



# Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

[www.suddenvalley.com](http://www.suddenvalley.com)

## **Board of Directors Regular Meeting**

June 27th, 2024, 7:00 PM, IN PERSON, DANCE BARN

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Call to Order

Land Acknowledgement & Anti-Racism Statement

Roll Call

Item 1) Adoption of Agenda

Item 2) Announcements

Item 3) Property Owner Comments – 15 Minutes Total

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

Item 4) Consent Agenda

4a. Minutes – June 13, 2024, as submitted

Item 5) Finance Report – April 2024 Financials

Item 6) Committee Reports

6a. Document Review

6b. Finance

6c. GM Search

6d. Long Range Planning

6e. Nomination & Elections

6f. Safety

Item 7) Continuing Business

7a. Review Budget Calendar

Item 8) New Business

8a. Approval Request – GM Job Description

8b. Approval Request – Library Lease

Adjournment



## REGULAR SESSION OF THE BOARD OF DIRECTORS

Thursday, June 13, 2023

Minutes

**DATE AND LOCATION:** Dance Barn

**CALLED TO ORDER AT:** 7:00PM.

**AUDIENCE MEMBERS:** Not Recorded

**BOARD MEMBERS PRESENT:**

1. Keith McLean	4. Laurie Robinson-Phone	7. AJ Tischleder	10. Robb Gibbs
2. Taimi Van de Polder	5. Sonia Voldt-Excused	8. Rick Asai	11. Daniel Rodriguez
3. Linda Bradley	6. Ray Meador	9. Stu Mitchell-Zoom	

**ATTENDING:**

**Staff Members:** Jo Anne Jensen, General Manager. Kyle Kaltenbach-IT Support

**Call to Order**

President McLean called the meeting to order at 7:05PM.  
Land Acknowledgement and Anti-Racism Statement.

- President Moved to Amend the Agenda to change the order of items 6a and 6C, approved by Consensus.**

**President Moved to Adopt Agenda.**

**Motion: Move to Amend the Agenda to add item Add 2 members to the Safety Committee members. Item 8e,**

<b>Motion By:</b> Director Van De Polder		<b>Seconded By:</b> Director Bradley	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained</b>	

**Moved to Adopt Amended Agenda**

<b>Motion By:</b> Director McLean		<b>Seconded By:</b> Director Bradley	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained</b>	

- Announcements.**

Still openings to sign up for swimming lessons.  
Town Hall regarding ACC Policies on 6/19.

- Property owner comments.**

Various members addressed the Board.

- Consent Agenda**

**Motion:** Move to approve the minutes from May 9th, 2024, May 23<sup>rd</sup>, 2024, as submitted.

<b>Motion By:</b> Director Bradley		<b>Seconded By:</b> Director Van De Polder	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>

<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained</b>	
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5. **General Manager Report**

6. **Continuing Business**

**6a) Request for Approval-Public Utility Easement**

**Motion:** Move that the SVCA Board of Directors approves the proposed easements for 8 and 10 Valley View Circle, and the proposed fee of \$1,500 per property or per lot to cover the recorded administrative cost.

<b>Motion By:</b> Director McLean		<b>Seconded By</b> Director Braadley	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained:</b>	

**6b) GM Search Committee Update**

Director Asai presented an update on the work of the Committee and Recruitment Company.

**6c) Process for Appeal of Builder Extension Fees**

The GM read the opinion of the attorney regarding adopting an appeal process for contested builder fees. A copy of the opinion is included in the agenda packet.

7. **Closed Session**

**Motion:** Move to closed session at 7:41PM

<b>Motion By:</b> Director Bradley		<b>Seconded By</b> Director Van De Polder	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained Taimi Van de Polder</b>	

**Motion:** Move to go back into Open session at 8:46PM

<b>Motion By:</b> Director Bradley		<b>Seconded By</b> Director McLean	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained Taimi Van de Polder</b>	

President McLean: Coming out of closed session there will be no actions taken.

8. **New Business**

**8a) Employment of Relatives**

**Motion:** Move that the SVCA Board of Directors approve the continued employment of Braden LeDuc, a close relative of Kevin LeDuc, Director,

<b>Motion By:</b> Director McLean		<b>Seconded By</b> Director Bradley	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained Taimi Van de Polder</b>	

**8b) Capital Request-GM Recruitment**

**Motion:** Move that the SVCA Board of Directors approve \$32,850 from the UDR for the GM

Search.

<b>Motion By:</b> Director McLean		<b>Seconded By</b> Director Bradley	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained</b> Taimi Van de Polder	

**8c) Approval Request-Heston Hauling Contract**

**Motion:** Move that the SVCA Board of directors approve the private property impound agreement with Heston Towing and authorize the General Manager to sign it on behalf of SVCA.

<b>Motion By:</b> Director Bradley		<b>Seconded By</b> Director Gibbs	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained</b>	

**8d) Board Meeting Procedures**

Summary: The GM read the outlined new procedure for Board meetings regarding when materials for each meeting will be issued a week early to allow directors more time to review the material and submit any questions or additional information regarding the materials. The full outline is included in the online agenda packet,

**8e) Safety Committee Appointments**

**Motion:** Appoint Hilde Schaff and Deborah Davolio, to the Safety Committee.

<b>Motion By:</b> Director Van De Polder		<b>Seconded By</b> N/A	
<b>Approved:</b> X	<b>Not Approved:</b>	<b>Tabled:</b>	<b>Died:</b>
<b>In Favor:</b> Unanimous	<b>Against:</b>	<b>Abstained</b>	

**Adjourned: 9:49PM**

Approved by: \_\_\_\_\_  
Linda Bradley, Board of Directors Secretary

Sudden Valley Community Association

Sudden Valley Community Association  
Balance Sheet  
April 30, 2024 and December 31, 2023

	Unaudited** Apr 30, 2024	Unaudited** Dec 31, 2023	Inc / (Dec)
<b>OPERATIONS</b>			
<b>Current Assets</b>			
Operating Cash	\$ 562,942	\$ 683,958	\$ (121,016)
Building Completion Deposit Fund	451,525	501,445	(49,920)
Member Receivables - Operations*	-	43,985	(43,985)
Other Receivables	17,980	17,562	418
Prepaid Expenses	14,995	70,215	(55,220)
Operating Lease ROU Assets	8,083	10,631	(2,548)
Inventory	6,189	5,659	530
<b>Total Current Assets</b>	<b>1,061,714</b>	<b>1,333,455</b>	<b>(271,741)</b>
<b>Current Liabilities</b>			
Accounts Payable	(80,380)	(224,980)	144,600
Accrued Vacation Liability	(74,926)	(64,195)	(10,731)
Accrued Payroll	-	(64,114)	64,114
Prepaid Assessments	(353,767)	(230,966)	(122,801)
Building Completion Deposits	(451,525)	(501,445)	49,920
Other Refundable Deposits	(6,596)	(5,796)	(800)
Operating Lease Liability	(8,083)	(10,631)	2,548
Prepaid Golf Memberships	-	(112,089)	112,089
<b>Total Current Liabilities</b>	<b>(975,277)</b>	<b>(1,214,216)</b>	<b>238,939</b>
<b>Operating Reserve Funds</b>			
Emergency Operating Cash	362,792	362,252	540
Undesignated Reserves Cash	329,524	306,265	23,259
<b>Total Operating Reserve Funds</b>	<b>692,316</b>	<b>668,517</b>	<b>23,799</b>
<b>Net Operating Assets</b>	<b>\$ 778,753</b>	<b>\$ 787,756</b>	<b>\$ (9,003)</b>
<b>CAPITAL</b>			
<b>Capital Current Assets</b>			
CRRRF (Capital Repair & Replacement) Cash Fund	3,555,990	3,627,018	(71,028)
Roads Reserve Cash Fund	2,538,882	2,034,275	504,607
Board Density Reduction Cash Fund	87,760	87,688	72
Mailbox Cash Fund	134,927	126,445	8,482
CRRRF Capital Reserve Holding Cash	220,012	222,019	(2,007)
Mitigation Assignment of Savings Cash	49,737	49,688	49
LWWSD Assignment of Savings Cash	14,927	101,840	(86,913)
Member Receivables - Capital**	-	16,112	(16,112)
<b>Total Capital Current Assets</b>	<b>6,602,235</b>	<b>6,265,085</b>	<b>337,150</b>
<b>Capital Fixed Assets</b>			
Fixed Assets	15,565,716	15,373,162	192,554
Finance ROU Assets	110,530	136,464	(25,934)
Lots Held for Sale	236,456	236,456	-
<b>Total Capital Assets</b>	<b>15,912,702</b>	<b>15,746,082</b>	<b>166,620</b>
<b>Long Term Liabilities</b>			
CRRRF Loan 2022	(1,712,468)	(1,799,425)	86,957
Finance Leases	(86,097)	(106,596)	20,499
<b>Total Long Term Liabilities</b>	<b>(1,798,565)</b>	<b>(1,906,021)</b>	<b>107,456</b>
<b>NET ASSETS</b>	<b>\$ 21,495,125</b>	<b>\$ 20,892,902</b>	<b>\$602,223</b>
<b>MEMBER EQUITY</b>			
<b>Member Equity</b>			
Current Year Net Income: Operations	91,026	465,189	(374,163)
Net Income: Rec Special Assmt	-	(180,468)	180,468
Transfers Out from Operations to Capital	(105,600)	(32,799)	(72,801)
Current Year Net Income: Capital**	513,535	1,471,336	(957,801)
Transfers Into Capital from Operations	105,600	32,799	72,801
Retained Earnings**	5,234,842	4,950,121	284,721
Capital**	15,655,722	14,186,724	1,468,998
<b>TOTAL MEMBER EQUITY</b>	<b>\$ 21,495,125</b>	<b>\$20,892,902</b>	<b>\$602,223</b>

\* The Association's internal policy is to write off any member receivables that are 30 days past due as bad debts for internal financial statement purposes. As per SVCA policy, Management continues to pursue collection of these receivables via all avenues allowed by Washington State laws. In addition, the Association records and bills finance charges on receivables that are thirty days past due at 1% per month. At April 30, 2024, and December 31, 2023, the balances of receivables written off were \$732,001 and \$623,674, respectively.

\*\* Beginning with the 2020 year end audited financial statements, Accounting Standards Codification (ASC) 606 requires issued audited financial statements to reclassify unspent capital dues revenue, including related capital transfer fee collections, as a contract liability balance (unearned revenue), which is then reversed out in future years when capital dues/capital transfer fee collections are actually expended on capital related expenditures. This particular accounting standard change is only incorporated into the issued audited financial statements and is not factored into SVCA's internal monthly statements as it would obscure the reality of monthly capital dues/capital transfer fee revenues collected for internal monthly presentation purposes. See SVCA's 2020, 2021, and 2022 audited financial statements (2022 represents the most recently issued audited statements), which fully incorporate ASC 606 and comply with Generally Accepted Accounting Principals (GAAP).

