

HARBORSIDE CONDOMINIUM TRUST

TRUSTEE MEETING MINUTES **NOVEMBER 2005**

A meeting of the Harborside Condominium Trust Board of Trustees was held November 2, 2005. In attendance were Trustees Liz Michaud, Don Nowland and Jim Walters. A quorum was present.

1. MOTIONS

The following motions were made and approved unanimously:

- To accept the October 2005 Board of Trustees meeting minutes as written.
- To accept the October 2005 financial statements.

2. 2005 FINANCIAL PROJECTIONS AND NEW PROPOSED 2006 BUDGET

- Based on current financial projections for year-end, the Trustees are confident that we will balance the Operating Budget for 2005, will have completely funded the \$15,000 Reserve Account, and possibly have a small underrun in the Reserve Account. This beats the year-end projected overrun of 2.6% we announced at the August Owners Meeting and the 8% overrun we had in 2004.
- At the August Owners Meeting, the Trustees proposed a 2006 Budget of \$124,450, an 11% increase in Common Element Fees (Condo fees). This increase resulted from a \$3000 increase for Snow Removal, \$400 increase in Landscaping, \$2700 increase for Dock Fees, and a \$5000 increase in the Reserve Account (raising Reserves to \$20,000 for 2006). Primary reason for the increase in the Reserve Account concerns the persistent drainage issue between the B and D Buildings, which continues to cause rotting wood and foundation damage under both buildings and has contributed to the deterioration of the steel I- beam under the D Building. We are assuming a total repair cost of \$15,000 to \$20,000.
- In the last two months, the Trustees have taken the opportunity to insure the Docks/Floats and Gangways, which had never been insured yet their replacement costs in case of an emergency loss could run as much as \$28,000 just for one Dock/Float. Additionally, the Board has hired Harbor Landscaping, a new landscaper to increase the appearance of the property and increased the frequency of the trash room cleaning to weekly. These decisions add \$2100 for insurance, \$5030 for landscaping, and \$500 for cleaning, thus raising the proposed 2006 Budget to \$131,680 (a 17% increase). This compares to a 16% increase from 2004 to 2005, but the Trustees remain hopeful that the D Building I-beam replacement Capital Reserve Project, currently projected for 2006, can be deferred beyond next year and allow 2006 to be free of any Special Assessments. As noted elsewhere in the Minutes, Paul

Bergman Engineering will be conducting a re-inspection of the beam condition later in November.

- As with previous years, a final year-end financial report will be sent to all Owners once all 2005 revenue and expenses have been consolidated.

3. COMMITTEES

- A general discussion of existing committees and memberships sitting was tabled until the December 2005 Trustee meeting, however, it was noted that Sally Plauche has volunteered to head a Landscaping Committee. If you are interested in participating in the landscape and design for Harborside, please contact Sally Plauche (SPRAYCLIFF@aol.com).

4. RECYCLING

- After reviewing the recycling options at the Harborside Condominium, the Board encourages all homeowners to recycle. There are two ways to accomplish this:
 - Put all recyclables on the curb for town pick-up.
 - Take your recyclables to the Marblehead recycling center at the town dump.

5. INSURANCE

- The property and general liability insurance for the 2005/2006 insurance year has been placed with increased property coverages. Also, all homeowners are advised that the deductible on the master insurance policy for the condominium has been increased to \$10,000. What this means to you as a homeowner, is that you must contact the agent who writes your homeowners coverage and make certain that the ADDITIONS and ALTERATIONS section of your homeowners' insurance policy is sufficient to cover the master policy deductible.

6. LAWSUIT UPDATE

- The parties and their attorneys attended Mediation on October 19 and 20, 2005 at the offices of Massachusetts Dispute Resolution Services in Salem, MA. Brian Jerome, Esq. was the Mediator. Also attending were representatives of the Trust's insurer, St. Paul Travelers, and a construction consultant. The Mediation was unsuccessful, no settlement was reached and the lawsuit continues. Trial is currently set for April 5, 2006. If further developments occur, appropriate announcements will be made.

