

RCW 64.90.405 Powers and duties. (1) An association must:

- (a) Adopt organizational documents;
 - (b) Adopt budgets as provided in RCW 64.90.525;
 - (c) Impose assessments for common expenses and specially allocated expenses on the unit owners as provided in RCW 64.90.080(1) and 64.90.525;
 - (d) Prepare financial statements as provided in RCW 64.90.530;
- and
- (e) Deposit and maintain the funds of the association in accounts as provided in RCW 64.90.530.

(2) Except as provided otherwise in subsection (4) of this section and subject to the provisions of the declaration, the association may:

- (a) Amend organizational documents and adopt and amend rules;
- (b) Amend budgets under RCW 64.90.525;
- (c) Hire and discharge managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings or any other legal proceeding in its own name on behalf of itself or two or more unit owners on matters affecting the common interest community;
- (e) Make contracts and incur liabilities subject to subsection (4) of this section;
- (f) Regulate the use, maintenance, repair, replacement, and modification of common elements;
- (g) Cause additional improvements to be made as a part of the common elements;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but:
- (i) Common elements in a condominium, plat community, or miscellaneous community may be conveyed or subjected to a security interest pursuant to RCW 64.90.465 only; and
- (ii) Part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest pursuant to RCW 64.90.465 only;
- (i) Grant easements, leases, licenses, and concessions through or over the common elements and petition for or consent to the vacation of streets and alleys;
- (j) Impose and collect any reasonable payments, fees, or charges for:
 - (i) The use, rental, or operation of the common elements, other than limited common elements described in RCW 64.90.210 (1)(b) and (3);
 - (ii) Services provided to unit owners; and
 - (iii) Moving in, moving out, or transferring title to units to the extent provided for in the declaration;
- (k) Collect assessments and impose and collect reasonable charges for late payment of assessments;
- (l) Enforce the governing documents and, after notice and opportunity to be heard, impose and collect reasonable fines for violations of the governing documents in accordance with a previously established schedule of fines adopted by the board of directors and furnished to the owners;
- (m) Impose and collect reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates required under RCW 64.90.640, lender questionnaires, or statements of unpaid assessments;

(n) Provide for the indemnification of its officers and board members, to the extent provided in RCW 23B.17.030;

(o) Maintain directors' and officers' liability insurance;

(p) Subject to subsection (4) of this section, assign its right to future income, including the right to receive assessments;

(q) Join in a petition for the establishment of a parking and business improvement area, participate in the ratepayers' board or other advisory body set up by the legislative authority for operation of a parking and business improvement area, and pay special assessments levied by the legislative authority on a parking and business improvement area encompassing the condominium property for activities and projects that benefit the condominium directly or indirectly;

(r) Establish and administer a reserve account as described in RCW 64.90.535;

(s) Prepare a reserve study as described in RCW 64.90.545;

(t) Exercise any other powers conferred by the declaration or organizational documents;

(u) Exercise all other powers that may be exercised in this state by the same type of entity as the association;

(v) Exercise any other powers necessary and proper for the governance and operation of the association;

(w) Require that disputes between the association and unit owners or between two or more unit owners regarding the common interest community, other than those governed by chapter 64.50 RCW, be submitted to nonbinding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding; and

(x) Suspend any right or privilege of a unit owner who fails to pay an assessment, but may not:

(i) Deny a unit owner or other occupant access to the owner's unit;

(ii) Suspend a unit owner's right to vote; or

(iii) Withhold services provided to a unit or a unit owner by the association if the effect of withholding the service would be to endanger the health, safety, or property of any person.

(3) The declaration may not limit the power of the association beyond the limit authorized in subsection (2)(w) of this section to:

(a) Deal with the declarant if the limit is more restrictive than the limit imposed on the power of the association to deal with other persons; or

(b) Institute litigation or an arbitration, mediation, or administrative proceeding against any person, subject to the following:

(i) The association must comply with chapter 64.50 RCW, if applicable, before instituting any proceeding described in chapter 64.50 RCW in connection with construction defects; and

(ii) The board must promptly provide notice to the unit owners of any legal proceeding in which the association is a party other than proceedings involving enforcement of rules or to recover unpaid assessments or other sums due the association.

(4) Any borrowing by an association that is to be secured by an assignment of the association's right to receive future income pursuant to subsection (2)(e) and (p) of this section requires ratification by the unit owners as provided in this subsection.

(a) The board must provide notice of the intent to borrow to all unit owners. The notice must include the purpose and maximum amount of the loan, the estimated amount and term of any assessments required to

repay the loan, a reasonably detailed projection of how the money will be expended, and the interest rate and term of the loan.

(b) In the notice, the board must set a date for a meeting of the unit owners, which must not be less than fourteen and no more than fifty days after mailing of the notice, to consider ratification of the borrowing.

(c) Unless at that meeting, whether or not a quorum is present, unit owners holding a majority of the votes in the association or any larger percentage specified in the declaration reject the proposal to borrow funds, the association may proceed to borrow the funds in substantial accordance with the terms contained in the notice.

(5) If a tenant of a unit owner violates the governing documents, in addition to exercising any of its powers against the unit owner, the association may:

(a) Exercise directly against the tenant the powers described in subsection (2)(1) of this section;

(b) After giving notice to the tenant and the unit owner and an opportunity to be heard, levy reasonable fines against the tenant and unit owner for the violation; and

(c) Enforce any other rights against the tenant for the violation that the unit owner as the landlord could lawfully have exercised under the lease or that the association could lawfully have exercised directly against the unit owner, or both; but the association does not have the right to terminate a lease or evict a tenant unless permitted by the declaration. The rights referred to in this subsection (5)(c) may be exercised only if the tenant or unit owner fails to cure the violation within ten days after the association notifies the tenant and unit owner of that violation.

(6) Unless a lease otherwise provides, this section does not:

(a) Affect rights that the unit owner has to enforce the lease or that the association has under other law; or

(b) Permit the association to enforce a lease to which it is not a party in the absence of a violation of the governing documents.

(7) The board may determine whether to take enforcement action by exercising the association's power to impose sanctions or commencing an action for a violation of the governing documents, including whether to compromise any claim for unpaid assessments or other claim made by or against it.

(8) The board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

(a) The association's legal position does not justify taking any or further enforcement action;

(b) The covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with law;

(c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or

(d) It is not in the association's best interests to pursue an enforcement action.

(9) The board's decision under subsections (7) and (8) of this section to not pursue enforcement under one set of circumstances does not prevent the board from taking enforcement action under another set of circumstances, but the board may not be arbitrary or capricious in taking enforcement action. [2019 c 238 § 209; 2018 c 277 § 302.]