

Harborside Weekly Update: December 15-22, 2013

This message is intended to provide Residents with an update regarding reconstruction of Building B.

Insurance: Travelers Insurance advanced additional funds to cover the cost of demolition and limited pre-construction activities. Our Public Adjuster, Panakio, is analyzing cost information to defend replacement cost estimates. Owners will have an opportunity to review and discuss the replacement cost estimates with the public adjuster prior to final settlement.

Demolition/Construction: Further demolition is on-hold pending a report from the structural engineer, now expected in early January. A temporary patch was placed on the roof the day following the fire. In November, the temporary patch was removed and a larger patch was applied over the existing rubber membrane. Some water continues to penetrate through the second patch. A water collection system was installed inside B5 & B6 to collect any water penetrating the patched area. Sealing the roof is a priority and will be done as weather permits.

Architectural Items: Our architect is regularly inspecting the conditions and providing Field Reports to Marblehead's Building Department. Hayes Engineering delivered a preliminary site plan to the architect this week, who can now move ahead with a detailed drawing of the fire egresses. Measurements for the fire egresses could begin in early-January, weather permitting.

Permits/Inspections: Hayes Engineering is now preparing a certified site plan, which will be included in the permit application. Permits will be required for each affected unit, as well as the common areas.

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

Roof and Structural Systems: During demolition, several structural abnormalities were noted. A structural engineer is assessing the structural integrity of the framing. As indicated above, a preliminary report is expected in January. 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. Temporary heat is in place to prevent freezing in the 'construction areas'.

Separating Insurance Covered Items: The general contractor's (GC) invoices due this week were paid. GC invoices will be categorized into the following groups: insurance covered expenses, code compliance upgrades, change orders (at Owners' requests), and prior fire expenses. The Trustees met with Marblehead Bank to apply for a \$200,000 construction line of credit. Expenses not covered by the Master Policy insurance settlement will be handled as a Trust expense and Special Assessment.

Owner Approval: Over 96% of Owners responded to the ballot question. Of the votes cast, there was unanimous approval to proceed with the reconstruction of Building B.

Liability Message: For liability reasons, a Waiver of Liability must be on file for anyone permitted into the construction area. A Waiver of Liability form can be obtained from Don or Joyce.

Safety Message: Please do not enter the 'construction areas'. If you 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. For safety reasons, one of us will remain with you. 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.