

**SUNCADIA COMMUNITY COUNCIL  
141 FIREHOUSE ROAD  
CLE ELUM, WASHINGTON**

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
HELD AT THE LODGE AT SUNCADIA, BARICH ROOM  
APRIL 24, 2026, 9:00 A.M.**

**MEMBERS:**

|                |                     |
|----------------|---------------------|
| Mark Thorne    | Interim President   |
| Gary Kittleson | Secretary/Treasurer |
| Tucker Stevens | Director            |

**MANAGEMENT:**

|                      |                                                        |
|----------------------|--------------------------------------------------------|
| Edward Simpkins      | Director of Community Associations                     |
| Jennifer Kramer      | Deputy Director of Community Associations              |
| Annalisa Johnson     | CFO                                                    |
| Brandi Darnall       | Owner Relations Manager                                |
| Cody Martz           | Director of Operations                                 |
| Courtney Kephart     | Assistant Director of Operations                       |
| Graysen Cook         | Design Review Administrative Assistant                 |
| Kelsey Greene-Snyder | Director of Design Review and Residential Construction |
| Kerie Swepston       | Senior Director of Finance                             |
| Megan Huddleston     | Senior Accountant                                      |
| Vanessa Reust        | Senior Manager Accounting                              |

**GUESTS:**

|                |                                                                 |
|----------------|-----------------------------------------------------------------|
| Alison Peryea  | Shareholder Attorney, Peryea Silver Taylor                      |
| Chris          | Owner                                                           |
| Christine Kipp | Owner                                                           |
| Gary Sandford  | Owner                                                           |
| K Gilbrough    | Owner                                                           |
| Kirk Midtskog  | Owner                                                           |
| J.P. Perugini  | Owner                                                           |
| Jerry Heinz    | Owner                                                           |
| Patrick        | Owner                                                           |
| Reade Cook     | Owner                                                           |
| Tom Miller     | Owner                                                           |
| Steve D.       | Owner                                                           |
| Jocelyn Levine | Recording Secretary, Minutes Solutions Inc (via teleconference) |

**1. CALL TO ORDER**

There being a quorum present, and adequate and proper notice of the meeting having been given, the meeting was called to order at 9:01 a.m.

**2. APPROVAL OF AGENDA**

**On a motion made by Tucker Stevens, seconded by Gary Kittleson, it was resolved to approve the agenda for the April 24, 2026, Board meeting, as amended. Motion carried at 9:02 a.m.**

The agenda was reordered to move Open Forum before Unfinished Business.

**3. APPROVAL OF MINUTES**

**On a motion made by Gary Kittleson, seconded by Tucker Stevens, it was resolved to approve the minutes of the Board of Directors meeting held on January 23, 2026. Motion carried at 9:03 a.m.**

**4. UNFINISHED BUSINESS**

**4.1 Settlement Agreement for Repayment of Historical Overbillings by Suncadia Management Company (SMC)**

**4.1.1 Issue Background and Update**

During a 2023 audit, the SCC found that SCC's management company, SMC, had collectively overcharged Tumble Village Creek Association (TCVA), Suncadia Residential Owner Association (SROA), and Suncadia Community Council (SCC) (collectively, the Associations) \$2.84 million for Program Management Fees for Community Services, Operations, Compliance, Forestry and Design Review between 2009 and 2021. The Board promptly reached out to the new Suncadia ownership, Lowe Enterprises and RCS, which hired a third-party forensic accounting firm, Ankura, to investigate the matter. The investigation determined that all the billing issues occurred prior to current ownership and that the Association was overbilled \$2.84 million across the Associations. The Associations' legal representation subsequently sent two demand letters for repayment in the principal amount of \$2,847,464. SMC has made a settlement offer where it agrees to pay the full amount requested. Per the current settlement offer, TCVA would receive \$496,062, SROA would receive \$341,851, and SCC would receive \$2,009,551, though the Board noted that homeowners would guide how the funds are spent.

**4.1.2 Legal Counsel – Overview and Engagement**

Allison Peryea is a shareholder attorney at the community association law firm Peryea Silver Taylor and the 2026 President of the Washington State Chapter of the Community Associations Institute (WSCAI), the trade organization for community associations such as HOAs in this state. She is also general counsel for the TCVA and the SROA and is additionally representing Suncadia Community Council on this specific matter, given the joint claim.

