

**From:** Betty McKittrick [<mailto:deanmack@bendbroadband.com>]  
**Sent:** Monday, March 25, 2013 7:28 PM  
**To:** White Samantha  
**Cc:** Rep Whisnant  
**Subject:** 2013 Bill #2823

Dear Ms. White:

It is my understanding during discussions with State Representative Gene Whisnant, that you are chairing the Committee considering Bill #2823 during the 2013 Oregon State Legislative Session. I personally feel, based up on situations with our own local Homeowners Assn. (The Falls at Eagle Crest) that several factors should definitely be added to this Bill during consideration. 1) No homeowners association should be allowed to even consider or be ALLOWED to invest the homeowners fees/dues in any investment UNLESS an AUDIT by a Certified Public Accounting firm has been conducted of the organization's finances at a minimum of every 2 years. 2) The Auditing Firm should not be used, consistently, for a maximum of 5 years. 3) No homeowners fees/dues should be invested in any mortgage based securities (due to the recent past history of so many public entities within this nation -- ie: even CalPERS -- investing and loosing vast sums of membership monies in these types of investments.

Our Homeowners Association had a Review in 2007 when C-Corp turned over the ownership and books to our Association. There has not been a Review -- OR EVEN AN AUDIT -- of our Association finances in almost 7 years hence. The vote of the existing Homeowners who are eligible to vote during this period has been just over 50%. Our Association finances are handled by a Finance Committee (no CPA on the committee), a Treasurer who has a resume in public service and bookkeeping and a local Bookkeeping Service (which also handles all of the votes on all issues).

Bill #2823 Sections 5, 6, 7 and 8 touch upon these factors. With great hope, I feel your Committee should make these sections stronger to reflect stronger language regarding the use of Homeowners Boards of Homeowners Association funds.

I am deeply concerned regarding these issues, but as the old saying goes, "You Can't Fight City Hall", especially when it seems to be a closed entity to any ideas other than those they propose. Vast sums of money have been spent in recent years and many of these projects have been done without Homeowner voting concerning their implication within our Association. One project even entailed a special assessment of the homeowners at that time to build an accessory building, which houses storage items, but the Fire Department after the completion of the facility stated that it did not meet codes and no overhang could be built, as originally proposed, for prevention of falls, etc. of residents (all 55+) when moving equipment from one building to another in the ice and snow. There have been a minimum of 4 to 5 of these situations regarding spending of large sums of monies in the past several years. Although our reserves are large, no mention or consideration of returning the special assessment monies to those who were "dinged" has even been considered or mentioned.

But the biggest concern at the moment is allowing A HOMEOWNERS ASSOCIATION IN THE STATE OF OREGON, WHO HAS NOT TAKEN THE STEPS TO AUDIT THEIR FINANCES IN THE LAST 2 TO 3 YEARS TO EVEN BE ALLOWED TO INVEST LARGE ASSOCIATION RESERVES IN ANY SECURITIES THAT MAY NOT BE SUBSTANTIALLY SECURE AND INSURED OR OTHERWISE PROTECTED FOR THE HOMEOWNER MEMBERS PROTECTION.

Thank you and your Committee Members consideration of these items when finalizing and/or voting on your proposed legislation.

Sincerely,  
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