

HARBORSIDE CONDOMINIUM TRUST

2012 ANNUAL MEETING MINUTES

The 2012 Annual Meeting of the Harborside Condominium Trust was held Tuesday, August 7, 2012 at the Boston Yacht Club. Seventeen units were represented at the meeting.

1. MOTIONS

A motion was made, seconded and approved unanimously, to accept the minutes of the 2011 Annual Meeting as written.

2. WELCOME

Harborside Condominium Trust welcomes new home owners Charles and Martha Zoubek. Charles and Martha own unit # A3.

3. TRUSTEE ELECTION

Lesley Management, Inc. announced that Joyce Raymond has been elected for a three-year Trustee term with approximately 68% of the ownership interest voting in this year's election.

Many thanks, Joyce, for your continued service to the Harborside Condominium property! Lesley Management, Inc. will have Joyce Raymond 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.

- 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 letter is sent to all owners with updated projected year end numbers and the budget for the following year.
- A February 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 2013 budget).

The July 26, 2012 letter to unit owners was reviewed in detail with the following highlights:

- Operating Account looks good. Actual revenue exceeded budget due to revenue from late fees. More information is available upon request on any or anticipated overruns in the Operating Account.
- Reserve Account:
Question: Will the Reserve Account ever have a cap?
Answer: The Association has never had a cap but the Dock Account does have a cap. If/when the funds in the Reserve Account justify the use of a cap, it will be considered.
- Correction to July 2012 Letter: the increase in common element fees for 2012 stated the increase was 4.3% but was actually 6.8%.
- The letter outlined the allocation of funds from the 2011 Loan (\$110,000):

Question: What is the status of recovery of funds for the fireproofing of unit B9?

Answer: Jim Walters read statement from Attorney Janet Aronson, legal counsel for the Association: "The Board has engaged counsel to initiate the collection process to recover the expenditures associated with the repairs necessary which were made to Unit #B9 to bring the building up to code and to maintain the habitability of the building. At this time, in an effort to avoid protracted litigation, legal counsel for the Association and the Owners, are exploring a resolution prior to the commencement of legal action."

Question: Is interest being charged to unpaid balances on the B9 Account? Does the unit owe more than just maintenance? Is the unit current with its monthly condominium fees?

Answer: Trustee Nowland stated it has been the practice of the BOT to not comment on individual unit delinquencies.

Don Nowland stated that another letter and update on the projects at hand along with the final 2013 budget, will be presented to general ownership in November as planned. A letter of performance for the entire 2012 year end will be sent to general ownership in February 2013.

The 2013 budget (please see attached) is projected to increase by approximately 4.6% resulting in a corresponding increase in Common Element Fees. Again, the Board will inform Owners in the November financial update letter of the final 2013 budget.

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Question from Owner Zoubek: Can you explain the last sentence of the July 2012 letter to unit owners where it states "... we continue to close the gap between years of neglect..."?

Answer: Some parts of Buildings C date to the late 1700s, Building B to the 1880s or earlier and Building D to the twentieth century. Old buildings require constant upkeep. In addition, our proximity to the salt air and salt water causes materials and equipment to wear out prematurely. Maintaining the exterior and structural interior of the buildings is an on-going effort. Each year several major projects are undertaken. Recently, several consultants assessed the retaining wall between Harborside and the BYC as well as the seawall and several areas of the roof.

5. **WATER & SEWER REVIEW:**

Trustee Joyce Raymond explained the following:

- All Bldg B owners have individual water meters and with the exception of B10 pay for their own water & sewer. In addition, they pay for water as part of their common areas fees.
- Owners in Buildings A, C and D do not have individual water meters and only pay for water through common area fees.
- To individually meter each unit would require extensive carpentry and plumbing in each unit. The BOT will continue to seek a price to individually meter each unit..
- However, to correct the existing allocation of costs, all water bills, effective July 1, 2012 will come to Lesley Management and will be paid out of the Operating Account. Water and sewer costs for owners in Building B will be paid as a common area costs.
- The 2nd Amendment (1993) to the Master Deed addressed water & sewer charges. The percent ownership contained in the 2nd Amendment reflects square footage in the units. It was not adjusted to reflect individual water meter usage.
- If all water & sewer charges are to be paid out of common funds, an Amendment to the Master Deed is needed.

- All present agreed to have a 3rd Amendment to the Master Deed produced and sent to the owners for approval.

Please remember to turn off hoses when not in use. Leaving hoses on increases the water & sewer bills.

6. MAINTENANCE PROJECTS

Fire Extinguishers: The recessing of the require Fire Extinguishers into the walls will be deferred at this time.

The North Retaining Wall stable and the BYC is watching it as well. The biggest problem with the North Retaining 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.

Building B Fire Escape Redesign: Trustee Nowland reviewed the original mandate from the Town, the process of submitting proposals to the various committees, and the limited options for the Association. The BOT is committed to obtaining a redesign with as little obstruction as possible for any unit owner. The drawings have been made available for review and are currently on the Harborside Website. Alternate options for ladders are being investigated at this time.

Question: Will owners have a vote on the cost of the final project?

Answer : The BOT will re-review the costs with all owners before proceeding.

Question: How much has been spent to date on this project?

Answer: Approximately \$18,000 has been spent on architectural fees

Question: How will the work be paid for?

Answer: The BOT will look at cost of project, budget status, and will discuss a suitable payment option for the project.

7. HARBORSIDE DOCK COMMITTEE UPDATE

Trustee Jim Walters provided an update. The HDC financials, as outlined in the July 26, 2012 Letter to Owners are solid. The insurance on the Docks are paid out of the Association's Operating Account, not HDC, as the docks can be used by all residents.

The gangways may be replaced in the near future, so the Association may have new gangways for the 2013 season.

8. MISCELLANEOUS

The Harborside Annual Pot Luck Gathering will be held Thursday, August 16, 2012 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:

- Have the pine tree outside Unit C6/C7 inspected. Are the roots causing any problems? BOT explained that some years ago the Tree was inspected and at that time the BOT was told the roots were not causing any damage to building structure.
- Have the vines on side of A Building, which may be affecting the shingles, removed.
- Have the faucet on the dock repaired.

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: Please respect neighbors and make arrangements to properly remove unwanted items from the property. 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 it 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.

10. ADJOURNMENT

There being no further business of the Harborside Condominium Trust, the 2012 Annual Meeting adjourned at 7:30 PM.

Minutes prepared and submitted by Lesley Management, Inc.

Attachments:

Letter to Harborside Owners – July 26, 2012

Proposed 2013 Budget