

“Be the Edge”
Water’s Edge Property Owners Association (WEPOA)
Frequently Asked Questions

Rev.0 11/10/2020

<https://twepoa.com>

Email us: wepoacontact@gmail.com

11/10/20 – Additional Questions

1. If the new POA wants to create a new restriction in the community, how would it be done and what level of voting would be needed to create/pass a new restriction?

Restrictions for each section are identified in that section’s Covenants. Any modification to those Covenants requires that a majority of property owners in that section (regardless of WEPOA membership) vote to approve it. Covenant changes can only be enacted on the 10-year anniversary date as identified in the Covenant document. Approved changes would apply to all owners in that section, whether or not a WEPOA member.

2. Will all existing (original) covenants for each Section of Waters Edge remain in place going forward, and will they now be monitored and enforced by the new POA?

Yes, the existing (original) covenants for each section will remain in place. The WEPOA has the authority/responsibility for enforcing them, though we would prefer to avoid the word “monitor”. We expect property owners to continue to self-comply and to observe and report compliance concerns as they do today.

ISSUES & CONCERNS OF PROSPECTIVE MEMBERS – 10/19/20

3. Ron Willard (WCRV) is still in charge.

Ron Willard (WCRV) is **no longer in charge** of the Water’s Edge beyond his ownership of the Water’s Edge Country Club facilities. In fact, WCRV gave up the rights of Developer when it assigned the original Covenants for Sections 1-8 to the POA on 9/22/2020. WCRV donated the PWC/Boat parking lot in Section 7 as common property to the POA so that we have common property as required by the laws of the POA Act.

While WCRV and family members currently own approximately 14 lots (as of 9/28/20) that represents 8% of the total lots/votes. This is not enough to control the POA’s agenda.

In short, WCRV has turned over “control” to TWE community.

4. Ron Willard (WCRV) will benefit financially by the POA taking over the cost of mowing, lights, and street signs.

Willard Construction *never had an obligation* to mow along the rights of way (ROW) in TWE. WCRV has paid for regular mowing out of its developer budget to keep our community pristine. The ROW land is owned by the Commonwealth of Virginia and therefore, the *State has been responsible for mowing it*. However, the State only mows the ROW two times per year. In addition, WCRV has paid for repairs of the street lights and the electric bills since the beginning.

WCRV has decided to cease its Developer duties and stop paying for these items on 12/31/2020, regardless of whether the property owners agree to assume the costs. These amenities are important to the appearance of our community and subsequently, the value of our homes. Current WEPOA members are in support of assuming these costs.

5. Why should I put restrictions on my property by joining the WEPOA?

The WEPOA will be responsible for managing all the Covenants in Sections 1-8 for all properties, whether or not they join. The same “rules” your property was subject to under Ron Willard (WCRV) continue to exist under the WEPOA. The additional language in the Declarations document is required by Virginia statutes to more clearly state the authorities and responsibilities the Covenants under a POA structure.

QUESTIONS FOR CLARIFICATION ASKED BY PROSPECTIVE MEMBERS

6. Please update status on Drainage/Greenfield lots.

These lots can be identified on the Franklin County GIS website (<https://gis.franklincountyva.gov/parcelviewer/index.html>). They are currently owned by WCRV. We have no information to indicate whether WCRV intends to sell them, but *they are not the responsibility* of the WEPOA.

7. Once the POA assumes responsibility on December 31, who will cut the grass on vacant lots owned by other than Willard Companies? Will Willard Construction continue to do this or will the POA perform and bill as Willard Construction has?

This is a current topic of discussion by the WEPOA Board of Directors. While we want to maintain the appearance of the community as it has been, we are discussing how to accomplish this while minimizing the financial risk to the WEPOA.

8. When will the Trailer Lot be organized to allow for additional storage?

The target date is end of the year. Anyone willing to volunteer to help should contact Clark Childers or Peter Kennedy.

9. Do TWE properties outside Section 1 - 8 have right of storage?

This is under discussion.

10. How were the fees for Class A - C fees established and are they stated in any WEPOA documents?

The Committee that set up the POA determined the fee structure starting with what would be needed to fund estimated expenses assuming 90% of Class A lots joined. To encourage B and C owners to join, the fees were reduced to levels that, in their judgment, would encourage (or not discourage) membership. The annual assessments are documented in the PowerPoint presentation on the website.

