



# 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**

September 12, 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) General Manager's Report

Item 5) Committee Reports

5a. Architectural Control

5b. Document Review

5c. Finance

5d. GM Search

5e. Long Range Planning

5f. Nomination & Elections

5g. Safety

Item 6) New Business

6a. Approve Printer Proof of Election Booklet and Ballot

6b. CTK Lease Renewal

Closed Session -- Personnel

Adjournment



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## APPROVAL REQUEST MEMO

**To:** Sudden Valley Community Association Board of Directors  
**From:** Jo Anne Jensen, General Manager  
**Date:** September 12, 2024  
**Subject:** Renewal of CTK Lease

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### Purpose

To request approval of a lease extension for Christ the King Community Church (CTK).

### Background

On February 23, 2023, the Board approved a new lease agreement with CTK to replace an agreement that had been in force between January 1, 2018, and December 31, 2022.

The new lease term began on January 1, 2023, and will end on December 31, 2024. The agreement included a renewal clause which gave CTK the ability to request renewal for two, one-year periods. CTK submitted a request for renewal (attached) on August 23, 2024. The Board must now either accept or reject that renewal and set the rent for the first extension year.

### Analysis

The current lease (attached):

- Defines the Lease Term: January 1, 2023, through December 31, 2024, with the option to renew for two consecutive one-year periods;
- Sets the amount of Rent paid: in 2023 = \$1,100 per month (\$13,200 annually); in 2024 = \$1,200 per month (\$14,400 annually);
- Defines the areas of the Community Center which will be used by CTK each Sunday:

Area	Time Used
Dance Barn	8:00 AM – 12:00 PM
Multipurpose Room A	9:30 AM – 11:30 PM
Multipurpose Room B	9:30 AM – 11:30 PM
Game Room	9:30 AM – 11:30 PM
Storage area adjacent to Multipurpose Room A	24/7/365
Storage area adjacent to Dance barn	24/7/365

- Defines five “special events” for which CTK is granted use of the Dance Barn at no additional charge:

Event	Timing
5th Sunday Potluck	12:00 PM to 1:00 PM
Mothers’ Day Service	12:00 PM to 1:00 PM
Father’s Day Service	12:00 PM to 1:00 PM
Chili Cook Off	12:00 PM to 2:00 PM
Men’s Group	Weekly, Thursday, 6:00 AM to 7:00 AM



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- Establishes that, if CTK wishes to use any other SVCA facilities, they must: request permission to do so; pay 50% of the usual member rate for renting that facility;
- Establishes that both parties may terminate the lease with 60 days notice;
- Establishes that SVCA has the right to require CTK to vacate the premises at any time for any reason;
- Defines usual terms for use, care, and maintenance of the rented facilities, as well as remedies for default.

## Recommendation

CTK has complied with the terms of the lease and provides activities which are enjoyed by a portion of the SVCA community. I recommend accepting their one-year renewal and setting rent at \$1,300 per month or \$15,600 annually.

## Motion

Move that the Sudden Valley Board of Directors approve a one-year extension of the current CTK lease agreement with a monthly rent of \$1,300.

## Approvals

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

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Keith McLean, SVCA Board President

August 23, 2024

Sudden Valley Community Association and Sudden Valley Board of Directors  
Attn: Jo Anne Jensen, General Manager  
4 Clubhouse Cir/Bellingham, WA 98229  
[jjensen@suddenvalley.com](mailto:jjensen@suddenvalley.com)

Dear Jo Anne,

Please accept this letter as our intent to renew our lease with the Sudden Valley Association. Per our lease agreement dated March 1, 2023, we would like to extend our lease per the option.

It has also come to my attention that we did not increase the rent by \$100 in January, and included with this original letter, we will be providing the \$800 on Monday, August 26<sup>th</sup>.

Please let me know if you have any comments or questions. I will assume that you will be providing the lease extension for signature.

Thank you,

  
Shauna Walton  
Executive Director of Operations

**LEASE  
PREMISES WITH COMMON AREA**

This **LEASE** ("Lease") is made and entered into this 24th day of February, 2023, by and between the **SUDDEN VALLEY COMMUNITY ASSOCIATION** (hereinafter referred to as "Landlord"), and **Christ the King Community Church**, an independent nonprofit organization (hereinafter referred to as "Lessee").

