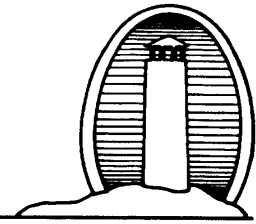


Breakwater Estates

Homeowner's Association, Inc.

2 Rusty Anchor Drive
Rehoboth Beach, DE 19971



Breakwater Estates Homeowner's Association

Annual Meeting Minutes

Saturday, June 9, 2018

9:00 am

Lewes Public Library

111 Adams Avenue

Lewes, Delaware 19958

The Breakwater Estates Board of Directors held the Annual Meeting on Saturday, June 9, 2018 at Lewes Public Library in Lewes, Delaware. The meeting was called to order at 9:15 am by Co-President Doris Walsh who declared a quorum by homeowners who were either present or sent in a proxy. 32 homeowners need to be present or have sent a signed proxy to hold the meeting. Board members present at the meeting were: Doris Walsh, Grace Gannon, Brian Eichenlaub, MJ Melah, Karen McGavin, Lana Warfield, Mike Forry and Zack Butler, our Property Manager from HPS Property Services (HPS).

Call to Order

Co-President Doris Walsh called the meeting to order at 9:15 am.

Thank You to BWE Community Members – Doris Walsh and Grace Gannon

Doris Walsh introduced the Board members and the new property manager – Zack Butler from HPS. Zack gave his contact number for community members to reach him. It is 302-227-7878.

Doris also thanked MJ Melah and Mike Forry for their work on creating the new BWE website and maintaining it. THANK YOU MJ and Mike! Mike encouraged everyone to check out the website and to register and gave directions on how to register to everyone.

Review and Acceptance of Minutes from the June 10, 2017 Annual Meeting - Brian Eichenlaub

The June 10, 2017 minutes were sent in the community meeting announcement packet for property owners to review before the meeting. One correction was made to a resident's name. Bernnie McCanny moved to accept the minutes as amended and Tom Trilica seconded. The motion carried unanimously.

Treasurer's Report and Approval of Budget for 2017-2018 – MJ Melah

Treasurer MJ Melah presented the budget for the coming year. As of June 9, 2018, there are:
\$34,254.41 in the Union Bank Working Fund
\$98,533.30 in the 4 CD's Money Market's
\$62,534.40 in the Road Reserve Fund
\$195,322.11 Total

MJ Melah reported that with this budget, and to address the concerns of homeowners to reduce the community dues from last year's meeting, that the Board suggested lowering the dues from the current amount of \$480/year or \$120/quarter to \$448/year or \$112/quarter.

Discussion occurred. It was decided by the homeowners to keep the dues the same as the past few years and not to lower them. Ken Reilly (22 Breakwater) moved to accept the current budget and keep the community dues the same for this year at \$480/year or \$120/quarter. Pam Notarangelo seconded. Budget as presented passed unanimously.

Dues will remain unchanged at \$480.00/year.

Old Business

Changes to the Community Covenants – Lana Warfield

Lana Warfield presented two new changes to our covenants concerning the type of homes which may/may not be built in the community in the future. This is a continuation of the discussion which was brought up at last year's annual meeting. Lana handed out a flier (attached) which describes the difference between manufactured, mobile and modular homes as well as the two proposed covenant changes (attached).

In summary, Breakwater Estates is composed of a mixture of homes:

1. Single wide and double wide manufactured homes (those on permanent block foundation some of which are considered Class C)
2. Modular homes (those homes built with the same Sussex County building codes as stick built homes.) All of which are on block foundation and built off site as a stick built home.
3. Stick built homes totally built on site to Sussex County Building codes.

The two changes proposed by the Board are:

1. New Homes.

All new homes constructed within Breakwater Estates shall be "stick built on Site" improvements or modular homes, "stick built" in sections off site and connected on site. Manufactured homes, mobile homes, double wides, triple wides, and/or any home with a metal frame or chassis, with or without wheels or which has a motor vehicle title or requires a "class C" rating from Sussex County shall not be permitted.

