HARBORSIDE CONDOMINIUM TRUST

ANNUAL UNIT OWNERS MEETING

July 22, 2014
6:00 PM, Residence of Bert & Liz Michaud
24 Lee Street, Unit D2/D3

AGENDA

APPROVAL OF MINUTES FROM 2013 ANNUAL UNIT OWNERS MEETING

TRUSTEE ELECTION

2014 FINANCIAL STATUS REPORT and SPECIAL CONDOMINIUM FEE

REPORT ON B BUILDING RECONSTRUCTION

OTHER BUSINESS

OPEN DISCUSSION

ADJOURN

HARBORSIDE CONDOMINIUM TRUST

PROXY

THE UNDERSIGNED, AS UNIT OWNER OF THE HARBORSIDE CONDOMINIUM TRUST, HEREBY APPOINTS ______________________________ AS PROXY TO ATTEND THE 2014 ANNUAL MEETING OF THE HARBORSIDE CONDOMINIUM TRUST WITH FULL POWER TO VOTE AND ACT FOR THE UNDERSIGNED, ACCORDING TO THE NUMBER OF UNITS BY WHICH THE UNDERSIGNED WOULD BE ENTITLED TO VOTE IF PERSONALLY AT SAID MEETING.

______________________________ ______________

UNIT OWNER SIGNATURE UNIT #

HARBORSIDE CONDOMINIUM TRUST

2013 ANNUAL MEETING MINUTES

The 2013 Annual Meeting of the Harborside Condominium Trust was held Tuesday, August 6, 2013 at the Boston Yacht Club. Sixteen units were represented at the meeting.

1. MOTIONS

A motion was made, seconded and approved unanimously, to accept the minutes of the 2012 Annual Meeting as written.

2. WELCOME

Harborside Condominium Trust welcomes new home owners Dianne Reich, owner of Units A1 & A2; Jonathan Curtis, owner of Unit B2; David & Marianne Gold, owner of Unit C3, and Jennifer Coolidge, owner of Unit D1.

3. TRUSTEE ELECTION

Lesley Management, Inc. announced that James Walters has been re-elected for a three-year Trustee term with approximately 68.5% of the ownership interest voting in this year's election.

Many thanks, Jim, for your continued service to the Harborside Condominium property! Lesley Management, Inc. will have Jim Walters registered at the Essex South Registry of Deeds.

4. FINANCIAL PRESENTATION

Trustee Don Nowland reiterated the process of financial reporting which keeps owners at Harborside Condominium Trust updated on financial matters.

- Before the Annual Meeting of Unit Owners, a July letter is sent to all owners with a year to date financial update, projected year end numbers, a status of the Dock Accounts, Capital Reserves Projects and a proposed budget for the following year.
- A November/early December letter is sent to all owners with updated projected year end numbers and the budget for the following year.
- A February performance letter is sent to summarize the previous year's final numbers.

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 2014 budget).

The July 30, 2013 letter to unit owners was reviewed in detail with the following highlights:

- Operating Account started with a carryover from previous year of $17,785.10. In addition to the expected budgeted condominium fee Income, the Trust received a personal loan from owner Joyce Raymond in the amount of $ 27,567.50 to pay for unexpected water penetration of the B Bldg foundation. The projected net over-run for the year is approximately $ 35,000. The details of the over-runs and under-runs are listed in the July 30, 2013 letter to unit owners. Further explanations of over-runs/under-runs are available upon request.
- The Reserve Account started with a carryover from previous year of $ 35,661.48 of which $35,650 is dedicated to off-set the Flood Insurance premium of $40,000 due October 2013.

  Don Nowland stated that another letter and update on the financial projections along with the final 2014 budget, will be presented to general ownership in November as planned. A letter of performance for the entire 2013 year end will be sent to general ownership in February 2014.

The 2014 budget (please see attached) is projected to increase by approximately 27% resulting in a corresponding increase in Common Element Fees. The budget includes an increase of $40,000 to the Flood Insurance line item, an increase of $10,000 to Maintenance/Repair line item, and an increase of $10,000 to the Reserve Account line item. Again, the Board will inform Owners in the November financial update letter of the final 2014 budget.

