

North Shore Terrace Condominium Owners Association
Annual Meeting June 5, 2004
Minutes as written by Secretary, Paul Amundson

Attachments:

1. Annual Meeting Sign In Sheet
2. Agenda for Annual Meeting*
3. Treasurer's Maintenance and Reserves Reports*
4. Fire Department Report
5. State Farm Insurance Report
6. Minutes of Board Meeting (6-5-04) immediately following the Annual Meeting.
7. Subsequent "Thank you" letter to Newport Public Works Officer (safety mirror).
8. Gutter protection--an advertisement.

*Not included in this package for those in attendance at the Annual Meeting.

June 10, 2004

MINUTES--Draft

1. CALL TO ORDER

Reuben Johnsen, President, called the meeting to order at 10:10 AM on June 5, 2004.

A. Introduction

Paul Amundson was introduced as having taken Dennis Dotson's place as Secretary. This position had somehow become ephemerally attached to 96 NW 33rd Place Unit D.

B. Quorum

It was determined that 27 Owners were either in attendance or had given their Proxy for the Annual Meeting.

C. Self Introductions of Owners

D. Update on Following:

1. Safety on Entry Streets

Eunice Ford was thanked for her efforts in obtaining the wide angle safety mirror placed at Ocean View and 33rd Place. Subsequent to the Annual meeting, Eunice has initiated a letter of thanks to the Newport Public Works Officer.

Meritage is currently limited to one entry way onto Ocean View Drive.

There has been discussion of having the city paint a yellow dividing stripes on 33rd Place. This is currently in abeyance. Deborah Cordone asked why we'd want to have such striping done? This was seen as a point for further discussion.

2. Address Improvements

-- removing Apartment designation

The Post Office will accept the change from: (for example) 96D NW 33rd Place -- which translated into 96 NW 33rd Place Apartment D to 96 NW 33rd Place Unit D.

Reuben recommended that we notify our correspondents of the change.

-- Do we want to change the name of the Association by using Townhome in place of Condominium?

This was moved, discussed, and brought to a vote. It failed to pass by a 7 to 15 vote.

-- New Sign for Meritage. We, as well as the other condominium associations will share the sign in some manner. This action is possibly as much as a year away.

As a point of information, Deborah Cordone pointed out that the Island where the signs will be posted belongs to the City (according to the City of Newport). Rumor had it that Meritage owned the Island.

3. Owner to Owner Communications

As a guideline, discussions should always begin with owner to owner communications.

If open discussions fail, then the Board should be involved for resolution.

F. Legal Opinion

The firm of Dennis Bartoldis (as legal experts in condominium law were asked to define owner and Association legal responsibilities in facilities and grounds maintenance -- both for reserves and for the annual maintenance. The State law is the same for Insurance companies and for Condominium Associations. Attorney Cliff Collard provided the legal response.

As an aside, in deciding what the Association is responsible for Oregon State Law takes precedence. Next comes the CC&Rs of the Association (including the exceptions), then comes the Association By-Laws, and last the rules and guidelines issued by the Board. When we purchased homes here we agreed to follow the CC&Rs with the exceptions and the By-Laws as well as the state laws, whether we knew it or not. We have not been squeaky clean in our legalistic maneuverings and we need to change that. Examples to follow.

Changing these legally binding agreements goes from most difficult to least difficult in the same order of precedence. As an example, changing the CC&Rs requires a majority yes vote from 75% of the owners -- AND -- a 100% yes vote from those whose fees will be changed as a result. Changing an Association rule, on the other hand, merely takes a majority vote of the Board of Directors. And changing State law, that's another basket of worms entirely.

Andrew Cordone pointed out that the extreme complexity of the Laws, CC&Rs, and By-Laws requires time to review and digest.

The legal brief from Bartoldis, et al. pointed out there are typos and contradictory statements in our Association CC&Rs and By-Laws. This will be further investigated and corrections made.

Understanding and correction will take a major effort on the part of a Board sponsored and led Committee. Volunteers are needed. One goal ought to be to produce a legally clean summary that is easy for new (and old) owners to understand. Many people do not know what the Association is supposed to do, much less what we are responsible for.

And, most assuredly, we need to ensure that the final product supports the North Shore Terrace maintenance, upkeep, upgrades, and replacements as designated by the State* as Association responsibilities. And we need to keep in mind that most people who own here depend on the Association for maintenance, upgrades, and periodic replacement (supported by the Maintenance and Reserves funds).

*Legally binding changes can be made to the CC&Rs and those changes can legally modify the State requirements.

