

HARBORSIDE CONDOMINIUM TRUST

TRUSTEE MEETING MINUTES

NOVEMBER 2014

The November meeting of the Harborside Condominium Trust Board of Trustees (BOT) was held Wednesday, November 5, 2014. In attendance were Trustees Jon Curtis and Jim Walters and via phone Leslie de Moraes. A quorum was present.

Also in attendance, were homeowners Bert Michaud, Bob Alves, Jeanne McKeon, and Joyce Raymond and via phone Bill Siddall, David & Marianne Gold, Roger & Sally Plache, Nancy Segee, Chuck and Muffin Zoubek, Ron de Moraes, and Jennifer Coolidge.

Also in attendance was Attorney Frank Muzio.

The Board of Trustees Meeting was recorded for archival purposes and to assist in preparing the minutes for the meeting. All participants in person and via phone were notified of such recording prior to meeting.

1. HOMEOWNER ITEMS

Emergency Egress, Building B Fire Escape Redesign: As a part of the reconstruction of B Building, code compliant fire egresses are required by the Marblehead Building Department and Building Commissioner. The Zoning Board of Appeals (ZBA) approved the variances; however, a lawsuit was filed against the ZBA shortly following the decision.

Attorney Muzio was introduced and began the discussion:

- o Attorney Muzio is an attorney in Salem who was hired to defend the Trust against the lawsuit filed by Brian and Marina O'Sullivan. Attorney Muzio's attendance was requested in order to provide all owners the true facts and actual basis for the O'Sullivan's appeal of the ZBA's ruling.
- o Brian and Marina O'Sullivan, who own 30 Lee Street, filed a lawsuit claiming the ZBA's decision is arbitrary and capricious. The suit was filed against the ZBA claiming their ruling was arbitrary and capricious. The suit included the Harborside Trust as a respondent because the Trust filed the petition with the ZBA. The O'Sullivans have the burden of proof that the ZBA's decision was arbitrary and capricious.
- o Recent emails among Harborside owners contained inaccurate information regarding the basis of the lawsuit. The lawsuit was filed on a variance dispute. The O'Sullivan's claim asserts that there will be blasting in the construction of the new egress for B Building. This is untrue. The amount of ledge that will be removed is about the size of a chair and will be removed solely with manual, hand labor and powered tools
- o A protracted lawsuit is not beneficial to either party and a reconciliation meeting is scheduled for Friday, November 7, 2014 between the legal representatives for the Trust and the O'Sullivans.

- o The lawsuit will follow land court procedure.
- o The lawsuit will not delay or stop the reconstruction of B Building.
- o The Trust has paid a retainer of \$7,500 for Mr. Muzio's legal expenses. Mr. Muzio estimated that he has spent approximately 5-6 hours working on the response to the O'Sullivan's appeal. His hourly rate is \$295. Legal fees can be recovered if the lawsuit is found to be frivolous.
- o The appeal does not mention any complaint that B Building's egress will obstruct anyone's view.
- o A copy of the claim will be forwarded to any owner who requests a copy.

Building C Storage Room: On September 22, 2014 the storage area of C Building was tested for high moisture levels. During the inspection, mold was visible inside the storage units. ServPro of Salem Peabody Marblehead remediated the mold on Friday, October 17, 2014. An update on the Building C Storage Room was distributed to owners on November 3, 2014.

The Board approved an estimate from Paul Haggett to fire proof the Storage Room area at a cost of \$21,500 (subsequently increased to \$24,000 to address additional code compliance issues.). The Board of Trustees made the decision to defer the maintenance to the North Retaining wall and dedicated allotted funds to the C Building Storage Room to address the immediate health issue where mold was present and to protect the building with fire safety measures.

Harbor Landscaping excavated the area in front of Building C and found the south end to be dry. The earth in the north end of the planter was saturated. The hose bibb and attached hose in the saturated area was removed. Additionally, a downspout was found to be crushed and clogged. Bob Storch placed a length of PVC pipe to extend the downspout away from the building. The area will be monitored throughout the winter season.

North Retaining Wall: The BOT met with Peter Hermann, structural engineer, and reviewed the South East corner of the Sea Wall and the North Retaining wall (the wall on the rear side of the connector between Building A/C). The most critical area is the small section between the carport and C Building. The wall in this area appears to be held up by an electrical conduit and the BYC Yardarm egress landing. Peter Hermann and the BOT went into the basement of A Building and found there was a large cement foundation installed to reinforce the retaining wall. Peter Hermann returned for a clearer understanding of what is there and suggested that the wall be repaired independent of 20-22-22 ½ Lee Street. Paul Hagget has been asked to obtain multiple quotes from masons and the work will begin in Spring 2015. The wall will be monitored over the winter months and will be completed in the new budgeted year. The following process will be followed: remove soil and plant matter, remove loose gravel and grout, pressure wash area, and pack in grout using a flexible mortar.

