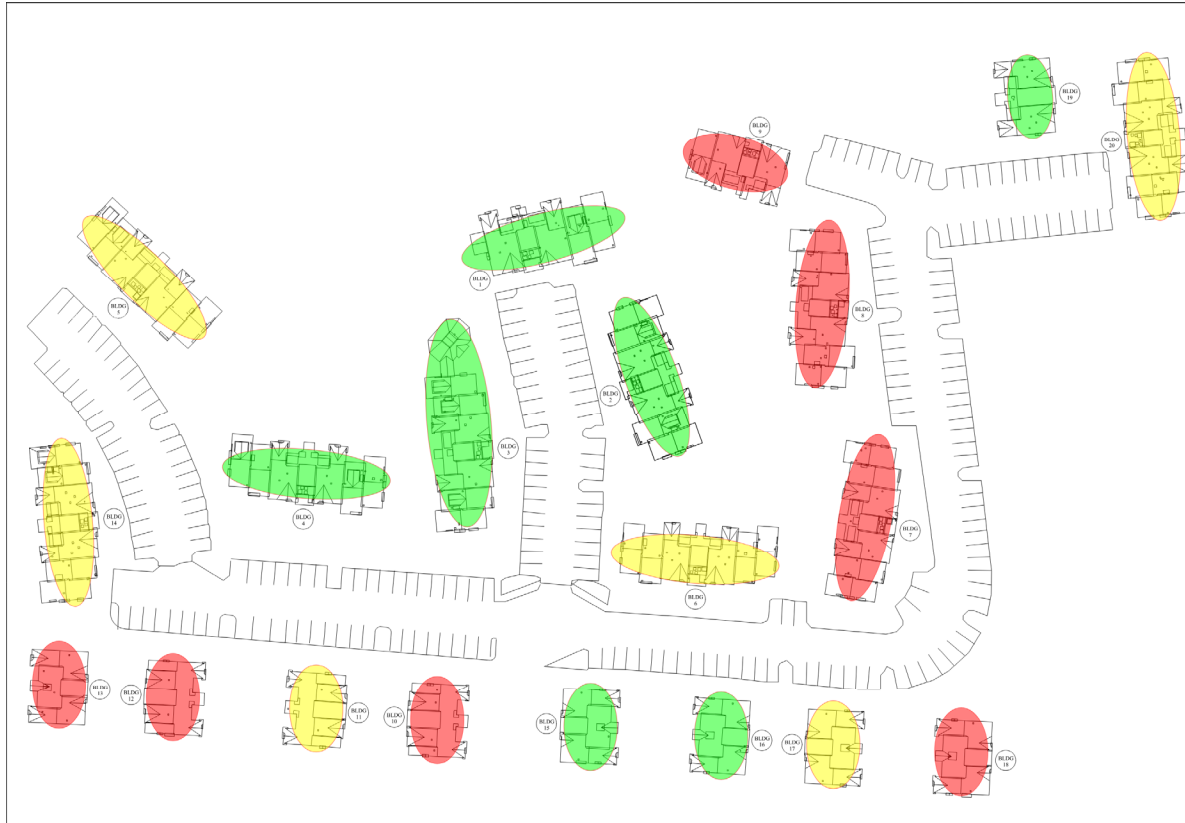


Water's Edge, Roof Replacement Project March 2023 Update

Water's Edge Board of Directors, with the advice of KPA Management and Reliable Engineering, has selected NV Roofing to complete Phase I of the three phase roof replacement project. Below are the answers to several questions that we anticipate that the community will have. Please join us at the next board meeting to ask any other questions that you have.

What buildings are included in Phase I?

The phasing plan was provided by the Association's Engineer based on current conditions. Buildings 1, 2, 3, 4, 15, 16 and 19 are in Phase 1. A map of the community is provided below with the anticipated phasing plan (Green=Phase 1, Yellow=Phase 2, Red=Phase 3). Please note that this is subject to change.



When will Phase I start?

Prior to starting the work, the association will work with the unit owner's that have skylights in their units to prepare for the project. This is expected to take approximately three months; one month to work with the owners on how they want to proceed and two months for delivery of new skylights as needed. Once the new skylights are delivered the specific timing of the work will be scheduled and announced to the community. The HOA will be reaching out to the unit owners with skylights in Phase I within the next couple weeks to begin the process as described in the attached skylight document.

What phases are the other buildings in?

This will be finalized when the next contract is signed prior to the start of the next phase. All roofs will be replaced in one of the three phases.

When will phases II and III be completed?

All three phases will be completed by the end of 2026. Water's Edge is having an updated reserve study completed in 2023, as is standard every five years, and will use this to determine if we will need to take a year off between phases to minimize the effect on HOA dues increases.

How much is the contract with NV Roofing?

The base bid for Phase I is \$321,000 with allowances of \$63,170. Additionally, it will cost \$7,240 for each skylight that is roofed in (see skylight attachment for additional information).

I have a skylight in my unit; how will my unit be affected during the project?

