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7 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
8 IN AND FOR THE COUNTY OF PIERCE
9

10 In Re
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12 LAKE TAPPS DEVELOPMENT CO.,
13 INC. TRUST
14

No. 24-4-00219-0

stipulated
15 BINDING AGREEMENT UNDER
16 TEDRA *and Court Order*
17 RCW 11.96A.220
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THIS AGREEMENT (the "Agreement") concerns the LAKE TAPPS DEVELOPMENT CO., INC. TRUST (the "Lake Tapps Trust"), which was created on July 24, 1967. This Agreement is made into by and among (a) West Tapps Maintenance Co. (WTMC), who is the current Trustee; and The City of Bonney Lake. Each of the aforementioned municipalities and individuals shall be individually referred to herein as a "Party" and all shall collectively be referred to herein as the "PARTIES."

The Parties have entered into the following Agreement pursuant to RCW 11.96A.220, and said Agreement, upon filing with the Court, shall be deemed approved by the Court and is equivalent to a final Court Order binding on all persons interested in the Lake Tapps Trust, pursuant to RCW 11.96A.230.

Binding TEDRA Agreement
RCW 11.96A.220

10979176.5 - 370563 - 0039



HOLMQUIST + GARDINER
1000 second Avenue, Suite 1770
Seattle, Washington 98104
(206) 438-9083

FILED
DEPT 5
IN OPEN COURT
JAN 24 2025
PIERCE COUNTY, Clerk
By *[Signature]*
DEPUTY

RECITALS

This Agreement is Based on the following facts, acknowledged and agreed to by all parties:

1. On July 24th, 1967, Lake Tapps Development Co., Inc ("LTDC", the Trust's "Trustor" or "Grantor") created this irrevocable Trust relating to the development of parcels in the area described in the Lake Tapps Trust.
2. The trust instrument originally designated Seattle Trust and Savings Bank as Trustee of the Trust.
3. Seattle Trust and Savings Bank was merged with KeyBank National Association ("KeyBank"). KeyBank continued to represent itself as the Trustee of the Trust up until it petitioned this Court on October 25, 2004, under the Trusts and Estates Dispute Resolution Act (RCW 11.96A), to be removed and replaced with WTMC as successor trustee. See Pierce County Case No. 04-2-12958-9. This petition resulted in an order signed on January 7, 2005, to allow KeyBank to resign and for WTMC to serve as Trustee of the Trust. WTMC has continued to serve as Trustee of the Trust from that date until today.
4. The original purpose of the Trust was to look into the future possibility of developing a functional sewage system plan to service the properties which were to be later sold by LTDC to private owners.
5. LTDC created its own self-settled trust, appointed a corporate trustee, and collected annual payments for the purpose of building future "sewage disposal facilities".
6. When the Trust came into existence, no timeframes or estimates of costs were put in place by LTDC to develop sewage disposal facilities.
7. The Trust was to be funded originally by annual payments of \$24.00 payable by the current homeowner of any parcel located in the development, that was to run with the land and bind future homeowners as the parcels changed hands over the years through gift, devise,



1 sale, or other transfer. The Trustee was to hold these funds for future sewage disposal
2 facilities.

- 3 8. The Trust was directed to pay the collected funds to provide or help provide the sewage
4 disposal facilities contemplated by the trust. Such a recommendation could be made either
5 by WTMC (in their role as the community HOA) or by the Pierce County Health
6 Department, whatever the case may be. In short, the specifics of this sewage disposal
7 creation program were to be figured out later, but the funds would begin to be collected.
- 8 9. Over the course of the decades which followed the Trust's creation in 1967, many changes
9 occurred. The land held by LTDC and deposited into the trust was sold to individual owners
10 over a multiple-year timeframe. Many of these individual parcel owners have since sold
11 or otherwise transferred the properties in life; or died passing the property to their
12 beneficiaries. Some of the parcels have become subdivided.
- 13 10. Around 1975, it was decided that the fees collected should be halved. A resolution was
14 put in force and collection of the prior \$24 amount ended in favor of \$12 fees.
- 15 11. By this same time and into the early 1980s, a large portion of homeowners were no longer
16 paying the dues required under the covenants attached to their property, either the original
17 \$24 amounts or the subsequently modified \$12 amounts discussed above. By 1990, the
18 then-serving Trustee and WTMC (who had not yet been in the role of Trustee) agreed that
19 no further collection efforts should be made. Since 1990, no further payments have been
20 made to the trust. There has been no contemplation to resume these payments.

