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PHOENIX AREA  
1400 East Southern Avenue, Suite 400  
Tempe, Arizona 85282-5691  
T 480-427-2800  
F 480-427-2801

**Kyle A. von Johnson, Esq.**  
*Licensed in Arizona*  
Kyle.vonJohnson@chdblaw.com  
Direct: 480-795-6255

May 30, 2024

**VIA EMAIL ONLY**

Jonathan A. Dessaulles  
7243 North 16<sup>th</sup> Street  
Phoenix, AZ 85020  
[jdessaulles@dessaulleslaw.com](mailto:jdessaulles@dessaulleslaw.com)

Re: ***Power Ranch Community Association vs. Woodcrest East, LLC***  
**Maricopa County Superior Court Case No. CV2023-000397**  
**Rule 408 Protected Settlement Communication**

Dear Mr. Dessaulles:

In response to Woodcrest East, LLC's settlement demand dated May 21, 2024, the Power Ranch Community Association has prepared the following counteroffer:

- 1) The Parties will execute a comprehensive settlement agreement.
- 2) Woodcrest East, LLC to pay Power Ranch \$45,000 due on October 1, 2024 reflecting the unpaid ½ of Capital Improvement Fees ("CIF") that were deferred in 2019 when Woodcrest purchased the subject property.
- 3) Woodcrest East, LLC to pay Power Ranch the sum of \$300,000 as quarterly installment payments of \$15,000 paid over a 5-year period starting in 2025. Each \$15,000 payment is due January 1st, April 1st, July 1st, and October 1st until paid in full. This payment reflects the unpaid \$2,500 CIF that would have been collected upon Woodcrest's sale of each Dwelling Unit.
- 4) Woodcrest to pay Power Ranch a continuing payment of \$7,500 quarterly starting October 1, 2024 and due every January 1st, April 1st, July 1st, and October 1<sup>st</sup> on a continuing basis. This payment reflects a 10% turnover of the 120 Dwelling Units as CIFs that Power Ranch would receive if the Dwelling Units were sold to third parties.
- 5) Woodcrest East, LLC to pay Power Ranch \$145,096.48 due October 1, 2024. This reflects Power Ranch's attorney fees and costs through April of 2024 related to this litigation.

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- 6) Woodcrest East, LLC to pay Power Ranch a total of \$600,000 as quarterly installment payments of \$30,000 paid over a 5-year period starting in 2025. Each \$30,000 payment is due January 1st, April 1st, July 1st, and October 1st until paid in full. This payment is for a variance of the use restrictions in Power Ranch's governing documents. If Woodcrest East is brought into compliance with Power Ranch's use restrictions prior to this payment being satisfied, no further payments are required under this section so long as Woodcrest East remains in compliance. Any lump sum payment for the amount due under this section will receive a 10% discount if paid more than 30 days in advance of the due date.
- 7) Owners/residents of the 120 Dwelling Units at Woodcrest East will have no access to locked amenities at Power Ranch.
- 8) Owners of the 120 Dwelling Units at Woodcrest East will have zero (0) voting rights in votes of the Power Ranch membership.
- 9) Owners of the 120 Dwelling Units at Woodcrest East are only entitled to rent Power Ranch amenities at non-resident rates.
- 10) Leases for the 120 Dwelling Units at Woodcrest East for less than 90 days are prohibited. Woodcrest East, LLC will file an amended Declaration that includes the short term rental restriction and provides Power Ranch with the authority to enforce the restriction. Power Ranch will approve the Woodcrest East First Amended Declaration so long as Woodcrest East only amends the Declaration to reflect the 90-day rental restriction, or Woodcrest East obtains prior written approval from Power Ranch on any additional amendments made to the Declaration beyond the 90-day rental restriction.
- 11) Owners of the 120 Dwelling Units at Woodcrest East will pay full assessments from Power Ranch.
- 12) All payments will have a 15-day grace period after which, the unpaid amounts will accrue interest at 10% per annum.
- 13) Woodcrest East, LLC to pay a 3% finance charge.
- 14) If Woodcrest East, LLC becomes 12 months delinquent on any payment due to Power Ranch, the variance allowing rental apartment use on the 120 Dwelling Units at Woodcrest East will be automatically revoked.
- 15) This agreement will be recorded and bind subsequent purchasers of property at Woodcrest East.

This offer will expire automatically on June 3, 2024 at 5:00 p.m.

Sincerely,



Kyle A. von Johnson, Esq.  
CHDB Law