Please see the attachment for more details on the options that owners with skylights have. If the existing skylight will be reinstalled or replaced, the roofers will need limited access to your unit to lay down protective coverings over your belongings in case of any falling debris. The skylight replacement or reinstallation is estimated to take two days and will include protection from the elements if the skylight is not replaced the same day. If your skylight will be roofed in, the roofers will need access to your unit for approximately four days to allow time for the installation of rafters, drywall, and primer. NV Roofing will coordinate all unit access with the owners which will be communicated when the project is scheduled.

I have a satellite dish on the roof; how will this be handled?

If you have a satellite dish that you use, please let Kelly Lang at KPA know as soon as possible. If a satellite dish is no longer used it will be disposed of as part of the project. If it is currently used, it will be reinstalled by the roofers, but the owner will need to contact the service provider to complete the reinstallation of the service when the roofers have completed their work on the building.

Water's Edge, Roof Replacement Project Unit Owner's Options for Existing Skylights

Water's Edge has always considered the electively installed skylight on twenty-two units to be part of the individual unit that the individual unit owner is responsible to repair, replace, and/or maintain at their own expense. Based on the Association's Engineer (Reliable Engineering), the forthcoming roof replacement project will require the removal of the existing skylights to properly install and flash the new roof at the skylight to roof interface. To that end, the Association has been advised that some of the skylights may not be able to be reinstalled as they are beyond their useful service life. The association recognizes that some owners of the units with skylights may not wish to pay for the replacement of their skylight or believe that the skylight is not part of the unit and therefore they will not pay for the replacement. In anticipation of this, the Association has developed the following procedure for units with skylights.

Procedure for Unit's with Skylights

At the start of the roof replacement project, each unit owner with a skylight is given the opportunity to sign an agreement acknowledging that the skylight is part of the individual unit, and it is the individual unit owners sole fiscal responsibility to maintain, upkeep and/or replace the skylight, as required.

If unit owner does not sign the acknowledgment, the Board shall inform the unit owner that the skylight will therefore be treated as a limited common element and to limit financial liability to the community, the Board has voted to proceed with the alteration of said limited common element. This includes removal of the skylight and roofing in the opening (the unit will no longer have a skylight).

If the unit owner signs the acknowledgement, the in-situ (as currently installed) condition of their skylight will be fully inspected and documented with photos; and an opinion of the skylight's viability will be provided by Reliable Engineering and the selected roof replacement contractor (NV Roofing). The report will be provided to the unit owner and then they will have the choice of the following:

1. HOA covers cost for removal of the skylight and closing in the roof (unit will no longer have a skylight). This includes interior finishing work (drywall and primer) at ceiling where skylight was originally located.
2. Unit owner covers the material cost for a new skylight (\$22,975 for 76"x108" or \$27,270 for 76"x143"). HOA covers the labor cost for removal and installation on new skylight during and in conjunction with the roof replacement project. HOA will purchase the skylight prior to the roof replacement project and assess the cost for the skylight materials to the unit owner. A separate document shall be provided to the unit owner signing acknowledgement that they must pay for the skylight within 30 days of the work being complete.
3. Unit owner chooses to keep existing skylight. This will be at the unit owner's risk. If the skylight is not viable due to its condition after removal, the unit owner must choose from the following options, prior to starting the roof replacement project:
 - a. HOA pays for removal of the skylight and closing in the roof (unit will no longer have a skylight).
 - b. Roof replacement contractor installs a temporary cover over the skylight opening. The unit owner is then responsible for both material and labor cost of a new skylight. This includes finding a contractor to perform the work. This work must be performed within 90 days of the temporary cover being installed.

Amending the Association's Declarations

On a separate but related matter, the Board of Directors has instructed our counsel to prepare an amendment to our Association's governing documents adding clarifying language that the repair, replacement, and maintenance of skylights are the ***individual unit owner's responsibility***. While this does not represent any change to current policies, it has been determined that this is the best course of action to assist with future third-party reviews of our governing documents.

What is the timeline for the amendment?

It is expected to take 1 to 2 months to draft. The draft will then be mailed to all owners for review and a townhall held to answer any questions. We will then need 2/3 of unit owners to vote for ratification before proceeding with the amendment process. When requisite number of ratifications are collected it will take approximately 90 days to allow for the mortgagee notice period and recording of the amendment.

Will the amendment change any current policies?

No, the amendment will not change any of the Association's current policies. It has always been the Association's policy that individual unit owners are responsible for the repair, replacement, and maintenance of their skylight. All individual unit owners with skylights have repaired and/or replaced their skylights at their own expense. The Association has never paid for the replacement of skylights, and it is not in the current, or previous, budgets or reserve studies for the Association.

Why prepare an amendment if the Board believes that the current governing documents support this policy?

The Board believes that the governing documents do support our policy. However, the Association's Legal Council has advised us that third parties such as insurance companies can attempt to deny unit owner's coverage as our governing documents do not ***specifically*** state whose responsibility skylights are. While we believe we would prevail in the courts if this was disputed, the most economical and efficient way to proceed is to add clarity now.

What happens if I do not support this amendment to Water's Edge's declarations?

As this amendment does not change any of that Association's current policies it will have no immediate effect on the Association or owners. However, the amendment will protect the Association from incurring any future legal expenses explaining or defending the Association's position that the skylight is part of the individual unit. If this amendment is not passed there may be increases in unit owners' dues required to cover the costs of potential litigation.