HARBORSIDE CONDOMINIUM TRUST

TRUSTEE MEETING MINUTES

FEBRUARY 2014

The February meeting of the Harborside Condominium Trust Board of Trustees (BOT) was held February 12, 2014. In attendance were Trustees Don Nowland and Jim Walters via phone. A quorum was present.

Also in attendance, were homeowners Jon Curtis, Bert & Liz Michaud, Jennifer Coolidge and via phone, Joyce Raymond and Bill Siddall.

1. HOMEOWNER ITEMS

Emergency Egress, Building B Fire Escape Redesign: As a part of the reconstruction of Building B, code compliant fire egresses will be required by the Marblehead Building Department. Architect, Bob Zarelli, will design the egresses.

Part of the reconstruction of Building B from the October 2013 fire requires the Association to bring the emergency egress up to code. This is not subject to the Master Insurance claim. Bob Ives, Marblehead Building Commissioner, has reviewed and approved the proposed redesigned Fire Escape. Trustee Nowland will follow up with Bob Zarelli for the drawings and will ask Paradise Construction to prepare a rough cost estimate on these new plans.

The rough estimate and drawings will be shared with owners as part of the overall reconstruction plan.

Deck replacement D-2/D-3: Owners Bert & Liz Michaud asked Management to have the rotted wood in their deck identified and repaired. In addition to the rotted wood repair, the window trim and door trim will be caulked. Services are rescheduled for the Spring and will be addressed by Paul Haggett. Owner Michaud asked that composite material be used on the replacement of the rotted wood instead of pressure treated wood

Storm Windows: Unit A1/A2: Owner Reich is installing new storm windows, as well as the correct awnings. Painting services will be done in Spring 2014, and the windows will be taken down or worked around.

From David & Marianne Gold:

- Concerned the BYC is storing flammable liquids in the building directly adjacent to Building C and asked that the BYC install some protection to the buildings by working with the Marblehead Fire Department. Trustee Nowland will speak to the BYC.
- Owner Gold supports the installation of a sprinkler system in all buildings. Once the sprinkler system is approved for B Building, the Trustees will review costs for installing such a system in other buildings.
- Requested that the roof above their sliding glass door be inspected and repaired. Leak appeared during recent storm and appears to be from the deck of Unit C-6/7. Paul Haggett did a temporary repair over slider. Paul Haggett suggested re-pitching the decking away from the building, when the weather warms. Management will obtain a proposal of these services.
- Light Fixture falling off wall and needs to be resecured. This will be completed when the wall is repaired.

Raccoons: Management was instructed to have the traps for the raccoons removed and returned in one week. Management will send notification to owners and residents on status and locations. The traps will be removed on Friday, February 28, 2014.

All owners and residents are reminded to keep the latch closed when exiting the trash room to help keep the raccoons out of the Trash Room.

2. INSURANCE

Flood Insurance: It appears the national flood insurance program will be put on hold for now. It is unclear what this means for 2014 flood insurance rates. FEMA reclassified Harborside's property in 2013 from Zone C to Zone VE. We have hired Hayes Engineering to determine whether part of our property can be reclassified out of the VE category. Our current flood insurance premium is $45,030. The BOT will continue to monitor the political process with respect to the flood insurance law.

The Senate has passed a Bill, having FEMA redo the Flood Zone Maps, with financial impact consideration, but the House has yet to take a Vote. The New Flood Zone Maps and new rates are delayed at least one year at this time.

Trustees Nowland and Walters will follow up with Hayes Engineering, who has been asked to file a LOMA and approach FEMA to reclassify Buildings A & B.

The BOT will take into consideration forming a Committee of Unit Owners to work on the Flood Insurance for HCT.

3. PAINTING

Neptune Painting services has been selected by the BOT to provide painting services to HCT. This project is on hold until Spring/Summer of 2014.

In March, Trustee Nowland will set up appointment with Neptune Services to review scope of services. The order of service will be Building A, Building D, then Building C.

4. BUILDING B FIRE UPDATE:

The BOT is updating owners/residents regularly. Please forward any questions to the BOT.

The demolition has been completed in B1, B2, B5, B6, B10, the mechanical room, and the common area hallway. Travelers insurance company and our public adjuster, Panakio, continue their settlement talks.

