

HARBORSIDE CONDOMINIUM TRUST

TRUSTEE MEETING MINUTES

December 16, 2015

A December meeting of the Harborside Condominium Trust Board of Trustees (BOT) was held Wednesday, December 16, 2015 via telephone conference. In attendance were Trustees Liz Michaud, Leslie de Moraes and Jim Walters. A quorum was present.

Also in attendance were homeowners , Bert Michaud, Martha Wheeler, Joyce Raymond, Dottie Martin, Bart Jones, Bill & Deanne Siddall, , and Roger Plauche..

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 the meeting.

Trustee de Moraes extended a Harborside welcome to new owner Sharon Glasser.

1. HOMEOWNER ITEMS

- Certificates of Occupancy – All units have their Certificates of Occupancy. A meeting was held on December 8th with Bruce Paradise, Joshua Chislak, and effected unit owners to go over punch list. Paradise Construction is currently working on these punch list items.

Owner Siddall stated he did not receive the CO for unit B10. Trustee deMoraes stated the Trust would receive the CO and would follow up with Paradise Construction for its location.

- Sea Wall – The work has started on the area above the tide line. Work will continue on the maintenance above the tide line and then work on wall under tide line will be started.
- C- Building Water Proofing – Middlesex Construction began water proofing efforts to the interior of the foundation wall of C- Building storage area. One layer of product has been applied on Tuesday and two more layers will be applied on Thursday. All owners in C – Building may replace their items into

their storage bins early Saturday morning but must NOT place items up against the foundation wall.

- North Retaining Wall – The repointing of the stone wall started this week and will be finished by Friday. McCurdy Electric will be on site within next day or two to release the electrical conduit. Justin Epstein will work with Paul White (BYC) and the North Retaining Wall rebuilding may start as early as next Monday.
- Gutters: Essex Gutter Company has been contracted to install new gutter systems on certain areas of A-Building, B-Building, C-Building and D-Building, The work is on-going but aim is to correct existing gutter systems that have both commercial and residential gutter style systems to fully commercial sized gutters and downspouts. The Trust is open and exploring different drainage systems, but again this is an on-going project.
- B - Building Egress–On December 8th, Trustee de Moraes met with Bruce Paradise on next steps on the rebuild to the main Egress of B Building. Right now they are in the process of “shop drawings” which puts together engineering and architectural pieces, they are in permitting process, and are finalizing subcontract details and contracts. Weather permitting; work is scheduled to begin January 4, 2016. Paradise Construction will start with footings and building of the retaining wall abutting the O’Sullivan property

Does it make sense to spend money the Trust is about to spend?

The Trust does not have a choice but to rebuild the egresses. In addition, under the terms of the settlement, the Trust is obligated to start quickly.

Where the detailed reporting is promised to ownership?

On Website, Trustee Walters stated a financial overview of project would be made available to ownership. The Trustees are working with Accountant Benjamin Crowninshield and will forward as soon as it is available.

Why were owners not notified of the nearly \$600,000 shortfall until October 2015?

Owners were notified as soon as the Board received the cost estimate for the rebuild of the egress – and – received final invoices on the change orders to the contract.

The Trust is hiring an owner’s representative to act on behalf of the Trust during the rebuild of the Egresses.

What guarantees can the Trust give ownership that there will not be another shortfall with the rebuild of the egresses? Is there a contingency built into this assessment to owners?

There is a small contingency amount built into this assessment, but there are unknown factors that may and most likely will come up during the course of the rebuild. The Trustees agreed that it would not be in best interest of ownership to add in an excessive contingency amount at this time.

How much was spent on legal?

There was \$39,000 on legal invoices for the appeal alone. The details will be in the financial overview.

Where is the legal letter stating the Trust is obligated to build the B7 – B8 egress?

Trustee de Moraes has an email from Bob McCann and per Peter Pittman the understanding from the ZBA is that the B7 – B8 egress must be started within one year of the settlement.

Why didn't Paradise Construction anticipate some of these over runs on the project? Why didn't Paradise Construction know the full sprinkler system requirements at the beginning of the project?

The contract was to code, but the Town of Marblehead required additional items that were beyond contract. For example; coded required 2" sprinkler pipes but the Town of Marblehead wanted 4" pipes used. Paradise could not predict the amount of ledge needed to go through and no one would have known the Town would require the Mechanical room to be rebuilt. These are some examples of over runs that would not have been known prior to contract.

3. PARKING

The Trustees will work with Management on a revised winter parking schedule and will forward to ownership accordingly.

During course of reconstruction some areas may be off-limit. Management will advise owners via email when these specific locations will not be available and for how long.

4. 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.

The Board of Trustees will forward the 2016 Budget when final changes have been made.

5. 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.

6. HARBORSIDE WEBSITE

www.harborsidecondos.info

7. ADJOURNMENT

As there was no further business before the Harborside Condominium Trust Board of Trustees, the meeting adjourned at 4:34 p.m.

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