



The Residence at Seashore Point

Issue 3. June 5, 2024

The purpose of this series of newsletters is to explain the lawsuit to **Residential Unit Owners**, particularly newer owners who don't know the history. So, I'm jumping to the **third** and **fourth counts** in the lawsuit which deal with the ***Revised Residency and Services Agreement***, (also known as the Service Unit Agreement of 2020) which **Pointe Group/Holdco** (PG-Holdco) unilaterally switched to sometime in the summer of 2020. All of the new owners would have been presented this Agreement to sign. Of the **67 Independent Residential Unit Owners** (PG-Holdco owns 14 Residential Units), we believe that **42 units** have the new ***Revised Residency & Services Agreement*** and only **25** remain on the old one.

Issue 2 explained that the lawsuit was about **control** and **money**, and focused on control. This issue is about the **money**.

Fraud and Breach of Contract

The literal definition of **fraud** is: *"trickery, deceit. Especially the use of dishonest methods to cheat another person of something valuable."* The Supreme Court says, *"fraud is a broad term, which includes false representations, dishonesty and deceit"*.

A breach of contract *"... happens when one party to a valid contract fails to fulfill their side of the agreement. If a party doesn't do what the contract says they must do, the other party can sue. example: unpaid loan."*

The Plaintiffs maintain that PG-Holdco knowingly and deceptively promised to provide services to residents in consideration of the resident paying a **"Lifestyle Fee"** when they knew full well that they did not provide those services.

Part of **Count 3** reads:

86. *There exists an actual controversy between the Plaintiffs and the Defendants as to the unconscionability and legality of the Revised Residency and Services Agreement and the requirement to pay any associated service fee (unilaterally determined by the Point Group) for Concierge and other services not provided by the Pointe Group but are provided by the Condo Association and paid for by the Condo Fees.*

Part of **Count 4** reads:

94. *The Pointe Group's failure to provide concierge services under the Revised Residency and Services Agreement constitutes a breach of contract by which the Residential Unit owners have been damaged.*

Section IV. B. Lifestyle Fees

What this section of the Agreement does is, it lists the services PG-Holdco promises to provide in exchange for the **Lifestyle Fee**. Here are the services:

- **Concierge:**

- 24
Hour
Concierge
Services

- **Security:**

- 24
Hour
Security
of
the
building

- **Emergency System:**

- Monitored
emergency
alert
systems
and
coordination
of
emergency
response
to
same.

- **Social Programs:**

- Coordinate
a

variety
of
social,
recreational,
educational
and
cultural
programs
for
residents
of
the
Condominium.

- **Group Outings:**
Transportation
to
shopping,
banking
and
area
attractions.
- **Fitness:**
Access
to
equipment
and
organized
fitness
offerings.
- **Library:**
Access
to
books
and
updated
offerings.

Reality Check

The Plaintiffs allege the following in their lawsuit :

Concierge:

PG-Holdco has never provided **Concierge Service**. It has always been provided by the Condo Association and the Concierge Staff is paid from the Condo Budget. PG-Holdco deceived new residential unit owners into believing that they provide this service as part of the \$600/\$700 per month they charge in **Lifestyle Fees**. The Plaintiffs believe this is **fraud** and since PG Holdco has yet

to provide **Concierge Services** they are in **breach of contract**.

Security:

PG-Holdco has never provided **Security Services** to the Residents. The only security we have is the Concierge Staff monitoring who enters the main entrance and then they walk the floors at night. This is paid for by the Condo Association. PG-Holdco deceived new residential unit owners into believing that PG-Holdco provides this service as part of the \$600/\$700 they charge per month in **Lifestyle Fees**. The Plaintiffs believe this is fraud and since PG-Holdco has yet to provide **Security Services** they are also in breach of contract.

Emergency Alert System:

PG-Holdco has never monitored the **Emergency Alert System**. The Concierge Staff used to do this but it's been deactivated for several years. Now residents have to contract with private emergency alert companies. PG-Holdco deceived new residential unit owners into believing they provide this service as part of the \$600/\$700 per month they charge in Lifestyle Fees. The Plaintiffs believe that this is fraud and since PG-Holdco has yet provide **Emergency Alert Services** they are in breach of contract.

Social Programs:

PG-Holdco has never coordinated any resident activities. **Deaconess** (PG-Holdco's predecessor) used to have an Activities Director but PG-Holdco eliminated the position when they took over. All resident activities are coordinated by resident volunteers. The funding for resident activities comes from the Condo Budget. PG-Holdco does not pay for staff to coordinate activities nor do they pay the cost of the activity. PG-Holdco deceived new residential unit owners into believing they provide this service as part of the \$600/\$700 they charge per month in Lifestyle Fees. The Plaintiffs believe that this is fraud and since PG-Holdco has yet to provide **coordination of activities** for **social programs** the Plaintiffs maintain they are in breach of contract.

Group Outings:

PG-Holdco used to provide transportation to local shopping but hasn't been able to hire a driver since last year. The Plaintiffs maintain that promising these services as part of the Agreement when you know you can't is fraud and failure to provide the services is breach of contract.

Fitness:

While PG-Holdco does permit residents to access the fitness equipment (which Rehab must have for its patients), they have never provided “organized fitness offerings”. The Plaintiffs maintain that PG-Holdco deceived new residential unit owners into believing that they provide organized fitness offerings as part of the \$600/\$700 per month they charge in Lifestyle Fees. The Plaintiffs believe that this is fraud and since PG-Holdco has yet to provide **organized fitness offerings** they are in breach of contract.

Library:

All of the books in the library were donated by residents. PG-Holdco has never supplied new books for the library. Nor are there any “updated offerings” in the library. The Plaintiffs maintain that PG-Holdco deceived new residential unit owners into believing that their \$600/\$700 per month goes towards buying books and other offerings for the library. The Plaintiffs maintain that this is fraud and since PG-Holdco has yet to start providing new books or updated offerings they are in breach of contract. They charge the residents to read the books that the Residents donated.

Summary

The Plaintiffs position is you can't promise to provide services as part of a contract, then not deliver them, and still collect the fees. There are consequences for those actions.

The Plaintiffs are asking the court to determine that the **Revised Residency and Services Agreement** is based on fraud and that PG-Holdco is also in **breach of contract**. If that happens, PG-Holdco cannot charge the Residential Owners a **Lifestyle Fee** and approximately **42 of the 67 Residential Owners** could stop paying **\$7,200 to \$8,400 per year** in Lifestyle Fees for services they are not receiving from PG-Holdco.

PG-Holdco is currently offering to void the **Revised Services Agreement** if the Residential Owners agree to buy the **Service Units** for **\$500,000**. However, a court could also render a **Summary Judgment** and end the dispute, negating the need to buy the **Service Units** to resolve the issue.

You can read the lawsuit by clicking on the link below. If you don't have a Member Password, go to the Home page and request one.

[Read the Lawsuit](#)

Warmest Regards,
Rob Compton
Residential Trustee
Unit 310, Phone: 508.237.2105



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