

STANDARD CONTRACT GENERAL CONDITIONS

- A. Subcontractors and Lien Releases.** Contractor shall, upon request of Owner, provide a list of all subcontractors and suppliers of Contractor. Owner may request partial lien releases for all partial payments and a final lien release for the final payment to each subcontractor.
- B. Scheduling.** Owner shall give Contractor advance notice of anticipated starting date for Contract Work. Contractor shall start Work on the date agreed to by Owner and Contractor and shall complete the several portions and the whole of the Work herein described at such times as reasonably specified by the Owner in order to allow Owner to timely complete the Project. Contractor shall cooperate with Owner and other contractors hired by Owner to coordinate Work with other Contractors.
- C. Payment.** Contractor shall receive progress payments on a monthly basis for Work approved by Owner and all materials to be used on the Project which have been stored on site by Contractor. Contractor shall make applications for payment on a monthly basis by submitting a bill by the _____ day of the month (the fifth (5th) day of the month if not so stated). Applications for payment submitted by the Contractor shall indicate the percentage of completion of each portion of the Contractor's Work as of the end of the period covered by the application for payment. Contractor shall be paid for Work completed to date from Owner's last progress billing date. Owner shall withhold 5% retention from each progress payment. Retainage shall be paid within ___ days after the latest of the following: (i) Owner's approval of completion of the Work, (ii) close out of all paperwork required herein and (iii) receipt of required lien releases.

The Owner shall pay the approved amounts within _____ days (thirty (30) days if not so stated) of the date on which the application for payment is received.

Final payment for Work under this Contract shall be made within _____ days (thirty (30) days if not so stated) after Owner has approved the completion of the Work and Contractor has fulfilled each of its obligations under this Contract. As a prerequisite for any payment, Contractor shall provide, in a form satisfactory to Owner, partial lien releases, claim waivers and affidavits of payment from Contractor and its lower-tier subcontractors and suppliers of any tier, for the completed portions of Contractor's Work. Before issuance of the final payment, the Contractor shall submit evidence satisfactory to Owner that all payrolls, bills for materials and equipment, and all known indebtedness connected with the Contractor's Work have been satisfied. Contractor shall provide Owner with a signed lien release before receiving final payment.

Contractor shall be entitled to payment by Owner of all undisputed amounts. In the event that the Owner disputes an amount, the Owner may withhold fifty percent (50%) of the disputed amount. Owner shall provide a written explanation of the reason for the dispute with the payment.

Owner shall be entitled, but not required, to issue two-party checks in the name of the Contractor and any of Contractor's subcontractors or suppliers, union(s) for which Contractor's employees are members, any union trust fund, medical fund or pension fund for which Contractor's employees are members.

Contractor may invoice for materials delivered to the jobsite and receive payment as outlined above. Materials delivered to the site, and not installed, shall be paid at invoice cost. Contractor shall pay its own subcontractors and suppliers all sums owed them within ten (10)

days of receipt of payment from or on behalf of Owner. Contractor agrees that no assignment of any payment otherwise due under this Contract shall be effective without first securing the express approval of any assignee to the limitations contained in this subsection.

D. Change Orders. Owner may, without invalidating this Contract, order in writing extra Work or make changes by altering, adding to, or deducting from the Work and the Contract price and time shall be adjusted accordingly. All such Work shall be executed under the conditions hereof. All Change Orders shall be in writing and signed by the Owner and Contractor. The Owner shall not be liable for any additional Work performed by Contractor unless such additional Work has been incorporated into a Change Order. **NO ORAL INSTRUCTIONS AUTHORIZING A CHANGE IN THE WORK, ADJUSTMENT IN THE CONTRACT SUM, MAXIMUM CONTRACT SUM, OR ADJUSTMENT IN THE CONTRACT TIME SHALL BE VALID OR BINDING ON THE OWNER.**

If additional Work has been fully accepted by Owner, payment shall be made to Contractor with the next regular payment as provided herein. Contractor acknowledges that, unless expressly stated otherwise within a written Change Order, any change in the Contract Price and Time effected through a written Change Order shall constitute full and final payment and accord and satisfaction for any and all cost incurred (including, but not limited to, home office and field overhead and profit), labor performed, material and equipment furnished, and any delay, acceleration, or loss of efficiency associated with or arising out of the change in the Work.

E. Nature of Work. Contractor has conducted a full examination of all relevant plans and specifications and is not aware of any defects or mistakes in the applicable plans and specifications that would make the Work not buildable according to the applicable plans and specifications, for the Contract Price provided herein and in the time provided for herein. Contractor has satisfied itself as to the nature and location of the Work, the character, kind and quantity of material to be encountered, the character, kind and quantity of equipment needed, the location, conditions and other matters which can in any matter affect the Work under this Contract agreement and acknowledges that Contractor has had a reasonable opportunity to examine the site.

F. Contractor Employer. Contractor has the status of "employer" as defined by the Industrial Insurance, Workers' Compensation, Unemployment Compensation, Social Security, and other similar acts of the federal, state, and local government. Contractor shall withhold from its payroll applicable Social Security taxes, Workers' Compensation and Unemployment Compensation contributions and any other lawfully required withholding and pay the same; Owner shall be in no way liable as an employer of, or on account of, any employees of Contractor.

G. Permits & Taxes. Contractor shall obtain and pay for all permits, fees, and licenses necessary for the performance of this Contract and shall pay any and all federal, state, and local taxes, applicable to the Work to be performed under this Contract. Contractor shall also be responsible for payment of state sales/use taxes applicable to the Work of Contractor.

H. Contractor Property. Materials delivered by or for Contractor and intended to be incorporated into the construction hereunder shall remain on the jobsite and shall become property of Owner upon incorporation into the Work. Contractor may repossess any surplus materials remaining at the completion of the Contract; provided, Contractor shall not charge Owner for any repossessed materials. All scaffolding, apparatus, ways, works, tools, equipment, machinery, and plans brought upon the premises by Contractor shall remain

Contractor's property. It shall be Contractor's responsibility to unload, store, and protect its property to bear the risk of loss thereof.

Materials delivered by or for Contractor and intended to be incorporated into the construction hereunder shall remain on the site and shall become property of Owner upon incorporation into the Work, but Contractor may repossess any surplus materials remaining at the completion of the contract; provided, however, Contractor shall not charge Owner for any repossessed materials. All scaffolding, apparatus, ways, works, machinery, and plants brought upon the premises by Contractor shall remain Contractor's property. It shall be Contractor's responsibility to unload, store, and protect its materials, to bear the risk of loss thereof and to protect such material against loss until actually incorporated into the Work and until the Work is accepted.

I. Default and Takeover. Upon three (3) calendar days' written notice to Contractor, Owner may terminate this Contract in whole or in part for Owner's convenience and/or at its option. Contractor's remedy for such convenience or optional termination is limited to the following: (1) payment pursuant to the terms of this Contract for all Work properly performed prior to termination; (2) partial payment for lump sum items of Work on the basis of the percent complete of such items at the time of termination; and (3) Contractor's reasonable close-out costs. In no event shall Contractor be entitled to any compensation for loss of anticipated profits or unallocated overhead on Work not performed.

Contractor shall be in default of this Contract if it refuses or fails to supply enough properly-skilled workers or materials, refuses or fails to make prompt payment to subcontractors or suppliers of labor, materials or services, fails to correct, replace, or re-execute faulty or defective Work done or materials furnished, disregards the law, ordinances, rules, regulations or orders of any public authority having jurisdiction, files for bankruptcy, or materially breaches this Contract. If Contractor fails to correct the default and maintain the corrected condition within not less than three (3) working days of receipt of written notice of the default, then Owner, without prejudice to any rights or remedies otherwise available to it, shall have the right to terminate this Contract in writing and thereafter either perform the Work itself or obtain another Contractor to perform the Work. All of the costs incurred by Owner shall be charged to Contractor and Owner shall have the right to deduct such expenses from monies due or to become due Contractor. Contractor shall be liable for the payment of any expenses incurred by Owner in excess of the unpaid balance of the Contract Price.

In the event of an emergency including, but not limited to, the imminent potential damage to persons or property requires immediate repair Owner shall be entitled to conduct such repairs without providing advance written notice of the same to Contractor. Owner shall issue written notification to Contractor of such emergency repairs within five (5) days after making such repairs. Contractor shall be solely responsible for the cost of all such emergency repairs.

If Owner's termination for default is later deemed to be wrongful, without cause, or otherwise unjustified, the parties agree that the termination automatically converts to a termination for convenience and Contractor agrees that its remedies for such wrongful termination shall be limited to those provided in the termination for convenience.

If Contractor files or otherwise becomes subject to bankruptcy proceedings, Owner and Contractor agree that any delay attendant to the assumption or rejection of the Contract by the bankruptcy Trustee or a debtor-in-possession will be prejudicial to Owner. Consequently, Contractor, to minimize delay and to mitigate damages and/or other prejudice suffered by

Owner, hereby stipulates to a notice period of ten (10) calendar days for Owner's motion to require Trustee or debtor-in-possession to assume or reject the Contract.

J. Unit Price. In the event this Contract contains unit price items, it is understood and agreed that any quantities mentioned are approximations only and subject to change as required by the Contract or as ordered and directed by Owner.

K. Material Quality. Materials condemned by Owner as failing to conform to the Contract shall, upon notice from Owner, be immediately removed by Contractor. Failure of Owner to immediately condemn any Work or materials as installed shall not in any way waive Owner's right to object thereto to any subsequent time.

L. Job Damage. Damage caused by Contractor, its subcontractors or suppliers, or any subcontractor or supplier of any tier, to Work other than its own shall be reported immediately to Owner and Contractor shall be responsible for its repair. Damage caused by Owner to Work of Contractor shall be reported immediately to Contractor and Owner shall be responsible for its repair.

M. Safety. Contractor and its subcontractors shall take all reasonably necessary safety precautions pertaining to its Work and its Work performance, including compliance with applicable laws, ordinances, regulations and orders issued by a public authority, whether federal, state, local or other, OSHA (Federal Occupational Safety and Health Administration) / DOSH (Washington State Division of Occupational Safety and Health) / WISHA (Washington Industrial Safety and Health Act), and any safety measures requested by Contractor. Contractor shall at all times be responsible for providing a safe jobsite and be responsible for the Work performance and safety of all employees, personnel, equipment and materials within Contractor's or its subcontractors' care, custody or control. Contractor and its subcontractors shall furnish all required safety equipment for its Work and ensure all of their employees and subcontractors' employees have and wear personal protective equipment in compliance with applicable OSHA/DOSH/WISHA requirements.

Contractor certifies that it and its subcontractors are registered contractors. Contractor certifies that it and its subcontractors maintain a written Accident Prevention Plan and a Project-specific safety plan in compliance with applicable OSHA/DOSH/WISHA regulations. Contractor's Accident Prevention Plan should address subcontractor's role and responsibilities pertaining to safety on the Project, training and corrective action and be tailored to safety and health requirements for the Work involved. Contractor shall have and enforce a disciplinary action schedule in the event safety violations are discovered. When and as requested by Owner, Contractor shall provide information regarding safety matters.

Contractor shall promptly provide Owner with written notice of safety hazard(s) or violation(s) found on the Project or of any injury to its or its subcontractors' workers incurred on the Project.

Contractor agrees to defend, indemnify and hold Owner harmless from all OSHA/DOSH/WISHA claims, demands, proceedings, violations, penalties, assessments or fines that arise out of or relate to Contractor's failure to comply with any safety-related laws, ordinances, rules, regulations, orders or its obligations hereunder. Owner may charge against the sums otherwise owing to Contractor the Amount of the fine and the fees, costs and expenses incurred by Owner in the defense of the claims, citation and/or fine arising from or relating to the Contractor's above-referenced failure.

N. Housekeeping and Cleanup. Contractor shall regularly remove all refuse, waste and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with free access to the Project or creates a safety hazard. Avoidance of safety hazards through good housekeeping is an important part of Contractor's obligations. In the event Contractor or its subcontractor fails or refuses to meet these requirements, Owner may remove refuse and charge all costs to the Subcontract, provided that Contractor has received twenty-four (24) hours or one (1) full working day, whichever is greater, prior written notice. In the event Owner determines emergency conditions exist, Owner may proceed as above without prior notice.

Contractor shall comply with all applicable hazardous waste regulations under federal, state or local laws. Contractor shall provide Owner with all Safety Data Sheets ("SDS") for any and all hazardous substances covered under all applicable laws before commencing Work, and all SDS shall comply with OSHA's Hazard Communication Standard. Contractor shall, prior to commencing Work, inform Owner of its intent to use any hazardous substances at the Project and shall continuously update Owner of any new hazardous substance brought to the Project during performance of the Work. Failure to comply with this paragraph may result in fines and damages being assessed to Contractor. Contractor shall defend, indemnify and hold Owner harmless from any and all costs and expenses, including attorneys' fees, arising from the use or discharge of any hazardous substance by Contractor at or off the Project site.

O. Release and Hold Harmless – Damage to Equipment. Contractor hereby releases, discharges and agrees to hold Owner harmless from any damage either to the Contractor's property or rented equipment which is caused in whole or in part by the negligence of Contractor, its agents, employees or subcontractors.

P. Insurance. Contractor shall obtain and keep in force during the term of this Contract and the applicable Statutes of Repose and Limitations period, commercial general liability insurance with dollar limits and coverage equal to, or greater than the types and amounts of coverage noted at the front of this Contract. Such insurance shall be "occurrence-based" and shall include contractual liability coverage applicable to the indemnity provisions of this Contract and "completed operations" coverage. Contractor shall furnish to Owner evidence of this insurance including the provision regarding notice of cancellation or reduction in coverage. Such evidence of insurance shall be in the form of an Insurance Certificate issued by an insurer satisfactory to Owner and shall provide for not less than thirty (30) days prior written notice to Owner of cancellation or reduction in coverage. In the event Contractor fails to maintain any and all insurance required by this Contract during the entire life of this Contract, Owner may at its option, and without waiver of other available remedies, purchase such insurance in the name of Contractor and deduct the cost of same from payments due Contractor.

Contractor shall provide insurance that: (1) names Owner as an additional insured for liability arising out of the Contractor's Work, including completed operations losses, without qualification, limitation or reservation; (2) is endorsed to be primary and noncontributory with any insurance maintained by Owner; (3) does not contain a "cross liability" or similar exclusion that would bar coverage for claims between or among insureds; (4) contains a severability of interest provision in favor of Owner; and (5) contains a waiver of subrogation against Owner. Before commencing work, Contractor shall provide a copy of the additional insured endorsement to Owner as evidence of additional insured status.

Owner makes no representations that the required minimum amount of insurance is adequate to protect Contractor. The procuring and/or carrying of insurance shall not limit Contractor's obligation or liability pursuant to this Contract or as a matter of law.

Q. Workers' Compensation. Contractor shall furnish to Owner evidence that its workers are covered by applicable workers' compensation coverage.

R. Subcontractors. Contractor shall, upon request of Owner, provide a list of all subcontractors and suppliers of Contractor. With regard to all subcontractors retained by the Contractor, the Contractor agrees (i) to be primarily responsible for any Work performed by such subcontractor and to ensure that such Work is timely completed in the manner required herein; (ii) to ensure that invoices submitted by subcontractor comply with the requirements for invoices submitted by Contractor to Owner; (iii) that Contractor shall be solely responsible to make any necessary repairs or to perform punch-list items caused by subcontractor's Work; and (iv) to ensure that subcontractor complies with all the obligations of Contractor set forth herein and to be primarily responsible for any non-compliance. Contractor shall be solely responsible for paying subcontractor any amounts due to it. Owner may request partial lien releases for all partial payments and a final lien release for the final payment to each subcontractor. Contractor agrees to release Owner and to hold Owner harmless from any and all claims by subcontractor for payment.

S. Disputes and Back Charges. In the event of a dispute between Owner and Contractor, Contractor agrees to proceed with the Work in accordance with the requirements of this Contract, pending settlement of the dispute.

T. Indemnification. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the Owner and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to attorneys' and expert's fees, (collectively a "claim") arising out of or resulting from performance of the Contractor's Work under this Contract. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this paragraph.

Contractor's duty to indemnify Owner shall not apply to liability for damages arising out of claims caused by or resulting in whole from the negligence of Owner or its agents or employees. Contractor's duty to indemnify Owner for liability for damages arising out of claims caused by or resulting from the concurrent negligence of: (a) Owner, its agents or employees, and (b) Contractor, its agents, employees and lower-tier subcontractors or suppliers of any tier shall apply only to the extent of negligence of Contractor, its agents, employees and lower-tier subcontractors or supplier of any tier.

CONTRACTOR SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY THAT MAY BE GRANTED IT UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW. FURTHER, THE INDEMNIFICATION OBLIGATION UNDER THIS CONTRACT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD PARTY UNDER WORKERS' COMPENSATION ACTS, DISABILITY BENEFITS ACTS, OR OTHER EMPLOYEE BENEFITS ACTS PROVIDED CONTRACTOR'S WAIVER OF IMMUNITY BY THE PROVISIONS OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS AGAINST CONTRACTOR BY OWNER, AND DOES NOT INCLUDE, OR EXTEND TO, ANY CLAIMS BY CONTRACTOR'S EMPLOYEES DIRECTLY AGAINST CONTRACTOR.

Contractor's Initials _____

Contractor agrees that its defense and indemnity obligations to Owner under this Contract survive any limitation imposed by any statute of repose or limitation including but not limited to RCW 4.16.300, 4.16.310, or 4.16.326, and Contractor hereby waives any and all defenses under any statute of repose or limitations. Contractor further agrees that any statute of limitation on a claim by Owner pursuant to this provision shall not begin to run until Owner discovers that Contract has breached either its duty to defend or its duty to indemnify, whichever occurs first.

U. Warranty. The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new, unless otherwise required or permitted by the Contract, that the Work of this Contract will be performed in a workmanlike manner and free from defects not inherent in the quality required or permitted, will comply with all applicable codes and regulations, will be consistent with industry standards, and that the Work will conform to the requirements of the Contract. This warranty shall be in addition to and not in limitation of any other warranty or remedy required by law or the Contract. This warranty shall extend for the longer of the period of (i) the warranty normally given by Contractor for the Work in its ordinary course of business, (ii) the warranty period set forth in the Quote or other documents sent to Owner, or (iii) one (1) year from the date of substantial completion of the Work or occupancy of the Project by Owner, whichever occurs first. The warranty shall not apply to any damage or loss to the Work occasioned by Owner's failure to perform ordinary and reasonable maintenance during the warranty period or any written notice of defects received after the one (1) year period. Owner shall promptly notify Contractor in writing of all warranty claims and allow Contractor reasonable access to the Project to correct or repair the Work.

V. Contract Controls. Except for the Scope of Work and Warranty provisions specifically incorporated herein by the Contract, any terms or conditions attached to or incorporated into Contractor's proposal, quote, or other document shall not apply to the Contract. The Contract shall be solely and exclusively governed by the terms and conditions set forth in the Contract and these Standard Contract General Conditions.

W. Wage and Other Payments. Contractor shall comply with all state and federal wage laws and, upon request, provide proof of the same to Owner. In addition, if Contractor's employees are members of a union, then Contractor shall pay when due all obligations due under the collective bargaining agreement or other agreement, including but not limited to, medical benefits, dental benefits, pension benefits and the like.

X. Notices. All notices, demands, requests, consents and approvals which may or are required to be given by any party to any other party hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, emailed, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to the address provided in this Contract or to such other address as either party hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Electronic transmission of any signed original document and retransmission of any signed electronic transmission shall be the same as delivery of an original document.