5. **INSURANCE:**

Trustee Joyce Raymond explained the following:

- The Master Insurance Policy has $5.5M in coverage.
- In 2012, many mortgage holders were advising unit owners that the Master Policy did not have enough building coverage. The Insurance Underwriter evaluated the property and an appraiser evaluated units in each building to determine the amount of coverage required. As a result of their reports, the Master Policy's coverage was increased to $5.5M.

- Flood Insurance: There are currently two policies for Flood Insurance: one for $5M and the other for $ 1.25M for a total of $6.25M in Flood Insurance. This is equal to $250K x 25 units as required. The Trustees had an elevation study done and the Trust will have 4 separate flood policies this coming year. Trustee Raymond will be meeting with the Insurance Agent next week to review these elevation certificates.
- The Town of Marblehead applied to FEMA for a community rating system which would allow the Town to be applicable for credits on Flood Insurance. However, since our Flood Insurance Policy renews in October, with the premium due in full in September 2013, and with no pro-ration, there will be no change for the 2013 Flood premiums as outlined in the 2013 budget.
- Trustee Raymond has asked to be part of the committee with the Town and will keep the board and Trust updated as the process continues.
- There is a separate Insurance policy for the Dock.
- The Trust expects to have insurance premiums for building and flood coverage totaling between $85K and $90K.

Question from owner Moore: In Building B, can the Mechanical Room hot water heaters and the boilers be raised to a height that would change FEMA's rating of the Building B from Zone V.
Answer: The BOT will look into this possibility.

The Insurance Underwriter has reiterated the insurance requirement regarding the use of outdoor grills. Lesley Management was asked by the BOT to follow-up with Owners regarding Harborside's policy for outdoor grills.

6. **MAINTENANCE PROJECTS**

Painting: The Trustees have selected a painting contractor from the final two vendors. The project will start in the Fall of 2013 and extend into 2014. The painter will work with Paul Haggett, proving carpentry oversight. More information on the painting project will be forwarded as the project nears.

The North Retaining Wall: The wall is stable and the BYC is watching it as well. The biggest problem with the wall is the shrubbery which grows in the wall. Over the winter, water gets in the wall through the cracks and freezes. Every couple of years, the Association has the shrubbery growth removed.

Question from owner Reich: Can the downspouts over the retaining wall be connected or the water routed away from the retaining wall?

Answer: Yes, the BOT will look into the downspouts, as well as other ways to re-route the water run-off.

Building B Fire Escape Redesign: The Town has requested modification to the existing fire escape. In 2012, an architectural plan was prepared which was approved by Old & Historic District Commission (OHDC) provided the plan was acceptable to all Owners. Unfortunately, there was not 100 % approval.

The original architect, Paul Fermano, resigned from the project, and the Trust hired Walter Jacob, a well-known and highly recommended architect in Town. Mr. Jacob has a new plan that would entail removing the existing ships ladder between the third and second stories and still meet Code Compliance. Mr. Jacob is in the process of having this new alternative redesign approved by the Building Department. The BOT will continue to update home owners.

Question from owner Curtis: How much will the Building B fire escape redesign cost?

Answer: The exact amount of the redesign, if approved by the Town, is unknown, but a rough estimate is $55K.

Car Port: There are repairs needed to the ceiling of the car port, which may or may not contain asbestos. Don Nowland and Joyce Raymond will address and pay for the repairs to the carport in 2014.

7. HARBORSIDE DOCK COMMITTEE (HDC) UPDATE

The HDC financials, as outlined in the July 30, 2013 Letter to Owners are solid. The insurance on the Docks is paid out of the Association's Operating Account, not HDC, as the docks are used by all residents.

Trustee Nowland thanked the Dock Committee and stated that the docks looked better than they have in years. The upgrades to the docks this year include:

Gangways = $14,517.71
Solar lights and poles = $901.90
Dock pedestals w/lights & electrical cords = $1,386.30
Electrical services = $1,000.00

The HDC hired a diver to inspect the chains which are in good condition at the present time, but will need to be replaced within the next couple of years.

8. MISCELLANEOUS

The Harborside Annual Pot Luck Gathering will be held Thursday, August 15, 2013 at 6:00 PM. Paper Products will be provided. Thank you to Liz and Bert Michaud for organizing this event again this year

Lesley Management was instructed to:

- Follow up on the mailbox name tag for B2, Jon Curtis.
- Have Owner Bart Jones, webmaster, remove the schematic drawing of the property, as there are many new unit owners and that particular schematic cannot be updated.
- Have the trash room door repaired.
- Have the lights along building A/C checked, they are on during the day (recommended lights fixtures from owner Siddall).