21 **MATTER IN DISPUTE**

22 A binding agreement under RCW 11.96A.220 requires an active matter under 11.96A.030(2). The
23 active matter contemplated in this Agreement concerns the following additional facts:
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1. WTMC has requested a court order to terminate and end the trust with the trust funds turned over to WTMC for use in the community.
2. The City of Bonney Lake is the sewer service and water service provider to a portion of the area described in the trust and has appeared in this matter as an interested party and has objected to an outright termination and distribution to WTMC of the Lake Tapps Trust funds for use within the community.
3. WTMC and the City of Bonney Lake desire to use the Lake Tapps Trust funds to provide sewage disposal facilities within the area described in the Lake Tapps Trust.
4. WTMC agrees to use the Lake Tapps Trust funds to plan, design, permit and construct restroom facilities, such facilities to include flushing toilets and hand washing facilities, for use and access by the community at Jenks Park. The restroom facilities shall be connected to the City of Bonney Lake public water system and to either the public sewer system or connected to an on-site septic system that is constructed as part of the "restroom project". The restroom project's public water connection shall be reviewed by the City of Bonney Lake and shall include looping of the water line through the park as approved by Bonney Lake.
5. WTMC believes that the use of the funds for the creation of a community restroom aligns with the stated purpose of the trust of "providing sewage disposal facilities to the lands described on Exhibit "C"".
6. The City of Bonney Lake agrees and does not object to the use of Lake Tapps Trust funds for the creation of community restrooms at Jenks Park as outlined above, provided that the development of the restroom project is completed in a timely manner and that any remaining funds be used towards planning or creation of a public sewer system in the area.

NOW THEREFORE, in consideration of the promises, other good and valuable consideration, and mutual covenants herein contained, the Parties hereby agree as follows:

Binding TEDRA Agreement
RCW 11.96A.220

10979176,5 - 370563 - 0039



HOLMQUIST + GARDINER
1000 second Avenue, Suite 1770
Seattle, Washington 98104
(206) 438-9083

TERMS OF THE AGREEMENT

1. Use of Funds. Conditioned on the approval of the Court, the Parties agree that the Lake Tapps Trust funds shall be used for the creation of sewage disposal facilities at Jenks Park. The City of Bonney Lake does not object to the use of the funds for the creation of community sewage disposal facilities at Jenks Park provided that the restroom facilities are completed and are operational and opened to the community within five (5) years of the date of this Agreement. Such restroom facilities shall include flushing toilets and hand washing facilities, which shall be connected via a new 8-inch water main to the City of Bonney Lake public water system which will be looped from the 10-inch ductile iron line in West Tapps Highway through the park and to the existing water line in 193rd Avenue Court E. The community restroom shall be connected to either a public sewer system or connected to an on-site septic system that is constructed as part of the restroom project. Following completion of the restroom project, WTMC shall send an accounting for the restroom project costs to the Parties herein. If the funds are fully expended, the Parties agree that the Trust may be dissolved. If the funds are not fully expended on the restroom project, then at the option of the Trustee, the funds shall either remain in Trust with the Trust continuing for its stated purposes or shall be deposited to the City of Bonney Lake for use in sewer planning or projects within the West Lake Tapps Area. WMTC will undertake the restroom project as a community organization. WMTC acting as Trustee will oversee the distribution of trust funds towards the restroom project.
2. Conditioned on Court Approval. The Parties wish to minimize the possibility of legal disputes and have entered upon this Agreement in order to gain Court approval under RCW 11.96A.230 with respect to the use of the Lake Tapps Trust funds that align with the original trust purpose.



