

Court Says HOA Directors Can Invalidate Member Vote to Amend Bylaws
by Lawrence Szabo, Esq. | Jan 14, 2020 | Board of Directors, Case Decisions, Governing Documents

This case involved a dispute between a group of homeowners (“Owners”) and their homeowners association (“Association”) over the use of equestrian riding trails in the community that were established under the governing documents for the benefit and use of the residents of the community.

Because the riding trails were being used by business invitees of members who boarded horses belonging to non-members on their property over the objection of

Owners, Association conducted a special membership meeting where an amendment to Association’s bylaws was passed that prohibited the use of the equestrian trails by members’ business invitees. The amendment passed based on the votes of both the members who attended the special meeting in person and those whose votes were by proxy. Subsequent to the membership meeting, Association’s board of directors invalidated the amendment on the basis that the membership vote was flawed because it included votes by proxy and the bylaws required “in-person” presence at the meeting to vote on bylaw amendments.

After Association invalidated the amendment, Owners filed a lawsuit seeking declaratory and injunctive relief to enforce the amendment.

The trial court granted summary judgment in favor of Association after concluding that Association’s bylaws required an “in person” presence to vote on bylaw amendments. Owners then appealed the trial court’s judgment.

The provision of Association’s bylaws that was in question stated, “The Bylaws may be amended at any time by a vote of a majority of the members of the corporation present at any meeting of the membership duly called for such purpose.” In support of their position, Owners contended that the requirement of being present in person on a vote for an amendment meant present in person or by proxy. Owners further contended that their argument was supported by another provision in the Bylaws which stated that, “a member may exercise his right to vote by proxy.”

The appellate court agreed with the trial court in finding that, when interpreting contracts (the Bylaws are considered a contract), the specific prevails over the general. Both courts found that use of the word “present” in the clause pertaining to amendments meant present in person, and not by proxy. The appellate court stated, if the drafters had intended to include proxy votes in votes to amend the bylaws, they could have said so.

In response to Owners’ argument that interpreting “present” to mean “present in person” would lead to absurd results because an applicable statute specifically stated that proxies are considered “present” for the purpose of establishing a quorum, the court stated that, “the means of establishing a quorum does not prohibit an association from imposing additional procedural safeguards onto particular types of votes, especially votes as significant as bylaw amendments.”

UNPUBLISHED Washington State Appellate Court decision (January 7, 2020).