Y. Claims. As a condition precedent to any right to recover for any instances of interruption, disruption, extra work, additional work, changed work, delay, hindrance and/or

efficiency loss of any nature whatsoever in Contractor's Work (collectively "Impact"), believed by Contractor to be caused by the acts or omissions of Owner, Architect/Engineer or the employees or agents of any of them, Contractor must provide written notice to Owner in the manner required by this Contract within five (5) days after occurrence of the Impact. Such written notice shall identify the cause of the Impact, the party Contractor believes is responsible for the Impact, and a rough order of magnitude as to the extra cost and/or time resulting from the Impact. FAILURE OF CONTRACTOR TO PROVIDE TIMELY WRITTEN NOTICE, AS PROVIDED IN THIS PARAGRAPH, SHALL RESULT IN AN ABSOLUTE WAIVER AND FORFEITURE OF CONTRACTOR'S RIGHT TO RECOVER ANY ADDITIONAL COST OR TIME RESULTING FROM THE IMPACT.

In the event Contractor believes it is entitled to receive compensation and/or time due to damages from Impact(s), Contractor's Statement of Claim (setting forth in detail the entitlement and quantum basis for Contractor's claim with supporting data and/or the entitlement basis to support an extension of time) shall be delivered to Owner within fifteen (15) days of its Written Notice of Impact, or within sufficient time to allow Owner to comply with the notice and claim requirements of the Main Contract (whichever is sooner). FAILURE OF CONTRACTOR TO TIMELY PROVIDE ITS STATEMENT OF CLAIM FOR AN INCREASE IN THE CONTRACT AMOUNT OR FOR AN EXTENSION OF TIME SHALL RESULT IN AN ABSOLUTE WAIVER OF CONTRACTOR'S CLAIM AND ANY RIGHT TO RECOVER ADDITIONAL COST OR TIME RESULTING FROM THE IMPACT.

Owner does not waive the requirement for timely written notice and/or timely written submission of the Statement of Claim unless Owner's waiver is unequivocal, explicit, and in writing.

Z. Mediation. Claims, disputes, or other matters in controversy arising out of or related to this Contract, except those waived, shall be subject to mediation as a condition precedent to the institution of legal or equitable proceedings by either party. This requirement may be waived by Owner.

AA. Arbitration / Litigation. At Owner's sole option, all claims, disputes, and other matters in question between Contractor and Owner arising out of, or relating to, this Agreement shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining or by an arbitrator mutually agreed upon by the parties. In the event of arbitration, Contractor and Owner agree to be bound by the findings and award of such arbitration finally and without recourse to any court of law other than for the enforcement of the arbitrator's decision. If the Owner does not select Arbitration as the means of dispute resolution, all claims, disputes and other matters in question between Contractor and Owner arising out of, or relating to, this Agreement shall be decided by an action filed exclusively in the Superior Court of Whatcom County, Washington. The substantially prevailing party in any arbitration or litigation shall be entitled to an award of its attorneys' fees, costs and expert fees.

BB. Governing Law. This Agreement and the right of the parties hereto shall be governed by and construed in accordance with the laws of the State of Washington and the parties agree that in any such action venue shall lie exclusively in Whatcom County, Washington, regardless of where the Project is located. Both parties expressly waive their right to a jury trial.

CC. Amendment. No modification, termination or amendment of this Contract may be made except by written Contract signed by all parties.

DD. Waiver. Failure by Owner or Contractor to insist upon the strict performance of any covenant, duty agreement, or condition of this Contract or to exercise any right or remedy consequent upon a breach thereof shall not constitute a waiver of any such breach or any other covenant, agreement, term or condition. Any waiver must be expressly made in writing and signed by the waiving party.

EE. Severability. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

FF. Neutral Authorship. Each of the provisions of this Agreement has been reviewed and negotiated, and represents the combined work product of both parties hereto. No presumption which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

GG. Captions. The captions of this Contract are for convenience and reference only and in no way define, limit, or describe the scope or intent of this Contract.

HH. Entire Agreement. The entire agreement between the parties hereto is contained in this Agreement; and this Agreement supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction, including any proposal for services. Owner shall not be liable to Contractor or to any third party for any representations, made by any person, concerning the Work or the terms of this Agreement, except to the extent that the same are expressed in this Agreement. No modification, termination or amendment of this Agreement may be made except by written agreement signed by both parties.



December 31, 2019

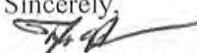
Sudden Valley Community Association
Attn: General Manager
4 Clubhouse Circle
Bellingham, WA 98229

RE: Project Scope Letter
New Maintenance Shop

PNW is providing this overall project scope letter to SVCA for building a new Maintenance Shop at Area Z including demolition of the existing Maintenance Shop. This estimate is based on a 3 page set of drawings from SVCA titled 2016 Maintenance Building Concept, and a 2 page scope letter dated 11-5-19. The scope letter is a summary by PNW of the information provided by SVCA Maintenance Staff. The estimate to complete this project is:

Design	
- Survey Allowance	\$8,000
- Civil Engineering & Stormwater Design Allowance	\$15,000
- Geotechnical Allowance	\$5,000
- Structural Engineering – Kingworks Structural Engineers – Estimate	\$6,700
- Architect – Carletti Architects P.S. – Estimate	\$18,125
- Electrical Engineer Allowance	\$7,500
- Mechanical Engineer Allowance	\$5,000
- Construction Manager – PNW Services, Inc. – Estimate	\$13,500
Total Design Estimate	\$78,825
Permitting	
- Construction Manager – PNW Services, Inc. – Estimate	\$19,440
- Building Permit Fee Allowance	\$15,000
- Other Permits Fee Allowance	\$10,000
Total Permitting Estimate	\$44,440
Construction	
- Sitework & Utilities Allowance	\$100,000
- Foundation & Building – Carletti Architects Estimate	\$1,027,000
- Demolition of existing maintenance shop – Allowance	\$50,000
- Construction Manager – PNW Services, Inc. – Estimate	\$59,940
Total Construction Estimate	\$1,236,940
Subtotal	\$1,360,025
Contingency Allowance at 15%	\$204,031
Total Estimated Project Cost with Contingency	\$1,564,059

Please let me know if you have any questions on the above project, or if you would like any further information.

Sincerely,

Tyler Andrews
President

Tyler Andrews

From: Quinn Hanks <quinn@king-works.com>
Sent: Friday, November 15, 2019 7:30 AM
To: Tyler Andrews
Subject: RE: SVCA - Maintenance Shop Budget

Tyler,

Seth indicated you might be looking for an architect for this project as well. We have been working on a lot of these with Carletti architects in Mt Vernon lately. They have done several projects with similar requirements and such for the metal building aspect along with all the vehicle equipment and crane loadings.

For the estimate on engineering. The crane adds some complexity along with the mezzanine storage. Not sure if that will be wood framed or part of the metal building. I have seen both recently so I am not sure which would be cheaper.

1. For the metal building foundation & SOG design I would estimate \$3,500
2. For the added side buildings flammable storage and equipment wash down pad add \$600
3. For the mezzanine framing if it is wood framed add \$2,000 This one might be high depending on how the walls tie into the roof above and below. If it requires a fire wall that is tight to roof but also requires a separation for movement between the metal building and wood framing in side this could get a little more complicated. Especially if it is wood framing light gauge would be easier with slip tracks.
4. Alternate option of mezzanine framing being part of the metal building then we only need to do some light gauge framing for walls and foundation elements add \$800
5. For the crane foundation elements add \$600

This would be a preliminary estimate based on the schematic layout that has been provided. Some of these items may be able to be removed from our scope based on your understanding of the overall project.

Total Estimate \$6,700

Let me know your thoughts on items above.

Quinn Hanks, PE
Kingworks Structural Engineers
P/F: 360.714.8260 (ext. 2)
www.king-works.com

Confidentiality Notice: This message is confidential and intended solely for use of the individual or entity to whom it is addressed. If you are not the person for whom this message is intended, please delete it and notify the sender immediately, and please do not copy or send this message to anyone else.



CARLETTI ARCHITECTS, P.S.
architecture, interior design & planning

November 26, 2019

Sudden Valley Community Association
C/O Tyler Andrews, PNW Civil, Inc.
PO Box 30498
Bellingham, WA 98228

Reference: SVCA Maintenance Shop
Architectural Fee Proposal

Dear Mr. Andrews:

We are pleased to submit the attached Fee Proposal to provide architectural services for the new SVCA Maintenance Shop.

Our proposal is based upon your email sent to us with a budget scope document dated November 5, 2019 and three page building layout diagrams.

We have assumed for this proposal the Client will pre-select a General Contractor for construction of this project and will it will not go out to general bid.

Please find listed below a project description, scope of work, tasks and fees.

Project Description:

Client SVCA desires to design and construct a new maintenance shop. The maintenance shop will be a pre-engineered steel building of approximate dimensions of 65' x 65' for a total of 4,225 S.F. **Plus 40'x65' open space for storage**

In addition, there will be a wood framed mezzanine of approximately dimensions of 25' x 65' for a total of 1,625 S.F.

It is assumed that the design of the building will be a pre-engineered steel building with reaction loads and other pertinent building information provided by your pre-selected General Contractor. The Architect will work directly with the Client and their Owner's representative to define any overall details and scope of work for the project.

Permitting Review Authorities for the project is Whatcom County. It is assumed the Owner's Agent will assist the Architect in filing for permits for the project.

Scope of Work:

Task One – Architectural Construction Documents

Drawings and Tasks to include:

- Make adjustments to input existing concept plans into Auto Cadd including floor plans, building sections and elevations.
- Adjustments to floor plan based upon Client input and notes from the November 5, 2019 scoping document.
- Cover sheet, general notes and code research.
- Floor plans with notes, dimensions and call-outs.
- Door, window and finish schedules.
- Reflected ceiling plan for lower floor and second floor.
- Two (2) building cross sections.
- Three (3) building wall sections.
- Coordination with Client, Owner’s Representative and other sub-consultants including Civil and Structural.

Task Two– Permitting

- Assistance in filling out permit forms for permit submittal to Whatcom County.
- Response to review authority comments.

Task Three – Architectural Construction Administration

- Review of shop drawings and submittals.
- Issuance of Clarification Sketches.
- Response to Contractor’s RFI’s.

Task Four NREC Building Envelope

- NREC form for building envelope

No.	Task	Amount
1	Architectural Construction Documents	\$ 12,500
2	Architectural Permitting Assistance	\$ 1,500
3	Architectural Construction Administration	\$ 1,150
4	NREC Building Envelope	\$ 2,475
	Reimbursable Allowance	\$ 500
	TOTAL	\$ 18,125-



Tyler Andrews - SVCA
Architectural Fee Proposal
November 26, 2019

Additional services if authorized will be billed at the hourly rates listed below.

HOURLY RATES

Principal	\$150.00/hour
Project Architect I	\$125.00/hour
Project Manager I	\$120.00/hour
Project Designer I	\$110.00/hour
Project Manager II	\$100.00/hour
Space Planner	\$100.00/hour
Computer Modeling	\$125.00/hour
Clerical	\$48.00/hour

Exclusions:

Survey
Civil Engineering
Landscape Architect design and drawing
Mechanical Engineering, Structural Engineer and Electrical Engineer
Other consultants not listed
Reimbursable (See below)

Reimbursable:

Mileage	\$.59 per mile
Large Format Copies	\$ 1.50 each
Postage and Delivery	Cost + 10%
Consultants	Cost + 10%

Invoices shall be due net upon receipt. Invoices unpaid after 45 days shall bear interest at the rate of 1 ½% per month.

If this proposal is acceptable to you, please sign in the space provided below. We are excited about this opportunity of working with you and the SVCA on this project. Upon receipt of a signed proposal we would be able to begin work this project after the first of the year. If you have any questions, please don't hesitate to call me.

Sincerely,


Peter J. Carletti
Carletti Architects, P.S.

Sign

Date



Sudden Valley Community Association

Maintenance Shop Replacement

PNW Estimate - Design, Permitting, and Construction Management

Maintenance Shop Replacement

Task	Description	Hours	Estimated Cost
Design	Management of Design Team.	80	
	Coordination with SVCA on final design.	20	
	Total Estimated Design Hours	100	\$ 13,500.00
Permitting			
	Prepare permit applications and submit to agencies.	120	
	Coordination with permit agencies during review process.	16	
	Total Estimated Permitting Hours	144	\$ 19,440.00
Construction Management			
	Preparation of bid package for contractor quotes. Issue bid package to contractors, and respond to any questions. Review contractor quotes, and provide recommendation to SVCA.	32	
	Contract issuance to contractor, and preconstruction coordination.	12	
	Construction observation - 8 month construction schedule estimated with partial inspection/coordination allowance of 12 hours per week.	384	
	Construction closeout.	16	
	Total Estimated Construction Management Hours	444	\$ 59,940.00
	Total Estimated Cost		\$ 92,880.00

Tyler Andrews

From: Peter Carletti <peter@carlettiarchitects.com>
Sent: Thursday, December 12, 2019 11:49 AM
To: Tyler Andrews
Cc: Quinn Hanks
Subject: RE: SVCA - Maintenance Shop Budget

Excluding any site work including paving or storm drainage I would assume the following for Private bid **not subject to prevailing wages.**

cost from excavations for footings up including the T.I.-

I was thinking for the shell shown

Main building shell 65' 65' =	4,225 s.f.	x \$110/s.f. =	\$464,750
T.I. first floor 25'x65' =	1,625 s.f.	x \$85/s.f. =	\$138,125
T.I. Second floor 25'x65' =	1,625 s.f.	x \$75/s.f. =	<u>\$121,875</u>
			\$741,000
Open shop space 40'x65'	2,600 s.f.	x \$110/s.f. =	\$286,000
			Total Building Estimate = \$1,027,000

Peter J. Carletti, LEED
Principal

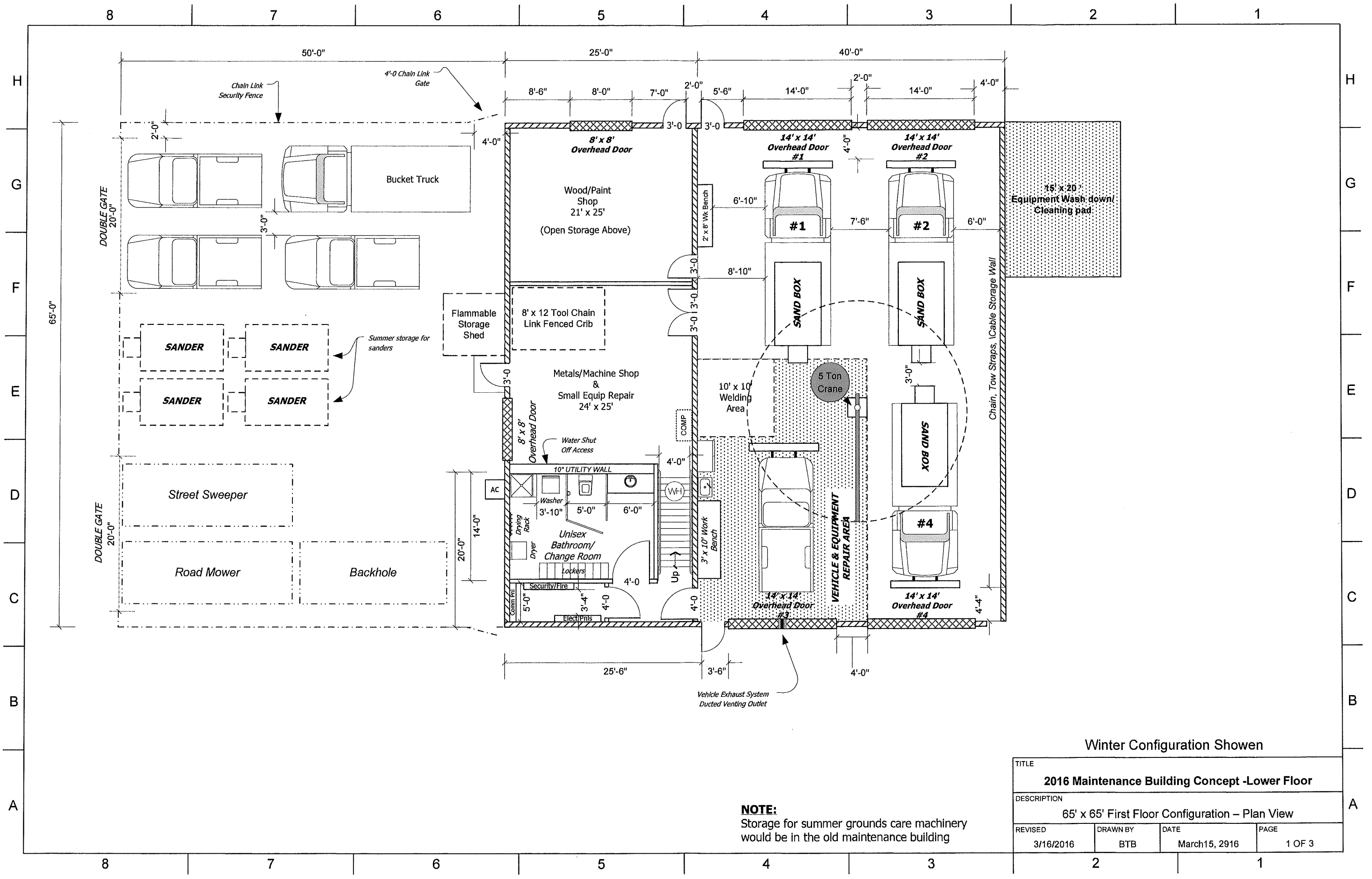
 **CARLETTI**
ARCHITECTS P.S.
ARCHITECTURE, INTERIOR DESIGN, & PLANNING
www.carlettiarchitects.com
Ph: 360-424-0394 ext.101

November 5, 2019

SVCA – Maintenance Shop Budget Scope

1. Budget is based on the 3 page drawing set dated 3-16-19 supplied by Bruce Bishop with SVCA.
2. Proposed building location will be in line with the new Big Top Tent at Area Z. Building will be to the east of the tent, and oriented so the front, grid line B/C, matches the front of the tent.
3. Proposed building is assumed to be a pre-engineered metal building. The 65'x65' building shown is conditioned. It is assumed a row of columns would exist at grid line 3/4 for the width of building between grid lines C-G.
4. The enclosed fence structure shown between grid lines 6-8 is eliminated.
5. Eliminate Overhead Doors shown on grid line G/H. Overhead door clarifications for the 65'x65' conditioned building:
 - a. Total of 2 each doors at 14'x14'.
 - b. Insulated doors with electric openers.
 - c. 8'x8' door in Metals/Machine shop shall be insulated and manually operated.
6. Total exterior man doors shall be 6 each. Include a 4'x4' exterior concrete landing at each door.
7. Add a 40'x65' enclosure to the building at grid lines 6-8. The 65' dimension shall be oriented to match the building width between grid lines C-G. This additional area is a mirror of grid lines 3-4 with the following clarifications:
 - a. Unconditioned space, but fully enclosed.
 - b. Includes 2 each overhead doors at 14'x14', and 3 each man doors (included in 6 total above). Overhead doors shall be uninsulated, but include electric openers.
 - c. The space will be open for storage. No additional accessories are included within this area.
 - d. It is assumed a row of columns would exist at grid line 6/7 for the width of building between grid lines C-G.
 - e. Add an 8'x8' overhead door to the Wood/Paint Shop along grid line 5/6. Door shall be insulated, and manually operated.
8. Grid line 5 shall be considered a finished space to include:
 - a. Concrete floors
 - b. Drywall all walls/ceilings and painted.
 - c. Basic interior trim package.
 - d. Metal interior man doors
9. HVAC notes:
 - a. Shift AC unit to gridline 8. AC unit supplies grid line 5 only.
 - b. Assume electric heat for grid line 5.
 - c. Grid lines 3-4 – assume propane shop heaters. Include 1,000 gallon exterior tank.
 - d. Include exhaust fans for grid lines 3-4 and 6-8 shop areas.
 - e. Include 3 each exhaust fans to grid line 5 first floor rooms.
10. Electrical notes:
 - a. Assume 208VAC/400A/3 phase service.