The discussion of legally binding Association responsibilities was lively and spirited.

For example:

Jay and Theresa Fredrickson had paid for vent cap replacement. Yet, legally, this is an Association responsibility.

The issue of skylight responsibility was raised. Some skylights have been replaced by the Association, and several more are approaching the replacement stage (Dave and Barbara Gill). Are the skylights windows and thus the responsibility of the Owner or are they part of the roof and thus the responsibility of the Association?

Deborah Cordone raised the issues of the sewer pump and the decks. The sewer pump is definitely the responsibility of the Owners of 96A-H (under exceptions to the CC&Rs). According to the State definition, the decks are an Association responsibility. Deborah Cordone said she disagreed with that.

Lorrie Dayton said her deck was in horrible condition. Paul Amundson raised the issue of deck replacement with an manufactured material that doesn't need periodic maintenance. The topic of using Lorrie's deck as an experimental trial of the manufactured material was raised and met with general approval (no vote). Larry Daniel offered to help investigate materials. A manufactured deck has been installed in one of the condos along the west side of the Agate Beach Golf Course. The replacement of decks as needed would spread the replacement cost and would save a great deal maintenance money in the long run. Some wanted the decks on the ground replaced with tile. This would also seem to be a cost-effective, long-term solution.

This discussion brings forth the question of what we need to do about the incorrect actions of the past. Legal opinion will be sought, however, it seems that those who paid when the Association should have ought to be recompensed. The other side of the coin is less clear. If the Association paid when the owner should have -- what to do?

2. FINANCIAL ANALYSIS AND DUES

A. Treasurer's Report

Madi Steffens gave the treasurer's reports on yearly Maintenance and long-term Reserves. These are enclosed.

B. Expenditure Review

The expenditures summary area seemed to serve the function of a catch-basin for comments. The following is a stream-of-consciousness attempt to summarize these comments:

Reuben Johnsen stated that 96A-H would have \$5 per month per unit added to their Maintenance fees and \$5 per month per unit added to their Reserves fees to pay for sewer pump maintenance and replacement

activities. (Effective as of July 1, 2004.)

According to Reuben, no vote was needed.

The expense of maintaining the gutters was raised. Even something as everyday as this varied in need across the Association grounds. A number of approaches to minimize expense have been tried and rejected. Solution of this problem would provide an immediate pay-back. This should be investigated further. I have, for example, an advertisement that claims to solve our gutter cleaning problems (Attachment 8).

The long term detrimental effect of mold was raised. Some have used the pressure washer to wash the mold away and some have used bleach to kill the mold. The necessity of keeping the mold abated cannot be overstated. The long term effects of letting the mold have its way are devastating. Perhaps all units should be inspected on a yearly basis. Should mold control be added to the list of Association maintenance items?

The Association street lights and road entry lights came up for discussion. The street lights had a problem that was solved, however, the entry road lights (on City property) continue to be a high maintenance item. A temporary solution is being pursued; however, permanent solution options must include total replacement or even elimination of the entry road lights.

The Maintenance and Reserves budgetary estimates, as presented, for fiscal year 04/05 were based on historical expenses. As is always the case, these are only estimates and the actual expenditures do not always follow these estimates. No approval was called for, however, Andrew Cordone raised the issue of an approval vote. He later stated that the general Maintenance line items were okay, but he felt any major expenditures (Reserves) should be approved by the Owners before proceeding.

Dave Gill stated that all larger projects (such as roof replacement) needed to be competed and the bids reviewed and approved by the Board before proceeding with the projects. There seemed to be general agreement with this.

Deborah Cordone made a motion that directed the Board to follow the Oregon laws, the Association CC&Rs, and the Association By-Laws as they pertain to skylights, windows, and doors. This passed with 20 yes votes. Reuben Johnsen stated that the intent of the motion was to direct the Board to follow the Oregon laws, the Association CC&Rs, and the Association By-Laws as they pertain to all Maintenance and Reserves items. There were no negative comments.

C. Cash Balance

Madi Steffens' Treasurer's Report showed the cash balances (attached). She pointed out that the interest bearing accounts were returning 0.6% interest.

D. Long Term Reserves--Projection

Reuben Johnsen did the Reserves study. He noted this contained no increases for inflation and that it didn't include factors to account for Association specific surprises such as the unplanned siding replacement and the required early repainting of the exterior of some units.

