

Dear Harborside Owners,

Here is an update regarding the rebuilding of B Building, both constructional and financial.

The initial contracted sum with Paradise Construction was \$1,315,444.34. The change orders to that initial contract totaled \$423,882.17. The revised contract sum on February 2, 2016 was \$1,739,326.51 which we paid in full prior to beginning the construction of the primary egress.

In addition to the above amount paid to Paradise, Harborside paid other costs associated with the reconstruction. To date they are:

Accounting:	\$ 7,928.91
Alarm Installation and Monitoring during Construct:	\$ 1,221.86
Architects-Pitman Wardley:	\$ 26,656.33
Legal:	
Egress-ZBA hearing	\$ 6,963.30
Egress-ZBA Appeal & Settlement	\$ 48,448.00
MEEB-Contracts & Other Fire related matters	\$ 58,954.33
ZBA Hearing Expenses other than legal:	\$ 2,419.90
Owners Representative:	\$ 812.50
Civil Engineering:	\$ 20,349.71
Structural Engineering:	\$ 1,325.00
EBSB Loan Related Charges	\$ 2,375.02
Masonry Work	\$ 10,001.25
Misc. Electrical	\$ 276.95
Emergency Services	\$ 4,461.01
Heating Expenses	\$ 1,340.55
Misc. Lighting fixtures	\$ 4,680.62
Public Adjuster	\$ 67,937.71
Roof Moisture Test	\$ 400.00
Storage Costs	\$ 2,107.00

Most of the above are final numbers although a few are subject to continued invoicing by the various service providers. With the exception of a few minor punch list items, B Building's interior reconstruction is complete.

Subsequent to the payment on February 2, 2106, Paradise Construction and the Trustees and in consultation with the Association's contract attorney signed two change orders:

Change order #38, primary egress, for the amount of \$455,537.50, and

Change order #39, secondary egress, for the amount of \$130,714.10,

bringing the contracted sum with Paradise to a total of \$2,325,578.11.

Neither of these change orders covers additional architectural and structural engineering fees, construction control fees, owner's representative fees, painting, masonry work, etc... Those charges are outside of the contracted sum with Paradise.

To date, we have paid Paradise \$442,717.00 toward the primary egress completion. The Trust owes \$12,820.00 to complete the primary egress construction. The final payment will be made when the rail systems are completely installed. The Trust still has yet to finish some masonry construction next to B10 and reconstruction of B9's patio.

As was presented to Ownership in the 2016 annual budget, the secondary egress costs are being funded by a \$100,000 operating budget line item for the years 2016 & 2017. Currently, the

Trust has paid Paradise \$9,625.00 for the cost of excavation and concrete work completed to date. We have also paid out of the Association's operating budget for survey work, additional structural and architectural work, and for the owners' representative.

The Trustees have decided to delay the construction of the secondary egress until later this year. The decision was made for many reasons, but most importantly the Trust will have most of the money in the bank to pay for the egress without the need for another special assessment. The Trustees also feel it is important to give the ownership, our neighbors and Paradise, a construction-free summer break. We informed Paradise Construction, Haggett Construction, McBrie Engineering and Pitman Wardley of our decision in a meeting with the Trustees and Management on 6/15/16. We are planning for the construction to begin sometime in October, and it should be completed, optimistically, six to eight weeks later. All of this is weather dependent.

During the course of construction of the primary egress, we've confronted ever-changing expectations and realities of this process and the costs that come with the changes.

By way of example, it was determined that the rail system for B10 could not be saved, and the Trustees agreed that the new stainless steel and wood cap system should be installed rather than putting high maintenance wood rails back. That resulted in change order 38A in the amount of \$11,275.00 (railing costs minus a couple of credits for unused allowance items in change order 38). As a result, on 6/7/16, the Trust's contracted sum with Paradise was increased to \$2,336,853.11 (\$2,325,578.11 as outlined above + \$11,275.00).

Because of the extensive concrete footing system and steel structure, the Trust needed to completely remove B9's patio. A new patio has been designed to give B9 the same usable space as before and add better protection for that part of B Building. It will be rebuilt with pressure treated wood framing and composite decking surrounded by a stone wall. The work on the patio will begin when we can get on the schedule for the mason and then the contractor.

As soon as the final payment is made on the primary egress to Paradise and other contractors for their services, all financial records will be turned over to the Association's new accountant, Ken Bloom, for review. This too is a cost that will be borne by the reconstruction account, not the operating account.

Harborside Board of Trustees