- 1 3. Equivalent of Final Court Order. The filing of this Agreement, by operation of law pursuant
2 to RCW 11.96A.230, has the legal effect of entry of a final Court Order approving the
3 terms of this Agreement, and approving, permitting, and directing the Trustee, and the
4 Parties hereunder.
- 5 4. Modification. This Agreement may not be modified except by subsequent agreement, in
6 writing, signed and acknowledged by all Parties. No amendment or modification of this
7 Agreement shall be effective unless executed in writing by all Parties hereto and filed
8 pursuant to RCW 11.96A.220.
- 9 5. Representations and Assurances. Each of the Parties represents that he or she (a) is
10 represented or has had the opportunity to be represented by, or consult with, an attorney of
11 his or her own choice, and enters into this Agreement voluntarily after receiving advice
12 from such counsel or after waiving such advice; (b) is completely informed of the facts
13 relating to the subject matter of this Agreement and of the rights and liabilities of the
14 Parties; (c) has given careful and mature thought to the making of this Agreement; (d) has
15 carefully read each and every provision of this Agreement; (e) understands the provisions
16 of this Agreement as to both the subject matter and the effect; (f) has authority to bind the
17 Party or Parties for whom such person acts; (g) understands that Holmquist & Gardiner,
18 PLLC is only representing WTMC, in this matter.
- 19 6. Integration. The Parties agree that this written Agreement supersedes any and all other
20 agreements, either oral or in writing, among the Parties regarding the subject matter of this
21 Agreement. This Agreement is completely integrated and contains the entire agreement
22 among the Parties. All other agreements, covenants, representations and warranties,
23 express and implied, oral and written, of the Parties are contained in this Agreement.
- 24 7. Multiple Originals. This Agreement may be executed in multiple counterpart copies, each
25 of which shall be deemed an original, and all of which together shall constitute a single
Agreement.



- 1 8. Severability. If any provision of this Agreement is deemed to be invalid or unenforceable,
2 it shall be deemed severed from the remainder of the Agreement. The remainder of the
3 Agreement will continue in full force and effect without being impaired or invalidated in
4 any way and shall remain binding upon all Parties hereto.
- 5 9. Jurisdiction and Venue. The Court has jurisdiction over administration of the Trust in
6 general, pursuant to RCW 11.96A.020(1)(b) and (2) and 11.96A.030(2)(b), and (c). Venue
7 is proper in the Court, pursuant to 11.96A.050(1)(b).
- 8 10. Governing Law. All rights, duties, and obligations under this Agreement are enforceable
9 in Pierce County, Washington. This Agreement shall be governed by, and construed and
10 enforced in accordance with, the laws of the State of Washington, and the Parties hereby
11 agree that venue for any dispute in relation to this Agreement is only proper in Pierce
12 County, Washington.
- 13 11. Interpretation. No provision in this Agreement is to be interpreted for or against any Party
14 or that Party's legal representative who drafted the provision.
- 15 12. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a
16 matter of convenience for reference and shall in no way be construed to define, limit or
17 extend the scope of this Agreement or the intent of any of its provisions.

18 By signing below, each signatory Party:

- 19
- 20 1. acknowledges his or her status as a Trustee, as a beneficiary of the trust, or as a person
21 interested in the subject matter of the Agreement;
- 22 2. concurs in the foregoing Binding Agreement pursuant to TEDRA under RCW 11.96A.220,
23 executed in connection with the Trust, and approves the same for filing with the Court;
- 24
- 25



3. acknowledges that such Party does hereby waive any and all requirements of notice (RCW 11.96A.140), and does acknowledge receipt of a copy, and waive any notice of presentation; and

4. acknowledges that upon filing with the Court, the Agreement will be deemed approved by the Court, and is equivalent to a final court order binding on all persons interested in the trust.

By: [Signature]
Robert Maxwell, WSBA #46636
Holmquist & Gardiner, PLLC
Attorneys for WTMC

Date: January 24, 2025

By: 1st approved via Zoom
Jennifer S. Robertson, WSBA #23445
Attorney for the City of Bonney Lake

Date: 1/24/, 2025

APPROVED AS TO FORM ONLY:

[Signature]
ALLEN KNESAL

[Signature] 1/24/25
JAMES MADISON

FILED
DEPT 5
IN OPEN COURT
JAN 24 2025
PIERCE COUNTY Clerk
By [Signature]
DEPUTY

DONE IN OPEN COURT this 24th day of January, 2025.

[Signature]
SHELLY K MOSS, JUDGE

