

Stepping Stone Condominium Association, Inc.

February 23, 2016

Dear Homeowners,

The Board of Directors would like to thank all of you who attended our annual meeting held on January 28, 2016. For those of you who were unable to attend I would like to take a few moments to bring you up to date on the affairs of the Association.

At the meeting the Interim President, Le'Patrick Patton, to whom we owe a debt of gratitude for his hard work, presented an overview of the Association's financial state. A summary of that report (Exhibit A) is enclosed. Apparently, during 2015 the Association was operating on month to month deficit spending approximating \$34,000.00. At this time we have not been able to determine when this pattern began. Obviously, this cannot be permitted to continue; therefore, we have taken the following immediate steps to turn this trend around:

- Site Management: Determined that it is in the best interest of the Association to not renew the Management Contract of The Favour Group. The immediate impact of this decision is that the members of our volunteer Board of Directors will be temporarily assuming the responsibilities of management. Please be patient the members of the Board will be working with many time constraints, jobs, families, etc. Responding to emergencies and addressing safety and security concerns will be our top priority. We will be assessing ongoing repair and maintenance problems.
- Fiscal Accountability: Fortunately we have a skilled, knowledgeable Board on financial matters and will be working diligently to reconcile all of our accounts payable and receivables. It is our goal to produce a 2016 budget and present it to you by the first of April. Please continue to pay your homeowner fees by mail or by placing the payment in the office mailbox on or before the 10th day of each month. The delinquency policies and procedures for collecting overdue homeowner fees have not changed.
- Deteriorating Overall Appearance of the Property: We have suspended work on all projects that do not present an immediate threat to the health and safety of our residents and invited guests and will be reviewing all of our contracts for labor and services, e.g., landscaping, pest control, garbage collection, etc.

We will be addressing the front entrance signage and our landscaping issues in a comprehensive manner. Some of you may remember when a beautification award sign from the City of Huntsville was hanging out front. We would like to see that sign again.

- Enforcement of SSCA Governing Documents (Declaration, Bylaws, Rules and Regulations): The failure to aggressively enforce the provisions of these legal documents has contributed greatly to the decline in property values as well as the quality of life in our community. We must address security issues and the changing demographics of our community. You will receive within the next few weeks a copy of the policies and procedures governing fines, injunctions, liens, evictions and foreclosures for non-compliance. Homeowners will be given a grace period to bring their units and conduct in compliance. The most flagrant and frequent violations relate to: 1) trash and littering; 2) parking and vehicles; 3) pet leashes and droppings (also violation of City Ordinances); 4) loud noise (also violation of City

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Ordinance); 5) loitering in parking lots (also violation of City Ordinance); 6) debris and personal items stored in entry ways, on steps and balconies; 7) for sale and for rent signs; 8) alcoholic beverages in common area; 9) barbecue grills (also violation of City Ordinance); and 10) speeding. This list is not intended to be all inclusive.

If you are a non-resident homeowner, please make sure you have a lease on file in the SSCA office. If you do not have a proper lease on file you are in violation of the Bylaws. Your lease must contain a clause indicating that your tenants are aware that they must abide by the provisions of the governing documents which include the aforementioned rules and regulations. Failure to properly screen tenants and monitor their activities, including the occupancy level of the rental unit, has resulted in an unwarranted drain on our financial resources, e.g., extra garbage collections, huge water bills, increased trash pick-up and hauling charges, vandalism, destruction of common area property and increased security. No one wants to see our monthly assessment fees increased or a special assessment or surcharge levied.

Lastly, we can always use help. Anyone interested in volunteering, please contact us. No particular expertise is necessary. Please check the message board and our website (www.steppingstonecondominium.net) for updates and notices. Copies of the SSCA's Bylaws and other governing documents are posted on the website. All Homeowners should have received copies of the documents at closing. Copies are also available at the office of the Association.

Thank you for your patience and cooperation during this transition period.

Best regards,

Board of Directors
Stepping Stone Condominium Association, Inc.

Ethel M. Lee, President/CEO
Le'Patrick M. Patton, Vice President/COO
James D. Keeton, Treasurer
Audree Johnson, Secretary
Rena Anderson, Board Member
James Benderson, Board Member