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No. 86870-1

SUPREME COURT
OF THE STATE OF WASHINGTON

ROSS WILKINSON and CINDY WILKINSON, *et al.*,

Respondents,

v.

CHIWAWA COMMUNITIES ASSOCIATION,
a Washington Non-Profit corporation,

Appellant.

BRIEF OF AMICUS CURIAE
GOLD BEACH COMMUNITY CLUB

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A. IDENTITIES AND INTERESTS OF AMICUS CURIAE

Gold Beach Community Club (“Gold Beach”) has articulated both its identity and its interest in this case in its motion for leave to file an amicus curiae brief. Notably, Gold Beach’s governing covenants are similar to the covenants governing Chiwawa River Pines (“Chiwawa”) in that both restrict lot use to single-family residential use, prohibit nuisances and offensive uses,¹ and allow the display of signs advertising a property for rent or for sale. A short-term vacation rental business in Gold Beach uses the Internet to advertise short-term vacation lodging to the general public for profit in a manner similar to hotels and motels. Like Chiwawa, Gold Beach also seeks to protect its community and enforce its covenants against homeowners operating transient vacation rentals in violation of those covenants.

B. INTRODUCTION

Due to the operation of short-term vacation rental businesses within its community (“rental businesses”), a majority of the members of the Chiwawa Communities Association (“Association”) voted to amend Chiwawa’s governing covenants in 2008 and again in 2011 to expressly

¹ Gold Beach Community is zoned for “single-family use.” The covenants restrict lot use to “residential use” and the combined zoning and covenant restrictions result in a “single-family residential use” restriction for all lots.

prohibit short-term transient vacation rentals. The trial court invalidated the leasing restrictions within the 2011 amendment.

At issue in this case is whether owners can utilize their properties as rental businesses in a homeowner's association with covenants restricting the use of properties to single-family residential use and whether members of a homeowner's association may vote to amend their covenants to explicitly prohibit the operation of these rental businesses. Since the outcome of this case will affect Gold Beach's ability to govern its members and preserve its community, Gold Beach urges the Court to reverse the trial court's ruling. Rental businesses should not be permitted in single-family residential subdivisions governed by covenants restricting lot use to single-family residential use and banning nuisances and offensive uses. Furthermore, homeowner associations have the authority to amend their covenants to preserve the single-family residential character of the community.

C. STATEMENT OF THE CASE

Gold Beach acknowledges the statements of the case contained in the parties' briefs. It supplements those statements as follows:

Gold Beach Community ("Community") is a planned residential community on Vashon Island, Washington. It consists of 199 lots and is zoned "RA2.5S0," for single-family use. King County Code §

21A.08.030. The majority of the lots are developed and the homes are adjacent to each other. Although the Community has a mixture of permanent homes and vacation homes, the Community was designed as a residential community, not a resort. Owners bought homes in the Community because these homes were located in a residential area and desire to maintain this residential character in the neighborhood.

Gold Beach is the non-profit homeowner's association established in the 1970s to govern the Community. All property owners in the Community automatically become members of the homeowner's association and are subject to all of the obligations and duties established in the governing articles, bylaws, covenants, and amendments. Gold Beach's board of trustees is elected by, and is responsible to, the membership of the homeowner's association. The board thus owes certain fiduciary duties to the members, including a duty to enforce the governing covenants.

Gold Beach Company developed the Community in four phases and recorded similar, but separate, covenants for each phase. Similar to Chiwawa, the covenants in Gold Beach restrict lot use to residential purposes, prohibit nuisances and offensive uses, and allow owners to post signs advertising a home for sale or rent. The relevant portions of Gold Beach's covenants read as follows:

No lot shall be used except for residential purposes.

Appendix A.

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Id.

No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or except signs used by a builder to advertise the property during the construction and sales period.

Id.

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the owners of all lots within all divisions of Gold Beach Community Club has been recorded, agreeing to change said covenants in whole or in part.²

Appendix A.

Transient rental businesses did not exist in Gold Beach until two years ago. On October 12, 2010, Noreen Elbert and Elisabeth Little

² The Community held a special meeting on November 16, 2011 and a majority of owners within each division voted to amend the covenants to define the term "majority" in the amendment procedure as the majority of the owners in all of the divisions. This amendment was passed in anticipation of consolidating the covenants for all divisions in the near future.

purchased property located at 25770 Gold Beach Drive S.W., Vashon, WA 98070 for use as their vacation home. The property is located in phase four of the Community and has beach access. Shortly after Elbert and Little purchased the property, they began to operate it as The Whale House. The Whale House is a transient vacation rental business advertising short-term vacation lodging to the general public for profit.

Elbert and Little advertise on the Internet that The Whale House can accommodate up to 10 people in a 3-bedroom house. Appendix B. The rental rate is \$300 per night during the low season (October 1-May 31) and \$375 per night during the high season. *Id.* A cleaning fee of \$125 is also charged. The online advertisements also identify the Community pool and shelter and the beachfront as local amenities to attract potential renters. *Id.*

The Whale House is in close proximity to neighboring houses. *Id.* Homeowners complained to the Gold Beach board about the operation of the rental business at the board's March 2011 meeting. In response, the board called a special meeting on August 24, 2011 to discuss the operation of transient rentals in the Community. At the meeting, the board received a signed petition from 74 homeowners maintaining that short-term vacation rentals are a clear violation of the existing covenants and urging the board to enforce the covenants against the owners of The

Whale House. *Id.* The petition summarized the problems the transient rentals caused in the Community, including overcrowding at the community pool, overcrowding and overuse at the beach, unsupervised renters running amok, health and sanitation concerns arising from garbage left by transient renters and overtaxing of the septic system, less security in the neighborhood, and the change in the character of the neighborhood caused by the operation of a commercial enterprise. *Id.* The homeowners also voiced specific complaints during the meeting about the behavior of the transient renters staying at The Whale House, including attendant noise, trespassing on neighboring lots, and letting unleashed dogs roam. They complained that the renters' disruptive activities are changing the residential character of Gold Beach. They overwhelmingly favored banning the operation of short-term rental businesses in Gold Beach.

Historically, the four phases of Gold Beach have acted as one despite being governed by four separate sets of covenants. Only one board of trustees oversees the entire Community. Like the Association in Chiwawa, the Gold Beach board would like to consolidate the separate covenants into one set for uniformity. This would be accomplished by putting the issue to a vote with the members. At the same time, the board

would like the members to vote to amend the covenants to explicitly prohibit short-term transient vacation rentals.

Gold Beach urges this Court to provide guidance to homeowner associations across the state with respect to the operation of transient rental business in residential communities.

D. ARGUMENT

(1) Short-Term Transient Rentals are Not Consistent with a Single-Family Residential Use and are a Commercial Use

The members of a planned homeowner's association, in exchange for the benefits of association with other owners, must give up a certain degree of freedom. In conflicts between homeowners as to interpretation of restrictive covenants, this Court places a special emphasis on arriving at an interpretation that protects the homeowners' collective interests. *Riss v. Angel*, 131 Wn.2d 612, 623-24, 934 P.2d 669 (1997) (citing *Lakes at Mercer Island Homeowners Ass'n v. Witrak*, 61 Wn. App. 177, 181, 810 P.2d 27, review denied, 117 Wn.2d 1013, 816 P.2d 1224 (1991)).

In construing restrictive covenants, rules of strict construction against the grantor or in favor of the free use of land are inapplicable. *Id.* at 623. Instead, a Court's primary task is to determine and give effect to the drafter's intent. *Id.* Basic rules of contract interpretation apply. *Wimberly v. Caravello*, 136 Wn. App. 327, 336, 149 P.3d 402 (2006).

“[L]anguage is given its ordinary and common meaning.” *Hollis v. Garwall, Inc.*, 137 Wn.2d 683, 695, 974 P.2d 836 (1999). Where there is ambiguity as to the drafter’s intent, it may be resolved by considering evidence of the surrounding circumstances. *Id.* Where reasonable minds could reach but one conclusion, questions of fact may be determined as a matter of law. *Owen v. Burlington N. and Santa Fe R.R. Co.*, 153 Wn.2d 780, 108 P.3d 1220 (2005).

The trial court’s ruling that short-term rentals of less than 30 days are not a prohibited commercial use is erroneous because the trial court interpreted the covenants in a way that promotes the free use of land for a small minority of homeowners. This Court has expressly stated that the free use of land is not the paramount consideration when construing restrictive covenants. *Riss*, 131 Wn.2d at 623. It has also refused to apply principles of strict construction to defeat the plain and obvious meaning of restrictive covenants. *Id.* Rental businesses, which advertise lodging accommodations to the public via the Internet, are clearly commercial enterprises that have no place in residential communities.