Trustee de Moraes cautioned that much of this project will need to be brought before the Conservation Commission due to proximity onto the harbor.

B8 Deck: The rotted boards on this deck have not been addressed at this time. The joists are so rotten; they would not be able to hold new nails or screws.

2. INSURANCE

Flood Insurance: The renewal notices for the Flood Insurance have been received with a modest increase over prior year's; ~ 3.38%.

Trustee Curtis will follow up with Peter Ogren to ensure a LOMA is filed before the renewal in Year 2015.

The Master Policy has been renewed with Travelers with a 15% increase in premium. The Ordinance or Law Coverage remains at \$25,000. At this time Travelers will not increase the limit on the Ordinance or Law Coverage knowing there are still code upgrades on the remaining 3 buildings.

Owner Gold questioned when A and C Buildings will be on Central Monitoring? The BOT has placed this on a list of upgrades to be considered after the Renovation of B Building has been completed.

3. PAINTING

Neptune Painting Services has completed all painting services for Year 2014.

4. BUILDING B FIRE UPDATE:

The contract between Harborside Condominium Trust and Paradise Construction was signed at the beginning of September at \$1,315,444.34. In addition, there is a change order (#1) for the Building B Mechanical room at \$49,830. There is another change order (#2) to remove the flooring of Unit B10, install insulation, replace flooring in the amount of \$ 5,486.80

The current contract Value is \$1,370,761.14.

Paradise Construction has started the internal framing and has begun installing the firewalls and insulation on the extreme end. The sprinkler company is making progress. The steel has not been ordered as of the time of the meeting.

5. FINANCIAL REPORTING:

Units delinquent more than 60 days are in legal collections with Marcus Errico Emmer & Brooks. It has always been the BOT's position to not comment on individual delinquent accounts, but confirmed that owners that fall behind are being charged late fees according to the HCT Rules and Regulations and legal collection efforts are initiated when necessary.

Owner Coolidge asked if there was a more measured way to increase the reserves; maybe over a 3 year period since there was a supplemental assessment in late 2014, the loan in December 2014 and an increase in budget for year 2015.

Answer: The Board working with management has compared actual expenses vs budgeted expenses over the past years and has established a realistic budget that accounts for the Increase in Flood Insurance, Master

Insurance, Proper Reserve allocations, and proper operational line items. The Budget for Year 2015 is a ~ 5% increase over the Year 2014 budget including the supplemental fee assessment.

Owner Siddall asked if a decrease in market value of the condominiums affect the loan with East Boston Savings Bank.

Answer: No, the loan is not an equity-based loan.

6. PARKING

The Zoning Board of Appeals will require alternate parking be enforced. Vendors have been instructed to shuttle their workers into the property and not park on Lee Street. All owners are asked to be considerate when parking on Lee Street so not to inconvenience neighbors.

7. HDC

The docks have been put away for the season and the HDC is waiting on the final invoice.

8. DEFERRED PROJECTS

Due to current financial conditions, the following projects continue to be deferred: D-1/D-2/D-3 deck refurbishment; seal coating and lining of parking lot; composite refurbishment of the north dock; addition of blue stone at the C Building entry; and replacement of the ceiling at entrance to C Building and by Trash Room with bead board or exposed beams.

9. LESLEY MANAGEMENT will attend to the following:

- Have the winders on the window in the laundry room replaced. **[On P. Haggett's list.]**
- Contact Paul Haggett to inspect and report back on the condition of the door and threshold of unit B7.
- Obtain a price to replace the common area glass window in Building C and forward to BOT for consideration. **[On file].**
- Continue to clean the drains in the walkway between the B and D buildings and under steps to unit D2-3. **[On-going]**
- Continue to secure all outstanding tenants lease information.
- Follow up with Attorney Aronson on the recovery of expenses for services to Unit B9. **[On-going]**
- Continue to work with Ron deMoraes to update the website.

- Have the vent in the exterior door to B Building Mechanical Room cleaned monthly.
- Determine what is causing the excessive water run-off behind the D Building.

10. HARBORSIDE WEBSITE

Ron deMoraes has updated the Harborside website to a new more user -friendly site. Please use the website.

For your information, the new website is: www.harborsidecondos.info

Password: MHD2401945

11. ADJOURNMENT

As there was no further business before the Harborside Condominium Trust Board of Trustees, the meeting adjourned at 5:30 p.m.

The next meeting of the Harborside Condominium Trust Board of Trustees will be held Wednesday, December 3, 2014 at 3:00PM at a location to be determined. All homeowners are welcomed to attend in person or by teleconference.

.....