROJECT						BUDGETED		Acctg Funds Obligated		
Cost Manager	Approval Date	GL	Project Name	Fund	Status		Board Approved	Total Invoiced			
Turf Manager	1/23/20	9719.18	Trim Mower- Turf	CRRRF	Open	●	44,050	40,198	3,852	LE	
Turf Manager	1/23/20	9719.19	Utility Vehicles	CRRRF	Open	●	104,248	104,702	(454)	LE & X	
Golf Director	11/5/20	9721.01	Golf Cart Fleet	CRRRF	Open	●	183,900	177,970	5,930	LE	
Maint Manager	10/27/22 & 10/12/23 & 8/22/24	9722.08	Area Z Maintenance Facility Remodel	CRRRF	Open	●	503,898	500,752	3,146		
GM	10/27/22 & 9/28/23 & 11/2/23	9722.09	Barn 8 Refurbishment	CRRRF	Open	●	824,530	199,758	624,772		
GM	1/12/23 & 4/25/24 & 5/22/25	9723.04	Austin Creek Repair Design & Permitting	CRRRF	Open	●	34,585	9,703	24,882		
GM	3/9/23	9723.07	Website Improvements	CRRRF	Open	●	10,483	5,605	4,878		
Golf Director	12/14/23	9723.17	10 Additional Golf Carts Lease	CRRRF	Open	●	81,600	23,935	57,665	LE	
Maint Manager	1/25/24	9724.012	Turf Building Remodel-Permit/Design	CRRRF	Open	●	9,755	9,736	19		
Maint Manager	5/22/25 & 8/28/25	9724.013	Turf Building Remodel-Construction	CRRRF	Open	●	115,691	979	114,713		
Turf Manager	2/22/24	9724.05	Sand Trap Rake	CRRRF	Closed	●	32,579	32,579	-		
Maint Manager	2/22/24 & 8/28/25	9724.06	Club House HVAC 20 Ton Design/permitting/Constructio	CRRRF	Open	●	169,928	17,730	152,198		
Maint Manager	4/25/24 & 7/25/24	9724.07	Adult Center Furnace & Water Heater Replacement	CRRRF	Open	●	42,422	44,588	(2,166)	X	
Maint Manager	7/25/24	9724.09	Fencing (Adult Cntr/Area Z/Turfcare) & Area Z RV Storage	CRRRF	Open	●	71,851	69,243	2,608		
Turf Manager	9/26/24	9724.11	#2 Golf Bridge Repair	CRRRF	Open	●	25,460	23,994	1,466		
Turf Manager	1/9/25	9725.01	Fairway Aerator- Wiedenmann Terra Spike XF6	CRRRF	Closed	●	57,495	57,495	-		
Turf Manager	1/23/25	9725.02	Turfcare Trailer	CRRRF	Closed	●	17,843	17,843	-		
Turf Manager	2/27/25	9725.03	Golf Course Fairway Top-Dresser Replacement	CRRRF	Open	●	50,592	-	50,592		
Maint Manager	3/27/25	9725.04	Zero-Turn Mower (Kubota ZD1211R)	CRRRF	Closed	●	21,146	20,601	-		
Maint Manager	4/10/25	9725.05	Marina Directional Signage	CRRRF	Open	●	15,000	1,937	13,063		
Maint Manager	4/10/25	9725.06	Gate 2 & Welcome Center Directional Signage	CRRRF	Open	●	20,000	3,907	16,093		
Maint Manager	4/24/25	9725.07	Welcome Center Exterior Painting	CRRRF	Open	●	7,611	7,667	(56)	X	
GM	6/12/25 & 10/23/25	9725.08	Lake Louise Slide Gate Replacement (Phase 1 & 2)	CRRRF	Open	●	71,786	20,274	51,512		
Turf Manager	6/26/25	9725.09	2025 Asphalt Cart Path Repairs	CRRRF	Open	●	54,080	51,267	2,813		
GM	9/25/25	9725.10	Clubhouse Water Heater Replacement	CRRRF	Open	●	11,587	7,490	4,097		
GM	9/25/25	9725.11	2025 AV Projector & Screen	CRRRF	Open	●	4,397	1,632	2,765		
GM	9/25/25	9725.12	2025 Computer System Replacements	CRRRF	Open	●	13,680	17,519	(3,839)	X	
Maint Manager	10/23/25	9725.13	Snow Removal Equipment - Snow Plow & Sander x 2	CRRRF	Open	●	35,000	1,714	33,286		
Maint Manager	10/23/25	9725.14	Maintenance Truck Replacement (OP-23)	CRRRF	Open	●	56,243	35,216	21,027		
				Open Projects Total, CRRRF			\$ 2,691,442	\$ 1,506,034	\$ 1,184,863		
		LE	These line items represent five-year finance leases, which means the obligated costs will be spread out over five-year periods.								
		X	Overbudget amount will be charged to operations.								
									Adjusted Balance		
									\$ 1,191,377		



Sudden Valley Community Association

1850 Lake Whatcom Boulevard, Bellingham WA 98229

360-734-5320

www.suddenvalley.com

BOARD OF DIRECTORS MEMO

To: Sudden Valley Community Association Board of Directors
From: Jo Anne Jensen, General Manager
Date: February 12, 2026
Subject: Discussion of Security Services

Purpose

To organize board discussion of SVCA Security in response to materials distributed at the January 8th meeting.

Background

Information regarding Security's role at SVCA was given to the board at the January 8th meeting. Four responses to a Request for Proposal were also shared with the board at that time.