11. Given that the WEPOA is short of its membership targets, what's to keep you from raising annual assessments (dues) to make up the gap?

The current BOD is adamant that dues will not change except as proposed (and approved by members if the increase is >10%) at next year's annual meeting. Said differently, we have no plans for assessments to cover any gaps in revenue this year. Our plan is to reduce spending (mowing, lights, etc.) to match revenue if needed and continue to drive to get members.

12. Given that the WEPOA is short of its membership targets, why can't I donate my \$180 to fund the costs, but not join?

The BOD has decided not to accept donations from non-members because it does not provide a reliable revenue stream and it is not fair to those who have signed. We remain committed to convince all property owners of the advantages of membership.

13. Does an owner in other TWE properties, say Golfers Crossing or Marina Bay, qualify for a Class C lot for an undeveloped property they own in Sections 1-8?

No. The annual assessment structure applies only to properties within Sections 1-8 properties. In the example in the question, the undeveloped lot would be a Class B, with an initial annual assessment of \$120.

WEPOA BENEFITS

14. Why should I join the WEPOA?

The short answer is to protect your investment in your Water's Edge property.

The long answer is that, for many, this is our home. Even if this is a second home, the WEPOA will protect your investment and ensure the community continues to be well managed and beautiful. As Clark's letter said, without the POA, things would deteriorate. Covenant enforcement may seem onerous, but it also restricts mobile homes, tents, and other "housing" that would seriously damage the neighborhood. We do not want that to happen

By joining, you will be agreeing to participate in and influence the association governing your community. Your vote is your voice. This association:

- i. Maintains the value of property and sense of community in The Water's Edge.
 - ii. Maintains The Water's Edge property standards that have been in place since it was first developed, including home size and design, home and lot condition, landscaping standards and maintenance, restrictions on mobile homes, signs, trailer/RV/abandoned vehicle storage, etc.
 - iii. Maintains the amenities and beauty of TWE common areas including community street lights, community street signs (not state signs), limited mulch and flowers along entrance on Water's Edge Drive – EXCLUDING The Water's Edge sign, mowing grass along rights of way of undeveloped lots along streets not connected to the country club,
 - iv. Preserves the sense of community via WEPOA specific social events or other gatherings separate from the Club.
 - v. Maintains other aspects a prospective buyer will find valuable.
- a. Has statutory financial stability and operational/management responsibilities. POA's are required to follow certain guidelines with regard to financial management, enforcement of covenants and management of the common areas under the Virginia Property Owners Association Act. This drives better and more effective planning and budgeting for future expenses and improved overall financial stability.
 - b. Will manage CC&Rs consistently across all 8 Sections.
 - c. Will collect dues that go toward the maintenance items mentioned above and the operation of the POA.
 - d. A POA has the protections and rights granted by the Code of Virginia -- Property Owners' Association Act.
 - e. You will be sharing in the cost of lights, signs, mowing and POA expenses that will benefit the entire community.
 - f. You will be eligible to vote for Board members, vote on items before the membership, serve on the Board, be an Officer, and participate in decisions that affect Sections 1-8.

15. What if we don't form a POA?

Without the POA, street signs would not be repaired, street lights would not be replaced, street lights would be dark, the grass would not be mowed, there would be no flowers around the street light posts, boat and PWC trailers would be parked on driveways or on the street. Additionally, there would be no enforcement of the covenants, including the architectural review process, and eventually our community would start to look shabby.

16. Why can't we stay with the current voluntary WEHOA?

- a. The current WEHOA does not meet Virginia statutes as defined by the Virginia Property Owners Association Act provisions.

- b. POAs provide the legal mechanism, governed by state laws, to ensure the continuation of community standards. POAs can manage/enforce Covenants, Conditions, and Restrictions (CC&Rs) or act in other ways HOAs cannot.
- c. The POA structure is required before the Willard Companies can assign the current Section 1-8 covenants documents.

17. If I don't agree to be part of the WEPOA, what authority does the WEPOA have over me or my property?

WEPOA will be responsible for managing all Sections 1-8 Covenants – for members and non-members.

BUDGET/MEMBERSHIP TARGETS

18. How many members do we need?

The membership assumption is 220 members this year, 240 beginning in 2021, and 270 beginning in 2025. This generates the revenue needed at \$180/year/member.