9. PLEASE.......

- Parking: Pass the word, encourage fellow residents to follow parking restrictions. Use placards, stickers, etc. The Association is still having people who are not authorized to park, parking in the lot. If you need placards or stickers, please contact Lesley Management. Remember visiting parking rules: In-Season: One hour parking for guests. Off-Season: Three hour parking for guests.
- Trash Area: Recycling is picked up one time per week on Tuesdays. Recycling products no longer need to be separated between paper, metal, tins, plastics, BUT they still need to be separated from Trash. Although the trash room is cleaned monthly, please pick up any trash that may be out of containers.
- Laundry Room: If you use the laundry room, please clean up after you use it.
- Noise: Please be considerate of the noise level. Gatherings, particularly on the Dock and other outside areas should quiet down 9:30/10:00 during weekdays and by 11:00 on weekends. Again, please be considerate of your neighbors while enjoying the property.
- Website: USE IT! The website is updated often by Owner Bart Jones. Please refer to the website for questions about the Association.
- Emails: Please do not "reply all" as this clutters up email accounts.

10. ADJOURNMENT

There being no further business of the Harborside Condominium Trust, the 2013 Annual Meeting adjourned at 7:00 PM.

Minutes prepared and submitted by Lesley Management, Inc.

Attachments:
Letter to Harborside Owners – July 30, 2013
Proposed 2014 Budget

HARBORSIDE CONDOMINIUM TRUST

July 15, 2014

Dear Harborside Owners,

The purpose of this letter is to provide you information regarding the financial status of the Harborside Condominium Trust, specifically the 2014 year-end budget estimates based on our financial statements as of June 30, 2014. Also included are status reports on the B Building Re-construction, Bank Loan and Special Assessment plans, Dock Accounts and Capital Reserve Projects. For reference, we invite your attention the March 2, 2014 Trustee's Letter to Harborside Owners, which summarized our financial performance for 2013. Also attached are the Minutes from the 2013 Annual Harborside Meeting.

2014 Budget Status and Year-end Projection:

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

1. The January 1, 2014 beginning Operating Account balance was $4,789.61 (carryover from the 2013 fiscal year). Projected 2014 revenues of $272,325, before the Temporary Sup-plemental Condominium Fee, will exceed budget by $4,263.
2. Based on expenditures to date:
    a. We are projecting over-runs in the following areas:
        i. Insurance – Master ($5,000). If Travelers opts to renew our master insur-ance policy, we anticipate an increase in premiums. Our master insurance policy is set to renew in October of this year.
        ii. Insurance – Flood ($8,000). We are projecting an 18% increase in our flood insurance premiums.
        iii. Management Service ($775). Lesley Management was paid in January for December 2013 services, so it shows as an over-run in this year.
        iv. Electricity ($714).
        v. Web Site Expense ($2,801). This was a one-time expense for the old web site. The current web site does not have any expenses related to its opera-tion.
        vi. Telephone Conference ($1,045). Because of the unforeseen and difficult issues and financial consequences facing owners at Harborside, there has been a substantial increase in the number of owners who are calling into the Trustee meetings. The conferencing service we currently use has a fee for the service and then a per person/per minute cost. The Trustees are looking to utilize a fee free teleconferencing service. Hopefully, it will be opera-tional for this year's Annual Owner Meeting.
        vii. Trash Removal ($5,100). We had an under-run of $5,100 in 2013 for trash removal because we were not invoiced for services. We still owe for trash removal which occurred in 2013 and this increase reflects that.
        viii. Snow Removal ($ 2,403). This past winter's snowfall was above normal.

ix. Landscaping ($500). Due to the extraordinary snow fall this past winter, and the amount of sand used, the sweeping of the parking lot and common areas was much greater this year.
x. Heating Systems ($1,000). This line item is for Bartlett & Steadman's annual inspection and cleaning of furnaces. The initial budgeted amount is approximately $1,000 less than the invoiced amount.
xi. Maintenance & Repair (Labor & Materials) ($506)

b. We are projecting additional unbudgeted expenses:
  i. Insurance Expense - LOMA ($2,500). This is a very complicated area of flood insurance. We have retained Hayes Engineering to assist us in addressing this correctly.