The ability to rent, which is only mentioned in passing in a provision that permits owners to post for sale or for rent signs, must be read in the context of the single-family residential use restriction and the prohibition against nuisances and offensive, industrial, and commercial

use. The plain and obvious meaning of these covenants, viewed in their entirety, is to distinguish between transient rentals and long-term rentals. The ordinary and common meaning of single-family residential use is use of the property as the occupant's home. Long-term renters use the property as their home; transient renters do not. This common and ordinary distinction is reflected in the law.

Simply put, transient renters are not considered "tenants" under a residential lease. Washington's Residential Landlord-Tenant Act governs long-term rentals, but specifically exempts hotels, motels, or other "transient" lodging. RCW 59.18.040(3). Transient lodging is any building held out to the public to be a place where sleeping accommodations are furnished to transient guests, "in which three or more rooms are used for the accommodation of such guests." RCW 19.48.010.³ Unlike long-term renters, transient renters are not protected under the Residential Landlord-Tenant Act.

³ The Department of Revenue, in explaining the taxation of persons operating hotels, motels, and bed and breakfast facilities, defines "transient" as:

any guest, resident, or other occupant to whom lodging and other services are furnished under a license to use real property for less than one month, or less than thirty continuous days if the rental period does not begin on the first day of the month

WAC 458-20-166(2) (emphasis added).

Moreover, transient renters are granted a license to use the homeowner's property rather than a lease. This is a critical distinction because a licensee has only the *use* of another's land, but not the exclusive right of *possession or control*. 17 William B. Stoebuck and John W. Weaver, Wash. Prac., *Real Estate* § 6.3 (2d ed.) ("Stoebuck/Weaver"). Usually, where the grant conveys only a license to use, "the owner controls such things as lighting, heating, cleaning, repairing, and opening and closing the premises." WAC 458-20-118(3). For example, this Court ruled that a concessionaire held a lease, not a license, to a concession stand at a racetrack mainly because the tenant had exclusive control (possession) of a defined area. *Lamken v. Miller*, 181 Wn. 544, 44 P.2d 190 (1935).

By contrast, the rental businesses in Chiwawa and Gold Beach provide cleaning services for a fee at the end of each rental term as part of the accommodations provided. CP 275, 297, 325, 351, 360; Appendix B. The cleaners are the agents of the rental businesses. The transient renters simply do not have exclusive control of the rental properties. They are not considered "tenants" under a residential lease and are not "renting" properties. The drafters did not authorize the presence of transient tenants within the residential communities when the drafters added language allowing owners to post signs for sale or rent in the covenants.

Additionally, real estate rentals are exempt from the business and occupation tax, but amounts arising from the grant of a license to use real property are not tax-exempt. WAC 458-20-118. The Department of Revenue presumes any owner renting out their home three or more times in a year for periods of less than 30 days each are engaged in a taxable business activity. Appendix C. In Washington, rental businesses, as a taxable business, must pay B&O taxes.

Gold Beach agrees with Chiwawa that the operation of nightly transient rentals changes the character of a residential community. In Gold Beach, the operation of transient rentals is recent, having begun approximately two years ago. Transient rental businesses are an obvious change to the community, simply due to the fact that they did not previously exist. These transient rentals are the result of the ease of Internet advertising and its cheapness, which is a recent phenomenon.

More importantly, transient nightly rentals have negatively impacted the Community. Homeowners have complained to the Gold Beach board about the noise, the rampant trespassing, and the lack of owner supervision over a revolving-door of transient renters. Homeowners feel less secure in their homes and find it difficult to build community ties with a transient renter who is there for just a few days and who faces no consequences for his or her bad behavior. Allowing

transient rentals in residential communities like Gold Beach and Chiwawa allows the transient renter's vacation to take priority over a neighboring homeowner's right to the use and enjoyment of his or her own property.

In Chiwawa, the number of transient business operations has increased over time. Gold Beach is extremely concerned that if its board has no ability to enforce the covenants against the one transient rental business operating in the Community, then it will soon face an onslaught of transient rental businesses, similar to the situation in Chiwawa. The Community is a neighborhood in the true sense of the word. The lots are not large and are in close proximity to each other. Additionally, the Community's eco-system cannot sustain droves of transient renters combing the beach during the summer months. Transient rental businesses have the potential to fundamentally and permanently alter not only the Gold Beach Community, but many other single-family communities across Washington.

(2) There is No Legal Reason or Public Policy to Distinguish Between the Authority of Condominium and Single-Family Homeowner Associations to Pass Leasing Restrictions

Even if this Court finds an ambiguity between the covenant allowing a "for rent" sign to be posted and the covenants prohibiting

nuisances and commercial and offensive uses in Chiwawa, the Court should reverse the trial court's decision to invalidate the 2011 Amendment. The trial court's ruling does not follow case law giving homeowner associations the ability to amend their covenants and there is no reason to distinguish the case before the Court.

For example, the trial court's decision contradicts *Shafer v. Board of Trustees of Sandy Hook Yacht Club Estates, Inc.*, 76 Wn. App. 267, 273-74, 883 P.2d 1387 (1994), *review denied*, 127 Wn.2d 1003 (1995) (declaration authorizing less than 100 percent of property owners within a subdivision to adopt new restrictions is valid, provided that such power is exercised in a reasonable manner consistent with the general plan of the development). In *Shafer*, the majority owners in a large residential development approved new covenants to prohibit the storage of junk vehicles on individual properties for more than six months. *Id.* at 271. The courts have ruled that amendments may be adopted for the common good of the community.

The trial court's decision also contradicts this Court's holding that homeowner associations may amend their declarations to impose leasing restrictions as long as the declaration is amended properly. *See, e.g., Shorewood West Condominium Ass'n v. Sadri*, 140 Wn.2d 47, 992 P.2d 1008 (2000). Homeowners in an association take their property subject

to covenants that may be amended by majority vote, as defined and set forth in the covenants. Regardless of any actual notice, these owners are deemed to have constructive notice of any covenants recorded against their property, including the procedure for amendment, when they purchase their properties. *Stoebuck/Weaver*, § 3.16. There is no conceptual difference between the amendment procedure in a condominium and an amendment procedure in a homeowner's association for single families.

There is no reason to allow condominium owners the right to impose leasing restrictions but to deny that same right to single-family homeowners in a planned development. Both condominium homeowner and single-family homeowner association are statutorily created. In exchange for statutory protections, such as requiring a duty of care and loyalty from the Association's board of directors to its members,⁴ and benefits of community living, the individual homeowners must give up some rights. It is also important to note that virtually any type of real estate can be structured as a condominium. For example, a condominium is not necessarily a single building filled with units. In some cases, it will look exactly like a homeowner's association with detached single-family residences. CP 1281-84.

⁴ RCW 64.38.025(1).

Under the Washington Condominium Act, everything in a condominium must consist of either a "unit" or "common element." RCW 64.34.020(6). A unit is simply a plane of space that is defined in a declaration. RCW 64.34.020(38).⁵ This plane of space may consist of unenclosed air space. RCW 64.34.020(32).⁶ Air space condominiums exist in Washington. In this type of condominium, the unit, the exclusive area owned by the individual owner, is not defined as an area within the walls of a solitary building, but rather the entire building lot and all structures and landscaping on the lot. The common elements are the roads. The end result is detached single-family dwellings on a single piece of property. CP 1281-84 To the owners living in an air space condominium, it is physically indistinguishable from a single-family residence governed by a homeowner's association.

Additionally, the King County Zoning Code defines a townhouse as "a building containing one dwelling unit that occupies space from the ground to the roof, and is attached to one or more other townhouse dwellings by common walls." King County Code § 21A.06.370. There is nothing to prevent a townhouse from being organized as a condominium.

⁵ "Unit" means a physical portion of the condominium designated for separate ownership, the boundaries of which are described pursuant to RCW 64.34.216(1)(d).

⁶ "Real property" includes parcels, with or without upper or lower boundaries, and spaces that may be filled with air or water.

There should be no reason to allow townhomes organized as a condominium to implement leasing restrictions while preventing townhomes organized as a single-family homeowner's association from implementing the same restrictions.

In a condominium, each owner owns an undivided interest in the common elements, while in a single-family planned development, the association owns the common elements. RCW 64.34.224(1); RCW 64.38.020(8). This is not a difference that affects a procedure to amend a declaration by majority vote within a homeowner's association.⁷⁸ Therefore, this Court should extend the right to amend declarations given to condominium owners in *Shorewood* to owners in single-family homeowner associations.

