

BOARD OF DIRECTORS MEETING
SEPT. 2, 1996

PRESENT: Tom Forman, Richard White, Lee Bruder, Hazel Hafeli.

1. Meeting with Jeff Crocker:

Tom Forman and Bob MacNevin met with Jeff Crocker on 8/22/96 concerning construction of buildings. Of utmost concern is the roofs and the quality of materials used. Bob has contacted Al Melanson, roofers in Keene. They will check the roofs and Bob will give a report.

A motion was made and seconded that we proceed on the approach outlined in Tom Forman's memo describing his and Bob MacNevin's meeting with Jeff Crocker on 8/22/96. We shall work out details at the next meeting.

2. Block Party:

Invitations have been printed and Duke Gibault will deliver them to residents. It is to be held Oct. 5 weather permitting. Details are to be worked out with Laura Maklin, Richard White, Lynn Campbell and Tom and Monica Forman.

3. Woodmaster has complained about Terry Jarest dumping grass clippings on the property. A new area must be found to dispose of them. Also Woodmaster feels that Terry should do a better job of mowing the grass.

4. Finance Report:

Jean will prepare a monthly financial report for the Board of Directors and will prepare a spread sheet showing the budget for the current fiscal year by month and year to date. Also to continue to use computer soft ware.

Lee wrote to Carl Little requesting records of the work he has done.

As of July 31st we had \$29,916.47 cash on hand.

John Spooner got a book about State Laws on Condominiums. Lee has given the book to Tom.

The IRS will charge \$150 to \$200 to change the Fiscal year. The Board unanimously approved changing the fiscal year as outlined in the minutes of the Aug. 5, 1996 meeting and to absorb related costs.

Lee made a motion that the Board ask John Spooner to audit the books. Motion passed.

We have filed with the IRS and paid the Income Tax for '93, '94, and '95.

This meeting began at 5:00 and was adjourned at 6:45.

Respectively Submitted



Memo to: Lee Bruder, Richard White, Bob McNevin.

Meeting with Jeff. Crocker 8/22/96

Bob Mc. Nevin and Tom Forman met with attorney Jeffrey Crocker to discuss the question of our interface with Woodmaster and the quality problems we have encountered.

We asked the key question: "Are we in a position to refuse taking over a building once this has been declared". The reasons for our questions were given as the problems with the roofs, the marginal quality of these and the poor design as identified by the structural engineer last year and confirmed by Bergeron Construction Co. who gave us estimates to repair the roofs that reflected very high prices. Additionally Woodmaster's very defensive and procrastinating attitude plays a large part in our relationship.

Bob, as member of the Building and Grounds Committee filled in the details of the above findings and we discussed Woodmasters negative attitude in various other areas.

Mr. Crocker basically responded with describing three options for us.

1. Litigation over the cost of having to redo the roofs and other deficiencies because of substandard materials, workmanship or design.

To do this we need an expert witness who can testify that either the materials, the workmanship or the design were below acceptable standards. Positive proof of these deficiencies would have to be provided.

The problem with this approach is that the materials, and design are probably meeting existing minimum standards and have been accepted by the town. The overall design has been accepted by the state. He mentioned that NH is a "Buyer Beware" state as far as building inspections are concerned. The seller need not divulge shortcomings and, even if asked, he can refuse to answer, he is only liable if he does answer and the answer shows shortcomings.

2. Litigation citing quality which, though marginally within specs. is not good enough for the use here and now.

In other words: "here are the problems we are having and these show clearly that they are unreasonable". This too needs to be backed up by knowledgeable witnesses.

Both the above have very poor chances of success for reasons such as:

a. It will be hard to prove our contention against the testimony Woodmaster can provide that the buildings have been accepted by the town, are identical or close in design and construction etc. to others that have no problems.

b. Woodmaster almost certainly has some type of insurance that will cover legal costs in such cases so that things can get expensive for the Association.

3. Public exposure of Woodmaster

This can be done in one or both of two ways:

a. Targeting the public at large by newspaper articles, getting reporters to interview people who live here etc. Reporters would be overjoyed at such opportunities.

b. Targeting prospective buyers by making sure that information about owner discontent is transmitted to them by placards, picketing and other means.

This approach is the only one that is able to bring real pressure on Woodmaster as it will affect sales directly. It may affect the value of our properties for some time, if carried out.