  ii. North Retaining Wall Maintenance ($32,500).
    1. $2,500: Survey of the property line between Harborside and the Boston Yacht Club and 20-22 Lee St. Condominium.
    2. $5,000: Payment to a professional engineer to assess the stone wall and concrete block wall and the A Building foundations determine the repairs that need to be done and triage them (from most critical to least critical), and assist in selecting and hiring a contractor to do the repairs.
    3. $25,000: For the most critical repairs.

c. We are expecting under-runs in the following areas:
  i. Office Expense ($177),
  ii. Cleaning ($440),
  iii. Gas ($151), and
  iv. Water & Sewer ($2,150).

d. All other Operating Account lines are tracking to budget.

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

1. The January 1, 2014 beginning Reserve Account balance was $0.
2. The 2014 Operational Reserves were budgeted for a total of $45,650.
   a. $20,650 - Budgeted reserve Contribution
   b. $25,000 - Budgeted painting project
3. We are projecting an over-run in the painting project budget of $5,000.
4. We are also projecting additional unbudgeted expenses of:
   a. Payment on Personal Loan ($22,266). Trustees Joyce Raymond and Don Nowland made personal loans to the trust under emergency conditions. East Boston Savings Bank has made repayment of these loans this year a condition of our reconstruction loan with them.

b. Fire Door Replacements ($15,200). Travelers Insurance has required that the Trust replace all doors opening into a common hallway with fire-rated and self-closing doors as a condition of our Master policy.

5. We are projecting an under-run in the Reserve Account Contribution ($10,650). The Trustees have opted to use part of the Reserve Account to offset fund some of the unbudgeted expenses. This will result in a lower Temporary Supplemental Condominium Fee increase.

<u>In conclusion, we have an overall projected budgetary overrun of $87,475.</u>

<u>Notice of Temporary Supplemental Condominium Fee Increase:</u> In order to meet the operational needs of the Trust, it is imperative that an increase be made to the 2014 budget. Attached is a revised 2014 Budget, which includes a Temporary Supplemental Condominium Fee increase, effective September 1, 2014 through November 1, 2014.

Owners may pay for this Temporary Supplemental Condominium Fee Increase in one of two ways:

1. Owners may pay in full on or before September 1, 2014. Those who chose this option will have their current monthly condominium fees amount remain the same.
2. Owners may wish to pay in three monthly installments: September 1, October 1, and November 1, 2014. Those who chose this option will see their December condominium fee return to their current condominium fee rate.

The schedule of payments is attached.

<u>B Building Reconstruction:</u>

Design and Approvals: In June, the Trust engaged Peter Pitman and the firm Pitman & Wardley, Architects to assume responsibility for the architectural aspects of the Building B Reconstruction project. After receipt of progress drawings from RZA, verification in the field and final changes, the Trust will receive drawings ready to proceed with construction during the week of July 14. We also anticipate receiving approval of the sprinkler system this week.

Immediately following completion of the interior drawings, they will complete the plans and specifications for the egress design. They will revise some dimensional inconsistencies and address code related concerns, particularly with regard to the egress stairs at the northeast end of the building.

2. Construction Progress: Paradise Construction has completed the replacement of the B Building roof July 11. They should be able to obtain a building permit from the Town of Marblehead next week for the interior work and replacement of doors and windows.

3. Insurance Settlement: We received another incremental settlement check from Travelers in July, and the current Replacement Cost Value is $900,911.51, plus $25,000 for Law and Ordinance. The Trustees continue to pursue additional recovery from Travelers.

Bank Loan for Building B Reconstruction:

All approvals and documentation for the Construction Loan with East Boston Savings Bank have been completed, and the closing of the loan is imminent. The process for drawing funds against the loan and for making interest only payments during construction and principal and interest after construction is completed is explained in the attached explanation regarding the Special Assessment for the B Building Reconstruction.

An informational sheet regarding the Special Assessment for the B Building Reconstruction is attached.

Status of Harborside Dock Committee (HDC) Accounts: Currently, the HDC Operating Account has a balance of $10,791.73 and the HDC Reserve Account balance has a balance of $ 15,969.45.