There is no compelling legal reason or public policy to have a lack of uniformity between the laws governing condominiums and planned single-family communities. The boards of both condominium and single-family homeowner's associations should be allowed some

⁷ Other states have already harmonized the statutes governing planned communities, condominiums, and cooperatives under one comprehensive statute by adopting the Uniform Common Interest Ownership Act ("UCIOA"). UCIOA is a model act developed by the National Conference of Commissioners on Uniform State Laws ("NCCUSL"). UCIOA, Prefatory Note, (2008). It is a comprehensive statute governing "common interest communities," which includes planned communities, condominiums, and cooperatives. *Id.*

⁸ The full text of the UCIOA may be viewed at <http://www.law.upenn.edu/bll/archives/ulc/ucioa/2008final.htm>

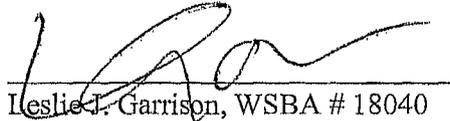
discretion in implementing and enforcing covenants. Otherwise, the members of the association will forever be at the mercy of the tyranny of the minority. The trial court's ruling here essentially means that an association's declaration may never be changed. In other words, all lot uses and all prohibitions must be explicitly stated in the original covenants or they can never be implemented. This is not a practical way to run a homeowner's association, especially as technology changes over time.

E. CONCLUSION

Chiwawa's 1988/1992 covenants do not allow transient vacation rentals. An amendment prohibiting rentals for a period of less than 30 days is reasonable and consistent with the general plan of development in a residential community governed by covenants that restrict use to single-family residential use and prohibit nuisances and commercial, industrial, and offensive uses. This Court should reverse the trial court's summary judgment order.

DATED this 19th day of February, 2013.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. Garrison", written over a horizontal line.

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I certify that I served a copy of this document on all parties or their counsel of record on the date below as follows:

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I certify under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

DATED this 19th day of February, 2013, at Seattle, WA.


Kristen Doughty

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APPENDIX A

4

PROTECTIVE COVENANTS RUNNING WITH THE LAND

THIS INDENTURE and declaration of covenants running with the land, made this 20th day of April, 1977, by Don Spano and Mary P. Spano, doing business as GOLD BEACH COMPANY.

WITNESSETH:

WHEREAS, said parties are the owners in fee of GOLD BEACH NO. 4, an addition to King County, Washington, as recorded in volume 102 of Plats, Pages 54 & 55, records of King County, in Government Lots 1 and 2, Section 28, Township 22 North, Range 3 East of W.M., all of which property is located in King County, Washington, and

WHEREAS, it is the desire of said parties to by these presents make, establish, confirm and hereby impress upon GOLD BEACH No. 4, an addition to King County, Washington, according to Plat thereof recorded in Volume 102 of Plats, Pages 54 & 55, records of King County, Washington, in Government Lots 1 and 2, section 28, Township 22 North, Range 3 East of W.M., all of which property is located in King County, Washington, the following protective covenants to run with said land, and do hereby bind said parties and all of their future grantees, assignees and successors to said covenants for the term hereinafter stated and as follows:

1. The area covered by these covenants is the entire area described above.
2. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling and a private garage and boathouse and greenhouse, except lots used for the community. Height restrictions for lots in Division 4, which shall be measured at the existing ground level located approximately in the center of the site of the structure and shall be as follows:
Lots 1 through 4, inclusive and
Lots 42 through 48, inclusive shall be restricted to an elevation at the building site which shall not exceed 18 feet.
Lots 5 through 9, inclusive shall be restricted to an elevation at the building site which shall not exceed twenty two feet.
Lots 10 through 16, inclusive, shall be restricted to an elevation at the building site which shall not exceed thirty feet.
Lots 17 through 20, inclusive, shall be restricted to an elevation at the building site which shall not exceed sixteen feet.
Lots 49 through 56, inclusive, shall be restricted to an elevation at the building site which shall not exceed sixteen feet.
Lots 21 through 29 shall have no height restrictions.
3. No dwelling shall be permitted on any lot within Division 4 which does not have a minimum of 900 square feet of finished living area on one floor.

4. Lots 1 through 16, Division 4, shall conform within the building setback line as shown on the face of the Plat. No building shall be located shoreward of the delineated building setback line on these lots. Lot 24 through 27, Division 4, shall also conform with the building setback line as shown on the face of the plat, and no building shall be located northerly beyond the delineated building setback line on these lots.
5. Easements for installation and maintenance of utilities and drainage facilities are served as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible and all utilities in Gold Beach No. 4 shall be installed underground.
6. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood.
7. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or any other outbuilding shall be used on any lot at any time as a residence, except a temporary six month "waiver" may be applied for by requesting, in writing, of the Architectural Committee, permission to place a trailer on a lot to be used for a period of 9 months only, while a permanent home is being constructed. This shall not be construed to mean that trailers will be approved for residences, except for the above temporary waiver.
8. Any dwelling or structure erected or placed on any lot in this subdivision shall be completed as to external appearance, including finish painting, within nine (9) months from the date of start of construction except for reasons beyond control in which case a longer period may be permitted.
9. No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or except signs used by a builder to advertise the property during construction and sales period.
10. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes.
11. No lots shall be used or maintained as a dumping ground for rubbish; trash, garbage or other waste shall not be kept except in sanitary

containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

12. No fence, wall, hedge, or mass planting, other than foundation planting, shall be permitted to extend nearer to any street than the minimum setback line, except that nothing shall prevent the erection of a necessary retaining wall, the of which does not extend more than two feet above finished grade at the back of said retaining wall, provided however, that no fence, wall, hedge, or grass planting shall at any time, where permitted, extend higher than five feet above ground. If a boat house or boat houses are allowed to be constructed, the height of said boat house shall not be allowed to restrict the view of any lots.
13. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (ten) years unless an instrument signed by a majority of the then-owners of the lots have been recorded, agreeing to change said covenants in whole or in part.
14. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.
15. Invalidation of any one of these covenants by judgement or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.
16. Every tract owner in Gold Beach will be deemed to have agreed not to sell or convey any tract shown in said survey of said plat, otherwise than subject to the restrictions and provisions shall be made with respect to all of the tracts shown in such a survey as covenants running with the land.
17. The Gold Beach Community Club Architectural Committee must approve all plans for construction before actual construction starts. This committee shall be the enforcing body of the above.
18. The said Gold Beach Community Club shall have the right and power to enforce any and all of the conditions, limitations and restrictions, but such right shall be without prejudice to the right of the grantor or any owner of a tract in said plat to enforce the same.
19. All lot purchasers shall agree to become a member of GOLD BEACH COMMUNITY CLUB, INC, and agree that the real estate shall be subject to charges and assessments as provided for in and for the purposes set forth in the Articles of Incorporation and By-laws of subject corporation. It is understood the combined current assessments by GOLD BEACH COMMUNITY CLUB, INC., do not exceed \$60.00 per annum. Subject coporation shall have a valid lien against the subject real estate for said charges and assessments, which shall be foreclosed in the manner provided in the By-Laws. This provision is a

covenant running with the land and is binding on the purchasers, their heirs, successors and assigns.

20. The developer (GOLD BEACH COMPANY) shall provide domestic water system and will allow purchaser to hook up at a cost not to exceed \$200.00 plus a normal monthly charge based on consumption.

#7704260355

2/16/06

**AMENDMENT TO THE PROTECTIVE COVENANTS FOR DIVISION #4 OF
GOLD BEACH COMMUNITY CLUB**

This Amendment to the Protective Covenants for Division #4 of Gold Beach Community Club ("Amendment") is made this 12 day of JULY, 2012 by the Gold Beach Community Club, Inc., a Washington non-profit corporation ("Association").

