

**North Shore Terrace Condominium Association
Board of Director's Meeting
Sunday January 20, 2008**

Location: 96F NW 33rd Place, Newport, Oregon (recorded via cassette).

Directors Present: Deborah Cordone (Co-Director), Andrew Cordone (Co-Director), Theresa Frederickson (Co-Chair), Rafael Miranda (Co-Chair), Joanna Rose, Madi Steffens (via phone).

Others Present: Lee Hardy (Yaquina Bay Management), Penny Eaton (96E), Bill and Maria Barbat (85B).

I. Call to Order

The meeting was called to order at 1410 hrs. with a quorum established by five board members: D. Cordone, Frederickson, Miranda, Rose, and Steffens.

II. Board Position Changes

Rafael and Theresa resigned as Co-Chairs of the board, expressing the arrangement was “confusing” and did not provide “proper leadership”.

Rafael reported that Lori Dayton resigned as a board member effective Jan 19, 2008.

Rafael made a motion, seconded by Deborah, to select officers of the board, specifically Chairperson, Vice Chairperson, Treasurer and Secretary. During discussion, Deborah expressed the board should be a collegial and collaborative body. Rafael agreed the role of Chair was to facilitate and not dictate board activities and decisions. The motion unanimously passed.

A motion was made, seconded and passed, with one dissenting vote, to appoint Rafael as Chairperson of the Board of Directors.

A motion was made, seconded and passed, with one dissenting vote, to appoint Theresa as Vice Chair.

A motion was made, seconded and unanimously passed to appoint Madi as Treasurer.

A motion was made, seconded and unanimously passed to appoint Deborah as Secretary.

A lengthy discussion was held regarding Oregon law (ORS 100.420) pertaining to board meetings and executive sessions. Board meetings (except in the case of emergency) need to be properly noticed and such notice cannot be “circumvented by chance or social meetings or other means”. The discussion revealed some confusion and disagreement

over the circumstances under which board members can discuss association business. The discussion arose after a meeting was called by Rafael (to any interested board members) to meet on Saturday to discuss association matters. Rafael contends he considered it an investigative and social meeting and thusly did not fall under the aforementioned guidelines. Rafael indicates he, Theresa, and (Previous NSTCA Board Chair) Paul Amundson met on Saturday 01-19-08 for an information gathering session concerning the decks. Rafael indicated no minutes were taken of the meeting.

The meeting agenda, concerning today's scheduled meeting, was reviewed and modified by collaborative input. The modified agenda, shown below, was approved by unanimous vote.

- I. Call to Order
- II. Board Position Changes
- III. Yaquina Bay Property Management - Management of Individual Units
- IV. Minutes of September 7, 2007 Board Meeting
- V. Financial Report
 - Account Balances as of December 31, 2007:
 - Maintenance, Reserves, Certificates of Deposit
- VI. Taxes
- VII. Yaquina Bay Limit Authorization for Work on Premises Clarified
- VIII. Decks and Doors
 - Door Survey and Window/Door Glass Ballot Responses
 - Bldg 85 Owner Concerns and Board Responses
 - Letter from Cordones, re:Response to Bldg 85 Letter
- IX. NSTCA Website
- X. Report on Bldg 96 Siding and Bldg 66 Roof Replacement
- XI. Other Repairs and Maintenance
 - Fence Posts
 - Landscaping
 - Building 85 Paint Plans
 - Building 96 Unit C and D Outside Painting
 - Building 66 Power Washing
- XII. Northshore HOA Website
- XIII. Reserve Study
- XIV. Other Business
 - Letter from Unit 76G Regarding Dog Feces and Yard Maintenance
 - Building 96 Eaves and Gutter Cleaning
 - Prioritizing Work
 - New Business
 1. Signage Limitation Reminder to Owners
 2. Sewer Pump Maintenance Update
 3. Owners Responsibility to Maintain Front Yards
 4. Individual Owner Proof of Insurance Status
 5. Association Incorporation Recommendation by Collard
- XV. Adjournment

Some new business items (see below) were discussed out of agenda order while developing the revised agenda:

Signage: It was noted that some owners and tenants, during previous elections, violated signage limitations specified by Association By-Laws, by displaying political/ candidate signs in their windows. Article XIV, Use Restrictions, Paragraph 2 (c) only allows for sale or rent signs (of limited size) to be displayed. It was suggested that a reminder be sent to unit owners. Further discussion at next meeting.

