

Beachwalk HOA Annual Meeting Minutes – October 2015

Board members present: Pat Brennan, Tom Moffitt, Joe Truelove, Bill Bryan.

Committee members represented: Architectural Control, Maintenance, Social, Stormwater System.
(We do not currently have Communications or Landscaping.)

Homeowners present: 30. Homeowners by proxy: 20

Network Realty Representative present: Cindy Snead.

Call to order was executed at 10:00 AM, Saturday October 10, 2015 at the Beachwalk Clubhouse.

Pat Brennan (President) led the homeowners in reciting the Pledge of Allegiance, and Hugh Cannon was asked to lead the attendees in prayer.

Pat asked Cindy Snead (Property Manager) to establish the fact a quorum was met so business could be conducted. Cindy counted 30 homeowners present, with 20 proxies submitted by individual homeowners (50 total). A quorum is half of all homeowners (half of 85) plus one, so the quorum of 44 was met.

Pat noted that seven new homeowners moved into Beachwalk since October 2014, and asked any present to stand and introduce themselves; none were present for the Annual Meeting.

Pat asked the reading of the 2014 Annual Meeting Minutes as submitted by Tom Moffitt be waived and the minutes be accepted. A motion was made to waive the reading of the minutes, which was seconded and passed unanimously. A second motion was made to accept the minutes as submitted, which was also seconded and passed unanimously.

Committee Reports

Social Committee

Julie Farris, Chairperson, reported the Social Committee held events for each major Holiday in the past year with great success. Record attendance including old and new residents was observed. Julie noted they received positive feedback from neighbors and the board regarding these events. Julie further noted they were able to use supplies on hand and had some new donations for decorations.

The Social Committee continued to provide pre-meeting fellowship meals which assisted in setting a neighborly and collaborative tone for the homeowner meetings. Julie said that most all new residents were personally contacted and officially greeted with “goodies and a warm welcome” to the neighborhood.

The budget was conserved due to the generosity of the committee members and committee returned \$500 to the board for purchase towards new bar stools. Julie stated the committee wants to thank spouses and others who always were willing to pitch in to make this volunteer group hold its events

with flawless execution. All members expressed their pleasure and honor in serving with the common concern and goal of a better, healthier relationship and respect for each other and the well-being of our community.

Julie stated the committee will continue to work with the board regarding evaluation and suggestions as they relate to attention to the clubhouse and its contents, supplies and use for events which exist to unite and excite the participation of all homeowners for the good of Beachwalk. The Social Committee invites anyone to join them which will be led by Kate Shorten effective immediately. Please feel free to contact any member with your comments or requests.

Pat thanked all those who participated in the Social Committee and inquired about the celebration during Christmas. Julie stated they would replicate last year's events, which included the decorating of the Clubhouse and a cookie exchange among the Beachwalk homeowners.

Maintenance Committee

Joe Truelove stated most of the items noted on the FY2015 budget were being performed, with the two columns on the front porch being replaced and painted. The mailbox unit now has a gutter and downspout on it to prevent water from drenching the homeowners as they retrieve their mail. A fan will be installed in the cabana pump room to extract heat, thus prolonging the life of the pump motors. The sidewalk in front of the Clubhouse and Pool Area will be refurbished by removing the top layer of the "pink cement" and replacing it with a new top coat of cement. Joe further stated the remaining budgeted items for FY2015 will be completed in the very near future.

Stormwater Committee

Jim Craig, Chairman of the Stormwater Committee, stated he was "happy to report that the system performed well during the heavy rain (10"-15") last weekend." Jim noted this was considered a "10-year storm event" as computed by the amount of rain that fell within a certain period of time.

Jim noted the water level is dropping slowing because the ground is saturated and slowing perking into the system. Also, water remains backed up in Kure Dunes which feeds into our system.

Jim also stated the town installed a drainage pipe to channel the water from the Settlers Lane to the D5 ditch. Unfortunately, we learned this drainage pipe is in violation of NCDENR regulations and must be moved to ensure the water is channeled through the South Pond for filtration. Jim, Dan Church, Tom Moffitt, and Bill Bryan met with the Town of Kure Beach to show them the violation and request they move the pipe per NCDENR's recommendation/mandate. The town agreed to perform the task, and is going to assign an engineer to perform the design work for the relocation.

After the design has been completed, we can "shadow" the relocation onto our drawings, and submit them to NCDENR for permit approval. Jim then opened the floor to questions, which solicited a homeowner to ask if there was a deadline for the completion of our project. Jim responded that our stormwater permit is up for renewal in 2018, but we should complete our project sometime in 2016.