19. What if we don't get enough members to meet the revenue needs?

The POA Board will have to prioritize spending to match revenue.

20. Will they raise dues on those who become members to make up for the revenue shortfall if membership targets aren't met?

Our focus is to meet the membership goals. If we do not meet them, the expenses will be reduced to meet the revenue. The initial Board is committed to start with dues at \$180/year.

21. Can the BOD levy **UNLIMITED** dues increases or **UNLIMITED** one time a year assessments without the members vote (approval)?

- a. **NO, it cannot.** The POA legal committee was concerned about this very topic from the beginning of this process, so they made sure that **NO** board (current or future) would have the authority to raise dues or assessments on their own. While the board is authorized to increase annual dues (assessments) by **up to a maximum of 10%** over the prior year, the board is required to get member approval for any amount over that. Proposed increases beyond 10% must be approved **in advance** by a majority vote of the membership.
- b. Similarly, **special assessments** (one-time once a year) cannot be levied unless membership approves it by a majority vote **in advance**.

NOTES: 1. It is important to note that the POA won't own buildings, pools, tennis courts, irrigation systems that may require maintenance and or repairs.

2. In the Virginia POA Act, assessments is the term used for **annual dues**. It appears that this may have created some confusion in our community. To help clarify, feel free to read **ARTICLE VI; COVENANT FOR ASSOCIATION ASSESSMENTS; Sections 2 and 3.**

Section 2's use of the term assessments, specifically refers to **'normal operating'** expenses and Section 3's use of the term refers specifically to one-time once a year **'special assessment.'**

WEPOA STRUCTURE

22. What is the timing for forming the POA?

WEPOA was incorporated as a nonstock corporation on 7/21/20.

23. What is the scope of the WEPOA?

- a. Sections 1-8:
 - i. Community street lights,
 - ii. Community street signs (not state signs),
 - iii. Limited mulch and flowers around street signs/lights along entrance on Water's Edge Drive – EXCLUDING The Water's Edge sign,
 - iv. Grass mowing rights-of-way along streets not connected to the country club,
 - v. Management and enforcement of Section 1-8 Covenants, Conditions, and Restrictions (CC&Rs),
 - vi. Architectural review process.
- b. Boat/personal watercraft trailer parking area.
- c. Potential alliance with the existing POAs for Golfer's Crossing, Island Green Point, Mariner's Landing, Village Green, and Grand Villas if it's determined that POA responsibilities benefit them in some way they are not already funding.

24. Why is this POA being set up for Sections 1-8? Why not the entire community?

- a. WCRV established POAs in the five existing communities that have extensive community property (Marina Bay, Island Green, Golfer's Crossing, Village Green, and Grand Villas).
- b. Depending on the specific community, owners' dues and assessments cover exterior home maintenance (paint, roofs, etc.), landscaping (all grass, shrubbery, some flowers), street signs, street lights and management of their covenants.
- c. However, Sections 1 – 8 consists of individually owned lots planned exclusively for single family homes. These properties were set up to be governed by covenants managed by the developer and are very different than the other POAs.
- d. Although owners in the other communities will not be members of the WEPOA, we are working with each of their boards to form a Waters Edge super group so we can speak as a unit in interactions with our local political leaders and with a new country club owner.

25. Who will run the POA? How will representatives be selected?

- a. The initial Directors and Officers will come from the current WEHOA Board to ensure a certain amount of continuity from the WEHOA and so that the POA can utilize their expertise.

b. Subsequent Directors will be elected in accordance with the governing documents.

26. If I own multiple lots, do I have to sign up all my lots? Can I only sign up one of my lots?

Our goal is to have all properties join the POA to make it as strong as possible. Each individual property qualifies for one membership. The bylaws define membership classes and that each dues-paying member lot has one vote on those matters affecting the Association.

Since membership is voluntary, you can sign up as many of your properties as you choose.

27. Why do we need to own the boat/personal watercraft trailer parking area?

- a. By law, POAs must own beneficial common property. This parking area is a benefit to the members and meets the legal requirement in the Virginia Property Owners Association Act, so we consider it a win-win.
- b. WC has provided this to meet that requirement and ensure that no unsightly trailers are on driveways, yards, or streets.

