

SUDDEN VALLEY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS SPECIAL MEETING
WEDNESDAY, DECEMBER 3, 2014
MULTIPURPOSE ROOM
6:00 P.M.

I.	CALL TO ORDER	PAGE
II.	ROLL CALL	
III.	ADOPTION OF AGENDA	
IV.	ANNOUNCEMENTS	
V.	PROPERTY OWNER COMMENTS	
VI.	BOARD COMMENTS	
VII.	CONTINUING BUSINESS AND VOTING AS NECESSARY	1 - 9
	A. Requesting BOD Approval of Draft Interim Library Agreement for the Adult Center	
VIII.	ADJOURNMENT	

INTERIM LIBRARY AGREEMENT

This Interim Library Agreement (the "Agreement") is entered into effective December 1, 2014, by and between the Whatcom County Rural Library District d/b/a Whatcom County Library System ("WCLS"), the Sudden Valley Community Association ("SVCA") and the Friends of the Sudden Valley Library (the "Friends"). WCLS, SVCA, and the Friends are collectively referred to as the "Parties" and individually as a "Party".

RECITALS

- A. Pursuant to the Commercial Lease between SVCA and the Friends, dated October 25, 2011 (the "Lease"), the Friends currently lease certain property consisting of 6,500 square feet of interior space located on the ground floor of a building known as the "Middle Barn" (as described in the Lease, the "Demised Premises").
- B. Pursuant to the Lease, the Friends are permitted to use the Demised Premises solely for the purposes of operating a branch public library and community meeting room by agreement with WCLS.
- C. In January 2014, the Friends and WCLS entered into an Agreement for Exchange of Services (the "Operating Agreement") pursuant to which WCLS agreed to operate the library and the meeting room in the Demised Premises, operation of which commenced March 11, 2014.
- D. In June 2014, the Parties learned of structural deficiencies in the building in which the Demised Premises are located.
- E. Shortly thereafter, at the request of SVCA, the Friends temporarily suspended its occupancy of the Demised Premises and WCLS temporarily suspended its operation of the library and the meeting room in the Demised Premises pending further assessment and correction of the structural deficiencies or other mutually agreeable resolution of the safety issues presented thereby. It is understood that SVCA and the Friends are independently pursuing such resolution.
- F. Pending such resolution, SVCA has offered to provide that portion of its Adult Center building (the "Adult Center") described in Exhibit A hereto (the "Interim Library Facility") to WCLS to operate as temporary branch public library until such time as a more permanent facility suitable for library services can be provided, as well as access to the restrooms and use of the meeting room (the "Meeting Room") located elsewhere in the Adult Center.
- G. Providing library services in the Interim Library Facility will benefit the members of the Sudden Valley community.
- H. The Parties now desire to enter into this Agreement under the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, the Parties hereto agree as follows:

1. Continuation of Lease and Suspension of Operating Agreement. SVCA and the Friends agree that the Lease shall remain in full force and effect during the term of this Agreement, except that Section 13 thereof, which shall be suspended during the term of this Agreement. Notwithstanding the foregoing, nothing in this Agreement waives SVCA's or the Friends' right to rely on or enforce Section 13 of the Lease in the event this Agreement is terminated. The Parties agree that the Operating Agreement shall also be suspended during the term of this Agreement, and further agree that, notwithstanding any provision of the Lease to the contrary, such suspension shall not constitute a default under the Lease.
2. Use of Interim Library Facility. SVCA agrees with the Friends and WCLS to make the Interim Library Facility available to WCLS, which WCLS shall use as a temporary branch library for the term of this Agreement. However, in consideration of such arrangement, WCLS agree to pay to SVCA the sum of **\$280** on the last day of each month during the term of this Agreement.
3. Preparation of Interim Library Facility for Use. The Parties agree that the following improvements will be made to the Interim Library Facility prior to occupancy by WCLS:
 - a. SVCA and WCLS will mutually agree on any necessary upgrades or repairs to the electrical system, network cabling, plumbing and windows, all of which will be made by SVCA at its own expense.
 - b. SVCA will install a lock between the Interim Library Facility and the hall with the changing rooms (as identified in Exhibit A) at its own expense.
 - c. WCLS will install its own lock cores into doors accessing the Interim Library Facility at its own expense.
 - d. WCLS may paint the interior walls of the Interim Library Facility, but agrees to repaint such walls if so requested by SVCA at the end of the term of this Agreement.
 - e. WCLS shall install, at its own cost and expense, bookshelves in the Interim Library Facility as necessary for its operations. SVCA previously provided WCLS with a full set of plans for the Interim Library Facility. WCLS shall be solely responsible for insuring that the bookshelves, as installed and loaded with the WCLS catalogue, do not exceed the weight bearing capabilities of the Interim Library Facility's floor and subfloor structure. WCLS shall be solely responsible for any damage caused to the Interim Library Facility's floor and subfloor structure by the bookshelves or the catalogue placed on the bookshelves. SVCA and WCLS will do a walk-through inspection prior to occupancy to document the existing condition of the Interim Library Facility's floor and subfloor structure.
4. Swimming Pool. SVCA will be responsible for all activities in and around the swimming pool area and the changing rooms. The Parties agree that all gates and doors leading to the swimming pool area will remain locked at all times. Authorized adult swimming pool users may access the swimming pool and changing rooms at dates and times consistent with SVCA policy.
5. Use of Meeting Room. The Friends, WCLS and WCLS' patrons shall be allowed to use the Meeting Room, as depicted on Exhibit C hereto, at no charge on a first come, first serve basis. Any person desiring to use the Meeting Room must coordinate scheduling through SVCA's administrative offices.
6. Utilities. WCLS agrees to provide the following utility services to the Interim Library Facility at its own expense: heating, electricity, water, sewer, solid waste, recycling, telephone and

telecommunications, as applicable, but not including any such costs that are associated with maintenance and use of the swimming pool area.

7. Maintenance. Except as provided herein, SVCA shall provide all necessary services for maintenance of the Adult Center, including the Interim Library Facility, which shall include, without limitation, building and grounds maintenance, upkeep, snow removal, and necessary capital improvements.

8. Custodial Services. WCLS agrees to provide custodial services to the Interim Library Facility at its own expense. SVCA agrees to provide custodial services to the remainder of the Adult Center and pool area.

9. Library Services. WCLS agrees to provide library services in the Interim Library Facility. The day-to-day management and operation of library services in the Interim Library Facility is the responsibility of WCLS, and will be subject to all of the policies and procedures of WCLS.

10. Collection, Fixtures, Furnishings and Equipment. For the duration of this Agreement, SVCA agrees to allow WCLS to store in the Demised Premises such library furnishings, fixtures and equipment as are already present therein. SVCA will provide, at its own expense, minimal heating, electricity and such other utilities as may be necessary to maintain the Demised Premises in its current condition. Notwithstanding the foregoing, the Friends and WCLS bear all risk of loss to any of the library furnishings, fixtures and equipment stored in the Demised Premises.

WCLS will remove from the Demised Premises the library collection (books, audiobooks, DVDs, magazines, etc.) and such furnishings, fixtures and equipment as may be needed for the Interim Library Facility or for other uses within the WCLS system. WCLS will provide at its own expense, the furnishings and equipment appropriate to the operation of the Interim Library Facility as a branch public library, as well as the library collection, and will be entitled to remove the same upon termination of this Agreement. WCLS agrees that installation of such furnishings and equipment will comply with all applicable seismic requirements. WCLS agrees to repair, at its sole cost and expense, any damage caused to the Interim Library Facility by the removal of its furnishings or equipment from the Interim Library Facility upon the termination of this Agreement.

11. Signage. WCLS may install appropriate interior and exterior signage, in locations agreed by the Parties, at WCLS's sole cost.