A question arose about how the stormwater system worked as forecast using the hydrological model supplied by our engineering vendor. Jim responded it did, and the water rose to the level as predicted by the model. The water level before the storm was 18 Above Sea Level (ASL), and rose to 22 ft ASL. Since the house floors within the community are built at 24 ft ASL (per code), there is no fear of flooding the house floorings due to a severe rainfall event.

Jim posited that at last year's annual meeting, the HOA members voted to approve a project to renovate our stormwater system. This project has several goals:

- ❖ To correct all deficiencies and bring all of the system to compliance with State permit requirements.
- ❖ To make cost-effective improvements to parts of the original design to reduce future problems (bank erosion) and maintenance costs.

Jim stated that although it doesn't appear that anything is happening—in fact there has been continuous work since October 2014.

Jim then gave a short chronology of the events which have occurred over the past year:

- Last October, the committee began working on a contract with Larry Sneed, the engineer who had been involved in the project for several years. For the next 5 months we were in contract negotiations. In early March, when we had a draft contract that protected the HOA interests, Mr. Sneed pulled out of the project.
- The SWS Committee immediately began looking for a replacement engineering company. Three companies walked around the system and then submitted proposals. We selected Cape Fear Engineering in April. CFE is a large, well-established engineering company and is capable of handling jobs larger than our project. We have an excellent working relationship with the project manager.
- Over the next three months, CFE surveyed the stormwater system, a series of meetings were held to discuss the design options, and they ran a complex hydrologic computer model to test the engineering designs. Then they produced a set of maps showing the system in its renovated (as-built) form.
- The drawing were presented the BOD in August and they voted to approve the project design.
- The SWS Committee then met with NCDENR in August to discuss the project and let them identify any "show-stoppers" before we submitted the final engineering materials for a Plan Revision. A formal approval from NCDENR is required before we can legally modify any part of the original permit designs. At this meeting, NCDENR identified one non-compliance problem (a street drain that the Town routed into our outflow ditch – D5 ditch).
- We met with the Town and they agreed to repair the problem and are now working with CFE to design a solution. With the street drain properly re-routed into the South Pond on our engineering drawings, we can proceed with our application to NCDENR. We have been told that NCDENR usually takes 2-4 months to review applications for a Plan Revision.

- Meanwhile, CFE will help us prepare a work proposal based on the final set of drawings and screen potential contracting companies to do the work. Hopefully, we will have a contractor lined up when NCDENR gives us their final approval.
- The earliest we can expect to see work starting is March of next year. We think the project will take 1-2 months to complete and hope to be finished before next summer.

Jim stated that we cannot provide a firm construction cost today because: (1) we do not have the final project plans approved by NCDENR; and (2) we have not received any proposals from contractors. However, Jim could say that several things have been scaled back from Mr. Sneed's designs (three of the five ditches will not be pipe/swale as previously designed), so this should help control the costs. Probably the biggest cost uncertainty is associated with the amount of material removed from the ponds and hauled off or used on-site.

Town of Kure Beach/Kure Dunes/Beachwalk Update

Tom Moffitt reported Kure Dunes contributes about half (actually 44%) of the total water which runs through our stormwater system, and the Town of Kure Beach contributes about 12% of the total water which runs through our system. The sentiment has been expressed on many occasions that Kure Dunes should share in the cost of maintaining our stormwater system. Tom addressed this sentiment in giving a chronology of the occurrences concerning cost sharing of both the Town of Kure Beach and Kure Dunes over the past 12 months.

Tom explained the original agreement among the developers of Kure Dunes and Beachwalk and the Town did not include provisions to compensate Beachwalk for accepting Kure Dunes' stormwater runoff and operation, maintenance, and repair of our stormwater management system. This was not a nefarious agreement, but one made of convenience of the parties at the time of the agreement.

Last December, the town initiated the process of discussions among the Town of Kure Beach, Kure Dunes, and Beachwalk. In January 2015, all three parties' representatives met to open discussions and state our positions in an effort to avoid litigation. Our position was we wanted reasonable cost sharing for the operation, repair and maintenance of our stormwater system with Kure Dunes. Tom then gave a presentation of the stormwater system and showed where we asked the Town to assist us in the rehabilitation of the D1 ditch (Guyton-Whitt ditch).