The HDC is anticipating a little over $5,000 in regular operating expenses for the remainder of the season ($2000-storage, $3,000 – haul, and $122 float fee). There will still be enough funds in Operating Account to cover any unanticipated expenses for the remainder of the year.

The Reserve Account is in good shape. The HDC is anticipating the need to replace all chains in the next few years. The anticipated cost of replacement is between $10,000 and $12,000. The HDC is also planning for and saving toward the replacement or re-decking of the North Float which will be necessary in a few years.

The Trustees anticipate the 2013 HCT contribution to the HDC Reserve Account ($5400), which was deferred from last year, will be paid in December of this year.

Overall, the HDC is financially sound.

Status of Capital Reserve Projects: This year, we have again deferred several projects: D2/D-3 total deck refurbishment; seal coating and lining of the parking lot; addition of blue stone at the C Building entry; replacement of ceiling at entrance to Building C and by Trash Room with bead board or exposed beams; and, replacement of the Car Port Ceiling, which is asbestos.

We are currently addressing the issues concerning the North Retaining Wall between Harborside and the Boston Yacht Club and adjacent to the 20-22 Lee St. Condominium. Our first step is to have a survey done to determine where the property line is located relative to the wall. We have retained Hayes Engineering to do that. Our second step is to hire an engineer who will outline the issues we face, determine the most critical repairs needed and assist us in finding the best contractor to address and repair those issues. The third step, which we hope to accomplish this year, is to repair at least the most critical sections of the wall and to prevent it from deteriorating further. We will be deferring until next year the issues that can wait and don't pose a threat this year.

We are also starting the process of creating a long-term capital projects list. To that end, we will be hiring a firm to inspect all of Harborside, identify repair and maintenance issues, and to list issues from most critical to least critical, that we will need to address over the course of several years.

We are also beginning the necessary process of replacing consistently high maintenance items (decks and railings) with low maintenance materials. Our maintenance and repair costs have skyrocketed over the years, and there is no end in sight if we continue to use wood for our decks and railings. We have consistently underestimated the costs in this area. Though the replacement materials, composite decking and stainless steel railings, have a higher initial cost than wood, in the long run they will be much more cost efficient.

In conclusion, 2014 has been very challenging for all of us...emotionally and financially.

We, as a community, are facing some serious challenges...most of which have been unforeseen.

Flood insurance is a major cost facing Harborside, and one that is unpredictable year to year. The new rules and regulations and Flood Maps from FEMA are making it very difficult to budget and anticipate the actual expense we face. Unfortunately, it is one of the only downsides to living on Marblehead Harbor. We are working very hard, with the help of the Insurance Committee to minimize costs within FEMA's regulatory framework.

The B Building fire has been particularly challenging and frustrating for all of us, but most especially for those who are displaced from their homes. However, we are moving forward and starting the rebuilding process. We hope to be well on our way to completion by the end of the year. In fact, interior work should begin within the next few weeks. We've retained a new architect, Peter Pitman. Peter has been working diligently to finalize the drawings so that we can begin the process of getting the emergency egress approved and built. One source of immense frustration has been the negotiations with Travelers Insurance. We are continuing to forcefully put forward our position, and we continue to leave all options open.

Lastly, though not entirely unforeseen, the list of maintenance projects that demand attention is growing and the costs associated with those projects keeps rising. It is the one area of the budget that seems to consistently over-run year-to-year, and it is overwhelming Harborside. Many projects that have been deferred over the years can no longer be overlooked. And rot replacement projects are becoming an unacceptable norm. The increase in spending in this area is unsustainable. Therefore, we are beginning the long-term project of replacing rotting wood decks and railings with minimum maintenance materials. If a repair is minor, we will repair with like materials (i.e.: wood). But if the repair actually requires replacement, we will do so with composite decking and stainless steel railings. As stated above, though more expensive in the short term, it will save us a lot of money over the long term. We also continue to maintain the upkeep of our infrastructure and look to improve it sensibly, economically and for the long-term benefit of all of Harborside.

Harborside is a unique and beautiful place to call home. I think we can all agree that it is worth preserving and improving upon. We believe the steps we are taking and the expenditures we are making are prudent and necessary to maintain our property values, and they will serve us well in the years to come. And though the challenges have been many this year, we are moving forward in a positive way.