**ARTICLE I  
Summary of Lease Terms and Definitions**

Landlord: Sudden Valley Community Association  
Attn: General Manager

Landlord's Address: 4 Clubhouse Circle  
Bellingham, WA 98229

Lessee's Address: Christ the King Community Church  
Attn: Shawna Walton  
4173 Meridian Street  
Bellingham, WA 98226

Use of Premises: Church services and related events

Commencement Date: March 1, 2023

Term: Commencing upon the Commencement Date and expiring on the "Termination Date" one (1) year and ten (10) months] thereafter.

Rent:

<u>Period of Lease Term</u>	<u>Rent Per Month (Mo)</u>
2023	\$ 1,100.00
2024	\$ 1,200.00

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

2.1 **PREMISES:** Landlord, in consideration of the rents hereinafter reserved and of the covenants and conditions herein set forth to be performed by Lessee, does hereby lease, on a non-exclusive basis to Lessee a portion of the following-described real property, situated in Whatcom County, Washington: TR KN N ½ DAF-BEG AT MOST NLY COR ON ELY BNDRY OF SUDDEN VALLEY CLUBHOUSE CLUSTER CONDOMINIUM-TH USING SAME MERIDIAN SHOWN ON SD PLAT S 87 DEG 02'58" E 175/14 FT-TH N 25 DEF 48'04" 3 32.49 FT-TH S 60 DEG 52'42" E 223.35 FT-TH N 32 DEG 19'26" E 246.79 FT. The portion leased includes the following locations:

- a. Dance Barn, including the use of the two adjacent kitchen spaces and up to 175 padded chairs and or tables: on Sundays, between 8:00 AM and 12:00 PM
- b. Multipurpose Room A, Multipurpose Room B, and the Game Room: on Sundays between 9:30 AM and 11:30 AM

- c. **Storage** – The Landlord will provide use of storage area 122 (adjacent to Multipurpose Room A) and storage area 211 (adjacent to the Dance Barn) for the exclusive use of the Lessee. Storage may be secured. The Landlord will not be responsible for loss of or damage to the Lessee's property or equipment for any reason. The Landlord retains the right to inspect any storage area used by the Lessee at any time and for any reason and to require the exclusion and removal of any items that it determines to be unacceptable for storage, at its sole discretion.

2.2 **TERM:** The term of this Lease shall be for two (2) years beginning January 1, 2023, through December 31, 2024. Notwithstanding the foregoing, either party may terminate this Lease upon sixty (60) days written notice to the other party.

2.3 **RENEWAL:** Subject to written approval of Landlord and the terms and conditions herein, Lessee may renew this Lease for two (2) consecutive one (1) year periods by giving written notice of such intention to Landlord at least one hundred twenty (120) days prior to the expiration of the term of this Lease or any renewal thereof. Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and the Lessee is not in default under the terms of this Lease. Landlord reserves the right to reject the renewal request in its sole discretion. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that rent shall be as agreed upon during the renewal process and described in an amendment hereto.

### **ARTICLE III** **Rent and Other Charges**

3.1 **RENT:** Rent and all other sums payable by Lessee pursuant to this Lease shall be paid without the requirement that Landlord 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 paid monthly in advance on or before the first (1<sup>st</sup>) day of each month beginning on the Commencement Date. A late charge of one percent (1%) per month will be assessed against past due Rent from the date such Rent became due. Additionally, if Rent is not received by the tenth (10<sup>th</sup>) day of any month, Lessee shall pay Landlord an additional fee of One Hundred Dollars (\$100.00) or ten percent (10%) 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 (1<sup>st</sup>) day of the month following that month in which such interest or late charges accrued.

3.2 **OTHER CHARGES.** Lessee shall be required to pay up to a Five Hundred Dollars (\$500.00) cleaning assessment for failing to restore the Premises to the condition existing prior to the service or event hosted by Lessee. Determination of the assessment amount shall be at the sole discretion of the General Manager.

### **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: church services and related events (the "Authorized Use").

4.1.1 **Set Up and Cleanup.** No set up or clean up services are included or will be provided by the Landlord and the Lessee agrees to provide both or to pay an additional fee for the same. The Landlord will provide the applicable portion of the Premises for the Lessee each Sunday during the times of day stated in Section 2.1. The Lessee agrees to honor the specified timeframe.

4.1.2 **Schedule.** The Lessee is granted use of the Dance Barn for the following specific events:

- "5<sup>th</sup> Sunday Potluck" – 12:00 PM to 1:00 PM
- "Mother's Day Service" -- 12:00 PM to 1:00 PM
- "Father's Day Service" –12:00 PM to 1:00 PM
- "Chili Cook-Off" -- 12:00 PM to 2:00 PM
- "Men's Group" – Weekly, Thursday, 6:00 AM to 7:00 AM

These events are acknowledged to be over and above the standard usage described in Section 2.1 above. No additional charges will be assessed for this usage of the facilities.

