

**NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION
ANNUAL MEETING**

**Saturday, June 18, 2011, 10:00 AM
South Beach Community Center**

Members Present:

66G P. Jones
96A R. Johnsen
85B A. Gilhuly
96E P. Eaton
86C J. Rose

86D C. Johnson
76G V. Burkert
96D P. Amundson
86A R. & B. Jo Otten

76F C. Sumner
96C B. Winters
85C V. Worthington
96H M. Miranda

Proxies Presented:

None

Others Present:

Lee Hardy, Yaquina Bay Property Management, Inc.

CALL TO ORDER, ESTABLISHMENT OF A QUORUM:

In Rafael Miranda's absence, Barry Winters called the meeting to order at 10:05 AM. Thirteen units out of thirty-two were represented, which did not constitute a quorum. Barry said that the meeting would be informational but no decisions would be made at this meeting. A mailing will be developed with the issues requiring a decision so that the members of the association will all have an opportunity to vote.

AGENDA REVIEW:

Barry reviewed the agenda and indicated that the informational items at the end of the proposed agenda would be covered first.

THE NEIGHBORS AT MERITAGE:

Barry reported that the unit owners at Meritage are suing the developer of Meritage in an attempt to gain control of the Homeowners Association there. The developer has refused to turn over the association to the unit owners. One issue that has raised concern is the accumulation of trash and construction debris that sometimes leans up against the fence at the 66 building. The North Shore HOA does not have any control over that, but individual unit owners at North Shore can report the accumulation of trash to the City of Newport. Lee said that there is a code enforcement officer that works for the city, and one of the codes he enforces is the Nuisance Ordinance. The trash and debris qualify as nuisances and it violates the ordinance to leave that trash and debris in plain sight. It should have a sight obscuring fence around it which would also make it inaccessible as an attractive nuisance to children and animals.

PEST CONTROL:

Barry clarified that pest control for common areas is paid for by the association. Unit owners who suffer from pests inside their units need to pay for their own pest control within the walls of their units.

MOLD AND WATER DAMAGE:

Lee reported that two unit owners from 96D and 76G had reported apparent water leaks in their units as evidenced by the appearance of what looked like mold on the ceilings of their bedrooms. The roofs and siding at those two units were checked, and no evidence of water leaks was found. The ceilings were opened up at the "moldy" spots to determine if there was evidence of moisture on the top surface of the ceiling dry wall. Lee showed members present the pieces of drywall removed from each ceiling. No moisture or water stains were found in either case, but in both cases the mold-like stain was located where there were nail heads in the drywall. Lee said that this could be a chemical stain rather than mold since the nails are galvanized. She also said that, if the stains were caused by moisture, it could be that interior condensation of moisture has condensed on the ceiling surface, either causing mold or a chemical stain like rust. It is important that ventilation be maintained inside the

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units so that moisture that enters the atmosphere from living activity does not accumulate and condense on walls and ceilings.

PROPOSED CHANGES TO THE HOA BY-LAWS REGARDING PARKING, MAILED BALLOTS:

Barry reported that only 72% of the ballots had come back from owners on the change in parking rules in the by-laws. Of that 72%, there were a few who opposed the changes. In order to pass the proposed changes, at least 75% of the membership has to vote in favor. Board members present offered to contact those who have not responded in order to encourage them to vote so the decision process can be completed. If new ballots have to be provided to those who did not respond, Lee can send them out.

BUDGET REVIEW:

Barry reminded owners present that the association accounting is based on the calendar year and that, in order to develop the budget, the association needs to vote on the dues and reserves amounts charged monthly to owners. The building maintenance and component replacement projects are predicated on the current amounts approved for monthly reserves charges to owners. The component replacement plan implemented by the association and the reserves budget are critical in terms of the ability of an owner to sell his or her unit as lenders look at those items. A good reserves plan preserves and enhances the value of the units. In the absence of a quorum, the vote on the dues and reserves charge levels will be done by mail.

NOMINATIONS FOR THE BOARD OF DIRECTORS:

Lee read the list of nominees that owners sent in prior to the meeting. They are: Paul Amundson, Al Gilhuly, Rafael Miranda, Carol Sumner, Viva Worthington, Reuben Johnsen, Clay Richman, Barry Winters, Phyllis Winters, and Corky Johnson. Paul and Reuben asked that their names be removed from the nominee list. Paula Jones asked to have her name added to the nominee list. In the absence of a quorum, the election of the board members will be done by mail.

OTHER BUSINESS:

Penny asked if the buildings were constructed for earthquake safety. Paul said that they are stick-built which are more likely to survive an earthquake due to their flexibility. Others noted that, in the event of a tsunami, the buildings are at an elevation considered to be safe.

Paula asked when the 66 decks were to be replaced. They were planned for this year. Lee said that timing will depend on the completion and final cost of siding replacement on the 96 building. Work on the 96 building is in progress and the amounts paid out are shown in the budget/financial summary in the meeting packet. The 66 building decks will likely be done later this year, but a precise date is not yet known. Paula also asked whether she or the association is responsible for screen replacement. She was told that the unit owner is responsible for replacing their own window screens.

Joanna asked if she was going to get a new door and side window. Lee said that the work will be done. Prior delays in access have delayed the completion of that project. It has not been forgotten.

Corky asked if the association would consider a gift from the association to Rafael for his efforts and service on behalf of the association. Barry suggested that the board consider this at a board meeting to follow this annual meeting.

ADJOURNMENT:

This meeting adjourned at 10:50 AM.

Lee Hardy