

**Crystal Ridge HOA Board Meeting
Wednesday, September 4, 2019**

Email: board@crystalridgehoa.org

Website: www.crystalridgehoa.org

Board Members Attending:

Mark Crawford, Fred Herber, Peggy Kloes, Tim Evans, Emory Gearhart,
Chong Lam

Committee Members Attending:

Jennie Slack, ACC
Fred Herber, ACC
Tim Evans, ACC
Emory Gearhart, Play Lot
Eric Simmons, ACC & R&R
Victoria Simmons, ACC, R&R
Peggy Kloes, R&R
Kevin Loney, NNO

Vista Representative:

Jenny Ross

Homeowners Attending:

Jennie Slack, Victoria and Eric Simmons, Jim and Lai Chiang, Kevin Loney, Al
Sullivan

Scheduled Meetings:

November 6, 2019, Wednesday, Board Meeting, Puyallup Library North Room

Proceedings:

- 1. Call to order and Board Member quorum established - 6 of 7 members present.**
- 2. Minutes:** The minutes of the June 5, 2019, Board Meeting were approved via email on July 7, 2019, **VOTE 4 YES; 0 NO.**

3. Treasurer and Collections:

Cash	\$ 85,035
Reserve	21,275
Total	106,310

Seven (7) homeowners have not paid annual dues—one (1) homeowner, who has filed bankruptcy, owes \$13,000. He has agreed to pay \$185 per month (amount determined by bankruptcy court judge).

4. Landscape Maintenance:

- Fred reported three (3) members of the Board plus Kyle from Olympic walked the subdivision in mid August generally checking the landscape maintenance. There has been improvement, but much remains to be done.
- The Highlands requested we clean up and maintain the last vacant lot (owned by CR HOA) on 34th between Crystal Ridge and the Highlands. At the June Board Meeting, Vista was authorized to hire Olympic for eight (8) man hours to complete maintenance on the lot. Jenny will contact Olympic to follow up.
- Irrigation is tested in April; turned on in late May or early June; and shut off in September. (All irrigation was shut off on September 10, 2019).

5. Janell Entrance Monument:

- The Janell Monument was again struck and damaged by an uninsured motorist. We have received an estimate of \$2,800 to repair the landscape and reinstall the sign (an automotive repair shop straightened the sign at no cost). The insurance deductible is \$1,000. Discussion included NOT filing a claim with the insurance company. Jenny will contact the Police Department for the incident report. If charges were filed and the case goes to court, the HOA should be notified and included in a settlement.
- Discussion included placing a barrier between the monument and the street, but this is not allowed by the City because of safety concerns. A homeowner asked if the sign could be moved farther up Shaw Road, however, the area adjacent to the monument is considered a wet land and the City will not allow encroachment nor an easement.

- It was further suggested that the sign not be reinstalled since the City is planning to begin widening the lower portion of Shaw Road in 2020. Fred stated that if we do not reinstall the sign and re-landscape, we have no bargaining position when negotiating with the City regarding the easement. This is a separate issue from the Crystal Ridge Drive Monument.

6. Play Lot Report:

Installation of the table and benches will be completed Saturday, September 7. A tree and plants along the new fence are planned to be installed later.

7. Neighborhood Block Watch and Play Lot Grand Opening:

- Kelly Loney, Kevin Loney, and Mark Noll have planned an event for Saturday, September 7, from 2:00 to 4:00 PM at the new Play Lot on Amber. Homeowners may sign up and learn more about organizing a block watch on their street during the event. There will be raffle prizes and ice cream treats.
- There will also be a dedication of the new play lot.