Analysis

SVCA spends a significant amount on security services each year. Our current management systems require security to provide "eyes and ears" in the field around the clock. While our current provider has delivered reliable service for several years, there has been a decline in quality over the past year. Additionally, there is a general perception that maintaining an 'Observe and Report' force does not provide enough value to offset the high cost of the service. The questions that need to be addressed are:

- Will a competitor provide better service than our current provider?
- Can SVCA afford to spend more on security to get improved services?
- What other value could security provide beyond "observe and report"?
- Considering rising costs, should SVCA consider whether it is feasible to remove the requirement for providing 24/7/365 security?

Discussion Outline

- Q&A on information provided at 1/8 meeting
- Director statements about current status of Security and preferred next steps
- Voting on next steps:
 - Continue working with current vendor & work to resolve recent issues
 - Consider moving to another vendor; establish a task force to meet with potential new vendors
 - Work with SVCA attorney to develop a plan to amend the Restrictive Covenants to remove the requirement of 24/7/365 Security



Sudden Valley Community Association

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BOARD OF DIRECTORS MEMO

To: Sudden Valley Community Association Board of Directors
From: Jo Anne Jensen, General Manager
Date: February 12, 2026
Subject: Approval Request – Resolution Regarding WUCIOA-Related Statutory Amendments

Purpose

To request that the Board of Directors adopt the resolution regarding WUCIOA-related statutory Amendments.

Background

In 2025, the WA State legislature passed two bills (ESB 5686 and ESB 5129) that apply to SVCA. The provisions in these bills supersede the provisions of SVCA's governing documents. Because revising SVCA's governing documents will be a lengthy process that cannot be finalized until the membership votes to approve the changes, this resolution informs members of the needed changes and affirms that the Association will comply with the new provisions.

Analysis

A summary of the provisions of the proposed resolution is attached.

Request

I request that the board adopt the proposed resolution.

Motion

I move that the Sudden Valley Board of Directors adopt the proposed resolution regarding WUCIOA-related statutory changes which became effective on January 1, 2026.

Resolution Regarding WUCIOA-Related Statutory Amendments Which Became Effective on January 1, 2026

Summary of General Provisions, Responsibility, and Actions Needed

	Provision	Responsible	Actions Needed
2.1	Minutes of all Owner and Board meetings must be prepared and posted	Board Secretary	None
2.2	Any meeting of the Board or Owners may be held virtually when the following criteria are present: <ul style="list-style-type: none"> • Notice states process to be used and provides information explaining how to participate • Process provides all participants the ability to hear or see the discussion and to make Owner comments • At Board meetings, the votes shall be conducted by roll call or verbally • Anyone can also join by telephone 	Board President/GM	Staff to prepare instructions for joining meetings All meetings must include Owner comments
2.3.1	In an emergency, the Board may call a meeting of Owners by giving notice in a way that is feasible during the emergency	Board President/GM	None
2.3.2	In an emergency, the Board may hold a Board meeting by giving notice in a way that is feasible during the emergency	Board President/GM	None
2.3.3	In an emergency, the Board may take actions necessary to manage the emergency and can pay for these actions using reserves, or can determine that a special assessment is needed (must be 2/3 vote)	Board President	None
2.3.3.1	The special assessment becomes effective immediately or in accordance with the Board vote	Board President	None
2.3.3.2	The special assessment funds can only be used to pay for the specific action taken by the Board during the emergency	Board President	None
2.3.4	If a Board takes action in an emergency, they must notify the Owners in a way that is feasible during the emergency	Board President/GM	None
3.1	Owner comments periods must be included in all Owner meetings	Board President/GM	None
3.2	Notice of an in person meeting may include info on how to participate virtually	Board President/GM	None
3.3	Annual Owner meeting notice must be sent between 14 and 50 days before the meeting using any method described in RCW 64.90.515	N&E/GM	None
3.3.1	Text of any proposed amendments to governing documents must be included in the notice	N&E/GM	None
3.3.2	Any proposal to remove a Board member must be included in the notice	N&E/GM	None

	Provision	Responsible	Actions Needed
3.4	A special meeting of Owners shall be called by: <ul style="list-style-type: none"> • The president • A majority vote of the Board • 20% of all Owners request it (via petition) 	Board President/GM	None
3.4.1	Notice of any special Owner meeting must be provided between 14 and 50 days prior to the meetings date using any method described in RCW 64.90.515	N&E/GM	None
3.4.1.1	Any proposal to remove a Board member must be included in the notice	N&E/GM	None
3.4.1.2	Any proposal to remove a Board member must be included in the notice	N&E/GM	None
3.4.2	If SVCA fails to give notice within 30 days after Owners request one, the Owners themselves can provide notice to all Owners.	Board President	None
3.4.3	Owners may discuss any matters at a special meeting but cannot take action on any matter not included in the notice unless 100% of all Owners agree	Board President	None
4.1	All Board and committee meetings must be open to the public except for executive sessions of the Board; the Board can expel disruptive Owners after a warning	Board President/GM	None
4.2	The Board and empowered committees may hold executive sessions during a regular or special meeting of the Board or the committee	Board President & Committee Chairs	None
4.2.1	Final votes or actions can't be taken in executive session	Board President & Committee Chairs	None
4.2.2	Executive sessions can only be held to: <ul style="list-style-type: none"> • 4.2.2.1 – Consult with attorney • 4.2.2.2 – Discuss litigation, mediation, arbitration, or administrative proceedings • 4.2.2.3 – Discuss labor or personnel issues • 4.2.2.4 – discuss contracts, leases currently being negotiated • 4.2.2.5 – prevent disclosure of confidential information about an individual 	Board President/GM	None
4.3	A gathering of the Board or committees at which Association business is not conducted shall not be deemed a meeting	Board President & Committee Chairs	None
5.1.1	SVCA may adopt an annual schedule of meetings and distribute it to members in lieu of providing notice for each individual meeting	Board President/GM	None
5.1.2	For meetings not on the annual schedule, the Board must give 14-days notice	Board President/GM	None
5.1.2.1	Notice of a meeting needed to address unforeseen events can be shortened to 7-days notice	Board President/GM	None