RECITALS

WHEREAS, Gold Beach Community Club is comprised of four divisions. The developer, Mr. Dom Spano, built the community in phases with similar but separate Protective Covenants recorded against all sections;

WHEREAS, Protective Covenants for Division #1 were recorded on May 3, 1967 under King County Recording No: 6177701, Protective Covenants for Division #2 were recorded on August 7, 1967, under King County Recording No: 6214831; Protective Covenants for Division #3 were recorded on April 15, 1968 under King County Recording No: 6214831; and Protective Covenants for Division #4 were recorded on April 20, 1977 under King County Recording No: 7704260355;

WHEREAS, historically, all four divisions have operated as one single community. All owners are members of one non-profit corporation, the Gold Beach Community Club, and there is only one Board of Trustees that serves the entire community;

WHEREAS, the Protective Covenants state in part that the owners of the lots, by majority vote, may change the Protective Covenants in whole or in part;

WHEREAS, a special meeting was held on November 16, 2011 to vote to define the term "majority" used in the amendment procedure as a majority of all the owners within all divisions combined, which reflects the historical operation of Gold Beach Community Club;

WHEREAS, the Association intends to consolidate, amend, and restate the Protective Covenants at an upcoming special meeting;

WHEREAS, 29 owners out of 56 lots in Division #4 voted in favor to define majority as the majority of the owners of all lots within all divisions combined;

WHEREAS, a resolution to amend the Protective Covenants was approved by majority vote as described herein;

NOW, THEREFORE, the Association hereby amends the Protective Covenants as follows:

1. RECITALS. The Recitals are incorporated herein by this reference.
2. GOLD BEACH COMMUNITY CLUB.

This amendment to the covenants is to apply to all of the lots and tracts of the Gold Beach Community Club according to the plat of Gold Beach in King County, Washington, recorded as:

Division #4 Volume 102 Pages 54-55

In records of King County, Washington in a portion of Government Lots 1 and 2, Section 28, Township 22 North, Range 3 East of the Willamette Meridian in King County, Washington.

3. AMENDMENT PROCEDURE. Section 13 is amended in its entirety as follows:

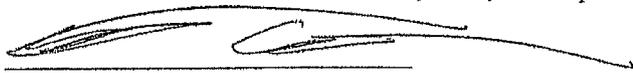
These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the owners of all lots within all divisions of Gold Beach Community Club has been recorded, agreeing to change said covenants in whole or in part.

4. FULL FORCE AND EFFECT. Except as amended hereby, the Protective Covenants remain unchanged and in full force and effect.

This Amendment to the Protective Covenants shall take effect upon recording.

EXECUTED as of the date herein above written.

GOLD BEACH COMMUNITY CLUB, INC., a non-profit corporation,

By: 

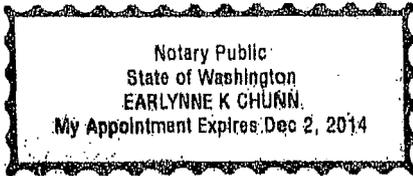
Kate Guinee

Its: President

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 12 day of July, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kate Guinee, to me known to be the person who signed as President of Gold Beach Community Club, Inc., the Washington non-profit corporation, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said non-profit corporation for the uses and purposes therein mentioned, and on oath stated that Billie Christiansen was duly elected, qualified and acting as said officer of the non-profit corporation.

SUBSCRIBED AND SWORN to before me this 12 day of July, 2012.



Earlynne K Chuinn
Printed/Typed Name: Earlynne K Chuinn
NOTARY PUBLIC in and for the State of
Washington, residing at: 12/2/2014
My appointment expires: 12/2/2014

RECEIVED
SUPREME COURT
STATE OF WASHINGTON
Feb 19, 2013, 4:31 pm
BY RONALD R. CARPENTER
CLERK

RECEIVED BY E-MAIL

APPENDIX B

Vashon Whale House in Vashon Island

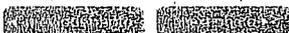
see 14 Vashon Island vacation rentals and 340 Washington vacation rentals

Send to a friend

vashon Island, washington vacation rentals presents listing #80013

Loading Images

pages of



click and drag the page corner to use the previous and next buttons

Apr 2011							May 2011							June 2011																																																			
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S																																													
							4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31

dates with deals
unavailable dates

view full calendar

Jump to: [description](#) [amenities](#) [activities/attractions](#) [rates](#) [photos](#) [reviews](#)

quick facts

bedrooms	3	pool	yes	type	House
baths	2	hot tub	no	community	Gold Beach
sleeps	10	pets allowed	yes	rates (USD)	\$300 - \$375 / night \$1,750 - \$2,500 / week \$5,000 - \$8,000 / month

vacation rental description

Welcome to the Whale House, replica of a sea captain's home.

Life is quieter on Vashon Island, a 20-minute ferry ride from Seattle. Get away from it all -- to this light and bright waterfront home with south eastern exposure. Enjoy the sunrises and breathtaking view of Mt. Rainier. There's absolutely nothing like the gentle rhythm of Puget Sound. Listen to the waves crash when the tide comes in, or walk the beach and explore the coves when the tide goes out. Enjoy summer barbecues and beach fires; or relax with a cup of coffee or glass of wine on one of the decks. Any time of the year, you'll find this home to be a *restful and serene gateway*.

Plan your vacation to the Whale house on beautiful Vashon. Whether you live near or far, you will enjoy this amazing waterfront home.

house rental amenities

Newly furnished in 2011, this home is elegant, yet comfortable, a place that you may never want to leave. The main floor has a fully stocked kitchen, dining room that seats ten, living room, a sunroom, large deck, two bedrooms and a 3/4 bath. One bedroom has a king size bed and 42 inch television, the second bedroom has two bunk beds (twin over twin and twin over full).

The upstairs features a master bedroom with king size bed, bath with Jacuzzi tub and shower, second living room with 42 inch television and pull out queen size sofa bed, and second deck. The kids will love

contact owner

please fill in the form below to inquire about this rental.

first name *

last name *

email address *

re-enter email address *

arrival date *

departure date *

phone number

best time to call

Any

adults in party

1

children in party

0

questions & comments

submit

Privacy Policy

to climb the ladder to the crow's nest for panoramic views! The spacious layout is ideal for several couples, or one or more families with kids.

activities and attractions in vashon island washington

The house is located in the quiet Gold Beach community on Maury Island approximately 10 minutes from downtown Vashon. Enjoy local restaurants, farmer's market, art galleries, coffee shops, as well as conveniences such as a supermarket and movie theatre. During the summer, you will have access to the Gold Beach community pool and shelter (with ping pong table and showers). This outdoor heated pool overlooking the beach is a short walk from the home. The pool has both a shallow and deep end, perfect for any level swimmer.

owner
Noreen Elbert
phone
206-778-2961

When you book a vacation rental on any of our websites, we want you to experience a carefree vacation. [Learn More](#)

vacation rental rates

Low Season (Oct 01-May 31) \$300/nt ... \$1,750/wk... \$5,000/mo (2-night min)
High Season (Jun 01-Sep 30) \$375/nt ... \$2,500/wk... \$8,000/mo (3-night min)
High season rates apply for holidays and three-day holiday weekends

PLUS, make your reservation for 7 nights or more and get a FREE CLEAN!
Cleaning fee is \$125; Additional pet fees apply

Required refundable deposit; \$200 deposit for weekend rentals; \$500 for weekly rentals

30 day written cancellation required

Note: Until confirmed, rates are subject to change without notice.

Top things to do in Vashon Island

- ✓ Stay at the Whale House
- ✓ Walk the beach
- ✓ Bike the Island
- ✓ Visit the art galleries
- ✓ View the wildlife

Top things to do with a family

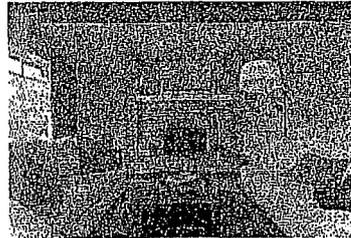
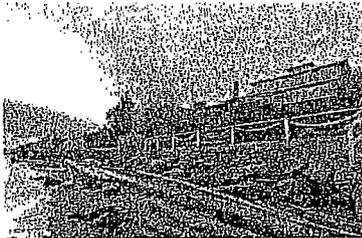
- ✓ Visit the Lighthouse park
- ✓ Go rock collecting on the beach
- ✓ Go to the Vashon Farmer's market
- ✓ Swim in the sound or pool
- ✓ Play games and enjoy each other's company!