Owner Jennifer Coolidge, unit D-1, spoke of some concerns:

- The Insurance section of our By-Laws states the Trust must have replacement costs, why is there a depreciated value mentioned in the weekly update? Why is there a variance (Delta) between what Travelers is offering in coverage and what is required by the Trust documents? Trustee Nowland explained that at this time, the Delta is not known.
- Do we have a strong legal representation that is proficient in dealing with Travelers? Would it be prudent to have another firm, preferably one who has gone up against Travelers, send a notice to Travelers? Trustee Nowland stated that the Board believes that Janet Aronson, and Marcus Errico Emmer & Brooks, have worked efficiently up to this point and would be premature to suggest bringing another law firm in. In addition, sending a notice to Travelers could certainly break down and stop any mediation currently in place.
- What is the Delta between Panakio and Travelers? Trustee Nowland stated the Delta is not known at this time, and under advice of counsel is not able to discuss any financial numbers at this time.
- There is a fiduciary responsibility to keep unit owners informed. Trustee Nowland stated that owners will be made aware of the Delta, the estimated costs of the Fire Escape, and any other financial obligations as soon as they are made available.

Owner Michaud asked that the Delta be shared with unit owners and questioned whether or now a vote on the financial impact would be necessary or given? Trustee Nowland again stated that the Delta is not known at this time, and hadn't discussed or considered a need for a vote. The BOT will keep this in mind over the next few weeks.

Owner Raymond asked if the Trustees could approach Travelers and ask if a monitoring system could be put in place, i.e. Central Monitoring, in lieu of installing sprinklers in the non-affected units.

Owner Raymond shared that her homeowner policy will cover costs not covered by the Master Insurance policy and encourages homeowners to speak with their personal insurance agents to check their own individual policies.

Attached is the Insurance Resolution.

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.

Reminder: All monthly condominium fees need to be made payable to Harborside Condominium Trust to ensure timely deposits.

The contract with Comcast for basic cable services has expired. The new contract will renew for a 10 year term at a rate of $35 per unit. This is a budgeted line item, included in your monthly condominium fee, and will be adjusted accordingly. Any premium channels paid for directly by the unit owner will not be affected.

6. **PARKING**

Attached are the Snow Removal Parking Procedures for the 2013-2014 winter season. Note they are modified to accommodate reconstruction work on the Building B. Your cooperation in following these guidelines is appreciated.

Management was instructed to contact the snow plow operator, Leonard Cameron, again and advise him to use better judgment when sanding, as it is excessive; to ensure the pathways are cleared from doorway to the parking areas for all walkways; to make sure the decking and stairs on C Building are cleared of snow; to shovel a pathway wider than the width of the shovel; to move the snow that is left from the plow in front of the carports.

The BYC has advised Trustee Nowland that parking will not be available as of May 1, 2014. Owners should make alternate plans for parking over summer months while construction is still going on.

7. **HDC**

The BOT is deferring the annual Trust Contribution to the HDC from December 2013, and will review in April 2014.

8. **DEFERRED PROJECTS**

The Board determined that because of current financial conditions, the following projects are deferred: Repair of the North Retaining Wall between Harborside and the Boston Yacht Club; 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 Building C 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.
- Contact Marblehead Building Department to confirm there are no open permits on the property. **[With BOT]**
- Have Attorney Aronson create a Non-Smoking Amendment and forward to BOT for consideration. **[on Hold]**
- Have minor deck repairs done outside Unit D2/D3, as well as caulking services. **[Spring 2014]**
- Have the rot on the front of Building A (Lee St side) patched. **[Spring 2014]**
- Have the gate in lower lot (southern side) repaired from last season's plow damage. **[Spring 2014]**
- Ensure the gutters are cleaned. **[Spring 2014]**
- Contact Paul Haggett to inspect and report back on the condition of the door and threshold of unit B7. **[Structural engineer working on Unit B3. Hold pending outcome of B3 Inspection. Paul contacted and on list with other smaller maintenance items.] Ensure work is completed in March or April.**
- Obtain a price to replace the common area glass window in Building C and forward to BOT for consideration.
- Management was instructed to have the traps for the raccoons removed and returned in one week. Management will send notification to owners and residents on status and locations.
- Continue to clean the drains in the walkway between the B and D buildings and under steps to unit D2-3. [on-going]
- Have Richard J Louf remove the ice in the corner of walkway between buildings B&D.
- 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 Bart Jones to update the website.
- Have the vent in the exterior door to Building B Mechanical Room cleaned monthly.
- Determine what is causing the excessive water run-off behind the D Building (On Hold).
- Schedule a semi-annual check of keys in the Knox Box; scheduled for May 2014.
- Follow up with Harbor Landscaping to ensure ivy has been removed from the BYC side of the north retaining wall (under the A Bldg). Bob Storch is in Vermont and will take care of when he returns.

10. HARBORSIDE WEBSITE

Tony, Ron deMoraes' son, will be updating the Harborside website to a new more user friendly site. Bart Jones will continue to be the "webmaster" and update the new website with current information.

