

Water's Edge HOA  
2953 Tub Mill Pond Rd.  
Milford, DE 19963

Dear Resident,

I am writing you today to update you on the status of the Water's Edge HOA and to clear up any confusion that seems to be going around the community with respect to the HOA and the level of involvement from the different entities.

Developer's involvement with the HOA— West Four, LLC is the developer. The owner is Stanley West. To date, as the developer, I have the sole decision making within the community as the Class B member of the Water's Edge HOA. The common items handled by me as the developer are paying community bills, cutting common area grass, landscaping at the entrance, irrigation at the entrance, and snow removal amongst other things. I am solely responsible for the site work with respect to adhering to construction documents, along with town, county, and state approvals. Water's Edge has monthly inspections from multiple state agencies and works in cooperation with these agencies.

Builder's Involvement with the HOA — As I'm sure you're aware, Layton Builders, Inc. is the sole builder in the community. The owner is Ted Layton. They have assisted me as the developer in the past with the coordination of construction site work, answered HOA questions on our behalf, attended meetings on our behalf, etc. However, Layton Builders is not financially, or legally involved with West Four, LLC as the developer nor do they have any authority to make decisions on behalf of the developer with the exception of reviewing permit applications from residents for decks, fences, etc. to ensure adherence to the community guidelines. Their primary role is Water's Edge is purchasing lots and building new homes.

Town's Involvement with the HOA — The Town of Frederica has absolutely no involvement with the Water's Edge HOA. Water's Edge does need to adhere to town ordinances but these fall outside of actually running the HOA.

Resident's Involvement with the HOA — Until recently, the community was less than 75% sold with respect to individual lots. Up until 75%, I have run the HOA as a Class B member with the sole right and obligation to make decision on behalf of the HOA. Now that we have sold 75%, I am required to nominate a minimum of 3 Board of Directors. The Board of Directors will remain my nomination until the last lot of the community has been sold to a third party. The role of the Board of Directors will not be to run the HOA as I will continue to do so. However, the Board of Directors will approve an annual budget prepared by my office. Other duties will also include fielding any questions that any resident may have and collectively decide how to proceed, with my approval, any community issues, questions, concerns, and/or suggestions.

Upon the last lot sold, I will turn the HOA over to the residents at which time a full Board of Directors will be established. Legal Council will assist in all legal documents required to make this transition along with bank accounts, legal signers, etc. I anticipate the community's completion within the next 12-16 months at which time I will turn over the HOA.

I would also like to address some concerns both from past and present:

1. Most residents do not realize this but in the past, I have paid my own staff to plow the streets in Water's Edge after a snow storm. Although the timeliness of completion of snow plowing may not have met the expectations of some residents, our reasoning was simply to save the HOA money by not having to pay a 3<sup>rd</sup> party contractor. Additionally, I have sent my staff to cut the common areas, open space, and vacant lots. Again, this was in an effort to save the HOA money which ultimately is turned over to the residents. By making this decision I have saved the Water's Edge HOA thousands of dollars. However, due to the level and amount of complaints I have received, I will no longer cut grass or plow the streets. I have signed a maintenance agreement with Sullivan's Landscaping to take care of all the grass cutting and snow removal. The fee for said work will be billed to the Water's Edge Operating account.
2. There are a few drainage areas, roads, and other misc. site work items that still need to be completed. These items will be completed and inspected by the Town of Frederica before it can be turned over to both the town and the Residents to run the HOA.
3. The black silt fence that surrounds a portion of the parameter must stay in place until all construction is completed per State requirements. The black silt fence that surrounds the homes under construction must be in place while construction is taking place. Again, state requirements.
4. We have been advised that some residents are going to the Town of Frederica council meetings and complaining about the Water's Edge HOA. As stated above, the town has no involvement with the Water's Edge HOA. Please do not waist the Towns or your own time with discussing the HOA at town hall meetings. Please address these concerns with either myself or one of the newly elected board of directors. (Listed below)
5. I've been told some residents have the desire to dissolve the Water's Edge HOA in its entirety. So long as I am a Class B member, this will never happen. I and the builder have sold these lots/homes to residents with the understanding there is an HOA in place with rules, guidelines, and restrictions.
6. Request for a budget — Due to the recent nomination of the board of directors, we will schedule a meeting in the upcoming weeks for the board to review, comment and ultimately approve the budget. Upon approval from the board, I will be happy to share the budget with any resident that so desires. In the interim, I have included a report showing the Water's Edge account balances along with what expenses we have incurred through 5/31/2018.

7. The grass cutting on the individual's property is not the responsibility of the Water's Edge HOA. This falls under the Town of Frederica's ordinances and should be addressed accordingly. There is language in the HOA documents that do allow the HOA to enter onto a resident's property to cut the grass and charge the homeowner but this is in place in the event the town does not do corrective action when the complaint is filed with the town. The Water's Edge Board of Directors will discuss utilizing this right to ensure the community looks its best.

8. HOA dues – some residents are simply behind and some residents have made it known they will not pay their HOA dues until they receive a budget. Both scenarios are choices of residents that are not governed through any of the HOA guidelines. With that said, I have been extremely lenient with residents with past due accounts giving plenty of opportunity to catch up. However, the current balance due for 2018 with respect to HOA dues is staggering. Some residents with higher delinquent accounts have been sent letters with dates to clear their account balance or legal proceedings will begin. Given the demands of the residents to have better services, the HOA simply cannot afford these services if residents are not paying their HOA dues. Moving forward, any resident's balance that is 60 days past due will have a lien affidavit filed against their property and recorded at the Kent County Recorder of Deeds. This will affect your ability to obtain new financing and/or sell your home with a lien in place. If filing the lien does not convince the individual resident to pay their dues, I will be left with no option than to file suit against the property owner, ultimately seeking a judgement.

To the residents that have paid their dues – Thank you.

To the residents that have not paid their dues - The legal process is not something I care to do nor should you want to go through it but I have an obligation to the community, its residents, and ultimately handing over a stable, fiscally competent HOA. Your decision to not pay directly affects our ability to meet the same demands you have set forth.

In closing, I am happy to see the progress with the community as we near completion. The residents will now have a landscaping contractor to take care of the common ground landscaping, grass cutting common areas, and snow removal. Additionally, a board of directors is in place to assist with any questions, concerns, or suggestions that any resident may have. If you're not getting the answer you need from one of the board of directors, please feel free to contact my office.

Should you have any questions regarding this letter, please do not hesitate to contact me.

Respectfully,



Stanley C. West  
302-335-3937

## 2018 Board of Directors

1. Kevin Mitten – Resident  
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2. James Joles – Resident  
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3. Ted Layton – Builder Representative  
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