

Sec. 5 (p. 4): Open Board Meeting, Action Without Meeting, or Member Governance Defect: Clause authorizes unnotified board meetings or unilateral board action by written/email consent outside open noticed meetings, or unlawfully restricts member governance rights under OR law.

Statutory / Legal Reference: ORS Ch. 65 (Oregon Nonprofit Corporation Act); ORS Ch. 94 (§§ 94.550 - 94.783 Oregon Planned Community Act) & OAR Ch. 863, Div. 25 (Oregon Real Estate Agency Association Rules)

Statutory Comparison: Under ORS Ch. 65 (Oregon Nonprofit Corporation Act); ORS Ch. 94 (§§ 94.550 - 94.783 Oregon Planned Community Act) & OAR Ch. 863, Div. 25 (Oregon Real Estate Agency Association Rules), association boards must conduct business in open meetings noticed to the membership and may not dispense with notice or take substantive policy, budget, assessment, or enforcement action by written/email consent outside an open meeting, nor expel members from an apartment real-property association or count unreturned proxies as affirmative votes.

CURRENT WORDING IN DOCUMENT:

Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section 5 to require open noticed board meetings and prohibit board action without a meeting on substantive matters as mandated by ORS Ch. 65 (Oregon Nonprofit Corporation Act); ORS Ch. 94 (§§ 94.550 - 94.783 Oregon Planned Community Act) & OAR Ch. 863, Div. 25 (Oregon Real Estate Agency Association Rules).

resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4: Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5: Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

**ARTICLE VI
MEETING OF DIRECTORS**

Section 1: Regular meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2: Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the association, or by any two directors, after not less than three (3) days notice to each director.

Section 3: Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at duly held meeting at which a quorum is present shall be regarded as the act of the board.

**ARTICLE VII
NOMINATION AND ELECTION OF DIRECTORS**

Section 1: Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2: Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.