	Provision	Responsible	Actions Needed
5.2	If materials are given to the Board before a meeting, they must also be distributed to Owners, unless the materials are for an executive session	GM	None
5.3	All Board meetings must include an Owner comment period of at least 15 minutes	Board President/GM	None
5.3.1	Board may require Owners wishing to make a comment to sign up at the beginning of the meeting	Board President/GM	None
5.3.2	The Board may place time restrictions on Owner comments of not less than 90 seconds per Owner	Board President/GM	None
5.4	Board members may participate in a meeting virtually, but not ALL members may do so at the same meeting	Board President/GM	None
5.5	Any Board member at a meeting is presumed to assent with actions taken at that meeting unless they specifically dissent or abstain from the vote	Board Directors	None
5.6	Board members may not vote by proxy	Board Directors	None
5.7	Any action relating to the Board failing to comply with RCW 64.90.445 may not be brought more than 90 days after the minutes of the meeting are approved by the Board	Owners	None
6.1	Notice of a Board or Owner meeting must follow these rules	Board President/N&E/GM	None
6.1.1	Physical notice may be sent via USPS, private carrier, or personal delivery; telegraph or teletype; or fax. Such notice must be sent to the primary address of record for each Owner	N&E/GM	None
6.1.2	Electronic notice may be sent to any Owner who has opted in	N&E/GM	None
6.1.2.1	An Owner that has opted in to receive email may opt out	N&E/GM	None
6.1.2.2	Owners who have opted in shall be opted out if two consecutive notices bounce	GM	None
6.1.3	Dates of notice are as follows: <ul style="list-style-type: none"> 6.1.3.1 – Physical notices are effective on the date delivered by hand, delivered by fax, or deposited with the carrier 6.1.3.2.1 – email is effective the date sent 6.1.3.2.2 – notice posted to website is effective when Owners are sent instructions alerting them to the posting 	GM	None
7	SVCA may only impose reasonable restrictions on electric vehicle charging stations	ACC	None
8	SVCA may only impose reasonable restrictions on heat pumps	ACC	None
9.1	Revised collection policy (Appendix A)	GM	None

**RESOLUTION REGARDING WUCIOA-RELATED STATUTORY
AMENDMENTS WHICH BECAME EFFECTIVE ON JANUARY 1, 2026**

WHEREAS, during the 2025 session, the Washington State Legislature passed ESSB 5686 and ESSB 5129 (the “Bills”), which are applicable to community associations governed by RCW 64.90 (the “Washington Uniform Common Interest Ownership Act” or “WUCIOA”);

WHEREAS, the Bills contain certain provisions which, as of January 1, 2026 (the “Effective Date”) are applicable to community associations such as Sudden Valley Community Association (the “Association”) which are not yet governed by WUCIOA;

WHEREAS, the provisions in the Bills supersede any inconsistent provisions of a community association’s governing documents;

WHEREAS, attempting to amend the Association’s governing documents to conform with the Bills would be an expensive endeavor without corresponding benefit, given the fact that the entirety of RCW 64.90 will be effective as to the Association on January 1, 2028, and the Association intends to seek member approval of a comprehensive revision to align with RCW 64.90; and

WHEREAS, the Board of Directors desires to have its members informed about the impact of the Bills and to affirm that the Association will comply with these provisions.

NOW, THEREFORE, BE IT RESOLVED THAT, notwithstanding anything to the contrary in the Association’s governing documents, the Association will comply with the following provisions:

ARTICLE I
CONFLICTS OF LAW

1.1. **RESOLUTION OF CONFLICTS.** To the extent that any provision of WUCIOA applicable to the Association conflicts with the Washington Nonprofit Corporation Act (RCW 24.03A), the Association recognizes that the provisions of WUCIOA control.

ARTICLE II
**GENERAL PROVISIONS AFFECTING
OWNER MEETINGS AND BOARD MEETINGS**

2.1. **MINUTES.** Minutes of all Owner meetings and Board meetings, excluding executive sessions, must be maintained in a record. The decision on each matter voted upon at a Board meeting or Owner meeting must be recorded in the minutes.

2.2. **REMOTE MEETINGS.** Notwithstanding anything to the contrary in the Association’s governing documents, any meeting of the Board or the Owners may be held by telephonic, video, or other conferencing process if all of the following requirements are satisfied:

2.2.1. The meeting notice states the conferencing process to be used and provides information explaining how to participate in the conference;

2.2.2. The process provides all participants the opportunity to hear or perceive the discussion and to provide Owner comment as provided below;

2.2.3. At a Board meeting, votes shall be conducted by roll call or other verbal vote; and

2.2.4. Any person entitled to participate in the meeting shall be afforded the option of participating by telephone.

2.3 EMERGENCIES. As used in this subsection, an “Emergency” means: (A) an event or condition that constitutes: (i) an imminent threat to the health or safety of the public or residents of the Association, (ii) a threat to the habitability of units, or (iii) a risk of substantial economic loss to the Association; or (B) a state of emergency declared by a government for an area that includes the Association that constitutes: (i) an imminent threat to the health or safety of the public or residents of the Association, (ii) a threat to the habitability of units, or (iii) a risk of substantial economic loss to the Association.