During the summer, we invited David Heglar, Town of Kure Beach Commissioner, to walk the entire SWS to review places where the Town is flowing water/sediment into our system. In exchange for continued usage of our SWS, we asked the Town to contribute manpower, equipment, and riprap to help Beachwalk to address the erosion problems starting with clearing vegetation from the D-1 ditch. Heglar took our request to the Town's full council and received approval for our request to clear the D-1 ditch.

Tom then stated that our engineering vendor, Larry Sneed, informed us that he would not be able to provide the engineering services which we needed. Tom noted that Bill went outside to find capable and able engineering vendors who could provide the engineering services we needed. From 11 vendors contacted, 3 stated they were interested and 8 stated they were not interested. We invited each of the 3 vendors to visit our site to gather information for the repair of our SWS.

During the course of conducting the engineering design, the engineering vendor, Cape Fear Engineering (CFE), discovered one of the pipes which connects the street drains to our D5 ditch does not comply with Beachwalk's stormwater pond permit and NCDENR regulations. Tom said that Beachwalk was unable to correct the situation (relocate the drain) without the Town's cooperation and assistance since the street drains are on Town property and the connecting drain pipe from the street drains to Beachwalk's D5 ditch is on an easement which is owned by the Town. This puts Beachwalk in a position where we will need the Town's cooperation and assistance to bring our pond permit into compliance.

The current position between the Town and Beachwalk is that their engineering vendor has contacted CFE to discuss the design. As soon as their engineering vendor completes the design, we will have CFE add the design into our drawings before submittal to NCDENR for permit approval.

Julie Farriss stated that she was concerned that the sale and development of the Sandman Lot (a series of four undeveloped lots adjoining the northern border of Beachwalk) could dump more water onto her lot. Tom agreed this was a possibility, but in the negotiations with the Town, we brought this concern up with them and they are aware of the implications of developing these lots. Tom stated a ditch and French drain could be designed to assist in intercepting and the removal of water before it reaches the Beachwalk and Sandman lot boundary to prevent the flooding of lots in Beachwalk.

Landscaping Committee

There was no Landscaping Committee in FY2015, although we are in need of volunteers to fill this most important role in the upcoming year. During the course of the next few months, the Board will attempt to identify and encourage homeowners to join us in this committee. Its expenditure is the single largest expenditure in our yearly budget, and represents about half of our budget.

Pat requested that volunteers please step forward to help the BOD in this most vital committee. Julie Farriss asked if the contract we are currently under with Landscapes Unlimited has changed from last year. Pat responded we are under the same contract as last year. In the original contract negotiations, the aeration was inadvertently omitted and had to be voted on as a separate line item (later in this document). This contract expires in 2016, and will need to be re-negotiated next fall.

Update on the Architectural Control Committee (ACC)

Donna Moffitt presented the ACC report; the committee consists of Donna, Jackie Wiebe, Mike Gentile, and Bill Bryan. She said one or two more homeowner volunteers are needed to serve on the ACC. Donna distributed a 3-page handout to homeowners in attendance, which is also attached to these minutes.

Donna stated that the committee had been working to come up with a set of design guidelines on which the homeowners could vote to adopt or reject. She posed the question: "Why Have Design Guidelines for Beachwalk?" Her response was for "Policy and Practical Reasons" as further explained in the handout. She then outlined the remaining topics on the handout as follows:

- Subjects Already Adopted in “Exhibit B – Property Use Restrictions” of Covenants
- Potential Subjects Already Adopted for Guideline Development
- Proposed Additional Subjects Identified by ACC so Far for Guideline Development
- Disallowed Uses Already Adopted in Covenants
- Proposed Additional Disallowed Uses Identified by ACC so Far
- Procedures for Developing and Approving Subjects and Respective Guidelines

Donna continued her report by stating that there will be two sets of requirements that must be met to get approval by the ACC for future plans to modify dwellings or lots in Beachwalk: 1) mandatory Use Restrictions already adopted by the homeowners by a 2/3 majority vote; and 2) design guidelines which are the present subject for homeowner consideration. These proposed design guidelines have not yet been enacted and must be voted on for adoption or rejection with a simple majority vote (one-half plus one) before they become effective next year.

After homeowners vote on the proposed design guidelines, the ACC plans to compile the mandatory use restrictions and the approved guidelines into a single document for convenient reference by homeowners. Together, these guidelines and use restrictions will become the community standards by which the ACC will assess future requests from homeowners for ACC approval.

