HARBORSIDE CONDOMINIUM TRUST

2005 ANNUAL MEETING MINUTES
AUGUST 2005

The 2005 Annual Meeting of the Harborside Condominium Trust was held Tuesday, August 2, 2005 at the Boston Yacht Club. Eighteen units were represented at the meeting. A quorum was present.

1. Markwood Management announced that Don Nowland had been re-elected for a three-year Trustee term with 92% of the ownership interest voting in this year's election. Many thanks to Don for his continued service and dedication to the Harborside property. Markwood Management will have Don Nowland registered at the Essex County South Registry of Deeds.

2. A motion was made, seconded and approved unanimously to accept the minutes of the 2004 Annual Meeting as written.

3. Trustee Don Nowland presented a detailed explanation of the current financial position of the Harborside Condominium Trust (See attached letter and 2006 budget). The Board of Trustees is projecting a balanced budget for fiscal year 2005. Although there have been overruns in landscaping, extermination and snow removal, these have been offset by increased revenues, a reimbursement from the Reserve Account to the Operating Account and a projected underrun in legal expenses.

Also, the Reserve Account is being appropriately funded in 2005, and the projected reserve balance for year-end 2005 is just over $10,000. Against this $10,000 amount the Board of Trustees is considering renovation of the trash shed and carport area between the A and C buildings. The Board also is waiting to determine what Trust-related expenses might be necessary in conjunction with the renovation of Unit B9 and the crawl space behind B9. Once these estimates have been determined, the Board will decide whether to proceed with the A/C building trash area project or to defer it until next year.

The 2006 budget is projected to increase by 11%, resulting in a corresponding increase in Common Element Fees. This increase is driven by a higher projection for snow removal, landscaping, increased dock fees and, most importantly, a 33% increase in the annual reserve (from $15,000 to $20,000).

4. The homeowners were presented with information regarding the financial position of the docks. This year the Harborside Dock Committee (HDC) and the Board of Trustees established an HDC Reserve Account with a target cap of $25,000. These monies will be reserved for emergencies repairs and/or for replacement of a dock float and/or gangway.

5. Trustee Nowland discussed with the homeowners the status of the remaining Capital Reserve Projects:

- Repair of the north retaining wall between the Boston Yacht Club and the Harborside Condominiums has been tabled until further notice. Its condition will be monitored on a yearly basis.

- The structural repairs to building D (I-beam replacement) have been deferred until 2006. The Board anticipates a Special Assessment for this project early next year and is projecting the work will be completed by late 2006.

- The B/D buildings drainage project likely will be coupled with the structural beam replacement mentioned above.

6. The Attendees and the Board of Trustees had an open discussion of the following:

- A question was raised as to whether there may be other foundation issues, similar to those with the D Building. The Board will take under advisement whether the foundations of Buildings A, B and C warrant an inspection by Bergman Engineering.

- Several opinions were voiced concerning the merits of implementing a "conveyance fee" by which some percentage of a unit sales price would be contributed to the Reserve Account. The Board of Trustees will continue to consider the possibility of such a conveyance fee, but it was noted that such a fee would have to be approved by 75% of the homeowners. It was also noted that the relatively small number of units at Harborside lessened the advantages of a conveyance fee and that it would ultimately act as a "tax" of a unit seller.

- Many homeowners voiced varying opinions as to how to fund future special assessments. The Board indicated that they would continue to consider several options, including bank loans.

7. There being no further business of the Harborside Condominium Trust, the 2005 Annual Meeting adjourned at 7:00 PM.

8. Minutes prepared and submitted by Markwood Management.