7. BUILDING D STRUCTURAL WORK

- The Board awaits contact from Bergman Engineering regarding the re-inspection of the structural I beam under building D. The information obtained from this re-inspection report will be forwarded following the re-inspection.

8. HARBORSIDE DOCK COMMITTEE (HDC) REPORT

- The following items were noted regarding the HDC:
 - As indicated above, the gangways and floats are now insured against both property and liability loss.
 - The Board of Trustees has approved the protocol for appointing the Trustee who will sit on the HDC Board. The appointed Trustee will remain on the HDC Board until the expiration of the Trustee's term as a Condominium Trust Trustee.
 - The 2006 HDC Operating Budget review and approval has been tabled until the December meeting. Trustee Nowland will work with HDC Chairman, Bob Segee, to finalize the 2006 budget and the 2006 financial strategy.

9. BUILDING D REDECORATING

- The Board approved painting and re-carpeting of the Building D common hallway. This work will be done in the spring of 2006. The painting will be done by Osgood Painting and the carpeting will be done by The Carpet Gallery. Trustee Nowland to coordinate the paint and carpet colors.

10. BUILDING B REPAIRS

- The Board approved the installation of new, thermal pane windows in the hallway of Building B. Also approved were repairs to Building B crawlspace ceiling joists and storage room floors. This work will be scheduled for the winter of 2006 and will be done by Monaco Construction.

11. MAINTENANCE RESOLUTION

- The Board is in receipt of a sample maintenance resolution from Attorney Aronson. This resolution denotes the responsibilities of both the Harborside Condominium Trust and Harborside homeowners relative to the maintenance and reporting of maintenance issues within the condominium, including the existence of conditions that could cause mold. The Board is reviewing this resolution and will discuss it at the December meeting.

12. WINTER PARKING

- As the winter season approaches, please observe the following request from your Board of Trustees and your neighbors:
 - Park your vehicle within the designated parking lines.

- Please obey the compact parking zone and be aware that one of the compact spaces on the left side of the driveway between the upper and lower parking lots will be used for the sand barrel.
- Please do not park in the fire lanes.
- Ensure that if you are going to be away from your Unit, you have left an emergency contact who can move your vehicle for snow removal.

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

- Obtain pricing to repair the seawall lights.
- Install homeowner's keys in the KNOX box.
- Ensure that Osgood Painting is finishing the breezeway project re: the stairway, the exterior light fixture, all painting, and painting the structural pole at the end of building D.
- Ensure that all exterior air conditioning processors have been appropriately enclosed.
- Notify the HDC, in writing, that Bert Michaud and Bart Jones have volunteered their services for the next HDC available opening.
- Notify the HDC in writing that Roger Plauche has requested to be out on the dock outhaul waiting list.
- Forward the 2005 budget forecast to Trustee Nowland.
- Notify all Harborsiders of the master insurance policy deductible increase.
- Obtain pricing from Osgood Painting to replace the rails between buildings A and C.
- Take flags down in late November.
- Arrange for Harbor Landscaping to attend the March 2006 meeting.
- Insure that all gutters on the property have been cleaned.
- Confirm with the snow removal contractors that the shovelers will be on the property no later than 7:00 am to fully remove snow from sidewalks, stairs, and entryways.
- Discuss with Chris Monaco the location of the waterproofing material that the Board is considering for deck waterproofing. This information will be forwarded to Trustee Walters so that he may view the recommended product and report to the Board.
- Re-draft the "Harborside Maintenance Schedule" altering or including the following:
 - Delete August and November sweeping of parking lot.
 - Delete final pruning.
 - Include flag removal in November.
 - Include quarterly cleaning of utility rooms.
 - Include timer adjustments monthly.

- Contact the owners of unit C4 and B10 confirming that their alterations have been completed. Once this has been confirmed, Markwood Management will forward to the Board the forms for final signoff of these projects.
- Contact Attorney Aronson requesting insurance resolution information for review by the Board at the December 2005 meeting.
- Contact Bart Jones to obtain the new website password for 2006.

14. ADJOURNMENT

The next meeting of the Harborside Condominium Trust, Board of Trustees will be held Wednesday, December 7, 2006 at 3:00 pm at the residence of Trustee Walters, unit C6/7. 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.