



# Hayden Bay Condominiums

Hayden Bay Condominiums  
585 N Tomahawk Is Dr  
Portland, OR 97217-7923

[www.hbcondos.org](http://www.hbcondos.org)

Lillian Parker, Bookkeeper  
202 N Hayden Bay Drive  
Portland, OR 97217  
[lillian@edosit.com](mailto:lillian@edosit.com)

February 18, 2020

**To:** Homeowners of Hayden Bay Condominiums  
**Fr:** Amy Welch, secretary  
**RE:** Hayden Bay Condo Annual Meeting – Thurs, Feb 27, 2020  
6 PM, Rec Room

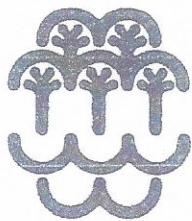
Enclosed for your review is the information about the upcoming Annual Meeting. Please take a moment to complete and return the Official Directed Proxy and Homeowners Information Sheet in the self-addressed, stamped envelope.

The following information is enclosed:

1. Annual Meeting Notice
2. Agenda
3. Directed Proxy
4. Information regarding CPA Review Legislation
5. Hayden Bay Association Directory – draft
6. Self-Addressed Stamped Envelope

\*To help with obtaining a quorum prior to the Annual Meeting date, we ask that even if you plan to attend, please complete and return the enclosed proxy.

Should you have any questions about the information enclosed, please do not hesitate to contact me at 503 206.8853



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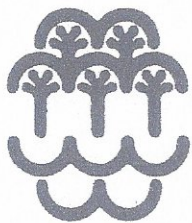
**Agenda**  
**Annual Meeting**  
**Thurs, February 27, 2020, 6:00 PM**  
**Recreation Room**

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**Call to Order: Sean Penrith**

- I. Roll Call & Certifying Proxies – Sarah Warnick**
- II. Proof of Notice – Sarah Warnick**
- III. Approval of 2019 Annual Meeting Minutes – Feb 28, 2019**
- IV. Reports from the Board and Committee**
  - A. President – Sean Penrith
  - B. Treasurer's Report – Sean Penrith
  - C. Landscape – Sally Anderson & Donna Hempstead
  - D. Insurance – Hazel Larpenteur
  - E. Maintenance – Donna Hempstead
  - F. Secretary & Website – Sarah Warnick
    - a. HINooN – vacant position
  - G. Hayden Bay Marina Homes (Red Zone) – Steve Alexander & Sarah Warnick
- V. Election of Board Members – two open positions (Alexander & Larpenteur)**
  - A. Homeowners are asked to submit their names as candidates. Anyone may come forward as a candidate if they are in good standing as a homeowner. If anyone is submitted as a candidate and is not present at the meeting, that person must give prior permission to serve on the board.

The new board will appoint officers and job titles and committees.
- VI. Old Business**
  - A. 10-Year Reserve – Debra Alexander & Sean Penrith
  - B. Pool – Red Zone
- VII. New Business**
  - A Resolution for Revenue Ruling Regarding Assessments
- VIII. Motion to Adjourn**



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503 247 5916

**Thursday, February 27, 2020**  
**Official Directed Proxy**

Even if you are planning to attend, **please send in your proxy** so that we can be sure to reach a quorum. Proxies must be completed with your name, address and signature. Incomplete proxies may be voided.

I, \_\_\_\_\_, being a member in good standing of Hayden Bay Condominiums, Inc. under the duly recorded bylaws of the Association do hereby grant my proxy to:

**Proxy's Full Name** \_\_\_\_\_

**Proxy's Address** \_\_\_\_\_

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**Express instructions:** I/We expressly direct and instruct my/our proxy to vote as indicated.

**I/We vote:**    ☐ In Favor of the **2019 CPA Review** (this is NOT an audit)

☐ Against the **2019 CPA Review** (this is NOT an audit)

Per ORS 100.480, a review of the Association financial accounts from a Certified Public Accountant (See attached documentation for specific information regarding this requirement).

