

In the matter of Arbitration by and between:

Chapel Hill East Condominium Association and Chapel Hill East, LLC, Sathuan SA, Imperial Investments, Inc., SA Investments, Inc.

AWARD

This matter came on to be heard before Arbitrator Chief Justice (Ret.) Frank Williams on September 14, 2023. Despite numerous notices to Sathuan K. SA, representative of the Respondents, he failed to be present and the arbitration proceeded without him. Chapel Hill East Condominium Association (“Chapel Hill”) seeks judgment against each of the Respondents, Chapel Hill East, LLC, Sathuan, Imperial Investments, and SA Investments, Inc., (“SA”). Chapel Hill believes SA, as the principal member of all Respondents, (“SA”) is personally liable since his entity, Chapel Hill East, LLC has been revoked by the Rhode Island Secretary of State. Petitioner Chapel Hill has filed Volumes I and II with a pre-trial memorandum and exhibits. All exhibits within Volumes I and II have been entered as full exhibits. The declaration for Chapel Hill was recorded on October 17, 2019 (Volume I, Exhibit 1).

After occupancy by 24 residents of Chapel Hill, the Board of Directors found substantial defects with Chapel Hill including numerous code violations and HVAC issues on the roof.

The parties agreed to arbitrate this matter pursuant to an Arbitration Agreement (July 14, 2022) (Volume I, Exhibit 5) which included issues noted in Superior Court Complaint PC-2021-05906 (Exhibit 5.1, Volume I).

Notice to cure to the Respondents was made in Exhibit 17, 18 and 19 of Volume I. Respondents failed to act.

Relevant exhibits for the claims in the exhibits are as follows:

- Exhibit 3, Revocation of Chapel Hill East, LLC by Secretary of State dated June 16, 2023
- Exhibit 5, Arbitration Agreement between the Parties with Superior Court Complaint
- Exhibit 6, Statement of Substantial Completion by Chapel Hill East, LLC and its Architect, Richard J. Cardarelli dated October 9, 2019
- Exhibit 7, dated October 10, 2019, Chapel Hill East, LLC attesting that the buildings “are in good condition and mechanical and electrical installations used in the converted building are new for the residential use.”
- Exhibit 12, Letter to Sathuan K. Sa dated June 15, 2023, with Volume I binder pursuant to the Arbitration
- In addition, Petitioner has sent through its attorney, Volume II, i.e. Damage Binder, to Sathuan K. Sa, along with a copy to the Arbitrator

- Exhibit 11-4, R.I.G.L. 34-36.1-1.03 defines “affiliate of a declarant” means any person who controls, is controlled by or is under common control with a Declarant
 - Exhibit 11-7, R.I.G.L. 34-36.1-3.11 provides for the Declarant being liable to the Association is liable for all litigation expenses, including reasonable attorney’s fees incurred by the Association
 - Exhibit 11-8, R.I.G.L. 34-36.1-4.13 is the statute for “express warranties of quality.”
 - Exhibit 11-9, R.I.G.L. 34-36.1-4.06 mandates that the Declarant prepare a statement based on a report prepared by a registered architect or engineer “describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the building,” and also to provide “a list of any outstanding notices of incurred violations of building code or other municipal regulations, together with the estimated cost of curing those violations”
- Exhibit 11-10, R.I.G.L. 34-36.1-4.14, “Implied Warranties of Quality,” whereby a Declarant warrants that the real estate is (1) “free from defective materials and (2) constructed in accordance with applicable law according to sound engineering and construction standards and in a workmanlike manner”

- Exhibits 11-12, R.I.G.L. 34-36.1-4.17 provides for payment of punitive damages that may be awarded in the case of a willful failure to comply with the chapter and reasonable attorney's fees.

In the absence of Respondents, the arbitrator must find that there were defects described through testimony and the exhibits.

DAMAGES

Volume II itemizes the damages, which total \$732,843.00. With the absence of any principal of the Respondents, the Arbitrator is compelled to accept the exhibits, notices, and damages in the sum of \$732,843.00. There is a summary of damages in Tab 16 of Volume 1 which are incorporated in this award.

AWARD

1. Claimants are awarded from Respondents, or each of them, the sum of \$732,843.00.
2. Reimbursement to Acropolis in the sum of \$71,624.54 pursuant to Exhibits.
3. Interest at the statutory rate of 12 percent commencing from October 1, 2019 to present on the sum of \$732,843.00.
4. Attorneys fees in the amount of \$35,307.96.
5. Arbitrator's fees in the amount of \$3,600.00 (which fees shall be paid by Chapel Hill and reimbursed by respondents).

Total, without interest, is \$843,375.50

Respectfully submitted,

/s/ Frank J. Williams, Arbitrator

September 26, 2023

(prepared on September 26, 2023)