Sewer Pump Maintenance Update: In response to an inquiry by Ms. Eaton, Lee Hardy reported that annual maintenance of the sewer pump will be performed to help avoid a recurrence of past overflow problems. The cause of past problems has hopefully been corrected. A separate accounting line item has been established for all costs associated with this system. Rafael commented the HOA needs to be more aggressive about maintenance and prevention.

III. Yaquina Bay Property Management - Management of Individual Units

This added agenda item was a continuation of discussion from the Sept. 7, 2007 Board meeting. There was concern about Yaquina Bay's management of individual units due to the exterior condition and other problems associated with Unit 66C, which is managed by Ms. Hardy. In regards to Unit 66C, there have been complaints by several residents which have apparently gone unresolved. Currently, items are inappropriately stored in front of the unit. For example, large tires on the porch (since at least Sept. 2007) and a two-story ladder along the walkway, which is also a crime prevention/ safety concern. Some board members have received complaints that this lack of maintenance (inappropriate storage, rubbish, and dead plants) is unsightly and potentially causing depreciation of their property. Ms. Hardy assured the Board that the noted deficiencies would be corrected.

Other potential conflicts of interest and confidentiality issues were briefly presented by Ms. Hardy.

Rafael made a motion, which was seconded, to allow Yaquina Bay Property Management to manage individual units, conditional on the Board's acceptance of the actual management function by reviewing individual management contracts. The motion unanimously passed.

IV. Minutes of September 7, 2007 Board Meeting

After much discussion, Deborah made a motion to approve the September 7, 2007 Board Meeting Minutes subject to noting that she (Deborah) disagreed with some of the accuracy of content. Rafael seconded the motion, which was unanimously passed. The tape recording of minutes should eliminate questions of accuracy and interpretation.

V. Financial Report

Account balances, maintenance, reserves and certificates of deposits were reviewed. The Board noted costs are increasing for all types of construction work. Lee Hardy provided financial spread sheets and will attach them to the meeting minutes.

VI. Taxes

Rafael reported that the NSTCA needed to file back taxes for about the past two years. Rafael proposed, with a second by Deborah, for investigative follow up on taxes. The motion passed unanimously. Rafael, Lee, and Madi will check the records and with Paul Amundson concerning past filings and recommend corrective action as needed.

VII. Yaquina Bay Limit Authorization for Work on Premises Clarified

A copy of Yaquina Bay Property Management's (previously signed) agreement with the NSTCA was distributed and reviewed. The roles, responsibilities, and authority of Yaquina Bay were discussed. Lee related it was a standard contract for HOA's. It was noted that in emergencies posing immediate threat to life and property, Lee can initiate action, until a board member (preferably the Chair) can be contacted. Rafael suggested, in the interest of time, that Board members review the contractual agreement and bring up questions at the next Board meeting.

As an aside, Rafael brought up interior maintenance of units by their respective owners, not the association. He was specifically concerned about individual water heaters. He related most have probably exceeded their normal useful life. The failure of a hot water heater could cause significant damage and Rafael noted it is time to remind owners to check the age of their water heaters and personally have them replaced if needed. Rafael stated the useful life is based on age, not amount or frequency of use.

VIII. Decks and Doors

The results of the door and deck survey were discussed. Lee reported that fifteen of the thirty-two unit owners responded. Most said their decks are peeling, there is some rot, and several entry doors have some degree of rust. Lee indicated a paint contractor already inspected the entry doors and reported none were bad enough to require replacement at this time. The painter stated the useful life of the rusted doors could be extended 3 years, with additional maintenance of about \$175 per door. No decision or motion made at this time.

Lee reported that twenty unit owners responded with ballots regarding the Association paying the glass portion of windows and doors when replaced by the Association due to normal wear. Seventeen of the twenty owners voted in favor, two opposed, and one did not indicate a yes or no vote, but left a distasteful note. The Board agreed to revisit this issue at the 2008 Annual Association Meeting. It was suggested the cost of glass could be charged back to unit owners if needed, but it might be difficult to determine glass cost

separate from the frame, as they are bought as one unit (thus the reason for the ballot to begin with).