Thank you,
The Trustees

Attachments: *Trustee's Letter to Harborside Owners, March 2, 2014*
2013 Annual Meeting Minutes
2014 Revised Budget
2014 Revised Schedule of Payments
2014 Special Assessment Information for the B Building Reconstruction

Harborside Condominium Trust

		2014 Budget	2014 Projected Year-End	2014 variance
REVENUES				
A.	Condominium Fees	$ 266,563	$ 267,711	$ (1,148)
B.	Special Assessment (Loan)	1,499	2,589	(1,090)
C.	Supplemental Condominium Fee		*87,475*	(87,475)
D.	Other	-	2,025	(2,025)
TOTAL INCOME		$ 268,062	$ 359,800	$ (91,738)
EXPENSES				
A.	Administrative			
	1. Insurance Expense - Master Policy	$ 51,500	$ 56,500	$ (5,000)
	2. Insurance Expense - Flood	45,712	53,712	(8,000)
	3. Insurance Expense - LOMA	-	2,500	(2,500)
	4. Management Services	9,300	10,075	(775)
	5. Tax & Tax Preparation	150	146	4
	6. Office Expense	500	323	177
	7. Legal / Professional Services	4,000	4,000	-
	TOTAL	$ 111,162	$ 127,256	$ (16,094)
B.	Utilities			
	1. Electricity	$ 3,800	$ 4,514	$ (714)
	2. Water & Sewer	7,500	5,350	2,150
	3. Cable TV	5,800	5,800	-
	4. Web Site Expense	-	2,801	(2,801)
	5. Telephone Conference	1,200	2,245	(1,045)
	6. Gas	600	449	151
	TOTAL	$ 18,900	$ 21,159	$ (2,259)
C.	Common Services			
	1. Rubbish Removal	$ 5,700	$ 10,800	$ (5,100)
	2. Snow Removal	7,000	9,403	(2,403)
	3. Exterminating	1,500	1,500	-
	4. Landscaping	8,500	9,000	(500)
	5. Cleaning & Bulbs	5,000	4,560	440
	6. Alarm System	500	500	-
	7. Heating Systems	1,000	2,000	(1,000)
	TOTAL	$ 29,200	$ 37,763	$ (8,563)
D.	Docks			
	1. Fee	$ 5,400	5,400	$
	2. Insurance	2,750	2,750	-
		$ 8,150	$ 8,150	$ -
E.	Maintenance/Repair			
	1. Labor & Materials	$ 55,000	$ 55,506	$ (506)
	2. C-Foundation (survey, engineer, etc.)	-	32,500	(32,500)
	TOTAL	$ 55,000	$ 88,006	$ (33,006)
F.	Operational Reserves			
	1. Reserve Contribution	$ 20,650	$ 10,000	$ 10,650
	Plan: Painting Project of $25K			
	2. (estimate) fm Reserve	25,000	30,000	(5,000)
	3. Payment on Personal Loan		22,266	(22,266)
	4. Fire Door Replacement Project	-	$ 15,200	$ (15,200)
	TOTAL	$ 45,650	$ 77,466	$ (31,816)
TOTAL EXPENSES		$ 268,062	$ 359,800	$ (91,738)

