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NOTES FROM THE TEAM

Three Simple New Year's Resolutions for Community Association Boards

-by Marlyn Hawkins



Being the second week in January, many of us may have already given up on our personal New Year's resolutions, but maybe board members can find solace in a set of basic New Year's Resolutions for their associations involving going back to the basics: The Three R's.*

Here are a few basic resolutions that involve no diets, gym memberships or willpower of any sort!

1. **READING.** Read your governing documents. As a board, make it your resolution to read your governing documents from top to bottom. This includes the Declaration of Covenants, Conditions & Restrictions (often referred to as CC&R's), Bylaws, Rules and Regulations and any policies adopted by Board resolution that become part of the Rules and Regs. If you're particularly dedicated to the task, take a couple of different color highlighters in hand and carefully read the sections relating to association or board rights, powers and duties. Highlight every "shall," "must," "will" or other mandatory-type language in one color and highlight every "may", "will endeavor to" or other permissive-type language in another color.

Remember that as a creature of statute, your HOA or Condo Association has no inherent authority. In other words, the power and ability to do something must be explicitly stated somewhere. That

"somewhere" could be the statute, governing documents or cases interpreting association authority.

Identifying that authority and determining whether the board is required to do something or merely permitted to do something is key!

2. **WRITING.** Create an Association "Cheat Sheet." This practice is great for use by board members, but is also a fantastic tool for managers to have a one-page sheet where they can see at-a-glance the particular quirks of each of their Associations. Cheat Sheets can be very broad, including the legal name of the association, the corporate renewal date, dates of the declaration, list of amendments, dates of bylaws and date and version of particular rules or resolutions. Or they can be very specific, such as a "notice cheat sheet" that states the notice required of members' or board meetings. Cheat sheets should never take the place of the actual recorded or adopted documents, however. They should always be clearly marked as *summaries*, should refer the reader back to the actual section of the governing document being summarized. The use of cheat sheets should also be limited to board members or managers who understand their context. Finally, boards should avoid providing summaries of terms of the governing documents to association members since a lot can be lost in the translation. Remember, when it comes down to interpretation of the governing documents, the actual language of the governing document, not the cheat sheet shorthand, will determine the outcome, so frequently check the actual governing documents to ensure that your prior interpretations are correct.

3. **ARITHMETIC.** By now, everyone knows that there are "new" Washington statutes regarding reserves effective last year, but for many, that is about all that is known. The new reserve study legislation also added some disclosure requirements that you may have missed if you haven't prepared a budget for a year. Take a minute to go over the new budget summary requirements contained in RCW 64.34.308(4) for condos and RCW 64.38.025(4) for non-condo associations. Oregon's budget and reserve study laws have not changed, but now is still a great time to become more familiar with the requirements. The condo requirements are located at ORS 100.175 and ORS 100.412, and the non-condo requirements are at ORS 94.595 and ORS 94.645.

Happy New Year!

Best regards,

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* For those of you puzzled by the Three R's reference, see [this link](#).

PS - *Your input and questions are always appreciated. Please feel free to call us at your convenience. To access other valuable articles: [Click Here](#)*

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