For your information, the website is: www.harborsidecondos.net
User Name: owner
Password: peace123

11. **ADJOURNMENT**

There being no further business of the Harborside Condominium Trust Board of Trustees, the meeting adjourned at 5:00 p.m.

The next meeting of the Harborside Condominium Trust Board of Trustees will be held Wednesday, March 5, 2014 at the C6 residence of Jim Walters. All homeowners are welcomed to attend.

NEW CALL IN INFORMATION:
Please join us by conference call by calling 1-866-393-8073. You will be prompted to enter the meeting number ***8509647*.**

If you are the first to arrive at the meeting site, you will be prompted to enter the "moderator code". The moderator code is ***8529*.**

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Attachments:
Snow Removal Parking Procedures
Insurance Resolution

HARBORSIDE CONDOMINIUM TRUST

2013-2014 PREPARATION FOR SNOW REMOVAL

When snow is forecasted, please park your vehicle in the lower lot, up against the B or C Buildings or along the seawall starting from the north. The goal is to not have any vehicles in the upper lot or in the path of the plow to the south end of the seawall. The plow can clear the whole upper lot and move the snow down to the south end of the lower lot. Note: Please park cars as far north as possible in the lower lot, leaving a pathway for the plow to get to the far southeastern portion.

After the plowing and shoveling, cars may be parked in the upper lot, but pull your vehicles as far forward as possible against the C Building and pull in as close as possible along the south side of the upper driveway. Do not block the garages or carports.

A “no parking” cone may be placed in the “Compact Car Only spot next to the entry way to the C Building, as it’s very difficult to get cars out of the carport if a snow bank prevents you from pulling far forward.

By contract, the snow plow will come periodically during and after a snow storm, and usually early in the morning. Snow shovelers are to come within one hour after the end of a snow storm or when we have 3 inches of snow, except when the storm ends between 10:30 PM and 4:30 AM. Snow shoveling will commence at 6:00 AM, and they are to shovel all sidewalks / walkways to their full width. They will not shovel out individual vehicles, unless requested of Lesley Management, Inc. (in the event of a large storm).

Thank you,

Harborside Board of Trustees

HARBORSIDE CONDOMINIUM TRUST

AMENDMENT TO RULES AND REGULATIONS

Insurance Resolution

We the undersigned, being a majority of the Board of Trustees of the Harborside Condominium Trust, under Declaration of Trust dated October 13, 1983 and filed with the Essex County (S.D.) Registry District of the Land Court as Document No. 191063 and noted on Master Certificate of Title No. C23, as amended ("Trust"), do hereby adopt the following policy resolution to establish orderly procedures and regulations relating to property insurance claims, repairs and deductibles, pursuant to the provisions as set forth in Article VIII of the By-Laws which are appended to the Trust as Exhibit A, as follows:

1. Master insurance policy: The Condominium shall maintain insurance as required by Article III, Section 4 of the By- Laws as appended to the Trust as Exhibit A, as amended.

2. The Trustees shall determine the amount of the deductible which is currently $10,000.

3. The Unit Owner (s) sustaining the property damage shall be responsible for the payment of the Master Policy deductible. In connection therewith, the Trustees shall have the right to assess the deductible to Unit Owners as the Trustees may determine, in their sole discretion, including, but not limited to, assessing and apportioning the deductible to Unit Owner(s) sustaining property damage to their unit(s).

4. In the event of property damage to a unit or units, the Trust shall not be responsible for the payment of the deductible but rather said Unit Owner or Unit Owners shall be responsible for same regardless of the cause of the claim.

5. Each Unit Owner is solely responsible to obtain his or her own insurance coverage in appropriate kinds and amounts to insure any portion of his/her Unit not covered by the Master Insurance policy, personal effects and contents, unit improvements and coverage for the Condominium Trust's deductible, as well as, insuring for liability and all such other coverages which said Unit Owner desires.

   A. It is suggested that all Unit Owners obtain endorsements to their policy for various coverages including, but not limited to, all risk coverage, loss assessment coverage, coverage A in satisfactory amounts, and any other insurance deemed necessary by the Unit Owner or his or her agent to provide coverage for the Condominium's deductible.

B. It is recommended that all Unit Owners review their own insurance coverage with their own insurance agent or insurance advisor.

C. Investor Owners should also obtain coverage for loss of rent, liability and all other appropriate coverages. Investor Owners should obtain written verification that their tenants have appropriate insurance coverage.

