

Notice Regarding Chimney Work and Assessment

From: Brendan Phelan (universalpropmgmt-mail-system@universalpropmgmt.mailer.appfolio.us)

To: langrsh@yahoo.com

Date: Wednesday, October 18, 2023 at 03:16 PM EDT

Hello everyone,

Please review the attached update in regards to the chimney project. This is an important update with next steps and assessment amounts, so please be sure to read it.

Thanks,

Brendan Phelan
Universal Property Management



Chimney Assessment .pdf
46.5kB

We write to provide you with an understanding of the status of the chimney repair work. We know that this has been incredibly frustrating and has taken too long to get to this point and for that we do apologize.

1. We have identified a vendor, Masonry Unlimited, who will perform the work fixing the chimneys and thimbles in buildings 2 and 3. MU has met with the North Conway Fire Chief and obtained approval for their proposed work (detail below). They expect the work on buildings 2 and 3 to take 4-6 weeks and they will likely be working on both buildings at the same time to get the work done by the end of the year. Work is expected to begin at the end of Oct/early Nov.

2. The fix for buildings 2 and 3 will involve the following:

A. For building 2, the clay flues will be removed and will be replaced with 6, 6-inch flexible steel flues (one for each unit) as this is the largest size that can fit in the current chimney size.

B. For building 3, the chimneys have to be opened up in order to clear out the clay flues and the additional concrete that was poured into them and then the 6, 6-inch flexible steel flues (one for each unit) will be put in. This is a more significant cost than for building 2 because of the work needed to remove the concrete.

- Because we have to move from 8 inch to 6-inch flues in order to fit the chimney size, you will need to confirm that your current stove works with the new flue size. Those with 8-inch stove pipes will need to see if their manual allows for a reducer to be used. In addition, those with a 6-inch stove pipe may have a manual that still requires an 8-inch flue. MU is working to provide the fire chief information that for those with stoves with a 6-inch stovepipe that requires an 8-inch flue that the configuration he is doing still provides what is needed to hook directly to it. We will update you when we have this answer.
- We appreciate that this is an additional expense for some owners, however, to use 8-inch flues would require the chimney to be much larger in size (at least 2 feet of additional width), which would use up additional deck space, would require additional cost for the additional construction work that would need to be completed (the

estimate given at Nov 2023 meeting was not a real estimate to cover the cost for all of the work that would be needed as there was no identified contractor to do the work and the amount for this portion of the work was just a rough estimate), assuming that it was structurally sound to make such adjustments.

- We also considered the option of having just the first and second floor use flues in the chimney and the third floor units having a roof vent (which would also potentially allow for 8-inch flues). Masonry Unlimited did not want to bid for this job as they do not recommend this option because of the issues the additional eight roof vents can cause, and we have not, over the last several months, identified another vendor willing to do this work. Keep in mind, this option would involve the work MU is already doing plus additional work for the 3rd floor units.
- Lastly, the fire chief indicated that his preference is for owners to use newer airtight stoves for safety.

C. The total cost for this work (chimneys and thimbles) is \$143,635.00 (which includes a 15% contingency). A cost for replacing thimbles in buildings 1 and 4 is included in this figure.

- By the end of Oct, each unit will have paid \$1,000.00 (which gives us \$44,000.00)
- In addition, we have an additional \$30,000.00 in reserves that will be used toward the cost of the chimney repair.
- This means that each unit will owe an additional \$1600.
- We will be sending out invoices in 3 installments of \$533.00, with the first one due Nov. 30, the second due Dec. 30 and the final one due Jan. 30. However, if you can pay the full \$1600.00 in one payment, that would help us to not dip into our reserves further.

D. We recognize that this is not a small amount, but the work done over the last several months has brought us a solution that is significantly less than we were discussing last November (that was \$276,442 total or \$6,283 per unit).

3. For buildings 1 and 4, we have received conflicting information about whether or not the thimbles need to be replaced or moved. When MU was at Northface meeting with the fire chief, they discussed the issue of thimbles in building 1 and 4 and the fire chief indicated he would work with owners to determine whether the thimbles do in fact need to be replaced. He also indicated he would work with owners to address any of the issues inside their units that are solely their responsibility (these were previously provided to you but if you need additional information please reach out). We have built into the current assessment an amount to cover this work based on the cost given by MU for buildings 2 & 3, if there is an additional cost for buildings 1 & 2, we may have a small additional assessment.

To complete this work, it will be necessary for Masonry Unlimited employees to access our units. We will send out emails as soon as we know when they will start, but we want to provide notice to you now because it may be that we will not know until the day of or just the day before when access is needed. Our new management company will phone owners if they need to access a unit and will keep you updated throughout the project of any anticipated need. We would ask for everyone's help in allowing for limited advance notice of access to ensure that we can get the job completed as quickly as possible. If you have particular concerns, please reach out.

Again, we apologize that this has taken so long none of us expected the challenges and limitations we face in fixing this situation. Thank you to the chimney committee (Scot Haig, Jessica Bessette, Greg Wheeler, Bob Lang, Ben Averill, Bob Lavigne, and Tricia Rich) whose formation at the November 2022 owner's meeting really enabled us to move forward and find a viable solution. And a special thank you to Unit 20 owner, Greg Wheeler, who made countless calls to identify a contractor who was able to do the work at a more cost-effective price point that satisfied the fire chief.

If you have questions, feel free to reach out to the board.