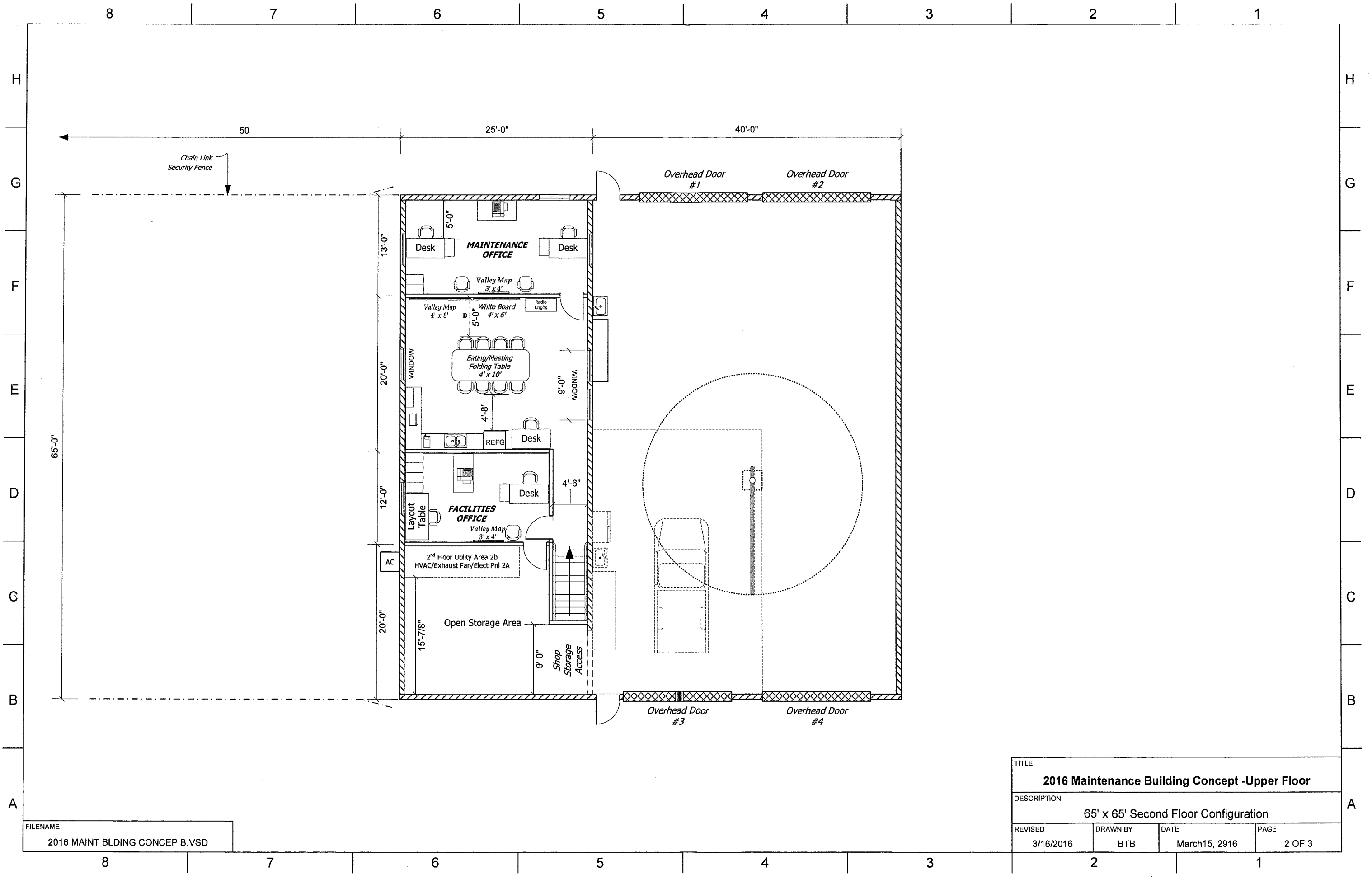
- b. Include auto start propane generator backup. Propane source will be 1,000 gallon tank noted in HVAC notes.
 - c. Grid lines 3-4 and 6-8 – Shop areas shall have LED lighting.
 - d. Grid line 5 – assume basic LED interior lighting.
 - e. Assume 110 outlets per code throughout building.
 - f. Allow 12 each 220 outlets throughout building.
11. Plumbing notes:
- a. Include fixtures in bathroom – shower stall, toilet, sink/vanity.
 - b. Include kitchen sink / garbage disposal.
 - c. Assume floor drains in grid lines 3-4 shop bays.
 - d. 50 gallon hot water tank.
12. Include fire sprinkler system throughout building.
13. The equipment washdown pad is shifted to grid line C8.
14. Include 2 each yard hydrants – 1 at grid line C2 and 1 at C8.
15. Sitework notes:
- a. 4 each test pits were excavated on 11-4-19. Each location revealed approximately 3’ of organic/unsuitable material.
 - b. Assume:
 - i. 3’ of excavation with haul off and disposal.
 - ii. Import gravel. Assume finish grades match existing. Include gravel import to fill existing pond. Assume pond dimensions are 40’x40’x6’.
 - iii. Crushed gravel surfacing at front of building.
 - iv. Basic landscape package around building to mirror landscape package from Big Top Tent.
 - c. Water connection in front of Big Top Tent. Assume 2” service.
 - d. Sewer – assume grinder pump and connection to sewer in Lake Louis Road. Verify with Bruce Bishop existing sewer service at maintenance building mirrors this.
16. Foundation assumptions:
- a. 4,000psi mix design.
 - b. 6” reinforced concrete slab.
 - c. 2’x2’ reinforced thickened edge along building perimeter.
 - d. 4’x4’x1’ thickened slab locations under interior columns.
 - e. Slope slab in grid lines 3-4 to drain to floor drains.
17. Other notes:
- a. Assume all furniture is supplied by others.
 - b. Assume all appliances are supplied by others.
 - c. Flammable storage shed by others.



NOTE:
Storage for summer grounds care machinery would be in the old maintenance building

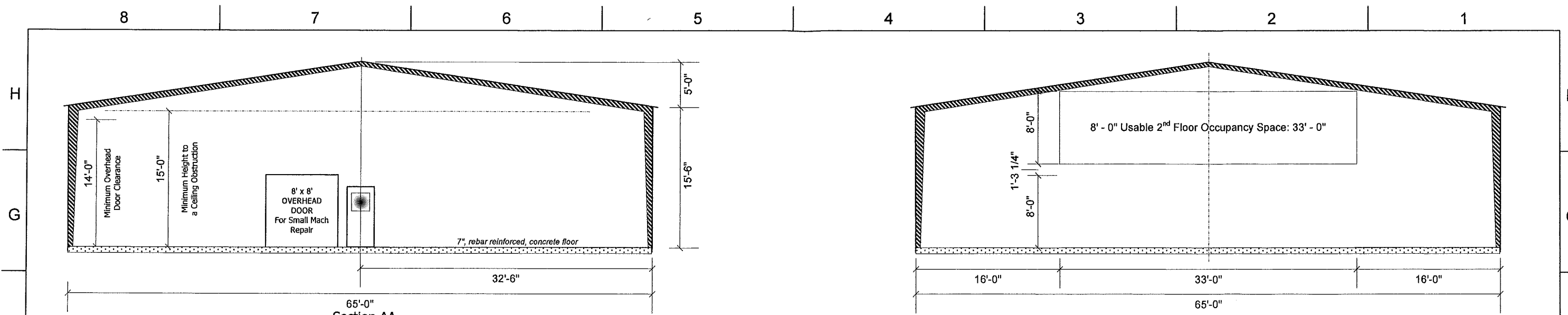
Winter Configuration Shown

TITLE			
2016 Maintenance Building Concept -Lower Floor			
DESCRIPTION			
65' x 65' First Floor Configuration – Plan View			
REVISED	DRAWN BY	DATE	PAGE
3/16/2016	BTB	March 15, 2016	1 OF 3



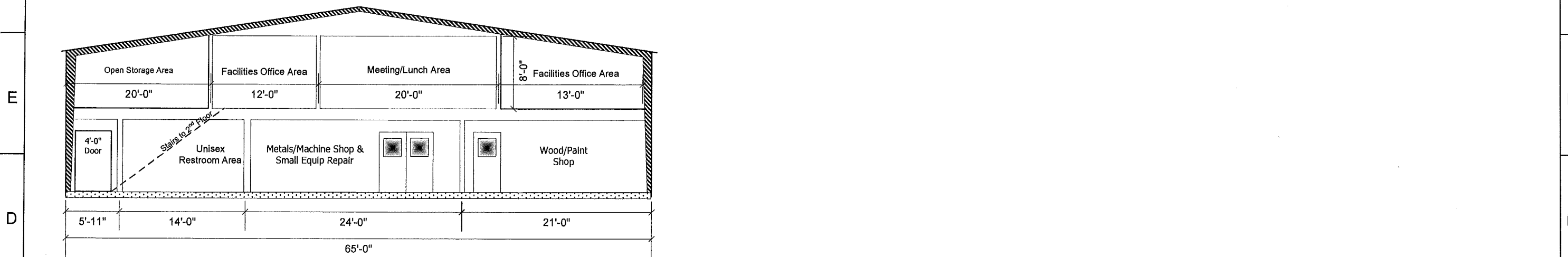
FILENAME
2016 MAINT BLDING CONCEP B.VSD

TITLE			
2016 Maintenance Building Concept -Upper Floor			
DESCRIPTION			
65' x 65' Second Floor Configuration			
REVISED	DRAWN BY	DATE	PAGE
3/16/2016	BTB	March15, 2916	2 OF 3

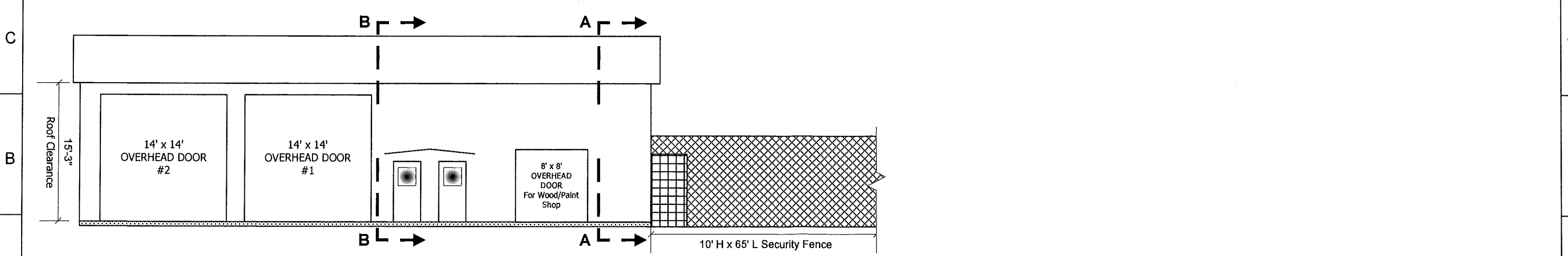


Section AA
Exterior Wall Elevation

Section BB
Interior 2nd Floor Elevation



Section BB
Interior Wall Elevation



FILENAME
2016 MAINT BLDING CONCEP B.VSD

DESCRIPTION			
Interior Elevation Views			
REVISED	DRAWN BY	DATE	PAGE
3/16/2016	BTB	March 15, 2016	3 OF 3



October 24, 2022

Sudden Valley Community Association
Attn: Jo Anne Jensen
4 Clubhouse Circle
Bellingham, WA 98229

RE: Project Scope Letter
Maintenance Shop Remodel

PNW is providing this overall project scope letter to SVCA for the proposed Maintenance Shop Remodel. Overall scope of work assumes:

- Design, Permitting, & Contractor Bids
 - o Design by Sarah Brown Architecture & Design – maintenance shop remodel.
 - o Permitting with Whatcom County.
 - o Prepare bid package, issue to contractors, and bid evaluation with recommendation to SVCA.

- Construction
 - o Rental and setup of temporary office for maintenance staff.
 - o Rental and setup of storage containers for maintenance shop contents. Existing shop will be emptied by SVCA maintenance staff prior to construction starting, and contents will be setup / stored in 40’ steel containers.
 - o Remodel of maintenance shop.
 - o SVCA maintenance staff will restock the remodeled shop upon construction completion.

The shop remodel is proposed to start spring of 2023 assuming permit issuance by Whatcom County. Overall construction is anticipated to take approximately 4-5 months. A preliminary construction estimate was prepared by Cool Runnings Construction LLC, and is attached to this Project Scope Letter. PNW is recommending SVCA approve this project with a 20% contingency at this time. The higher contingency is intended to cover any unknowns that develop with Whatcom County thru the permitting process, and market volatility with pricing.

Design, Permitting, Contractor Bids	
- Sarah Brown Architecture & Design – Design & Permitting	\$7,500.00
- Permit Fees Allowance	\$5,000.00
- PNW Services, Inc. – Oversight & Bid Package	\$3,510.00
Total – Design, Permitting, Contractor Bids	\$16,010.00
Construction	
- Cool Runnings – Preliminary Construction Estimate	\$159,120.00
- WSST at 8.6%	\$13,684.32



- Temporary Office for Maintenance Staff – Allowance 6 Months at \$2,000.00	\$12,000.00
- Storage Containers for Shop Contents During Remodel – Allowance 6 Months at \$1,000.00	\$6,000.00
- PNW Services, Inc. – Construction Oversight	\$5,400.00
Total Construction Estimate	\$196,204.32
Subtotal Design, Permitting, and Construction	\$212,214.32
20% Contingency	\$42,442.86
Total with Contingency	\$254,657.18

Please let me know if you have any questions, or if you would like any further information.

Sincerely,

Tyler Andrews
President



May 9, 2022

Tyler Andrews
PNW Services Inc.
PO Box 30498
Bellingham, WA 98228

Dear Tyler,

Thank you for expressing interest in teaming up to work together on the Sudden Valley Area 'Z' Maintenance Shed Remodel. I am excited to possibly be working with you on this project.

The following provides a summary description of the project we have discussed and describes the Agreement for Services between PNW Services Inc. (Client), and Sarah Brown Architecture + Design, Architect (Consultant). By signing this Agreement for Services, Client accepts the scope, fees and timing as set forth herein, including the attached "CONSULTANT CONTRACT PROVISIONS" which is fully incorporated into this Agreement for Services.

PROJECT SUMMARY DESCRIPTION

I appreciate all the information you and Mike Brock have sent to me to date. To summarize, the work on the Area 'Z' Maintenance Shed is to consist of two new offices, a new toilet room, a small kitchenette, and a large meeting/training room all within an existing pole barn that will be updated within this contract.

SCOPE OF SERVICES TO BE PROVIDED

The scope of work provided by Consultant will include:

- Preparation of Contract Documents consisting of Architectural Construction Drawings for the remodel and improvement in the subject projects.
- A recommendation of finishes for the new maintenance facility will be included.
- Assist the client with the submission to Whatcom County for the project's building permit and respond to city review comments. All other construction permit submissions are the responsibility of the project Contractors.

SERVICES NOT PROVIDED

- The Consultant is not providing nor is the Consultant responsible for the following services:
- Structural, Electrical, and Mechanical, Acoustical or Civil Engineering Design or their drawings for this Project.
- Fire suppression, Fire Alarm or Security System Design or their drawings for this Project.
- Construction budgets, cost estimates, or construction inspections
- Detailed Construction specifications.



- Fixtures or other equipment that have no permanent connection to the structure of the building.

PROJECT FEES

Fees for services provided will be billed on an hourly basis at the rate of \$150.00 per hour, plus reimbursable expense. Reimbursable expenses will be billed to the client at cost. Reimbursable expenses include but are not limited to computer downloads, photo charges, shipping, document printing and copying.

The estimated total fee for services under this agreement is \$7,500 but may vary depending on unforeseen issues (such as city questions or construction consulting) and the actual time required by the Consultant to complete this project.

Fees shall be invoiced monthly and will be paid by the Client within 30 days of receipt.

All additional costs associated with this project beyond the services described in this agreement, including but not limited to permit fees, application fees, contractor fees, etc. are the responsibility of Client, not the Consultant.

All limitations of liability, indemnifications, warranties and representations contained in this Agreement for Services shall survive the completion of this Agreement and shall remain in full force and effect.

Please indicate acceptance of this Agreement for Services where indicated below and return a signed copy to me.

Sincerely,

A handwritten signature in black ink that reads "Sarah Brown".

Sarah Brown

ACCEPTED:

By: _____

Date: _____



CONSULTANT CONTRACT PROVISIONS

1. **CONTRACT** – These Contract Provisions and the accompanying Proposal constitute the full and complete Agreement between the parties and may be changed, amended, added to, superseded, or waived only if both parties specifically agree in writing to such amendment of the Agreement. In the event of any inconsistency between these Contract Provisions and any proposal, contract, purchase order, requisition, notice to proceed, or like document, these Contract Provisions shall govern.

2. **RIGHT OF ENTRY** – When entry to property is required for the CONSULTANT to perform its services, the Client agrees to obtain legal right-of-entry on the property.

3. **DOCUMENTS** – All reports, notes, drawings, specifications, data, calculations, and other documents, including those in electronic form, prepared by CONSULTANT are instruments of CONSULTANT's service that shall remain CONSULTANT's property. The Client agrees not to use CONSULTANT-generated documents for marketing purposes, for projects other than the project for which the documents were prepared by CONSULTANT, or for future modifications to this project, without CONSULTANT's express written permission.

Any reuse or distribution to third parties without such express written permission or project-specific adaptation by CONSULTANT will be at the Client's sole risk and without liability to CONSULTANT or its employees, subsidiaries, independent professional associates, subconsultants, and subcontractors. Client shall, to the fullest extent permitted by law, defend, indemnify, and hold harmless CONSULTANT from and against any and all costs, expenses, fees, losses, claims, demands, liabilities, suits, actions, and damages whatsoever arising out of or resulting from such unauthorized reuse or distribution.

4. **DISPOSAL OF SAMPLES** – CONSULTANT will discard samples upon completion of the work covered under this Agreement, unless the Client instructs otherwise in writing.

5. **HAZARDOUS MATERIALS** – The scope of CONSULTANT's services for this Agreement does not include any responsibility for detection, remediation, accidental release, or services relating to waste, oil, asbestos, lead, or other hazardous materials, as defined by Federal, State, and local laws or regulations.

6. **CONSTRUCTION PHASE SERVICES** – If CONSULTANT performs any services during the construction phase of the project, CONSULTANT shall not supervise, direct, or have control over Contractor's work. CONSULTANT shall not have authority over or responsibility for the construction means, methods, techniques, sequences, or procedures for safety precautions and programs in connection with the work of the Contractor. CONSULTANT does not guarantee the performance of the construction contract by the Contractor and does not assume responsibility for the Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

7. **STANDARD OF CARE** – CONSULTANT and its employees, subsidiaries, independent professional associates, subconsultants, and subcontractors will exercise that degree of care and skill ordinarily practiced under similar circumstances by design professionals providing similar services. Client agrees that services provided will be rendered without any warranty, express or implied.

CONSULTANT shall exercise usual and customary professional care in its efforts to comply with applicable codes, regulations, laws rules, ordinances, and such other requirements in effect as of the date of execution of this Agreement.

