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to Owners

April 20, 2020

Update 6

Hello Fellow Home/Condo Owners,

The Homestead Owners Advisory Group (HOAG), is made up of your fellow home/condo owners that have spent a lot of their personal time to gather facts and sort through our options. At the end of this update is a list of your HOAG members. If you are thankful of everything that they have done, please let them know as this work can be “thankless.” If you are upset, before you vent to the volunteers, please ask yourself whether you attempted to proactively find a resolution yourself. Remember, the HOAG are your neighbors that just want the best for all of us.

The HOAG has exhausted negotiations. We have uncovered unethical and nefarious actions by MJ Management. We have tried everything we can think of in order to avoid litigation. (Reference Update 5 for additional info).

Consequently, we have reached the point that litigation is a necessary in order to resolve this problem. The HOAG has been weighing two litigation options and supports both legal approaches.

Option #1: Consumer Protection Act (CPA) – Already Started

Led by attorney David Andersson; has already been initiated. Numerous petitioners have already signed a retainer/fee agreement with Andersson Cross Border Law Firm in order to start legal action. See the attached document from David Andersson explaining the CPA legal action and information about donating to the CPA suit.

Option #2: RCW 64.90.080, 64.90.525 legal course (RCW)

This option may be pursued at a later time (as described in the following paragraph), by real estate/land use attorney Seth Woolson of Chmelik, Sitkin, and Davis. Multiple attorneys believe that the newly passed budgetary requirements in Washington State RCW 64.90.525 (via 64.90.080) apply to the Homestead Development. The argument, in a nutshell, is that 18 Paradise LLP/MJ Management must simply follow the law as described in RCW 64.90.080 & 64.90.525, which means that at a minimum, unit owners must have the opportunity to vote on an annual budget. There is also a possibility that MJ management would be forced to recognize an elected board. The elected board would then formulate a budget to be voted on by the homeowners. After 90 days, a review by the HOAG will be done to determine the progress of Option #1 CPA. At that time, the HOAG will decide whether to initiate Option #2 RCW. If this action is needed, we unfortunately would need to ask again for a donation to support this legal action. The anticipated cost for this action is around \$30,000. Let's hope that Option #1 CPA is successful so that we need not be forced to pursue Option #2 RCW.

We have explored options in depth and there is a lot of support from HOAG for both of the options described. The HOAG voted on these options on April 4, and at that time Option #2 RCW garnered slightly more votes. After more research and discussion, the plan of starting with

one option then bringing in the second if necessary was agreed to unanimously by all on a call on April 13. We don't want to put all of our eggs in one basket.

All of us homeowners are adversely impacted by both the increase in maintenance fees and also by our inability to govern the budget of our common space.

The more people who contribute to the legal fund, the less of a burden it will be for everybody. Early contributors to Option 1 have already been paying \$93/month into the fund, rather than to The Golf Course. We are suggesting that each household contribute what they feel they can towards the legal fund while keeping in mind that we may need to donate to another one in the near future. Some of you will be able to contribute more or less, but please give what you can. We understand in light of the Coronavirus, some or many may be burdened financially.

The CPA and RCW legal actions are our attempts to right this wrong. This wrong was brought to us by 18 Paradise LLP and MJ Management, organizations owned and operated by people not from Lynden or our community, organizations that have clearly shown that they do not care about us.

All of us (*homeowners, condo owners, hard-working taxpayers, retirees, families, and fellow Lyndenites*) need to stand together and not allow others to take advantage of us.

Keep spreading the word to your neighbors about Homestead.money@yahoo.com so they can get on the distribution list. It is an effective way to communicate with everybody.

Thank you,
The HOAG