

Crystal Ridge Drive Entrance Monument

Dear Homeowners,

Please see the attached letter to homeowners summarizing pending changes to the entrance monument at Crystal Ridge Drive and Shaw Rd, letter to the Board from Davis Wright Tremaine and a schematic drawing of the intersection. These changes result from the recent widening of Shaw Rd and resulting safety and lane opening issues as well as pending changes to the intersection.

The Board will discuss this and vote on certain items related to these issues at the September 4th Board meeting.

Mark Crawford

Mark Crawford
President
Crystal Ridge Homeowners' Association

- Board Letter DWT Aug 18.pdf (362 KB)
- Schematic of CRD intesection.pdf (645 KB)
- Letter to Homeowners Aug 18 2019.pdf (69 KB)

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August 18, 2019

Board of Directors
Crystal Ridge Homeowner's Association of Puyallup
PO Box 36
Puyallup, WA 98371-0004

Re: Completion of Signage Maintenance and Improvement Transaction

Dear Board Members:

As requested by the Board, we transmit to you a suite of documents that will serve to complete and consummate an upcoming transaction (the "Transaction") between the Crystal Ridge Homeowner's Association of Puyallup (the "Association") and the City of Puyallup (the "City").

As you know, the purpose of the Transaction is to improve a certain area of land at the southeast corner of the intersection between Crystal Ridge Drive SE and Shaw Road (the "Sign Area"). This maintenance and capital improvement will include, among other steps, the installation or re-installation of monument signage improvements and potentially the installation of additional improvements, retaining wall or landscaping (together, and as further described in the transaction documents, the "Signage Maintenance and Capital Improvement Activities").

We have conducted a detailed review of the Association's Declaration of Covenants, Conditions and Restrictions (as amended, the "Declaration"), the Association's Bylaws (the "Bylaws"), the sign easement agreement governing the Sign Area, and other controlling documents. Based on that review, and our discussions with Board representatives, the Transaction has been structured to rely on the Board's authority under 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 "[i]mprove the . . . Common Maintenance Areas with capital improvements," and other the Declaration at XI.3.q to "[e]xercise for the Association all powers, duties and authority vested in

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or delegated to the Association and not reserved to the membership.” The steps of the Transaction will proceed substantially as follows:

1. Board Resolution.

First, after a discussion of the Transaction, the Board will vote on two short resolutions substantially in the forms attached to this letter.

1.1 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.

1.2 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.

2. 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.

3. Execution of Transaction Documents.

The next step in the Transaction will be for the President or Secretary of the Board, as authorized by the second Board Resolution (above) to sign the below-described documents, and secure pertinent signatures from the City of Puyallup.

3.1 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 in the

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Signage Area after the completion of the two real property conveyance documents described at 3.2 and 3.3, below.

3.2 Quitclaim Deed. This document, to be executed by the President or Secretary of the Association, will release the Association's interest in the Signage Area (further described in the Sign Easement attached hereto) to the City. This quitclaim transaction will enable the City to complete the agreed-upon improvements.

3.3 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.

Thank you for the opportunity to assist you with this transaction. We would be happy to answer any further questions you may have.

Davis Wright Tremaine LLP

Clayton P. Graham

Encl.