8. Crystal Ridge Drive Entrance Monument:

- City engineers have determined that the present site of the monument is a safety hazard and must be removed prior to the City opening the right turn lane off Shaw Road onto Crystal Ridge Drive. The City will install left turn lanes and activate the traffic signals this fall. They want to complete the monument demolition during this phase of construction.
- In August, a letter was sent to all homeowners about negotiations with the City for razing the monument and transferring a portion of the current easement to the City. The City has offered \$117,200.
- Once we have received the reimbursement from the City, a committee will be formed to plan the design of the new monument and submit plans to the Board. The City will also need to approve the new design and placement of the monument, including landscaping.

- The Law Office of Davis Wright Tremaine reviewed the governing documents and determined:

The Transaction has been structured to rely on the Board's authority under the Declaration of Covenants, Conditions and Restrictions (as amended, the "Declaration") to maintain the Association's "Common Maintenance Areas." The Declaration specifically defines these areas to include "Landscaping, irrigation, and entry identification signage . . . installed at the 23rd Avenue S.E. intersection with Shaw Road." See Declaration at I.5.b. The Board is expressly responsible for maintaining and preserving the character of these areas, which have been set aside for landscaping and community identification purposes, and specifically for maintaining "entry planter landscaping and signage improvements in all areas of Crystal Ridge." See Declaration at VII.2, . 4. The Board has explicit authority under the Declaration at XI.3.i to [improve the . . . Common Maintenance Areas with capital improvements," and [under] the Declaration at XI.3.q to "exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership." The steps of the Transaction will proceed substantially as follows:

- 1) *Amendment to Bylaws Concerning Real Property Transactions. Passage of this first resolution is required as a procedural matter. At present, the Bylaws require the Board to secure approval from two-thirds of Association members prior to release of property (presumably including the Association's interest in the Sign Easement) from the Association. See Bylaws VII.1.f. However, we find no similar requirement in the copy of the Declaration provided to us. The proposed amendment authorizes the Board to complete this Transaction with a simple amendment to the Bylaws, as opposed to seeking the approval of two-thirds of the Association's members. This amendment procedure is authorized by the Bylaws at XIII.1; please note that: the Bylaws' references to the "Declarant" (Crystal Ridge's original developer) are no longer in effect.*
- 2) *Authorization of Signage Area Maintenance and Capital Improvement Activities. Passage of the second resolution will grant to the Board's President and Secretary authority to sign the below-described Transaction Documents on behalf of the Board:*

a) *Memorandum of Understanding.* This simple document will serve to memorialize the mutual understanding of the Board, Committee, and the City, as far as the different components of the Transaction and the actions to be undertaken by the City (location of new sign and retaining wall as depicted in the drawing attached hereto) in the Signage Area after the completion of the two real property conveyance documents:

- i) *Quitclaim Deed.* This document, to be executed by the President or Secretary of the Association, will release the Association's interest the Signage Area (further described in the Sign Easement . . .) to the City. This quitclaim transaction enables the City to complete the agreed-upon improvements.
- ii) *Real Estate Excise Tax Affidavit.* The State of Washington requires completion of this form, and payment of the corresponding tax, upon most sales of real property for value.

- **Motion:** Peggy moved the **Resolutions of the Board of Directors of the Crystal Ridge Homeowners Association of Puyallup including amendment to the Bylaws, MOU, and quit claim**, as prepared by attorneys at Davis Wright Tremaine, be approved. Tim seconded.

Discussion: At every Board meeting for the past two (2) years, negotiations with the City regarding the razing of the monument and transferring of a portion of the easement, have been discussed. (Minutes of those meetings may be accessed at crystalridgehoa.org.) Our attorneys studied the governing documents (Articles of Incorporation, Bylaws, CC&Rs) and wrote the documents describing how to complete this transaction in conformance with the governing documents of the HOA

Motion Approved: 5 Yes; 0 No; (Tim, Fred, Mark, Peggy, and Emory voted Yes)

(Please see ADDENDUM to these minutes for full text of the Board Resolutions and the Memorandum of Understanding)

Architectural Committee Resolution

- *The Bylaws require the Board's Architectural Control Committee (the "Committee") to provide written consent to the alteration, construction or removal of anything from Common Maintenance Areas. Declaration at VI.3. This Resolution will authorize the Transaction, and will authorize a selected Committee representative to execute any ministerial or discretionary judgments that may be required to complete the Transaction, in accordance with the Declaration at XV.4, so that no further action from the Architectural Committee will be required in order to resolve this matter.*
- **Motion:** Eric Simmons, Committee Member, moved to approve the Architectural Committee Resolution, as prepared by legal counsel Davis Wright Tremaine; Fred Herber seconded.

