

RCW 64.90.425 Transfer of special declarant rights. (1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Involuntary transfer" means a transfer by foreclosure of a mortgage, deed in lieu of foreclosure, tax sale, judicial sale, or sale in a bankruptcy or receivership proceeding of real estate owned by a declarant.

(b) "Nonaffiliate successor" means a person that succeeds to a special declarant right and is not an affiliate of the declarant that transferred the special declarant right to the person.

(2) A special declarant right is an interest in real estate. The interest is appurtenant to:

(a) All units owned by the declarant; and

(b) Real estate that is subject to a development right.

(3) A declarant that no longer owns a unit or a development right ceases to have any special declarant rights.

(4) A declarant may voluntarily transfer part or all of a special declarant right only by an instrument that describes the special declarant right being transferred. The transfer becomes effective when recorded in every county in which any portion of the common interest community is located.

(5) Except as otherwise provided in subsection (8), (9), (11), or (12) of this section, a successor to a special declarant right is subject to all obligations and liabilities imposed on the transferor by this chapter or the declaration.

(6) If a declarant transfers a special declarant right to an affiliate of the declarant, the transferor and the successor are jointly and severally liable for all obligations and liabilities imposed on either person by this chapter or the declaration. Lack of privity does not deprive a unit owner of standing to maintain an action to enforce any obligation or liability of the transferor or successor.

(7) A declarant that transfers a special declarant right to a nonaffiliate successor:

(a) Remains liable for an obligation or liability imposed by this chapter or the declaration, including a warranty obligation, that arose before the transfer; and

(b) Is not liable for an obligation or liability imposed on the successor by this chapter or the declaration that arose after the transfer.

(8) A nonaffiliate successor that succeeds to fewer than all special declarant rights held by the transferor is not subject to an obligation or liability that relates to a special declarant right not transferred to the successor.

(9) A nonaffiliate successor is not liable for an obligation or liability imposed by this chapter or the declaration that relates to:

(a) A misrepresentation by a previous declarant;

(b) A warranty obligation on an improvement made by a previous declarant or before the common interest community was created;

(c) Breach of a fiduciary obligation by a previous declarant or the previous declarant's appointees to the board; or

(d) An obligation or liability imposed on the transferor as a result of the transferor's act or omission after the transfer.

(10) If an involuntary transfer includes a special declarant right, the transferee may elect to acquire or reject the special declarant right. A transferee that elects to acquire the special declarant right is a successor declarant. The election is effective

only if the judgment or instrument conveying title describes the special declarant right. If the judgment or instrument does not describe the special declarant right, the transferee will be presumed to have elected to accept the special declarant right.

(11) A successor to a special declarant right by an involuntary transfer may declare in a recorded instrument the successor's intent to hold the right solely for transfer to another person. After recording the instrument, the successor may not exercise a special declarant right, other than a right under RCW 64.90.415(1)(a) to control the board, and an attempt to exercise a special declarant right in violation of this subsection is void. A successor that complies with this subsection is not liable for an obligation or liability imposed by this chapter or the declaration other than liability for the successor's act or omission under RCW 64.90.415(1)(a).

(12) This section does not subject a successor to a special declarant right to a claim against or obligation of a transferor, other than a claim or obligation imposed by this chapter or the declaration. [2024 c 321 s 315; 2018 c 277 s 306.]