email owner

Noreen Elbert 206-778-2961

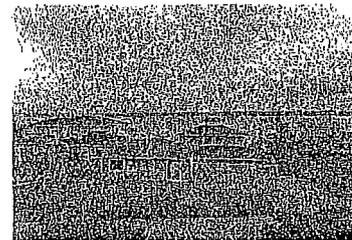
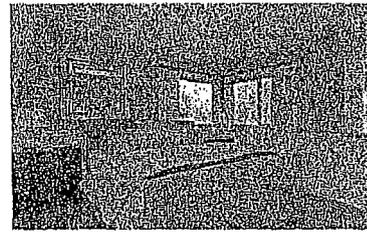
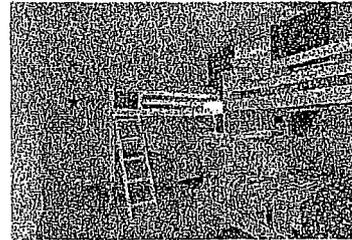
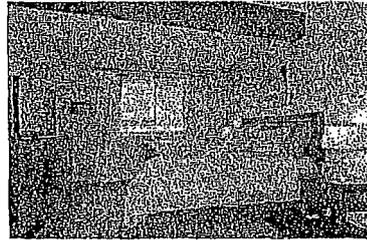
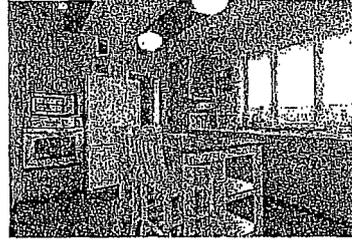
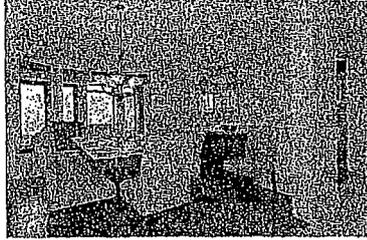
Noreen Elbert, owner

vashon island house photos at a glance



email owner

Noreen Elbert 206-778-2961



traveler reviews for this vashon Island house rental

Take a break & come back relaxed

Lamar (Vashon Island, WA)

Review submitted: March 3, 2011 Date of arrival: January 29, 2011

I live on Vashon Island and need a 'stay-cation' for my birthday. My partner and I were fortunate enough to stay at the Whale House. Our stay was short but we felt like we had been 'away' for a couple of days...that is how relaxed we were! Views are fantastic, home well laid out, furnishings comfortable, and it is very quiet. The Sound is beautiful to gaze upon & to take a walk along the beach. Our stay was during January so it was wet and cold outside yet we were warm and cozy inside. Slept so well that I want to know where the mattress was purchased!! Looking forward to another visit.

Recommended for: adventure seekers, families with young children, families with teenagers, girls getaway, pet-friendly, romantic getaway

Do you find this review helpful? Yes No

Helpful votes: 0 / 0

Got to Go Back!!

Linda (Seattle)

Review submitted: January 30, 2011 Date of arrival: January 8, 2011

The Whale House is a lovely place to kick back and relax. I have so enjoyed exploring the beach, puttering around the island and downtown Vashon, and reading a book while taking in Mt. Rainier over the Sound. In fact, you can see the amazing view from most rooms in the house, not to mention the decks and beach! This house has a cozy cottage feel so it's easy to really settle in-- at the same time you feel sort of surrounded by this island elegance. For a big group, there is more than enough room for kids, adults, and pets to spread out and do your own thing. You will love it here and will find yourself wanting to come back!

Recommended for: adventure seekers, age 55+, families with young children, families with teenagers, girls getaway, pet-friendly, sight seeing, romantic getaway

Do you find this review helpful? Yes No

Helpful votes: 0 / 0

[write a review](#)

Reviews are the subjective opinions of VacationRentals.com travelers and not of VacationRentals.com, Inc.

vashon island vacation rental

This vacation rental has been listed since 01/29/2011.

Page views: 214 this month -- 1171 this year -- 1171 since listed

[View Another Vashon Island Vacation Cottage Rental](#)

[email owner](#)

Noreen Elbert 206-778-2981

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AN ALERT FROM FELLOW GOLD BEACH RESIDENTS

Seattle investors have recently converted a Gold Beach waterfront home to a vacation house (google "Vashon Whale House"). People have stayed there for one night up to several weeks. The Board has allowed this to continue through August and *has called a special general meeting at 6:30PM on August 24* at the clubhouse to hear your views.

How This Affects You

- 1 **POOL USE** Customers and their visiting friends and relatives are crowding your pool and your easement to walk the beach and are staying for days
- 2 **ABSENTEE OWNERS** There is no owner supervision present to control the number of people or their activities
- 3 **HEALTH ISSUES** *Garbage left by renters in bags at the street has been strewn over the street by animals on numerous occasions.* Sanitation may decrease as septic systems become overloaded from overuse *by 12 or more renters.*
- 4 **SECURITY** The neighborhood will be less secure because of an increased presence of people who are not your neighbors
- 5 **COSTLY** *Property values of homes near any future short-term rentals will be affected.* There is *also* potential increase in dues to cover added *pool* liabilities. *Would you knowingly buy next to a vacation rental house?*
- 6 **LOSS OF NEIGHBORHOOD FEELING** Short term lodging is a commercial enterprise which will change the nature of our community forever

Short term lodging is in clear violation of the Gold Beach Community covenants. The following individuals urge the Gold Beach Board of Trustees to enforce compliance to the Gold Beach covenants without delay.

Don and Sharon Marsland

Bart and Kiki Holbrook

Howard Ford and Lynn Morgan

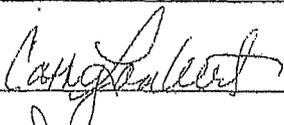
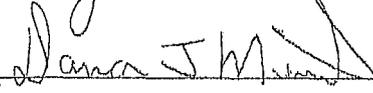
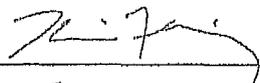
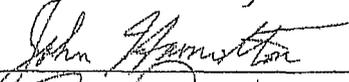
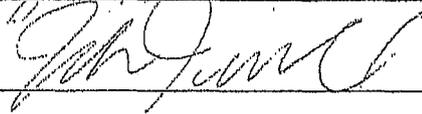
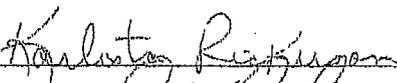
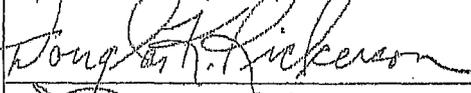
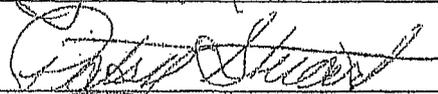
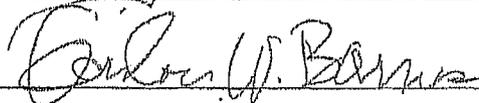
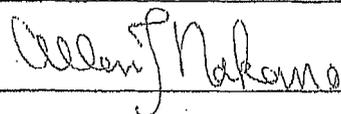
Tom and Lila McKey

Dan and Trevi Housholder

Allen Nakano and Cathy Lambert

Mike Zecher and Cindy Powell

We the undersigned believe that Gold Beach was not intended for short-term lodging provided for commercial purposes. We urge the Board of Trustees to immediately take action to bring this property into compliance and prevent other similar activities.

Signature	Printed Name and Address
	Cathy Lambert 7313 SW 258 th Pl.
	DANA MERRITT 7322 S.W. 258 th PL
	Kevin Wing 7326 S.W. 258 th Pl.
	JOHN HAMILTON 2307 SW 25 th Pl VASHON, WA, 98070
	John Jewell 25848 Gold Beach
	KARLISTA Rickerson 25613 75 th Ave SW
	DOUGLAS K. RICKERSON 25613-75 th AVE. S.W. VASHON
	Patsy Stewart 25716 76 th Ave SW
	GORDON W. BARNES 7420 SW 259 th Way, VASHON
	7618 SW 259 th , Vashon Roxanne Lyons
	25860 Gold Beach Dr SW Steve Benowitz
	7313 SW 258 th Pl Vashon, WA ALLEN, NAKANO

* The community sets the rules. - Lets all live by them or change them

919 8908937

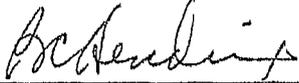
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Signature	Printed Name and Address
<i>Dan Housholder</i>	Dan Housholder 25764 Gold Beach Drive
<i>Charlotte Tenen</i>	CHARLOTTE TIERCKEN 25725 78th Ave SW
<i>Charles W. West</i>	Charles W. West 25725 78th Ave SW
<i>Alan F. Warnette</i>	ALAN F. WARNETTE 25712 78TH CT SW
<i>Sylvia B. E.</i>	Sylvia Stead 25713 78th Ct SW
<i>Dave Creighton</i>	Dave Creighton 7710 SW 257th
<i>John D. D.</i>	John Dashie II 7632 SW 258th CT
<i>Eunice Stead</i>	7627 SW 258th
<i>Trevi Housholder</i>	Trevi Housholder 25764 Gold Beach Dr

We the undersigned believe that Gold Beach was not intended for short-term lodging provided for commercial purposes. We urge the Board of Trustees to immediately take action to bring this property into compliance and prevent other similar activities.