Sudden Valley Community Association

**Sudden Valley Community Association  
Income Statement Summary**

UNAUDITED	Current Month - April 2024			Year to Date - 4 Months Ending 4/30/2024			
	Operations & Operating Reserves	Operations Better / (Worse) Budget	Capital Reserves**	Operations & Operating Reserves	Operations Better / (Worse) Budget	Coll %	Capital Reserves**
<b>REVENUE</b>							
Current Year Dues & Assessments Income							
Dues & Assessments Income	222,585		230,752	891,184			923,971
Bad Debt Reserve	(1,436)		(1,370)	(28,242)			(23,370)
Net Current Year Assessment Income	221,149	9,866	229,382	862,942	17,808	96.8%	900,601
Bad Debt Recoveries - Prior Years			1,520				15,697
Golf Income	69,809	4,883	-	371,163	22,609		-
Marina Income	80,177	14,913	-	113,573	16,712		-
Rec Center & Pools Income	459	459	-	2,407	(1,643)		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	5,820	355	-	42,376	22,062		-
Rental Income - Other	1,151	983	-	2,766	1,504		-
Area Z Rental Income	4,138	(1,382)	-	9,376	(1,904)		-
Lease Income	5,430	1,284	-	21,719	5,135		-
New Home Construction Fees	37,150	33,850	2,000	44,150	36,050		2,000
Capital Gain (Loss) on Sale of Assets	-	-	1,368	-	-		1,368
Investment Income	476	384	4,030	2,506	2,139		15,725
<b>Total Revenue</b>	<b>425,759</b>	<b>65,595</b>	<b>238,300</b>	<b>1,472,978</b>	<b>120,472</b>		<b>935,391</b>
<b>EXPENSES</b>							
Salaries & Benefits	186,779	(4,373)	-	692,552	23,190		-
Contracted & Professional Services	38,117	(26,448)	-	74,857	(33,225)		-
CC&Rs/ Mandates	46,184	(10,147)	-	158,672	(10,612)		-
Maintenance & Landscaping	50,438	(2,707)	-	135,091	41,634		-
Utilities	23,957	(930)	-	71,161	(4,319)		-
Administrative	11,082	124	-	54,807	(4,185)		-
Regulatory Compliance	7,634	(2,225)	-	99,626	(41,233)		-
Insurance Premiums	14,688	(457)	-	58,754	(1,827)		-
Other Expenses	-	83	-	-	333		-
Depreciation Expense	-	-	96,162	-	-		384,648
Interest expense	-	-	6,073	-	-		21,096
<b>Total Expenses</b>	<b>378,879</b>	<b>(47,080)</b>	<b>102,235</b>	<b>1,345,520</b>	<b>(30,244)</b>		<b>405,744</b>
<b>Net Income (Loss)</b>	<b>46,880</b>	<b>18,515</b>	<b>136,065</b>	<b>127,458</b>	<b>90,228</b>		<b>529,647</b>
<b>Net UDR Activity for Operations</b>							
Hazardous Tree Removal	(6,862)			(10,120)			
<b>Net Income (Loss) with Board Approved UDR</b>	<b>40,018</b>	<b>18,515</b>	<b>136,065</b>	<b>117,338</b>	<b>90,228</b>		<b>529,647</b>
<b>Other Activity</b>							
Net Other UDR Activity*	9,704			28,404			
AR Accrual - Prior Year Reversal	-		-	(43,985)			(16,112)
AR Accrual - Current Year	-		-	-			-
Vacation Liability Accrual	900			(10,731)			
<b>Total Other Activity</b>	<b>10,604</b>		<b>-</b>	<b>(26,312)</b>			<b>(16,112)</b>
<b>Grand Total Activity</b>	<b>50,622</b>	<b>18,515</b>	<b>136,065</b>	<b>91,026</b>	<b>90,228</b>		<b>513,535</b>

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

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

Sudden Valley Community Association

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

UNAUDITED

	Capital Reserve Funds						Operating Reserve Funds			
	CRRRF	Roads	CRRRF Capital Reserve Holding Cash	Board Density Reduction	Mailbox	Mitigation Assignment of Savings*	Total Capital Reserve Funds	Emergency Ops	UDR	Total Operating Reserve Funds
<b>Net Available Cash 12/31/2023</b>	<b>3,627,018</b>	<b>2,034,275</b>	<b>222,019</b>	<b>87,688</b>	<b>126,445</b>	<b>151,528</b>	<b>\$ 6,248,973</b>	<b>362,252</b>	<b>306,265</b>	<b>\$ 668,517</b>
Dues Received	445,059	460,603		-	8,291		913,953	-	38,211	38,211
Storm Water Mitigation Plan Fee		2,000					2,000			-
Investment Income	9,297	5,776	330	72	191	59	15,725	540	474	1,014
Sale of Assets	1,368			-			1,368			-
Board Approved Transfers	105,600						105,600			-
Mitigation Release	-	86,923				(86,923)	-			-
2024 Expenditures	(632,352)	(50,695)	(2,338)	-	-		(685,385)		(15,426)	(15,426)
<b>Net Available Cash at 4/30/2024</b>	<b>3,555,990</b>	<b>2,538,882</b>	<b>220,012</b>	<b>87,760</b>	<b>134,927</b>	<b>64,664</b>	<b>\$ 6,602,235</b>	<b>362,792</b>	<b>329,524</b>	<b>\$ 692,316</b>
8 Month Outlook										
Outlook - 2024 Dues (95% collections)	856,277	880,709			15,892		\$ 1,752,878			\$ -
Outlook - Prior Year Collections	13,263	13,642			246		27,152		26,182	26,182
CRRRF Loan Payments for year 2024	(222,026)						(222,026)			-
Obligated Expenses/Holdings	(1,696,764)	(1,469,399)	(220,012)			(64,664)	(3,450,839)		(59,948)	(59,948)
<b>Net Usable Cash Balance 12/31/2024</b>	<b>2,506,740</b>	<b>1,963,834</b>	<b>-</b>	<b>87,760</b>	<b>151,065</b>	<b>-</b>	<b>\$ 4,709,399</b>	<b>362,792</b>	<b>295,757</b>	<b>\$ 658,550</b>
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
<b>Net Usable Cash 12/31/2024, After Recommendation</b>	<b>\$ 1,906,740</b>	<b>\$ 1,463,834</b>	<b>\$ -</b>	<b>\$ 87,760</b>	<b>\$ 151,065</b>	<b>\$ -</b>	<b>\$ 3,609,399</b>	<b>\$ 362,792</b>	<b>\$ 295,757</b>	<b>\$ 658,550</b>
<b>Net Current Year Cash Increase (Decrease)</b>	<b>(1,120,278)</b>	<b>(70,441)</b>	<b>(222,019)</b>	<b>72</b>	<b>24,620</b>	<b>(151,528)</b>	<b>\$ (1,539,574)</b>	<b>540</b>	<b>(10,508)</b>	<b>\$ (9,967)</b>

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

Sudden Valley Community Association

Sudden Valley Community Association  
 Operations - By Department  
 April 1, 2024 to April 30, 2024  
 CURRENT MONTH

Whole \$

**UNAUDITED**

Department	Actual Revenue	Revenue B / (W)	Actual Salary Benefits	Salary & Benefits B / (W)	Actual Other Expense *	Other Exp B / (W)*	Net Income / (Loss) *	Net B / (W)*
ACC / Security	37,742	34,213	-	7,098	50,071	(19,566)	(12,329)	21,745
Accounting	1,644	411	27,995	174	6,834	(4,326)	(33,185)	(3,741)
Administration	124	(45)	35,543	588	12,666	(8,141)	(48,085)	(7,598)
Common Costs	2,935	(324)	-	-	37,459	(12,250)	(34,524)	(12,574)
Facilities	9,568	(98)	3,720	506	18,024	8,156	(12,176)	8,564
Maintenance	-	-	31,918	(772)	3,575	3,650	(35,493)	2,878
Subtotal	<b>52,013</b>	<b>34,157</b>	<b>99,176</b>	<b>7,594</b>	<b>128,629</b>	<b>(32,477)</b>	<b>(175,792)</b>	<b>9,274</b>
Golf	69,809	4,883	73,162	(10,298)	49,913	(14,397)	(53,266)	(19,812)
Marina	81,177	15,247	-	-	1,151	1,222	80,026	16,469
Rec/ Pools/ Parks	1,610	1,442	14,441	(1,669)	12,406	2,945	(25,237)	2,718
Subtotal	<b>152,596</b>	<b>21,572</b>	<b>87,603</b>	<b>(11,967)</b>	<b>63,470</b>	<b>(10,230)</b>	<b>1,523</b>	<b>(625)</b>
Subtotal Operations before Ops Dues	<b>204,609</b>	<b>55,729</b>	<b>186,779</b>	<b>(4,373)</b>	<b>192,099</b>	<b>(42,707)</b>	<b>(174,269)</b>	<b>8,649</b>
Ops Dues Earned	222,585						222,585	
Curr Yr Bad Debts Activity	(1,436)						(1,436)	
Net Ops Dues	<u>221,149</u>	<u>9,866</u>					<u>221,149</u>	<u>9,866</u>
Net Operations	<b>425,758</b>	<b>65,595</b>	<b>186,779</b>	<b>(4,373)</b>	<b>192,099</b>	<b>(42,707)</b>	<b>46,880</b>	<b>18,515</b>
Net BOD Approved UDR Activity for Operations								
Hazardous Tree Removal	-		-		6,862		(6,862)	
Net Operations with Board Approved UDR	<b>425,758</b>	<b>65,595</b>	<b>186,779</b>	<b>(4,373)</b>	<b>198,961</b>	<b>(42,707)</b>	<b>40,018</b>	<b>18,515</b>
Other Operating Activity								
UDR Activity	10,137				433		9,704	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Vacation Liability Accrual	-				(900)		900	
Total Other Operating Activity	<u>10,137</u>				<u>(467)</u>		<u>10,604</u>	
Grand Total Operations Activity	<b>435,895</b>	<b>65,595</b>	<b>186,779</b>	<b>(4,373)</b>	<b>198,494</b>	<b>(42,707)</b>	<b>50,622</b>	<b>18,515</b>