As a result of the above, our discussions started to center on the obvious question of "what shall we do?"

We settled on the following approach:

To get more ammunition by soliciting more opinions on the roofs (the central complaint) Bob volunteered to do this. We would also prepare a list of items such as bad paint, wet garages etc. with as much supporting evidence as possible. Additionally we would get as many letters from owners who express unhappiness about Woodmaster.

We would have a brainstorming session to determine specifics. The proposal is to concentrate on approach No. 3. After the brainstorming session we would specify the specific steps. All this in preparation for a meeting with Woodmaster.

We call a meeting with Eliot Berman and have no more than two delegates to represent us. We need to decide whether to include Jeff. Crocker in this.

We would be prepared to make the following or a similar offer:

The damage done is done and we shall pay for the repairs. In return we ask Woodmaster for a written agreement of specific things they will incorporate in the new construction such as: 5/8" planks under the shingles, better quality shingles, better quality flashing, use of better contractors (?) etc. This report should not try to go beyond our meeting with attorney Crocker..

If Woodmaster is cooperative we shall draft an agreement which both parties will sign - the content to be spelled out as a result of our brainstorm and preparation. If we are unhappy with Woodmaster's reaction shall engage in the public relation approach outlined above. We would tell Woodmaster that we shall not let the matter rest and, according to Jeff. Crocker's suggestions, would not spell out any details of what we will do.

The advantages of this strategy are that Woodmaster is not forced to spend a lump sum at this time. They can really absorb the concessions rather easily, even if this entails slight increases in selling cost of the units. Our threatened publicity war must worry them, as it will impact sales. We need to take short term risks with the value of our investment in order to insure that the Condominium will be a success in the long run. As things stand now this is questionable.

Mr. Crocker stressed the fact that we need to be careful what we do to expose Woodmaster to avoid defamation of character.

We discussed the power of the directors to carry this out and found that, if not for any other reason, but to increase our chances of accomplishing something, we need to have the owners informed. An address at our Block Party on October 5. could start this process. Mr. Crocker suggested to come to the meeting armed with letters from individual owners which underscore our concerns and add the evidence that all is not as it should be. We can solicit such letters at the time of the party.

The above is as detailed a sketch of our meeting as I could think off. Please consider this a request to read it carefully prior to our meeting on Sept. 2.

MEMORANDUM

TO: Longhill Estates File
FROM: JRC *JRC*
DATE: August 22, 1996
RE: Longhill Estates

On August 22, 1996, I met with Tom Foreman, President of the Longhill Estates Owners Association and Bob McNevan about problems the Association continues to have with the developer Woodmaster, Inc. There are continuing problems with the roof. The plywood used was too thin and the shingles are part fiberglass and as a result there is roof leakage and warping and many of the roofs need to be re-roofed. This is going to cost the Association an excess of \$100,000. There is also concern that adherence to existing construction specifications in the future will result in the necessity of additional repairs at the expense of the Association.

It appears that all construction conforms to minimum BOCA requirements. The question is whether there is (i) a breach of contract or (ii) negligence in the construction or choice of materials. I explained to the clients that it would be necessary to have expert witness testimony to establish either theory of recovery. It appears that the Association would be satisfied if Woodmaster would upgrade its construction materials in the future. Towards this end, the Association will prepare a specific list of changes and specifications which they would like to see implemented and schedule a meeting with Woodmaster to review these specifications. The Association may agree to waive a lawsuit against Woodmaster for prior construction if Woodmaster agrees to implement the new construction specifications in the future. Otherwise, the Association will consider a lawsuit going back as far as the Statute of Limitations will permit and a public relations campaign aimed at the public and specific buyers who come to tour the property in order to bring about compliance on the part of Woodmaster with the Association's requests.

The next step is for the Board of Directors to meet and endorse this approach as a concept, preliminarily. Following that, a meeting of the Association members will be held at which time the Board will seek to obtain approval from the Association as a whole for this approach. The next step would be for a meeting to be scheduled with representatives of Woodmaster and several Associations Officers in an attempt to resolve this matter by Agreement. Towards this end the clients will try to obtain letters from most of the unit owners in support of the Association's requests.

The clients will get back to me sometime in October after they have met with the Association members and prepared a defined list of construction requirements for presentation to Woodmaster.

END OF MEMO
C: Tom Foreman