

Date: Wed, Oct 29, 2025, 4:03 PM

Subject: St. Regis Emergency Dune Stabilization — Board Update

Dear St. Regis Owners,

The Board of Directors would like to provide a comprehensive update regarding emergency dune stabilization efforts, regulatory developments, and associated financial planning. Please review the full message below for details on:

- Emergency erosion control actions taken by the Board
- NC DEQ permitting status and compliance updates
- Sandbag installation and dune walkover restoration plans
- Beach nourishment efforts by North Topsail Beach
- Budget overview and the need for a special assessment

We deeply appreciate your attention and engagement and recognize how important clear communication is, especially when responding to urgent situations that directly impact the protection and preservation of St. Regis.

Your attention to this matter is appreciated.

Warm regards,

The St. Regis Board of Directors

Summary of situation

- Condition: Coastal storms and high tides have caused accelerated erosion of the frontal sand dunes at the St. Regis property.
- Board action: The Board of Directors authorized emergency erosion-control measures to stabilize the dune system and reduce immediate risk to property and public safety.

Emergency Sand Push and Erosion Control Measures

To address immediate erosion concerns threatening building structures, the Board of Directors (BoD) engaged Tradecraft, a local contractor, to perform an emergency sand push and install concrete blocks on the beach. The sand push operation was conducted with proper authorization from the NC DEQ Division of Coastal Management.

However, the placement of concrete blocks was later deemed non-compliant with coastal management regulations. NC DEQ issued a Notice of Violation to St. Regis regarding this matter. In response, the BoD has been actively collaborating with NC

DEQ to resolve the issue. An agreement has been reached to remove the concrete blocks once a permitted and conforming erosion control plan is finalized and approved.

Permitted Erosion Control – Sandbag Placement

To address ongoing erosion concerns, the Board of Directors (BoD) has authorized the installation of sandbags as a permitted erosion control measure. This action follows approval from the NC DEQ Division of Coastal Management, which confirmed that sandbags are an acceptable structure under current coastal regulations.

The approved sandbags measure approximately 5 ft. x 10 ft. x 1 ft. and will be strategically placed along roughly 950 linear feet of the St. Regis dunes frontage. They will be stacked to a height of approximately 6 feet, with a base width of about 20 feet, forming a robust barrier to mitigate erosion.

These sandbags are permitted to remain in place for a minimum of 8 years as an emergency erosion control solution. Additionally, they may be retained as a permanent component of the dune system. NC DEQ has also indicated that the sandbag installation will not interfere with any future beach management initiatives planned for North Topsail Beach.

Concrete Blocks Near Buildings 1 and 2

To mitigate potential storm-related over wash and protect building structures, concrete blocks were strategically placed near the foundations of Buildings 1 and 2. These blocks are located on the landward side of the dunes, which exempts them from NTB and NC DEQ CAMA permitting requirements.

The primary purpose of these temporary blocks is to divert water flow away from vulnerable areas, particularly the ground floor of Building 2. Given that these spaces are occupied and repairs would be extremely difficult if damaged by rising water or over wash, the blocks serve as a critical protective measure. They remain removable and are not intended as permanent fixtures.

Beach Accessways – Dune Walkover Restoration

As part of the approved sandbag erosion control initiative, the Board of Directors (BoD) will oversee the restoration of the three existing wooden dune walkover structures. These walkways provide essential beach access and will be repaired to ensure safe and functional use.

Restoration efforts will be coordinated in compliance with NC DEQ CAMA and North Topsail Beach (NTB) regulations. Some modifications to the original structures may be required to meet permitting standards and environmental guidelines.

Beach Maintenance and Sand Re-nourishment

Maintaining the shoreline is essential for safeguarding both property and the coastal ecosystem. Under the North Carolina Coastal Area Management Act (CAMA), the NC Department of Environmental Quality (DEQ) regulates beach maintenance and nourishment efforts to ensure they support natural coastal functions while mitigating erosion and property damage.

CAMA mandates that any beach nourishment use sand compatible in texture and composition with the existing beach and that projects minimize disruption to neighboring properties and local habitats.

In alignment with these guidelines, North Topsail Beach has launched Phase 4 of its Sand Re-nourishment Project. This phase involves placing approximately 465,000 cubic yards of compatible sand along 2.5 miles of shoreline, supported by a \$10.5 million grant. Although work paused in spring 2025, it is scheduled to resume this November, with additional sand expected to be added to the shoreline.

Once completed, the project will reinforce dune structures, enhance storm protection for coastal properties, and improve the beach experience for residents and visitors. This initiative continues the town's long-term commitment to sustainable coastal resilience, building on previous nourishment efforts following Hurricane Dorian in partnership with NC DEQ.

Budget Update: Emergency Dune Stabilization & Special Assessment

Overview

The Board of Directors (BoD) is addressing a critical erosion threat to the St. Regis Resort area of North Topsail Beach. Recent storms and extreme wave activity have caused significant dune loss, endangering oceanfront pools, walkways, and dune access structures. In response, an emergency stabilization project has been initiated, focused on installing sandbags and reinforcing dune structures in compliance with CAMA and NC DEQ emergency protection standards.

Funding Summary

Account Type	Current Balance
Investment Account	\$2,455,829.91
Reserve Bank Account	\$150,000.00

Total Reserves	\$2,605,829.91
-----------------------	-----------------------

Project Cost Overview

Project	Estimated Cost
Emergency Dune Stabilization	\$750,000.00
Curtain Wall Windows & Frames (Building 2)	\$1,900,000.00
Total Estimated Costs	\$2,650,000.00

Short-Term Funding Needs

The emergency dune stabilization project will fully deplete current reserves, leaving no buffer for unexpected issues or storm-related damage in the coming year. As a result, a **special assessment of \$750,000** will be necessary. The BoD is committed to transparency and early communication.

Zoom meetings will be scheduled at various times to address owner questions once key details—dates, terms, and assessment amounts—are confirmed.

Long-Term Planning

A facility-wide study has identified additional capital projects needed to maintain and improve St. Regis. The curtain wall window replacement in Building 2 is the first major item on this list. Future assessments may be required to fund these improvements, as annual dues alone are unlikely to cover the full scope of work. Specific timelines and costs for these future projects are still under review.

Emergency Assessment Scope

The proposed \$750,000 emergency assessment is strictly limited to dune stabilization and sandbag installation. It does **not** include broader infrastructure repairs such as drainage or structural upgrades. The goal is to provide long-term protection for critical beachfront assets while broader shoreline management strategies are developed.