2.3.1 Notice of Owner Meetings in Emergency. In an Emergency, the Board may call a meeting of the Owners to respond to the Emergency by giving notice to the Owners in a manner that is practicable and appropriate under the circumstances

2.3.2 Notice of Board Meetings in Emergency. In an Emergency, the Board may call a Board meeting to respond to the Emergency by giving notice to the Owners and Board members in a manner that is practicable and appropriate under the circumstances. A quorum is not required for a meeting of the Board under this subsection. After giving notice under this subsection, the Board may take action by vote without a meeting.

2.3.3 Necessary Board Actions. In an Emergency, the Board may, without regard to limitations in the governing documents, take action it considers necessary, as a result of the Emergency, to protect the interests of the Owners and other persons holding interests in the Association, acting in a manner reasonable under the circumstances. The Board can use funds of the Association, including reserves, to pay the reasonable costs of any action taken under this subsection. If the Board determines, by a two-thirds vote under this subsection, that a special assessment is necessary:

2.3.3.1 The special assessment becomes effective immediately or in accordance with the terms of the Board vote; and

2.3.3.2 The Board may spend funds paid on the special assessment only in accordance with action taken by the Board.

2.3.4 Notice of Action. After taking any action under this Section 2.3, the Board shall promptly notify the Owners of the action in a manner that is practicable and appropriate under the circumstances.

ARTICLE III OWNER MEETINGS

3.1. **OWNER COMMENT PERIOD.** Owners shall be given a reasonable opportunity at any annual or special meeting to comment regarding any matter affecting the condominium or Association.

3.2. **LOCATION AND REMOTE PARTICIPATION.** The Notice for any meeting to be held at a physical location may notify the Owners that they may participate remotely in the meeting by a means of communication described in the Remote Meetings provision herein.

3.2.1. A meeting of Owners is not required to be held at a physical location if the meeting is conducted in accordance with the Remote Meeting provisions herein.

3.3. **ANNUAL OWNERS MEETING.** The Association shall provide notice to the Owners of the time, date, and place of each annual Owners meeting not less than fourteen (14) days and not more than fifty (50) days before the meeting date. Notice may be by any means described in RCW [64.90.515](#). The notice of any meeting must state the time, date, and place of the meeting and the items on the agenda, including:

3.3.1. The text of any proposed amendment to the Declaration or organizational documents, as those terms are defined in RCW 64.90; and

3.3.2. Any proposal to remove a Board member or, if the Declaration or organizational documents provide for the election of officers by the Owners, any proposal to remove an officer.

3.4. **SPECIAL OWNER MEETINGS.** A special meeting of the Owners shall be called to address any matter affecting the Association if the President, a majority of the Board, or Owners having at least twenty percent (20%) (or any lower percentage specified in the Governing Documents of the Association) of the votes in the Association request that the Secretary call the meeting. The request shall be made in compliance with procedures set forth in the Association's governing documents.

3.4.1. **Notice of Special Meeting.** The Association shall provide notice to all Owners of the time, date, and place of each special Owners meeting not less than fourteen (14) days and not more than fifty (50) days before the meeting date. Notice may be by any means described in RCW [64.90.515](#). The notice of any meeting must state the time, date, and place of the meeting and the items on the agenda, including:

3.4.1.1. The text of any proposed amendment to the Declaration or organizational documents; and

3.4.1.2. Any proposal to remove a Board member or, if the Declaration or organizational documents provide for the election of officers by the Owners, any proposal to remove an officer.

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3.4.2. Failure of Association to Provide Notice—Alternative Notice. If the Association fails to provide notice to Owners of a special meeting within thirty (30) days after the requisite number or percentage of Owners request the Secretary to call such meeting, the Owners requesting the special meeting may directly provide notice to all Owners of the meeting.

3.4.3. Action Prohibited on Items Not Appearing on Agenda. The Owners may discuss at a special meeting any matter not described in the notice of the Special Meeting but may not take action on the matter without the consent of all Owners in the Association.

ARTICLE IV

PROVISIONS APPLICABLE TO BOARD MEETINGS AND MEETINGS OF COMMITTEES AUTHORIZED TO ACT FOR THE BOARD (“EMPOWERED COMMITTEES”)

4.1 OPEN MEETINGS. Meetings must be open to the Owners except during executive sessions; provided, however, the Board may expel or prohibit attendance by any person who, after warning by the chair of the meeting, disrupts the meeting.

4.2 EXECUTIVE SESSIONS. The Board and Empowered Committees may hold an executive session only during a regular or special meeting of the Board or committee.

4.2.1 A final vote or action may not be taken during an executive session.

4.2.2. Executive Sessions may only be held in order to accomplish the following:

4.2.2.1. Consult with the Association’s attorney concerning legal matters;

4.2.2.2. Discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;

4.2.2.3. Discuss labor or personnel matters;

4.2.2.4. Discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or

4.2.2.5. Prevent public knowledge of the matter to be discussed if the Board or committee determines that public knowledge would violate the privacy of any person.

4.3 GATHERINGS. A gathering of members of the Board or of an Empowered Committee at which the Board or Empowered Committee members do not conduct Association business shall not be deemed a meeting of the Board or Empowered Committee. Board members and Empowered Committee members may not use incidental or social gatherings to evade the open meeting requirements herein.