Signature	Printed Name and Address
Michael Zecker	Mike Zecker 25869 75 th Ave SW
[Signature]	Greg Blaw 25868 75 Ave S.W.
Oedie Blaw	Leslie Blair 25868 75 th Ave SW
Michael Edinger	25856 - 75 th St. Richard EDINGER
Cathy Edinger	CATHY EDINGER "
Don Ward	DON WARD 25844 - 75 th Ave SW
[Signature]	25845 75 th SW
Thomas Thoren	THOMAS THOREN 25845 75 th Av. SW.
Cynthia S. Powell	CYNTHIA S. POWELL 25869 75 th AVE SW
Kim Richards	Kim Richards 25852 75 th SW.
Heidi Richards	Heidi Richards 25857 75 th Ave S.W.
(Sunny) Lorenna Colwell	25851 - 75 th Ave S.W.
Suzey Rice	25921 75 th Ave SW

We the undersigned believe that Gold Beach was not intended for short-term lodging provided for commercial purposes. We urge the Board of Trustees to immediately take action to bring this property into compliance and prevent other similar activities.

Signature	Printed Name and Address
	Belle HONDRA 25826 75th AVE SW
	JOANN Nielsen 7224 SW 25th CT. CASHON 98070
	TAM MEKEY 25776 Gold Beach Dr

We the undersigned believe that Gold Beach was not intended for short-term lodging provided for commercial purposes. We urge the Board of Trustees to immediately take action to bring this property into compliance and prevent other similar activities.

Signature	Printed Name and Address
* <i>Don Marsland</i> Lot 9 Lot 10	Don Marsland Dm 4, 9, 10 25806 Gold Beach Dr SW
<i>Sharon Marsland</i>	SHARON MARSLAND 1010 9, 11 25806 Gold Beach Dr SW
<i>Blythe Bartlett</i>	Blythe Bartlett 25782 Gold Beach Dr. SW
<i>Clarene Ackerman</i>	Clarene Ackerman 25785 Gold Beach Dr SW
<i>Walter Ackerman</i>	Walter Ackerman 25785 Gold Beach Dr SW
<i>Joyce M. Fox</i>	Joyce M. FOX 25910 75th Ave SW
<i>Maurice Carpenter</i>	MAURICE CARPENTER 25872 GOLD BEACH DR. SW.
<i>Christine Carpenter</i>	Christine Carpenter 25872 Gold Beach Dr SW
<i>Erlend P. Johnson</i>	Erlend P. Johnson 25763 Gold Bch. Dr. SW.
<i>Donna Gerling</i>	DONNA GERLING 26012 GOLD BEACH DR SW
<i>Mary Matter</i>	Mary Matter 26040 Gold Beach Dr SW
<i>Mary Matter</i>	MARY MATTER 26040 GOLD BEACH DR SW
<i>Barry H. Biagg</i>	Barry Biagg 26032 Gold Beach Dr. SW

KATE'S COPY

6

We the undersigned believe that Gold Beach was not intended for short-term lodging provided for commercial purposes. We urge the Board of Trustees to immediately take action to bring this property into compliance and prevent other similar activities.

Signature	Printed Name and Address
<i>John J. Crotty IV</i>	John J. Crotty 455 306 176 Z 4507 NE 26 CT Renton WA 98059
<i>Maurice Flen</i>	74206 SW 259th WAM
<i>Don J. Oliver</i>	Don Oliver THAWAY 7414 757
<i>Lars Strandberg</i>	Lars Strandberg 25968 Gold Beach Dr SW Polka Cap Manor
<i>Bobby Cuffman</i>	7223 SW 257th CT
<i>Myrtle R. Pl...</i>	26024 Gold Beach Dr SW
<i>Richard E. Brines</i>	Richard E. Brines 25721 Gold Beach Dr SW
<i>John Nelsen</i>	7224 S.W. 257th St VASHON WA 98070
<i>Howard Lord</i>	25752 GOLD BEACH DR SW VASHON
<i>Roy Kewman</i>	Lot 27 & Lot 28 25921 GOLD BEACH DR SW VASHON WA 98070
<i>Cliff Moore</i>	CLIFF MOORE 25830 GOLD BEACH DR SW VASHON WA 98070
<i>Mary Anne Nagler</i>	Mary Anne Nagler 25933 Gold Beach Dr SW Vashon WA 98070
<i>Regina Terhune</i>	Regina Terhune 25907 75th Ave SW VASHON, WA 98070

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Signature	Printed Name and Address
<i>Roger Ford</i>	25925 75 th Ave SW Roger Ford
<i>Elizabeth Mundy</i>	E. Mundy 25730 Gold Beach Dr. SW 98070
<i>Karl Mawhood</i>	KARL MAIWALD 25863 BEACH SW
<i>Paul Chin</i>	25962 Gold Beach Dr SW Vashon WA 98070

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Signature	Printed Name and Address
<i>Judith W. Pearce</i>	JUDITH W. PEARCE 25814 Gold Beach Dr SW

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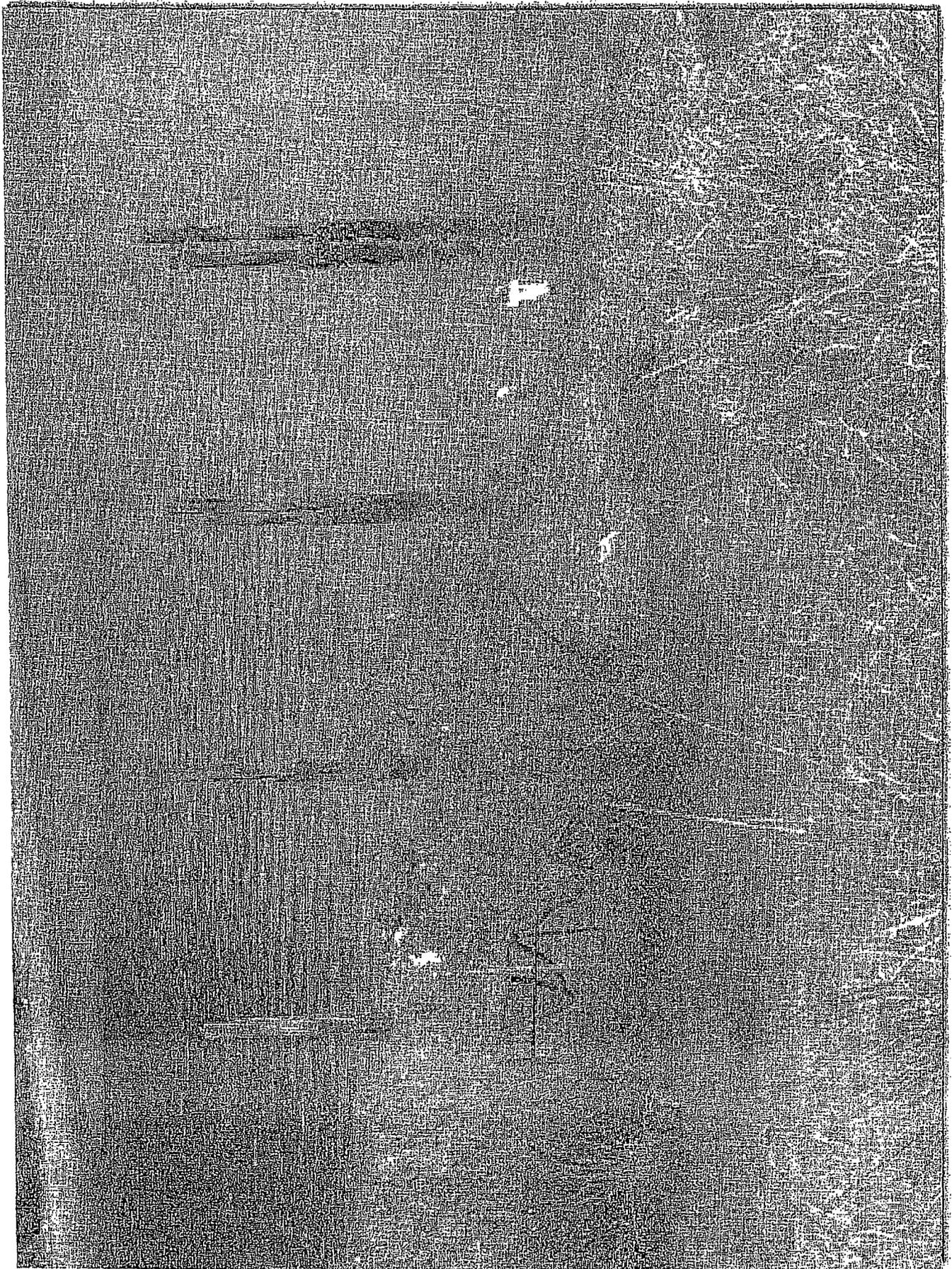
Signature	Printed Name and Address
<i>Katherine Holbrook</i>	KATHERINE HOLBROOK 25842 GOLD BEACH DR
<i>Bart Holbrook</i>	BART HOLBROOK 25842 GOLD BEACH DR
<i>Claudine Mulvihill</i>	Claudine Mulvihill 25938 Gold Beach Dr. SW
<i>Hal E. Squire</i>	HAL E. SQUIRE 25920 GOLD BEACH DR SW
<i>Myra D. Darden</i>	25836 GOLD BEACH DR

