

Harborside Weekly Update: December 22-29, 2013

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

Insurance: Panakio Adjusters is analyzing cost information to defend replacement cost estimates during settlement discussions with Travelers Insurance (carrier for our Master Policy). Owners will have an opportunity to review and discuss the replacement cost estimates with the public adjuster prior to a final settlement.

Demolition/Construction: Demolition and reconstruction activities will resume after architectural drawings and permits are obtained.

Architectural Items: The architect is regularly inspecting the conditions and providing Field Reports to Marblehead's Building Department. Preparing plans for the fire egresses and common areas are a priority and a pre-requisite of obtaining building permits. In early January, the architect plans to field measure the exterior of the building and produce drawings for the fire egresses.

Permits/Inspections: Permits will be required for each affected unit (B1, B2, B5, B6 and B10) as well as the common areas. A construction permit was issued for Unit B1. Work was limited to electrical, sheetrock and insulation replacement and painting in the back of the Unit. Hayes Engineering is still preparing a certified site plan (expected in early January) which must be included in the permit application. By late January, the architect will finalize the permit process and schedule for the BOT (Building Department, Old & Historic District Commissions, Conservation Commission and Zoning Board of Appeals).

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 being conducted.

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 is expected in January.

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: Invoices submitted by Paradise will be categorized into the following groups: insurance covered expenses, code upgrades, change orders (at Owners' requests), and prior fire expenses. The BOT is working with Marblehead Bank to secure 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 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 while you are in the 'construction area'. Please do not approach Paradise's workers for access 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.