6. <u>Damage Less than Master Policy Deductible.</u>

If a Unit Owner sustains property damage in amounts less than the Condominium Trust's Master Policy deductible, the Unit Owner shall be solely responsible for the cost to repair the damage, and the Unit Owner should notify his or her insurance agent. The Trust will not be responsible for property damage to a unit in an amount less than the deductible, and no Unit Owner shall file a claim under the master insurance policy. The Unit Owner must resolve the claim with their individual insurance agent or carrier.

7. <u>Damage in Excess of Master Policy Deductible.</u>

The following steps should be followed when damage occurs in a unit in excess of the Condominium Trust's master policy deductible:

A. Damage in excess of the Condominium Trust's Master Policy deductible must be reported within 24 hours to the Management Agent. Failure to report claims promptly may result in the claim being denied by the Insurance Carrier. The Trust will not honor claims that are denied by the Carrier because of failure to report in a prompt fashion. Unit Owners shall also notify their Insurance Carrier at the same time. The damage may be inspected to assess the approximate cost of the damage.

B. The Management Agent will notify the Trust's Insurance Agent of the loss. Immediate repairs may to be made in order to insure the safety of unit occupants.

C. The Management Agent will instruct the Unit Owner to secure bids to repair the damage within thirty (30) days. These bids are to be submitted to the Management Agent with a cover sheet itemizing the costs and totaling the same. This sheet must contain the Unit Owner's signature. If the damage is less than the Master Policy Deductible, the Unit Owner need not submit anything further and should deal with their own insurance agent or carrier, as per paragraph 6 in this Resolution.

D. During the bidding and damage assessment process, the Unit Owner must work closely both with the Management Agent and the Master Policy Insurance Adjuster in order that the scope of work is agreed upon by all parties prior to commencement of said restoration work. This includes, but is not limited to, making the unit available for inspection, securing additional bids should the Insurance Adjuster request it, and promptly responding to requests made by the Insurance Adjuster and/or Management Agent. The Trust will not be responsible for the timeliness of Insurance claims being paid. If a claim payment is delayed, no interest, penalties or other claims will be honored.

E. In the event there is a dispute, the final approval of settlement costs is with the Insurance Company and the Unit Owner must abide by its decision.

F. Once it is agreed by all parties what the scope and amount of the claim will be, the Unit Owner will be given permission to commence work. Unit Owners may ask that the Trust request payment of the claim in order that the Unit Owner has funds to initiate restoration work. If the Insurance Carrier forwards this amount to the Trust, then the Trust may pass the benefit of this early payment to the Unit Owner. The Trust will only issue payment of the applicable insurance proceeds to the Unit Owner upon receipt of a signed Release, as attached hereto, by the Unit Owner.

G. Final payment will be made when:

i. The Insurance Adjuster has had the opportunity to inspect and approve all repair work, if required.

ii. The Trust has received the final payment from the Insurance Carrier.

iii. The Unit Owner has signed a Release.

8. The Trust shall have no obligation or responsibility to perform or cause to be performed repairs to an individual unit. If the Trust does perform or cause to be performed repairs to an individual unit, upon completion of such work the unit owner must sign the Release attached hereto.

9. The Unit Owner is responsible for the condominium master policy deductible for items covered by the Master Policy and is also responsible for all damage to the unit, personal property, improvements, rent loss, etc. not covered by the Master Policy.

10. The Trustees shall have the right to employ a public adjuster and the property manager in connection with handling and overseeing the claim. The Trustees shall have the right to assess these fees, as well as any depreciation or other adjustments, to the Unit Owners, as the Trustees may determine, in their sole discretion, including, but not limited to, assessing and apportioning these fees to Unit Owner(s) sustaining property damage to their Unit(s).

Executed under seal this 10th day of October 2006.

Donald E. Nowland

(Donald E. Nowland

Majority of the Trustees
of the Harborside Condominium Trust
and not individually

Hendriks

(Warren Hendriks

James B Walters

(James Walters

COMMONWEALTH OF MASSACHUSETTS

Essex Cty, ss.

On this 10th day of October 2006, 2006, before me, the undersigned notary public, personally appeared Warren Hendriks, Donald E. Nowland and James Walters and proved to me through satisfactory evidence of identification, being (check whichever applies): ☐ driver's license or other state or federal governmental document bearing a photographic image, ☐ oath or affirmation of a credible witness known to me who knows the above signatories, or ☐ my own personal knowledge of the identities of the signatories, to be the persons whose names are signed above, and acknowledged the foregoing to be signed by them voluntarily for its stated purpose, as Trustees of said Harborside Condominium Trust.

Dolores H. Joseph

Notary Public
My Commission Expires: January 18, 2013
Print Notary Public's Name: D H Joseph
Qualified in the State/Commonwealth of Mass

Notary Seal