

Beacon's Reach Master Assoc. Inc.
Board of Directors – Meeting Minutes
February 11, 2006

A meeting of the Beacon's Reach Master Assoc. Inc. (BRMA) Board of Directors was held on Saturday, February, 11, 2006, at 9 a.m. in the Beacon's Reach Administrative Office. Those in attendance included:

Don Bailey	Representing Westport IV
Bill Brettman	Representing Coral Shores
Bruce Carbrey	Maritime West
John Dowler	Representing Westport III
Ed Erickson	Ocean Grove
Jim Galloway	Westport I
Jim Johnson	Westport II
Judi Matzke	Breakers
Seth Medlin	BRSF
Walt Miller	Fiddlers Walk
Charlie Snipes	Maritime Place
Rod Williams	Ocean Grove West
Grady Fulcher	General Manager
Andy Chused	Marina Committee
Mike Ferneau	Landscape Committee
Ted Goetzinger	Westport Woods
Harold Lail	Finance Committee
Ken Magel	Marina Committee
Sue McKeand	Architectural Control Committee
Phil Valentine	Marina Committee
Bob Warren	Insurance Committee

The meeting was called to order by association President Erickson, who extended a warm welcome to those in attendance.

Minutes: Minutes of the November 12, 2005, Board Meeting were reviewed. On a motion by Miller, seconded by Matzke, the minutes were approved as presented.

Pine Knoll Shores (PKS) Update: Fulcher reviewed with the Board a summary of a telephone conversation with PKS Mayor Joan Lamson about certain PKS activities and projects. Items noted included:

- PKS meeting with the U.S. Army Corps of Engineers on February 9 concerning beach nourishment and beach access. PKS is hoping to install a large beach access in the east end of town, in lieu of 5 small beach accesses.

- PKS has received notification from FEMA that they have approved some money for replacement of sand lost during Hurricane Ophelia.
- Redevelopment within PKS is becoming a hot issue, with the escalation in real estate prices.

Beach Nourishment Update: Erickson noted that Fulcher had already covered much of the beach nourishment update in the PKS Report. Erickson did note that in his recent discussion with Carteret County Shore Protection Officer Rudi Rudolph, it is unlikely the U.S. Army Corps of Engineers is going to approve any deviations from the standard regulations of beach access every ½ mile, with parking within ¼ mile.

Committee Reports:

Marina Committee (MC): Johnson gave the following report:

- A big thank you to MC members Ken Magel and Phil Valentine for their diligent oversight of the Marina repair work this winter. They have been on-site virtually every day this winter.
- Piers 1 and 2 have been completed, while work on Pier 3 is well underway.
- 2006 slip and storage renewals have been mailed and are due back by March 1.
- Jim Galloway has developed a plan to renovate the Westport Boat Storage. The MC will review it.
- The MC plans to have the floating dock at the boat ramp area replaced this spring as well.
- Dockmaster Dave Shapiro is on board on a permanent basis and is doing a great job.
- Johnson presented 3 estimates from local contractor Bruce Burke to renovate the Snackery building. The renovation would include the replacement of the original wood siding with a cedar shake type material, replacement of the original wood shake roof and replacement of the handrails and pickets around the snackery. The price for all of the renovation work would be about \$7,500. Some additional costs might be necessary if damage is found behind the siding.

A discussion ensued.

Motion: On a motion by Johnson, seconded by Matzke, it was unanimously approved to budget \$10,000 for the renovation of the snackery building. The renovation materials and colors would blend with the surrounding condominiums.

Finance Committee (FC): Lail next presented the report for the FC. His comments included:

- He reviewed the minutes of December 13, 2005 FC meeting with the sewer engineer, John Phillips and our WWTP operator, Don O'Mara. Warren noted the various scenarios that the engineer had evaluated.

- Fulcher noted that Phillips had been asked to inspect the existing Beacon's Reach WWTP and determine the feasibility of renovating the existing WWTP.
- Fulcher shared with the Board the preliminary survey of the remote site near Town Hall, which indicates that most of that sight may not be suitable for a WWTP or wastewater disposal.
- Fulcher noted a recent meeting with a representative from the Zenon Corp and O'Mara about the possibility of a private investor offering to build a new Zenon plant at Beacon's Reach. The Zenon representative thought a proposal might be forthcoming in 3-4 weeks.

Insurance Committee (IC): Warren noted that the IC had met in early January to begin the insurance renewal process for 2006-07. He noted that the committee is evaluating raising insurance values for 2006-07 and also looking at the cost to increase the liability limits. The renewal quote is due April 1 and the committee will forward that information out to the individual associations as soon as possible. The actual renewal is April 30.

Galloway noted that he had been unable to attend a couple of the recent IC meetings and asked that Erickson consider replacing him.

Landscape Committee (LC): Ferneau gave the report of the LC. His comments included:

- Praise to Crystal Coast Landscapes (CCL) for their excellent work over the fall and winter. The Beacon's Reach landscape areas look great.
- Praise to Fulcher for his supervision of CCL.
- CCL is in the process of several landscape improvement projects, including extensive work on 3-4 locations along Coral Drive.
- He noted the recent letter from the Town of PKS about the need to place future storm debris on the highway right-of-ways, as FEMA will not reimburse the Town for pick-up of debris on private property.

