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## SUPERIOR COURT OF WASHINGTON, COUNTY OF SAN JUAN

CLARE LINN WELKER and ABIGAIL METZGER WELKER, Trustees of the Big Sky Trust UDT 11-14-2002, Plaintiffs,

v.

MOUNT DALLAS ASSOCIATION, a Washington non-profit corporation; et al., Defendants.

NO. 15-2-05069-0

RESPONSE BY MOUNT DALLAS ASSOCIATION TO PLAINTIFFS' MOTION TO STRIKE

The Mount Dallas Association filed and served for hearing today its motion for partial summary judgment, addressing the same issue presented by the Plaintiffs' concurrent summary judgment motion.

The Plaintiffs now move to strike the Association's motion, alleging two reasons: (1) the Association is illegitimate and lacks standing; and (2) the Association did not property serve all parties.

## (1) Standing.

The Plaintiffs' first argument is based on the fallacy that the Mount Dallas Association purports to be a homeowners association. The Association does not assert and has never asserted that it is a homeowners association. Rather, the Association is a voluntary association

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of property owners, with no contractual or real-property covenant based relationship with any property owner who is not a voluntary member.

This State's statutory chapter governing homeowners associations Chapter 64.38 RCW (Homeowners Associations) defines "Homeowners Associations" as:

"... a corporation, unincorporated association, or other legal entity, each member of which is an owner of residential real property located within the association's jurisdiction, as described in the governing documents, and by virtue of membership or ownership of property is obligated to pay real property taxes, insurance premiums, maintenance costs, or for improvement of real property other than that which is owned by the member."

RCW 64.38.010(11) (Emphasis added).

Thus, a true homeowners association is created in part by a real property covenant that binds a group of property owners within a certain "jurisdiction." In contrast, the Mount Dallas Association and its Road Maintenance Agreement purport to govern only those property owners who record a Joinder which names them and defines their real property as being bound. This is in stark contrast to a non-voluntary homeowners association that governs all properties within its jurisdiction regardless of whether the owners consent.

The recent case of <u>Halme v. Walsh</u>, 47129-9-II (Wash. App. March 8, 2016), cited by the Plaintiffs is inapplicable for this reason. There, a set of property owners created an organization and recorded a set of covenants which purported to govern all properties within a certain defined "jurisdiction." However, not all properties within the jurisdiction were bound by a covenant or contract to be subject to the organization and its recorded document. The <u>Halme</u> court held that such covenants were therefore invalid, because they purported to govern all properties without a subadjacent covenant or contract binding all such properties. <u>Halme</u> clearly cannot apply to the Mount Dallas Association and its Road Maintenance Agreements, which do not purport to govern any certain jurisdiction, and are not binding upon any real

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property whose owner has not recorded a Joinder. [For factual support and additional legal argument, please see the "Mount Dallas Association's Memorandum in Opposition to Motion to Amend Complaint and to Cancel Road Maintenance Agreement," and its supporting Declarations, filed concurrently herewith.]

The Association has never asserted that it is other than a voluntary organization. This Court heard argument and ruled on the Plaintiffs' initial summary judgment motion in October 2015, at which the central issue was the Association's status and standing. There, the Court ruled that the Association has no covenant or contract that binds all owners within a certain jurisdiction, but that the Association has an equitable right to continue to maintain the Mount Dallas Road per its agreements with those property owners who have consented to its governance.

The Plaintiffs are aware of this ruling, and of the facts and allegations in this matter. Their argument that the Association lacks standing under Chapter 64.38 RCW and the <u>Halme</u> case is frivolous, because they lack any basis in fact or law. The Plaintiffs' motion to strike based upon the Association's lack of standing should be denied.

## (2) Service of Process.

The Plaintiffs assert that the Association served "some of the Benefitted Owners" via email. They argue that the Association's motion should therefore be stricken for failure to comply with CR 5(a).

The Plaintiffs do not assert that they themselves were not properly served. Rather, they assert the standing of some of their named Defendants. The Plaintiffs lack standing to assert the rights of third parties under CR 5. To have standing, they must have a personal stake in the RESPONSE BY MOUNT DALLAS ASSOCIATION

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outcome of the issue, and have a clear legal or equitable right to relief in the face of a well-grounded expectation of invasion of that right. See Gustafson v. Gustafson, 47 Wn.App. 272, 276 (Div. I, 1987):

"The doctrine of standing requires that a plaintiff must have a personal stake in the outcome of the case in order to bring suit. The Supreme Court once described this requirement as "one seeking relief must show a clear legal or equitable right and a well-grounded fear of immediate invasion [734 P.2d 953] of that right.

In any event, as the Plaintiffs note, such service is valid if the parties consent in writing. In this case, the parties who were not conventionally served have consented in writing. See the Declaration of Susan D. Allen in Opposition to Plaintiffs' Motion to Strike.

The Plaintiffs fail to define which set of Defendants they are referring to - those who answered and/or appeared, and those who did not. CR 5 applies only to those parties who have appeared or answered:

"... No service need be made on parties in default for failure to appear except that pleadings asserting new or additional claims for relief against them shall be served upon them in the manner provided for service of summons in rule 4." CR 5(a).

Therefore, if the Plaintiffs have standing (which is denied), their argument applies only to those parties who have appeared or answered.

In this matter, apart from the Plaintiffs, the San Juan Preservation Trust, and Ms. Swin (all of whom were served conventionally), and apart from the Association and Mr. Widdoes (whose Memorandum this is), there are only 10 Defendants who have answered or appeared (Allen, Hawley, Tauscher, Guard, McAlary, Boyd, Kaufman, Eichler, Leibman and Bienvenu). Of those, 6 are on the Board of the Association (Allen, Hawley, Tauscher, Guard, McAlary and Kaufman).

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As to the remaining four, the Association has written agreements with each of them, that the Association may email them a link to documents posted on the Association's website and stating that if they would like to receive a printed copy, to simply reply. See Declaration of Susan Allen in Opposition to Plaintiffs' Motion to Strike.

Therefore, because the Plaintiffs lack standing to raise this issue, and regardless, because the Association has agreements regarding service with all parties who might be prejudiced, the Plaintiffs' motion to strike for failure to properly serve certain Beneficial Owners should be denied.

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4/11/16

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