Ms. Peryea summarized her engagement with the matter, noting that she became involved in the spring of 2024 and promptly sent a demand letter on April 30, 2024, for the overbilled amounts. She issued a second letter on November 12, 2025, which mentioned the possibility of seeking interest and late fees if payment was not received by March 1, 2026. Due to her firm's longstanding relationship with SMC and Suncadia, she simultaneously advised that the Association explore using a third-party litigator if this matter needed to escalate. Upon receipt of the settlement offer in April 2026, she and two other attorneys from her firm with experience in reviewing settlement agreements reviewed the proposed agreement, which appeared to have standard settlement terms. In response to a question about the amount of legal fees incurred, Ms. Peryea estimated total legal fees for this matter to be less than \$6,000 to-date.

**4.1.3 Legal Counsel – Settlement Agreement Review**

Ms. Peryea provided feedback that the settlement offer was an excellent result, noting that it is rare to receive a payout for the full principal requested.

She recommended modifications to the proposed settlement agreement regarding the confidentiality clause (to enable the Association to disclose pertinent details to owners) and to the mutual release language (to enable the Association to bring forth a claim against SMC for other matters unrelated to the overbilling claims from 2009 through 2021).

#### **4.1.4 Legal Counsel – Board Decision Options**

Ms. Peryea summarized the Board's potential next steps, including the options to recover interest and/or attorneys' fees.

She noted that settlements do not typically include attorney fees absent legal escalation or actual litigation and shared anecdotal evidence that demanding attorney fees may result in revision of the proposed settlement agreement.

The Associations have both statutory and case law support for seeking pre-judgment interest, with the statute providing for 12% from the date the breach first occurred. However, she advised that pursuing interest could be complex to calculate and could prompt the opposing party to challenge the Associations' entitlement to the underlying claim.

A more moderate approach would be to seek interest beginning April 1, 2024, when Ankura published the investigation report confirming the breach. Annalisa Johnson estimated interest from April 1, 2024, through May 15, 2026, at a rate of 4% (based on conservative CD rates), to approximate what the Association would have earned had it held the funds. The estimated interest totaled approximately \$252,000 for all three entities collectively and \$177,882 for SCC specifically.

Ms. Peryea suggested that the Board could accept the settlement offer for full principal payout as offered and not pursue interest or legal fees, so as not to jeopardize the full payout, reiterating that it was a rare and excellent result. However, she acknowledged that there is probably no harm in asking for interest, particularly given the Association's statutory support for such a claim. If the Board elects to pursue interest, she suggested one option that could receive a positive response was to take the more moderate approach of seeking 4% from April 1, 2024, while offering the waiving of legal fees and foregoing interest from the date the breach first occurred as concessions to strengthen negotiations.

#### **4.1.5 Board Deliberation**

Mark Thorne noted that the goal of the discussion was to decide what direction to give legal counsel regarding the settlement offer, not to vote on its acceptance or rejection. He encouraged owners to voice their feedback during open forum.

### **5. OWNERS FORUM**

#### **Homeowner:**

Asked about the 4% interest claim calculation for SMC overbilling, stating that he had heard from informal discussions with a lawyer that Washington State's RCW's provide guidance for the interest rate be set as the T-bill rate plus 2%, which would yield more than \$1 million in interest for the overbilled amount from 2009 through 2025.

#### **Annalisa Johnson:**

Noted that interest was calculated based on an approximation of what the Associations would have been able to earn if they had held the funds, starting accrual from the forensic accounting report publication date of April 1, 2024, to the assumed settlement date of May 15, 2026.

#### **Mark Thorne:**

Added that legal counsel had advised that successful collection of interest from the first breach in 2009 would be unlikely, as courts more commonly support claims to interest from the date

of first recognition or acknowledgement, in cases of unintentional breaches. The Board will ask counsel to weigh in on the interest calculation methodology again.

**J.P. Perugini:**

Recommended, as a negotiation strategy, that the Association present its full entitlement to interest and legal fees, while offering to settle for a lesser amount plus full repayment of principal.

**Mark Thorne:**

Added that, had the Board taken the traditional approach of engaging legal counsel upon initial discovery in 2023, rather than managing discussions independently over the last two years, the Association likely would have incurred several hundred thousand dollars in legal fees. This estimate could be used as a data point to strengthen negotiations.

**Homeowner:**

Requested clarification regarding the risks of pursuing interest where the Association has a valid claim, noting that the statute of limitations seemingly only applies to the collection of principal.

**Gary Kittleson and Mark Thorne:**

Responded that the settlement offer was unexpected, as Lowe offered to pay the full amount requested. They noted that the risk of pursuing interest, even where the Association has a valid claim, is that it could prompt the company to explore defenses and potentially withdraw all or part of its offer to repay the full principal. Accordingly, any incremental recovery from interest could be offset by a reduction in the principal ultimately collected.

