

CondoLaw's 2018 Handbook for Community Associations

GLOSSARY OF COMMUNITY ASSOCIATION TERMS

TERM	SIMPLE DESCRIPTION (not a substitute for definitions contained in the RCW or specific Declaration)
Allocated interest	The percentage of the physical property owned by a particular Unit Owner. The total of all Owners of a condo must add up to 100%. This often determines the Unit Owner's share of common Assessments, and the votes Unit Owners have for any matter decided by the Association.
Amendment	A legal change to a document that affects the rights or obligations of the Owners. Any Governing Document can be amended by some method: some by a simple vote of the Board, others by 100% approval by the Owners and the lenders for the Units.
Apartment	"Old Act" term for a Unit in the "New Act". This is a piece of property owned exclusively by a member of the Association for his or her personal use.
Articles of Incorporation	Legal documents filed with the Secretary of State to create a Corporation. "New Act" condominiums must be corporations. WUCIOA Associations may be organized as for-profit or nonprofit corporations or limited liability companies.
Assessment	Any money the Association requires an Owner to pay to the Association.

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	Construction projects or unanticipated expenditures may have Special Assessments. Fines and late fees are Assessments against only one Unit.
Association	The group of all Owners of a community. Most are non-profit corporations.
Board, or Board of Directors	The elected members of the Association who make decisions and act for the Association.
Board Meeting	A meeting of just the Board Members to conduct the business of the Association. Typically monthly, but could be more or less frequent.
Board Members	The members of the Association elected to manage the affairs of the Association. Typically, a President, Vice President, Treasurer, and Secretary are selected (by the Board) from among the Board Members. The Bylaws establish the number and election procedures.
Budget	A forward projection of common expenses for the next year, used to set the monthly Assessments for each Unit. Includes all expenses for insurance, utilities, management, landscaping, repairs, etc. Special Assessments have budgets too.
Bylaws	The procedures by which the Association governs its business. Typically deals with meetings, elections, voting, proxies, etc.

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CGL Insurance	Commercial General Liability: One type of insurance carried by most Associations and contractors. It insures the policy holder for acts and omissions, and negligence.
Common Area	See Common Element.
Common Element	Portion of the physical property owned collectively by all the members of the Association. Typically includes the roof, exterior walls, floor structures, parking lots, and anything not part of the individual Units. Sometimes thought of as the physical areas like a parking lot or playground rather than something like the roof.
Common Expense	Any expense of the Association allocated to all of the Unit Owners.
Common Interest Community	A form of real property characterized by the shared ownership of some property, with the rights and obligations of ownership outlined by statute and in Governing Documents and managed by an Association comprised of the Owners. Examples include condominiums, Homeowners' Associations, and cooperatives.
Condominium	A real property development in which property can be divided by lines on the ground like traditional real estate, and horizontal planes like the floors of a building.
Cooperative	A common interest community in which the real estate is owned by an Association; each member is entitled

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	by virtue of a proprietary lease to exclusive possession of a Unit.
D&O Insurance	Directors' and Officers' Liability Insurance. Protects the Association and individual Board Members from lawsuits for their conduct acting on behalf of the Association. Will not protect them from intentional bad acts or acting outside their authority.
Declarant	The person or entity that forms the community by recording a Declaration or Covenants, Conditions and Restrictions (CC&Rs). More commonly known as the Developer.
Declaration	The document that is recorded with the county to describe the physical property that is the community, and to describe Owners' rights and obligations must include any restrictions and procedures that affect the property.
Deductible	The amount of money that an insurance policy holder must pay out of pocket before the insurance company will pay for any covered claims. The policy holder "self-insures" this amount.
Due Process	A phrase that stands for the right of an individual to be heard on a matter before a decision that affects them is final. May relate to fines assessed or permission denied.
Fine Schedule	A list of fines which can be assessed against Owners for violations of the Governing Documents. Enforceable if

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	provided to all Unit Owners in advance.
Governing Documents	Collectively the documents that control the ownership and use of the property and the Association. Includes Declaration, Survey Maps, Bylaws, Rules and Regulations, and Articles of Incorporation.
Governing Statute	The chapter of the Revised Code of Washington which outlines the default rules for managing a common interest community. May refer to one or more of RCWs 64.32, 64.34, 64.38, and 64.90.
HOA	Homeowners Association.
Limited Common Element	Portion of the physical property owned collectively by all members of a Condo Association, but the use of which is restricted to one or only some members. Examples: decks; parking spaces; or storage lockers.
Lot	Per RCW 64.38.010 (12) a Lot is a physical portion of the real property located within an Association and designated for separate ownership. It is the same as Unit in WUCIOA.
New Act	Washington Condominium Act. RCW 64.34, effective in 1990.
Nonprofit Corporation Acts	A legal entity governed by RCW 24.03 and/or RCW 24.06.
Old Act	Horizontal Regime Property Act. RCW 64.32, effective in 1963.

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Organizational Documents	Documents filed with the state to create and govern a common interest community Association.
Owner	The "person" that holds title to a property in the community. This may be a single person, a married couple, a corporation, trust, or some other legal entity, and includes the Declarant.
Personal Property	Things that are not tied to real estate or physical property. Includes cars, furniture, kitchen utensils and clothes. May include appliances like refrigerators and washing machines.
Property Insurance	This insures the physical property of a community against physical loss or damage. Does not include the contents of the Units, but often includes carpet and fixtures within condominium Units. For HOAs, it includes all property owned by the Association.
Proxy	Writing by one Association Member giving its vote to another person. May be for a specific vote or may be a general power to vote on any matter.
Quorum	The minimum number of Association (or Board) Members required to meet together to take action for the Association (or Board).
Ratification	The act by the Owners giving their formal consent of an Association action initiated by the Board.

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RCW	Revised Code of Washington. The state laws that govern all activities in the State of Washington.
Records	Includes (but is not necessarily limited to) financial statements, paid bills, cancelled checks, meeting minutes, contracts, or any other written document received by, created by, or sent out from the Association, but does not include Board Member emails. WUCIOA better defines records.
Resale Certificate	Document prepared by the Association for potential buyers meant to provide adequate information for making an informed purchasing decision. Tells the buyer all the rights and restrictions of ownership. Required for condominiums and WUCIOA communities.
Reserve Study	A long-term future projection of major maintenance and repair expenses to help the Association budget. Its contents are now specified by statute.
Rules and Regulations	Documents that govern use of the Common Areas and Units/lots. Typically adopted by the Board.
Security Interest	Bank's right to foreclose on property.
Tenant	A person who rents the physical property that is the Unit.
Unit	"New Act" term for Apartment in the "Old Act". This is the piece of the property owned exclusively by each

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member of the Association. WUCIOA defines it as a physical portion of the common interest community designated for separate ownership or occupancy.

WUCIOA

Washington Uniform Common Interest Ownership Act. RCW 64.90.