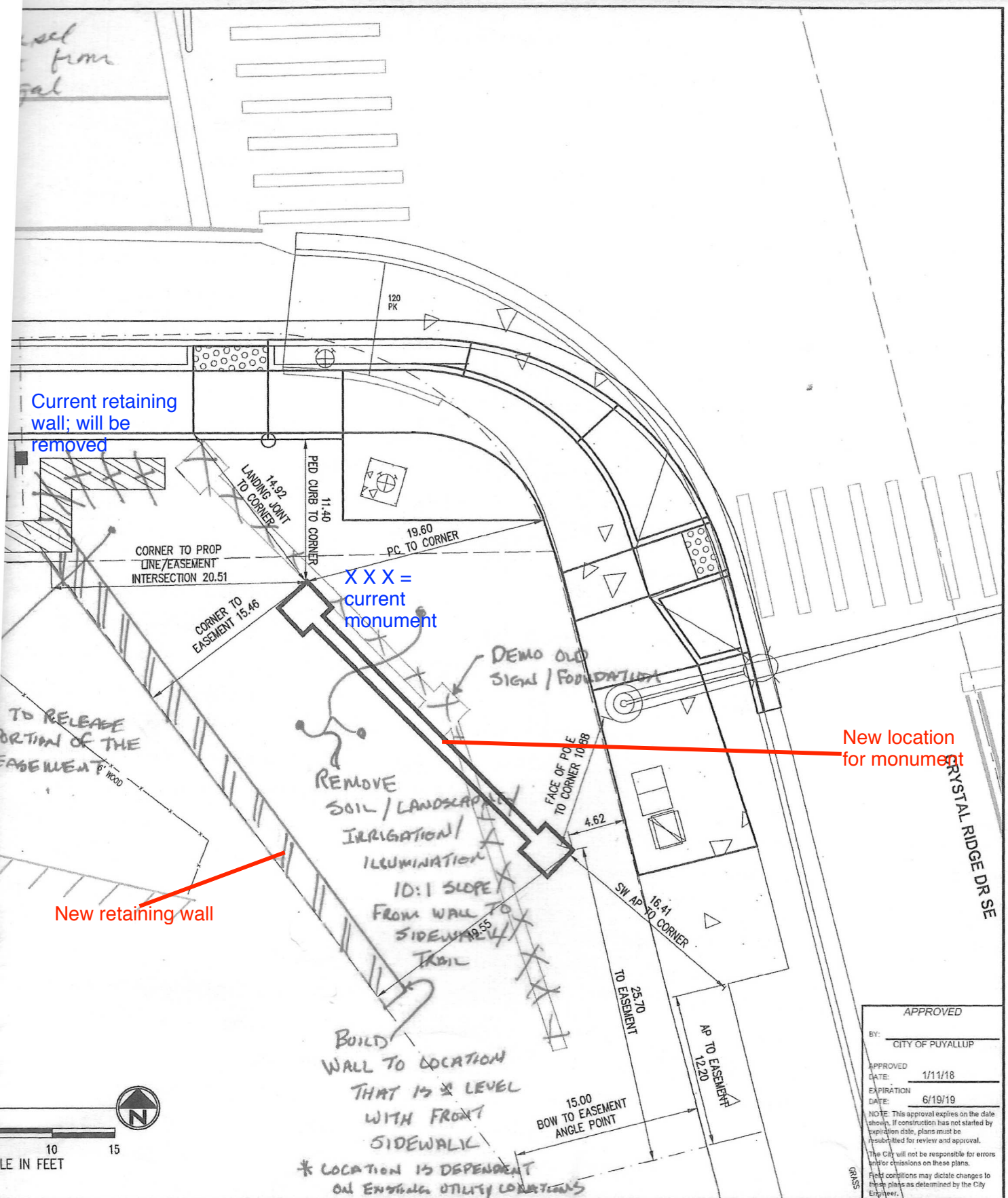
level from
gal

Current retaining wall; will be removed

XXX = current monument

New location for monument

New retaining wall



CRYSTAL RIDGE DR SE

APPROVED

BY: CITY OF PUYALLUP

APPROVED DATE: 1/11/18

EXPIRATION DATE: 6/19/19

NOTE: This approval expires on the date shown. If construction has not started by expiration date, plans must be resubmitted for review and approval.

The City will not be responsible for errors or for omissions on these plans.

Field conditions may dictate changes to these plans as determined by the City Engineer.



Dear Homeowners,

August 18, 2019

The Board has been in discussions with the City of Puyallup for about 3 years regarding the disposition of the entrance monument and easement at southeast corner of the intersection of Shaw Road and Crystal Ridge Drive (23rd) in conjunction with the Shaw Road improvements that were completed in early 2019. The City's plan at that time was to demolish the monument and compensate the Crystal Ridge of Puyallup Homeowners' Association for the value of the reduced easement area and sign. Ultimately, the Board and the City did not reach an agreement primarily based on the difference in value of the sign and easement assigned by the City and that of the Board.

Subsequent to the completion of the Shaw Road improvements in early 2019, the City now plans to open the right turn lane at southbound Shaw Road and Crystal Ridge Drive and complete the intersection improvements at this location. The City has again approached the HOA to demolish the sign and has reopened its offer to compensate the HOA for the value of the sign and the easement. The purpose of relocating the sign is to improve traffic safety, open the right turn lane and complete the intersection improvements.

The City and Board have agreed to a value of \$117,200 representing the value of relinquishing to the City a portion of the easement where the existing sign is located, the intrinsic value of the monument and the replacement cost of the monument. The value is based on an independent real estate appraisal and further negotiations with the City. The proceeds are expected to be enough to replace the monument with a new albeit smaller sign in a reduced easement area and more northward orientation relative to the intersection.

The maintenance and capital improvements related to the easement and sign will include, among other steps, the re-installation of monument signage improvements and installation of additional improvements, retaining wall, landscaping and updated lighting.

The Board will discuss this transaction and vote during the September 4th Board meeting on the items listed below. A letter from the law firm of Davis Wight Tremaine detailing this transaction is included with this letter.

Board Resolutions:

- 1) Amendment to Bylaws Concerning Real Property Transactions
- 2) Authorization of Signage Area Maintenance and Capital Improvement Activities.

Architectural Committee Resolution:

- 1) Consent from the ACC for the alteration, construction or removal of anything from Common Maintenance Areas.

Execution of Transaction Documents:

Board to authorize the Board President or Board Secretary to sign the below-described documents, and secure pertinent signatures from the City of Puyallup.

- 1) Memorandum of Understanding.
- 2) Quitclaim Deed.
- 3) Real Estate Excise Tax Affidavit.

The Board looks forward to your attendance at the September 4, 2019 CRHOA Board meeting.

Please forward any questions to the Board.

Sincerely,

Your Crystal Ridge Homeowners' Association Board of Directors