28. I don't have a boat trailer. How is that helping me?

It helps all of us. Boat/PWC trailer owners can store their trailer in a place that is convenient, but not unsightly instead of in their yard or driveway. This improves the looks of the whole neighborhood.

29. Will non-members be able to use the boat/PWC trailer parking area?

The first priority will be for members. After that, non-members will be able to use it based on space availability. The new Board will need to determine if a fee will be charged to non-members.

30. What is different about the other five POAs?

See question 11. Because of the extensive amount of common property and common responsibilities, their dues are significantly higher than ours.

31. Why is Ron going to be involved in Architectural Review?

Ron has experience with ARC in TWE that we think benefits the community. Until we have capable volunteers to help us with this responsibility, we believe having Ron involved in that process is best for the community. Our Declarations document states that the ARC is run by a 3-person committee, so the committee will have responsibility for ARC outcomes.

CONCERNS ABOUT BEING IN A POA

32. Is the POA going to tell me how to manage my property or try to micro-manage the community?

The HOA Board does not want to micro-manage the community, their own properties, or your property. The covenants are the same covenants associated with your property when you bought it – the exact same documents that Ron originally established for your section. The new WEPOA Declaration of CC&Rs includes those covenants as written and adds language that brings the WEPOA up to date with the current statutes. WCRV will no longer have exclusive control over Sections 1-8 aside from their member lot votes.

33. What is going to change after we form a POA?
- a. The biggest change is that the property owners will be responsible for the community instead of Willard Companies.
 - b. Our goal is to keep things as close to the same as they are now as possible. Sections 1-8 Covenants stay the same.
 - c. Additional language brings the Covenants up to compliance with the Virginia Property Owners Association Act. They speak to a number of statutory requirements about setting up the POA and how it is run, but that we believe do not affect the community itself.
 - d. Finally, members will pay annual dues to fund the POA and its responsibilities.

LEGAL DOCUMENTS

34. What is a Joinder Agreement and why do I have to sign it? What happens to it after I sign it?

This is the document that formalizes your property's membership in the WEPOA.

35. The documents say "voluntary". What does that mean?

"Voluntary" applies to your decision of whether or not to have your property be part of the POA.

Property membership carries over through subsequent owners of the property, so is not "voluntary" for subsequent owners of member properties.

36. Should my attorney review the Joinder agreement before I sign?

We cannot give legal advice. It's your decision.

SHORT TERM RENTALS

37. How will the WEPOA affect short-term rentals in The Water's Edge?

Our primary goal is to set up a POA to be ready to accept the responsibilities WC is transferring to the property owners.

The BOD has listened to owners concerns about STRs. We are not ignoring those concerns. We have spent hours investigating the issue, looking at various means of addressing problems with STRs, and researching the statutes and regulations that are

emerging as STRs become more accepted and available. The Virginia statutes are available on-line. However, they do not appear to be fully applicable to us because we are in a transition period. We have not signed up any property owners yet. We also acknowledge that while there are many WE owners who oppose STRs, there are also owners who do not want additional restrictions and rules. We continue to monitor regulatory changes and new resources, but at this time, we are only focusing on the Section 1-8 POA as a means of continuing the maintenance and the covenants we currently have.

That said, the WEHOA Board (and many others) have worked on the STR issue. We agree no one wants any more problem landlords or tenants. At the same time, a number of property owners are in favor of STRs and there are properties here used as STRs with no issues.

Franklin County has legal authority and responsibility for STRs. WEHOA is working with the county to improve the situation with STRs in all of The Water's Edge. The WEPOA will continue those efforts.

What is being done?

- At the county level, Dave Elwell, on behalf of the WEHOA, has worked with the Franklin County Board of Supervisors to change the laws governing STRs in the county. You were asked to endorse this request by sending a letter last fall. There has been movement, most notably in the County hiring a firm to oversee certain aspects of the county STR rules.
- At the state level, the POAA has language regarding responsibilities for STRs.
- Also at the state level, the Virginia Real Estate Commission has new rental lease agreements that will be published in July 2020, with stronger language regarding consequences of poor tenant conduct and/or over-crowding of leased properties.

Thanks again for your help on making the POA huge success. If you have questions, or need help in any way please reach out to any member of the POA Committee by emailing to: wepoacontact@gmail.com or call your POA Section Representative.