\* Excludes Depreciation  
 B / (W) = Better / (Worse) Than Budget



Sudden Valley Community Association

Sudden Valley Community Association  
 Operations - By Department  
 January 1, 2024 to April 30, 2024  
 YEAR TO DATE

Whole \$

UNAUDITED

Department	Actual Revenue	Revenue B / (W)	Actual Salary Benefits	Salary & Benefits B / (W)	Actual Other Expense *	Other Exp B / (W)*	Net Income / (Loss) *	Net B / (W)*
ACC / Security	62,902	53,885	-	28,395	196,735	(75,657)	(133,833)	6,623
Accounting	6,878	1,946	113,808	(1,119)	17,501	(7,472)	(124,431)	(6,645)
Administration	494	29	143,660	881	36,442	(5,632)	(179,608)	(4,722)
Common Costs	17,557	4,524	-	-	150,555	(18,216)	(132,998)	(13,692)
Facilities	31,095	3,231	15,032	1,876	59,532	20,716	(43,469)	25,823
Maintenance	-	-	132,029	(1,927)	14,262	24,132	(146,291)	22,205
Subtotal	<b>118,926</b>	<b>63,615</b>	<b>404,529</b>	<b>28,106</b>	<b>475,027</b>	<b>(62,129)</b>	<b>(760,630)</b>	<b>29,592</b>
Golf	371,163	22,609	235,158	(4,987)	148,523	(2,950)	(12,518)	14,672
Marina	114,773	16,579	-	-	3,430	3,494	111,343	20,073
Rec/ Pools/ Parks	5,174	(138)	52,865	71	25,988	8,150	(73,679)	8,083
Subtotal	<b>491,110</b>	<b>39,050</b>	<b>288,023</b>	<b>(4,916)</b>	<b>177,941</b>	<b>8,694</b>	<b>25,146</b>	<b>42,828</b>
Subtotal Operations before Ops Dues	<b>610,036</b>	<b>102,665</b>	<b>692,552</b>	<b>23,190</b>	<b>652,968</b>	<b>(53,435)</b>	<b>(735,484)</b>	<b>72,420</b>
Ops Dues Earned	891,184						891,184	
Curr Yr Bad Debts Activity	(28,242)						(28,242)	
Net Ops Dues	<b>862,942</b>	<b>17,808</b>					<b>862,942</b>	<b>17,808</b>
Net Operations	<b>1,472,978</b>	<b>120,473</b>	<b>692,552</b>	<b>23,190</b>	<b>652,968</b>	<b>(53,435)</b>	<b>127,458</b>	<b>90,228</b>
Net BOD Approved UDR Activity for Operations								
Hazardous Tree Removal	-		-		10,120		(10,120)	
Net Operations with Board Approved UDR	<b>1,472,978</b>	<b>120,473</b>	<b>692,552</b>	<b>23,190</b>	<b>663,088</b>	<b>(53,435)</b>	<b>117,338</b>	<b>90,228</b>
Other Operating Activity								
UDR Activity	33,904				5,500		28,404	
AR Accrual - Prior Year Reversal	(43,985)				-		(43,985)	
AR Accrual - Current Year	-				-		-	
Vacation Liability Accrual	-				10,731		(10,731)	
Total Other Operating Activity	<b>(10,081)</b>				<b>16,231</b>		<b>(26,312)</b>	
Grand Total Operations Activity	<b>1,462,897</b>	<b>120,473</b>	<b>692,552</b>	<b>23,190</b>	<b>679,319</b>	<b>(53,435)</b>	<b>91,026</b>	<b>90,228</b>

\* Excludes Depreciation

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

Sudden Valley Community Association

SUDDEN VALLEY COMMUNITY ASSOCIATION - LOTS & DUES ANALYSIS 2024

	SVCA Owned Lots																								LLE & CTB	Dues Exempt	Total Non Billable Lots	Total All Lots						
	Actual Year Prepaid			Actual Current			Actual 1 Mth Due		Actual 2 Mth Due		Actual 3 Mth Due		Actual 4+ Mth Due		Pmt Plans		Total Prepaid & Current			Total Not Current			Total Billable Lots						Restricted		Avail.			
	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev					Total	Perm	WD10	Total	Total	
Jan	20	96	116	301	2,517	2,818	24	62	5	13	1	11	16	40	1	14	321	2,613	2,934	47	140	187	368	2,753	3,121	774	0	3	777	737	6	1,520	4,641	
Feb	22	104	126	303	2,508	2,811	14	59	10	22	3	6	15	42	1	12	325	2,612	2,937	43	141	184	368	2,753	3,121	774	0	3	777	737	6	1,520	4,641	
Mar	23	114	137	307	2,510	2,817	11	57	4	9	4	7	17	44	1	12	330	2,624	2,954	37	129	166	367	2,753	3,120	774	0	3	777	738	6	1,521	4,641	
Apr	27	121	148	308	2,532	2,840	5	31	4	13	1	4	21	38	1	14	335	2,653	2,988	32	100	132	367	2,753	3,120	774	0	3	777	738	6	1,521	4,641	
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

LLE = Lot Line Eraser  
 CTB = Covenant to Bind

Document Review Committee

Linda Bradley Chair

6/27/2024 Update

The committee began meeting in March this year. We began by looking at Board Policies since they cover several areas of Association operations. In many instances some of these policies have been incorporated into specific area manuals or the Bylaws.

We began by looking at the ACC policies and found that many of the policies listed here have been incorporated into the ACC Policies currently undergoing a large update.

The committee has identified several policies we want to submit to the Board to be rescinded as they are included in a more appropriate document. Once the new ACC Policies have been approved, we will be bringing these policies forward.

Currently we are looking at Board Specific policies and revising the language to reflect current practices. When the committee approves these edited policies, we will be bringing them forward to the Board to approve and then post the updated policies.

GM Search Committee Report to Board of Directors  
June 27, 2024  
From: Rick Asai, Chair

Since our last committee meeting and board meetings on June 13, 2024 the following actions have been taken:

Sent names and contact information to Cliff Moore of Prothman of individuals in the pool for the focus group.

I sent out a short email to focus group pool to explain that Cliff would be reaching out with a poll to identify when the most people on the focus group pool are available to meet.

Cliff sent out the survey poll and determined that all but one in the pool are available on June 27. They will meet from 6:30-8:00pm.

He will arrive at Sudden Valley earlier on the 27th to meet with Sudden Valley management team. He also will be given a tour of the facilities to get a better idea seeing what has been described in our written communications about Sudden Valley.

One request on the agenda is to **approve the GM Job Description**. As of Friday I had not received any comments, but will check with Secretary Bradley on Monday.

After the GM Job Description is approved by the BOD, the job posting will be prepared for Committee review and launch of our national search.

Cliff still believes that we are on track to have a candidate identified and hopefully in place by October. This may be somewhat dependent on the successful candidates term of employment for giving notice.

I will be out of town on vacation on the 27th, but will join the BOD meeting by Zoom on the 27th.

## BUDGET CALENDAR

<b>JUNE</b>	
<b>6/27/24</b>	<b>BOD Meeting- Regular</b>
<b>JULY</b>	
<b>7/05/24</b>	<b>N&amp;E Opening of Candidate Application Period</b>
<b>7/11/24</b>	<b>BOD Meeting -AGM Agenda. measures. ballot and explanations outlined</b>
<b>7/13/24</b>	<b>Valley Fair Event</b>
<b>7/24/24</b>	<b>Presentation-Operational budget to BOD &amp; Finance Committee with Q&amp;A, Discussion</b>
<b>7/25/24</b>	<b>Presentation-Capital budget to BOD &amp; Finance Committee with Q&amp;A, Discussion</b>
<b>AUGUST</b>	
<b>8/08/24</b>	<b>BOD Meeting - Regular- Approve Envelopes and Voter Instructions; Finalize budget changes, discuss Town Hall Presentation</b>
<b>8/09/2024</b>	<b>GM/N&amp;E send final Envelope and Voter Instructions layouts to UniLect</b>
<b>8/09/2024</b>	<b>N&amp;E - Begin work on draft Election Booklet</b>
<b>8/17/2024</b>	<b>Town Hall Meeting - Presentation of 2025 Budget</b>
<b>8/22/2024</b>	<b>BOD Meeting - Finalize AGM Agenda, measures, ballot and explanations</b>
<b>8/23/2024</b>	<b>N&amp;E announce dates for candidate forums</b>
<b>8/26/2024</b>	<b>Send SVCA Mailing List to UniLect</b>
<b>TBD</b>	<b>Attorney Review of AGM materials</b>
<b>SEPTEMBER</b>	
<b>9/03/2024</b>	<b>N&amp;E Candidate Application Deadline/Ballot Lottery</b>
<b>9/04/2024</b>	<b>Last day for Candidates to submit candidate information for Voter Guide</b>
<b>9/05/2024</b>	<b>SVCA Sends candidate info to UniLect -- not layout, just info</b>
<b>9/05/2024</b>	<b>BOD Special Meeting - Voting to adopt the 2025 Budget</b>
<b>9/06/2024</b>	<b>SVCA sends draft Voter Guide to UniLect</b>
<b>9/12/2024</b>	<b>BOD Regular Meeting - Vote to approve proof of Election Booklet/Ballot</b>
<b>9/13/2024</b>	<b>SVCA sends final approved voter packet materials to Unilect</b>
<b>9/23/2024</b>	<b>Election Materials mailed to foreign-based SVCA members</b>
<b>9/24/2024</b>	<b>Election Materials mailed to US-based SVCA members</b>
<b>OCTOBER</b>	
<b>10/10/2024</b>	<b>BOD Meeting - Regular</b>
<b>10/24/2024</b>	<b>BOD Meeting - Regular</b>
<b>TBD</b>	<b>Review AGM Agenda with Parliamentarian</b>
<b>TBD</b>	<b>Candidate Forum(s)</b>
<b>NOVEMBER</b>	
	<b>AGM 11/2/2024</b>



# Sudden Valley Community Association

360-734-6430

4 Clubhouse Circle Bellingham, WA 98229

[www.suddenvalley.com](http://www.suddenvalley.com)

## APPROVAL REQUEST MEMO

**To:** Sudden Valley Community Association Board of Directors  
**From:** Jo Anne Jensen, General Manager  
**Date:** June 27, 2024  
**Subject:** GM Job Description

---

### **Purpose**

To request approval for a revised GM job description.

### **Background**

The charter of the GM Search Committee requires that the committee “Develop a GM job description with a leadership profile for review and approval by the Board.” In collaboration with Prothman consultant, Cliff Moore, the committee has revised the job description. It is attached to this memo for your review. The development of the leadership profile will take place after the consultant completes the director interviews, and planned focus groups with staff and community members.

