

January 22, 1999

Peter J. Rotelli
One James Street
Providence, RI 02903

Dear Peter:

Received your letter to-day. To bring you up to-date on the Knoll matter--the following was done.

All the documents you sent me have been copied and distributed to every association member. They are concerned and don't understand why this matter was not legally addressed at the time the property was transferred from Stitch to Recoll and then from Recoll to you.

In order to protect the interests of the Association members, the association, an innocent party, will incur legal fees as the result of the legal oversights mentioned in the preceding paragraph.

To address this matter, the association will hold its annual meeting in February and naturally you should be present. The date and time will be sent you as soon as I can arrange for a meeting place.

As to the dues, more than half of what you currently owe goes back to the time you took over the property. Despite our repeated attempts by letter and telephone to effect collection, all we got

was a verbal acknowledgment that you owed us dues. It should be mentioned that we did not at that point in time consider penalties and interest entitlements.

Since you indicated a reluctance to pay your past due amounts because of an legal impediment to sell the Knoll property, or possibly there is an inability to pay--we have to consider taking steps to protect our interests and to protect the board from any legal liability.

Peter, the development of this PUD is not yet complete as far as you have gone.

Spring Hill Lane is in need of a second layer of paving . Curbs need to be replaced where you corrected for an erosion problem. A path to the playground is needed. The lower parts of the Spring Hill common area is full of rocks and debris. Agro seeding of the pond area and finally the resolution of whatever water and drainage problems still exist.

Sincerely yours,