

Roles and Responsibilities: HFVOA Board Directors, Officers, and Members/Lot Owners

In all organizations, such as our Association, it is important to set forth a clear statement of who and how the business of the Association is conducted and the basis upon which actions and outcomes will be measured. This document presents answers to the “who, what, how” questions of our HFVOA.

A. Hawthorn Farm Village Owners' Association (HFVOA)

Our homeowners' association is an organization of lots in a planned community, governed by:

- Oregon laws: ORS Chapter 94 Planned Community Act, ORS Chapter 65 Non-Profit Corporation Act, and Washington County and City of Hillsboro laws and ordinances;
- HFVOA governing documents: Declaration of Covenants, Conditions & Restrictions (CC&Rs), community's Plat(s), Articles of Incorporation, Corporate Bylaws, and the HFVOA's rules, regulations, and resolutions;
- Roberts Rules of Order.

B. HFVOA: Lot Owners' Rights and Responsibilities

1. Lot owner rights (based upon governing documents and Oregon laws)

- a. The right to be informed of all meetings and board meetings and attend these meetings;
- b. The right to inspect the association's records;
- c. The right to vote in person, electronically, or by proxy;
- d. The right to amend the governing documents (CC&Rs, Bylaws);
- e. The right to be nominated and be elected to director;
- f. The right to recall directors or the entire board;
- g. The right to have fair disciplinary actions;
- h. The right to review financial statements.

2. Lot owner responsibilities

- a. Paying Association assessments;
- b. Obeying the governing documents;
- c. Being informed and educated on how to participate in meetings;
- d. Attending meetings and participating in the association;
- e. Reporting violations when they become aware of them and trying to remedy them;
- f. Controlling behavior of guests, tenants, occupants, and pets;
- g. Volunteering when possible;
- h. Being willing to serve on the board;
- i. Avoiding activities that may be a nuisance to other owners;
- j. Maintaining their lot (property and improvements) so that the aesthetics of the community remain consistent.

C. HFVOA: Board of Directors – All Volunteers

1. The primary responsibility of the HFVOA's Board of Directors is to conduct Association business so as to achieve these overarching goals:
 - a. To preserve and promote property values;
 - b. To promote safety and security in the community;
 - c. To foster community as an enjoyable place to live.
2. As our business' leaders, the Directors have two fundamental fiduciary duties.
 - a. These are *the duty of loyalty and the duty of care*:
 - ✓ The *duty of loyalty* requires board members to avoid self-dealing during the course of decision-making.
 - ✓ The *duty of care* means that a board member must consider the best interest of the association when acting as a board member.
 - b. "Business Judgment" (per court rulings) means that the board member will not be personally liable for a board decision so long as the board fulfilled their duty of care and duty of loyalty. This requires each board member to:
 - 1) Be informed about association business and affairs;
 - 2) Attend and participate in meetings;
 - 3) Be knowledgeable about the governing documents;
 - 4) Seek outside counsel from experts such as accountants, lawyers or specialists as necessary.
3. Board Meetings are to be conducted according to standard meeting procedures (per Robert's Rules). Per state law (ORS 94.641), at a Board meeting at which any association matter is taken, a director is presumed to have assented to the action unless the director votes against the action or abstains from voting on the action because the director claims a conflict of interest.
4. Board's Code of Conduct
 - a. **Board members should:**
 - 1) Strive at all times to serve the best interests of the association as a whole regardless of their personal interests.
 - 2) Use sound judgment to make the best possible business decisions for the association, taking into consideration all available information, circumstances, and resources.
 - 3) Act within the boundaries of their authority as defined by law and the governing documents of the association.
 - 4) Provide opportunities for lot owners to comment on decisions facing the association.
 - 5) Perform their duties without bias for or against any individual or group of owners or non-owner residents.
 - 6) Disclose personal or professional relationships with any company or individual who has or is seeking to have a business relationship with the association.

- 7) Conduct open, fair, and well-publicized elections.
- 8) Always speak with one voice, supporting all duly-adopted board decisions even if the board member was in the minority regarding actions that may not have obtained unanimous consent.
- 9) Strive to continuously reach out to lot owners to answer their questions, listen to and gather their opinions, and identify potential committee and Board candidates.

b. Board members should not:

- 1) Reveal confidential information provided by contractors or share information with those bidding for association contracts unless specifically authorized by the board.
- 2) Make unauthorized promises to a homeowner, contractor, or bidder.
- 3) Advocate or support any action or activity that violates a law or regulatory requirement.
- 4) Use their positions or decision-making authority for personal gain or to seek advantage over another owner or non-owner resident.
- 5) Spend unauthorized funds for their own personal use or benefit.
- 6) Intentionally misrepresent, misstate, or omit known facts that could potentially have a material influence in any issue involving association business for which a major decision is to be made.
- 7) Divulge personal information about any association owner, resident, or employee that was obtained in the performance of board duties.
- 8) Make personal attacks on colleagues, staff or residents.
- 9) Harass, threaten or attempt through any means to control or instill fear in any board member, owner, resident, employee, or contractor.
- 10) Reveal to any owner, resident, or other third party the discussions, decisions and comments made at any meeting of the board properly closed or held in executive session.