Should Lessee desire to schedule some portion of the facilities to accommodate an event or program in addition to those specifically enumerated in this Lease, such events must be scheduled by making a request with the General Manager, whose sole discretion will determine whether the events or programs can be accommodated. If an accommodation can be made, the Lessee will be assessed a fee equal to 50% of the normal rental fee for the facility scheduled.

4.1.3 **Availability.** The parties agree that the Landlord may require the Lessee to vacate the Premises at any time for any reason without compensation. All space reservations must be approved by the General Manager before being referred to administrative staff. Changes of ANY dates or times must be made in writing and any requests or issues concerning the facilities will be reported to the SVCA General Manager. No other persons are authorized to make changes. Lessee agrees that the Landlord may preempt the Lessee's services or events in favor of other paid events that are consistent with the use of the facility and the practices of the Landlord. The Landlord may allow the use of other available facilities under such circumstances, at its discretion.

4.1.4 **Preemption.** In the event where the Landlord is compelled by an exceptional circumstance that is of such a nature or magnitude that it reasonably requires the use of the Premises, the Landlord may preempt Lessee's scheduled use of the Premises upon written notice. Such exceptional circumstances must be directly related to the official business of the Landlord. Under such circumstances the Landlord:

- A. Will make reasonable effort to avoid unnecessary disruption to the Lessee's event operations or loss of revenue.
- B. Will provide notice of a preemptive exceptional circumstance to the Lessee or Lessee's representative without undue delay, or as soon as is reasonably possible.
- C. Shall not incur any liability to the Lessee; provided, however, that the amount of the fees that would normally have been paid for the time lost by Lessee for that one event, if any, shall be refunded.

4.1.5 **Non-Disturbance.** The Lessee agrees to not interfere with the use of the facility by other users of the facility. Landlord requires that all items used by the Lessee be removed

from non-exclusive areas after use, so as not hinder the use of said facility by the Landlord or other users.

4.1.6 **Alterations.** No alteration of any of the Landlord's facilities shall be allowed without specific authorization, at the discretion of the Landlord.

4.2 **DEFAULT – UNAUTHORIZED USE.** Lessee shall be in default under this Lease if it conducts any other activity on the Premises without first obtaining a validly executed lease modification or violates any portion of Section 4.1.

4.3 **NO FLAMMABLE OR DANGEROUS MATERIALS.** 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.

4.4 **LESSEE INSPECTION - CONDITION OF PROPERTY:** Prior to executing this Lease, Lessee has fully and carefully inspected the Premises. Lessee accepts the Premises, including all existing improvements thereon, "as is" without further maintenance liability on the part of the Landlord, except as specifically noted herein. Lessee is not relying on any representations of Landlord as to condition, suitability, zoning restrictions, or usability, except Landlord's right to grant a lease of the Premises.

4.5 **REMOVAL OF PERSONAL PROPERTY AND TENANT IMPROVEMENTS AT END OF LEASE:** Prior to the conclusion of the Lease, at Landlord's option, Lessee shall remove all equipment and other property from the Premises.

4.5.1 **Landlord's Remedies.** If any of the foregoing items are not removed from the Premises by the conclusion of the Lease or when Landlord has the right of re-entry, then Landlord 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. Landlord 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 Landlord'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 Landlord 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 Landlord.

4.6 **MAINTENANCE OF PREMISES:** Maintenance and repair of the Premises and all improvements thereon is the sole responsibility of Landlord, except for repairs necessitated by the actions of Lessee, its guests, licensees, or invitees.

4.7 **UTILITIES AND SERVICES:** Landlord will supply the following utilities and services to the Premises: heat, electric, water, sewer, and trash removal. Any additional utilities or services desired by Lessee are its sole and exclusive responsibility. Any such additional utility or service may only be supplied to the Premises with the express written permission of Landlord, with such permission at the Landlord's sole and exclusive discretion.

**ARTICLE V**  
**Insurance and Financial Security**

5.1 **CASUALTY LOSS OF LESSEE:** The parties hereto agree that the Landlord, its employees and directors, Landlord's insurance carrier and Landlord'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 or not such loss is occasioned by the acts or omissions of the Landlord, Lessee, third party, or act of nature. Lessee hereby releases and discharges the Landlord, its commissioners and employees, Landlord's insurance carrier and Landlord'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 with a company rated A-XV or better in Best's Insurance Guide covering all claims for personal injury (including death) and property damage (including all real and personal property located on the Premises or Landlord's property) arising on the Premises or Landlord'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 Landlord approves in writing, a lesser liability limit.

