

To: Admiral's Cove
From: CondoLaw

You asked: Can the Admiral's Cove Beach Club be considered a Homeowner's Association and, therefore, charge owners of property in Admiral's Cove development monthly assessments for the maintenance/upkeep for the Beach Club?

Short Answer: No, the Beach Club does not qualify as a Homeowner's Association and therefore cannot require owners of property in the Admiral's Cove development to pay assessments for the maintenance/upkeep of the Beach Club.

Analysis:

To be considered a Homeowners' Association, the association or other legal entity's members must (1) own residential real property within the association's jurisdiction and (2) by virtue of their ownership, the members are obligated to pay real property taxes, insurance premiums, maintenance costs, or for improvement of real property. RCW 64.38.010(1). (1995)

According to the documentation provided, the Beach Club's 1981 Bylaws delineate the classes of Beach Club members "Active Members" and "Associate Members":

-Active Members "shall be owners of property in the Admiral's Cove Development Division 1 through Division 7."

-Associate Members are defined as "persons who are on an annual basis, elected upon such terms, both as to dues and assessments, as the Board of Directors shall determine...cannot exceed 350 in number...not own property in Admiral's Cove Development."

Because the Beach Club's member class includes Associate Members not required to own property in Admiral's Cove Development, the Beach Club is not a Homeowner's Association. Additionally, according to the documentation provided, there are no covenants that "run with the land" obligating subsequent owners of Admiral's Cove property to pay assessments for the maintenance/upkeep of the Beach Club for Divisions 1 – 5. While the Homeowners Act could apply to Association formed prior to 1995, it would not apply in this situation because the CCRs and Deeds do not meet the basic requirement obligating members to pay for the maintenance/upkeep of the Beach Club.

In 1987, an amendment to the Articles for the Beach Club was filed, applying to Divisions 6 and 7. This amendment stated that the Beach Club could "levy assessments against owners of property in the Admiral's Cove development and/or members of this Club on a pro rata basis for the maintenance and upkeep of this corporation's properties and enforce collection of the same." It is unclear from the documentation received how this amendment was passed, which does call into question its effectiveness as it does not attach to the lots.

On December 10, 1969, Admiral's Cove agreed to sell the Club property including the swimming pool and facilities to the Beach Club for \$10,000.00. On April 30, 1970, the Beach Club indicated they were unable to pay \$10,000.00 and exercised the option to transfer 1,000 fully paid memberships in the Beach Club to Admiral's Cove. It is unclear if those memberships were to be of lifetime or limited duration. According to the documentation provided, it does not appear that ownership of the Beach Club was ever officially transferred from Admiral's Cove to the Beach Club; on June 2, 1986, Admiral's Cove released the Beach Club from all claims and liability arising from the 1969 agreement, and stated that the club property and facilities remained the property of the Beach Club.