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6 IN THE SUPERIOR COURT FOR THE STATE OF WASHINGTON
7 IN AND FOR PIERCE COUNTY

8 SAGE, LLC, a Washington Limited Liability
9 Company; VIN GROTTTO, INC., a
10 Washington corporation,

11 Plaintiffs,

12 v.

13 M&M PROPERTIES, INC., d/b/a M&M
14 PREFERRED PROPERTIES, INC., an
15 Alaska Corporation; M&M OLYMPUS
16 HOTEL, L.P., a Washington Limited
17 Partnership,

18 Defendants.

NO. 07 2 10430 1

COMPLAINT FOR DAMAGES
AND INJUNCTIVE RELIEF

19 Plaintiffs SAGE, LLC and VIN GROTTTO, INC. allege as follows:

20 I. PARTIES

21 1.1 Plaintiff Sage, LLC is a Washington Limited Liability Company, operating in
22 Pierce County, Washington.

23 1.2 Plaintiff Sage, LLC is a Washington Limited Liability Company, operating in
24 Pierce County, Washington.

1.3 Defendant M&M Properties, Inc d/b/a M&M Preferred Properties, Inc.
("MMP") is an Alaska corporation registered to do business in Washington. All relevant

1 conduct by MMP occurred in Washington and specifically in Pierce County. MMP's principal
2 and agent for service of process resides in Pierce County Washington.

3 1.4 Defendant M&M Olympus Hotel, L.P. ("MMO") is a Washington Limited
4 Partnership doing business in Pierce County Washington. MMO's principal and agent for
5 service of process resides in Pierce County Washington.

6 II. JURISDICTION AND VENUE

7 2.1 Jurisdiction and venue are proper in Pierce County, Washington because at all
8 times relevant to this lawsuit, Defendants operated in Pierce County, Washington. Further, this
9 claim arises out of nuisance activity on real estate located in Pierce County Washington.

10 2.2 Jurisdiction is appropriate in this Court pursuant to RCW 2.08.010.

11 2.3 Venue of this action is proper pursuant to RCW 4.12.025.

12 III. FACTS

13 3.1 Plaintiff Sage LLC is the owner of the Rowland Building in Tacoma
14 Washington. The Rowland Building is immediately adjacent to the Olympus Hotel Building
15 ("Olympus"), owned and operated by Defendants and their agents.

16 3.2 Plaintiff Sage leases apartments and commercial space in the Rowland Building.
17 Plaintiff Vin Grotto is a commercial tenant of Sage, operating a wine bar and bistro in the
18 Rowland Building.

19 3.3 Defendant MMP, Defendant MMO, or both of them (collectively "Defendants")
20 own and operate the Olympus. The Olympus is operated as low-income housing and includes
21 numerous residential apartments.

22 3.4 Defendants, as operators of low-income housing, are required to comply with
23 various rules, regulations and standards under local, state and federal law. These include, but
24 are not limited to, health, safety and housing rules regarding the condition of the building and

1 units, the level of building security and criminal behavior in and around the premises. The
2 Olympus is also a historic building subject to preservation and heritage regulations.

3 3.5 Since 2001 and continuously since that time, Defendants, directly and through
4 their agents, have failed adequately to maintain or operate the Olympus, which has caused and
5 allowed the building and premises to be maintained and used in a dangerous, destructive,
6 unhygienic, noisy and illegal manner.

7 3.6 By failing to provide adequate security, repair, maintenance and tenant
8 management for the Olympus, Defendants have not complied with local, state and federal laws
9 and regulations that apply to the Olympus. This has occurred despite repeated warnings by
10 Plaintiff, Tacoma Police, Tacoma Chamber of Commerce, Tacoma Housing Authority and
11 others that the Olympus was not being adequately maintained as low-income housing.

12 3.7 Since at least 2001, Defendants have been given constructive and actual notice
13 that criminal activity—including drug manufacture, sales and use—routinely occur in and
14 around the Olympus. These warnings have come in writing and verbally, and have been made
15 by numerous private and public entities. Defendants have failed to take any adequate steps or
16 take any measures in response to these warnings or to the ongoing criminal activity.

17 3.8 Defendants have further been notified that active drug dealers with outstanding
18 criminal warrants reside in the Olympus and are trading in illegal drugs on the premises.
19 Despite this warning, no steps have been taken to remove these individuals or in any way abate
20 the rampant illegal activity at the Olympus.

21 3.9 The unregulated conduct of Olympus tenants and the failure by Defendants to
22 reasonably maintain or manage the property have caused direct effects to both the Rowland
23 Building itself as well as Plaintiffs' use of the building. Plaintiffs have sustained physical
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1 damage to their premises and have sustained substantial business losses caused by the acts and
2 omissions of Defendants and the Olympus tenants.

3 3.10 As a result of the acts and omissions of Defendants, Plaintiffs have sustained
4 business losses, out-of-pocket expenses, loss of use and enjoyment of property, and other
5 special and general damages.

6 3.11 The harmful and illegal conditions caused by Defendants' acts and omissions
7 are ongoing and continues to cause economic and non-economic harm to both Plaintiff Sage
8 and Plaintiff Vin Grotto. This harm is having a significant impact on Plaintiffs' businesses and
9 severely impairs Plaintiffs' use and enjoyment of their property.

10 **IV. FIRST CAUSE OF ACTION: NUISANCE**

11 4.1 Plaintiffs incorporate by reference the allegations contained in the preceding
12 paragraphs of this Complaint.

13 4.2 Defendants' failure to adequately operate and manage the Olympus and further
14 failure to comply with local, state and/or federal law interferes with Plaintiffs' use and
15 enjoyment of property and is otherwise offensive, noisome and injurious to Plaintiffs and their
16 businesses. Defendants' inadequate management of the Olympus and continuing failure to act
17 on the warnings and requests of Plaintiffs and others was unreasonable and is in violation of
18 law. These acts and omissions constitute nuisance under RCW 7.48.010, 7.48.120 and
19 7.48.130 and under the common law. Accordingly, Defendants are liable to Plaintiffs for
20 nuisance under RCW 7.48 and the common law.

21 4.3 As a direct and foreseeable result of Defendants acts and omissions, Plaintiff
22 Sage and Plaintiff Vin Grotto have sustained special and general damages in an amount to be
23 proven at trial. These damages include, but are not limited to, business losses, out-of-pocket
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