Donna said the most important task of the ACC for the next 10-12 months will be to implement the process as explained in the handout, whereby we can get homeowner input, hold information meetings, send out a ballot, and get a vote on the guidelines by or at the 2016 Annual Meeting. The ballot will provide for each proposed design guideline to be adopted or rejected individually, and only those guidelines approved by majority vote of the homeowners will be adopted. The individual guidelines that do not meet the majority requirement will be deemed rejected. She asked that all homeowners review the handout, conduct their own research on design guidelines of other planned communities, and send initial feedback to the ACC by Dec. 15, 2015.

Communications Committee

There was no Communications Committee in FY2015, although we are in need of volunteers to fill this most important role in the upcoming year. During the course of the next few months, the Board will attempt to identify and entice homeowners to join us in this committee.

FY2016 Budget Review and Approval

Joe Truelove presented the FY2016 Proposed Budget and explained each items' description and amount. The budget has two components that are voted on separately (along with some individual provisions in each): (1) the operating budget, and (2) the capital improvements budget. He said that the operating expense shows the amount of money we are expending for the day-to-day operation of Beachwalk. We also have some reserve funds. He also noted the Stormwater Escrow Assessment reserves will be used to maintain the common area facilities (these are state-mandated expenses for the SWS). The Stormwater System currently has \$215,000 to pay for the repair of the ponds and ditches; if needed, an assessment can be levied to meet our demands for a proper repair beyond the amount in the reserve fund.

Joe then noted that there were some specific items in the operating budget that the homeowners would vote on individually for inclusion or rejection in the 2016 budget. Joe asked Bill to describe the line item of the website.

Bill stated that Beachwalk does not currently have a website, but an unofficial one is being hosted by Rick Morton. Rick's website is fully informational, easy to navigate, and already developed. The plan is to transfer Rick's website to a professional website host who will maintain it for Beachwalk. Rick will still need access to the site for ongoing upgrades, and we may also need the hosting company to provide services for us. Bill stated the website would survive Rick and Bill if something happened that they could no longer support the website. Bill noted a website adds value to the HOA since searching Kure Beach from anywhere in the world would show Beachwalk as a result. Bill then asked for a motion to approve the website expenditure of \$680; a motion was made and seconded. This item passed and a new website will be developed for Beachwalk.

The second item up for vote relating to the operating budget was for severe pruning for \$5,500, which is cutting all shrubs next to houses to windowsill height, and Oleanders cut to three feet high. There was a motion to approve this item. The motion was seconded and discussed among the homeowners, including the pruning of palm trees and shrubs. This item passed and the money for the severe pruning would be added to the FY 2016 operating budget.

The third item relating to the operating budget up for vote was extending the pool season from September 30 (normal pool closing) to October 31, giving us one more month's use of the pool. The extra cost of this month would be \$650 due to the daily care of the pool by the pool vendor (in the offseason, the pool is maintained weekly). Jim Craig made a motion to extend the pool season by one month, and the motion was seconded. During the discussion, it was stated that this extended month is was not worth the extra money. Contrary to this statement, it was also stated that this extended month is the nicest month of the year owing to less people in competition for the pool coupled with the fact the water is still comfortable in which to swim. Much discussion ensued and a vote taken. Although this was a very close vote, this item did not pass for FY2016 and next year's pool season will remain May 01 – September 30.

The fourth item relating to the operating budget up for vote was approval of our yearly operational budget, as amended, which will be \$149,467 for next year. A motion was made to approve the budget and the motion was seconded. After much discussion, a vote was taken to approve this motion; the motion passed.

There were several additional items relating to the capital improvement budget that were deferred last year to be reconsidered this year for homeowners' votes to adopt or reject. The first item relating to the capital improvement budget up for vote was approval for construction of the Picnic Pavilion, which would be built behind the Clubhouse. The cost of this item was \$5,000 per year for five years for a total of \$25,000. A motion was made to approve this item and the motion was seconded; this motion did not pass.

The second of these items up for vote was approval for construction of the Horseshoe court behind the Tennis Court. The cost of this item was \$1,000. A motion was made to approve this item and the motion was seconded; this motion did not pass.

The third of these items up for vote was for approval of the marking the Tennis Court for Pickle Ball.

The cost of this item was \$750. A motion was made to approve this item and the motion was seconded; this motion did not pass.

The fourth of these items up for vote was approval of replacement of the outside lighting on Beachwalk's entrance walls. The cost of this item was \$1,600. A motion was made to approve this item and the motion was seconded; this motion did not pass.