ARTICLE V BOARD MEETINGS

5.1. NOTICE OF BOARD MEETINGS.

5.1.1. **Schedule of Regular Meetings.** The Association may adopt, by resolution, a schedule of meetings for the year ("Board Meeting Schedule"). The resolution establishing the Board Meeting Schedule will identify the meeting dates, times and location. The Board Meeting Schedule will be posted on the Association's website (if applicable) or distributed to the members. If a meeting is listed in the Board Meeting Schedule, separate notice of the meeting is not required.

5.1.2. **Notice.** For any meeting not listed on the Board Meeting Schedule, the Board must provide notice of such Board meeting to each Board member and to the Owners. Except as provided below, notice must be given at least fourteen (14) days before the meeting and must state the time, date, place, and agenda of the meeting.

5.1.2.1. **Notice for Meetings to Deal with Unforeseen Events.** Notwithstanding anything to the contrary, notice of a meeting to address an event or condition that could not have been reasonably foreseen and for which it is impracticable to provide fourteen (14) days' notice must be given at least seven (7) days before the meeting and by means of electronic communication to Owners whose electronic address or phone number is known to the Association.

5.2. **BOARD MATERIALS.** If any materials are distributed to the Board before a Board meeting, the Board must make available to the Owners copies of those materials, except for unapproved minutes or materials that are to be considered by the Board in executive session.

5.3. **OWNER COMMENT PERIOD.** The agenda for each Board meeting shall provide for an Owner Comment Period of at least fifteen (15) minutes immediately following approval of the agenda and before the Board addresses any substantive matters on the agenda. During the Owner Comment Period, Owners will be provided a reasonable opportunity to comment regarding matters affecting the community or Association, including but not limited to matters set forth on the agenda for Board action.

5.3.1. To facilitate an orderly progression of speakers during the Owner Comment period, the Board may require Owners who wish to offer comment to sign in on a signup sheet prior to commencement of the meeting.

5.3.2. The Board may place reasonable time restrictions on each Owner's comments of not less than ninety (90) seconds per Owner per unit; provided, however, that if more than ten (10) Owners wish to comment, the time per Owner per unit may be reduced and allocated equally.

5.4. **REMOTE PARTICIPATION OF BOARD MEMBERS ALLOWED.** Notwithstanding any conflicting provision in the governing documents, fewer than all Board members may participate in any regular or special meeting by, or conduct a meeting through the use of, any means of communication by which all Board members participating can hear each other during the

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meeting. A Board member participating in a meeting by these means is deemed to be present in person at the meeting.

5.5. **ASSENT PRESUMED.** Any Board member who is present at a Board meeting at which any action is taken is presumed to have assented to the action taken unless the Board member's dissent or abstention to such action is lodged with the person acting as the Secretary of the meeting before adjournment of the meeting or provided in a record to the Secretary of the Association within fifteen (15) minutes after adjournment of the meeting. Any Board member who voted in favor of such action forfeits the right to dissent or abstain.

5.6. **PROXY AND ABSENTEE VOTING.** A Board member may not vote by proxy or absentee ballot.

5.7. **CHALLENGES TO BOARD ACTIONS.** Any action seeking relief for failure of the Board to comply with RCW 64.90.445 may not be brought more than ninety (90) days after the minutes of the Board of the meeting at which the action was taken are approved or the record of that action is distributed to Owners, whichever is later. For purposes of this section, posting the minutes online shall be deemed "distribution" to the Owners.

ARTICLE VI **NOTICE**

6.1. **NOTICE.** When "notice" of a Board meeting or Owners' Meeting is to be given, notice shall comply with this Article VI.

6.1.1. **Physical Notice.** Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or wireless equipment that transmits a facsimile of the notice. Such notice must be addressed to the unit address unless the Owner or occupant has requested, in a record delivered to the Association, that notices be sent to an alternate address or by other method allowed by this section and the governing documents.

6.1.2. **Electronic Notice.** Notice may be provided in an electronic transmission to any Owner or Board member who has provided consent (by electronic means or in a tangible medium), to receive electronically transmitted notices and have designated in such consent the address, location, or system to which such notices may be electronically transmitted.

6.1.2.1. An Owner or Board member who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association in a tangible medium or electronically.

6.1.2.2. The consent of Owner or Board member to receive electronic notices is automatically revoked if the Association is unable to electronically transmit two (2) consecutive notices, and this inability becomes known to the Secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.

6.1.3. **Effective Date of Notice.** Notice is effective as follows:

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6.1.3.1. Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when sent by fax.

6.1.3.2. Notice provided in an electronic transmission is effective as of the date it:

6.1.3.2.1. Is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or

6.1.3.2.2. Has been posted on an electronic network and a separate record of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network.

ARTICLE VII

ELECTRIC VEHICLE CHARGING STATIONS

7.0. DEFINITIONS FOR ARTICLE 7. The following definitions apply throughout this Article VII unless the context clearly requires otherwise.

7.0.1. “Designated parking space” means a parking space that is specifically designated for use by a particular Owner, including a garage, a deeded parking space, and a parking space in a limited common element that is restricted for use by one or more Owners.

7.0.2. “Electric vehicle charging station” means a station that delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An EV Charging Station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles.

7.0.3. “Reasonable restriction” means a restriction that does not significantly increase the cost of an EV Charging Station or significantly decrease its efficiency or specified performance.

7.1. RESTRICTIONS ON CHARGING STATIONS. The Association shall not adopt or enforce a restriction, covenant, condition, bylaw, rule, regulation, or other provision of a governing document, or master deed provision that:

7.1.1. Effectively prohibits or unreasonably restricts the installation or use of an electric vehicle charging station (“EV Charging Station”) in compliance with this Article VII which is for the personal, noncommercial use of a unit and which is located within the boundaries of the Owner’s Unit or designated parking space; or

7.1.2. Conflicts with the provisions of RCW 64.90.513. To the extent that the governing documents already contain such restrictions, they are deemed invalid and unenforceable by the Association.