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Said person being a member in good standing of the community, this proxy carries with it full right to the proxy holder to cast their vote as they see fit for any and all issues presented at the above-referenced meeting and any adjourned session of the Annual Meeting.

**This proxy is cancelable by my notice in writing or by my Attendance at the Annual Meeting.**

**Signature** \_\_\_\_\_

**Address** \_\_\_\_\_

**Date** \_\_\_\_\_

This proxy may be returned in the enclosed envelope or as transmitted by scanning to [sarah0015@comcast.net](mailto:sarah0015@comcast.net) to arrive on or before 3 PM, Wednesday, February 26, 2020.

Please note that two director's positions (Alexander, Larpenteur) expire as of this meeting. If you are interested in having your name placed in the nomination for a position, please indicate below.

☐ YES    ☐ NO

### **Revenue Ruling 70-604 Election**

**By: David T. Schwindt, CPA**

#### **What is the 70-604 election?**

The Revenue Ruling 70-604 election is a tax election that documents the intention of the Association to consider utilizing the provisions of Revenue Ruling 70-604 when filing Form 1120. This election, if used when filing Form 1120, may reduce potential risks of filing Form 1120. Associations filing Form 1120H do not qualify to use the provisions of Revenue Ruling 70-604.

#### **How is the election made?**

Revenue Ruling 70-604 election is made by voting on the election at a duly organized annual meeting of the membership of the Association. A duly organized annual membership meeting is by definition a meeting that conforms to the annual meeting criteria as set forth by the Association's governing documents. After the duly organized meeting is called to order, the election can be submitted to a vote of those in attendance at the annual meeting. If more than 50% of the members in attendance at the meeting vote in favor of the election, it passes.

After passing the election by vote, the election form should be signed by an officer of the Association signifying the action taken. The form should be forwarded to the Association's tax preparer.

#### **Should an Association pass the 70-604 election if the Association generally files Form 1120H which does not use Revenue Ruling 70-604?**

Yes, the election should also be made by Associations that file Form 1120H. There is always a chance the Association may want to file Form 1120 in any given year due to unexpected potentially taxable income such as a lump sum utility easement payment or other unexpected taxable income. In this case, it is advisable to make the election just in case the Association may want to take advantage of Revenue Ruling 70-604 when filing Form 1120.

#### **Is there any potential liability to the Association in making the 70-604 election and voting on the election at the annual meeting?**

No, there is no tax liability to the Association for making the election.

*Questions regarding this article may be directed to David T. Schwindt, CPA at Schwindt & Co. (503) 227-1165.*

3407 SW CORBETT AVENUE  
PORTLAND, OR 97239

10900 NE 8<sup>th</sup> STREET, STE 1000 PMB 136  
BELLEVUE, WA 98004

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cpa@schwindtco.com

ASSOCIATION RESOLUTION FOR REVENUE RULING 70-604 ELECTION –  
EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S ASSESSMENTS

RESOLUTION MUST BE VOTED ON BY THE MEMBERSHIP  
AT THE ANNUAL MEETING

ANNUAL RESOLUTION OF THE HAYDEN BAY CONDOMINIUM UNIT  
OWNERS ASSOCIATION

RE: EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S ASSESSMENTS  
REVENUE RULING 70-604

WHEREAS, the Hayden Bay Condominium Unit Owners Association is an  
Oregon corporation duly organized and existing under the laws of the State of Oregon;

and

WHEREAS, the members desire that the corporation shall act in full accordance  
with the rulings and regulations of the Internal Revenue Service;

NOW, THEREFORE, the members hereby adopt the following resolution by and  
on behalf of the Hayden Bay Condominium Unit Owners Association:

RESOLVED, that any excess of membership income over membership expenses  
for the year ended December 31, 2019, 2020 and 2021 shall be applied against the  
subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

This resolution was voted on and made a part of the minutes of the annual  
meeting of \_\_\_\_\_.

BY: \_\_\_\_\_  
President

ATTESTED: \_\_\_\_\_  
Secretary