

HARBORSIDE CONDOMINIUM TRUST

BOARD OF TRUSTEES MEETING

OCTOBER 2006

A meeting of the Harborside Condominium Trust Board of Trustees was held October 3, 2006. In attendance were Trustees Warren Hendriks, Don Nowland and Jim Walters. A quorum was present.

1. MOTIONS

The following motions were approved unanimously:

- To accept the Minutes of the September 2006 Trustee Meeting as written.
- To accept the September 2006 financial statements.
- To approve a bank loan in the amount of \$40,000. The proceeds from this loan will be used for renovation and preventative moisture control in the crawl space of building B.
- To move forward with a special assessment request in the amount of \$40,000. The purpose of this special assessment is to repay the monies borrowed for building B crawlspace moisture prevention so as to reduce interest payments.

2. HDC REPORT

Attached, please find the HDC September 21 meeting minutes for your review. The HDC has requested that the Harborside Board of Trustees approve an early release of the Trust's annual contribution to the HDC. The HDC requests that this contribution be made in April 2007 instead of December 2007. This matter has been tabled until the HDC provides the financial rationale for this request.

3. CARBON MONOXIDE DETECTION

All Harborside homeowners have received notice from Markwood Management that in accordance with state law, they must install carbon monoxide detectors in their residences no later than March 31, 2006. Please remember to contact Markwood Management once you have complied with this requirement.

4. ADDITIONS AND ALTERATIONS POLICY

The Board of Trustees is reviewing the revised Additions and Alterations Policy in an attempt to make it more "user friendly." Trustee Nowland will draft a letter to cover the Additions and Alterations Policy. The policy that will be forwarded to all homeowners.

5. HARBORSIDE WEBSITE

Recent use of the Harborside website indicates some outdated information. Trustee Hendriks will work with Webmaster, Bart Jones, to update the Harborside website.

The website is: www.harborsidecondos.net

User Name: owner

Password: data2006

6. FINANCIAL UPDATE

The Board reviewed in depth the current financial status of the Harborside Condominium Trust noting that the maintenance and repair line continues to project a slight overrun for fiscal year 2006. It is anticipated that underruns in other areas such as snow removal and electricity will help to offset this projected overrun.

The Board also discussed the substantial increase in the property and liability insurance for the upcoming year. This increase was driven primarily by Harborsides proximity to the harbor and by current litigation costs.

Markwood Management will forward to the Board a current cash flow projection for fiscal year 2006 for Board review. Once this year to date performance has been reviewed, projected budgetary changes will be made to the proposed 2007 budget, and this information will be forwarded to all homeowners.

7. LOAN FOR BUILDING B CRAWLSPACE MOISTURE PREVENTION

As you are aware, the Board has been reviewing payment options regarding the \$40,000 cost to install moisture prevention and repair moisture damage to the common areas of the Building D crawlspace.

The Board has agreed to move forward with a loan and is in negotiations with the Marblehead Savings Bank. The strategy with regards to this project is to borrow the funds immediately and repay the loan no later than March 1, 2007 by special assessment of the Harborside homeowners. The necessary assessment will begin December 1, 2006 and will require three equal payments from the Harborside homeowners. Detailed information regarding the loan and the assessment to cover this loan will be forwarded to homeowners by November 1, 2006.

8. CHIMNEY CLEANING

Two unit owners have not forwarded their proof of chimney inspection and/or cleaning to Markwood Management. These homeowners will be contacted directly by Markwood Management and they must have this work completed by November 1, 2006.

9. BOILER INSPECTION AND CLEANING

It is strongly recommended by the Harborside Board of Trustees that homeowners have their unit heating and water heating systems serviced and inspected annually. This inspection will increase the efficiency of your heating unit and also limit any possible fire danger to the buildings.

10. MARKWOOD MANAGEMENT was instructed to attend to the following:

- Contact the owner of unit B7 regarding his recent request for window installation indicating that his alterations request must be accompanied by a building permit, alteration permission from the Marblehead Historic Commission and a detailed drawing of work to be done. The windows must also duplicate the existing windows.
- Respond to recently received correspondence from Unit B9 regarding the quarterly crawl space inspections being performed by Serve Pro.
- Forward, by November 1, 2006, to all Harborside homeowners an informational package to include building B crawlspace loan information, notice of Special Assessment, 2006 performance to budget and an updated 2007 budget.
- Confirm ownership of large maple tree abutting building A. Once ownership has been confirmed, arranged to have the tree removed and the root system killed.
- Paint the railing system on building A decks.
- Ensure that the emergency pump warning is working properly.
- Remove the recently installed cable wire on the side of building B.
- Begin the collection process for delinquent condominium fees against unit C4.
- Sanitize trash room.
- Clean all utility and storage rooms.
- Clean gutters and downspouts.
- Adjust timers.
- Activate laundry heat.
- Install Seagull prevention device.

11. TABLED ITEMS

The entry way drainage and reconfiguration of parking spaces have been tabled until the Spring of 2007.

12. ADJOURNMENT

The next meeting of the Harborside Condominium Trust Board of Trustees will be held Wednesday, November 1, 2006 at 3:00 pm at the residence of Trustee Don Nowland, Unit D4. All Homeowners are encouraged to call in to the meeting using the following conference information:

- Please call 1-866-393-8073.
- You will be prompted to enter the meeting number *1169611*.

Minutes prepared and submitted by Markwood Management.

Attachment:

HDC Minutes