7.2. REASONABLE RESTRICTIONS PERMISSIBLE. The Association may impose reasonable restrictions on EV Charging Stations.

7.3. **APPLICATION PROCESS.** The Association will not require an Owner to submit an application for approval for installation of an EV Charging Station located within an Owner's Unit. If an Owner desires to install an EV Charging Station outside of the Owner's Unit, the Owner must submit an application for approval.

7.4. **EV CHARGING STATION ON COMMON ELEMENTS.** If the Association installs an EV Charging Station in the common elements for the use of all Owners, the Association will adopt appropriate terms of use for the charging station.

ARTICLE VIII
HEAT PUMPS
(Reference: RCW [64.90.580](#))

8.0. **DEFINITIONS FOR ARTICLE 8.** The following definitions apply throughout this Article VIII unless the context clearly requires otherwise.

8.0.1. "Heat pump" means a heating or refrigerating system used to transfer heat. The heat pump condenser and evaporator may change roles to transfer heat in either direction. By receiving the flow of air or other fluid, a heat pump is used to cool or heat.

8.0.2. "Reasonable restriction" means a restriction that does not significantly increase the cost of a heat pump or significantly decrease its efficiency or specified performance.

8.1. **RESTRICTIONS ON HEAT PUMPS.** The Association shall not adopt or enforce a restriction, covenant, condition, bylaw, rule, regulation, or other provision of a governing document, or master deed provision that:

8.1.1. Effectively prohibits or unreasonably restricts the installation or use of a Heat Pump ("Heat Pump") in compliance with this Article VIII which is for the personal use of an Owner and which is located within the boundaries of the Owner's unit; or

8.1.2. Conflicts with the provisions of RCW 64.90.580. To the extent that the governing documents contain such restrictions, they are deemed invalid and unenforceable by the Association.

8.2. **REASONABLE RESTRICTIONS PERMISSIBLE.** The Association may impose reasonable restrictions on Heat Pumps. No Heat Pump may be installed on common elements without approval of the Board, which shall not be unreasonably withheld.

8.3. **APPLICATION PROCESS.** The Association will not require an Owner to submit an application for approval of a Heat Pump within an Owner's Unit. If an Owner desires to install a Heat Pump outside of the Owner's Unit, the Owner must submit an application for approval before installing it.

8.3.1. Applications will be processed and approved in the same manner as an application for approval of an architectural modification.

8.3.2. The Association will provide written approval or denial of an application. The Association will not willfully avoid or delay approval.

8.3.3. If the Association does not provide written denial of the application within sixty (60) days from the date of receipt of the application, the application is deemed approved, unless the Association's delay is the result of a reasonable request for additional information.

8.3.4. The Association may charge a fee for processing the application to the same extent it charges a fee for processing applications for approval of architectural modifications. However, no fee will be assessed or charged to the Owner for the placement of a Heat Pump.

8.3.5. An application will be approved for any proposed installation of a Heat Pump within the boundaries of a unit or in a designated parking space if the installation is reasonably possible and the Owner agrees in writing to:

8.3.5.1. Comply with the Association's reasonable architectural standards applicable to the installation of the Heat Pump;

8.3.5.2. Engage a heating, ventilation, and air conditioning (HVAC) contractor familiar with the standards for the installation of heat pumps to assess the existing infrastructure necessary to support the proposed Heat Pump, identify additional infrastructure needs, and install the heat pump; and

8.3.5.3. Comply with RCW 64.90.580.

8.3.6. **Compliance with Laws and Codes.** An Owner must obtain any permit or approval for a Heat Pump as required by the local government in which the Association is located and comply with all relevant building codes and safety standards.

8.3.6.1. A Heat Pump must meet all applicable health and safety standards and requirements imposed by national, state, or local authorities, and all other applicable zoning, land use or other ordinances, building codes, or land use permits.

8.3.7. **Installation and Removal.** Unless otherwise agreed to by written contract with the Association, an Owner is solely responsible for the costs of installing a Heat Pump.

8.3.7.1. If the Owner decides to remove the heat pump, costs for the removal and the restoration of the common elements or limited common elements after the removal shall be solely borne by the Owner.

8.3.7.2. Owner must remove the Heat Pump at Owner's sole expense if reasonably necessary for the Association to conduct inspection, repair, maintenance, or replacement of the common elements or limited common elements.

**ARTICLE IX
COLLECTION OF ASSESSMENTS**

9.1. **COLLECTION POLICY.** In order to comply with applicable law, including but not limited to the Bills referenced in the recitals, the Collection Policy attached as Appendix A is hereby adopted by the Association as of the Effective Date. This Collection Policy supersedes and replaces any existing collection policy or practices.

**ARTICLE X
EFFECTIVE DATE**

10.1. All provisions of this resolution shall be effective as of the Effective Date set forth in the Recitals.

ADOPTED this _____ day of _____, 2026 by a majority of the Board of Directors.