5.2.1 **Policy Provisions.** The foregoing insurance policy shall name Landlord 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 Landlord. Receipt of such certificate or policy by Landlord does not constitute approval by Landlord 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 Landlord except upon forty-five (45) days' prior written notice from the insurance company to Landlord; (iii) contain an express waiver of any right of subrogation by the insurance company against Landlord and Landlord's elected officials, employees or agents; (iv) expressly provide that the defense and indemnification of the Landlord as an "additional insured" will not be affected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; (v) contain a separation of insureds 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 Landlord'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, Landlord shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. In such event, Lessee shall pay to Landlord upon demand the full amount paid by Landlord. Alternatively, Landlord may terminate this Lease without liability to Lessee.

**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 Landlord, 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 **RULES, REGULATIONS, and POLICIES:** Lessee agrees to conform to and abide by all applicable rules, regulations, and policies issued by the Sudden Valley Community Association ("Association") in connection with its use of the Premises and not to permit said Premises to be used in violation of any applicable rule, regulation, policy, or other Association guideline.

6.3 **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 Landlord's demand. Failure to comply with Landlord's demand within ten (10) days shall be a default under the terms of this Lease.

6.4 **INDEMNIFICATION AND HOLD HARMLESS:** The Lessee agrees that it will defend (with legal counsel acceptable to Landlord), indemnify and hold harmless the Landlord, its officers, 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 or on Landlord's property, (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 or on the Landlord's property 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 was caused by the gross negligence or willful misconduct of the Landlord.

6.5 **LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES:** For purposes of the foregoing indemnification provision, and only to the extent of claims against Lessee by Landlord under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, 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.

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

6.6.1 **Environmental Laws and Regulations.** Lessee's obligations herein shall include, but in no way be limited to, the obligation to comply with all State and Federal environmental laws and regulations. Lessee shall defend (with legal counsel acceptable to Landlord), indemnify and hold harmless the Landlord from any fine, penalty or damage which may be imposed by any lawful authority, which may arise as a result of the Lessee's failure to comply with the obligations of this article.

6.7 **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.

6.8 **SIGNS:** No signs shall be installed without the prior written permission of Landlord. In the event that an unauthorized sign has been installed and after twenty-four (24) hours' notification to remove the sign by the Landlord, Lessee shall pay the Landlord a penalty of One Hundred Dollars (\$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 Base Rent. In addition, the Landlord reserves the right to provide notice of, and treat an unauthorized sign as, a non-monetary default of this Lease.

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

6.10 **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 Landlord, and no rights hereunder in or to said Premises shall pass by operation of law or other judicial process, or through insolvency proceedings.

6.11 **DEFAULT, CROSS DEFAULT, AND REMEDIES:**

6.11.1 **Monetary Defaults.** Failure to pay Rent or any other monetary obligations by the first (1<sup>st</sup>) 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 Landlord's sole option, upon ten (10) days' written notice, this Lease may be terminated, and Landlord may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes Landlord 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.

6.11.2 **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 Landlord, 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.

6.11.3 **Other Defaults.** The following shall also constitute a default under the terms of this Lease: A default by Lessee under any other agreement or lease with the Landlord; insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; 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; attachment of or the levying of execution on the leasehold interest; and failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days.

6.11.4 **Multiple Defaults in a Year.** If within any one (1) year period, Landlord serves upon the Lessee three 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 Landlord may, in addition to any other remedies it may have, immediately terminate the Lease and/or commence an unlawful detainer action without further notice to Lessee.

6.11.5 **Cross-Default.** A default under this Lease shall constitute a default under any other lease or agreement which Lessee has with Landlord (hereinafter such other agreements shall be referred to as "Collateral Agreements"). Likewise, any material breach or default under a Collateral Agreement shall be deemed a material breach or default under the terms of this Lease. If a Collateral Agreement is terminated for a material breach or default of Lessee, then Landlord shall, without limiting any other remedies it may have, be entitled to terminate this Lease upon five (5) days' written notice to Lessee.

6.11.6 **Other Remedies.** In addition to the foregoing remedies specified in this article, Landlord 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 Landlord be held liable in damages or otherwise by reason of any lawful re-entry or eviction. Landlord 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. Landlord 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 (1<sup>st</sup>) day of the month following the issuance of the Default Notice.

