

February 10, 2011

To Our Stonehill Neighbors,

It is generally known and it was also discussed at the annual Homeowners' Meeting held on November 15, 2010, that most of our buildings are having problems with water, woodpecker damage, insects etc. Because of the high cost of the siding material currently being used, the ongoing cost of labor needed to replace it and the inability to repair current problems properly, the board decided to reside the buildings.

As the Board of Directors' minutes of January 24, 2011 indicated, it was decided to initially reside Building #1. Building #1 was selected because it is the oldest and probably the one most in need. The cost of residing Building #1 will be covered by assets held in Reserves. Therefore, no assessment is required at this time.

Many factors were considered before making this decision. An actual overall cost estimate to reside the entire community is impossible to determine at this time. Because of this, the board approved siding Building #1. As well as providing a basis for estimating the costs of residing the remaining buildings, the community will have an opportunity to see a finished product. After the completion of Building #1, an assessment will be required to complete the residing of all the buildings. The information obtained from the Building #1 project will enable the Board to determine a more accurate assessment. This information will be submitted to the homeowners for their approval at that time.

A Siding Committee made up of current Stonehill Community homeowners was formed in April 2010 to study and recommend a siding material. After meeting for many months and obtaining input from contractors, suppliers and personal visits to building sites, a recommendation to use Hardie Board, a cement type product, was submitted to the board on November 6, 2010 and approved by the board at that same meeting. (This is the same recommendation presented by the Siding Committee to the homeowners at the annual Homeowners' Meeting on November 15, 2010.) In addition to its many advantages, this product is less expensive than the Cedar currently used and will be less costly to maintain over the years.

No homeowner likes to spend money needlessly. However, if this investment is not made now, the high cost of maintaining the present siding will increase and many of the problems currently being experienced cannot be corrected. This can only result in the reduction of property values.

Sincerely,

Your Board of Directors