Tennis Courts Ad-Hoc Committee (TC): Williams gave the report for the TC. His comments included:

- The Board in November had approved \$80,000 for the renovation of tennis courts 3-4. The renovation would include new synthetic courts (Premier Surfaces), new lights, and new fencing. The low bid (Advantage Sports Surfaces) for the project was approximately \$95,000.
- The TC and Fulcher had looked at ways to reduce the cost with the low bidder, including the possibility of delaying the fencing until later.
- Fulcher had also talked with another local tennis court contractor (Cal Cap), who had offered a bid for Premier Courts, as well as soft (clay) courts. The Cal Cap bid for Premier Courts was \$107,100, while their soft court bid was \$99,100.

- The TC had originally recommended the Premier Courts as a compromise between the existing hard courts and soft courts because the price was between the two alternatives. Now that the prices are comparable (soft versus synthetic courts), the TC is recommending the soft or clay court option.

A discussion ensued.

Motion: On a motion by Medlin, seconded by Williams, it was unanimously approved to budget approximately \$100,000 for the installation of soft courts. Fulcher will contact Advantage Sports Surfaces for an estimate.

A question arose about whether the old asphalt court is left in place or hauled away when soft courts are constructed. Fulcher will check into that.

Architectural Control Committee (ACC): McKneand noted that the committee had been slow recently. However, homes are under construction at Pelican Point, Egret Lake (2), Fiddlers Ridge and Forest Dues.

Management Advisory Committee (MAC): Fulcher noted that the MAC had met on December 6 and that the next meeting is tentatively scheduled for March 2006. Minutes of the December 6 meeting had been forwarded to the Board previously.

Financial Report: Fulcher next gave the January 31, 2006, Financial Report which included the Comparative Balance Sheet, Budgetary Income Statement, Statement of Cash Flows and income statements for the Utility and Marina Funds. He reviewed each statement in some detail. He noted the expenses for the hurricane repairs at the marina.

He passed out copies of the October 31, 2004, BRMA Audit Report which had been received recently. The 2004 Audit Report was an unqualified, or a clean opinion. Fulcher noted that he, Lail and the audit firm, expect that the 2005 audit will be ready in June 2006.

Fulcher also noted that he has been in constant contact with the insurance adjustor concerning the Hurricane Ophelia claim. The adjuster anticipates that he will complete the claim within 2 weeks.

Executive Committee (EC): Erickson reported that the recently released President's budget for 2007 only contains \$20,000,000 for the entire nation for beach nourishment projects. This puts in jeopardy the long standing Federal, State, and Local cost share agreements.

He noted that he is vice-chairman of a recently created organization – N.C. Beaches, Inlets and Waterways (NCBIWA). This group will combine the needs and interests of the beach communities with the interests of those that lobby for regular maintenance of the inlets and waterways. This group hopes to raise a minimum of \$100,000 to operate.

NCBIWA will be forwarding a letter soon to Beacon's Reach owners, Figure Eight Island and Bald Head Island owners soliciting initial members. He encouraged those in attendance to consider becoming members of NCBIWA.

Association Updates:

Maritime Place: Snipes noted that Maritime Place had recently undertaken some extensive landscape improvement efforts which look nice. There is 1 house being constructed at Maritime Place and 3 homes for sale.

Maritime West: Corbrey noted that Maritime West is wrestling with the need to replace its pool deck, which is badly cracked. The estimated cost is \$15,000-\$20,000.

Breakers: Matzke noted that The Breakers has recently completed a small project to replace some wood siding on the ocean side of Building B with Hardie Plank. The Breakers will soon commence a painting project for all 3 buildings, with completion in late spring.

Ocean Grove West: Williams noted that Ocean Gove West is presently painting their 4 buildings and hopes to install new sand fencing next month. They are also considering re-paving their streets and roads.

Westport IV: Bailey noted that Westport IV experienced extensive erosion and walkway damage from hurricane Ophelia. Westport IV engaged a local survey firm in early November to prepare a survey of the existing buildings, walkways and high tide lines. This survey was a necessary component of the CAMA permit that is needed for a seawall permit. As of yet, the surveyor has failed to complete the survey, which has held up the repair work.

Westport I: Galloway noted that Westport I owners are in the process of approving a wood replacement and painting project which will be about \$100,000.

Westport III: Dowler noted that Westport III is nearing completion on its walkway repairs along the sound. In addition to replacing and repairing the sections damaged by the storm, they have also replaced all of the original handrail sections. Westport III has hauled in 62 loads of dirt to replace that which was lost in Ophelia.

General Discussion:

- Goetzinger noted that the local real estate market has been quite slow over the last 4-5 months. While he believes 2006 will be a good year, it may be more of a buyer's market, as 2005 was definitely a seller's market. Presently, there are approximately 120 homes and condominiums for sale in PKS, while at this time last year, there may have been less than 10.
- Johnson noted that he was proud of the recent action of the Board to keep Beacon's Reach in great condition. The decision to replace all 3 piers at the Marina, the decision to upgrade the tennis courts and to continue to upgrade the landscape areas was money well spent.

- Lail expressed another thank-you to Magel and Valentine for their very diligent work overseeing the repair work at the marina this winter. A round of applause was offered for Magel and Valentine.
- Johnson noted that the ocean side beach lockers probably need to be cleaned out this spring.

There being no other business, the meeting was adjourned at 11:05 a.m.

Grady W. Fulcher
For the Board of Directors