

June 10, 2006 Annual Meeting Minutes for the North Shore Terrace Condominium Association

The meeting was called to order at 10 AM.

The Meeting Agenda was as follows:

Sign in - 10 AM

Proxies Presented

Quorum Affirmation (minimum of 17 owners, proxies, and owner representatives)

Opening Remarks--Gumbo

Financial Report

Periodic Maintenance Activities

Sewage Holding Tank Cleaning (two 96 buildings)

Landscaping

Roof Maintenance

Maintenance and Reserves Activities -- Completed, Ongoing, Planned

Reserves Report

Planned Long Term Reserves-Based Maintenance by Year

Issues:

Kudos

Shortage of Volunteers

Need for a Management Association with Attendant Fee Increase

Fee Increase Associated with Energy Cost Growth

Construction Obstruction

Other Issues as Raised

Election of Association Board

Closing Remarks

Adjourn

Meeting of Association Board

Adjourn

Eight Proxies were presented and Eighteen owners signed in. A minimum of seventeen owners and proxies were required to make a quorum. The meeting was declared to be an official meeting.

Madi Steffens presented the financial report. A number of questions centering on the Certificates of Deposit were answered.

The issue of the validity of the CC&Rs was raised. It turns out there is a "little black book of rules" and a set of Association CC&Rs. There was considerable discussion about this. The little black book is to be deleted. The CC&Rs are to be followed as they are for now. The Board will compare and contrast the CC&Rs with the Oregon State Rules for Condominium Associations. Cliff Collard was to be contacted for legal advice.

The Maintenance and Reserves activities during the 2005/2006 year were discussed.

The group felt the color of the decks should be changed to dark gray. This will be done as the decks require maintenance. Whether the fences need to be painted or not will be decided at a future Board meeting.

The issue of deteriorating doors was raised. Doors will be replaced by the Association as needed. The cost of these doors will be borne by the owners.

The issue of the changes in the Reserves plan from 2004/2005 was raised. Specifically the re-roofing and replacement of the skylights for building 86. The roofs and skylights on building 86 were evaluated in 2004/2005 and we were told that there was at least two to three years of life remaining. In 2005/2006 the roof began leaking and the shingles began raising and a skylight fractured and most of the remaining skylights were cracked. The conclusion is the Reserves plan is only a plan and things will change.

Also in 2004/2005 the siding on 96 a-d looked good. A few weeks ago a report of soft siding resulted in an infrared survey of the south and west facing walls. A non-invasive water survey showed that about 70 to 80%% of the south and west facing siding was deteriorating and needed to be replaced. This siding will be replaced during 2006/2007.

The replacement of the entryway lights was applauded.

The overall conclusion is that the growth in both Maintenance and Reserves requirements is quite likely a trend and not an abnormal spike.

The status of the Reserves were reported and compared with last year. In 2004/2005 the Reserves were about 79% of that required at that time. This year the Reserves were about 73% of what is required.

The planned upcoming Reserves maintenance activities were presented. The roof on building 66 experienced wind damage (repaired) during the 2005/2006 year and will be replaced during 2006/2007.

Under the broad topic of Issues:

Bill Barbat and Velma Burkert resigned from the Association Board. Paul Amundson resigned as chairman and as maintenance manager.

It's growing increasingly difficult to find volunteers.

The chairman recommended the use of a Property Management firm to act on the Board's behalf to manage the Maintenance and Reserves activities, to do the accounting and required paperwork, and to provide emergency maintenance assistance. This will cost approximately \$10 per month, per unit. Although the proposal was met with general approval the group directed the Board to further investigate the matter. This includes the creation of a complete list of our needs and a broader survey of available property management firms.

The chairman also recommended an energy-cost related \$30 per month, per unit increase in fees. (The cost of energy has gone up 50% during the past year and this affects everything we do.) This was met with approval. The group voted to increase the fees by \$40 per month, per unit effective beginning with the July 2006 fees.

The energy part of the fee increase was to be divided into Reserves (40%) and Maintenance (60%). This \$30 fee increase may have to be repeated next year depending on energy costs.

The construction obstruction by the Meritage development was brought up. Jean Amundson agreed to write a letter to the City of Newport reminding them of their November 2004 decision to mark NW 33rd Place as No Parking. This has been written and sent. If nothing happens in a reasonable period the Fire Department is to be contacted for assistance.

Election:

Rose Ebel, Madi Steffens, Tom Rudd, Theresa Frederickson, Paul Amundson, Andrew and Deborah Cordone (running as a shared member), and Lorrie Dayton were elected to the Association Board.

The meeting was adjourned at 12 noon.

In a post Association meeting Board meeting Paul Amundson agreed to act as chairman until a permanent chairman is elected. Tom Rudd agreed to continue as vice chairman. Madi Steffens volunteered to continue as treasurer until the management company can be chosen and placed under contract. The secretarial position will be filled by the management company.

The Association Board will be meeting on July 2 at 2 PM. The primary purpose of this meeting will be to select a property management company. Tom Rudd and Theresa Frederickson will be out of Newport however we'll be trying to include them via a conference call.

Characterization of the Volunteer problem:

Our Association is comprised of live-here owners (12), vacation home owners (11), and owners who rent or lease their homes (9). Two homes will quite likely be going up for sale in the near future.

Our Board is made up of 3 live-here owners, 3 vacation home owners, and one owner who rents.

The Association support work has been largely done by 2 live-here owners, and 3 vacation home owners.

All Association support continuity is provided by live-here owners.

One vacation home owner Board member is resigning.

One live-here Board member is resigning as President and as Maintenance Coordinator.

One live-here Volunteer continues to support the Landscaping coordination.

We have one new Volunteer to fill the vacant Board member position

We've run out of Volunteers.

We have no one to coordinate the emergency response, and the yearly, and long term maintenance activities.

What are the Options?

Hire an "On-Call" maintenance man for emergencies

Hire a Management Company

Provide fiscal Incentives for Volunteers to be Board Members, to do Maintenance activity management, and to do special study efforts.

What are the Implications?

Non-Volunteer solutions cost money. Incentives cost money.

The Conclusion

The maintenance fees will go up. How much is the question.

If, for example, whatever solution we choose were to cost the Association \$1000 per month, this translates into \$31.25 (each month) in additional fees for each owner. (Nothing has been done along these lines as of yet.)

Other solutions are requested.