

Dear Owners,

12/20/2014

The Board would like to update all owners on the status of and summarize 2014 construction projects relating to our Rockland Trust Construction Loan for \$670,000. To restate the quotes and amounts requested on this loan:

| | |
|----------------------------------|-----------|
| Attic Ventilation and Insulation | \$80,000 |
| Siding | \$400,000 |
| Painting | \$90,200 |
| Current Roof Loan | \$90,000 |
| Total Requested and Approved | \$670,000 |

Attic Ventilation and Insulation – Building 2 + 3 are complete. Buildings 1 + 4 are in process and due to be complete by January 2015. Per contract, this project was paid in full (\$66,473.60) at the start. The cost of attic repairs for buildings 1 and 4 was \$34,990.10. Mill City saved our Association \$34,990.10 for buildings 1 and 4 repairs (50% savings). The cost of attic repairs for buildings 2 and 3 was \$31,482.50. Mill City saved our Association \$94,447.50 for buildings 2 and 3 repairs (75% savings). During this project, additional repairs were uncovered. A quoted expense of \$7259 was added for vent extension of building 2's elevator shaft which prevents heat from escaping into the attic, causing ice dams. Building 3's elevator shaft was correctly vented to the outside. This additional expense will be paid from the Rockland Trust loan.

Siding – All siding and rot repairs were complete for this project. The siding replacement repairs came in very close to quote at a cost of \$405,818.75. Unfortunately, there was much rot discovered in the supporting beams and decks for an additional cost of \$137,068.45. We are thankful Prime Touch was our construction vendor as they were able to take care of every issue that arose. We are pleased to state our supporting structures have been repaired and are in excellent shape.

Our circle gable vents were all replaced with PVC, critter-proof (guaranteed) units at a total cost of \$19,000 which was taken from our current reserves, not from the Rockland loan.

Building 1 + 4 Entrance Windows – During repairs to the siding, it was discovered that the windows (4 in total) at both entrances of buildings 1 + 4 were rotted and leaking. These required replacing. The total cost of replacement was \$18,000 which was funded through our reserves, not through the Rockland Trust loan.

Painting – Buildings 1, 3 and 4 were painted at the quoted price of \$57,540 and was paid in full. Weather prevented further painting in 2014. Building 2 and the Club House are scheduled to be painted in the spring of 2015 when weather permits, again at the quoted price. Prime Touch was able to change the color of our buildings from mustard with tan trim to grey with white trim at no extra cost. Painting the tan color around owner's windows and doors was removed from the contract to save the 25% additional fee (\$22,300). As windows and doors are replaced, white trim will be used. In 2015, the Board will address the remaining tan trim.

Harvard Management Project Fee – We are indebted to Connie for overseeing all these simultaneous projects almost on a daily basis. Per our contract with Harvard Management, standard with any property management company, a fee of 5% or \$31,678.85 was paid for this service.

Building 2 + 3 Boiler Replacement – This project has been tabled for approximately 3-5 years and was not part of the Rockland Construction loan as quote for new boilers was not received until late August, 3 months after the loan was approved. Gagne Plumbing has done extensive preventative maintenance and believes boilers still have life. New boilers will cost \$72,250 per building with rebates of \$7500 per building; \$129,500 total for both buildings. Though new boilers would run more efficiently, we do not have the funds in our current reserves for this project. This winter's heating bills will help determine how soon we need to look at replacing the boilers. We anticipate a savings over last year's heating bills based on 2014 construction, attic and rot repairs.

Enclosed is a spreadsheet showing detailed costs, building by building. Prime Touch is giving Oak Bridge an interest free loan for all overages and next year's painting until December of 2015. Details on payment of these overages are being addressed. The Board is looking to use our current reserve contributions to pay off this interest free loan. No additional assessments are planned to pay off our construction overages.

If you have any questions on the content of this document, please contact Connie Garland at Harvard!

Regards,
Chris Connor, BOD, Treasurer

2014 OB Construction Summary Sheet

As of: 12/20/14

| Building Siding | Totals | | | Paid to Date | Due in 2015 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| | Quote | Actual | Plus Rot | | |
| 1 | \$ 83,716.20 | \$ 83,563.50 | \$ 13,752.10 | | |
| 2 | \$ 138,407.30 | \$ 144,330.40 | \$ 85,840.40 | | |
| 3 | \$ 108,920.00 | \$ 98,716.05 | \$ 12,942.65 | | |
| 4 | \$ 57,893.00 | \$ 60,672.95 | \$ 18,418.00 | | |
| CH | \$ 18,483.00 | \$ 18,535.85 | \$ 6,115.30 | | |
| Total | \$ 407,419.50 | \$ 405,818.75 | \$ 137,068.45 | | |
| Total (Actual + Rot) | | \$ 542,887.20 | | \$ 416,551.95 | \$ 126,335.25 |

| Painting | Quote | Actual | Paid | Paid to Date | Due in 2015 |
|----------|--------------|--------------|--------------------|--------------|--------------|
| 1 | \$ 14,880.00 | \$ 14,880.00 | 12/1/2014 | | |
| 2 | \$ 27,780.00 | | scheduled for 2015 | | |
| 3 | \$ 27,780.00 | \$ 27,780.00 | 12/1/2014 | | |
| 4 | \$ 14,880.00 | \$ 14,880.00 | 12/1/2014 | | |
| CH | \$ 3,880.00 | | scheduled for 2015 | | |
| Total | \$ 89,200.00 | \$ 57,540.00 | | \$ 57,540.00 | \$ 31,660.00 |

| | Date | Paid |
|----------------------|------------|---------------|
| Attic Insulation | 8/26/2014 | \$ 66,473.60 |
| Harvard Proj Mgmt 5% | 12/15/2014 | \$ 31,678.85 |
| Attorney Closing Fee | 8/11/2014 | \$ 1,540.98 |
| Roof Loan Roll-over | 8/18/2014 | \$ 86,589.10 |
| Total | | \$ 186,282.53 |

| | | | |
|---------------------|-----------|--------------|-------------------------------------|
| Gable Vents (38) | 12/1/2014 | \$ 19,000.00 | vents paid from reserves not loan |
| B1 entrance windows | 12/1/2014 | \$ 9,000.00 | windows paid from reserves not loan |
| B4 entrance windows | 12/1/2014 | \$ 9,000.00 | windows paid from reserves not loan |
| B2 elevator vent | | \$ 7,259.00 | quote, work in process |