The fifth of these items up for vote was for approval of the replacement of the Clubhouse bar stools. The cost of this item was \$1,000. A motion was made to approve this item and the motion was seconded; this motion passed.

The sixth of these items up for vote was for approval of the purchase of new card tables for the Clubhouse. The cost of this item was \$250. A motion was made to approve this item and the motion was seconded; this motion passed.

The seventh of these items up for vote was for approval of the removal of the cacti behind the Clubhouse. The cost of this item was \$794. A motion was made to approve this item and the motion was seconded; this motion did not pass.

Election of Board Members

There were three board seats which expired on October 10, 2015; the seats vacated were: Pat Brennan (President), Tom Moffitt (At Large), and Bill Bryan (Secretary).

The three homeowners who consented to serve on the Board of Directors for three-year terms were: Dan Church, Mike Wood, and Bill Bryan. Tom Moffitt asked that all members be voted into office by acclimation; the vote was unanimously affirmative.

{After the meeting adjournment, the BOD elected the following members to the following positions:

Bill Bryan – President

Dan Church – Secretary

Joe Truelove – Treasurer}

Unfinished Business

No unfinished business was presented.

New Business

Bill noted this was Pat Brennan's last meeting as HOA President, and that she deserved a huge "Thank You" for all the hard work she has performed over the past three years. She received a standing ovation with enthusiastic applause.

Meeting Adjourned

A vote was taken to adjourn the meeting at 12:25 PM; the vote was unanimously affirmative.

Next Meeting will be at 4:00 PM Tuesday, November 10, 2015 at the clubhouse. Homeowners are encouraged to attend this meeting to watch their board in action.

Submitted by: Dan Church, Secretary
Beachwalk HOA Board of Directors

2015-11-10
Date



Approved by: Bill Bryan, President
Beachwalk HOA Board of Directors

2015-11-10
Date

Attachments:

1. Social Committee Report (1 Page).
2. Stormwater Committee Report (2 Pages).
3. Architectural Control Committee (3 Pages).
4. Town of Kure Beach/Kure Dunes/Beachwalk Update (3 Pages).

Attachment 1

BeachWalk 2015 Social Committee Annual Report: 10/10/15

Members: Julie Farriss, Kate Shorten, Kate Gentile, Patsy Ennis, Linda Cannon, Jan Truelove, Donna Moffitt, Angela Hasham, and Moira Guyton.

We held events for each major Holiday with great success. Record attendance including old and new residents was observed. We received positive feedback from neighbors and the board regarding these events. We were able to use supplies on hand and had some new donations for decorations. The committee continued to provide pre meeting fellowship meals which assisted in setting a neighborly and collaborative tone for our homeowner meetings. Most all new residents were personally contacted and officially greeted with goodies and a warm welcome to the neighborhood. The budget was conserved due to the generosity of the committee members and we have returned \$500 to the board for purchase towards new bar stools. The committee wants to thank spouses and others who always were willing to pitch in to make this volunteer group hold its events with flawless execution. All members express their pleasure and honor in serving with the common concern and goal of a better, healthier relationship and respect for each other and the well-being of our community. The committee will continue to work with the board regarding evaluation and suggestions as they relate to attention to the clubhouse and its contents, supplies and use for events which exist to unite and excite the participation of all homeowners for the good of BeachWalk. We invite anyone to join the committee which will be led by Kate Shorten effective immediately. Please feel free to contact any member with your comments or requests.

Respectfully,

Julie Farriss
Social Committee Chairperson

Attachment 2

Status Report for the Stormwater Project

Introduction.

Happy to report that the system performed well during the heavy rain (10-15") last weekend. FYI, this was considered a "10-yr storm event". The water level is dropping slowing because the ground is saturated and slowing perking into the system. And water is still backed up in Kure Dunes which feeds into our system.

At last year's meeting the HOA members voted to approve a project to renovate our stormwater system. This project has several goals:

1. To correct all deficiencies and bring all of the system to compliance with State permit requirements.
2. To make cost-effective improvements to parts of the original design to reduce future problems (bank erosion) and maintenance costs.

Although it doesn't appear that anything is happening—in fact there has been continuous work since last Oct. Here is a short chronology of the events.