Name: _____
Title: _____

Name: _____
Title: _____

Name: _____
Title: _____

Name: _____
Title: _____

Name: _____
Title: _____

Name: _____
Title: _____

Name: _____
Title: _____

Name: _____
Title: _____

Name: _____
Title: _____

APPENDIX A

COLLECTION POLICY

**COLLECTIONS POLICY
(Effective January 1, 2026)**

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The collection process for assessments under RCW 64.90, which is part of the Washington Uniform Common Interest Ownership Act ("WUCIOA"), involves several steps to ensure proper enforcement and recovery of delinquent assessments up until the matter is referred to an attorney to commence a judicial foreclosure action. Here is an outline of the process:

1. Assessment Notice.

1.1. The Association must provide notice to Owners regarding the assessments due. This includes regular assessments and any special assessments that may be levied. An Association's governing documents will generally dictate how often assessments are issued, when payments are due, and when they begin to accrue interest on overdue amounts.

2. First Delinquency Notice.

2.1. If an Owner fails to pay the assessment by the due date, and the Association must mail a notice of delinquency to the lot ("unit") address and any other address that the owner has provided to the Association, and by e-mail if the Owner's electronic address is known to the Association. This notice typically includes the amount owed, any late fees, and the consequences of continued non-payment.

2.2. The notice of delinquency must contain the statutory language set forth under RCW 64.90.485(21)(a). A template is attached to this policy.

2.3. The notice must be provided in English and any other language indicated as a preference for correspondence by an Owner.

3. Fifteen (15)-Day Hold on Enforcement Process After First Notice.

3.1. The Association must wait fifteen (15) days after providing the First Notice of Delinquency before taking any other action to collect or charge any costs related to collection except costs of printing and mailing the notice, an administrative fee of no more than Ten Dollars (\$10.00), and a single late fee of no more than Fifty Dollars (\$50.00) or five percent (5%) of the amount of the unpaid assessment, whichever is less.

4. Notice to Secured Interest.

4.1. If a unit is subject to a security interest (e.g., mortgage), and the Association would like to maintain priority to recover some of its actual costs and reasonable attorneys' fees for judicially foreclosing on a lien (maximum of Two Thousand Dollars (\$2,000.00)), the Association must mail a written notice to the security interest holder at least sixty (60) days prior to commencing a lien foreclosure action. The notice must contain:

- (1) The name of the borrower;
- (2) Recording date of the trust date or mortgage;
- (3) Recording information;

(4) Name of condominium, Owner, and unit designation stated in the declaration or applicable supplemental declaration;

(5) Amount of unpaid assessment; and

(6) A statement that failure, within sixty (60) days of the written notice, to submit to the Association payment of six (6) months of common expense assessments and any specially allocated assessments assessed under the periodic budget will result in the priority of the actual costs and reasonable attorneys' fees the Association seeks to recover. The amount may be Two Thousand Dollars (\$2,000.00) or less if the total six (6) months of common expense assessments and any specially allocated assessments are less than Two Thousand Dollars (\$2,000.00).

5. Second Notice of Delinquency.

5.1. Sixty (60) days after the mailing of the first notice delinquency, a second notice must be sent in the same manner with the same statutory language in the first notice of delinquency.

6. Litigation Guarantee.

6.1. After mailing a second notice of delinquency, but before a lawsuit is filed, a litigation guarantee should be ordered through a title company. The litigation guarantee will generally be completed within five to seven days of ordering. The litigation guarantee provides a list that may include mortgage interests, contractors or mechanic's liens, recorded judgment liens, information on easements, covenants, or restrictions that impact the use and occupancy of the property, and the status of property taxes.

6.2. A litigation guarantee is a specialized title insurance policy that identifies all parties that have a recorded interest in the property and shows the priority of those recorded interests. Every party that should be included in a lawsuit is identified, ensuring any judgment awarded is enforceable against all proper parties. It also protects the Association from claims made by unknown parties because it discloses all potential claimants. If a party is not listed on the litigation guarantee but attempts to bring a claim after the lawsuit is resolved, the Association can ask the title company who issued the litigation guarantee to defend against the new party's claim.

7. Lien Imposition.

7.1. An association may impose a lien on the unit for the unpaid assessments. This lien includes the amount of the delinquent assessment, late fees, interest, and any costs associated with the collection process, including reasonable attorneys' fees.

8. Enforcement.

8.1. The association can enforce the lien through various means, including foreclosure. This involves legal proceedings to recover the amount owed by selling the unit.

9. **Recovery of Costs.**

9.1. Most associations, pursuant to their governing documents, are generally entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in a suit being commenced or prosecuted to judgment.

10. **Foreclosure Mediation Program (RCW Chapter 61.24).**

10.1. A housing counselor or any attorney may submit a written request for mediation on behalf of an Owner to an association regarding assessment charges and delinquency at any point in the period of delinquency up to ninety (90) days prior to the judicial foreclosure sale date. If the Association receives the request, the Association must meet and confer with housing counselor or attorney and the Owner within thirty (30) days or at a later date if mutually agreed to. During the meet and confer session, the Association and the Owner must address the issues which led to the delinquency, which may enable the Owner and the Association to reach a resolution including, but not limited to, a delinquent assessment payment plan, waiver of Association imposed late fees or attorneys' fees, modification of a delinquent assessment, modification of late fees or charges associated with a delinquent assessment, or any other workout plan.

10.2. Prior to the mediation, the Association must provide an itemized ledger for the preceding twelve (12) months, a copy of all Association liens placed against the property, and copies of the Association's current declarations, bylaws, and any other governing documents. After receiving receipt of the Association's documents, the Owner shall provide to the mediator and the Association the following documents: (i) evidence of any Owner payments to the association that are not reflected in the association ledger, if any; (ii) a statement of hardship, if relevant; and (iii) if the Owner is interested in a payment plan, a proposed schedule of payments to resolve the arrears.

10.3. The parties are responsible for their own attorney fees during the meet and confer and mediation processes. Legal representation is not required at the mediation.