12. Insurance. SVCA and WCLS will obtain and maintain insurance, as follows: SVCA will obtain and maintain, at its expense, fire and extended coverage insurance on the Adult Center, including the Interim Library Facility, for the full, insurable replacement value thereof. WCLS will obtain and maintain, at its expense, fire and extended coverage insurance on all of its property, including removable fixtures, located in the Interim Library Facility. SVCA and WCLS will each obtain and maintain, at its own expense, a policy or policies of comprehensive general liability insurance with respect to their respective activities in the Adult Center. In particular, such insurance obtained and maintained by SVCA will provide coverage for all activities in and around the swimming pool area, the Meeting Room and the changing rooms. Such insurance shall afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. SVCA and WCLS will provide each other with proof of such coverage within seven (7) days upon request.

13. Liability and Indemnification. To the extent permitted by law, WCLS agrees to indemnify, defend and hold SVCA, its agents, officers and employees harmless from, and to process and defend at its own expense, all claims, demands, or suits at law or reasonable equity arising out of performance or failure to perform any and all legal duties by WCLS, its agents, officers or employees, including but not limited to the duties provided in this Agreement, or as a result of WCLS's negligence, misconduct or other fault in the use of the Interim Library Facility.

To the extent permitted by law, SVCA agrees to indemnify, defend and hold WCLS, its agents, officers and employees harmless from, and to process and defend at its own expense, all claims, demands, or suits at law or reasonable equity arising out of performance or failure to perform any and all legal duties by SVCA, its agents, officers or employees, including but not limited to the duties provided in this Agreement, or as a result of SVCA's negligence, misconduct or other fault related to the Interim Library Facility.

If any claim or suit arises or results from the concurrent or combined fault of SVCA and WCLS, this indemnity provision with respect to such claims or suits shall apply only to the extent of each such Party's fault, to the end that each such Party's liability should be in direct proportion to that Party's proportion of the fault that caused the damage at issue.

14. Authority. The Parties each represent and warrant that they and/or their undersigned agents have full power and authority to enter into and to execute this Agreement, and that the execution, delivery and performance by the Parties of this Agreement and the related documents is not in conflict with any law, rule, regulation, writ, judgment, injunction, decree or award, or with the provisions of any agreement to which the Parties or any of them may be bound, including, without limitation, their articles of incorporation or bylaws.

15. Effective Date; Term. This Agreement shall become effective when, and only when, it has been duly executed by all of the Parties. The term of this Agreement shall be 24 months from the date written above, or such time as a more permanent, suitable space is provided for library services, unless terminated by either SVCA or WCLS as provided in Section 16.1.

16. Termination.

- a. This Agreement may be terminated without cause by either SVCA or WCLS on 90-days prior written notice.
- b. In the event SVCA or WCLS fails to comply with any obligation under this Agreement, the non-defaulting party shall be entitled to terminate this Agreement upon thirty (30) days written notice and opportunity to cure.

17. Laws and Regulations. WCLS shall promptly comply with all laws, ordinances and regulations affecting the Interim Library Facility. The WCLS's obligation herein shall include, but in no way be limited to, the obligation to comply with all state and federal environmental laws and regulations. The WCLS covenants and agrees that it will, to the extent permitted by law, indemnify, defend and hold harmless SVCA from any fine, penalty or damage which may be imposed by any lawful authority which may arise as a result of WCLS's failure to comply with the obligations of this Section.

18. Prohibition Against Increased Hazards. In the event SVCA observes WCLS undertaking, or permitting, any action in or about the Interim Library Facility that will increase the premiums paid by SVCA on its insurance related to the Interim Library Facility, SVCA will provide written notice to WCLS to cease such action. WCLS shall cease, and prevent, such action from occurring upon receiving such notice from SVCA. WCLS will not perform any act or carry on any practice that may injure the building in which the Interim Library Facility are located or its occupants and users or that may be a nuisance or menace to SVCA.