- Last October, we began working on a contract with Larry Sneed, the engineer who had been involved in the project for several years. For the next 5 months we were in contract negotiations. In early March, when we had a draft contract that protected the HOA interests, Mr. Sneed pulled out of the project.
- We immediately began looking for a replacement engineering company. Three companies walked around the system and then submitted proposals. We selected Cape Fear Engineering in April. CFE is a large, well-established engineering company and is capable of handling jobs larger than our project. We have an excellent working relationship with the project manager.
- Over the next 3 months, CFE surveyed the stormwater system, a series of meetings were held to discuss the design options, and they ran a complex hydrologic computer model to test the engineering designs. Then they produced a set of maps showing the system in its renovated (as-built) form.
- The drawing were presented the BOD in August and they voted to approve the project design.
- Then we met with NCDENR in August to discuss the project and let them identify any show-stoppers before we submitted the final engineering materials for a Plan Revision. A formal approval from NCDENR is required before we can legally modify any part of the original permit designs. At this meeting, NCDENR identified one non-compliance problem (a street drain that the Town routed into our outflow ditch).
- We met with the Town and they agreed to fix the problem and are now working with CFE to design a solution. With the street drain properly re-routed into the South Pond on our engineering drawings we can proceed with our application to NCDENR. We have been told that NCDENR usually takes 2-4 months to review applications for a Plan Revision.

- Meanwhile, CFE will help us prepare a work proposal based on the final set of drawings and screen potential contracting companies to do the work. Hopefully, we will have a contractor lined up when NCDENR gives us their final approval.
- The earliest we can expect to see work starting is March of next year. We think the project will take 1-2 months to complete and hope to be finished before next summer.

Now I will try to answer any of your questions.

Notes:

We cannot provide a firm construction cost today because (1) we don't have the final project plans approved by DENR; (2) we have not received any proposals from contractors. However, I can say that several things have been scaled back from Mr. Sneed's designs (3 of the 5 ditches will not be pipe/swale) so this should help control the costs. Probably the biggest cost uncertainty is associated with the amount of material removed from the ponds and hauled off or used on-site.

ATTACHMENT 3

REPORT OF ARCHITECTURAL CONTROL COMMITTEE (ACC) ANNUAL MEETING OF BEACHWALK HOA

October 10, 2015

Current Board Members

- Bill Bryan, Donna Moffitt, Jackie Wiebe, Mike Gentile
- Need 1 or 2 more volunteers, PLEASE!

A. Why Have Design Guidelines for Beachwalk?

► Policy and Practical Reasons

- To promote the general welfare and safety of the community
- To promote visual harmony
- To protect the overall design plan of the community
- To avoid activities and uses that could have an adverse effect on property value
- To avoid circumstances that would impede or add to the exterior maintenance responsibilities of the Beachwalk HOA or interfere with existing drainage patterns, utility lines, television cable systems, irrigation systems, or drainage easements and rights of way
- To create and document the “community-wide standard” mentioned in the Covenants which require the ACC to use in reviewing proposed changes to dwellings and lots in Beachwalk
- Design Guidelines are less restrictive, can be changed with simple majority vote, are subject to variances that can be granted for good cause by HOA Board.

► Property Owners Voted for Design Guidelines

- “Property in Beachwalk is subject to design guidelines as set forth in Article 13....” Article 14.1(a) of “Amended and Restated Declaration of Covenants and Restrictions for Beachwalk Homeowners Association, Inc.” (hereafter “Covenants”) in effect as of June 6, 2014.
- “The Board shall propose design guidelines which must be approved by a majority vote of lot owners at a meeting where a quorum is present to become effective.” Art. 13, Section 13.3(a) of the Covenants.
- Use Restrictions found in Article 14 and “Exhibit B – Property Use Restrictions” of the Covenants are mandatory and require 2/3 vote of property owners to change.

B. Subjects (and their Respective Guidelines) Already Adopted in “Exhibit B - Property Use Restrictions” of Covenants

- Fuel tanks, emergency generators, garbage containers, and other receptacles
- Unclean, unsightly or unkempt conditions of lots
- Noxious or offensive activities
- Yard or garage sales
- Storage of goods, trailers, motor boats, dune-buggies, trailers, campers, recreational vehicles, unregistered vehicles, tractor trailer trucks or cabs or similar type vehicles
- Leases and rentals
- Materials approved for dwelling exteriors are brick, vinyl and wood

C. Potential Subjects Already Adopted for Guideline Development include construction, improvements, and alterations consisting of, but not limited to:

- Excavation
- Grading

- Placing or posting of objects or things on owner's lot, including but not limited to:
 - signs
 - accessory buildings
 - clotheslines
 - playground equipment
 - temporary or permanent basketball goals
 - swimming pools
 - lighting
 - other similar temporary structures
- Painting exterior of dwellings

