

NORTH SHORE TERRACE
CONDOMINIUM ASSOCIATION
Board of Directors Meeting
March 21, 1998

Directors Present: Gestson, Carter, Stanley, Reynolds & Mishey

Guests: Dennis Moore, Duane Stanley & Jeff Shrantz (part-time)

MESSAGE FROM THE CHAIRMAN

I am pleased to report, that by "shopping" for insurance, the Board has saved nearly \$2000.

At this time, it is appropriate to point out that owners are required to provide additional insurance coverage for their individual unit. The By-Laws require that each owner provide proof of such insurance and certain endorsements. I expect this to be further clarified in a letter to each owner from the State Farm Insurance agent. I hope that you will cooperate, since the burden of monitoring and assuring the necessary response falls on the Board.

Don called the meeting to order at 9:00 a.m. The first part was devoted to a discussion with Jeff Shrantz, State Farm Insurance agent representing the company with the lowest of 3 quotes the Board had received. The Board was assured that the quoted policy provides the coverage required by our By-Laws, defined in the Oregon Condominium Law and consistent with the common elements as defined in our Declarations. Policy options were discussed, including various deductible levels. Jeff responded to questions dealing with "events" covered and the relationship of owner's unit insurance coverage.

The minutes of the February 21 meeting were reviewed. It was noted that recent cleaning of the basins indicated that a cleaning cycle well beyond 2 years would be adequate. With that, the minutes were approved.

In reviewing the insurance quote, the following was noted

- Except for 10% deductible vs 5% for earthquake in our current policy the coverage is the same
- The lower cost of nearly \$2000, compared to the quote from our current provider, results primarily from differing ways of pricing liability coverage.
- D. Moore determined that the replacement cost stated in the quote are adequate and provided recommended limits that would be adequate for owner's unit building coverage

The Board approved accepting the State Farm quote of \$3832 and payment of the full annual amount subject to the following

- Employee dishonesty coverage (\$90) is deleted
- Coverage for back up of sewer & drains is included (may result in small rate increase)

Bill will work out the details with Jeff, sign the application for the Board and with payment check, to be provided, complete the action needed to bind coverage starting April 1, 1998.

The Board reviewed and approved a budget for the fiscal year starting April 1, 1998 as follows

INSURANCE	\$4000
OFFICE EXPENSE	300
MAINTENANCE	3700
REPAIRS	500
UTILITIES	200
LEGAL & REGULATORY	100
CONTINGENCY	800
TOTAL	9600

The Board approved expenditures included in the budget as follows

OFFICE EXPENSE	\$300
LANDSCAPING	500
ROUTINE SITE/STRUCTURE MAINTENANCE	500
REPAIRS	500
UTILITIES	200
LEGAL & REGULATORY	100

The Board approved individual bill payment up to \$100 subject to prescribed conditions.

The Board established a contracting policy that allows flexibility while assuring adequate control over commitments.

The Board discussed "rat poisoning" at length. The consensus was, the Board has a responsibility to prevent damage to buildings from rodents, termites, etc. Bill will get recommendations and costs from two exterminators including periodic inspection to determine the need for service.

Following up on the garage door damage brought up at the Association transfer meeting on January 6, 1998, several owners have identified what they believe to be related damage. The Board has elected to file a claim with our insurance company. This would come under the heading of vandalism. We are told by the company that an Adjuster will visit the area to inspect the damage and likely interview some residents. One of the determinations to be made by the Adjuster is how many "events" were involved. Our policy has a \$250 deductible per event so the Association is facing a minimum cost of \$250 for the repairs. D. Moore will get a firm cost for repair from the door installer.

There followed a related discussion regarding an owner request to consider a change to the By-Laws to prohibit the common area use as a "playground". The Board consensus was that such a ban may be considered too invasive of owners rights and may be impractical to enforce. The Board elected to appeal to the owners to maintain adequate control over family members, guests and tenants. This

appeal would include outlining at the Special Meeting in June the problems and cost of recent damage, the impact on our insurance rate that would result from future damage and the inability to take advantage of higher deductibles because of the risk. Periodic messages in the Board minutes would serve as a constant reminder.

The first annual chimney inspection will be arranged in the near future for owners in Phase 1

Bill will follow up on the recent dumping of tree trimmings by LaQuina Shores by checking their legal property line and discussing the problem with the appropriate person in LaQuina Shores.

Regarding L-P siding, the complexity of the Class Action Suit has delayed progress in getting an inspection. It is unlikely that our first L-P inspection will be completed before the June meeting.

Several possibilities were identified as a "low cost" site for the Special Meeting of the Association on June 6, 1998. Hopefully a suitable place can be identified at the next meeting. A preliminary agenda for the meeting was developed as follows

- o Present for approval, options and recommendations to increase the Maintenance Funding
 - Explain why more funds are needed
 - Provide support for needed funds
- o Present options for site improvement
 - Mailbox shelter
 - Site lighting
- o Propose Annual Meeting in summer
- o Present By-Laws changes for approval

It was pointed out that the critical element in the increase is related to painting and that the only bid to date is thought to be high. To reduce the funding problem, we must get a better "handle" on painting cost. A number of possibilities will be followed including: get recommendations from paint dealers, consider painting only the building sides as needed, utilizing "deals" available to supply the paint.

Bill identified a painting contractor that he has had satisfactory dealings with. D Moore will get a bid from the contractor for full & trim only for Phase I with&without paint.

Virginia & Don will meet with Kim to prepare the "first" Owner Association financial statement as of April 1, 1998

As required by the By-Laws, each owner is required to have appropriate insurance covering his unit and to provide, to the Association, proof of such insurance and to have the policy properly endorsed. Owners can expect a letter from State Farm with information about the Association policy coverage and

further information on required owner's insurance and the required proof & endorsement. Susan will follow up.

It was reported that several owners are habitually late in their dues payments. Rather than send individual letters as done in the past, to no avail, the Board plans to (starting with the May minutes) identify "delinquent" payers each month in the minutes.

D. Moore provided the following to the Board

- Annual report to be filed with the State of Oregon
- Restrictive Covenant for unit 96B
- Bid he received for seal coating
- Letter clarifying deck & fence responsibility

A letter was provided by D Moore clarifying the expense of door replacement and painting in 1995 (Phases I, II & III). The point was made and accepted by the Board that the problem occurred after the builder's warranty expired and was therefore an Association responsibility.

The above letter also provided clarification of expenditures for site lighting which was requested in 1995 by "numerous" owners. It was further pointed out that, while it may not be found in the files, the owners were advised that Association funds would be used for the lights. It was assumed, at that time, that the Declarant could not levy an assessment and that the proper choice of funding was the Reserve Account. The Board accepted this.

The next Board Meeting is April 18, 1998 at 9:00 a.m. at Don Gestson's residence, Unit 96F. The agenda will include

- Landscape maintenance policy (Becky Dotson)
- Final agenda for June meeting (Don)
- Preliminary estimates for options to increase maintenance funds (Mike & Dee cost estimates, Board options)
- Complete review of past association costs (Don)
- Establish procedure for Special Meeting notification, proxies, balloting, owner agenda items etc. (Dennis)
- Needed By-Laws changes (Susan primary, Board contribute)

Respectfully submitted,



Donald K. Gestson, Acting Secretary