

Unit Owners of the Harborside Condominium

Nov 26, 2013

Subject: Rebuilding and Restoration of B Building, Harborside Condominium, 24 Lee St, Marblehead, MA 01945

Dear Unit Owners,

As you are aware, on Saturday, October 26th, a fire badly damaged the B building and Units B2, B5, B6, B10, B1/B4 (partially), and common areas (including the Mechanical Room). The master insurance policy for the Harborside Condominium Trust is expected to cover a significant portion of the fire damage loss, less the furnishings and other personal effects which will be covered by affected Unit Owners' personal insurance.

Since the Board anticipates that this insurance loss could exceed 10% of the total value of Condominium property, this requires a vote of the Unit Owners as required by Article IX of the Declaration of Trust of the Harborside Condominium and Massachusetts law.

The primary purpose for the vote is for owners to agree to proceed with the restoration so that the status of our property as a Condominium will be preserved.

If seventy-five (75%) of Unit Owners agree, the agreement will serve to prevent any one owner from filing a legal action with the Court to seek to partition the property and dissolve the Condominium Trust. Therefore, it is imperative that Unit Owners consent to restoration of the B Building so that our Condominium will continue to exist. Enclosed is a copy of the applicable section of Massachusetts law, M.G.L. c.183A Section 17.

Consequently, the Board of Trustees is requesting that all Unit Owners immediately give their consent, so that the rebuilding process will not be hampered and to avoid any adverse impact on the market values of all Units at the Harborside Condominium. Enclosed is a Ballot to cast your vote. Please sign the enclosed form and return it in the enclosed self-addressed form by Dec 13, 2013 to Lesley Management, P.O. Box, Marblehead, MA 01945.

Thank you for your cooperation in this regard. If you have any questions, please feel free to contact any member of the Board of Trustees (Don Nowland, Joyce Raymond, or Jim Walters).

Sincerely,

The Board of Trustees, Harborside Condominium Trust

Attached:
Massachusetts law, M.G.L. c.183A Section 17
Ballot

HARBORSIDE CONDOMINIUM
CASUALTY LOSS RESTORATION
AGREEMENT AND AUTHORIZATION

I (We) the undersigned being the owner(s) of Unit ___ at the Harborside Condominium, pursuant to M.G.L. c. 183A, Section 17 and Article IX of the Declaration of Trust of the Harborside Condominium, do hereby cast the following vote regarding the repair and restoration of the October 26, 2013 casualty loss at the Harborside Condominium:

By executing this instrument I (we) acknowledge that I (we) have received a copy of M.G.L. c 183A, Section 17.

Please check one:

YES: Agree to proceeding with the repair and restoration of the October 26, 2013 loss:

[_____]

NO: Do not agree to proceeding with repair and restoration of the October 26, 2013 loss:

[_____]

Dated this ___ day of ____, 2013.

Unit Owner _____

Unit Owner _____

Signature _____

Signature _____

Undivided Interest _____

(To be completed by Management)

Section 17. Rebuilding following casualty loss; partition upon disapproval; repair or restoration upon approval; purchase from dissenting owner

(a) Rebuilding of the common areas and facilities made necessary by fire or other casualty loss shall be carried out in the manner set forth in the by-law provision dealing with the necessary work of maintenance, repair and replacement, using common funds, including the proceeds of any insurance, for that purpose, provided such casualty loss does not exceed ten percent of the value of the condominium prior to the casualty.

(b) If said casualty loss exceeds ten percent of the value of the condominium prior to the casualty; and

(1) If seventy-five percent of the unit owners do not agree within one hundred and twenty days after the date of the casualty to proceed with repair or restoration, the condominium, including all units, shall be subject to partition at the suit of any unit owner. Such suit shall be subject to dismissal at any time prior to entry of an order to sell if an appropriate agreement to rebuild is filed. The net proceeds of a partition sale together with any common funds shall be divided in proportion to the unit owner's respective undivided ownership in the common areas and facilities. Upon such sale, the condominium shall be deemed removed from the provisions of this chapter.

(2) If seventy-five percent of the unit owners agree to proceed with the necessary repair or restoration, the cost of the rebuilding of the condominium, in excess of any available common funds, including the proceeds of any insurance, shall be a common expense, provided, however, that if such excess cost exceeds ten percent of the value of the condominium prior to the casualty, any unit owner who did not so agree may apply to the superior court of the county in which the condominium is located on such notice to the organization of unit owners as the court shall direct, for an order directing the purchase of his unit by the organization of unit owners at the fair market value thereof as approved by the court. The cost of any such purchase shall be a common expenses.