HARBORSIDE CONDOMINIUM TRUST
Revised Common Element Fee Schedule
July 15, 2014

Last Name	Unit #	Condo % (fees)		Condominium Fee Jan 1 - Aug.1		Temporary Adjustment in fee paid in full		-or-		Monthly Condominium Fee Sept. 1, Oct.1, Nov. 1
Alves	C1	3.020%		$671		$2,641.75				$1,551.43
Arrigo	B9	2.850%		$633		$2,493.04				$1,464.10
Brunais	B7	2.850%		$633		$2,493.04				$1,464.10
Coolidge	D1	3.270%		$726		$2,860.43				$1,679.86
DeMoraes	C8	4.190%		$931		$3,665.20				$2,152.48
Curtis	B2	2.930%		$651		$2,563.02				$1,505.20
Garibotto	D5	4.020%		$893		$3,516.50				$2,065.15
Gold	C3	3.020%		$671		$2,641.75				$1,551.43
Jones	C5	4.440%		$986		$3,883.89				$2,280.91
Martin	B6	2.850%		$633		$2,493.04				$1,464.10
Reich	A1	3.270%		$726		$2,860.43				$1,679.86
Reich	A2	1.920%		$427		$1,679.52				$986.34
McKeon	C4	2.930%		$651		$2,563.02				$1,505.20
Curtis	B8	2.750%		$611		$2,405.56				$1,412.73
Michaud	D2	4.770%		$1,060		$4,172.56				$2,450.44
Michaud	D3	4.100%		$911		$3,586.48				$2,106.25
Nowland	D4	5.610%		$1,246		$4,907.35				$2,881.96
Piens Realty Trust	D6	6.620%		$1,471		$5,790.85				$3,400.82
Plauche	B3	4.690%		$1,042		$4,102.58				$2,409.34
Raymond	B1	4.940%		$1,097		$4,321.27				$2,537.77
Raymond	B4	2.850%		$633		$2,493.04				$1,464.10
Segee	C2	5.860%		$1,302		$5,126.04				$3,010.39
Siddall	B10	3.770%		$837		$3,297.81				$1,936.72
Walters	C6	2.930%		$651		$2,563.02				$1,505.20
Walters	C7	2.850%		$633		$2,493.04				$1,464.10
Woodman	B5	2.930%		$651		$2,563.02				$1,505.20
Zoubek	A3	3.770%		$837		$3,297.81				$1,936.72

HARBORSIDE CONDOMINIUM TRUST
B Building Reconstruction
Special Condominium Assessment Information
July 15, 2014

- Owners were asked to authorize the Trust's borrowing of money in the amount of not more than $900,000. That request was approved by a vote of 82.52% of the ownership interests on May 23, 2014.

- The Trustees, on behalf of the Trust, secured a $900,000 loan with East Boston Savings Bank. This proceeds of this loan will be used exclusively for the B Building Reconstruction Projects.

- Harborside Owners of record will be assessed according to their percentage of ownership interest of the Undivided Common Areas and Facilities on a Special Condominium Assessment of $900,000.

- A loan in the amount of $900,000 has been secured by the Trust for the benefit of those who wish to pay their share of the Special Condominium Assessment over a 5-year period.

- The loan is divided into two parts:

    1. The first part of the loan is a construction loan. The term of the loan is 9 months or completion of construction, whichever occurs first, at an interest rate of 4.75%. The principal owing will increase as the Trust draws funds for the B Building project. There is no prepayment penalty for the construction loan.

    2. The second part of the loan is a term loan. The term loan is a 5-year loan at 4.75% interest. There is a prepayment penalty for the term loan.

- Owners will have the choice of paying their share of the Special Condominium Assessment in one of two ways:

    1. Pay in full before the Trust borrows against the loan
    2. Pay over time by participating in the loan.

- Owners who are paying upfront and in full will have their portion of the special assessment due and payable when most insurance proceeds have been expended.

- The Trust will start drawing funds from the $900,000 bank construction loan when funds remaining from those that were paid in advance are almost expended...when the funds remaining and available are 5% of the total estimated construction costs (i.e., $90,000).

- Once the Trust starts drawing money from the bank, Owners who have chosen the "pay over time" option will be solely responsible for the interest on the loan. Those Owners will be billed monthly for their portion of the interest each month the loan remains an interest-only construction loan. Those payments will be due upon receipt of invoice.

- When the construction is completed, the loan will become a term loan, with the principal determined by the funds drawn during construction. If the Trust does not utilize the full $900,000 for the B Building Project, Owners who pre-paid will have their respective percentage of the under-run returned to them.

- When the loan becomes a term loan, those Owners who have opted to pay over time will have a monthly assessment for their share of the loan due every month over the five year term of the loan. The monthly payment amount due from the Trust will be established by the Bank, and each participating Owner will pay their portion determined by their percentage of Undivided Common Areas and Facilities as it relates to the total percentage of Undivided Common Areas and Facilities that are participating in the loan.

- After the loan becomes a term loan, anyone who has chosen to pay over time, but wants to pay off their share of the special assessment in full at a later date, will still be responsible for all the interest on their share for the full term of the 5 year loan. In other words, interest will be assessed as if the owner was still paying over time.

- All Harborside bank accounts will be moved to East Boston Savings Bank as a condition of the loan terms. We will provide Owners with wiring instructions to the appropriate account at EBSB prior to the due date for the Special Condominium Assessment.