8. **OPINION OF PROBABLE COSTS** – When required as part of its work, CONSULTANT will furnish opinions of probable cost, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations,



feasibility studies, economic analyses of alternate solutions, and utilitarian considerations of operations and maintenance costs prepared by CONSULTANT hereunder will be made on the basis of CONSULTANT's experience and qualifications and will represent CONSULTANT's judgment as an experienced and qualified design professional. However, users of the probable cost opinions must recognize that CONSULTANT does not have control over the cost of labor, material, equipment, or services furnished by others or over market conditions or contractors' methods of determining prices or performing the work.

9. **SUSPENSION OF WORK** – The Client may, at any time, by written notice, suspend further work by CONSULTANT. The Client shall remain liable for, and shall promptly pay CONSULTANT, for all services rendered to the date of suspension of services, plus suspension charges, which shall include the cost of assembling documents, personnel and equipment, rescheduling or reassignment, and commitments made to others on Client's behalf.

Client shall pay CONSULTANT pursuant to the rates and charges set forth in the Proposal. CONSULTANT will submit monthly invoices to Client for services rendered and expenses incurred. If Client does not pay invoices within thirty (30) days of submission of invoice, CONSULTANT may, upon written notice to the Client, suspend further work until payments are brought current. The Client agrees to indemnify and hold CONSULTANT harmless from any claim or liability resulting from such suspension.

Upon receipt of payment for services performed through the date of suspension, the CONSULTANT will provide copies of their draft work product, in electronic form, in the state of completion achieved prior to termination to the client.

10. **CHANGES OR DELAYS** – Unless the accompanying Proposal provides otherwise, the proposed fees constitute CONSULTANT's estimate to perform the services required to complete the Project. Required services often are not fully definable in the initial planning; accordingly, developments may dictate a change in the scope of services to be performed. Where this occurs, changes in the Agreement shall be negotiated and an equitable adjustment shall be made.

Costs and schedule commitments shall be subject to renegotiation for unreasonable delays caused by the Client's failure to provide specified facilities, direction, or information, or if CONSULTANT's failure to perform is due to any act of God, labor trouble, fire, inclement weather, act of governmental authority, failure of transportation, accident, power failure, or interruption or any other cause beyond the reasonable control of CONSULTANT. Temporary work stoppage caused by any of the above may result in additional cost beyond that outlined in the accompanying Proposal.

11. **LIABILITY** – To the fullest extent permitted by law, the total liability, in the aggregate, of CONSULTANT and CONSULTANT's officers, directors, employees, agents, and consultants to Client and anyone claiming by, through or under Client, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to CONSULTANT's services, the Project or this Agreement, from any cause or causes whatsoever, including but not limited to, negligence, strict liability, breach of contract or breach of warranty shall not exceed the total compensation received by CONSULTANT under this Agreement.

12. **CONFLICTS OF INTEREST** – This assignment may involve parties with adverse interests to clients with whom CONSULTANT has current or past relationships. It is CONSULTANT policy to make reasonable attempts to identify such relationships prior to acceptance of a professional assignment, but CONSULTANT cannot assure that conflicts or perceived conflicts will not arise, and CONSULTANT does not accept responsibility for such occurrences.



13. REIMBURSABLE EXPENSES – CONSULTANT will bill direct nonpayroll expenses at cost plus 10%. Direct expenses include all reasonable expenses resulting from required responses to subpoenas or court orders related to work under the Contract.

14. MISCELLANEOUS - Governing Law: The laws of the state in which the CONSULTANT office executing this Agreement is located shall govern the validity and interpretation of this Agreement.

Invalid Terms: In the event any of these Contract Provisions are found to be illegal or otherwise unenforceable, the unenforceable Contract Provision will be stricken. Striking such a Contract Provision shall have no effect on the enforceability of the remaining Contract Provisions and those remaining Contract Provisions shall continue in full force and effect as if the unenforceable Contract Provision were never included in the Agreement.

Mediation: The Client and CONSULTANT agree to submit all claims and disputes arising out of this Agreement to non-binding mediation prior to the initiation of legal proceedings. This provision shall survive completion or termination of this Agreement; however, neither party shall seek mediation of any claim or dispute arising out of this Agreement beyond the period of time that would bar the initiation of legal proceedings to litigate such claim or dispute under the applicable law.

CONSULTANT Reliance: CONSULTANT shall be entitled to rely, without liability, on the accuracy and completeness of any and all information provided by Client, Client's consultants and contractors, and information from public records, without the need for independent verification.

Certifications: CONSULTANT shall not be required to sign any documents, no matter by whom requested, that would result in CONSULTANT's having to certify, guaranty, or warrant the existence of conditions that CONSULTANT cannot ascertain.

Third Parties: Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Client or CONSULTANT. CONSULTANT's services hereunder are being performed solely for the benefit of the Client, and no other entity shall have any claim against CONSULTANT because of this Agreement or CONSULTANT's performance of services hereunder.

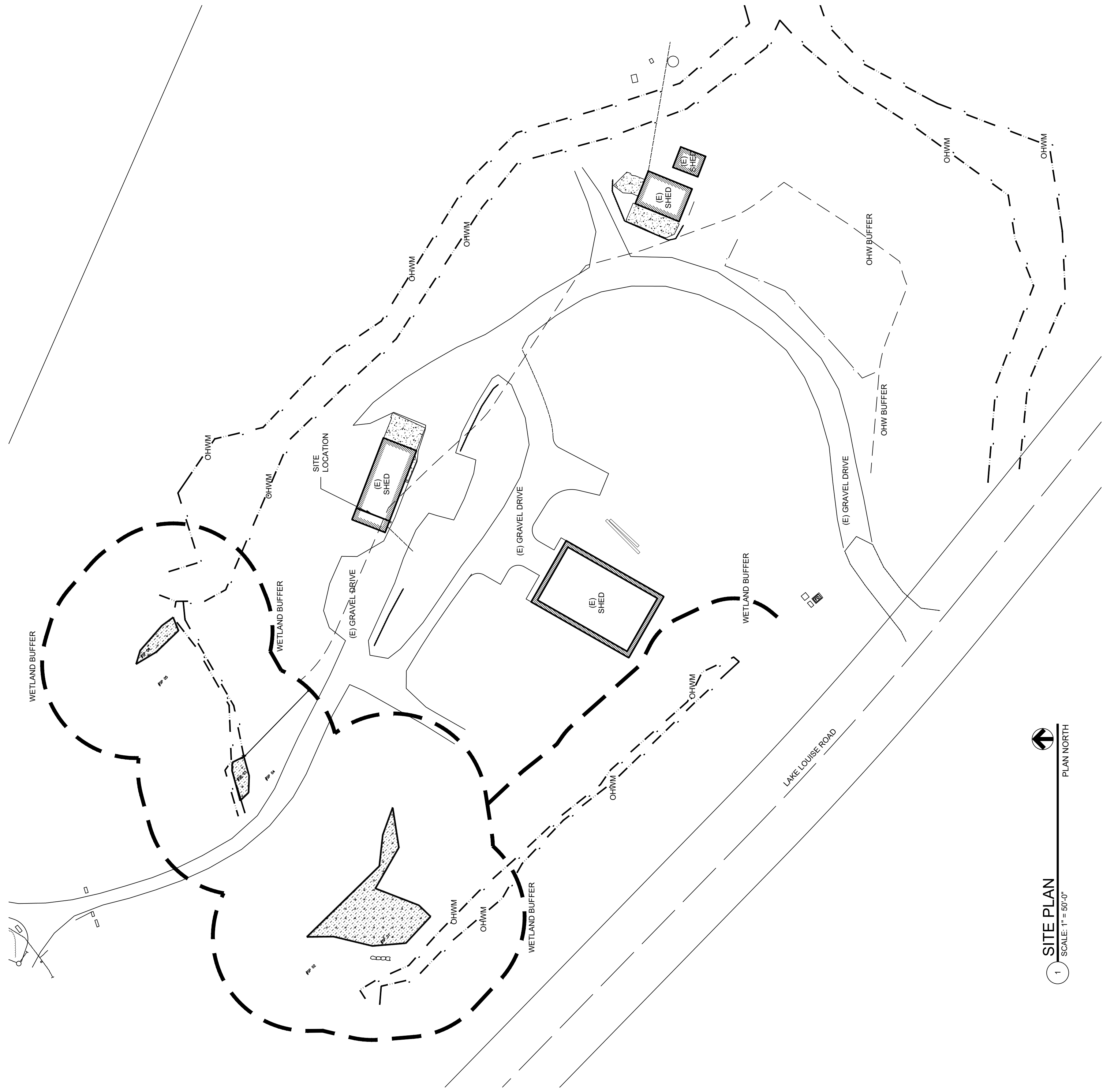
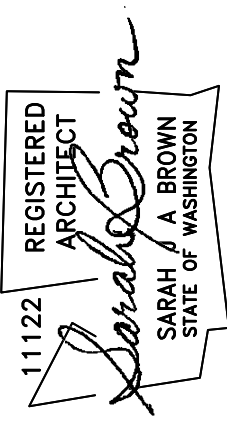
Consequential Damages: Neither the Client nor the CONSULTANT shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of, or connected in any way to the Project or this Agreement. This mutual waiver includes, but is not limited to, damages related to loss of use, loss of profits, loss of income, loss of reputation, unrealized savings or diminution of property value and shall apply to any cause of action including negligence, strict liability, breach of contract and breach of warranty.

Sudden Valley Community Association

Maintenance Shop Remodel

PNW Estimate - Bid Package, Permitting, and Construction Management

Task	Description	Hours	Estimated Cost
Design Oversight	Oversight of Sarah Brown Architecture & Design, review drawings, and site visits as required.	10	
	Total Estimated Design Oversight Hours	10	\$ 1,350.00
Permitting	Oversight of permit applications, facilitate signatures / submittals / permit fees.	8	
	Total Estimated Permitting Cost	8	\$ 1,080.00
Contractor Bids	Prepare bid package, issue to contractors, and answer any bid questions.	6	
	Review construction bids, and provide recommendation to SVCA.	2	
	Total Estimated Bid Package Hours	8	\$ 1,080.00
Construction Management	Oversight of construction - assumed to be limited with Maintenance Manager providing daily oversight as needed.	40	
	Total Estimated Construction Management Hours	40	\$ 5,400.00
	Total Estimated		\$ 8,910.00



1 SITE PLAN
SCALE: 1" = 50'-0"
PLAN NORTH

AREA 'Z' MAINT. SHED

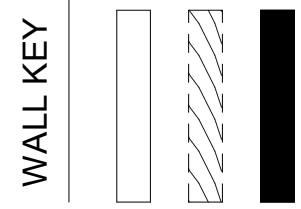
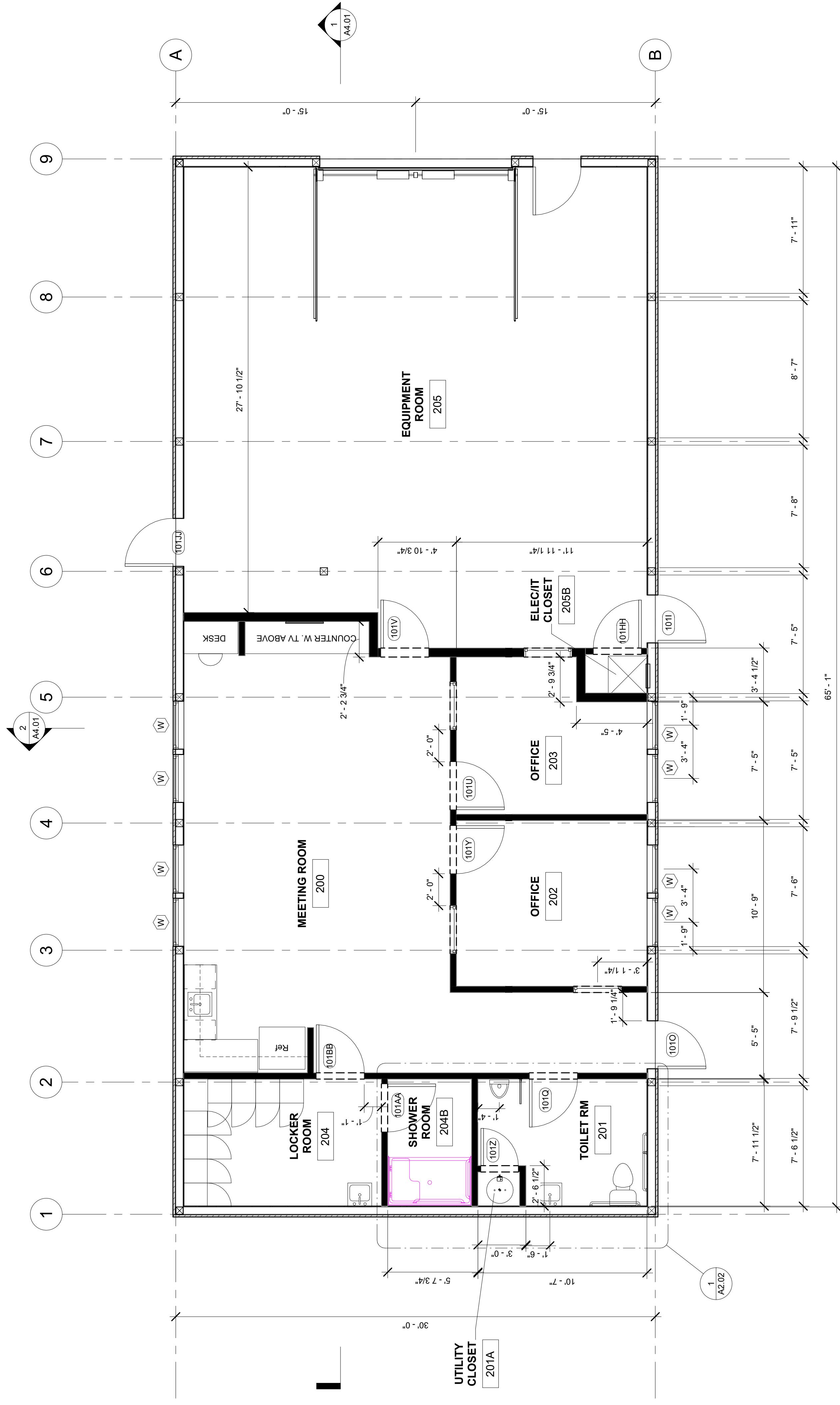
SUDDEN VALLEY
ASSOCIATION
4 CLUBHOUSE RD
BELLINGHAM, WA

JOB NO: 202203.14
DATE: 10.17.2022

PERMIT SET

REV ISSUED FOR DATE

SITE PLAN



AREA 'Z'
MAINT. SHED TI

SUDDEN VALLEY
ASSOCIATION
4 CLUBHOUSE ROAD
BELLINGHAM, WA

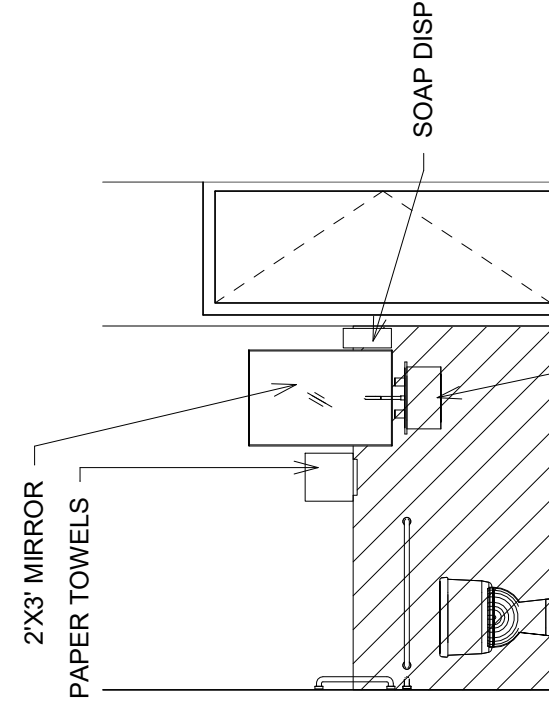
SB JOB NO: 202203.14
DATE: 09.06.2022

CONSTRUCTION
DOCUMENTS

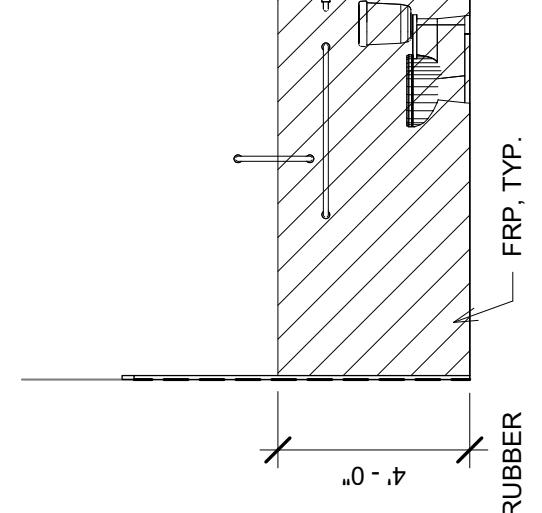
No.	ISSUED FOR	DATE

FLOOR PLANS

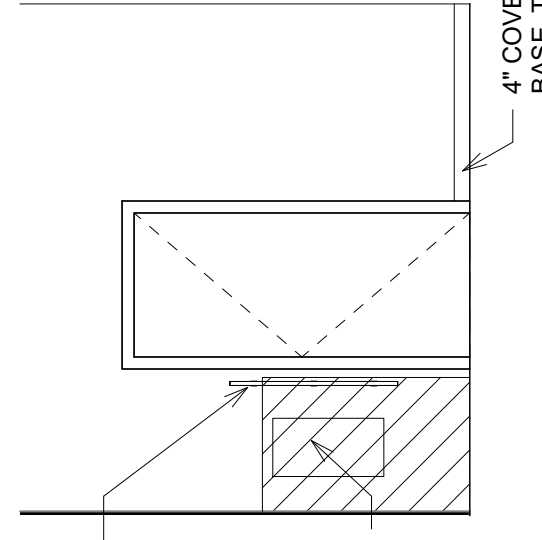
① GROUND FLOOR
1/4" = 1'-0"



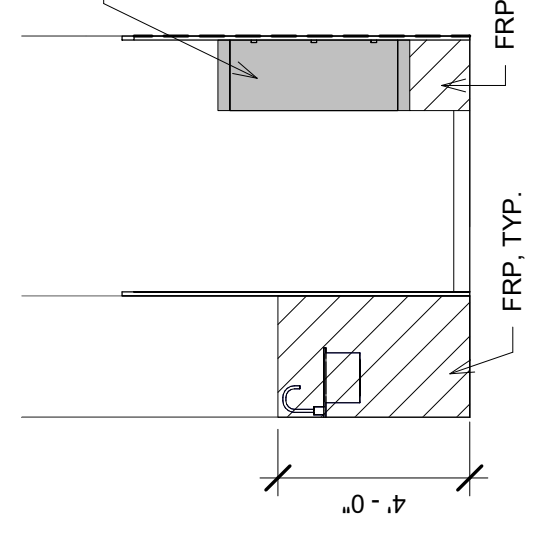
5 TOILET ROOM - WEST
1/4" = 1'-0"