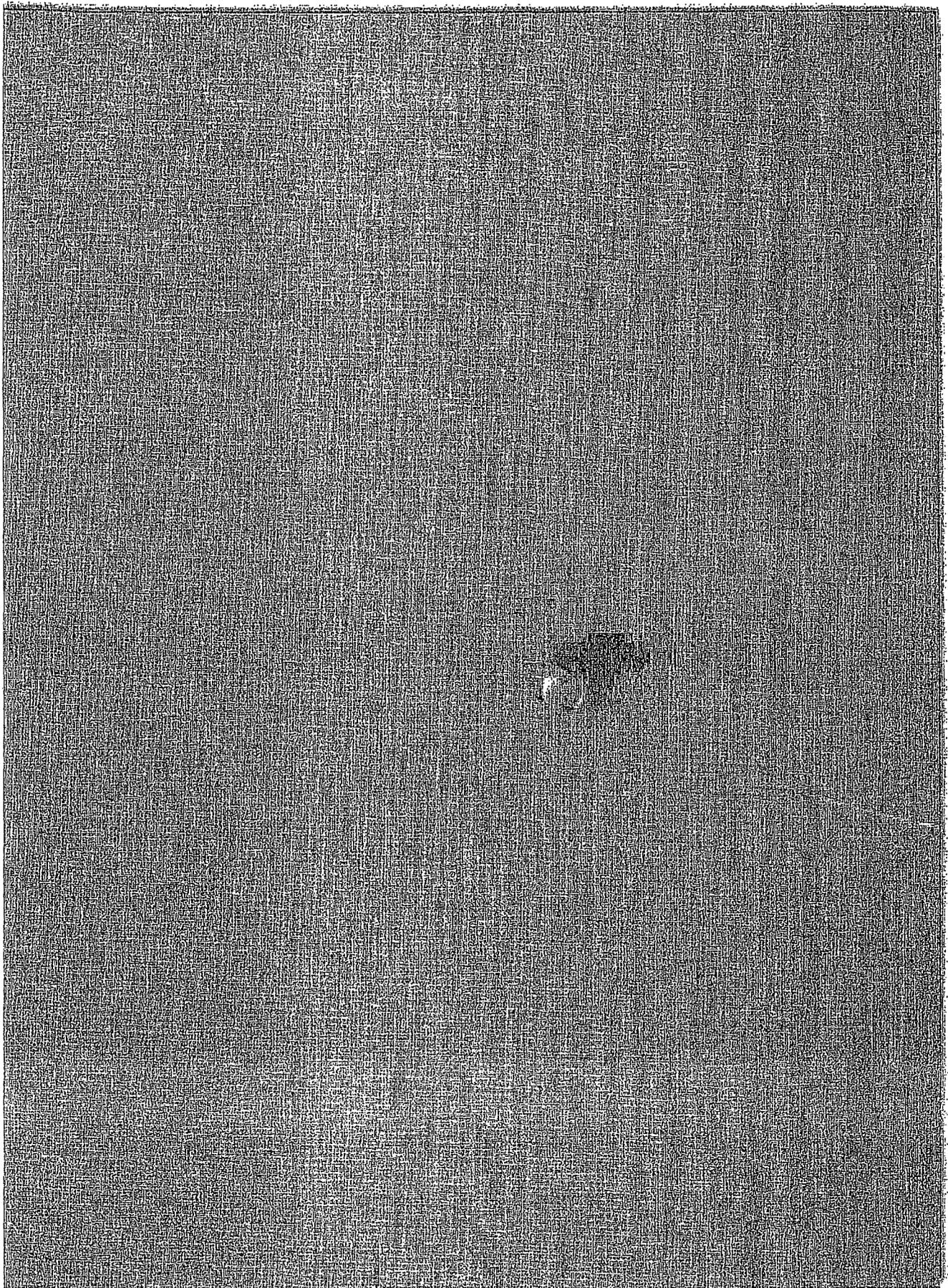
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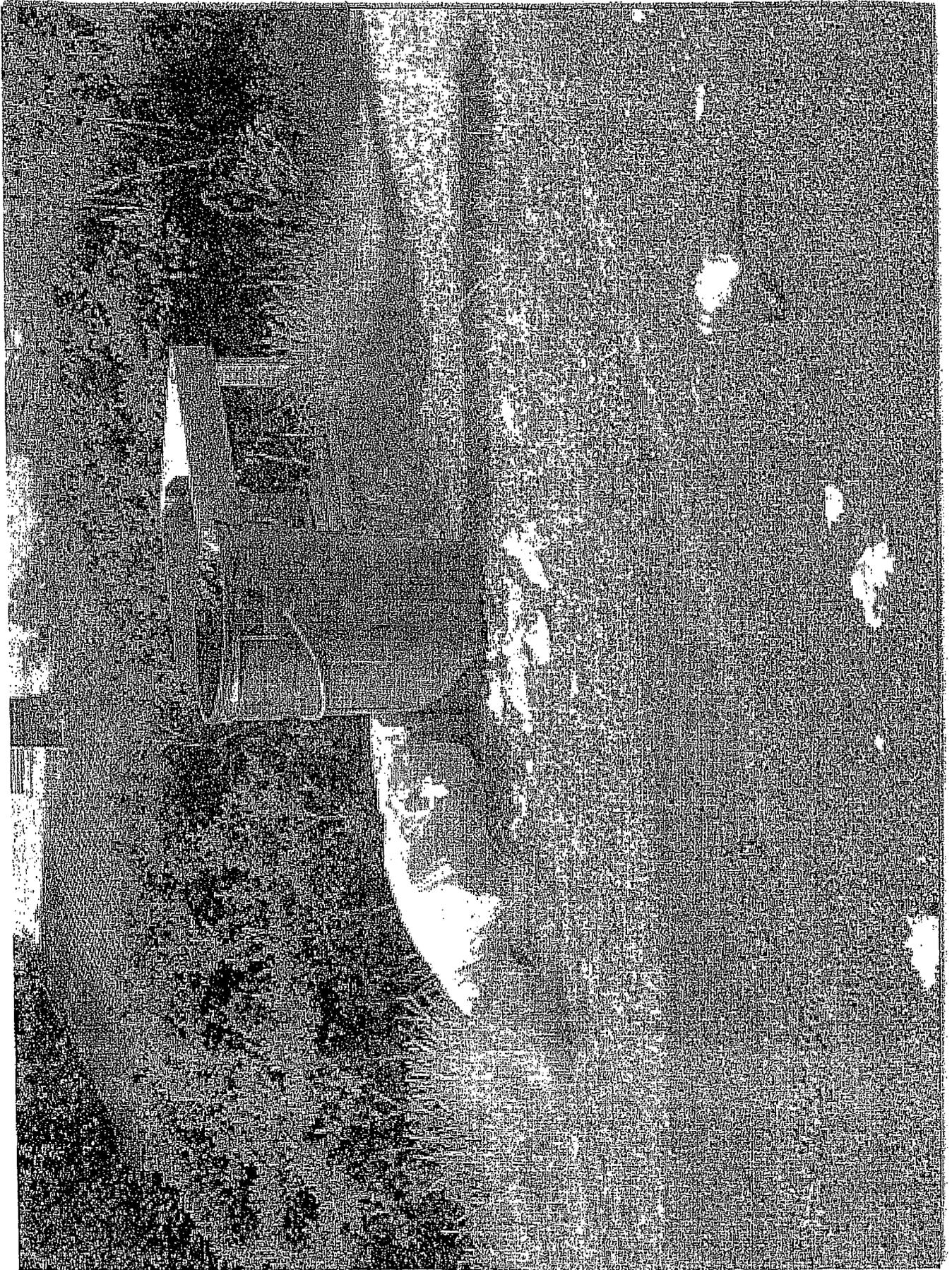
Signature	Printed Name and Address
	Charles Adams 25746 Gold Beach Drive SW Vashon WA 98070













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APPENDIX C

Personal Home Rentals

HOME RENTALS

Many property owners are not aware that they may be required by law to collect and remit retail sales tax, and possibly other lodging taxes, if they rent out their homes for periods of less than 30 days. These short term rentals are referred to as transient rentals. This fact sheet contains important information for people who rent out their personal homes, including condominiums and time share units, located in Washington.



