

NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION

Board Meeting October 27, 2012

10:00 AM, Office of Yaquina Bay Property Management, Inc.

Directors Present:

Al Gilhuly Paula Jones Dolores Johnson Barry Winters (via telephone)

Others Present:

Dee Roby, Unit 86E Byron & Diane Pinkney, prospective buyers
R Miranda Lee Hardy, Yaquina Bay Property Management, Inc.

Call to Order:

Al called the meeting to order at 10:08 AM. The four directors present asked Rafael if he would fill in as a director pro-tem in order to establish a quorum. Rafael agreed and this agreement will be ratified by the board at its next meeting.

Others present introduced themselves. The Pinkney's are prospective buyers of a unit at North Shore, and Dee Roby is an owner at North Shore who has suffered a recent copper pipe water leak.

Old Business:

Plumbing Leaks: Al reviewed the plumbing leaks experienced in several units this year. Paul Amundson, unit 96D, has had multiple leaks. Lee had obtained estimates to re-plumb some of the units which have suffered leaks. The cost for a unit in 66 building would be \$3500.00 to \$4,000.00, including drywall replacement. The cost for 96D would be between \$10,000.00 and \$12,000.00 due to the larger size of the unit and the greater extent of plumbing. There have been several leaks this year in 96D, and directors present felt that this unit should be a primary candidate for re-plumbing. Lee noted that funding to do the work is available. She also noted that the unit will be uninhabitable for part of the work due to the fact that water service would be turned off for more than a day. Al made a motion to proceed with re-plumbing unit 96D now, to finish re-plumbing 66C next and then to re-plumb 66B. 66C has had two major leaks in two years. 66A had one leak last spring, and 66B had one leak this last week. Other units can be scheduled for re-plumbing as the budget allows. 86E will be a likely priority candidate as well. The motion was seconded and passed without opposition.

Lee reported that she had done some research on copper pipe leaks and is seeking some answers to questions she had about soil conditions and needs for more sufficient grounding for buildings than current electrical code accepts. She has learned that sandy or loose soils are less conductive and may not diffuse power spikes as effectively as hard packed soils such as clay. In those cases grounding that exceeds code may be required. Most of the plumbing leaks that have occurred recently have been on the west side of Hwy101 on sandy soils; and they have been concentrated near the beach. She said one of the electricians she talked to indicated that there is equipment that is available to test this. This electrician is looking into what that equipment might cost and whether it would provide sufficient information to make better decisions about grounding. She will report as more information comes in.

New Business:

Dues Arrearages: Al said that the board should consider establishing a policy to deal with dues arrearages that continue for an extended period of time. Barry relayed his experience at his condo in Arizona where a lien is placed on the unit if an arrearage lasts longer than 90 days. Lee said that, in Oregon, the dues and reserves monthly assessments are automatically a lien, but those liens can be recorded to "perfect" them if an association wishes to foreclose on the unit and sell it to collect the lien. If a unit goes through a lender foreclosure, that process eliminates the HOA lien except for arrearages up to 6 months in some cases. If a lien is recorded, the unit owner and his or her lender must be notified. This can precipitate action on the part of the lender who may wish to protect the priority of the mortgage lien. Rafael suggested formalizing a process of notice to a unit owner who is in arrears. Directors present discussed whether a 90 day or 6 month arrearage would make a unit owner eligible of initiation of the notice process. It was felt that legal input would be valuable in structuring such a

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policy. Lee was instructed to consult the HOA's attorney to explore options for implementing a policy and for collecting the arrearages. A letter will be sent to owners in arrears notifying them that legal advice and remedies are being considered.

Reimbursement for Excess Water Loss Due to Plumbing Leaks: Dee Roby presented a request that the HOA reimburse him for the high water bill that resulted from the plumbing leak in his unit, 86E. The excess cost totaled \$131.97. The board granted his request and Lee will send him a check. Dee Roby also provided the board with the contact information of his tenant and current contact information for himself and indicated that his tenant is authorized to represent him if necessary.

Storm Drains Cleaned Out: Al reported that the landscape contractor has cleaned out the catch basins for the storm drain systems. He also noted that someone stole one of the light bulbs from the driveway lights at the entry. He replaced that bulb.

Reminder to Owners of Increase in Monthly Reserves Charges: Lee was instructed to send out a reminder letter to all owners that the monthly reserve charge will increase by \$30.00 to \$180.00 per month as of January 1, 2013.

Power Washing the Mail Building: Rafael asked if the mail building could be power washed as the north side is turning green with algae. Al said that the landscape contractor can do that.

Maintenance Issues: Al asked Lee to remind Ken that foundation screens need to be replaced on 85D and that the gate and fence need to be repaired. There is also a piece of siding on 66G that needs to be replaced. Lee suggested that the gutters need to be evaluated in some places for serious repair or replacement because simply caulking or sealing them does not stop them from leaking.

Minutes of August 18, 2012 Board Meeting:

A motion was made, seconded and passed to approve the minutes of the August 18, 2012 board meeting as presented.

Financial Report:

Lee reported that the operating account balance as of Oct. 26, 2012 totaled \$7,190.90 and the reserve account balance totaled \$23,866.81. The cost of replacing fencing and decks on the 66 and 76 building totaled \$39,787.79, and the 76A west wall siding and other repairs totaled \$5,287.15. Lee said that some of the repairs were paid out of the maintenance account as they did not represent full component replacement. The cost of the decks and fencing came in several thousand dollars less than estimated. She said she will start working on the 2013 budget, including re-plumbing some of the units and will factor in the increase in the monthly reserve assessment.

Next Board Meeting:

The next board meeting was scheduled for Saturday, January 5, 2013, at 10:00 AM. It will be held at the office of Yaquina Bay Property Management, Inc.

Adjournment:

A motion was made, seconded and passed to adjourn this meeting at 11:11 AM.

Lee Hardy
October 27, 2012