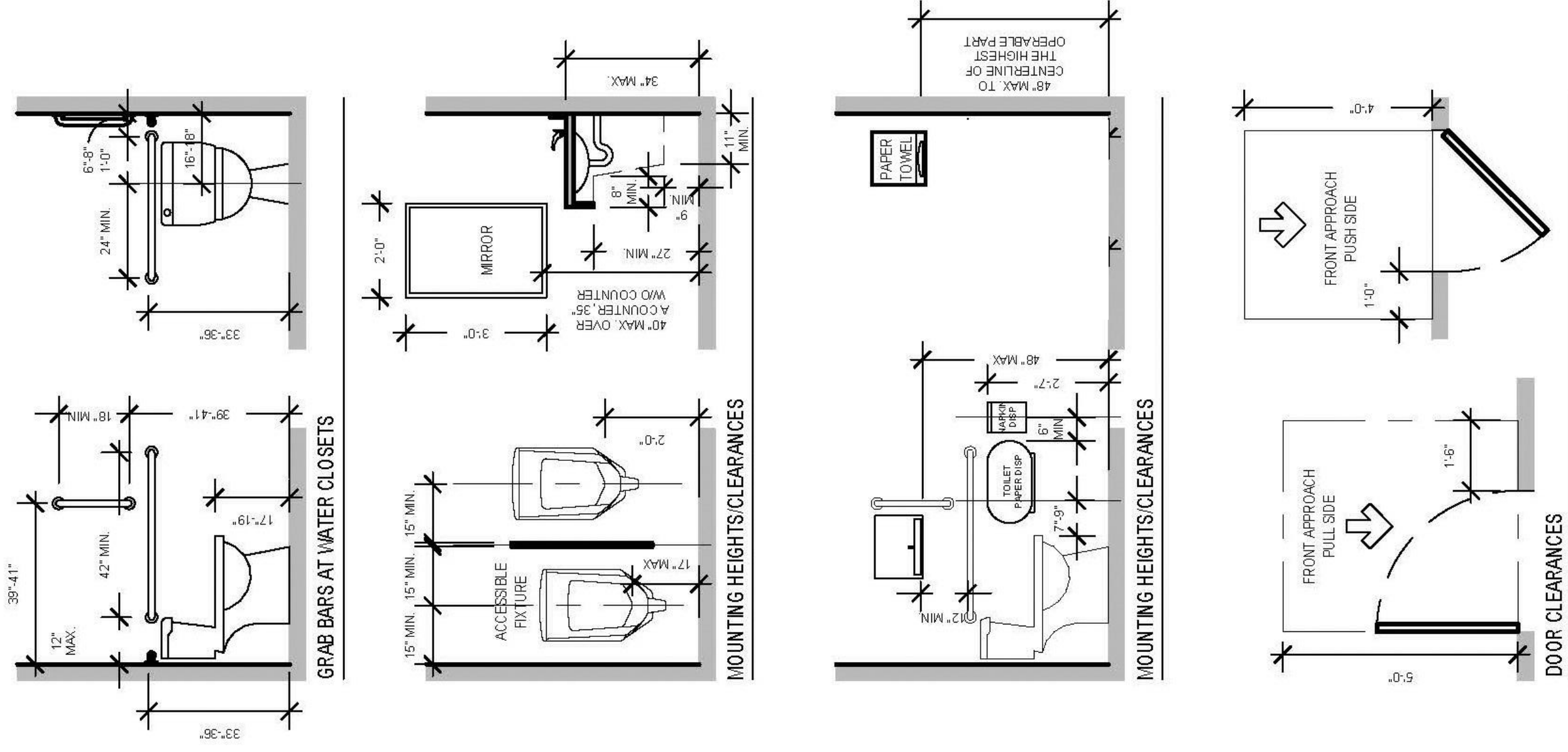
4 TOILET ROOM - SOUTH
1/4" = 1'-0"



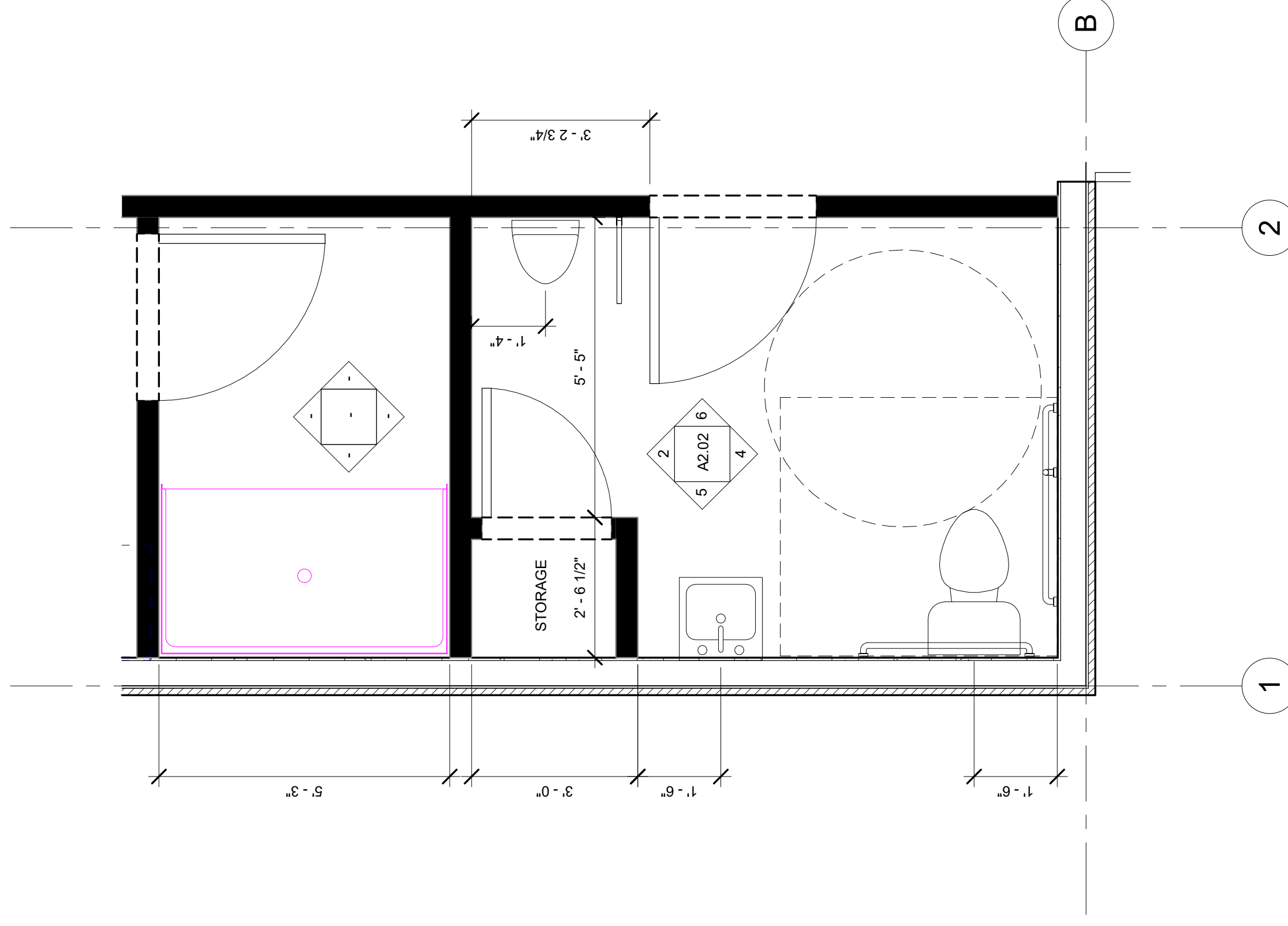
6 TOILET ROOM - EAST
1/4" = 1'-0"



2 TOILET ROOM - NORTH
1/4" = 1'-0"



3 ADA MOUNTING HEIGHTS
3/32" = 1'-0"



1 ENLARGED PLUMBING PLAN
1/2" = 1'-0"

**AREA 'Z'
MAINT. SHED T1**

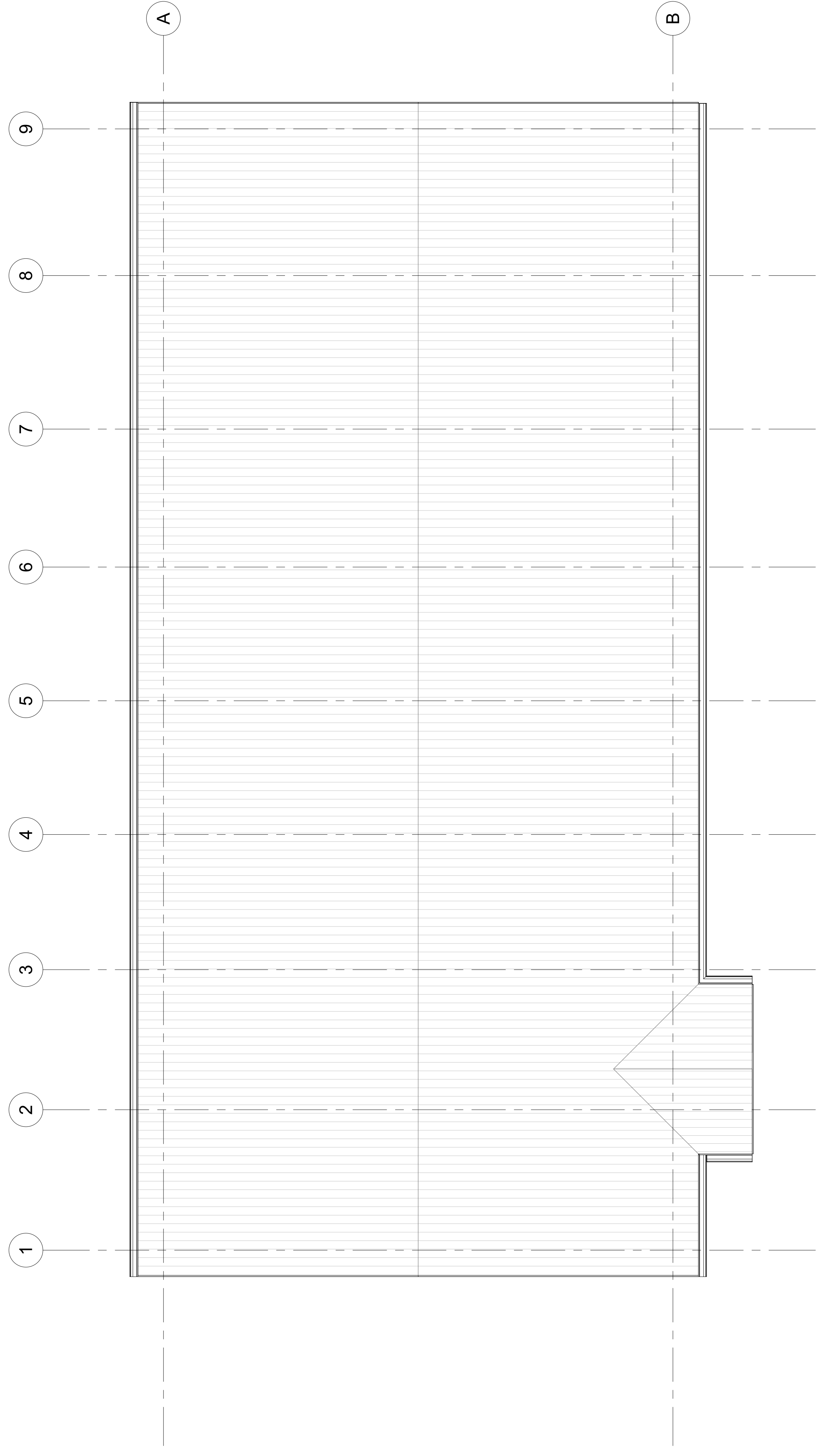
SUDDEN VALLEY
ASSOCIATION
4 CLUBHOUSE ROAD
BELLINGHAM, WA

SB JOB NO: 202203_14
DATE: 09.06.2022

**CONSTRUCTION
DOCUMENTS**

No.	ISSUED FOR	DATE

**ENLARGED
PLANS & INT.
ELEVATIONS**



① ROOF PLAN
1/4" = 1'-0"

AREA 'Z'
MAINT. SHED TI

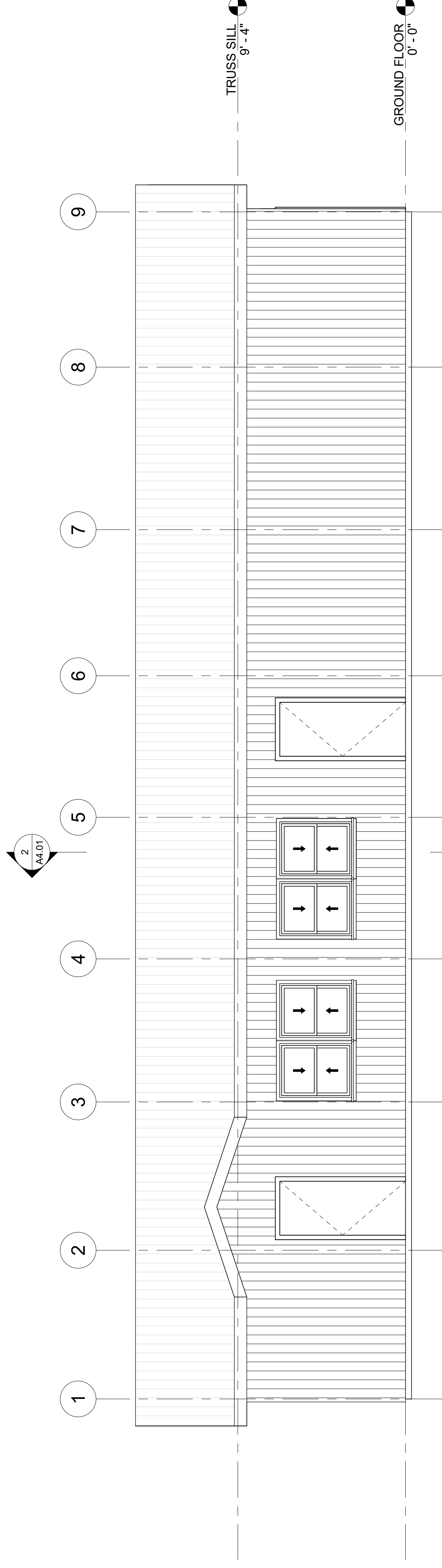
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ASSOCIATION
4 CLUBHOUSE CIRCLE
BELLINGHAM, WA

SB JOB NO: 202203.14
DATE: 06.29.2022

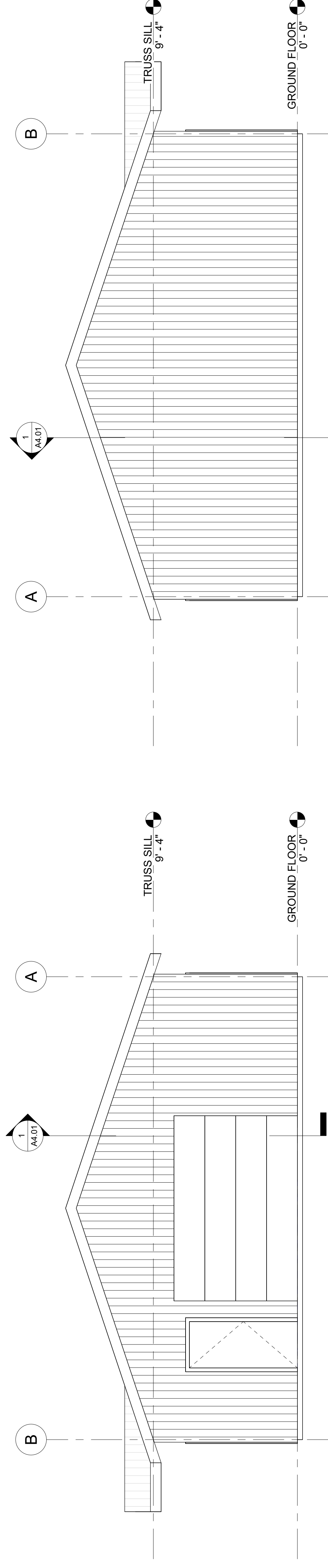
CONSTRUCTION
DOCUMENTS

No.	ISSUED FOR	DATE

ROOF PLAN

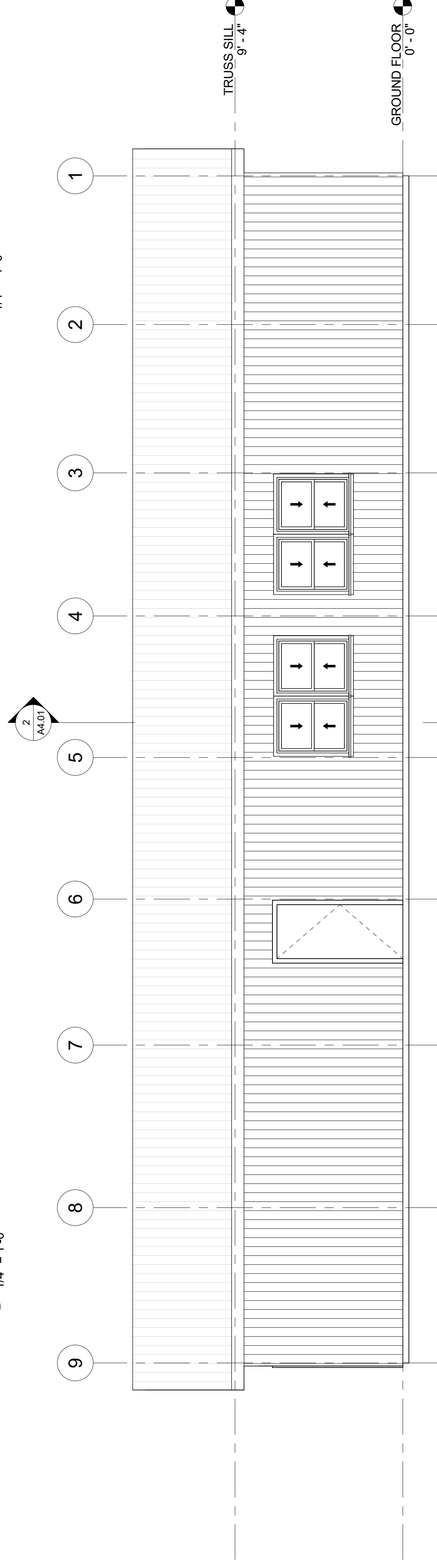


④ SOUTH ELEVATION
1/4" = 1'-0"



① EAST ELEVATION
1/4" = 1'-0"

② WEST ELEVATION
1/4" = 1'-0"



③ NORTH ELEVATION
1/4" = 1'-0"