5. Per the HFVOA Bylaws, Article 4.12, “no Director may be compensated in any manner, except for reasonable out-of-pocket expenses.”

D. HFVOA: Association Officers

Per the HFVOA Bylaws, Article 5, there are three officer positions: President, Treasurer, Secretary. The person holding each officer position must be a member of the Association (a lot owner) but does not have to be a Board Director. All Officers are bound by the fiduciary duties and code of conduct of the Board. Per the Bylaws, only one person per lot can be an officer; no one can hold multiple officer positions; persons are appointed and removed by a vote of the majority of the Board. Article 5.8 states that “no officer may receive any compensation other than reimbursement of reasonable out-of-pocket expenses.”

In the absence of the President, the Treasurer assumes the lead role in the conduct of meetings.

1. PRESIDENT

In this role, the President must perceive our Association as both a community and a business, as well as operate on the democratic principles of government.

The president assumes general charge of the day-to-day administration of the association and has the authority to order specific actions in furtherance of the board's policies. The president serves as spokesman for the board of directors in most matters relating to general association business. Like all officers of the association, the president has an affirmative duty to carry out the responsibilities of the office in the best interests of the association. As specified in the governing documents, the president serves at the will of the board of directors and can be removed with or without cause at any time by a majority vote of the full board.

Key Duties of the President

a. Set the Agendas and Lead the Meetings

Keep the meeting on track by keeping discussions on track. Keep all discussions amiable and respectful. Community members are asked to wait until the Board has fully discussed an item and then they may raise their hand and be called on by the president to ask a question or raise a point that the board may have missed in discussion. If the meeting gets out of hand for any reason, it's the president's responsibility to get it back on track.

b. Correspondence

On occasion, it may be necessary to communicate regarding a community issue. This could be in the form of a letter or email or newsletter to the whole community. The president--working with the Board Directors and officers--may draft (or delegate the drafting), review and issue such correspondence.

c. Projects

The president may take on additional projects just as all board members do throughout the year. However, it's also the president's responsibility to check in with other board members to make sure their projects are progressing as expected.

d. Congeniality

The president may need to work with all board members to ensure that everyone is working well together to keep things going in the right direction. The president should be appreciative of all board members, try to see all sides of any issue, and work with the group to accomplish the common goals of the community.

2. TREASURER

All routine accounting and financial services are currently outsourced to an HOA management services company. This third-party reports to the Board of Directors through the Treasurer.

a. Treasurer oversees the financial health of the Association. Responsibilities include:

- creating the annual budget for Board approval,
- overseeing the billing and collection of assessments,
- directing payment of vendor bills,
- filing income tax,
- overseeing the annual conduct of the CPA review of the financials,
- annual review of insurance policies and coverage,
- annual review of the Reserve Study,
- reviewing the monthly financial details and statements, and providing a summary report to the Board,
- keeping state filings up-to-date,
- accounting for special assessments, and,
- if needed with Board approval, borrowing funds from the replacement reserve account.

b. The treasurer is ultimately responsible for assuring that the financial records have been maintained properly and in accordance with sound accounting practices.

- HFVOA procedures: the TREASURER'S ACCOUNTING HANDBOOK & PROCEDURES MANUAL (created by the CPA firm Schwindt & Co. for Oregon) provides the incoming treasurer a guide for performing each assigned task and setting proper internal controls.

c. The treasurer does not have the authority to bind the association nor board of directors in dealing with third parties unless the board has provided express authority to do so.

3. SECRETARY

The association secretary has the primary responsibility for keeping the Association's records and coordinating communications. This includes oversight of the HFVOA website and newsletter.

a. Meeting Minutes

The secretary is responsible to record minutes for all association meetings (Board meetings; Special meetings; Annual meetings). Secretary records the matters brought before the board, whether adopted or dismissed without discussion or vote, rejected, deferred, tabled, or simply presented

as information. The secretary will follow Roberts' Rules of Order in conduct and documentation of association meetings.

b. Association's Lists

The secretary maintains master lists, including:

- Member contact information (USPS address, email)
- vendor contact information
- renter contact information
- members without emails
- volunteers contact info
- new lot owners
- attendance at formal meetings (not 'events'), or on other matters that will aid the association to more effectively and efficiently conduct the association's business.

c. Records Retention

Secretary stores and retrieve association documents (physical or digital) as needed and in accordance with state and federal retention schedule for document disposal.

d. Communications

The secretary is responsible to route communications (voice messages, emails, letters) to appropriate association representatives (manager, officer, board member, committee chair, etc.) and to ensure that tone, form, and spelling of all association correspondence reflect positively on the association.

e. Administrative/Operations tasks

1) Assist members of the Board and committees as requested to draft correspondence, procedures, policies, or to perform other administrative tasks.

2) Manage the following for the Association:

- HFVOA's USPS mailbox
- Storage unit
- Email account
- Website
- Voice Mail received, logged, routed
- Supplies
- Notices of meetings
- Notices of events
- Door postings for members without email

E. Board Committees

All committee chairs and members are bound by the fiduciary duties and code of conduct cited previously for the Board of Directors. Just as with Board Directors and Officers, no volunteer on the committees may receive any compensation other than reimbursement of reasonable out-of-pocket expenses.

1. Architectural Review Committee

a. Structure

A Board Director is appointed to be the chair of the ARC (Architectural Review Committee) and is responsible for enforcement of the CC&Rs and the ARC Rules and Guidelines. According to the CC&Rs, the committee will consist of 3 to 5 members. Each member must be a lot owner and be approved by the Board of Directors.

b. General Tasks

Committee tasks include responding to emails, voice messages, and documented complaints; obtaining outside expertise as needed; and managing a solution within the existing approved process. The ARC Chair is responsible for managing requests (i.e., remodeling, roofing, painting, etc.), assigning tasks to committee members, and overseeing their work to ensure that matters are handled as stated within the guidelines and completed with allotted time frames. The chair also oversees committee meetings and votes, directs volunteers assigned to assist with ARC approval or compliance tasks, and oversees all necessary communication and paperwork.

All ARC work will be in accordance with the HFVOA governing documents.

- "HFVOA Architectural and Community Livability Principles and Rules"
- "HFVOA Rules and Regulations - Compliance Enforcement"

c. Committee's Operation

A separate document presents the ARC's tasks to be performed by committee members and rules to be followed. These include:

- 1) Become informed about all governing rules and regulations. Any violations must be cited by referral to a specific article in a governing document, which may include the CC&Rs.
- 2) A majority vote is needed to begin non-compliance actions for a lot owner.
- 3) At each meeting of the ARC, minutes will be taken, noting who attended, all motions made, the vote outcome on each motion. This is in accordance with Roberts' Rules of Order.

- 4) Complete confidentiality of lot owner names in non-compliance, their status, or any other information that is the subject of the Committee's compliance adherence discussion.
- 5) Although the ARC has the power to take actions, it is the Board of Directors who must vote to approve ARC rules and regulations. No changes are allowed by the ARC alone.
- 6) All members of the ARC must be formally approved by the Board of Directors, each year.
- 7) Overarching approach to compliance: lot owners are neighbors first and foremost. Treat them as such with friendliness, respect, and concern for community.
- 8) Routine practices will be:
 - Monthly status reports to the Board of Directors
 - Monthly confirmation with Treasurer that fines have been applied, properly
 - Track trends and occurrences by type
 - Log & document each step of the compliance enforcement process
 - Log and document each step in a member's "ARC requests for approval" process

2. Perimeter Landscape Committee

The Board will appoint a person (lot owner) to lead and be responsible for managing the landscape of the HFVOA perimeter common maintenance area. Annually this committee will create a maintenance requirements document, and report to the Board and community on the status of the common area. If needed, this committee will act to solicit bids from at least 2-3 landscape services companies, evaluate the bids and present the findings to the Board. After selection, the committee will work with the HFVOA Officers to get a contract in place and monitor the contractor to ensure that they meet their commitment and stay in budget. The review of the common area will include assessment of shrubs, plants, trees, bark dust, and the basic clean up and trim (maintenance).

Annually the community's perimeter sidewalks will be checked for cracks, root displacement, and other safety hazards. *Only in those cases where a perimeter tree's roots caused the damage*, will the chair conduct an evaluation and be responsible for managing a repair project from request for bids through completion and sign off.

3. Other committees as needed

The Board Directors can develop additional committees to assist with events and other tasks as needed. The procedure and appointment of ownership for handling these programs/projects will be determined by the Board at the time it elects to add each program to the docket.