Motion Approved: 5 Yes; 0 No; (Jennie Slack, Fred Herber, Tim Evans, Victoria Simmons, and Eric Simmons voted yes.)

NOTE: The foregoing sections in italics are from documents prepared by attorneys for Davis Wright Tremaine.

9. New Business:

- HOA Fence staining: Jenny Ross will get bids for staining the fence next year (to be included in 2020 budget).
- A budget will be presented for Board approval before dues and annual meeting notice is mailed to homeowners.
- A Reserve Study was included in the 2019 budget. Jenny Ross to request bids and try to have the study completed prior to the November meeting. This study provides the basis for estimating the amount needed to fund the capital reserve account each year.
- Some funds were diverted from replacing trees this past spring in order to complete the HOA fence replacement. We will need to replace additional trees in 2020. As discussed during previous Board meetings the priority of tree removal and replacement is as follows:
 1. Roots interfering with infrastructure
 2. Trees interfering with intersection line of sight
 3. Roots uplifting sidewalks
 4. Diseased trees

Approved - September 4, 2019 Board Meeting Minutes

- Note: Not all trees that are removed will be replaced subject to the above criteria.

Meeting adjourned at 8:50 PM

ADDENDUM

**RESOLUTIONS OF THE BOARD OF DIRECTORS
OF THE
CRYSTAL RIDGE HOMEOWNERS' ASSOCIATION OF PUYALLUP**

The undersigned, being the secretary of the Board of Directors (the “Board”) of the Crystal Ridge Homeowners’ Association of Puyallup, a Washington non-profit corporation (the “Association”), hereby certifies that the following resolutions were adopted by the Board at a duly noticed meeting at which a quorum was present, held on _____, 2019. Capitalized terms not otherwise defined herein shall have the meanings given them under the Declaration of Covenants, Conditions and Restrictions of Crystal Ridge Homeowners’ Association of Puyallup, as amended (the “Declaration”).

WHEREAS, the Board of Directors of the Association is responsible for maintaining and preserving the character of certain Common Maintenance Areas, to specifically include landscaping, irrigation, and entry identification signage installed at
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the 23 Avenue S.E. Intersection with Shaw Road, and responsible for maintaining entry planter landscaping and signage improvements in all areas of Crystal Ridge;

WHEREAS, the Declaration authorize the Board to improve Common Maintenance Areas with capital improvements, and to exercise for the association all powers, duties and authority vested in or delegated to the Association and not resolved to the membership;

WHEREAS, the Bylaws of the Crystal Ridge Homeowners’ Association of Puyallup, (the Bylaws) may be amended by a majority vote of the Board of Directors;

WHEREAS, the Board has determined that it is in the Association’s best interest to quitclaim that certain Sign Easement recorded March 20, 1992 to the City of Puyallup, in order to most effectively carry out the Board’s obligation’s for the

benefit of Owners and Members, and has determined that such an action will not have a substantially adverse effect on the enjoyment of these areas by Owners or Members;

RESOLVED: Article VII, Section 1, subsection (f) of the Bylaws is hereby amended by the addition of the following new text, to be inserted immediately after its existing text:

Notwithstanding the foregoing, no such two-thirds (2/3) or declarant approval requirements will be required for the Board to, by duly adopted resolution, approve the release of Association-owned easements by quitclaim deed to the City of Puyallup.