E. Motion for moving \$18K from Maintenance to Reserves

Meg Miranda moved that we move \$18,000 from the Maintenance account to the Reserves account. This was seconded by Paul Amundson. This passed with 20 yes votes. The money will be moved in mid to late July.

F. Motion for moving \$10 per month per unit from the Maintenance to the Reserves effective 7-1-04

Dave Gill moved that \$10 per month per unit be added to the Reserves account and subtracted from the Maintenance account effective 7-1-04. This was seconded by Meg Miranda. This passed with 25 yes votes.

There was some discussion as to who was responsible for what landscaping maintenance. Generally, if an owner plants something, they and all owners of that unit from then on are responsible for this landscaping maintenance. However, the landscaping maintenance responsibility has been and continues to remain not well defined--specifically the grounds watering policy. This is another study issue.

G. Deck Painting Expense Discussion

The decks and their maintenance was an issue. Some believe they are an Association responsibility and some do not. Deck replacement with a manufactured material (as noted earlier for unit 86B) might be the answer. A payback-period study of materials and costs needs to be completed. Also, as noted earlier, some unit owners prefer tile, or another material instead of wood or the manufactured deck material. An overall review of options and preferences and costs needs to be prepared.

Deborah Cordone made a motion that the issue of decks and the Association responsibility for Maintenance and Replacement of these same decks be investigated. This passed with 16 votes.

H. Weyerhaeuser Siding Report

Reuben Johnsen noted that we're continuing to fight for more money in the Weyerhaeuser siding settlement. He noted we'll probably lose.

I. L-P Siding and Skylights Report

Reuben Johnsen noted that the L-P siding and skylights are doing well.

J. Dues Breakout--from the earlier vote.

1. 24 Units M-\$70/month, R-\$60/month, Total \$130/Month
2. 8 Units (sewer pump) (96A-H) M-\$75/month, R-\$65/month, Total \$140/month

Deborah Cordone moved that the year 2000 vote to add the sewer pump to the Association maintenance and reserves responsibilities be rescinded. This passed with 16 votes.

K. Dues Increase Discussion

There was little discussion on this. The results from many of the previously noted studies will have an impact on this.

3. GUIDELINES, BY-LAWS, AND OTHER RULES (see Agenda)

A. Safety Zone Parking

Reuben Johnsen noted that the old records made some mention of this.

- B. Parking in Garages
- C. Parking Outside
- D. Proof of Insurance

This was noted as being critical. As your homeowners contents insurance policies are renewed PLEASE give a copy of your policy to Eunice Ford in 86D.

- E. Responsibility for Watering Plants (See landscaping maintenance comments.)

4. NOMINATIONS FOR BOARD OF DIRECTORS

- A. Seven Volunteers & Others?

Seven Owners volunteered for service on the Board of Directors. They are as follows: Paul Amundson, Bill Barbat, Liz Boyd, Velma Burkert, Rose Ebel, Tom Rudd, and Madi Steffens. No others volunteered for Board service.

- B. Vote

The volunteers as named in the previous paragraph were voted onto the Board of Directors by acclamation.

5. GENERAL ITEMS OF INTEREST FROM THE FLOOR

- A. Discussion

Paul Amundson commented on the positive reports from the Newport Fire Department and the State Farm Insurance Company. He said there are reasons for this and those are the people involved on the Board and within the Association. He specifically singled out Reuben Johnsen, Madi Steffens, Bob Boyd, the Cordones, and Ken Wallace for accolades. Although he noted many others were part of the activities that kept the Association fiscally sound and the grounds and facilities looking great.

6. ADJOURN

The Annual Meeting was adjourned at 12:10 PM.

Attachment 6: 6-5-04 Board Meeting Minutes

Attendees: Paul Amundson, Bill Barbat, Liz Boyd, Velma Burkert, Rose Ebel, Tom Rudd, Madi Steffens

The Board meeting was convened at 12:15 PM.

The purpose of this meeting was to elect Board Officers.

Madi Steffens volunteered to continue as Treasurer.

Liz Boyd offered to become Secretary.

Paul Amundson volunteered to become President if no one else wanted the position. No one did.

The volunteers were elected unanimously.

A new check signature card is required at the Bank of the West. Paul Amundson, Liz Boyd, Madi Steffens, and Velma Burkert will be the authorized signers.

The second meeting of the Board was scheduled for the 27th of June at 96 NW 33rd Place Unit D from 2 to 4 PM. This was later modified to WHEN--the 20th at 2 PM or an evening meeting on the 25th or 26th 7 to 9PM.

An Agenda will be created that follows the guidance in the Annual meeting notes.