

VILLAGES OF SUMMERFIELD CONDOMINIUM ASSOCIATION

MINUTES OF THE SPECIAL EXECUTIVE BOARD MEETING – SEPTEMBER 13, 2004

A special meeting of the Executive Board of the Villages of Summerfield Condominium Association was held on Monday, September 13, 2004 at the East Smithfield Library. In attendance were Bob Rico, Larry Mancini, Linda D'Ambra, Joan Smith, Alan Chabot, and Jim Cambio. Also attending were Attorney Frank Lombardi and Karen Bellucci of Selective Property Management.

The purpose of the meeting was to seek the advice of Attorney Lombardi with regard to developer obligations, warranty issues and Rhode Island State laws governing such matters. Bob Rico, as President, called the meeting to order at 7:03 pm.

Bob explained that the Summerfield Board and ownership had grave concerns regarding the developer, Northwind Partners, LLC, leaving Summerfield now that the project is nearly complete. The concerns ranged from the condition of the roadways to drainage problems on common areas that effected units.

Attorney Lombardi outlined the letter of resolution that he had sent to Northwind Partners. The purpose was two-fold:

- a. That an independent professional site inspection had not been done.
- b. The Board/Association had no way of realizing or knowing at this time of any latent defects.

Attorney Lombardi further emphasized that the letter in no way constituted a waiver of the developer's part for any situations that may evolve.

He further explained to the Board that Northwind Partners had to complete the project, including the roadways, per the original declaration. They are also required to give a warranty period. The public offering statement for the Villages of Summerfield Condominium Association states that there will be a one year warranty on the roadways with two years thereafter to file a claim. Although the Rhode Island statute of limitations to file a claim is normally six years, Northwind Partners elected the two years allowance, which is legal.

Board members then raised the concern that the Summerfield, Intervale and Rimwood Drive areas were already out of warranty, which is a fact reiterated to them by Northwind Partners on multiple occasions.

Attorney Lombardi advised that although Rhode Island Law does state that improvements on a piece of property have a statute of limitation of ten years; this only applies to private, residential development, not condominiums. However, there are alternatives a condominium association can pursue:

1. Breach of Contract—the statute of limitations is ten years.
2. Negligence – three years
3. Fiduciary Obligation – three years

Attorney Lombardi then advised the Board to let Northwind complete the last of the improvements needed (i.e. roads) and then do a site inspection because the law reads that the warranty on these improvements doesn't commence until the later of the following two actions:

- a. All work/improvements completed.
- b. Date of conveyance of last unit.

He also cautioned against signing any letter provided by Northwind Partners as it can act as a release if it doesn't contain language stating that the Association has an opportunity to reserve their rights in all regards.

He further urged the Association to have a professional study done (Brown University being suggested), which should include core samplings, topographicals and a follow-up inspection after the Winter season.

Also suggested was that contact be made with the local building official and town engineer to sign-off on the project.

He emphasized that it should be his and the Board's obligation to preserve evidence and create duties (i.e. involving Town officials) for such important issues as roadways and drainage.

Jim Cambio made a motion that the Board authorize Attorney Lombardi to send a letter to the Town of Smithfield's building officials (Al DeCorte and Ted Cook), which includes a list of all the known defects, in order to create a legal obligation for the Town.

Discussion ensued on the value of the punch list and how developed the punch list should be. Attorney Lombardi advised that any punch list and accompanying letter should acknowledge that the Board concurs that repairs have visually been done but that the Board cannot attest to the integrity of any such repair/improvements.

Larry Mancini then seconded Jim's motion and the motion carried unanimously.

At this time, Attorney Lombardi offered to view the areas of concern and Bob Rico agreed to meet with him to do a walk-through inspection at a time convenient for both parties.

Attorney Lombardi next suggested that a capital reserve study (both short term and long-term) be established; and the Board assured him that with regard to roadways, such a reserve was already in place. The Board was commended by Attorney Lombardi for taking such a pro-active stance at such an early stage of developer completion and he departed the meeting.

There being no further business to discuss, a motion to adjourn at 7:55 pm was made by Larry and seconded by Alan Chabot. The motion carried unanimously.

Respectfully submitted,

Karen A. Bellucci
Managing Agent
Villages of Summerfield Condominium Association

KAB/mm