TRANSIENT RENTAL BUSINESS

Anyone who intends to regularly engage in a transient rental business must collect and report taxes. Examples of intent to engage in the transient rental business include advertising the availability of your personal home for transient rental in a newspaper, on the Internet, or hiring a property manager to handle the rental of your home.

The Department of Revenue will presume that if you rent your home three or more times in a year for periods of less than 30 days each you are engaged in a taxable business activity. A long term rental where the guest contracts in advance to stay more than 30 days is not a taxable business activity and is not counted in determining the threshold for collecting and reporting taxes. If you are in the transient rental business, you must register with the Department and collect and remit retail sales tax and lodging taxes on all transient rentals. The tax is reported and paid by filing a state excise tax return. Once registered with the Department, a tax return will be mailed to you.

TAX OBLIGATIONS

Tax must be collected on transient rentals during the first calendar year in which you exceed two transient rentals. The tax is collected the third time the property is rented in the first year. All subsequent years, even if you only rent your home once or twice, tax must be collected and reported on all transient rentals.

COLLECTING TAXES FROM YOUR RENTERS

Both the state and local sales tax rate must be collected from guests at the time they are billed for the rental. The state rate is 6.5 percent, and the local rate depends upon where the rental property is located. Local sales tax rates range from 0.5 to 3.0 percent.

In addition to the regular sales tax, the Special Hotel/Motel Tax may apply at rates from 1.0 to 5.0 percent in certain areas. Other lodging taxes also apply to businesses with multiple units, but these do not currently apply to single home rentals. These include the Convention and Trade Center Tax and the Tourism Promotion Area Charges.

PROPERTY MANAGERS MUST COLLECT AND REMIT TAXES ON THE HOMEOWNER'S BEHALF

While you are not required to collect sales tax until the third transient rental in a calendar year, all transient rentals through property management services are taxable. The property manager is required to collect sales tax and lodging taxes on your behalf, even if there is only one rental listed with the property management in the first year. You should be aware that as a property owner, you may be liable for any taxes not collected by the property manager.

Examples of Taxability

	Rental Scenario	Tax Obligation
1st year	John bought a cabin as a retirement home on San Juan Island. He considered renting the cabin when he would not be using it. John had no idea how often he might rent it, but by word of mouth, he rented it out once within the first calendar year for 10 days.	John is not required to register with the Department of Revenue, or to collect sales tax and other lodging tax because he did not intend to rent his cabin out frequently, and he only entered into one rental agreement during the year.
2nd year	John rented the home five times with five separate rental agreements as follows: Rental #1 - 30 days Rental #2 - 32 days Rental #3 - 35 days Rental #4 - 14 days Rental #5 - 21 days	John is not required to register with the Department of Revenue, or collect sales tax/ lodging taxes. Only the transient rentals are counted in determining the taxable threshold, and John engaged in only two transient rentals (less than 30 days) during the year.
3rd year	John rented the house four times, each for a period of less than 30 days.	John needs to register at the time he rents out his house for the third rental period during this year. John must collect tax on both the third and fourth rental periods, and remit the collected taxes to the Department of Revenue.
4th year	John rents out his house only once for a period of 29 days.	The very first transient rental is subject to sales tax/ lodging taxes because John exceeded the taxable threshold in year three. Also, for all years after this year, John must collect taxes on all transient rentals.

BUSINESS AND OCCUPATION (B&O) TAX

If you are a property owner you are responsible for paying any "retailing" B&O tax due. This is a tax calculated on gross receipts of the business. The rate is currently 0.471 percent (\$4.71 per thousand dollars of taxable rental income). However, you may qualify for the Small Business B&O Tax Credit, depending on the amount of the rental income. For information on the credit, call our Telephone Information Center toll free at 1-800-647-7706, or see our Small Business B&O Tax Credit Table, available online at dor.wa.gov. The information will also be mailed to you in our new business packet once your tax reporting account has been established.



PAYING THE TAXES COLLECTED

Taxes are reported by filing a state excise tax return. On the return report your taxable rental income and calculate state and local taxes due. You will receive excise tax returns regularly once you register with the Department.

Registering with the Department of Revenue

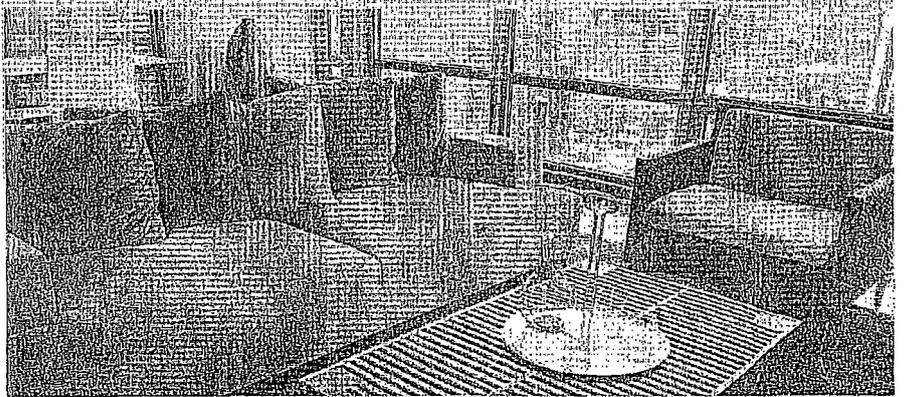
You can register one of two ways:

- Go to our web site, dor.wa.gov, and click on "Get a form or publication." Under Forms click on "Master Business Application."
- Call us toll free at 1-800-647-7706 to request an application. Complete and send it to the address noted on the application.

Once registered, you will receive a business license and a Unified Business Identifier (UBI) from the Department of Licensing. This UBI number is a unique number assigned to you, and it is the "registration number" used for reporting to the Department of Revenue.

Electronic Filing - Reporting The Fast and Easy Way

File and pay your returns electronically using E-file. It is the fastest and easiest way to report. We also offer a variety of electronic payment methods. To learn more, go to our web site at dor.wa.gov and click on "File my taxes online," then click "Learn about E-file benefits" and watch the video. If you have questions or need assistance, you may also call our tax specialists at 1-800-647-7706.



LODGING TAXES

Examples of Lodging Taxes by location (excluding taxes currently imposed on transient rental facilities with multiple units):

City	Retail Sales Tax	Special Hotel/Motel Tax	Calculation example*
Spokane	0.087	None if fewer than 40 rooms	\$52.20 (\$600 x 0.087)
Seattle	0.095	None	\$57.00 (\$600 x 0.095)
Leavenworth	0.080	0.03	\$66.00 (\$600 x 0.11)
Vancouver	0.082	0.02	\$61.20 (\$600 x 0.102)
Ocean Shores	0.083	0.03	\$67.80 (\$600 x 0.113)

* The calculation examples reflect taxes due assuming a single unit rented for \$600. The tax rates reflect rates in effect as of the date of publication, and are subject to change.

To inquire about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

The information contained in this fact sheet is current as of the date of this publication and provides general information about Personal Home Rentals. It does not cover every aspect of the tax, nor does it alter or supersede any administrative regulations or rulings issued by the Department of Revenue.

TELEPHONE INFORMATION CENTER

1-800-647-7706

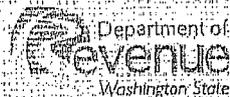
WEB SITE
dor.wa.gov

REQUEST FOR LETTER RULING

If you would like to request a ruling on the taxability of your activities, write to:

Taxpayer Information and Education
Washington State
Department of Revenue
PO Box 47478
Olympia, WA 98504-7478

NOTE: Personal property taxes may apply to the value of your household items, including furniture, appliances, artwork, and any other item of tangible personal property used to furnish a home that is rented out. However, there may also be certain exemptions available. Contact your county assessor for details on how to report the personal property and how to claim any exemptions from the tax.



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Prepared by the Taxpayer Services Division

FS0050

06/09

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Good afternoon-

This filing is for Ross Wilkinson & Cindy Wilkinson, et.al., Respondents, v. Chiwawa Communities Association, a Washington Non-Profit corporation, Appellant. Washington Supreme Court Case Number 86870-1.

For Leslie Garrison of The Schwarz~Garrison Law Firm, 206-622-9909, WSBA # 18040;
leslie@newwaylaw.com

Thank you,

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