2. Existing Homes/Current Owners.

In the event of casualty damage by any natural cause, such as fire, wind or flood to an existing home, which renders a home uninhabitable, owned by a lot owner who took title to their lot prior to the recordation of this amendment, then such lot owner shall be entitled to replace their manufactured or mobile home with a manufactured or mobile home so long as it otherwise complies with the restrictions. A home shall be considered uninhabitable if the cost to repair the casualty damage exceeds fifty percent (50%) of the home's fair market value at the time of the casualty or if deem uninhabitable or non-repairable by any governmental agency or the insurance company that insures the home. Heirs or beneficiaries of a lot owner who took title to their lot prior to the recordation of this amendment shall be required to replace any home in accordance with Paragraph 1.

Discussion occurred. Bernny McCanny (7 Lighthouse) made a motion to strike the last sentence in Paragraph 2 and replace it with:

After the covenants are accepted and enacted, the next homeowner, including heirs, shall be required to replace any home in accordance with Paragraph 1.

Paragraph 2 now reads:

2. Existing Homes/Current Owners.

In the event of casualty damage by any natural cause, such as fire, wind or flood to an existing home, which renders a home uninhabitable, owned by a lot owner who took title to their lot prior to the recordation of this amendment, then such lot owner shall be entitled to replace their manufactured or mobile home with a manufactured or mobile home so long as it otherwise complies with the restrictions. A home shall be considered uninhabitable if the cost to repair the casualty damage exceeds fifty percent (50%) of the home's fair market value at the time of the casualty or if deem uninhabitable or non-repairable by any governmental agency or the insurance company that insures the home. ~~Heirs or beneficiaries of a lot owner who took title to their lot prior to the recordation of this amendment shall be required to replace any home in accordance with Paragraph 1.~~ After the covenants are accepted and enacted, the next homeowner, including heirs, shall be required to replace any home in accordance with Paragraph 1.

Bill Bonn (11 Breakwater) seconded. The motion carried with twenty votes in favor of the change.

Next steps: Make the changes and send the proposed covenant changes to all homeowners to vote for the changes or not.

BWE Road Sealing – Zack

Matt's Paving was chosen to seal our roads after Labor Day. An email will be sent out when we have the dates for the sealing and what roads will be sealed when.

Also, if residents want their driveways sealed at the same time through Matt's Paving, the number is 302-732-3715 to schedule the work. They want to seal the driveways when they are working on the roads.

Community Updates – Doris Walsh

Faded stop signs are being replaced as needed. Several have been replaced this year.

The road sign posts and stop sign posts will all be covered with vinyl covers this summer so they will not need to be repainted.

We may paint the word “STOP” on the roads by the stop signs when the roads are sealed – depending on the cost.

Yard Waste – Please contact Waste Industries for the disposal bags needed for yard clippings.

New Business – All

Beautification of Community Entrances – Wanted to start a gardening club or group. Not much of a response. Zack will contact some landscapers and get some bids. Cost and maintenance will be the determining factors.

Community Due Late Fees – After much discussion, the Board members developed the new late fee policy for community dues which are paid late. The new policy is to charge \$25.00 after the payment is 30 days late and another \$25.00 after 60 days late. The maximum amount of late fees charged per homeowner will be \$50.00 of late fees per quarter or \$200.00/year for late community dues.

Community Dues – Due by July 1, 2018. Visa/MasterCard accepted at the HPS website.

Mailed Annual Community Dues Bill – A motion was made by Ken Reilly that a paper annual community dues bill should be mailed to all homeowners. Audrey Bewley (13 Lighthouse) seconded. All approved. HPS will mail a paper bill for the community dues.

Shrubs Need to be Pruned – Pam Hopkins (23 Beacon) pointed out it is very difficult driving out of the community from Rusty Anchor Drive to Wolfe Neck Road. The shrubs need to be trimmed back. Bill Bonn and Zack volunteered to trim them back. THANK YOU Bill and Zack!

General Questions/Comments:

Reminders: Please be good neighbors and please check on houses when the houses are empty - especially in the winter months.

Also, if you see trashcans left out, after pick up, please take a minute and return them up the driveway. Thank you!!!

Pam Hopkins moved to adjourn and Tom Trilica seconded. All approved.

Meeting adjourned at 10:30 am.

Respectfully Submitted,

Brian E. Eichenlaub
Secretary, Breakwater Estates