D. Proposed Additional Subjects Identified by ACC so far for Guideline Development

- Antennas and Satellite Dishes
- Awnings
- Construction Deposit
- Decks
- Demolition
- Doors (storm and garage)
- Fencing height, materials, gates
- Flags (decorative)
- Fuel tanks, emergency generators, etc. (additional minor conditions)
- Gardens (vegetable)
- Grass and sod
- Gutters, downspouts and related landscape drains
- Hot tubs and outdoor showers
- House numbers
- Landscaping, tree removal/planting, and mulch
- Outdoor lighting
- Exterior building materials (additional acceptable materials)
- Repair, replacement, maintenance
- Retaining walls and bulkheads
- Roofing materials and finishes
- Shutters
- Solar panels
- Temporary structures
- Walkways, patios
- Wells (irrigation)
- Windows

E. Disallowed Uses Already Adopted in Covenants

- House trailers, mobile homes, commercial uses
- Dwelling units constructed of concrete block, concrete brick, aluminum siding, asbestos siding, composition tar paper, cinder block
- Livestock (other than domestic cats and dogs), pigs or poultry
- Mail and newspaper boxes on individual lots
- Advertising, announcements and political signs on or in common elements

- Single family residences smaller than 1,400 sq. ft. of heated space
- Dwellings and structures exceeding 35 ft. in height
- Impervious surfaces exceeding 4,000 sq. ft. on any dwelling lot
- Tents, shacks or temporary structures used as a residence
- Fences extending into front yards
- Political signs displayed more than 45 days prior to or more than 7 days after an election
- Signs and flags that do not conform to conditions set out in Sect. 6 of Exhibit B and Article 14.5 of the Beachwalk Covenants
- Driveways not constructed of poured concrete
- Commercial uses and businesses that cause traffic or disturbances

F. Proposed Additional Disallowed Uses Identified by ACC so far

- Swimming pools
- Exterior security bars
- Detached, stand-alone accessory structures such as workshops, garages, shacks
- Window air conditioners.

G. Procedures for Developing and Approving Subjects and Respective Guidelines

- HOA Board assigned to ACC the task of developing proposed design guidelines.
- ACC wants input from Beachwalk homeowners on subjects for guideline development and what the guidance for a particular subject should be.
- After homeowner input, the ACC will complete a draft of proposed guidelines by subject area. This draft will be sent to homeowners for final comments, and an informational meeting will be held for the ACC to explain the guidelines and answer questions.
- The ACC will present proposed subjects and respective guidelines to HOA Board for approval to distribute to homeowners in ballot form before 2016 Annual Meeting.
- Ballots can be returned prior to or at the Annual Meeting.
- The ballot will set out each guideline by subject for a vote. Only those that receive the necessary votes will be adopted.
- Following the 2016 Annual Meeting, the ACC intends to provide homeowners with a document containing both mandatory Use Restrictions, approved Design Guidelines, and the form homeowners are to use to request ACC review and approval of proposed actions on their property. *(Any structure/feature on dwellings/ lots in Beachwalk will be grandfathered when design guidelines are adopted.)*

**Please send feedback to ACC by Dec.15, 2015 c/o Donna Moffitt,
dmoffitt511@gmail.com or 511 Surf Dr., Kure Beach 28449**

ATTACHMENT 4

KURE BEACH – KURE DUNES – BEACHWALK NEGOTIATIONS SANDMAN PROPERTY

PROBLEM: KURE BEACH OWNS AND WANTS TO SELL THE SANDMAN PROPERTY

- SALE OF SANDMAN MAY HAVE AN ADVERSE IMPACT ON BW
- IMPACT RELATES TO EFFECT OF STORMWATER RUNOFF INTO BW'S SYSTEM FROM KB'S STREETS & SANDMAN PROPERTY
- KD IS FREERIDING – BW HANDLES THEIR STORMWATER RUNOFF W/O CONTRIBUTION FOR COST OF MAINTENANCE, REPAIR & OPERATIONS
- BW WANTS AN EQUITABLE COST-SHARING AGREEMENT
- KB INITIATES 3-WAY NEGOTIATION TO ADDRESS THE PROBLEM

OBJECTIVE: TRY TO IDENTIFY POSSIBLE SOLUTIONS WITHOUT HAVING TO RESORT TO LITIGATION

TIMELINE OF NEGOTIATIONS:

DATE	ACTIVITY
12/16/14	KB TOWN COUNCIL MEETING – KB WANTS TO SELL SANDMAN PROPERTY ADJOINING BW – REQUESTS MEETING WITH KD AND BW TO ADDRESS OBJECTIONS, IF ANY, TO THE SALE – DAVID HEGLAR & DEAN LAMBETH FOR KB – TOM MOFFITT & MIKE GENTILE FOR BW – MICHAEL DAVENPORT & VINCE DEFREITAS FOR KD
01/08/15	1 st MEETING – POSITION STATEMENTS BY THE 3 PARTIES; BW & KD OBJECTED BASED ON STORMWATER CONCERNS; BW PROVIDES INITIAL TIMELINE (7/24/92 to 9/30/08) W/50+ EXHIBITS THAT SETS FORTH THE HISTORY OF THE CONTROVERSY
01/20/15	KB TOWN COUNCIL MEETING – HEGLAR MAKES REPORT & HISTORY OF THE PROBLEM; TELLS COUNCIL IT WILL TAKE SOME TIME TO NEGOTIATE A SOLUTION
02/19/15	2 nd MEETING – PARTIES REFINE KB'S SUMMARY OF POSITIONS OF THE PARTIES – KB ASKS BW FOR ENGINEERING PLANS & COST ESTIMATES

DATE	ACTIVITY
03/20/15	SITE VISIT BY HEGLAR TO SEE STORMWATER PROBLEMS RELATED TO RUNOFF ENTERING BW FROM SANDMAN PROPERTY AND OTHER PROBLEMS IN BW RELATED STORMWATER RUNOFF ENTERING BW PONDS FROM KB PIPES EMPTYING STORMWATER FROM TOWN STREETS
03/21/15	3 rd MEETING – BILL BRYAN REPLACES MIKE GENTILE FOR BW – FURTHER EFFORTS TO REFINE POSITION STATEMENT; BILL PRESENTS HIS STATEMENT RE: STORMWATER PROBLEMS
04/15/15	4 th MEETING – BW REQUESTS HELP FROM KB TO CLEAR VEGETATION IN D-1 DITCH FROM SANDMAN-BW LINE TO 5 th AVENUE; KD ADOPTS “WATCHFUL WAITING” STRATEGY W/O PARTICIPATION; BW SAYS IT WILL FOLLOW UP WITH ENGINEERING PLANS AND COSTS ESTIMATES WHEN AVAILABLE
04/21/15	KB TOWN COUNCIL AUTHORIZES USE OF KB EMPLOYEES AND EQUIPMENT TO CLEAR VEGETATION FROM THE D-1 DITCH
04/30/15	KB CLEARS OUT VEGETATION FROM D-1 DITCH – SAVES BW ESTIMATED \$5,000
08/22/15	BW CANNOT COMPLETE ITS ENGINEERING PLANS ACCEPTABLE TO STATE (DENR – NOW DEQ) WITHOUT MOVING KB PIPES THAT EMPTY INTO D-5 DRAINAGE DITCH – REQUIRES MOVING KB PIPES UNDER EASEMENT ON BW PROPERTY AND RE-ROUTING PIPES SO STORMWATER EMPTIES INTO PONDS FROM STREET AT ANOTHER LOCATION ON SETTLERS LANE – BW MEETS WITH KB TO DISCUSS KB-BW COOPERATION TO PREPARE THE NECESSARY PLANS TO DO WHAT NEEDS TO BE DONE; KB AGREES TO DO SO
10/08/15	KB'S ENGINEERING FIRM CONTACTS BW'S ENGINEERING FIRM TO BEGIN PREPARATION OF THE NECESSARY PLANS

CURRENT STATUS AND COMMENTS:

- THE TOWN OF KB HAS BEEN HELPFUL – IT IS NOT AN ADVERSARY
- BW NEEDS THE COOPERATION AND HELP FROM THE TOWN TO MAKE THE NECESSARY MAINTENANCE AND REPAIRS REQUIRED TO BRING BW'S STORMWATER SYSTEM INTO COMPLIANCE WITH OUR STATE PERMIT
- KD IS IN A “WAIT AND SEE” POSTURE, AND WE CAN ASSESS WHAT TO DO NEXT AFTER THE STORMWATER SYSTEM MAINTENANCE & REPAIR WORK HAS BEEN COMPLETED

BW-KB-KD Negotiation Summary (10-8-15).doc