

July 22, 2008

To: Homeowners of Stonehill Community

Re: Water Seepage in Basements Through the Foundation at Ground Level or Below

Legal opinion: Based on the review of the Declaration of Covenants, the Association bears no responsibility or obligation to the homeowner, either for water damage sustained, or for the cost of any necessary repairs.

Article IV, Section 5 seems the most directly related to the problem in question. This section allows the Association to impose a special assessment on an individual unit for the cost of reconstruction, repair or replacement of internal or external components. Drainage tiles related to a single unit would seem to fall within this section.

According to Mr. O'Brien during the meeting on May 22, 2008, if the water coming in the building will damage the building, the homeowner MUST fix the problem.

The Association can levy an assessment after 30days prior written notice being given to the unit owners specifying the work that needs to be done. The unit owner can then choose to do the work at their expense or the work can be done by the Association if not done by the homeowner in the time specified. If the Association performs the work, it can then assess the cost to the unit. That cost would be a lien against the lot.

This is the end of the Legal Opinions. Legal opinion documents are available by contacting the Board President.

From the President of Stonehill Board of Directors, Mary Jo Meyer:

I have reviewed past inquiries and have presented these documents to the current Stonehill Board of Directors on June 23, 2008. It is the opinion of the Board that water seepage into basements from the foundation is the responsibility of the homeowner and this is clearly seen in the review of opinions by Chadwyn D. Cox on April 16, 1991 and James A. O'Brien on May 27, 2003. I have myself contacted Mr. O'Brien on Thursday, May 22, 2008 to discuss this very issue.

The reason for this addendum to the minutes of the July 21, 2008 Stonehill Monthly Board Meeting is to clarify to all homeowners the policy re: seepage of water into basements through the foundation and to assist any future Board members in the event of additional inquiries.

Sincerely,

Mary Jo Meyer •