HARBORSIDE CONDOMINIUM TRUST

2010 ANNUAL MEETING MINUTES

The 2010 Annual Meeting of the Harborside Condominium Trust was held Tuesday, August 3, 2010 at the Boston Yacht Club. Fifteen units were represented at the meeting.

1. MOTIONS

A motion was made, seconded and approved unanimously, to accept the minutes of the 2009 Annual Meeting as written.

2. TRUSTEE ELECTION

Markwood Management announced that Jim Walters has been elected for a three-year Trustee term with approximately 87% of the ownership interest voting in this year's election.

Many thanks, Jim, for your continuing service to the Harborside property!

Markwood Management will have Jim Walters registered at the Essex South Registry of Deeds.

3. FINANCIAL PRESENTATION

Trustee Don Nowland presented an in-depth narrative of the current financial position of the Harborside Condominium Trust (please see attached homeowner correspondence and proposed 2011 budget). The Board of Trustees is projecting a balanced budget for fiscal year 2010. Although current projections indicate overruns in insurance and snow removal, these overruns are projected to be offset by the deletion of Dock Utilities from the 2011 operating budget.

It is also projected that the Annual Contribution to the Reserve Account in 2010 will total $25,000.

The 2011 budget (please see attached) is projected to increase by approximately 2% resulting in a corresponding increase in Common Element Fees. The sum total of this increase ($3,300) will be contributed to Reserves.

4. MAINTENANCE PROJECTS

Trustee Nowland continued his presentation indicating the Board's decision to concentrate the 2010 maintenance efforts on leak and rot repairs, including associated touch-up painting.
2010 projects completed or nearing completion follow:

- D2/D3 Living Room Leak- source of this leak was from the D4 deck flashing. This leak has been repaired with final replacement of D4 windows to be completed in September.
- D2/D3 Dining Room Leak – source of this leak has been located and work is currently underway to finalize remediation with cosmetic work to follow.
- Third Floor B Building Balcony/Railing Repairs – safety/repair work to the B Building/Railing system, deck and balcony structure is complete.
- D1/D2/D3 Deck Railing/Deck Repairs – repairs/safety issues are complete and final painting is in progress.
- General Painting and Rot Repair – this work is approximately 90% complete with final small projects scheduled for completion during the month of August. These include D6 deck touch-up; C1 deck (warranty work); C2 steps; D1 minor leak repairs; A3 railing rot repair with touch-up painting and B10 living room leak.
- C2 Kitchen Leak – water testing and repairs were done in early July; however, the leak persists and further water testing is scheduled.

Deferred maintenance projects include the B building roof replacement; repair of low areas in the parking lot; seal coating and lining of parking lot; composite refurbishment of the north dock and the addition of bluestone at the C building entry. The Board is reviewing the current financing relative to these projects and it is anticipated that the B building roof replacement will take place in 2011 while other projects may continue to be deferred.

Also deferred are repairs to the retaining wall between Harborside and the Boston Yacht Club. The wall is inspected annually and trees and roots will be removed as needed.

5. HARBORSIDE DOCK COMMITTE UPDATE

Homeowner Leslie deMoraes updated the current financial position of the Harborside Dock Committee (please see attached homeowner letter). It was noted that the Dock Committee Reserves continue to grow with the ultimate goal of a Reserve large enough to cover maintenance expenditures without emergency assessments or borrowing.

6. PLEASE…….

- Make every effort to park within the white parking lines, particularly at the entrances to buildings C and B/D.
- Observe the fire lane parking along the right-hand side of the driveway entry.
- Observe the compact parking areas.

7. HOMEOWNER SUGGESTIONS

Sandy Erbetta and Helen Coolidge requested improved communication between Markwood Management/Osgood Painting and homeowners as well as the repair of parking lot potholes.

Bert Michaud requested that the Board look into the possibility of alternative energy sources, such as solar panels. The Board agreed and will take this matter under advisement.

Roger and Sally Plauche had previously requested a thorough cleaning and updating of the laundry room. The Board has approved new flooring, shelving and decorating in an effort to enhance this area. The Board is also reviewing proposals for a new cleaning company.

Jeanne McKeon asked for a breakout of the current landscaping contract/specifications. This information will be forwarded to all homeowners.

Joanne Woodman suggested the installation of FIOS property-wide. It was noted that the Board had looked into this matter a few months ago. A FIOS representative and engineer visited the property for a site visit. The report from Verizon indicated that they are not installing FIOS at properties such as Harborside at this time. The Board will continue to take this matter under advisement and will conduct a survey of unit owners as to their choice.

Liz Michaud requested a list of emails for homeowners as well as renters. The Board is taking this matter under advisement as there are privacy concerns regarding the distribution of such information.

8. ADJOURNMENT

There being no further business of the Harborside Condominium Trust, the 2010 Annual Meeting adjourned at 6:55 p.m.

Minutes prepared and submitted by Markwood Management.