**Homeowner:**

Asked whether the Association can review the overbilling amounts by year to assess the portion of principal that could be at risk if the company invokes the statute of limitations during negotiations.

**Management:**

Responded that the amounts were published in the final Ankura report and the team can review.

**J.P. Perugini:**

Asked how the \$2.84 million settlement award would be allocated if some monies go toward the SCC, instead of the SROA where residents pay fees.

**Mark Thorne:**

Responded that the SCC Board is committed to following the SROA's spending decisions to maintain integrity. He also suggested placing funds in an interest-bearing CD, separate from SCC funds, and establishing an owners' steering committee to determine expenditures.

**Jerry Heinz**

Asked if there was a definitive legal opinion regarding the statute of limitations period applicable to the principal claim and when it begins to run.

**Mark Thorne:**

Responded that there has been no formal legal opinion, only informal discussion, and that the Board will seek a more definitive view from legal counsel.

**6. CORRESPONDENCE**

**6.1 Washington Department of Natural Resources, Firewise USA ® Site Assistance \$4,000 Micro Grant celebrating Wildfire Awareness Month**

Suncadia was awarded the \$4,000 micro grant for a contractor to complete fuel reduction work. The grant will be applied to the \$850,000 budgeted for treatment throughout communities.

## **7. CONSENT CALENDAR**

On a motion made by Tucker Stevens, seconded by Gary Kittleson, it was resolved to ratify the Board's email approval of the following:

- Use of the available SCC Forest Health Reserve funds in the amount of \$248,500 to fund the three Forest Health and Wildfire Resilience projects, as recommended by Jason Emsley;
- Use of the available SCC Forest Health reserve funds in the amount of \$5,898.02 to fund the relocation of two controlled access gates by Big Country Specialists LLC, as recommended by the Forest Management Steering Committee;
- SCC's 2024 draft audit from Clifton Larson Allen, as presented.

Motion carried at 9:41 a.m.

### **7.1 Forest Health and Wildfire Resilience Projects**

Jason Emsley, the Consulting Forester, recommended the three projects to the SCC for funding. The project requests included \$2,000 for Tree 1 LLC to complete cleanup and roadside chipping along Water Tower Ridge, \$66,500 for Tree 1 LLC to complete fuels and forest health buffer along the south side of Tumble Creek Drive II, and \$180,000 for Eco Dig LLC to complete forest health and wildlife resilience work across Section 23 West.

### **7.2 Controlled Access Gate Installations**

The two gates will be installed on April 28, 2026, at Tumble Creek's emergency access roads.

### **7.3 SCC 2024 Audit Draft**

There were no audit adjusting journal entries for 2024. Approval of the draft 2024 audit brought the SCC current with its financial audits and aligned with its audit schedule. All audits since 2018 are now posted on the community website under "Accounting/Financial".

## **8. TREASURER'S REPORT**

### **8.1 Financial Reports Q1 - 2026**

On a motion made by Tucker Stevens, and seconded by Gary Kittleson, it was resolved to approve quarterly reserve contributions of \$251,433, to be processed at the beginning of each quarter. Motion carried at 9:49 a.m.

Vanessa Reust presented the Q1 2026 financial report, including assets, liabilities, equity, reserves, and quarter-over-quarter comparisons, as of March 31, 2026.

She noted that the Association had earned over \$20,000 in interest since placing excess operating funds into CDs, and it is earning approximately 4% interest across all CD investments. Once the Association has a clearer estimate of its FY2026 reserve expenditures, Management recommended transferring more reserve funds from the Columbia Bank account, which only earns 2% interest, into CDs, which have been earning over 4%, on average.

Q1 income was greater than anticipated by \$32,000, primarily due to more construction debris fee revenue and lower waste management fees than anticipated. Management is working to install the transponder gate to help control fees and has budgeted installation for Q2 2026. The AR balance was current as of the meeting.

General expenses were under budget in Q1 by \$169,000, largely due to a non-cash budgeting error that overestimated depreciation expense. Fee expenses were under budget, mainly under patrol, which realized permanent savings in sales tax on Allied contract costs which were budgeted to start in January but will not start until April. The Association had only spent about 36% of total snow removal budget by the end of Q1, as it had budgeted for "moderate" snowfall, though total realized savings will be contingent upon snow removal costs for the balance of 2026.

