

SUPREME COURT OF WASHINGTON

Little Mountain Estates Tenants Ass'n v. Little Mountain Estates MHC, LLC

169 Wash. 2d 265 (2010) · Decided July 22, 2010

SUMMARY

The Washington Supreme Court held that the Manufactured/Mobile Home Landlord-Tenant Act permits a landlord and tenant to agree to a rental term that changes upon assignment. A provision granting the original tenant a 25-year lease but limiting an assignee to a one- or two-year term did not violate the Act because the parties had agreed to those terms and the tenant's right to assign was not eliminated. The court reversed the Court of Appeals in part and remanded the tenants' Consumer Protection Act and attorney-fee claims.

CASE DETAILS

COURT	Supreme Court of Washington
WRITING FOR THE COURT	Sanders, J.; Alexander, C.J.; Chambers, J.; Fairhurst, J.; Johnson, J.; Madsen, J.; Owens, J.; Stephens, J.
JURISDICTION	Washington
DECIDED	July 22, 2010
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The tenants association sought review of a Court of Appeals decision reversing the trial court's determination that the lease assignment provision complied with the Manufactured/Mobile Home Landlord-Tenant Act. The Washington Supreme Court reversed the Court of Appeals to the extent of the MHLTA ruling and remanded the unresolved Consumer Protection Act and attorney-fee claims.
STANDARD OF REVIEW	Statutory interpretation is reviewed de novo. When statutory language is unambiguous, the court enforces the statute's plain meaning.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Little Mountain Estates Tenants Ass'n v. Little Mountain Estates MHC, LLC

TOPICS

landlord tenant

real estate

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PRACTICE AREAS

landlord-tenant law

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QUESTIONS PRESENTED

1. Whether the MHLTA permits a landlord and tenant to agree to a 25-year rental term for the original tenant that becomes a one- or two-year term upon assignment.
2. Whether the assignment provision unlawfully waives or limits the tenant's statutory right to assign the rental agreement.
3. Whether the Consumer Protection Act claim was properly before the Supreme Court on review.

HOLDINGS

1. The MHLTA permits a landlord and tenant to negotiate and agree to the term of a rental agreement, including a term that is determined by a formula or linked to the tenant's decision to assign the lease. The agreed provision giving the original tenant a 25-year term and an assignee a one- or two-year term therefore does not violate the MHLTA.
2. The assignment provision did not waive or eliminate the tenants' right to assign their rental agreements. It merely defined the term that would apply to an assignment, and the tenants never possessed an assignable 25-year term under their agreements.
3. Legislative-intent statements do not justify invalidating the assignment provision because the operative statutory language is unambiguous. In any event, the stated purposes of the MHLTA were consistent with allowing the provision because the arrangement promoted stable, affordable housing and the economic feasibility of the manufactured-home community.

KEY QUOTATIONS

“Because the MHLTA expressly preserves the right of a landlord and tenant to negotiate and agree to the term of a rental agreement, this agreed-to provision does not violate the MHLTA.” (at 268)

“However, the tenants’ position mischaracterizes the rental agreement.” (at 269)

“The MHLTA does not prevent landlords from offering special terms to the tenants who first move into a new mobile or manufactured home park.” (at 271)

FACTUAL BACKGROUND

Little Mountain Estates MHC operated a manufactured-home community intended for elderly residents and offered new residents 25-year leases with rent increases tied to the Consumer Price Index. The leases provided that the 25-year term applied only to the original tenant and that an assignment would result in a one- or two-year term. Tenants had an opportunity to read and signed the agreements without objecting to the assignment provision, but later sued, arguing that the provision violated the MHLTA and the Consumer Protection Act.

PROCEDURAL HISTORY

The trial court held that the lease did not violate the MHLTA or the Consumer Protection Act and that the tenants were bound by the leases they voluntarily signed. The Court of Appeals reversed the MHLTA ruling and remanded the CPA claim for further factual findings. The Supreme Court granted review and held that the assignment provision did not violate the MHLTA.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The Court of Appeals decision was reversed to the extent inconsistent with the holding that the assignment provision did not violate the MHLTA. The remaining Consumer Protection Act claim and the claim for reasonable attorney fees under RCW 59.20.110 were remanded to the trial court.

CASES CITED

- Little Mountain Estates Tenants Ass'n v. Little Mountain Estates MHC, LLC, 146 Wn. App. 546, 561, 192 P.3d 378 (2008)
- State v. Williams, 158 Wn.2d 904, 908, 148 P.3d 993 (2006)
- Am. Cont'l Ins. Co. v. Steen, 151 Wn.2d 512, 518, 91 P.3d 864 (2004)
- State v. Armendariz, 160 Wn.2d 106, 110, 156 P.3d 201 (2007)
- State v. J.P., 149 Wn.2d 444, 450, 69 P.3d 318 (2003)
- Vance v. Villa Park Mobilehome Estates, 36 Cal. App. 4th 698, 708, 42 Cal. Rptr. 2d 723 (1995)
- Puget Sound National Bank v. Department of Revenue, 123 Wn.2d 284, 287, 868 P.2d 127 (1994)
- Estate of Jordan v. Hartford Accident & Indem. Co., 120 Wn.2d 490, 495, 844 P.2d 403 (1993)
- Clements v. Olsen, 46 Wn.2d 445, 448, 282 P.2d 266 (1955)
- Torgerson v. One Lincoln Tower, LLC, 166 Wn.2d 510, 517, 210 P.3d 318 (2009)
- Adler v. Fred Lind Manor, 153 Wn.2d 331, 344, 103 P.3d 773 (2004)