Attachments:
Letter to Harborside Owners – July 13, 2010
Proposed 2011 Budget

Letter to Harborside Owners – August 3, 2010 Annual Owners Meeting

July13, 2010

Dear Harborside Owners,

The purpose of this letter is to provide you information regarding the financial status of the Harborside Condominium Trust, specifically the 2010 budget projections based on our financial statements as of June 30, 2010 and the proposed budget for 2011. We also provide a status report on the Dock Accounts and Capital Reserve Projects. For reference, we invite your attention to the January 22, 2010 *Trustee's letter to Harborside owners,* which summarized our financial performance for 2009.

2010 Budget Status and Year-end Projection: Based on revenue and expenses as of June 30th, we are projecting a 3% under run of the Operating Account for fiscal year 2010.

Our assessment of the **Operating Account** is as follows:

1. The January 1, 2010 beginning Operating Account balance was $4000.12 This was the carry-over from the 2009 fiscal year. Projected revenues are consistent with the 2010 Budget at $164,400.
2. Based on expenditures to date:
    a. We are projecting a $1,500 overrun in insurance this year and the possibility of a similar overrun in snow removal.
    b. All other expense lines are tracking to budget or projecting an under run.

Our assessment of the **Reserve Account** is as follows:

1. The January 1, 2010 beginning Reserve Account balance was $12,577.36.
2. During the first six months of 2010, the Reserve Account was funded at $12,500.
3. Out of a Reserve Account, we paid the following:
    a. Painting/leak repairs - $12,200.
    b. We also anticipate payment of an additional $10,000 - $15,000 for leak and rot repairs this year.
    c. As of 30 June, the Reserve Account balance was $12,908.51. We expect to fully fund the Reserve for the final six months, adding $12,500.

Proposed 2011 Budget (see attached): We are proposing a 2011 Budget of $167,650. This represents a 2% increase over the 2010 Budget. The total increase of $3,300 will be contributed to Reserves yielding a Total Annual Reserve Contribution of $28,300. Also, the following adjustments will be made to the 2011 Budget:

- Insurance will be increased by $2,000.
- Dock utilities ($2,000) will be removed from the Budget.

For comparison, we raised common element fees 3% in 2010, 4.5% in 2009 and 4% in 2008.

Status of Dock Accounts: As of June 30, 2010, the Operating Account balance is $8,003.30. The Reserve Account balance is $10,655.85. We anticipate additional funds from one seasonal kayak renter and temporary face renters. Also, we will be receiving the $5,400.00 annual contribution from the Harborside Condominium Trust in December. The Trust's contribution will be deposited into the Reserve Account.

Anticipated expenses for the balance of 2010 are as follows:

1.	Float haul in the fall	$2,353.00
2.	Float storage fee	$2,000.00
3.	Harbor float fee	$ 122.00
4.	South float electrical work	$2,300.00
	Total	$6,775.00

After anticipated expenses, assuming no further repairs or maintenance issues this year, the Operating Account will have a balance of $1,228.00. Following the Harborside Condominium Trust contribution in December, assuming no unforeseen emergencies, the Reserve Account will have a balance of $16,055.85. The Harborside Dock Committee finances are sound and we are well on our way toward building a solid Reserve for future capital improvements.

Status of Capital Reserve Projects: We have again this year deferred the repair or replacement of the failing north retaining wall between Harborside and the Boston Yacht Club. We will continue to monitor the site conditions.

In conclusion, the Trustees' goal continues to be the establishment of a reasonable Annual Budget and to execute responsibly to that Budget. We also continue to close the gap between years of infrastructure neglect and the demand of owners to keep pace with increasing property values. We have a unique and beautiful place to live, and we believe these expenditures are prudent and will serve us well in the years to come.

Thank you,

The Trustees

Attachment: Proposed 2011 Budget

HARBORSIDE CONDOMINIUM TRUST

		2010 BUDGET	2011 PROJECTED
REVENUES			
A.	Condominium Fees	$164,350	$167,650
TOTAL INCOME		$164,350	$167,650
EXPENSES			
A.	Administrative		
	1. Insurance	$30,000	$32,000
	2. Management Services	9,300	9,300
	3. Tax & Tax Preparation	150	150
	4. Office Expense	2,000	2,000
	5. Legal	4,000	4,000
	TOTAL	$45,450	47,450
B.	Utilities		
	1. Electricity	$2,700	$2,700
	2. Water & Sewer	4,900	4,900
	3. Cable TV	4,800	4,800
	4. Gas	1,000	1,000
	TOTAL	$13,400	$13,400
C.	Common Services		
	1. Rubbish Removal	$5,100	$5,100
	2. Snow Removal	5,000	5,000
	3. Exterminating	1,500	1,500
	4. Landscaping	8,500	8,500
	5. Cleaning & Bulbs	6,000	6,000
	6. Fire System	500	500
	7. Docks		
	Fee	5,400	5,400
	Insurance	2,500	2,500
	Utilities	2,000	0
	8. Heating Systems	2,000	2,000
	TOTAL	$38,500	$36,500
D.	Maintenance/Repair		
	1. Labor & Materials	$42,000	$42,000
	TOTAL	$42,000	$42,000
E.	Operational Reserves		
	1. Reserve Contribution	$25,000	$28,300
	TOTAL	$25,000	$28,300
TOTAL EXPENSES AND RESERVE CONTRIBUTIONS		$164,350	$167,650