

Harborside Update: September 16, 2014

B Building Reconstruction:

Construction Activity – Many owners have asked about the obvious lack of construction activity after the initial few days. Jon Curtis has spoken with Josh Chislak, the on site manager for Paradise Construction. Josh explained that he is working to free up a full construction crew, but that means extricating them from other work. He does not want to operate with a sub-optimal crew. He expects to have the crew on site next week. He is also speaking with the sprinkler system installer to reconfirm their schedule. They have delivered materials to the site and should be the first subcontractor to begin work.

Insurance Negotiations – Travelers has increased their offer for the Loss reimbursement to \$950,000, and Ordinance and Law remains at \$25,000, for a total of \$975,000. The Trustees would like to close out the negotiations without the need for litigation or reference.

Zoning Board of Appeals – The Egress plans were submitted to the Zoning Board of Appeals on August 21. The Hearing has been scheduled for Tuesday, September 23, at 7:45 PM.

Egress Construction – Once the Zoning Board of Appeals has acted favorably on our request for a variance, the Trustees will determine the best course of action to implement the construction. This will likely be the last scheduled construction activity and will determine the occupancy date for the completed Units.

Unit Plans – Peter Pitman has met with all four Owners to finalize the plan details for “like kind” replacement. Two units, B-6 Martin/Jones and B-2 Curtis, have finalized plans for changes, these have been reviewed by Peter Pitman on behalf of the Trust, and Paradise Construction is determining the additional cost (if any) that will be paid by the respective owners before any of the additional work is begun.

Supplemental Assessment

The Letter of Supplemental Assessment has been issued to all Owners by email. A second copy will be sent by USPS. Additional supporting information has been and will continue to be provided to Owners to support their individual insurance claims as requested and as available. A formal letter from Travelers summarizing the Loss determination and payments is a critical next step. However, that cannot be finalized until we have a written settlement with travelers.

Summer Maintenance and Repair Projects

Significant progress has been made on numerous summer maintenance and repair projects.

Painting – Neptune Painting (C.H. Ritt) has completed most of the work under the contract. If an Owner notices any omissions, please contact Lesley Management.

C-3 Deck – The railings and some of the decking were rotted and the deck was unsafe for use. The wood decking has been replaced with Azek composite decking. The new stainless steel wire and teak railings have arrived and will be installed this week.

C-3 Roof/C-6 Deck replacement – The roof has been properly pitched to shed water, new flashing and weatherproofing were installed, and new Azek composite decking has been installed.

A new clapboard wall was constructed next to the BYC Yardarm building and new stainless steel wire and teak railings have arrived and installation is underway. Jim Walters, Owner of C-6, has agreed to pay the incremental cost for this work above the basic deck and wooden railing replacement.

C-7 Deck - The wood decking has been replaced with Azek composite decking. The new stainless steel wire and teak railings have arrived and will be installed this week. Again, Jim Walters, Owner of C-7, has agreed to pay the incremental cost for this work above the basic deck and wooden railing replacement.

North Retaining Wall – The Trustees had a survey completed by Hayes Engineering, and it was determined that the BYC section of wall lies completely on Harborside property. The Trustees retained Peter Hermann, PE, to inspect the north retaining wall to determine the need for immediate repairs and to determine a course of action. His preliminary assessment is that the condition of the wall does not pose an immediate threat to the A Building foundation. He believes we should repair our section of the wall without connecting with the section on the property of the 20-22-22 ½ Lee St. Condominium, which appears to be less stable than the Harborside section of the wall.

We will need to make repairs to the grouting and pointing of the rock wall, including the installation of appropriate drainage.

Jon Curtis will be meeting with Peter later this week.

Sea Wall - The Trustees retained Peter Hermann, PE, to inspect the south portion of sea wall to determine the need for immediate repairs and to determine a course of action. His preliminary assessment is that the condition of the wall does not pose an immediate threat to the integrity of the wall. However, repointing of the upper portions and a full inspection of the wall by a company with expertise in marine construction should be undertaken.

Jon Curtis will be meeting with Peter later this week.

Master Insurance Policy Renewal – The Trustees have been notified by Travelers that they will renew the Master Insurance policy with an increase in the total value. However, some of the coverage may be lower than presently in force, fire door installations and gas grill removals must be completed, and conditions for lead paint removal and additional Egress improvements may be imposed. Premiums will likely increase by 10% to 15%, which is more than the Trustees were anticipating. Related to this, although the Flood Insurance premiums increased, the increase was less than we had anticipated. This will mitigate the Master policy premium increase.

Fire Doors Installation – As a condition of renewal of the Master Insurance policy, Travelers is requiring that all entry doors opening to a common corridor or stairway be fire rated. The required rating is ninety minutes in non-sprinklered units. Paul Haggett has been contracted to install the eight fire door assemblies in C and D Buildings, and the first two doors have been installed in the D Building. Work will continue as doors are received.

In the process of arranging for this work we have learned a lot about the do's and don'ts of fire doors. There can be no changes or alterations to the doors, frames or hinges that might affect the fire rating. Any owner-initiated changes must be approved by the Trustees before any work is undertaken.

As you can see, it continues to be a busy time at Harborside. We anticipate the property will become even more active when the B Building reconstruction work is fully mobilized. We appreciate the support from owners and tenants regarding the parking situation, as well in regard to the various projects we are undertaking.

Sincere thanks,

Harborside Board of Trustees