### **Request**

Request that the SVCA Board of Directors approve the proposed General Manager Job Description.

### **Motion**

Move that the SVCA Board of Directors approve the proposed General Manager Job Description.



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## Approvals

Approved: \_\_\_\_\_ Not Approved: \_\_\_\_\_ SVCA Board of Directors

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Keith McLean, SVCA Board President

SUDDEN VALLEY COMMUNITY ASSOCIATION		
Job Description		
<b>Job Title:</b>	<b>General Manager</b>	
<b>Department:</b>	<b>Administration</b>	
<b>Location:</b>	<b>Welcome Center</b>	
<b>Reports to:</b>	<b>Board of Directors</b>	
<b>Salary Range:</b>	<b>\$150,000 - \$200,000</b>	<b>FTE: 1.0</b>
		<b>Employee Classification: Exempt</b>

**Key Responsibilities:**

The General Manager is the Chief Operating Officer of the Sudden Valley Community Association (SVCA) and oversees all aspects of the day-to-day operations of the Association. The SVCA General Manager is responsible for implementing the decisions, strategies, and policies of the Board of Directors. The General Manager works in partnership with the Management Team, ensuring collaboration and cooperation between all aspects of the Association.

The General Manager ensures the Association, its properties and facilities, are properly protected and is responsible for enforcing restrictive covenants, bylaws, policies, rules and regulations, and applicable ordinances while ensuring the Board is fully informed to the affairs of the Association as provided by the Articles of Incorporation, Bylaws, and laws of the State of Washington. The General Manager shall keep the Board informed of potential risks or liabilities.

The General Manager represents SVCA in a professional manner and always acts in the community’s best interest. The General Manager is responsible for all Association public relations, engages the community in the affairs of the Association, and keeps the community informed through multiple communication channels.

**Description of Duties:**

General:

- Represents SVCA with integrity and professionalism.
- Models behaviors expected throughout the organization including but not limited to collaboration, transparency, accountability, and a commitment to excellent customer service.
- Maintains professional and effective working relationships with the Board, Committees, Staff, Association members, and the general public.
- Educates members and public on all Association rules and standards.
- Performs other duties as assigned by the Board of Directors.

Governance:

- Supports the Association’s purpose, mission, and vision by implementing the Association’s strategic priorities.
- Attends all Board meetings and supports Board-directed committees and activities.
- Acts as an advisor to the Board on matters of the Association.
- Acts as the main staff liaison with the Board and community residents.
- Directs the Management Team to assist as needed with committees that fall within



their area of expertise.

- Provides support for all committees of the Association.
- Prepares or delegates the preparation of staff reports to the Board and Committees for review and consideration. Makes or delegates oral presentations to these bodies as necessary.
- Arranges for the drafting of correspondence and other documents for the President or Board to sign on behalf of the Association.
- Keeps the Board properly informed of any risks or liabilities to the Association.
- Collaborates with the Board of Directors on implementing and administering the SVCA Comprehensive Community Plan, Strategic Plan, and identified strategic priorities.
- Liaison between SVCA and governmental agencies such as Whatcom County.

#### Administration:

- Thorough understanding of all Association governing documents as well as applicable federal, state, and local laws, ordinances, rules, and regulations. Ensures Management Team is also knowledgeable about these matters.
- Conducts ongoing organizational assessments to identify opportunities to implement changes and create a structure that supports the Association's strategic plan and drives stability and consistency in systems, policies, and procedures.
- Ensures the maintenance of all official records and files of the Association and the General Manager's office.
- Provides to the Board of Directors a monthly General Manager's reports on the operations of the Association.
- Responsible for keeping in force all forms of insurance required by the Association's Articles, Bylaws, CC&Rs, or as needed to adequately protect the Association from risk and liability.
- Hiring, supervision, evaluation, promotion, disciplining, and termination of all other employees of the Association in accordance with personnel manual, collective bargaining agreement, and applicable federal, state, and local laws, rules, and regulations.
- Implements a comprehensive annual employee performance evaluation program to track employee development, goals, accomplishments, needed improvements, and training.
- Responsible for enforcing restrictive covenants, bylaws, policies, rules and regulations, and applicable ordinances.
- Responsible for the administration of all contracts between the Association and consultants, contractors, and outside vendors.
- Collaborates with outside agencies, businesses, and public jurisdictions on behalf of the Association and develops effective relationships with these to provide the Association with additional resources not otherwise at its disposal.
- Identifies trends and problems hindering progress of the Association and develops and implements best practices to drive necessary change.

### Finances:

- Keeps the Board informed as to the financial state of the Association.
- Responsible for administering and implementing the approved budget and ensuring compliance with departmental budgets.
- Review revenue, collection rates, and expenditures monthly, and work quarterly with the Director of Finance and Board Treasurer to determine any necessary adjustments to ensure a balanced budget.
- Utilizes the annual survey results and recommendations of the Board, the Long-Range Planning Committee, Finance Committee, and the Management Team to prepare the annual budget with the Accounting Manager and Board Treasurer.
- Develops sustainable budgets, maintains fiscal accountability, and plans for long-term projects and initiatives.
- Ensures the Board and Community understand the financial impacts of decisions to balance fiscal reality with the Association's needs.
- Supports the Board in the identification, planning, and development of revenue streams, including procurement of grants.

### Infrastructure:

- Responsible for overseeing the maintenance, repair, and security of all Association property including overseeing work on all construction, reconstruction, alterations, and improvements.
- Ensures a current and complete inventory of all Association property and provides the Board with recommendations to ensure adequate upkeep of all SVCA assets.
- Responsible for the execution of Board-approved Capital Improvement Projects.
- Works on behalf of the Association to coordinate with outside contractors
- Negotiate and execute contracts in the community's best interest and in compliance with SVCA policies.
- Ensures the oversight of approved mitigation plans that have been assigned by regulatory agencies to the Association.

### **Supervision:**

Works under the direction of the Board of Directors and in collaboration with the Management Team.

### **Physical Demands and Working Conditions:**

Bending, stooping, kneeling, reaching, lifting, and carrying approximately 25 pounds at waist high level. Frequent sitting, some standing, and walking required. Extensive use of computer terminal and keyboard. Moderate to high requirement for hand coordination, visual ability, and cognitive abilities. Must tolerate moderate noise levels and interruptions in an open office environment. Works indoors in controlled conditions and outdoors in potential inclement weather.



# Sudden Valley Community Association

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## APPROVAL REQUEST MEMO

**To:** Sudden Valley Community Association Board of Directors  
**From:** Jo Anne Jensen, General Manager  
**Date:** June 27, 2024  
**Subject:** Library Lease

---

### **Purpose**

To request approval for a Commercial Lease agreement governing the Whatcom County Library System's (WCLS) use of the Adult Center as a branch library.

### **Background**

On October 25, 2011, SVCA entered into a Commercial Lease with the Friends of the Sudden Valley Library. The agreement gave the Friends use of 6,500 square feet of interior space on the ground floor of the building known as the Middle Barn for the purpose of operating a full-service branch public library and meeting room. A peppercorn rent of \$1.00 per month was charged and the term of the lease was fifteen years, with an option to extend for five years. In return, the Friends committed to completing leasehold improvements that were estimated to cost \$300,000. The Whatcom County Library System (WCLS) would then bear the additional expense of staffing the facility, installing fixtures and conducting operations. The library formally opened on March 11, 2014.

In June of 2014, SVCA learned of structural deficiencies in the Middle Barn. Specifically, the barn was found to have a powder post beetle infestation which had significantly damaged the structure, making it unsafe for occupancy. As a result of the barn being deemed unsafe, SVCA asked WCLS to suspend operations of the library. In December 2014, SVCA entered into the "Interim Library Agreement" which governs the library's tenancy through June 30, 2024. In the Interim Agreement, SVCA provided a portion of the Adult Center for the operation of a public library "until such time as a more permanent facility suitable for library services can be provided."

The interim agreement charged a monthly rent of \$281. An addendum to the agreement was signed on August 24, 2016 to extend the term for two years. In September of 2020, a second addendum was signed by SVCA. This agreement instituted yearly rent increases of 2%, beginning on June 30, 2021 and extended the term to June 30, 2024.

### **Timeline**

- October 2011: SVCA and Friends of the SV Library enter into a commercial lease agreement for 6,500 SqFt in the Middle Barn



# Sudden Valley Community Association

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www.suddenvalley.com

- June 2014: The Middle Barn is found to be unsafe because of structural damage caused by powder post beetles
- December 2014: SVCA leases a portion of the Adult Center to the Friends
- August 2016: SVCA and the Friends ratify an addendum to the original agreement extending the term of the original agreement
- September 2020: A second addendum is ratified, extending the term through June 30, 2024.

## Proposed Agreement

Many of the challenges present in the Interim Agreement are resolved in the proposed Commercial Lease:

### Interim Agreement

Non-standard language  
 Agreement was with the Friends  
 Very low rent

### Proposed Lease

Standard lease drafted by SVCA attorneys  
 Agreement is with WCLS  
 Tiered rent with capital contribution for HVAC

## Request

Request that the SVCA Board of Directors approve the proposed Commercial Lease agreement for occupancy of the Adult Center by the Whatcom County Library System and authorize the General Manager to execute the agreement on their behalf.

## Motion

Move that the SVCA Board of Directors approve the proposed Commercial Lease agreement for occupancy of the Adult Center by the Whatcom County Library System and authorize the General Manager to execute the agreement on their behalf.