10.4. At the mediation, the Association must designate a representative who can with adequate authority to fully settle, compromise, or otherwise reach a resolution with the borrow.

11. **Commencement of Foreclosure Action on Lien.**

11.1. If the First and Second Notices of Delinquency have been issued to the Owner, an association may commence an action to foreclose a lien on a unit when approved by the Board *and* the Owner owes at least:

(1) Three (3) months or more of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the Association in connection with the collection of a delinquent Owner's account; *or*

(2) Two Thousand Dollars (\$2,000.00) of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the Association in connection with the collection of a delinquent Owner's account; *and*

(3) It has been at least ninety (90) days since that amount has been due on the account.

12. **Template First/Second Notice of Delinquency Notice.**

12.1. See attached.

TEMPLATE FIRST/SECOND NOTICE OF DELINQUENCY

**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS
FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.
THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOU LOSING YOUR
HOME.**

**CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON
NOW** to assess your situation and refer you to mediation if you could benefit. **DO NOT DELAY.**

BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission:

Telephone: 877-894-4663

Website:

http://www.dfi.wa.gov/consumers/homeownership/post_purchase_counselors_foreclosure.htm

The United States Department of Housing and Urban Development:

Telephone: 800-569-4287

Website:

<http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=WA&filterSvc=dfc>

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys:

Telephone: 800-606-4819

Website: <https://nwjustice.org/what-clear>



Sudden Valley Community Association
 360-734-6430
 4 Clubhouse Circle Bellingham, WA 98229
www.suddenvalley.com

APPROVAL REQUEST MEMO

To: Sudden Valley Community Association Board of Directors
From: Allen Helvajian, Compliance Manager
Date: February 12, 2026
Subject: Approval of ACC Policy Revisions

Purpose

To receive approval for the proposed amendments to SVCA's current Architectural Control Committee Policies.

Background

SVCA's current ACC Policies were last updated and released on January 1, 2025. Since then, the group of people working with these policies on a daily basis have identified sections of the document that lack clarity, include inconsistencies, or are out-of-date with current construction practices. Additionally, some changes have been made to reflect that most lots currently being developed are challenging in some way, with steep slopes, wetlands requirement, or other elements requiring workarounds.

To assist you in reviewing the proposed changes, we have prepared the attached table listing each section and the reason for, or description of, the revision.

The ACC Chair, the ACC Inspector, the SVCA Compliance Manager, the Maintenance and Facilities Manager, and the General Manager have all reviewed the document and the proposed changes. We feel confident that these changes will improve the quality of this document as a reference for homeowners and builders and will also help to better protect the unique environment of Sudden Valley.

Proposal

I recommend that the SVCA Board of Directors approve the proposed revisions to the ACC Policies document.

Motion

Move that the SVCA Board of Directors approve the proposed revisions to the ACC Policies document.

Approvals

Approved: _____ Not Approved: _____ SVCA Board of Directors

Signed: _____ Date: _____

Keith McLean, SVCA Board President

Add to Definitions, page 7

Add "Quarry Spalls" to the ACC Policy, V.5, Definitions page 7.	
Nothing exists today	Proposed text: Quarry spalls are angular, fractured rock fragments, typically 2–4 inches in size, produced from crushed, durable rock like basalt. Due to their weight, density, and interlocking nature, they are ideal for stabilizing muddy construction entrances, creating solid road bases, lining drainage ditches, and controlling soil erosion.
Add "BMPs" to the ACC Policy, V.5, Definitions page 7.	
Nothing exists today	Best Management Practices, or "BMPs", refer to a variety of methods and practices used to manage stormwater runoff effectively. These practices aim to reduce runoff volume, prevent erosion, and improve water quality by filtering pollutants. BMPs can be structural (physical installations) or non-structural (procedural or behavioral changes).

Reword 14.6.1 Minimum Living Space	
Current text: 14.6.1 Minimum Interior Living Space: For all new construction, a minimum finished interior footprint of one thousand (1,000) SF is required. Total interior finished living space across all floors must total 1,000 SF or more. Carports are discouraged. Variances to this requirement may be allowed for special circumstance.	Proposed text: 14.6.1 Minimum Interior Living Space: For all new construction, a minimum finished interior area of one thousand (1,000) SF is required. Carports do not count towards the total area calculation, though variances to this requirement may be allowed for special circumstance."

Stumps – Section 14.7.5 Inspections, Section a)	
Current text: "No soil disturbance shall occur until this inspection has been done."	Proposed text: "Soil disturbance, (including stump removal), prior to the completion of this inspection shall be limited only to that necessary for the installation of BMPs."

Section 14.7.3 Erosion / Environmental Impact Control, Section d)	
Current text: "Installation of a construction entrance surfaced with quarry spall is required."	Proposed text: "Installation of a construction entrance surfaced with quarry spall is required. If a construction entrance is not possible, additional BMPs to prevent track-out are required." Alternate suggestions to prevent track out may be found in the Department of Ecology Storm Water Manual.

Guide to creating erosion resistant ditches

The best way to reduce erosion in our ditches is to keep the grade of the ditch under 5%. Where possible, we encourage the use of grass lined ditches.

Often the grade of ditches in Sudden Valley must exceed 5%. If the ditch is steeper than 5% it is advisable to line the ditch with quarry spalls to prevent erosion.

Lining the ditch with quarry spalls slows water down and reduces scouring. Quarry spalls can also be piled to create a check dam, which encourages suspended sediment to drop out of the runoff. This reduces the amount of sediment ending up into our waterways and encourages vegetation to grow.