**AREA 'Z'
MAINT. SHED TI**

SUDDEN VALLEY
ASSOCIATION
4 CLUBHOUSE ROAD
BELLINGHAM, WA

SB JOB NO: 202203.14
DATE: 09.06.2022

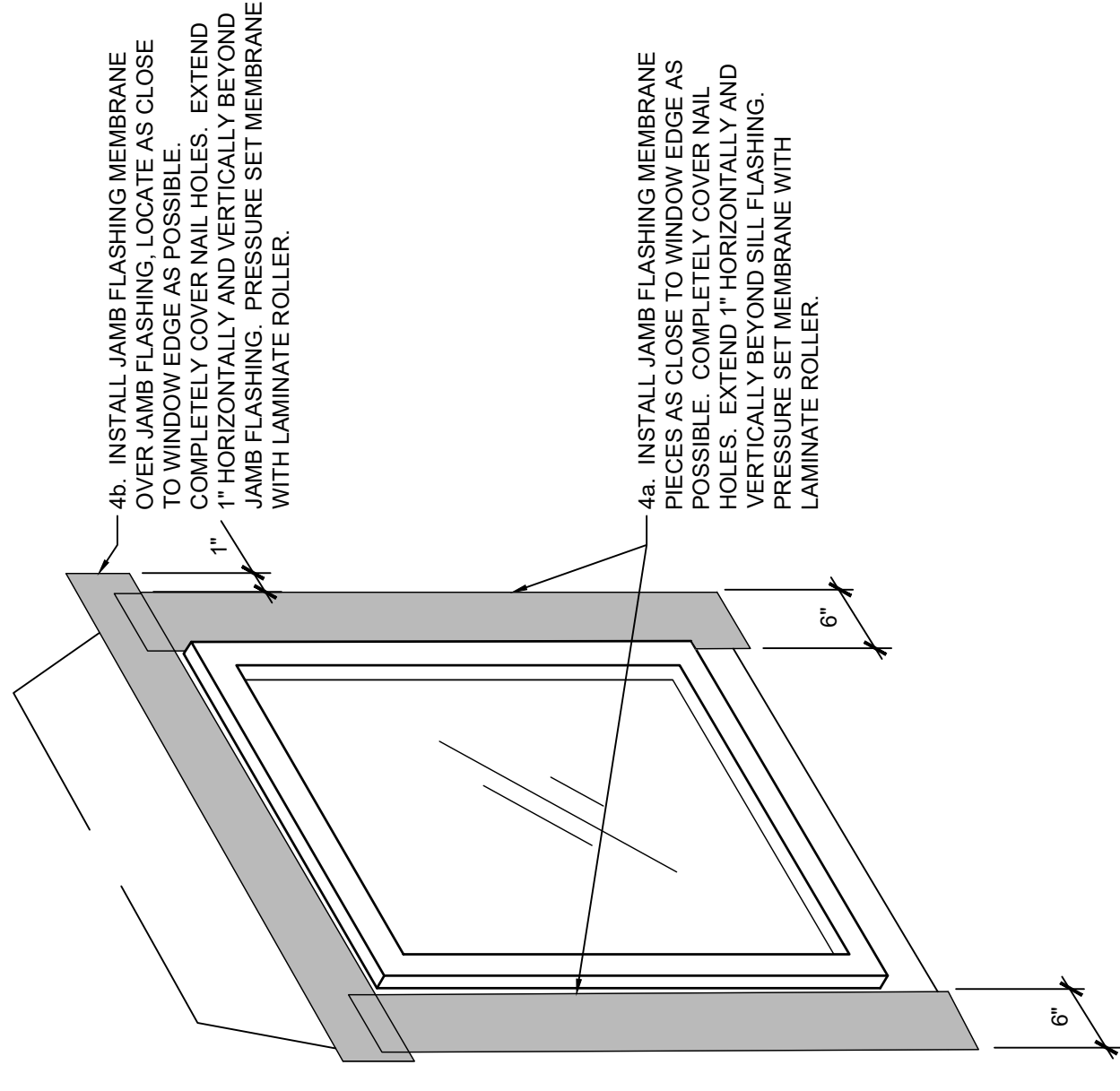
**CONSTRUCTION
DOCUMENTS**

No.	ISSUED FOR	DATE

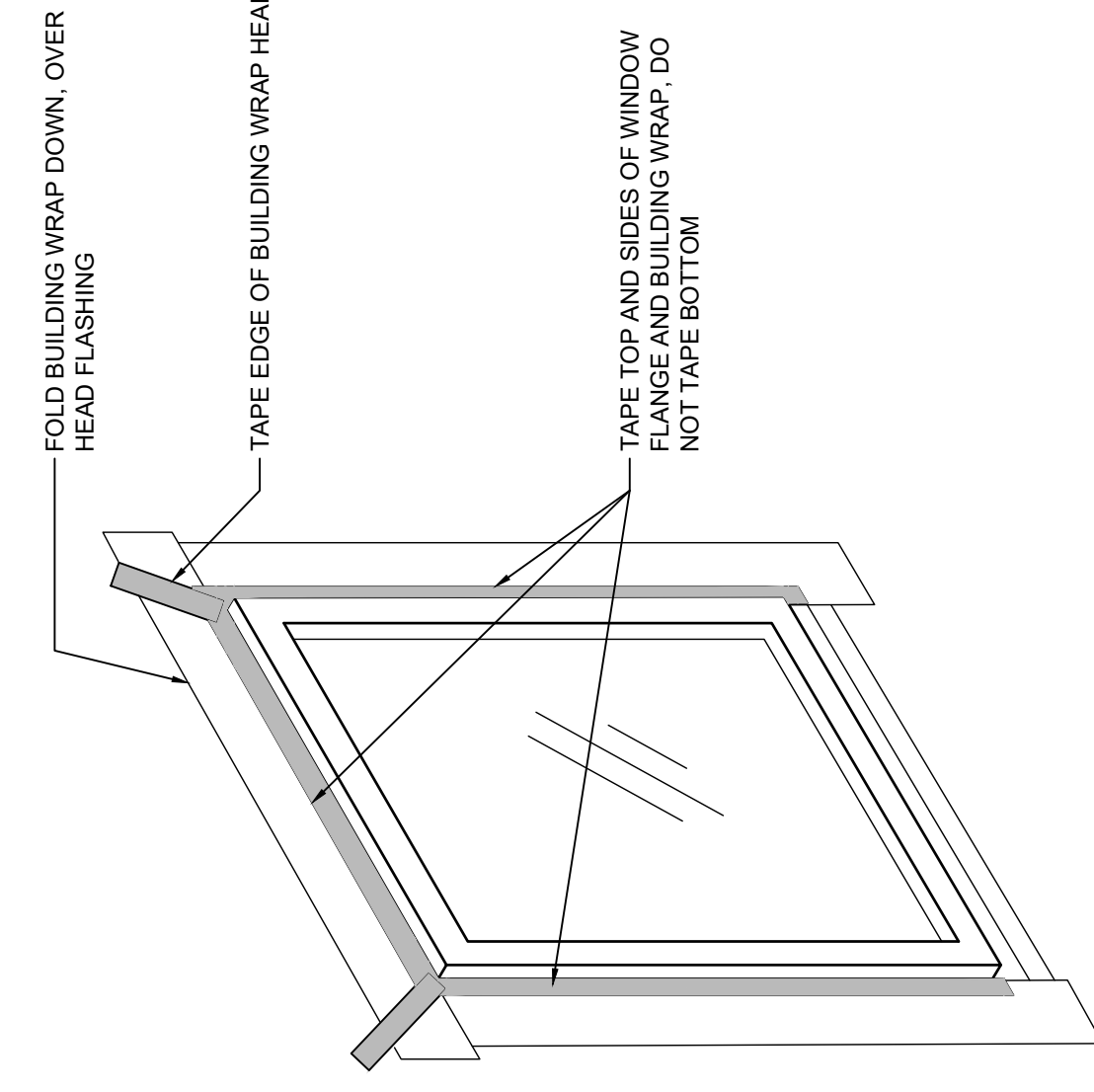
ELEVATIONS

THE UNDERSIGNED HAS PROVIDED BUILDING ENCLOSURE DOCUMENTS THAT IN MY PROFESSIONAL JUDGMENT ARE APPROPRIATE TO SATISFY THE REQUIREMENTS OF RCW 64.55.055 THROUGH 64.55.090. DETAILS INCORPORATE USE OF EXISTING WIDELY USED BUILDING ENVELOPE PROTECTION TECHNOLOGIES. DETAILS SUBJECT TO REVIEW AND UPDATE AS SYSTEMS ADVANCE.

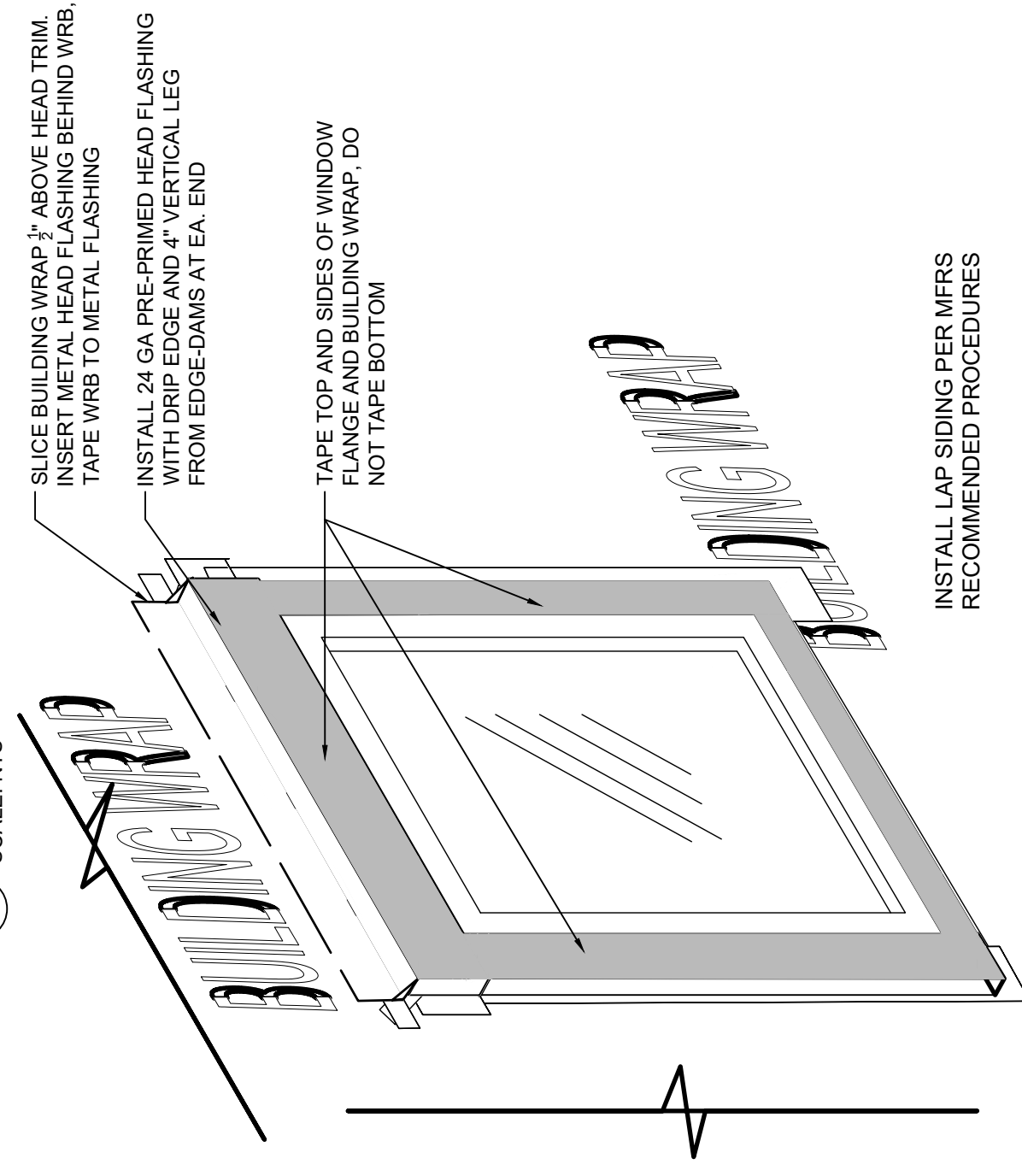
THIRD PARTY INSPECTION AND CERTIFICATION REQUIRED FOR WEATEHR ENVELOPE SYSTEM



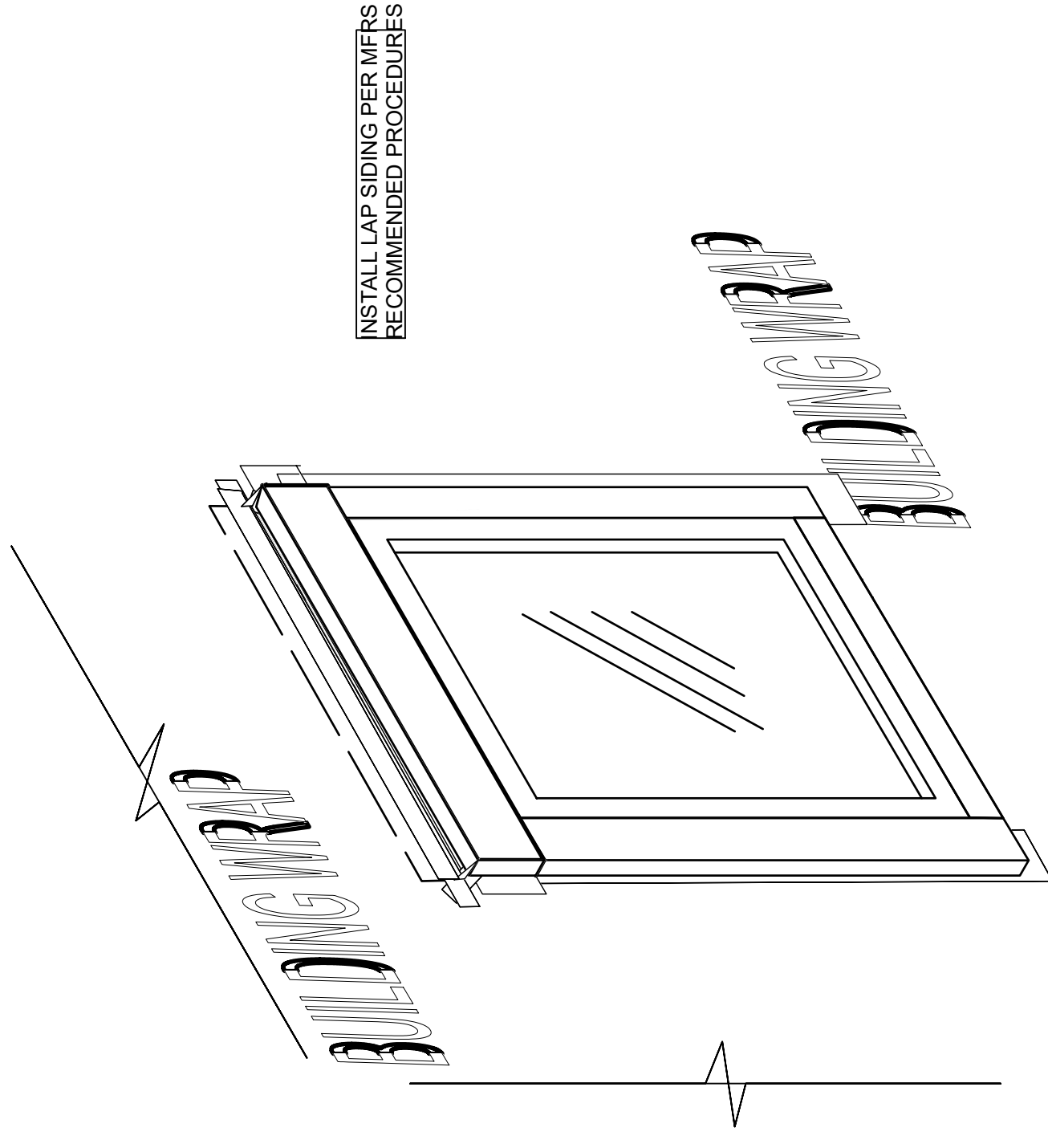
4 STEP 4
SCALE: NTS



5 STEP 5
SCALE: NTS



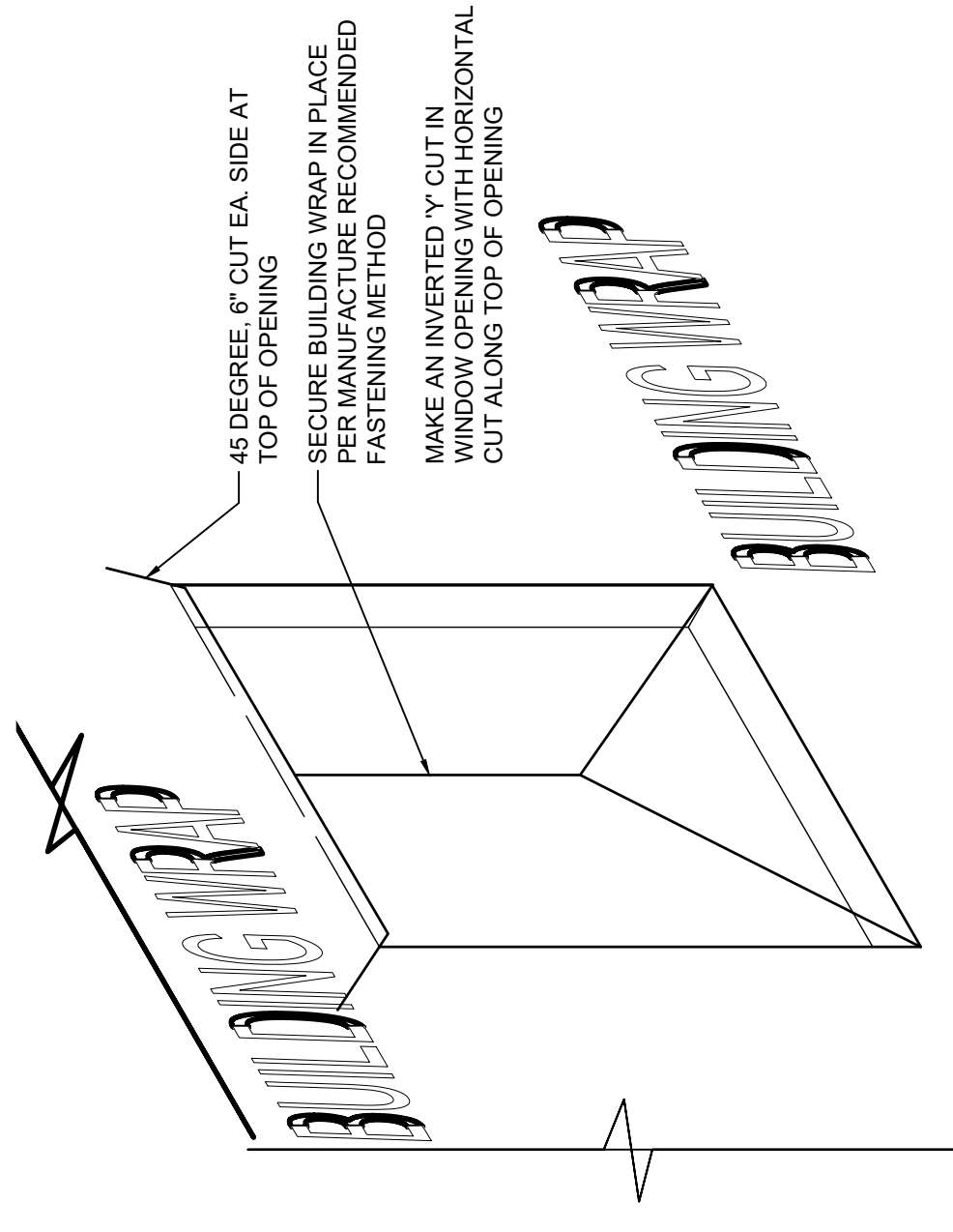
6 STEP 6
SCALE: NTS



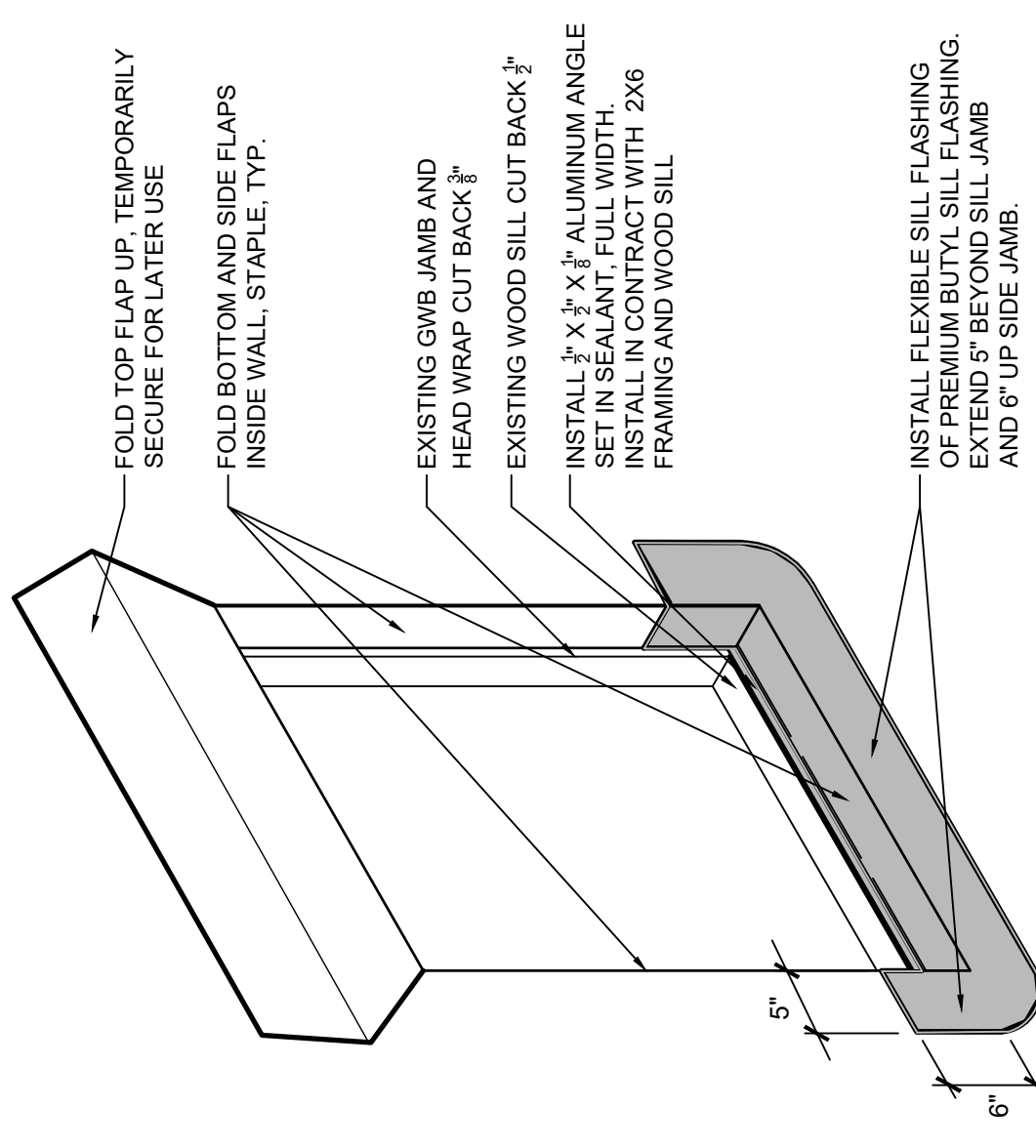
7 STEP 7
SCALE: NTS

GENERAL WEATHERPROOFING INSTALLATION NOTES:

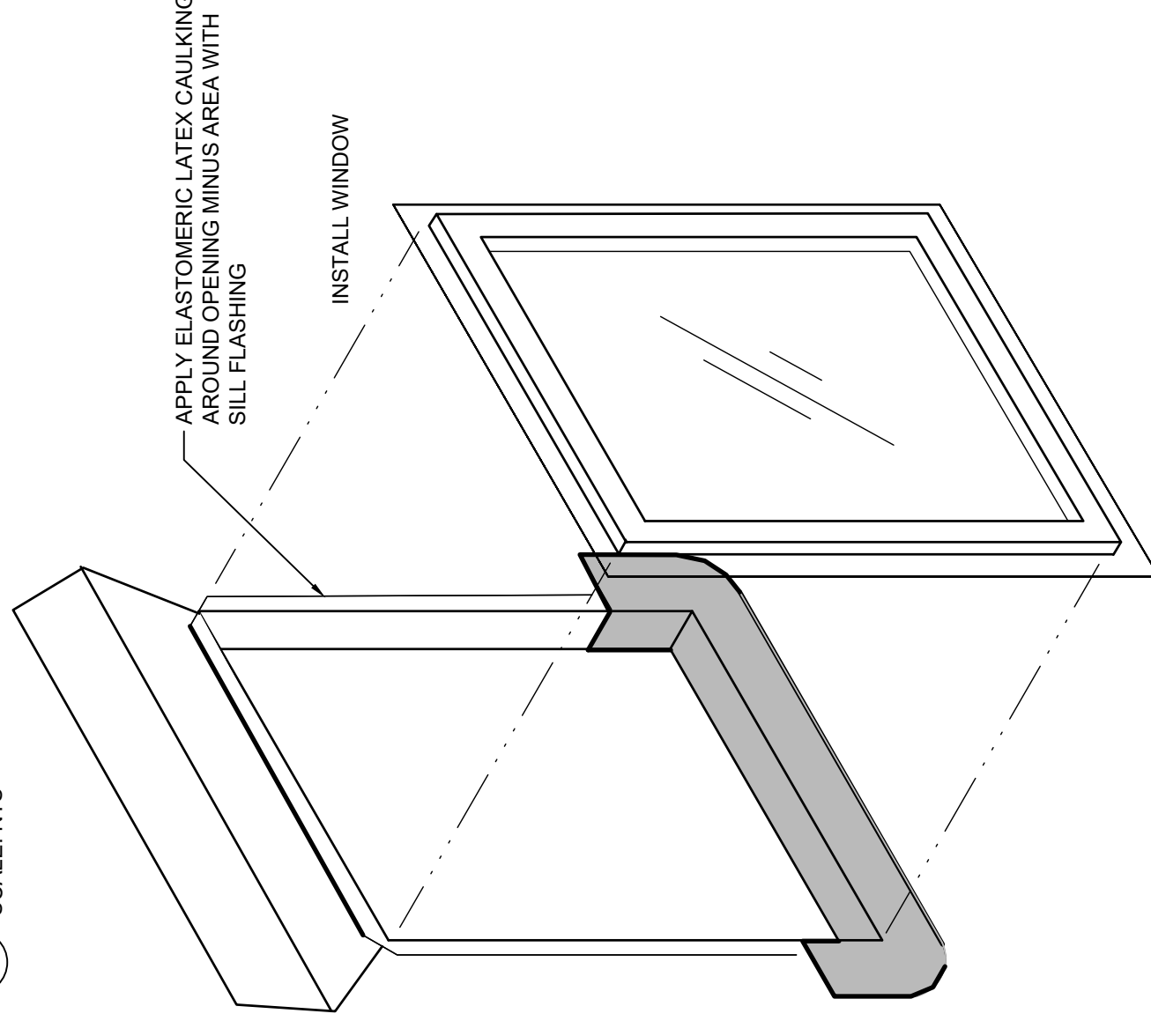
- INSTALL FLASHING, MEMBRANES AND SEALANT DURING FAVORABLE WEATHER CONDITIONS. INSURE PROPER ADHESION, CONTACT AND SEAL PRIOR TO COVERING
- VERIFY COMPATIBILITY WITH DISSIMILAR MATERIALS. CONFIRM EXPANSION TOLERANCES WITH MANUFACTURE PRIOR TO INSTALLATION.
- INSTALL LIKE PRODUCTS ACCORDING TO MANUFACTURES GUIDELINES.
- DO NOT COVER SUBSTANDARD OR SUSPECT INSTALLATION OF ANY OTHER TRADE.
- ALL EXTERIOR WALL & ROOF OPENINGS, FLASHING, COUNTER-FLASHING, EXPANSION JOINTS, BACKER-ROD, SEALANT AND FASTENERS TO BE CONSTRUCTED IN A WORKMAN LIKE MANNER REQUIRED TO MAKE THEM WEATHERPROOF AND WATERTIGHT.
- WARRANTY ALL WORK FOR ONE YEAR MINIMUM.



1 STEP 1
SCALE: NTS



2 STEP 2
SCALE: NTS



3 STEP 3
SCALE: NTS

**AREA 'Z'
MAINT. SHED**

SUDDEN VALLEY ASSOCIATION
4 CLUBHOUSE RD
BELLINGHAM, WA

JOB NO: 202203.14
DATE: 10.17.2022

PERMIT SET

REV ISSUED FOR DATE

**WINDOW FLASHING
DETAILS**

PROFESSIONAL SERVICES PROPOSAL FOR:

Sudden Valley Community Association

PREPARED BY:

Ben Hancock
Partner, Audit & Attest Director
bhancock@larsongross.com
Larson Gross

Cole Voorhees
Nonprofit Practice Leader
cvoorhees@larsongross.com
Larson Gross

PREPARED FOR:

Sonia Voldt
Sudden Valley Community Association
4 Clubhouse Circle
Bellingham, Washington 98229

October 05, 2023



Dear Sonia,

Thank you for the invitation to propose our services to Sudden Valley Community Association. We would very much welcome the opportunity to continue working with you.

Based on our discussions, we know you and your business will receive value from Larson Gross. Our desire is not only to perform services that meet the independent assurance needs you are looking for. We want to be a resource you can utilize in your operations and fulfillment of your mission. Your expectations are understood, and we know you are looking for an accounting firm that:

- Understands community associations through active involvement, serving similar organizations, and alerting you to trends and issues.
- Delivers a proactive, high touch level of client service by assigning a dedicated and experienced team that will understand your organization, provide close attention, and be responsive to your needs.
- Invests time understanding your objectives and applies that knowledge in delivering quality services, identifying opportunities, and making recommendations.
- Provides timely, well-organized, and accurate services.
- Develops long-term, personal, and professional relationships.

There is little comparison in the comprehensiveness and timeliness in which we conduct our work. We have a team of professionals devoted to working with companies in your industry with specialized training and knowledge in their unique needs.

We believe we have much to offer Sudden Valley Community Association and stand committed to exceeding your expectations of a professional service firm. We look forward to the opportunity to continue working with your organization as a supporting team member. If you have any questions regarding this proposal, please call us at your convenience.

Sincerely,

Cole Voorhees, CPA
Nonprofit Practice Leader

Ben Hancock, CPA
Partner

Who We Are.

Larson Gross is a full-service public accounting firm providing comprehensive audit & assurance, accounting, bookkeeping, tax, and consulting services to clients throughout the United States and Canada. Founded as a single office in Bellingham in 1949, we have grown to five physical offices across the state of Washington and have an experienced staff of 190+ team members working throughout the United States to proudly serve clients in the Pacific Northwest.

Our firm is a member of the American Institute of Certified Public Accountants as well as the Washington Society of Certified Public Accountants, an organization that recognized us as Firm of the Year in 2019.



We aspire to be an innovative, forward-looking team creating clarity around the future and celebrating success together.



Kelli Visser- CEO, Partner



Our Purpose.

Making lives better, businesses stronger.



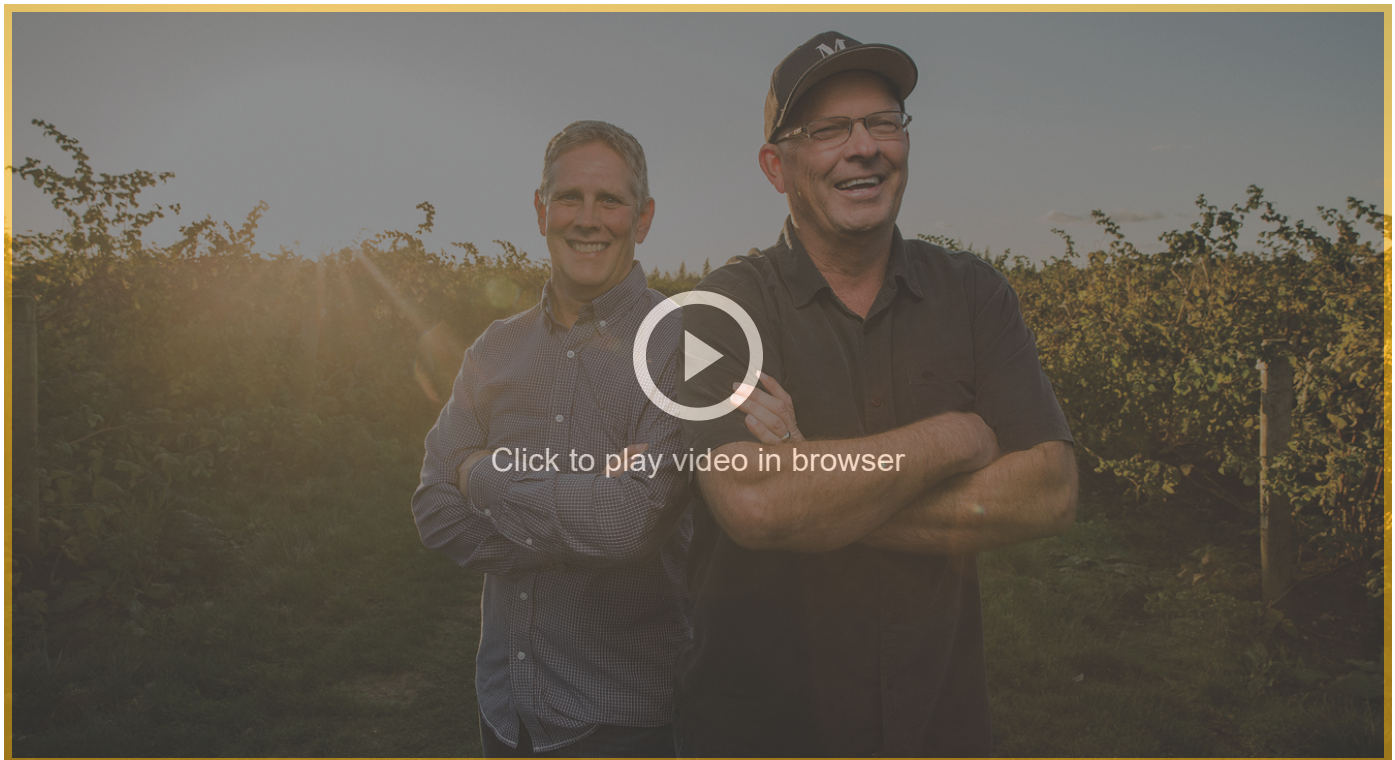
Our Vision.

To be connected in genuine relationship with our team members, clients, and community to create shared success.



Our Values

- We Commit to our Team
- We Cultivate Genuine Relationships
- We Create Shared Success



What Sets Us Apart.



We dig deep.

Individual relationships are the heart of our work. Our approach to service means building a genuine relationship with you. Communication throughout the year. A deep curiosity for your business's operations. More asking and less telling. Understanding what keeps you up at night. Collaborating and co-developing solutions. That's what you can expect from our high-touch, highly personal team.



We provide a dedicated & invested team.

We have 190+ team members with expertise in a wide variety of areas. We approach client service as a team, while paying thoughtful attention to matching your specific needs with our best suited team members. This means more resources and horsepower without losing accessibility and personal service. We understand the importance of maintaining these client teams from year to year because we believe it is the best way to develop a long-term relationship with you. This continuity provides reliability for you and efficiency for both of us.



We go beyond the compliance.

We don't simply run your numbers and check boxes. Our highest and best use is to serve as your advisory team to spearhead discussion of key business topics, facilitate conversations regarding financial issues that are important to you, and grow a relationship that allows us to help you achieve your goals. You receive this level of service without additional cost to you because we believe in investing in the success of our clients.



We think differently.

If we have the opportunity to work together, you'll notice that we're not thinking about your tax return, financial statement or bookkeeping needs in silos. Instead, our unique approach integrates services to provide you a cohesive experience for greater understanding. Our team will take a practical approach when providing services, offering only those services you need and delivering them efficiently and thoroughly. Our firm has a proven process of client service supported by innovative systems, technology, and accountability to help us think differently and help our clients.



We believe in communication.

With more than 74 years of experience, we know that honest, timely communication is fundamental in growing lasting relationships and providing excellent service to our clients. We always encourage open and sincere dialogue, making you aware of our requests or findings as soon as possible. With us, you won't be caught off-guard by something because it's our mission to continuously keep you informed as we perform our services.

NONPROFIT

Our Experience

Nonprofit organizations have unique challenges and opportunities in their operation. That's why we've dedicated an entire team to serving them. We currently work with more than 180 nonprofits in a variety of ways, including:

- Financial statement engagements (audits, reviews, compilations)
- Audits performed in accordance with Government Auditing Standards and Single Audit requirements of the Uniform Guidance
- Preparation and consultation on Form 990
- Monthly financial statements or custom financial report development
- Ongoing bookkeeping support and training including payroll
- State and local tax issues
- Internal accounting control system reviews
- Board and staff training



Following are some of the types of nonprofits we serve:



Arts & Humanities



Foundations



Youth Organizations



Education



Environment



Animals



Health & Human Services



Membership Organizations



Associations

Our ongoing attention to the challenges that nonprofits often face enables us to quickly spot changing regulatory issues that may affect you, allowing us to proactively keep you informed. Our diversely skilled team provides us with the ability to lend business, process and financial recommendations to our clients consistently and effectively.

In addition to our awareness of the general nonprofit industry, we recognize our need to understand the unique aspects of your organization. The dynamics between key employees, the involvement of the board and your long-term goals all have a significant impact on your organization. We commit to working collaboratively to ensure you receive the comprehensive services and resources you need.

Client Service Team.

With 190-plus employees, all with diverse sets of skills and specialties, we're able to provide you comprehensive service with the proficiency your organization needs. We've thoughtfully selected the following team members to lead your service team.



Ben Hancock, CPA

Partner, Audit & Attest Director

Ben has practiced public accounting since 2004 and joined Larson Gross in 2020 after working in the nonprofit industry and a 10-year career with Moss Adams. He provides accounting and auditing services to nonprofits and their related entities, focusing on giving clients a practical, clear understanding of audit results to help them improve their operations. He also works collaboratively with clients to understand their goals and objectives; develop policies, processes, and tools; and define organizational and programmatic changes to better equip and position them to achieve their mission.

Ben's specific areas of expertise include financial statement audits, single audits under OMB's Uniform Guidance, policies and procedures development, organizational assessments and performance audits, internal control risk assessments, and creating training programs for nonprofit staff and board members.

Before joining Larson Gross, Ben was an accounting manager for a housing authority. He is a member of the AICPA and is a licensed CPA in Washington and California states. He received his BBA and Master's in Accounting from Gonzaga University.

Ben and his wife have two young sons who keep them on their toes. After several years living and traveling throughout the West and Midwest, they are delighted to be "home" and enjoy all the rewarding experiences the Pacific Northwest has to offer!



Cole Voorhees, CPA

Nonprofit Practice Leader

Cole joined the Larson Gross team in 2021 with nearly 10 years of auditing experience in public accounting in the greater Seattle area. He earned both a bachelor's and a master's in accounting from Washington State University. Go Cougs!

Cole specializes in audits and financial statements of nonprofit entities, and he takes pride in extending his influence beyond the conventional auditor role. Throughout his career, he's helped diverse clientele across various industries, with an emphasis on providing support to nonprofit organizations in navigating their audit and accounting needs.

In his personal life, he finds joy in the company of his talkative feline companion, Lou. During Teams Meetings you might have the delightful opportunity to hear her! Beyond his professional pursuits, he's an avid fan of basketball. His team is the Charlotte Hornets! After work is over you can find him in a sun patch basking like an alligator and listening to basketball podcasts.



Our Commitment to Diversity, Equity, Inclusion and Belonging

Larson Gross commits itself to building a culture and work environment where all its team members feel a sense of belonging, respect and value. Our core values of — Connected, Invested, Initiative, Integrity, Personal, Successful — are the backbone of our organization and how we want to behave toward each other and our clients.