## Approvals

Approved: \_\_\_\_\_ Not Approved: \_\_\_\_\_ SVCA Board of Directors

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Keith McLean, SVCA Board President

Proposed Agreement	Current Agreement
<p><b>Term</b>  July 1, 2024 to July 1, 2029 (five years)  No renewal terms included in the agreement, but “holdover” rent is 150% of current monthly rent; tenancy may be ended by written notice at least 5 days prior to the end of each month-to-month period.</p>	<p><b>Term</b>  <u>Interim Library Agreement:</u>  12/4/2013 for 24 months or until a “more permanent, suitable space is provided for library services”  <u>Addendum:</u>  8/24/2016 for 48 months or “180 days after SVCA, WCLS and the Friends agree in writing upon a more permanent, suitable space for the provision of library services”  2<sup>nd</sup> <u>Addendum:</u>  August 2020 to June 30, 2024, or “30 days after SVCA notifies Friends and ECLS that a more permanent, suitable space is available”</p>
<p><b>Rent</b>  July 1, 2024 – June 30, 2025: \$500/mth  July 1, 2025 – June 30, 2026: \$600/mth  July 1, 2026 – June 30, 2027: \$700/mth  July 1, 2027 – June 30, 2028: \$800/mth  July 1, 2028 – June 30, 2029: \$900/mth  Plus a one-time payment of \$40,000 toward the installation of HVAC</p>	<p><b>Rent</b>  \$281/month, increasing by 2% per year beginning June 30<sup>th</sup>, 2021</p>
<p><b>Termination</b>  Either party may terminate with or without cause with one-year written notice.  Upon default of lessee, 30 days written notice and opportunity to cure</p>	<p><b>Termination</b>  May be terminated without cause by either party on 90 days notice  If SVCA terminates without cause, \$40,000 relocation fee paid to WCLS  Upon default or either party, 30 days written notice and opportunity to cure</p>
<p><b>Value of Lease</b>  Year 1: 12 x \$500 = \$6,000  Year 2: 12 x \$600 = \$7,200  Year 3: 12 x \$700 = \$8,400  Year 4: 12 x \$800 = \$9,600  Year 5: 12 x \$900 = \$10,800  One-time payment = \$40,000  <b>Total: \$82,000</b></p>	<p><b>Value of Lease</b>  Year 1: 12 x \$304.16 = \$3,649.92  Year 2: 12 x \$310.24 = \$3,722.88  Year 3: 12 x \$316.34 = \$3,797.40  Year 4: 12 x \$322.78 = \$3,873.36  Year 5: 12 x \$329.93 = \$3,950.76  <b>Total: \$18,994.32</b></p>

**COMMERCIAL LEASE**

This Commercial Lease (“Lease”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the Sudden Valley Community Association (“Lessor”) and the Whatcom County Rural Library District dba Whatcom County Library System (“Lessee”). The Lessee and Lessor are collectively referred to as the “Parties.”

**Article I**

**Summary of Lease Terms and Definitions**

Lessee: Whatcom County Rural Library District dba Whatcom County Library System

Lessee’s Address: 5205 Northwest Drive  
Bellingham, WA 98226

Lessor: Sudden Valley Community Association

Lessor’s Address: 4 Clubhouse Circle  
Bellingham, WA 98229

Premises: Adult Center – Library Facility  
10 Barnview Court  
Bellingham, WA 98229

Exhibits: Exhibit “A” - Map of Premises

Commencement Date: July 1, 2024

Term: Five (5) years; commencing on the “Commencement Date” of July 1, 2024, and expiring on the “Termination Date” of July 1, 2029.

Base Monthly Rent:	<b><u>Months/Years</u></b>	<b><u>Monthly Rent</u></b>
	July 1, 2024 – June 30, 2025:	\$500
	July 1, 2025 – June 30, 2026:	\$600
	July 1, 2026 – June 30, 2027:	\$700
	July 1, 2027 – June 30, 2028:	\$800
	July 1, 2028 – June 30, 2029:	\$900

**ARTICLE II**  
**Premises, Term, Renewals, Common Areas**

2.1 **PREMISES**: Lessor, in consideration of the rents hereinafter reserved and the covenants and conditions herein set forth to be performed by Lessee, does hereby lease to Lessee the Premises. The Premises consist of an Agreed Rentable Area in the Lessor's Adult Center. The Agreed Rentable Area is depicted in **Exhibit A** hereto.

2.2 **TERM**: The terms of this Lease shall be for five (5) years beginning July 1, 2024.

2.3 **COMMON AREAS**: The term "Common Areas" shall mean those areas of the Adult Center and other real property owned by Lessor that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee, other tenants of the Lessor, and the respective officers, directors, employees, suppliers, customers, clients, invitees, members, and licensees of the Parties. Common Areas may include, but are not limited to, lobbies, hallways, common restrooms, electrical and mechanical areas, supply and janitorial rooms, walkways, parking areas, service areas, exterior wall surfaces of the Adult Center, and landscaped areas. Lessor or its agents shall operate, manage, equip, light, repair, replace and maintain the Common Areas for their intended purpose at such times and in such manner as Lessor shall solely determine.

2.3.1 **Lessee's Common Area Rights**. Lessor hereby grants to Lessee, for the benefit of Lessee, and its employees and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time-to-time, subject to any rights, powers and privileges reserved by the Lessor under the terms hereof or under the terms of any rules, regulations or restrictions governing the use of the Common Areas. Under no circumstance shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporary or permanently, in the Common Areas. If any such storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to the Lessee, which cost Lessee shall pay on Lessor's demand. Lessee shall promptly notify Lessor if Lessee becomes aware of any potentially hazardous or dangerous conditions with, or in, the Common Areas.

2.3.1.1 **Use of Meeting Room**. Lessee and its patrons shall be entitled to use the Meeting Room as depicted on Exhibit A at no charge on a first come, first served basis. Any person desiring to use the Meeting Room must coordinate scheduling through SVCA's administrative offices.

2.3.2 **Changes to Common Areas**. Lessor shall have the right from time-to-time to make changes to the Common Areas, including, without limitation: (i) changes in the location, size, shape and number thereof; (ii) to temporarily close any of the Common Areas for maintenance and public purposes so long as reasonable access to the Premises remains available; (iii) to add additional improvements to the Common Areas; and (iv) to use Common

Areas while engaged in making additional improvements, repairs and alterations to the Adult Center or any portion thereof, as Lessor may, in the exercise of sound business judgment, deem appropriate.

**ARTICLE III**  
**Compensation, Rental Adjustment**

3.1 **RENT:** The term “Rent” as used herein includes the Base Monthly Rent, Additional Rent and other fees and charges assessed herein. The Base Monthly Rent shall vary by year as follows:

- July 1, 2024 – June 30, 2025: \$500
- July 1, 2025 – June 30, 2026: \$600
- July 1, 2026 – June 30, 2027: \$700
- July 1, 2027 – June 30, 2028: \$800
- July 1, 2028 – June 30, 2029: \$900

Except as expressly provided elsewhere herein, Rent and all other sums payable by Lessee pursuant to this Lease shall be paid without the requirement that Lessor provide prior notice or demand, and shall not be subject to any counterclaim, setoff, deduction, defense or abatement.

3.1.1. **Rent Paid in Advance – Late Charges.** Rent shall be invoiced monthly on or before the 15<sup>th</sup> of the prior month and paid monthly on or before the first (1st) day of each month beginning on the Commencement Date. If the rent is timely invoiced, a late charge of one percent (1%) per month shall be assessed against past due Rent from the date such Rent becomes due. Additionally, if Rent is not received by the fifth (5th) day of any month, Lessee shall pay Lessor an additional fee of one hundred dollars (\$100.00) or five percent (5%) of the delinquent payment, whichever is greater, to defray costs of collecting and handling such late payment. All accrued interest and late charges shall be paid no later than the first (1st) day of the month following that month in which such interest or late charges accrued.

3.1.2 **Additional Rent.** As additional rent, Lessee shall pay Lessor a lump sum payment of Forty-Thousand Dollars (\$40,000) on or before August 1, 2024.

**ARTICLE IV**  
**Use of Premises, Condition of Property, Improvements, Removal of Property, Maintenance, and Utilities**

4.1 **LESSEE’S USE OF THE PREMISES:** Lessee shall only conduct the following activity on the Premises: Public Library (the “Authorized Use”).

4.1.1 **Default – Unauthorized Use.** Lessee shall be in default under this Lease if it: (i) ceases conducting the Authorized Use for any period exceeding thirty (30) days; or (ii) conducts any other business or activity on the Premises without first obtaining a validly executed lease modification.



4.1.2 **No Flammable or Dangerous Materials.** Notwithstanding the foregoing described use, the Premises shall not be used to store, distribute or otherwise handle flammable or dangerous materials, excepting only such uses which are necessary to conduct the Authorized Use.

4.2 **LESSEE INSPECTION – CONDITION OF PROPERTY:** Prior to executing this Lease, Lessee has fully and carefully inspected the Premises. Lessee accepts the Premises, including all the Lessee's personal property and existing improvements thereon, "as is" without further maintenance liability on the part of the Lessor except as provided in Section 4.2.1. Lessee is not relying on any representations of Lessor as to condition, suitability, zoning restrictions, or usability, except Lessor's right to grant a lease of the Premises.

4.2.1 **LESSOR'S WORK.** Following receipt of the Additional Rent payment, Lessor agrees to remove two furnaces and install two heat pumps in the Adult Center in order to provide both heating and air conditioning to the Premises. While installation dates are outside of Lessor's control, it is anticipated that this work will be completed by \_September 30, 2024.

4.3 **CONSTRUCTION OF TENANT IMPROVEMENTS:** The Lessee and Lessor shall abide by the following terms with regard to making tenant improvements on the Premises ("Tenant Improvements").

4.3.1 **Tenant Improvements.** Subject to obtaining Lessor's prior written approval, Lessee may make and install, at its own expense, such Tenant Improvements as are normal and customary in connection with the Authorized Use as set forth herein. Lessee's contractor, if any, shall be subject to Lessor's approval. Lessor reserves the right to condition its approval upon the Lessee providing payment and performance bonds satisfactory to Lessor. Lessee shall submit plans to, and obtain written approval from, Lessor before commencing any Tenant Improvements. Lessor shall have a reasonable period to review such plans prior to issuing a decision. Lessor may charge Lessee a fee for staff, consultant or attorney time required to review the plans. All Tenant Improvements which are to be designated fixtures shall be so designated by Lessor upon Lessor's approval of the plans for such improvements. All Improvements by Lessee shall conform to the requirements of the Americans With Disability Act of 1990, 42 U.S.C. § 12101 et seq.

4.3.2 **Unauthorized Improvements.** Any Tenant Improvements made on the Premises without Lessor's prior written consent or which are not in conformance with the plans submitted to and approved by the Lessor ("Unauthorized Improvements") shall immediately become the property of Lessor, unless Lessor elects otherwise. Regardless of the ownership of Unauthorized Improvements, Lessor may, at its option, require Lessee to sever, remove and dispose of them and return the Premises to its prior condition at Lessee's sole cost and expense, charge Lessee rent for the use of them, or both.

4.4 **REMOVAL OF PERSONAL PROPERTY AND TENANT IMPROVEMENTS AT END OF LEASE:** Prior to the conclusion of the Lease, at Lessor's option, Lessee shall remove the following from the Premises:

- a. All equipment;
- b. All personal property; and
- c. All Tenant Improvements that are not designated fixtures.