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FURTHER RESOLVED: that the President and Secretary of the Association, in accordance with the Declaration and Bylaws, are hereby authorized and empowered on behalf of and in the name of the Association to do the following:

- (a) To execute and deliver to the City of Puyallup a Memorandum of Understanding substantially of the form attached hereto as Exhibit A, and to secure appropriate City signature(s) to the same;
- (b) To quitclaim to the City of Puyallup all of the Association's right, title and interest in that certain Sign Easement recorded in the records of Pierce County under recording number 9203200664, by execution, delivery, and recording of a Quitclaim Deed substantially in the form attached hereto as Exhibit B, in exchange for monetary consideration summing to one hundred seventeen thousand, two hundred dollars (\$117,200);
- (c) To deposit or cause to be deposited in the Association's account such monetary consideration;

(d) To pay or cause to be paid the correct amount of Real Estate Excise Tax, and to correctly file the form attached hereto at Exhibit C; and

(e) To perform all acts, and execute and deliver all instruments which the City may deem necessary to carry out the purpose of this Resolution.

FURTHER RESOLVED, that the President of this Association is hereby authorized and directed to certify to the City of Puyallup or its agents a copy of this Resolution;

FURTHER RESOLVED, that the City is authorized and requested to act on this Resolution.

ADOPTED BY A VOTE OF THE BOARD OF DIRECTORS WITH ____ in favor, ____ opposed and ____ abstained at a duly noticed meeting of the Board of Directors of the Company held on _____, 2019.

By: _____ Print Name: _____ Title: Secretary

**EXHIBIT A:
FORM OF MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (“MOU”), dated for reference purposes only as of August 1, 2019, and effective as of mutual execution, by and between CRYSTAL RIDGE HOMEOWNERS’ ASSOCIATION OF PUYALLUP, a Washington nonprofit corporation (“Seller”), and the CITY OF PUYALLUP, a municipal corporation (“Buyer”).

A. Seller holds an easement further described in the “Sign Easement” dated March 5, 1992, and recorded in the records of Pierce County under recording number 9203200664 (the “Easement”);

B. Pursuant to Seller’s rights under the Easement, Seller currently owns and/or maintains certain landscape, irrigation and signage improvements (the “Capital Improvements”);

C. Seller and Buyer agree that the Capital Improvements are in need of certain maintenance and improvement;

D. Seller and Buyer seek to document in this MOU their respective efforts to coordinate and effectuate needed maintenance and improvements to the Capital Improvements.

NOW, THEREFORE, the parties hereby agree:

1. Seller will make reasonable efforts to quitclaim to Buyer its right, title and interest in the Easement, by execution, delivery, and recordation of a Quitclaim Deed in form mutually agreeable to Buyer and Seller;

2. Upon receipt of such quitclaim deed, Buyer will immediately deliver to seller monetary consideration in the amount of one hundred seventeen thousand, two hundred dollars (\$117,200);

3. Following exchange of the Quitclaim Deed and monetary consideration therefore, Buyer intends to make all reasonable efforts to undertake the following maintenance and capital improvement activities (the “Signage Area Maintenance and Capital Improvement Activities”):

- (a) Demolish and dispose of the existing monument sign located on the southeast corner of Shaw Road and Crystal Ridge Drive;
- (b) Construct a new retaining wall located substantially on the southeast line of the existing sign easement;
- (c) relocate and reconnect existing electric service including panel and meter to a mutually agreed location within the remaining portion of the seller's easement;
- (d) maintain existing water meter improvements; and
- (e) reasonably communicate the scope and schedule of the Signage Area Maintenance and Capital Improvement Activities with the fee owner of the premises.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

SELLER:

CRYSTAL RIDGE HOMEOWNERS' ASSOCIATION OF PUYALLUP
a Washington non-profit corporation

By: _____ Print Name:

Title: _____ Date:

BUYER:

CITY OF PUYALLUP
a Washington municipal corporation

By: _____ Print Name:

Title: _____ Date:
