

**STONEHILL COMMUNITY ASSOCIATION
SIDING REPLACEMENT PROJECT
FAQ (facts and questions)**

The Stonehill Community Board of Directors presented a proposal to replace our current siding to homeowners at an informational meeting held on October 17, 2011 at Mt. St. Francis. To insure all homeowners have the information they need to make an informed decision, we have compiled the following questions and answers in an effort to address concerns you may have. If you have additional questions regarding this project, please contact any member of the Board of Directors.

Enclosed with this information is the proxy form you will need to complete to cast your vote to approve or deny the proposed siding replacement project. The vote will be held at the Annual Homeowners Meeting on Monday, November 21, 2011 at 7:00 p.m. at Mt. St. Francis.

If you are unable to attend this meeting, you may submit your proxy vote by mailing it to: Stonehill Community Association, 800 Stone Ridge Place, Dubuque, IA 52001. **All proxy's sent by U.S. mail must be received by November 21, 2011.**
Thank you!

Why are we looking at replacing the siding on all the buildings? In recent years, more and more problems have arisen with the maintenance of the buildings, including water damage (due to the siding being applied diagonally), insect infestation, rotting wood, erosion and other issues. Continued "patching" of the current cedar siding will do nothing to correct these problems. The siding will continue to deteriorate and the problems we are all facing will only worsen. Unless the siding is removed and replaced, the unseen problems under the siding cannot be known and be corrected.

How did the Board arrive at this decision? A Siding Committee consisting of Board members and homeowners, spent 18 months investigating the problems each of the buildings has incurred and possible solutions. All alternative options to correct the problems were considered, including the replacement with various types of siding. The decision to use cement board siding to re-side our buildings was chosen based on durability, life expectancy, and maintenance. The cement board siding is the most durable, has the longest life expectancy, and requires the least amount of maintenance, which will actually **save us money!**

The maintenance of the siding is the responsibility of the Association. Why are we being asked to pay a "special assessment"? The Homeowners Association does set aside part of the yearly assessment fee for future projects and as a contingency fund. However, for a number of years, no increase in the assessment fees was implemented, yet the cost of maintaining our property increases every year. This meant less and less money was available to set aside in reserves. The Homeowners Association will use some of the money in reserves to offset the cost of the project, while still maintaining an adequate reserve.

How will the assessment for this project be handled? The Board of Directors has determined that based on the estimated total cost of the project minus the money in reserves we will put toward the cost, each homeowner would be assessed \$8,000. The payment will be split over three years as follows: 2012: \$3,000, 2013: \$3,000, 2014: \$2,000

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This special assessment will be in addition to the homeowners' annual assessment. The homeowners' annual assessment will remain the same (\$1,185 per year for each of the three years). Once the special assessment is paid, we will go back to the annual assessment which could be adjusted at that time to cover necessary increased budget costs.

What are the benefits of replacing the siding at this time? The biggest benefit of course, will be to correct the problems we are experiencing with the current siding. Some of the additional benefits include:

- Increase in property value! **This is an investment in your property!** The money that each property owner pays will actually come back to you in terms of increasing the value of your property.
- Additional protection from outside air and moisture and increased energy efficiency. All units will be wrapped in Tyvek before the siding is installed.
- Improved appearance of each unit and the entire Stonehill community!
- Eliminate yearly staining and repairing. Over the past 10 years, staining and repairing has cost a minimum of \$140,000. Painting of the Hardie cement siding will be covered in the budget.
- The Hardie product carries a 50 year warranty and the painted surfaces carry a 25 year warranty.
- In today's market, Cedar siding is more costly than Hardie cement siding. And, because orders currently placed for cedar siding for "patching" are considered "special orders", the cost is even higher.

What will happen if we don't replace the siding? As noted previously, the continued "patching" of the cedar siding will do nothing to correct the problems we are experiencing. Over the years, because of the direction in which the siding was applied, damage has occurred to the underlying structures and to the buildings at the ground and floor levels. Also, much of the problem with insect infestation is directly related to the deterioration of the wood siding. We all know that woodpecker damage is prevalent. Even if cedar was applied horizontally, the problems attributed to wood would still be present. The longer we wait to address these problems, the more costly replacement will become.

If the request to replace the siding is approved, when will the work begin? The contractor has told us that once we make the commitment to go ahead with the project, he will begin as soon as possible and will commit to the project until it is completed.

How long will it take? We anticipate it will take approximately three years to complete.

What if they find problems with my unit that are not covered by this assessment? If problems are identified that are not normally covered by the homeowners association, the contractor will contact the homeowner to discuss the problem. It will be up to each homeowner to decide how they want to handle any issues that arise.