19. Waste and Refuse. WCLS agrees not to allow conditions of waste and refuse to exist on the Interim Library Facility and to keep the Interim Library Facility in a neat, clean and orderly condition during the full term of this Agreement, and to be responsible for all damages caused to the Interim Library Facility by WCLS, its agents, customers, invitees or any third party in/on the Interim Library Facility at the instance of, or because of, WCLS.

20. Entire Agreement. This Agreement embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings related to the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by all of the Parties.

21. Relationship of the Parties. The Parties agree that they are separate entities operating independently of each other. No agent, employee, servant or representative of any Party shall be deemed to be an employee, agent, servant or representative of any other Party for any purpose. Each Party will be solely and entirely responsible for its acts and for the acts of its agents, employees, and servants during the term of this Agreement.

22. Further Assurances. The Parties will use all reasonable efforts to execute such documents and to take such other actions as may be reasonably necessary to consummate and give effect to the terms of this Agreement.

23. Jurisdiction, Venue and Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The Whatcom County Superior Court shall have jurisdiction and venue of any action or proceeding arising out of or related to the negotiation, execution, performance, breach or the enforcement of this Agreement. The substantially prevailing party in any dispute arising out of or related to this Agreement shall be entitled to an award of its attorneys' fees and costs.

24. Compliance with Law. Each Party will comply with all laws, orders, ordinances and other public requirements pertaining to the provisions of this Agreement and the use of the Interim Library Facility.

25. Notices. Any notice required or permitted under this Agreement shall be in writing and may be served personally or by certified mail addressed to the Parties at the addresses listed below, or at the address one Party specifies to the others in writing. Each Party will notify the other promptly of any change in address.

SVCA: 4 Clubhouse Circle
Bellingham, WA 98229

WCLS: 5205 Northwest Drive
Bellingham, WA 98226

FRIENDS: 8 Barn View Court
Bellingham, WA 98229

26. Counterpart Signatures. This Agreement may be executed in several counterparts, which when taken together shall constitute one original Agreement. A facsimile signature shall be deemed an original signature for all purposes.

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the date first above written.

SUDDEN VALLEY COMMUNITY ASSOCIATION

By its authorized agent

Laurence W. Brown
President, Board of Directors

Date _____

**WHATCOM COUNTY RURAL LIBRARY DISTRICT
d/b/a WHATCOM COUNTY LIBRARY SYSTEM**

By its authorized agent

Christine Perkins
Executive Director

Date _____

FRIENDS OF THE SUDDEN VALLEY LIBRARY

By its authorized agent

Clairene Almond
President

Date _____

EXHIBIT A

Description of Interim Library Facility

The Interim Library Facility is located within the Adult Center at 10 Barn View Court, Bellingham, Washington as depicted on Exhibit B.

The Interim Library Facility consists of the main room, dance studio, restroom, kitchen and the small room (which formerly housed a pool table). A floor plan indicating those areas which constitute the Interim Library Facility is attached as Exhibit B.

