

ISSUE #1

Section 1: [Article VIII, Section 8.3] Adoption of Annual Budget by Board of Directors

MARKUP #1 ->

The Board of Directors shall prepare and adopt an annual operating and capital budget for the Club on or before the Annual Meeting of Members. The budget as approved by a majority of the Board of Directors shall become final and binding upon all Members unless increase in regular assessments exceeds ten percent (10%) over the prior fiscal year.

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Article VIII, Section 8.3 (p. 1): [FLAGGED FOR COUNSEL REVIEW - SAFE RESOLUTION GATE] Board adoption of the annual budget as final without submitting every budget to a member ratification meeting.

Statutory / Legal Reference: RCW 64.38.025(3) & RCW 64.90.525(1)

Statutory Comparison: Under the Washington Homeowners' Associations Act (RCW 64.38.025(3)) and WUCIOA (RCW 64.90.525(1)), within 30 days after adoption of any proposed regular or special budget by the board of directors, the board **MUST** provide a summary of the budget to all owners and set a date for a meeting of the owners to consider ratification of the budget (not less than 14 nor more than 50/60 days after mailing), regardless of whether assessment increases are under 10%.

CURRENT WORDING IN DOCUMENT:

[Article VIII, Section 8.3] Adoption of Annual Budget by Board of Directors - The Board of Directors shall prepare and adopt an annual operating and capital budget for the Club on or before the Annual Meeting of Members. The budget as approved by a majority of the Board of Directors shall become final and binding upon all Members unless increase in regular assessments exceeds ten percent (10%) over the prior fiscal year.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Article VIII, Section 8.3 ([Article VIII, Section 8.3] Adoption of Annual Budget by Board of Directors - The Board of Directors shall prepare and adopt an annual operating and capital budget for the Club on or before the Annual Meeting of Members. The budget as approved by a majority of the Board of Directors shall become final and binding upon all Members unless increase in regular assessments exceeds ten percent (10%) over the prior fiscal year.) to conform with RCW 64.38.025(3) & RCW 64.90.525(1) and the manual attorney audit recommendations for Birch Bay Village Community Club.