Our firm's 18 partners recognize that the commitment to diversity, equity, inclusion and belonging (DEIB) is one that requires constant education. That's why they engage an external consultant to assist them and our DEIB committee with the ongoing learning of what it means to be inclusive leaders. We have also implemented learning communities for our team members that have highlighted sessions on diversity and inclusion, unconscious bias and a leader's role in fostering diverse teams.

An additional way to model our support for diversity, we have created and underwritten sponsorships with Western Washington University and Washington Apple Education Foundation that help first-generation college students flourish in their academic career. The eligible first-generation scholarship recipients are most often under-represented students.



Scope of Work.

The following paragraphs describe our anticipated scope of work, given discussions thus far.

Our Approach to Your Audit

We believe in a collaborative approach to your audit. We begin with a joint meeting of the Larson Gross team members who will be providing service to your organization along with your team members to discuss and ensure that we will efficiently meet your objectives. We take a robust approach to testing, validation and confirmation of your records. We are equally effective at performing our work in-person or virtually, depending on your preferences and in accordance with Washington State guidelines.

Our audits are conducted in accordance with generally accepted auditing standards (GAAS). These standards require that we document an understanding of your organization and your internal controls. Gaining this understanding involves several conversations with management as well as testing individual transactions against the understanding that we have received. Based on the information we gather during this process; we are able to provide recommendations on how to implement best practices within each area.

Our scope of audit process goes beyond accounting transactions to your management culture, tone and approach to ethics. Our objective is to identify risks of financial statement misstatement and to identify risks of fraud. These risks impact our decisions on how to audit your organization.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design 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.

Our delivery of final audited financial statements includes an in-person or virtual presentation from our team to your management team. This is standard practice for our firm, as we believe it's the best opportunity for us to openly communicate our findings and address any questions your organization may have.

Use of Technology in Our Audits

Our firm believes in the power of technology and its ability to create efficiencies in the work we perform for our clients. We use Suralink, a leading technology platform in request list and document management. With Suralink, we can securely exchange documents with you easily and efficiently. With its dynamic cloud-based tracking system, we can both spend less time figuring out what documents are still needed to complete the job and spend more time on the interactions that matter to you.

Additionally, our firm has implemented both CaseWare IDEA and DataSnipper, data analysis software that allows us to test and analyze large datasets, import data from various sources, and identify anomalies more efficiently. We will be using a combination of these software tools as part of our audit procedures for your organization, should we be selected.

Communication Process During an Audit

Ben Hancock will serve as your main point of contact for all the services we provide, however, there will be multiple team members working with your organization who are able to answer any questions you may have. We are dedicated to being available to our clients and answering their questions whenever they arise.

We believe in clear and timely communication of issues to avoid last minute surprises and to enable smooth and timely reporting. We will also provide feedback to management in ways that controls can be improved as early as possible, to help management in performing its responsibilities to maintain effective controls, and leverage any changes made by management early in our audit process.

Lastly, we do not design our audit to look for fraud or errors within your organization. However, if evidence of fraud or errors does come up throughout our process, we contact you immediately. If our discovery is something we need to professionally disclose in the delivery of our financial statements, we find it necessary to disclose this information to you beforehand as to avoid any surprises later.

Our Approach to Your Federal Form 990

We anticipate during our initial meeting that we would collaboratively review your prior Form 990s, identifying any concerns while simultaneously answering any questions you may have regarding the details included in them. We'll also identify and discuss ways in which we'll approach your Form 990 differently in the future. Your Form 990 is a great marketing tool for potential donors, and we want to help you make the most of this opportunity.

Your Resource Throughout the Year

Being a resource for your organization means being present all year long. We expect that you may have questions that come up throughout the year that may even be unrelated to your financial statements. We are dedicated to being available to our clients and answering their questions whenever they arise, at no additional cost to the fees listed in this proposal. If a question leads to a larger project, we will openly discuss with you the required time it will take us to complete it, and provide an additional fee associated with that project. We believe this effectively eliminates any inadvertent "surprise" billings.

Fee Proposal.

We believe that the value we deliver through the course of our relationship surpasses the cost of our service. The fees assume the full cooperation of Sudden Valley Community Association, its employees, and agents in all aspects necessary for the completion of these services.

Subsequent annual service fees are expected to increase about 7% unless there is a major shift in operations.

Service	Fee Estimate for Year Ended 12/ 31/2023
Audited Financial Statements	\$35,000
Sudden Valley Community Association Tax Return - Form 990	\$4,000
Management Letter	\$0
Communication of Internal Control Matters	\$0
Presentation of Audit Results to Management and Board of Directors (or related committee)	\$0
Quarterly planning meetings, scheduled at your convenience, to discuss your organization and proactively plan for service delivery, business changes, economic forces, and industry developments.	\$0
Complimentary articles and invitations to host CPE and other events.	\$0
Total	\$39,000

Timeline.

We have proposed a timeline of our work below for your consideration. If we are selected as your provider, we would be happy to collaborate on a timeline that best suits your needs.

Date	Phase
October 2023	Larson Gross selected & provides agreement letter
May 2024	Audit fieldwork (Virtual or On-site to be discussed)
July 2024	Larson Gross presents draft financial statements for discussion
August 15 2024	Larson Gross presents final financial statements
August 15 2024	Final Federal Form 990 is filed and delivered

Next Steps.

We are grateful for the opportunity to provide this proposal.

1. Please review this proposal in detail prior to signing. We want to ensure you are 100% comfortable with everything presented.
2. If you would like to discuss the details of our services or have questions, please contact us and we'd be happy to discuss.
3. Once you are ready to proceed, please reach out to Larson Gross.
4. We will be in touch shortly with details in moving forward with this service.

If you would like to discuss the details of our services or have questions, please contact us and we'd be happy to discuss.

Thank you in advance for the opportunity to serve you.



Ben Hancock, CPA
Partner, Audit & Attest Director
bhancock@larsongross.com
360-209-2868



Cole Voorhees, CPA
Nonprofit Practice Leader
cvoorhees@larsongross.com
360-312-3975

Larson Gross 

**We look forward to
working with you.**



360-734-4280

contact@larsongross.com

larsongross.com



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: Jo Anne Jensen, General Manager
Date: October 12th, 2023
Subject: Approval Request – Rules of Procedure for Appeals

Purpose

To request approval of the proposed Rules of Procedure for Appeals.

Background

Article V., Section 6. Bylaws for the Sudden Valley Community Association (SVCA) provides for appeals by any individual who has received a notice of violation of the Restrictive Covenants, Bylaws, or Rules & Regulations, and establishes an Appeals Committee that is tasked with hearing the appeals. The Bylaws also provide that the Appeals Committee is responsible to prepare, update, publish, and operate written guidelines and procedures for appeals.

Analysis

SVCA does not currently have established rules or procedures for hearing appeals. To address this, SVCA Attorney, Richard Davis, was asked to draft guidelines for the appropriate conduct of appeals. The proposed rules of procedure formalize a process that is informed by established law court protocols, but it still manageable for the Association and the individuals who might wish to appeal. While the process allows for the participation of legal counsel, it does not require it, ensuring that all members can participate.

Requests

Request that the SVCA Board of Directors adopt the resolution approving the proposed Rules of Procedure for Appeals.

Motions

Move that the Board of Directors adopt the resolution approving the proposed Rules of Procedure for Appeals.

Board of Directors Approval

Approved: _____ Not Approved: _____ SVCA Board of Directors

RESOLUTION

RULES OF PROCEDURE FOR APPEALS

WHEREAS, Article V, Section 6 Bylaws for the Sudden Valley Community Association (SVCA) provides for appeals by any individual who has received a notice of violation of the Restrictive Covenants, Bylaws or Rules and Regulations;

WHEREAS, appeals are heard by the Appeals Committee after which time the member may, if they so choose, appeal to the remaining Board members;

WHEREAS, Article V, Section 6(c) of the Bylaws provides that the Appeals Committee is responsible to prepare, update, publish and operate written guidelines and procedures for appeals;

WHEREAS, Article V, Section 1 (a) of the Bylaws requires the Board to approve any rules or procedures;

WHEREAS, the Board is ultimately responsible for the oversight of all committees and the approval of rules and procedures;

WHEREAS, the Appeals Committee has not previously adopted written rules of procedures for appeals;

WHEREAS, the Board finds that appeals procedures have been handled differently depending upon who serves as Chair of the Appeals Committee;

WHEREAS, the Board desires to strike a balance between the importance of providing a fair forum for appellants to dispute notices of violation while addressing practical and financial limitations;

WHEREAS, the Association is not a court of law and does not possess the expertise nor the resources to treat an appeal as a mini-trial; and

WHEREAS, the Board determines that for consistency, transparency and fairness, rules should be adopted for appeals heard by the Appeals Committee and for second-level appeals to the full Board.

NOW THEREFORE, be it resolved by the Board of Directors that the following Rules of Procedure for the Appeals Committee attached as Exhibit A and the Rules of Procedure for Appeals to the Remaining Board members attached as Exhibit B are hereby adopted.

ADOPTED this 12th day of October, 2023, at a regularly scheduled meeting of the Board of Directors at which a quorum was present.

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

EXHIBIT A

RULES OF PROCEDURE FOR

APPEALS HEARD BY THE APPEALS COMMITTEE

1. **Definitions.**

- a. Appellant. An individual who was issued a Notice of Violation and who requests an appeal hearing pursuant to Article V, Section 6 of the Bylaws.
- b. Chair. The Chair of the Appeals Committee. Pursuant to Article V, Section 6(a), the Vice President of the Board shall serve as Chair.
- c. Notice of Violation. A notice issued by SVCA which charges an individual with a violation of SVCA's governing documents and assesses a fine to such individual.

2. **Requests for Appeal Hearing.** Any Appellant who desires to appeal a Notice of Violation must submit via email and deliver a physical hardcopy of a request for an appeal to the General Manager within ten (10) business days after being issued a Notice of Violation. The request for an appeal must include the Appellant's e-mail address. If the Appellant does not timely file a request for a hearing with the General Manager, the violation and associated fine shall be final and binding.

3. **Legal Counsel.** Upon request of either the Appeals Chair, the President, or the General Manager, the Association's legal counsel will attend the Appeals Committee and will represent the Appeals Committee. The Appellant may also be represented by Legal Counsel provided that the Appellant provides at least five (5) business days advance written notice to the Chair, the President, and the General Manager that they will be represented at the Hearing by Legal Counsel.

4. **Preliminary Matters.**

- a. Notices and E-Mail Communication. To facilitate timely and efficient communication regarding the appeal, communications shall occur solely via electronic mail following the submission and delivery of the request for an appeal. If Appellant fails to include an email in the notice, SVCA will use Appellant's e-mail address that is on file with SVCA Administration. If Appellant has no e-mail address, SVCA will send all notices and materials set forth herein to the Appellant's mailing address; however, Appellant shall not be entitled to any extensions of timeframes set forth herein due to the time for mail to be delivered to Appellant. E-mails sent to SVCA shall be sent to the following e-mail address: Appeals@SuddenValley.com

- b. Recusal of Appeals Committee Members. Following the submission of a request for appeal, the General Manager shall promptly notify the Appeals Committee members. Any member of the Appeals Committee who believes that it is not possible for them to discharge their duties in a fair or impartial manner, shall then promptly notify the Chair that they intend to recuse themselves from the Hearing. The Chair shall then appoint another Board member to serve on the Appeals Committee for the duration of the appeal.
- c. Pre-Hearing Submissions. All pre-hearing submissions and communications to the Appeals Committee as specified below in subsections 3(d), 3(e) and 3(f) shall be provided simultaneously to all parties; this can be accomplished by sending the materials via email to appeals@suddenvalley.com AND to the email address provided by the appellant.
- d. Establishment of a Hearing Date. When an Appellant timely files an appeal, the General Manager will issue a Notice of Hearing to the Appellant. In most cases, SVCA will endeavor to schedule the Hearing within sixty (60) days of the date that the Appellant filed the appeal. The Notice of Hearing shall include the location, date, and time of the hearing. Within five (5) business days of receiving a Notice of Hearing, the Appellant may request the Hearing to be rescheduled for good cause shown; however, the decision to reschedule shall rest in the sole discretion of the Chair and shall be final.
- e. Submission of Evidence in Advance of Hearing. Not later than five (5) business days in advance of the Hearing, each Party may submit to the Appeals Committee any evidence and Affidavits or Declarations (i.e. sworn statements) in the form required by RCW 5.50.050 that they wish the Appeals Committee to consider. An affidavit template is attached hereto. Affidavits and Declarations shall contain sufficient facts to demonstrate that the person signing the Affidavit or Declaration (the "Affiant") has personal knowledge of the facts to which the Affiant is testifying. Any Affidavit or Declaration which is not timely submitted may, in the discretion of the Chair, be ignored or given reduced weight (i.e., have less influence on the Appeals Committee's decision compared to if the Affidavit or Declaration was timely submitted).
- f. Pre-Hearing Brief. Either Party may file a pre-hearing brief with the Appeals Committee provided that it is submitted to the Chair not less than five (5) business days in advance of the Hearing. A pre-hearing brief is not for the purpose of submitting evidence but, rather, for outlining the party's position.
- g. Request for Closed Hearing. As permitted by Article V, Section 6(b) of the Bylaws Appellant may request the hearing to be closed. Appellant should submit such requests to the General Manager no later than two days prior to the Hearing. Such requests shall be automatically granted.

5. Recording. The Hearing shall be audio recorded.
6. **Hearing Procedures**. At the Hearing, the following procedures shall be followed:
 - a. The Chair shall preside at the Hearing and shall rule on all evidentiary matters.
 - b. Before the Association commences its opening statement, the Chair will:
 - i. If the Appellant has requested the Hearing to be held in closed session, the Appeals Committee shall enter into closed session for the remainder of the Hearing.
 - ii. Allot a reasonable, and equal, amount of time to each side for the presentation its statements (refer to Section 5.f. for the order of presentation). The amount of time shall be in the Chair's discretion; provided, however, that the Chair may extend any of the time frames for good cause.
 - c. Default. In the event the Appellant fails to appear at the Hearing, the Appellant will be deemed to be in default, and the Appeals Committee shall immediately render a decision.
 - d. Spokesperson. Each party shall designate one spokesperson who shall present the party's case.
 - e. Witnesses. Witnesses will not be allowed to testify at the Hearing. Any statements by witnesses must be submitted by affidavit or declaration in accordance with Section 4e.
 - f. Order of Presentation.
 - i. The Association's spokesperson shall make an opening statement in support of its position.
 - ii. Following the Association's opening statement, the Appellant's spokesperson shall make a statement in support of their position.
 - iii. The Association will be allowed a rebuttal statement.
 - g. Evidentiary Rulings.
 - i. At the start of the hearing, either party may object to evidence submitted by the opposing party on the grounds of relevance, hearsay, opinion, cumulative, or other grounds as generally provided in the Washington State Court Rules of Evidence and which may be viewed by visiting

<https://www.courts.wa.gov/> . However, it is recognized that the Appeals Committee is not a court of law, and strict adherence to the Rules of Evidence is not expected or required. The Chair shall decide in the interest of justice whether evidence will be excluded (i.e., not be considered or influence the Appeals Committee's decision).

- ii. Any evidence which consists of personal attacks on an opposing party, is not factual in nature, and/or is not relevant to deciding whether the Appellant committed the alleged violation shall be rejected by the Chair and not considered.
7. **Decision.** The Appeals Committee may deliberate in closed session and shall issue its decision ("Decision") at the close of the Hearing unless there is good cause to show that additional time is needed. The Decision shall be in writing and signed by the Chair but need not contain detailed findings of fact or conclusions of law. If the Decision upholds the violation in whole or in part, the Appellant shall be notified of the right to appeal the decision of the Appeals Committee to the remaining Board members by 5:00 pm on the tenth (10) business day following the issuance of the decision; failure to file an appeal by such time period shall be deemed a waiver of the right to appeal.
 8. **Transmission of Decision.** The General Manager will e-mail the Decision to each Party within forty-eight (48) hours after signing the Decision. The original copy of the Decision shall be dated and signed by the Chair and filed among the Minutes of the Board of Directors.

SUDDEN VALLEY COMMUNITY ASSOCIATION

APPEALS COMMITTEE

_____, Appellant

v.

SUDDEN VALLEY COMMUNITY ASSOCIATION,
Appellee

VIOLATION NO. _____

AFFIDAVIT IN SUPPORT OF

I, _____, declare, under penalty of perjury under the laws of the State of Washington, that the following is true and correct.

1.

DATED this _____ day of _____, 20____ at [CITY], [STATE].

EXHIBIT B

RULES OF PROCEDURE FOR

APPEALS HEARD BY THE REMAINING BOARD MEMBERS

1. Definitions.

- a. Appellant. An individual who was issued a notice of violation.
- b. Remaining Board Members. The members of the Board who did not serve on the Appeals Committee which heard the appeal from the Appellant.

2. Notices and E-Mail Communication. To facilitate timely and efficient communication regarding any appeal, all communications shall occur solely via electronic mail. Unless the Appellant provides written notice to the President of the Board of a different e-mail address where communications may be sent, e-mails will be sent to the e-mail address used by the Appeals Committee. All submissions made to the Remaining Board Members shall be made directly to the President of the Board.

3. Timeliness of Appeal. Any appeal to the Remaining Board Members shall be filed with the President of the Board no later than 5:00 p.m. on the tenth (10th) business day following issuance of the Decision by the Appeals Committee. If an appeal is untimely, it shall be deemed denied without further proceeding.

4. Manner of Review. Any timely appeal to the Remaining Board Members shall be based on the Record established at the Appeals Committee. No new evidence will be permitted except as provided hereinafter. As used herein, the Record established at the Appeals Committee shall consist of the following:

- a. The recording of the Appeals Committee Hearing.
- b. Any written submissions submitted by either party to the Appeals Committee.
- c. Any evidence and declarations or affidavits submitted by either party.
- d. Any evidence excluded by the Chair of the Appeals Committee.
- e. The Decision.

5. Appeal Process.

- a. Establishment of Date for Deliberations. When an Appellant timely files an appeal, the General Manager will issue a Notice to the Appellant setting forth the date that the appeal will be considered by the Remaining Board Members in closed session (the "Deliberations"). The Remaining Board Members may continue or reschedule the Deliberations as deemed necessary.

- b. Pre-Hearing Brief. Either Party may file a brief with the Remaining Board Members provided that it is submitted to the President not less than two (2) business days in advance of the Deliberations. A pre-hearing brief is not for the purpose of submitting evidence but, rather, for outlining the party's position.
 - c. Additional Evidence. Except as provided herein, evidence which was not introduced at the Appeals Committee will not be considered by the Remaining Board Members. If Appellant wants the Remaining Board Members to consider any evidence excluded by the Appeals Committee, the Appellant shall set forth a section in the pre-hearing brief explaining (i) the evidence that was excluded and (ii) why the Appeals Committee wrongly failed to consider the evidence. If the Remaining Board Members determine that the Appeals Committee wrongly excluded evidence and that such exclusion works an injustice on Appellant if not considered, the Remaining Board Members shall consider the evidence.
- 6. Deliberations and Decision.** Any Remaining Board Member who believes they cannot be impartial should recuse themselves from the Deliberations. The Remaining Board Members will review the Record, deliberate in closed session and issue a decision ("Final Decision") by majority vote of the Remaining Board Members at the conclusion of the Deliberations. The Final Decision shall be reduced to writing and signed by the President but need not contain detailed findings of fact or conclusions of law.
- 7. Transmission of Decision.** The President will e-mail the Final Decision to each Party within forty-eight (48) hours after signing the Final Decision. The original copy of the Final Decision shall be dated and signed by the President and filed among the Minutes of the Board of Directors.