6.12 **TERMINATION:** This Lease shall terminate for default if Lessee fails to cure any default within the time provided for herein. 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 Landlord 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 Landlord permits to remain on the Premises.

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

6.14 **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 LANDLORD:

Sudden Valley Community Association  
4 Clubhouse Circle

Bellingham, WA 98229

TO LESSEE:

Christ the King Community Church  
4173 Meridian Street  
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.

6.15 **AGENT FOR SERVICE:** Lessee agrees that if Lessee is in unlawful detainer, pursuant to Chapter 59.12 RCW, and Landlord is unable to serve Lessee with the unlawful detainer pleadings after one service attempt, then Landlord shall be deemed to have complied with the service requirements of Chapter 59.12 RCW if it mails such pleadings via certified mail to the address set forth in the notice section of this Lease and posts such pleadings in a conspicuous location on the Premises. Service shall be deemed complete on the third (3<sup>rd</sup>) day following the day of posting or day of mailing, whichever is later.

6.16 **SECURITY:** Lessee specifically acknowledges that Landlord has no duty to provide security for any portion of the Premises or Property. 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 Property. Lessee agrees that to the extent Landlord elects to provide any security, Landlord 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. Landlord 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 or Property.

6.17 **QUIET ENJOYMENT:** Landlord acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. Landlord 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 Landlord's right of entry onto the Premises as set forth herein.

6.17.1 **Easements.** The Landlord 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.

6.17.2 **Closure by Government Order.** Lessee understands that various federal agencies, including the Department of Homeland Security and U.S. Coast Guard, have the authority to restrict access to certain areas on property owned by Landlord in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Premises for an indefinite period of time. Since such restrictions on access are outside the control of Landlord, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the Covenant of Quiet Enjoyment.

6.18 **LANDLORD MAY ENTER PREMISES:** It is agreed that the duly authorized officers or agents of Landlord may enter to view said Premises at any time, and if the business or normal

function of Landlord should at any time require that it enter upon the Premises to perform any work or make any improvements, it may do so, but not in such manner as to materially injure Lessee with its normal and usual operation.

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

6.20 **INTERPRETATION:** This Lease has been submitted to the scrutiny of the parties hereto and their counsel, if desired. In any dispute 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 Landlord or the Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Landlord 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.

6.21 **HOLDING OVER:** If the Lessee remains in possession of said Premises after the date of expiration of this Lease without Landlord'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 Base 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 Landlord'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 Landlord on a month-to-month basis as provided for in 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.

6.22 **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.

6.23 **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.

6.24 **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.

6.25 **ESTOPPEL CERTIFICATES:** At Lessee's request, Landlord agrees to execute and deliver to Lessee or its lender(s), a customary estoppel certificate in a form acceptable to the Landlord which sets forth the following information: (i) the terms and conditions of this Lease; (ii) the status of the Rent payments under the Lease; and (iii) Landlord's knowledge of any breaches or anticipated breaches of the Lease. Landlord shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse the Landlord for all staff time incurred and attorneys' fees paid by Landlord for the review and opinion of such attorney acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate. A failure to reimburse

Landlord within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease.

6.26 **ATTORNMEN**: In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale provided that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of Landlord under the Lease.

6.27 **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.

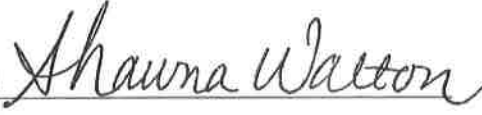
6.28 **ENTIRE AGREEMENT**: This Lease contains all of the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations 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 executed with all necessary legal formalities by the Sudden Valley Community Association.

6.29 **VALIDATION: IN WITNESS WHEREOF**, Landlord has caused this instrument to be signed by its General Manager, who has the delegated authority of the Board of Directors of the Sudden Valley Community Association, and this instrument has been signed and executed by Lessee, the day and year first above written.

**THIS LEASE CONTAINS INDEMNIFICATIONS FROM THE LESSEE TO THE LANDLORD, RELEASES BY THE LESSEE AND A LIMITED WAIVER OF IMMUNITY UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, OR ANY OTHER SIMILAR WORKERS' COMPENSATION SCHEMES**

LESSEE:

CHRIST THE KING COMMUNITY CHURCH

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

LANDLORD:

SUDDEN VALLEY COMMUNITY ASSOCIATION

  
By: Jo Anne Jensen  
Its: General Manager

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