HARBORSIDE CONDOMINIUM TRUST

November 29, 2009

Letter to Harborside Owners – 2009 Financial Projections and 2010 Budget

Dear Harborside Owners:

The purpose of this letter is to provide an update of the 2009 year-end Budget projections, and to present the 2010 Budget and new Common Element Fee Schedule (please see attached). We have also attached the Snow Removal Policy for the upcoming winter season.

2009 Financial Projections – At the 2009 Annual Meeting we presented a year-end projection indicating a 2% overrun of the Operating Account for fiscal year 2009. We are now projecting a balanced Operating Budget for 2009. While we have experienced an overrun in snow removal ($4,000) and a lesser overrun in office expense ($500), these overruns are projected to offset with under runs in extermination ($1,150), electricity ($300), natural gas ($300) and legal ($3,500). We also expect to carry over into 2010 a balance of approximately $10,000 in our Reserve Account.

2010 Budget – At the August homeowners meeting, we proposed a 2010 Budget of $164,350 indicating a $4,870 (3%) increase over the current Common Element Fee. In the Operating Account, cleaning will be increased by $2,000, maintenance/repair by $2,000 and landscaping by $870. All other expenses will remain consistent with 2009 levels, unless unexpected issues are encountered. The Reserve contribution will remain at $25,000. For comparison we raised condo fees 4.5% in 2009, 4% in 2008 and 11% in 2007.

2010 Maintenance Projects – In the interest of holding our 2010 budget with only a 3% increase, we have decided not to resurface the north dock and to not replace the decks outside D1, D2, and D3. Those projects were estimated at $20,000 and $40,000 respectively (both would have been done with composite materials, thus driving the high costs). This would have required a Special Assessment that the Board of Trustees feels would have been too much of a financial burden on our owners considering the state of the economy. In both cases, we will make only the necessary repairs at this time. We will reconsider both projects in future years, as we monitor future Reserve Account balances.

Future Capital Projects – We continue to defer repair or replacement of the north retaining wall (between Harborside and the Boston Yacht Club) and the replacement of the parking lot surface.

In summary, we expect 2010 to be a very challenging year financially, however, the goal of the Trustees remains to create reasonable Operating and Reserve Budgets, while at the same time being mindful of the long term infrastructure needs of our uniquely beautiful and valuable place to live.

Thank you,

Board of Trustees

Warren Hendriks
Don Nowland
Jim Walters

Attachments: 2010 Budget
2010 Common Element Fee Schedule
Snow Removal Policy

HARBORSIDE CONDOMINIUM TRUST

			2009 BUDGET	2010 PROJECTED
REVENUES				
A.	Condominium Fees		$159,480	$164,350
TOTAL INCOME			$159,480	$164,350
EXPENSES				
A.	Administrative			
	1.	Insurance	$30,000	$30,000
	2.	Management Services	9,300	9,300
	3.	Tax & Tax Preparation	150	150
	4.	Office Expense	2,000	2,000
	5.	Legal	4,000	4,000
		TOTAL	$45,450	$45,450
B.	Utilities			
	1.	Electricity	$2,700	$2,700
	2.	Water & Sewer	4,900	4,900
	3.	Cable TV	4,800	4,800
	4.	Gas	1,000	1,000
		TOTAL	$13,400	$13,400
C.	Common Services			
	1.	Rubbish Removal	$5,100	$5,100
	2.	Snow Removal	5,000	5,000
	3.	Exterminating	1,500	1,500
	4.	Landscaping	7,630	8,500
	5.	Cleaning & Bulbs	4,000	6,000
	6.	Fire System	500	500
	7.	Docks		
		Fee	5,400	5,400
		Insurance	2,500	2,500
		Utilities	2,000	2,000
	8.	Heating Systems	2,000	2,000
		TOTAL	$35,630	$38,500
D.	Maintenance/Repair			
	1.	Labor & Materials	$40,000	$42,000
		TOTAL	$40,000	$42,000
E.	Operational Reserves			
	1.	Reserve Contribution	$25,000	$25,000
		TOTAL	$25,000	$25,000
TOTAL EXPENSES AND RESERVE CONTRIBUTIONS			$159,480	$164,350

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COMMON ELEMENT FEE SCHEDULE
2010

UNIT	MONTHLY FEE
A1	448.00
A2	263.00
A3	517.00
B1	677.00
B2	402.00
B3	643.00
B4	391.00
B5	402.00
B6	391.00
B7	391.00
B8	377.00
B9	391.00
B10	517.00
C1	414.00
C2	803.00
C3	414.00
C4	402.00
C5	609.00
C6	402.00
C7	391.00
C8	574.00
D1	448.00
D2	654.00
D3	562.00
D4	769.00
D5	551.00
D6	907.00

Please note parking protocol below in the event of an expected snow storm.

PREPARATION FOR SNOW REMOVAL

When snow is forecasted, please park your vehicle in the lower lot, up against the B or C Buildings or along the seawall starting from the north. The goal is to not have any vehicles in the upper lot or in the path of the plow to the south end of the seawall. The plow can clear the whole upper lot and move the snow down to the south end of the lower lot. Note: Please park cars as far north as possible in the lower lot, leaving a pathway for the plow to get to the far southeastern portion.

After the plowing and shoveling, cars may be parked in the upper lot, but pull your vehicles as far forward as possible against the C Building and pull in as close as possible along the south side of the upper driveway. Do not block the garages or carports.

A “no parking” cone may be placed in the “Compact Car Only” spot next to the entry way to the C Building, as it's very difficult to get cars out of the carport if a snow bank prevents you from pulling far forward.

By contract, the snow plow will come periodically during and after a snow storm, and usually early in the morning. Snow shovelers are to come within one hour after the end of a snow storm or when we have 3 inches of snow, except when the storm ends between 10:30 PM and 4:30 AM. Snow shoveling will commence at 6:00 AM, and they are to shovel all sidewalks / walkways to their full width. They will not shovel out individual vehicles, unless requested through Markwood Management (in the event of a very large snow storm).

Thank you.

Harborside Board of Trustees