4.4.1 **Lessor's Remedies.** If any of the foregoing items are not removed from the Premises by the conclusion of the Lease or when Lessor has the right of reentry, then Lessor may, at its sole option, elect any or all the following remedies:

- a. To remove any or all the items and to dispose of them without liability to Lessee. Lessor shall not be required to mitigate its damages, to dispose of the items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items. Lessee agrees to pay Lessor's costs and damages associated with Lessee's failure to remove such items, including, but not limited to, the following: storage, demolition, removal, transportation, and lost rent (collectively "Disposal Costs"); provided, however, that any net proceeds recovered by Lessor in excess of its Disposal Costs will be deducted from Lessee's financial obligation set forth herein. Lessee's financial obligations herein shall survive the termination of this Lease.
- b. To have the title to any or all such items revert to Lessor.
- c. To commence suit against Lessee for damages or for specific performance.

The foregoing remedies are cumulative and in addition to any other remedies provided by law, and Lessor shall not be required to elect its remedies.

4.5 **MAINTENANCE OF PREMISES:** Maintenance and repair of the Premises and all improvements thereon is the sole responsibility of Lessee. Without limiting the generality of the foregoing, Lessee shall maintain the Premises in good condition including, without limitation, repairing all walls, floors, ceiling, interior doors, interior and exterior windows and fixtures, as well as damage caused to any portion of the Premises, Common Areas, or Lessor's property by Lessee, its employees, agents, licensees, invitees or anyone on the Premises or Lessor's property as a result of Lessee's activities.

4.5.1 **Lessor's Maintenance Obligations.** Lessor shall maintain in good condition the structural parts of the Adult Center which shall include the foundation, bearing and exterior walls, subflooring and roof, the unexposed electrical, plumbing and sewerage systems, including those portions of the systems lying outside the Premises, exterior doors, window frames, gutters, downspouts on the Adult Center, and the HVAC system servicing the Premises. Lessor also undertakes to maintain grounds and remove snow and ice from the parking areas and paths that serve the Library. Notwithstanding the foregoing, the cost of any maintenance and repairs occasioned by the negligent or willful act or omission of Lessee, its employees, agents, licensees or invitees shall be the sole responsibility of Lessee and shall be paid within fifteen (15) days after invoice.

4.6 **UTILITIES AND SERVICES**: Lessee will arrange and pay for all utility connections and services and distribution of such utilities within the Premises. At the conclusion of this Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services. Lessee shall also arrange and pay for custodial and janitorial services within the Premises.

## **ARTICLE V**

### **Insurance and Financial Security**

5.1 **CASUALTY LOSS OF LESSEE**: The parties hereto agree that the Lessor, its agents and employees, Lessor's insurance carrier and Lessor's casualty policy shall not be responsible to the Lessee for any property loss or damage done to the Lessee's property, whether real, personal or mixed, occasioned by reason of any fire, storm or other casualty whatsoever. It shall be the Lessee's sole responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether such loss is occasioned by the acts or omissions of the Lessor, Lessee, third party, or act of nature.

Lessee hereby releases and discharges the Lessor, its agents and employees, Lessor's insurance carrier and Lessor's casualty policy from any claims for loss or damage to Lessee's property.

5.2 **INSURANCE**: Lessee shall procure and maintain a comprehensive general liability policy covering all claims for personal injury (including death) and property damage (including all real and personal property located on the Premises or Lessor's property) arising on the Premises or Lessor's property as a result of, or arising out of, Lessee's operations under this Lease. The limits of liability shall be not less than Two Million Dollars (\$2,000,000.00) for each occurrence and in the aggregate unless the Lessee requests, and Lessor approves in writing, a lesser liability limit. If the Lessee maintains higher insurance limits than the minimums required herein, the Lessor shall be insured for the full available limits of maintained by the Lessee, irrespective of whether such limits maintained by the Lessee are greater than those required by this Lease or whether any certificate of insurance furnished to the Lessor evidences the lower limits of liability set forth above. Lessor may impose changes in the limits of liability: (i) on any Adjustment Date; (ii) as a condition of approval of assignment or sublease of this Lease; (iii) upon a material change in the condition of any improvements; or (iv) upon a change in the Authorized Use. If the liability limits are changed, Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes in the limits of liability are required by Lessor. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Lessee and to Lessor.

5.2.1 **Policy Provisions**. The foregoing insurance policy shall name Lessor as an additional named insured by way of a policy endorsement. Lessee shall provide certificates of insurance and, if requested, copies of any policy to Lessor. Receipt of such certificate or policy by Lessor does not constitute approval by Lessor of the terms of such policy. Furthermore, the

policy of insurance required herein shall: (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to Lessor except upon forty-five (45) days' prior written notice from the insurance company to Lessor; (iii) contain an express waiver of any right of subrogation by the insurance company against Lessor and Lessor's employees or agents; (iv) expressly provide that the defense and indemnification of the Lessor as an "additional insured" will not be effected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; (v) contain a separation of insured's provision such that the policy applies separately to each insured that is subject of a claim or suit; (vi) not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and (vii) provide for coverage for damage to the Lessor's property caused by the Lessee.

5.2.2 **Failure to Obtain and Maintain Insurance.** If Lessee fails to procure and maintain the insurance described above, Lessor shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. Lessee shall pay to Lessor upon demand the full amount paid by Lessor.

## **ARTICLE VI**

### **Miscellaneous Provisions**

6.1 **LESSEE WILL OBTAIN PERMITS:** Lessee agrees to obtain and comply with all necessary permits for any Tenant Improvements and to conduct the Authorized Use. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all costs incurred by Lessor, including actual attorneys' fees. In this way, Lessee agrees to be solely responsible for all damages, costs and expenses incurred as a result of Lessee's failure to fully comply with any necessary permit process and requirements.

6.2 **LIENS:** Lessee agrees to keep the Premises described herein free and clear of all liens and charges whatsoever. Lessee shall not allow any mechanics' and materialmen's or other liens to be placed upon the leased Premises. If such a lien is placed or recorded, Lessee shall cause it to be discharged of record, at its own expense, within ten (10) days of Lessor's demand. Failure to comply with Lessor's demand within ten (10) days shall be a default under the terms of this Lease.

6.3 **INDEMNIFICATION AND HOLD HARMLESS:** The Lessee agrees that it will defend (with legal counsel acceptable to Lessor), indemnify and hold harmless the Lessor, its employees and agents from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises, (i) occasioned by either the negligent or willful conduct of the Lessee its agents, or (ii) made by any person or entity holding under the Lessee, or any person or entity on the Premises as a result of Lessee's activity, regardless of who the injured party may be. This indemnification and hold harmless shall not apply to the extent the damages were caused by the negligence or willful misconduct of the Lessor.

**6.4 LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE**

For purposes of the foregoing indemnification provision, and only to the extent of claims against Lessee by Lessor under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, or any other similar workers' compensation schemes. The indemnification obligation under this Lease 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 benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

**6.5 LAWS AND REGULATIONS:** Lessee agrees to conform to and abide by all applicable rules, codes, laws, regulations and Lessor's policies in connection with its use of the Premises and the Adult Center, and the construction of improvements and operation of Lessee's business therein, and not to permit said Premises to be used in violation of any applicable rule, code, law, regulation, policy, or other authority,

**6.6 WASTE AND REFUSE:** Lessee agrees not to allow conditions of waste and refuse to exist on the Premises and to keep the Premises in a neat, clean, and orderly condition.

**6.7 SIGNS:** No signs shall be installed without the prior written permission of Lessor. In the event that an unauthorized sign has been installed and after twenty-four (24) hours' notification to remove the sign by Lessor, Lessee shall pay the Lessor a penalty of \$100.00 per day for each day the sign remains in place after such notification. The penalty shall automatically resume, without notice, if the sign is reinstalled after having been removed. The penalty accrued shall be paid with the next month's rent. The Lessor reserves the right to provide notice of, and treat an unauthorized sign as, a non-monetary default of this Lease.

**6.8 LITIGATION:** In the event Lessor shall be made a party to any litigation commenced by or against Lessee (other than actions commenced by Lessee or Lessor concerning the interpretation or enforcement of any of the terms and conditions of this Lease), then (to the extent permitted by law) Lessee agrees to pay all costs, expert witness fees, and attorneys' fees, including all customary charges incurred by Lessor in connection with such litigation. However, if Lessor is made a party defendant and Lessee undertakes the defense of the action on behalf of Lessor, then no obligation for costs and attorneys' fees will be chargeable against Lessee by Lessor for costs arising out of such undertaking.

**6.9 ASSIGNMENT OF LEASE:** Lessee shall not assign, rent, or sublease any portions of this Lease or any extension thereof, without the prior written consent of Lessor, and no rights hereunder in or to said Premises shall pass by operation of law or other judicial process, or through insolvency proceedings.

## 6.10 **DEFAULT:**

6.10.1 **Monetary Defaults.** Failure to pay Rent or any other monetary obligations by the first day of each month shall constitute a default under the terms of this Lease. If Lessee is in default in the payment of Rent or other monetary obligations then, at Lessor's sole option, upon ten (10) days' written notice, this Lease may be terminated, and Lessor may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes Lessor to obtain a prejudgment writ of restitution in the event of default by Lessee. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

6.10.2 **Non-Monetary Defaults.** If Lessee shall fail to perform any term or condition of this Lease, other than the payment of Rent or other monetary obligations, then Lessor, upon providing Lessee thirty (30) days' written notice of such default, may terminate this Lease and enter upon and take possession of the Premises. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

6.10.3 **Other Defaults.** The following shall also constitute a default under the terms of this Lease: (i) a default by Lessee under any other agreement or lease with the Lessor; (ii) insolvency of Lessee; (iii) an assignment by Lessee for the benefit of creditors; (iv) the filing by Lessee of a voluntary petition in bankruptcy; (v) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (vi) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; (vii) attachment of or the levying of execution on the leasehold interest; and (viii) failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days.

6.10.4 **Multiple Defaults in a Year.** If within any one (1) year period, Lessor serves upon the Lessee three (3) notices requiring Lessee either to: (i) comply with the terms of this Lease or to vacate the Premises or (ii) pay Rent or vacate (collectively referred to herein as "Default Notices"), then Lessee shall, upon a subsequent violation of any term of this Lease by the Lessee (including failure to pay Rent), be deemed to be in unlawful detainer, and Lessor may, in addition to any other remedies it may have, immediately terminate the Lease and commence an unlawful detainer action without further notice to Lessee.