Vanessa Reust noted that utility expense overages are expected for 2026. Electricity costs were budgeted with a 5% increase; however, UTC subsequently notified Management of a 10% rate increase effective January 1, 2026, and anticipated increases of 20% to 25% over the next three years, citing infrastructure investments, clean energy compliance, rising demand, and system reliability. Water and sewer costs were each budgeted at a 5% increase; however, the utility provider later announced a 3% increase for water and a 15% increase for sewer, effective March 1, 2026.

The total budgeted reserves contribution for 2026 was \$1,005,730 of which \$251,433 was contributed in Q1.

Overall, she reported a strong start to FY 2026, noting that excluding depreciation, quarter-end general expenses were under budget by approximately \$134,000 and net income was \$107,000, compared to a budgeted loss of \$59,000.

## **9. MANAGEMENT REPORT**

### **9.1 Staff Report**

The staff report was included in the Board packet.

Edward Simpkins noted that Patrick Broderick had agreed to succeed Jason Emsley as Management's new consulting forester. Phil Hess will remain involved and support Patrick in a consulting role on the Land Stewardship Plan. To date, the \$267,000 of the \$850,000 budgeted for forest health work has been approved.

Management introduced Cody Martz as Management's new Director of Operations, noting that his priority focus is the reserve projects totaling over \$2.2 million in 2026. Cody Martz and Courtney Kempfart have begun community walkthroughs to assess whether all items on the reserve project list remain priorities for 2026. Edward Simpkins recognized Courtney for her service as the interim Director of Operations while the role was vacant and thanked all staff who helped with transition.

Management plans to migrate the community from the FRONTSTEPS residential portal to Enumerate Engage in July or August, 2026. Enumerate Engage is a comprehensive communications platform that will help eliminate multiple sites and streamline owner communications.

Management has scheduled installation of a transponder gate in the coming weeks, to restrict access to community dumpsters, in response to resident concerns about the Solid Waste Management Fee and associated waste management expenses. Management will also monitor CCTV cameras to ensure authorized access and construction debris materials. Furthermore, Management has implemented new fees for remodels, additions, and landscape alterations, in addition to the original new construction fees, to address associated debris and refurbish the community.

Management reported that it had consulted SROA and TCVA's legal counsel, who advised that amendments to the declarations and bylaws may be made by Board vote rather than by restating the governance documents. It was noted that applicable law always takes precedence over the governing documents.

**9.2 Allied Q1 Operational Business Review Report**

The Allied Q1 Operational Business Review Report was included in the Board packet.

**9.3 Suncadia Quarterly Report of Incident Events**

The Suncadia Quarterly Report of Incident Events was included in the Board packet.

**10. PRESIDENT'S REPORT**

Mark Thorne expressed excitement about Preston Perkins joining the team as the new General Manager of Hospitality and reported that he started in the role on April 20, 2026. He added that Suncadia Social construction is progressing and it remains on schedule for grand opening on or around June 19, 2026. He anticipated all the retail stores will be open by then except for the restaurants which may be delayed.

**11. NEW BUSINESS**

**11.1 Potential Uses of the SMC Overbilling Settlement Funds**

On a motion made by Tucker Stevens, seconded by Gary Kittleson, it was resolved to provide the following direction to Allison Peryea (legal counsel) regarding the settlement agreement with Suncadia Management Company (SMC) for historical overbillings:

- **Propose settlement for full repayment of principal, as offered;**
  - **Review and provide edits for recommended changes and language to the proposed settlement agreement;**
  - **Add a provision to collect interest owed and partner on strategy;**
  - **Do not pursue legal fees, but strategically note that the Association is waiving pursuit, to strengthen negotiations;**
  - **Provide a draft of the revised agreement to the Board by April 28, 2026, for review;**
- Motion carried at 9:37 a.m.**

*ACTION – The Board will request a more definitive legal opinion from counsel regarding the statute of limitations period applicable to the SMC historical overbilling settlement principal claim and when it begins to run.*

*ACTION – The Board will request that legal counsel further review the interest calculation methodology for the SMC historical overbilling settlement, including reported RCW guidance suggesting calculation at the T-bill rate plus 2%.*

Mark Thorne summarized the discussion from the TCVA Board meeting held on April 23, 2026. His professional opinion was to make a simple request for interest owed, and he did not expect it to jeopardize the principal settlement.

**12. NEXT MEETING**

The date of the next Board of Directors meeting is July 24, 2026.

**13. ADJOURNMENT**

**On a motion duly made and carried, it was agreed that there was no further business to transact; the meeting was closed at 10:02 a.m.**

**DISCLAIMER**

The above document should be used as a summary of the motions passed and issues discussed at the meeting. This document shall not be considered a verbatim copy of every word spoken at the meeting.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date