

Harborside Update: December 15, 2013

This message is intended to provide Residents (Owners, Renters) with an update regarding the reconstruction of Building B.

Weekly Update (December 7-15):

Insurance: Travelers Major Case Adjuster is preparing a cost estimate and settlement negotiations are expect to begin next week. However, a final settlement may take several months. Interim settlement decisions and monetary advances should allow reconstruction efforts to begin earlier. Owners will have an opportunity to review and raise any objections to the settlement before it is final.

Demolition: Further demolition is on-hold pending a report from the structural engineer examining damage from the prior fire.

Architectural Items: The architect is regularly inspecting the conditions and providing Field Reports to Marblehead's Building Department.

Permits/Inspections: Hayes Engineering was on-site to survey the property. A certified site plan, needed for permitting, is expected in the next few weeks.

Prior Fire Damage: During demolition, evidence of a prior fire event in Building B was uncovered. Information is limited at this time as to the extent, cause or date of that fire. Further investigation is planned.

Roof and Structural Systems: During demolition, several structural abnormalities were noted. A structural engineer is assessing the structural integrity of the framing. A preliminary report from the structural engineer was expected last week, but has not yet been received. Further, demolition of the ceilings in Unit B3 will be required.

Safety Items: Only structural supports and some subflooring and framing remain in the affected areas. A temporary heater is providing heat to prevent freezing in the 'construction areas'.

Separating Insurance Covered Items: The general contractor submitted an invoice with payment due next week. The BOT met with Marblehead Bank to apply for a \$200,000 loan to cover demolition and pre-construction expenses. Some of these expenses will be covered by the insurance settlement. Expenses not covered by the Master Policy will be handled as a Trust expense and Special Assessment.

Owner Approval: Our By-Laws required the Trustees seek approval of the Owners to proceed with restoration work if the Trustees determined with reasonable judgment that the loss caused by the fire could exceed 10% of the value of all condominium property. With 94.4% ballots returned, Owners have voted 'yes'.

Liability Message: Harborside Condominium Trust has hired Paradise Construction as the general contractor. For liability reasons, a Waiver of Liability must be on file for anyone permitted into the construction area. Anyone requesting access to the construction area can obtain a Waiver of Liability form from Don or Joyce.

Safety Message: Again, the area is an active construction site. In the interest of safety for all, please do not enter the 'construction areas' in Building B. If you absolutely need access to your affected unit, please contact Don or Joyce, and we will schedule a time for you to enter your

unit. Access cannot be scheduled during regular working hours (7:00 AM through 4:00 PM Monday through Saturday). Again for safety reasons, one of us will remain with you while you are in the 'construction area'. Please do not approach Paradise's workers for access to the 'construction area' as they are complying with safety standards.

Interruption of Services: During reconstruction, there may be periods when service must be interrupted. We will provide advance notice whenever possible. If you find your service has been accidentally interrupted, please contact Don or Joyce.

Many Residents' vehicles have been moved to the BYC parking area. And, we appreciate the patience of Residents who are experiencing inconvenience due to the presence of construction vehicles, noise and scaffolding.

In addition, a reminder to take precautions to keep your homes secure and not leave valuables in your car or your units unlocked. Your patience and understanding are greatly appreciated.

Thank you,

The Trustees

P.S. If you have renters not shown in the address line, please forward this update email to them.