6.10.5 **Other Remedies.** In addition to the foregoing remedies specified in this article, Lessor may exercise any remedies or rights under the laws of the State of Washington including, but not limited to, recovering damages for past due rent, future rent, costs to re-let the Premises, and costs to restore the Premises to its prior condition (reasonable wear and tear excepted). Under no circumstances shall Lessor be held liable in damages or otherwise by reason of any lawful re-entry or eviction. Lessor shall not, by any re-entry or other act, be deemed to have accepted any surrender by Lessee of the Premises or be deemed to have otherwise terminated this Lease or to have relieved Lessee of any obligation hereunder. Lessor shall be under no obligation to observe or perform any covenant of this Lease after the date of

any material default by Lessee unless and until Lessee cures such default. A fee of Five Hundred Dollars (\$500.00) shall be assessed to Lessee for each Default Notice issued to Lessee to defray the costs associated with preparing, issuing, and serving such notice. This fee shall be payable on the first (1st) day of the month following the issuance of the Default Notice.

6.11 **TERMINATION**: This Lease shall terminate for default if Lessee fails to cure any default within the time provided for herein. This Lease may also be terminated with or without cause by either party with twelve calendar months advance written notice.

6.11.1 Upon termination of this Lease or any extension thereof, whether by expiration of the stated term or sooner termination thereon, as herein provided, Lessee shall surrender to Lessor the Premises peaceably and quietly. Lessee shall restore the Premises to the condition existing at the time of initiation of this Lease, except for: (i) normal wear and tear, and (ii) any improvements which Lessor permits to remain on the Premises.

6.12 **NON-WAIVER**: Neither the acceptance of Rent nor any other act or omission of Lessor after a default by Lessee or termination shall operate as a waiver of any past or future default by Lessee, or to deprive Lessor of its right to terminate this Lease or be construed to prevent Lessor from promptly exercising any other right or remedy it has under this Lease. Any waiver by Lessor shall be in writing and signed by Lessor in order to be binding on Lessor.

6.13 **NOTICES**: Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing addressed to the other party at the addresses as follows:

TO LESSOR:                   Sudden Valley Community Association  
4 Clubhouse Circle  
Bellingham, WA 98229

TO LESSEE:                   Whatcom County Library System  
5205 Northwest Drive  
Bellingham, WA 98226

or such address as may have been specified by notifying the other party of the change of address. Notice shall be deemed served on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

6.14 **SECURITY**: Lessee specifically acknowledges that Lessor has no duty to provide security for any portion of the Premises occupied by the Lessee. Lessee assumes sole responsibility and liability for the security of itself, its employees, customers, and invitees, and their respective property in or about the Premises ~~or Adult Center~~. Lessee agrees that to the extent Lessor elects to provide any security, Lessor is not warranting the effectiveness of any

such security personnel, services, procedures or equipment and that Lessee is not relying and shall not hereafter rely on such security personnel, services, procedures, or equipment. Lessor shall not be responsible or liable in any manner for failure of any such security personnel, services, procedures, or equipment to prevent or control, or apprehend anyone suspected of personal injury or property damage in, on or around the Premises.

6.15 **QUIET ENJOYMENT**: Lessor acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. Lessor covenants that Lessee shall have quiet enjoyment of the Premises during the term of this Lease so long as Lessee complies with this Lease and subject to Lessor's right of entry onto the Premises as set forth herein.

6.15.1 **Easements**: The Lessor reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses applied for will not unduly interfere with the use to which the Lessee is putting the Premises or interfere unduly with the approved plan of development for the Premises.

6.16 **TIME**: It is mutually agreed and understood that time is of the essence for this Lease and that a waiver of any default of Lessee shall not be construed as a waiver of any other default.

6.17 **INTERPRETATION**: This Lease has been submitted to the scrutiny of the parties hereto and their counsel, if desired. In any dispute arises between the parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against either the Lessor or the Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Lessor or Lessee solely on the basis of which party drafted the provision. If any word, clause, sentence, or combination thereof for any reason is declared by a court of law or equity to be invalid or unenforceable against one party or the other, then such finding shall in no way affect the remaining provisions of this Lease.

6.18 **HOLDING OVER**: If the Lessee remains in possession of said Premises after the date of expiration of this Lease without Lessor's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the Rent owed during the final month of the Term of this Lease and otherwise upon the terms and conditions in this Lease. If Lessee holds over with Lessor's prior written consent, then until such time as a new written Lease is executed by the parties hereto, Lessee shall continue to make payments to Lessor on a month-to-month basis as provided for in this Lease at a monthly rate equal to the rent during the final month of the term of this lease. Such authorized holdover tenancy may be terminated by either party at the end of any such monthly period by sending written notice not less than five (5) days before the end of such period. Such authorized holdover tenancy shall be subject to all terms and conditions contained herein.



6.19 **SURVIVAL**: All obligations of the Lessee, as provided for in the Lease, shall not cease upon the termination of this Lease and shall continue as obligations until fully performed. All clauses of this Lease which require performance beyond the termination date shall survive the termination date of this Lease.

6.20 **GOVERNING LAW**: This Lease 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 jurisdiction and venue shall lie exclusively in Whatcom County, Washington and not in any federal court.

6.21 **ATTORNEYS' FEES – LEASE ENFORCEMENT**: The prevailing party in any action to enforce any term or condition of this Lease shall be entitled to an award of their reasonable costs and attorneys' fees.

6.22 **COUNTERPARTS AND ELECTRONIC TRANSMISSION**: This Lease may be signed in counterparts. Electronic transmission of any signed original document, and retransmission of any signed electronic transmission shall be the same as delivery of an original document.

6.23 **ENTIRE AGREEMENT**: This Lease contains all of the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease and executed with all necessary legal formalities.

6.24 **VALIDATION**: IN WITNESS WHEREOF, Lessor has caused this instrument to be signed by the President of its Board of Directors by authority of the Board, and this instrument has been signed and executed by Lessee, the day and year first above written.

**LESSEE:**

**LESSOR:**

**WHATCOM COUNTY RURAL  
LIBRARY DISTRICT DBA WHATCOM  
COUNTY LIBRARY SYSTEM**

**SUDDEN VALLEY COMMUNITY  
ASSOCIATION**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name:

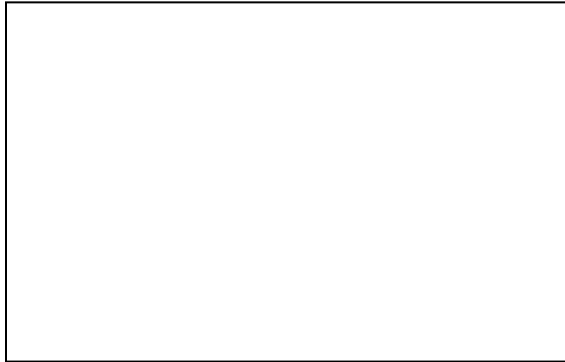
Printed Name:

Its:

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

On this day personally appeared before me \_\_\_\_\_ to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument on behalf of the corporation.

**GIVEN** under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.



[NOTARY SEAL]

\_\_\_\_\_  
Print Name:  
NOTARY PUBLIC in and for the  
State of Washington, Residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM )

On this day personally appeared before me \_\_\_\_\_ to me known to be the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

**GIVEN** under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

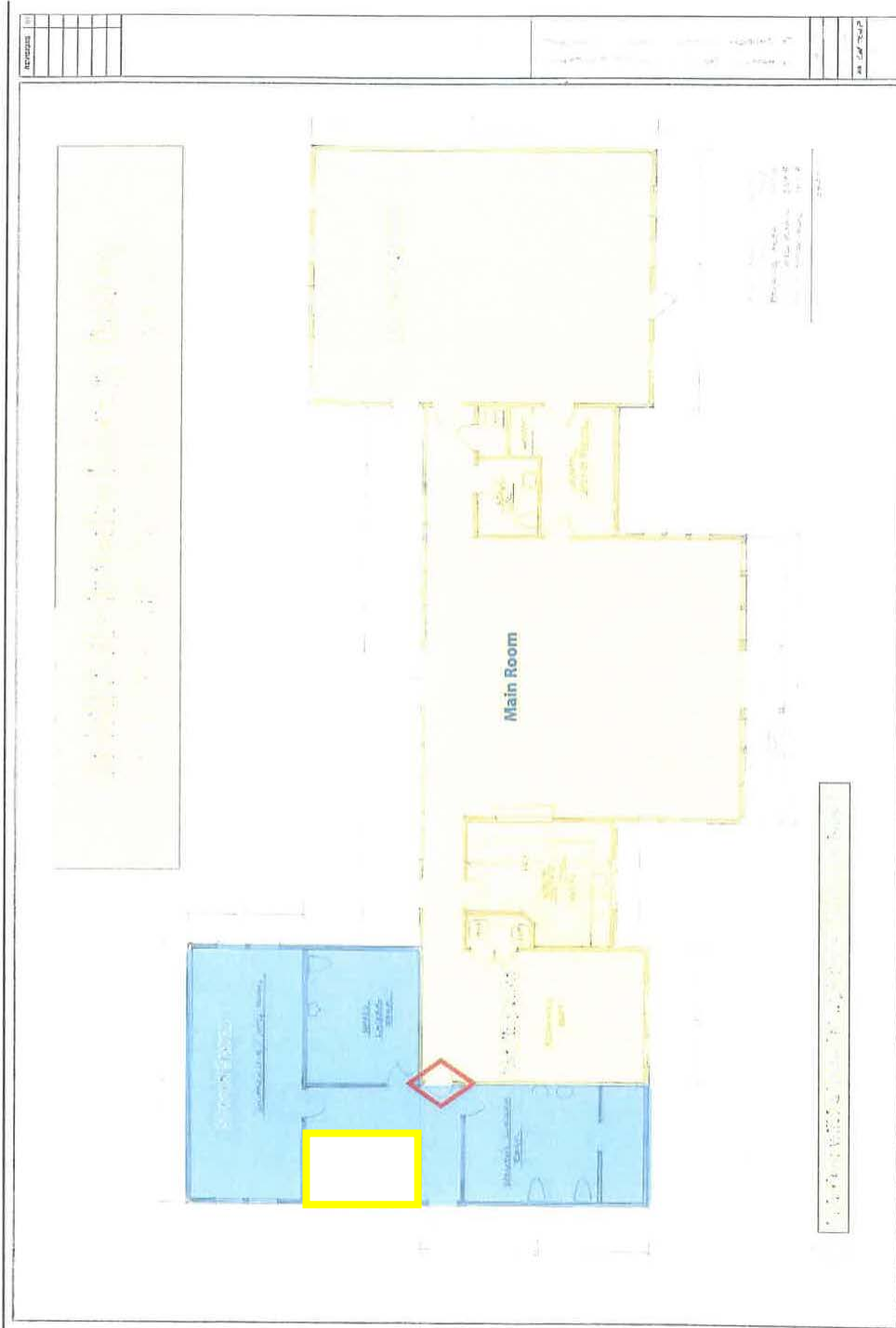


[NOTARY SEAL]

\_\_\_\_\_  
Print Name:  
NOTARY PUBLIC in and for the  
State of Washington, Residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

# Exhibit A

## Map of the Premises



## Questions and Answers for June 27<sup>th</sup> Meeting

### From Rick Asai

Just a couple questions about the lease.