The issue of deck/ balcony maintenance, repair, and replacement responsibility was discussed in light of attorney Cliff Collard's letter dated June 21, 2007, concluding that the Association governing documents made individual unit owners responsible for the maintenance, repair, and replacement of the decks/ balconies. The discussion lasted for about an hour.

Rafael gave a brief (unverified) historical summary of the responsibility, indicating it had previously been the responsibility of the owners until about 2000, when a decision was made for the Association to cover the maintenance. The board notes that decision was not properly voted on, but the alleged damage from Association contracted painting has supposedly already been done (though not proven), and the matter needs to be rectified.

Rafael proposed that since the paint product the Association applied about 2003 had been unsuccessful on some decks, the Association should pay for its removal on those decks before requiring individual owners to resume responsibility. Rafael said he received information from Paul Amundson that five to nine decks could be brought back to their pre-painted condition and others may need to be re-decked with new boards. Rafael proposed a "one-time fix" to owners and the owners would sign off on any further liability or responsibility of decks and balconies by the Association.

The Cordone's suggested the Association not perform any further work on decks or balconies, without legal advice. There would be no guarantee on additional work and it may cause an additional liability, as well as exhibiting culpability of the HOA for the original work, which has not been proven. Some owners claim there is rot from the painting. It was expressed there is no proof that boards have rotted due to paint instead of normal wear, exposure, and age. A 100% vote agreement may or may not be needed to cover costs outside the realm of the Association's responsibility. Once again, obtaining legal advice suggested concerning the matter.

Andrew noted that several individual owners received a benefit from maintenance performed by the Association on decks and such benefit (no maintenance costs for a few years) could be considered an offset to costs they might incur to prepare their decks for future maintenance.

Residents of Building 85 wrote a letter concerning the matter of decks, etc, disagreeing with Mr. Collard's legal recommendations. The Cordone's wrote a response to the bldg 85 letter, addressing some of their letter content. Both letters provided. Deborah addressed some of the points of their letter.

Mr. Barbat vehemently disagreed with Attorney Collard's letter and expressed Collard's conclusion was unclear and contrary to his earlier opinions. Mr. Barbat proposed to have the horizontal deck and balcony boards, on building 85, replaced to correct the problems.

Deborah reminded the Board that a vote was taken twice by the Association to seek legal advice concerning the decks and balconies, and Mr. Collard's recent opinion was a result of those votes.

Rafael made a motion to form a committee to further investigate the deck/ balcony matter. Discussion again ensued.

Andrew suggested we consult with Mr. Collard for advice on the legality of the Association performing outside its scope of responsibility and to narrow and shape the focus of the committee. Deborah indicated she felt legal consultation and guidance was necessary before the Association or Board set an illegal or inappropriate precedence. She also stated that such a committee, if formed, should address the decks of all the buildings, not just building 85. Mr. Barbat disagreed with obtaining legal advice. Lee suggested a letter, with specifics, could narrow the attorney's focus to help save legal costs.

The purpose of the committee, with discussion, was reworked and reworded from Rafael's earlier proposal as follows:

- Prepare a detailed report on the condition of the decks.
- Prepare a budget study regarding costs to repair the decks and if we have the reserves.
- Prepare and send a board-approved letter to attorney regarding ramifications and suggestions to resolve the issue. Letter to be concurrent with committee work.
- Develop options for a one-time fix to correct problems in an equitable fashion.

The motion was seconded by Deborah and passed unanimously.

IX. NSTCA Website

Rafael made a motion to create an internet web site for the Association. Rafael offered to maintain the site as webmaster. The motion included the approval of a cost of approximately \$100 per year for the domain name and site. The motion was seconded and approved with one abstention.

X. Adjournment

At this point, the Board meeting had gone beyond the scheduled time (it lasted over three hours). A motion was made, seconded and unanimously passed to conclude the meeting and schedule another meeting in February or March to complete the agenda.

End