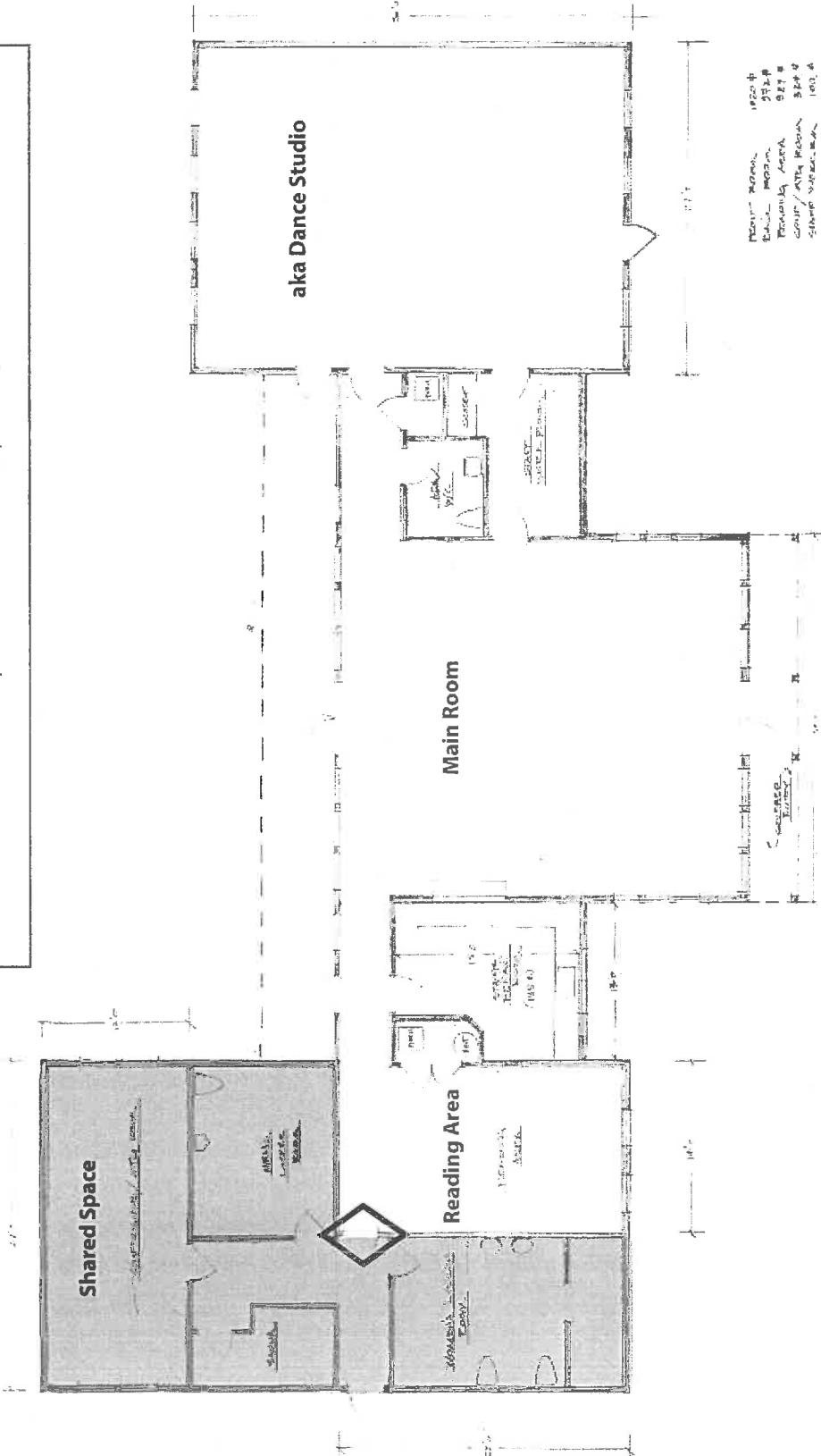
WCLS staff and the public may also access the back hallway, restrooms and the meeting room during open hours. When the library is closed, the door between the back hallway and the small room will be locked, thereby closing off the Interim Library Facility. Meeting room users may access the meeting room and restrooms after the library is closed using the side entrance. Adult pool users may access the restrooms after the library is closed using the side entrance.

EXHIBIT B

**Map of Interim Library Facility
and Meeting Room**

Exhibit A - Interim Library Facility

Adult Center | 10 Barnview Court | Bellingham, WA 98229



This door will be locked at night when library is closed.

1020 #
 1021 #
 1022 #
 1023 #
 1024 #
 1025 #
 1026 #
 1027 #
 1028 #
 1029 #
 1030 #

Proposed South Whidbey Library
 Shared Valley Adult Center

Date: 10/12/14
Scale: 1/4" = 1'-0"
Drawn: GAD
Check: JMT
Sheet: 1 of 1