- Item 2.3.1.1 Use of meeting room. Is there a clause needed to charge rent if the activity held in the Meeting Room has a fee charged to participants?

The current Interim Library Agreement grants the library free use of the meeting room in the Adult Center with only one restriction: library staff must coordinate scheduling with SVCA Administration to ensure that the space was not double-booked. The space that the library built inside the barn that was torn down included a large meeting room.

The library conducts many events as part of their normal and expected operations. In general, events are free. A fee is charged when there is a charge associated with holding the event (such as supplies for arts and crafts) that needs to be offset.

- 4.2.1 lessor's work (will SVCA qualify for a rebate for replacing gas furnaces with heat pumps?)

SVCA staff have reached out to the HVAC contractors who elected to quote on the job to ask if rebates are available. We do not know yet if there are.

- On the board calendar: In the future we may want to publish the two budget meetings with the BOD in the Board calendar.

The July 24<sup>th</sup> and 25<sup>th</sup> meetings are now identified on the online Board calendar as "Special Budget Meetings."

### From Sonia Voldt

- Please provide the actual cost estimate for a new Library HVAC system. Additionally, the Board approved new heaters for the Adult Center several months ago. Were the new heaters installed?

We are waiting for the quotes on an upgraded heating and cooling system. Contractors have given estimates of "around \$50,000." The project that the Board approved on April 25<sup>th</sup> to replace the furnaces and hot water heater at the Adult Center has been paused while we wait for the Board to consider the proposed lease.

- Please provide the red-lined version of the GM Job Description along with any proposed qualifications. Previously, the Qualifications were cited in the Recruitment Brochure.

The redline version of the GM job description is attached. At this time, there are no qualifications listed.

Exhibit A

<del>SUDDEN VALLEY COMMUNITY ASSOCIATION</del>		
<del>Job Description</del>		
Job Title: <u>General Manager</u> <del>General Manager</del>		
<del>Department:</del> Administration		
Location: <u>Welcome Center</u> <del>Clubhouse</del>		
<del>Reports to:</del> Board of Directors		
<del>Starting</del> Salary: Range: <u>\$150,000 - \$200,000</u>	FTE: 1.0	Employee Classification: Exempt

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~~Employee agrees to serve the Association as General Manager, as outlined herein, and as may be designated from time to time by the Board of Directors of the Association through the Board President. Employee agrees to perform, or ensure the performance of, as appropriate, all such duties to the best of his or her ability, and to be evaluated on the timely, efficient, and effective accomplishment thereof.~~

**Key Responsibilities:**

The General Manager is the Chief Operating Officer of the Sudden Valley Community Association (SVCA) and oversees all aspects of the day-to-day operations of the Association. The SVCA General Manager is responsible for implementing the decisions, strategies, and policies of the Board of Directors. The General Manager works in partnership with the Management Team, ensuring collaboration and cooperation between all aspects of the Association. **The General Manager ensures all aspects of the organization are supported and creates opportunities throughout the year for members and employees to offer feedback and suggestions.**

~~The General Manager leads and supports a staff of approx. 31 full-time employees and up to 40 part-time and seasonal staff. The General Manager works in partnership with the Management Team consisting of the Operations Manager, Director of Finance, Maintenance~~

~~Superintendent, the Director of Golf, the Environmental Services Planner, and/or any other senior manager as designated by the Board through approval of the SVCA Organization Chart. The General Manager, directly or through managers, appoints, supervises, and provides for training and development, manages performance, and ensures accountability of all employees. The General Manager shall promote and support diversity, equity, and inclusion in the workplace through the implementation of collaborative work programs. This position ensures compliance with labor agreements, the Association and department policies, state and federal laws and regulations, and local ordinances.~~

The General Manager ensures the Association, its properties and facilities, are properly protected and is responsible for enforcing restrictive covenants, bylaws, policies, rules and regulations, and applicable ordinances while ensuring the Board is fully informed to the affairs of the Association as provided by the Articles of Incorporation, Bylaws, and laws of the State of Washington. The General Manager shall keep the Board informed ~~on any of~~ potential risks or liabilities.

The General Manager represents SVCA in a professional manner and always acts ~~in the~~ **community's** ~~community's~~ best interest. The General Manager is responsible for all Association public relations, engages the community in the affairs of the Association, and keeps the community informed through multiple communication channels.

**Description of Duties:**

General:

- ~~• Provide exceptional customer service, perform job duties with accuracy and attention to detail.~~
- ~~• Educate members and public on all Association rules and standards.~~
- Represents SVCA with integrity and professionalism.
- ~~• Maintains professional and effective working relationships with the Board, Committees, Staff, Association members, and the general public.~~
- Models behaviors expected throughout the organization including but not limited to collaboration, transparency, accountability, and a commitment to excellent customer service.
- Maintains professional and effective working relationships with the Board, Committees, Staff, Association members, and the general public.
- Educates members and public on all Association rules and standards.
- ~~• Represents SVCA with integrity and professionalism.~~
- Performs other duties as assigned by the Board of Directors.

Governance:

- Supports the Association's ~~Association's~~ purpose, mission, and vision by implementing the ~~Association's~~ Association's strategic priorities.
- Attends all Board meetings and supports Board-directed committees and activities.
- Acts as an advisor to the Board on matters of the Association.
- Acts as the main staff liaison with the Board and ~~Long-Range Planning Committee~~ community residents.
- Directs the Management Team to assist as needed with committees that fall within

their area of expertise.

- Provides ~~committee~~ support for all committees of the Association.
- Prepares or delegates the preparation of staff reports to the Board and Committees for review and consideration. Makes or delegates oral presentations to these bodies as necessary.
- Arranges for the drafting of correspondence and other documents for the President or Board to sign on behalf of the Association.
- Keeps the Board properly informed of any risks or liabilities to the Association.
- Collaborates with the Board of Directors on implementing and administering the SVCA Comprehensive Community Plan, Strategic Plan, and identified strategic priorities.
- Liaison between SVCA and governmental agencies such as Whatcom County.

#### Administration:

- Thorough understanding of all Association governing documents as well as applicable federal, state, and local laws, ordinances, rules, and regulations. Ensures Management Team is also knowledgeable about these matters ~~as well.~~
- Conducts ongoing organizational assessments to identify opportunities to implement changes and create a structure that supports the ~~Association's~~ Association's strategic plan and drives stability and consistency in systems, policies, and procedures.
- Ensures the maintenance of all official records and files of the Association and the General ~~Manager's~~ Manager's office.
- Provides to the Board of Directors a monthly General ~~Manager's~~ Manager's reports on the operations of the Association.
- Responsible for keeping in force all forms of insurance required by the ~~Association's~~ Association's Articles, Bylaws, CC&Rs, or as needed to adequately protect the Association from risk and liability.
- Hiring, supervision, evaluation, promotion, disciplining, and termination of all other employees of the Association in accordance with personnel manual, collective bargaining agreement, and applicable federal, state, and local laws, rules, and regulations.
- Implements a comprehensive annual employee performance evaluation program to track employee development, goals, accomplishments, needed improvements, and training.
- Responsible for enforcing restrictive covenants, bylaws, policies, rules and regulations, and applicable ordinances. ~~Implements the Compliance Program within the Association which includes communication of issues, tracking issues from notice through Appeal and completion in accordance with our governing documents and any applicable local, state, or federal laws.~~
- Responsible for the administration of all contracts between the Association and consultants, contractors, and outside vendors.
- Collaborates with outside agencies ~~and~~ and businesses, and public jurisdictions on behalf of the Association. ~~Develops and develops~~ Develops and develops effective relationships with these ~~agencies~~ agencies ~~in an effort~~ to provide the Association with additional resources not otherwise at its

disposal.

- Identifies trends and problems hindering progress of the Association and develops and implements best practices to drive necessary change.

#### Finances:

- Keeps the Board informed as to the financial state of the Association.
- Responsible for administering and implementing the approved budget and ensuring compliance with departmental budgets.
- Review revenue, collection rates, and expenditures monthly, and work quarterly with the Director of Finance and Board Treasurer to determine any necessary adjustments to ensure a balanced budget.
- Utilizes the annual survey results and recommendations of the Board, the Long-Range Planning Committee, Finance Committee, and the Management Team to prepare the annual budget with the Accounting Manager and Board Treasurer.
- Develops sustainable budgets, maintains fiscal accountability, and plans for long-term projects and initiatives.
- Ensures the Board and Community understand the financial impacts of decisions to balance fiscal reality with the Association's needs.
  - Searches for grants and prepares or delegates the preparation of grant applications.

#### Planning:

- Supports the Board in the identification, planning, and development of revenue streams, including procurement of grants.
- ~~● Collaborates with the Board of Directors on implementing and administering the SVCA Comprehensive Community Plan, Strategic Plan, and identified strategic priorities.~~
  - Prepares agendas and documentation for yearly strategic planning process with the Strategic Planning Team.
  - Guides the Strategic Planning Team through yearly implementation reviews and assisting the team in yearly updates of the strategic plan.
  - Provides support to the LRPC in the form of compiling data, research, and drafting updates to the SVCA Community Plan for their review and approval.
  - Ensures all planning documentation is readily available to the membership on SVCA's website.

#### Infrastructure:

- Responsible for overseeing the maintenance, repair, and security of all Association property including overseeing work on all construction, reconstruction, alterations, and improvements.
- Ensures a current and complete inventory of all Association property and provides the Board with recommendations to ensure adequate upkeep of all SVCA assets.
- Responsible for the execution of Board-approved Capital Improvement Projects.
- Works on behalf of the Association to coordinate with outside contractors



- Negotiate and execute contracts in the community's community's best interest and in compliance with SVCA policies.
- Ensures the oversight of approved mitigation plans that have been assigned by regulatory agencies to the Association.

**Supervision:**

Works under the direction of the Board of Directors and in collaboration with the Management Team.

**Physical Demands and Working Conditions:**

Bending, stooping, kneeling, reaching, lifting, and carrying approximately 25 pounds at waist high level. Frequent sitting, some standing, and walking required. Extensive use of computer terminal and keyboard. Moderate to high requirement for hand coordination, visual ability, and cognitive abilities. Must tolerate moderate noise levels and interruptions in an open office environment. Works indoors in controlled conditions and outdoors in potential inclement weather.