

**STATE OF NORTH CAROLINA
DEPARTMENT OF STATE TREASURER**

**STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION**

Mailing Address: 3200 Atlantic Avenue
Raleigh, North Carolina 27604

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Raleigh, North Carolina 27604

Telephone: (919) 814-4300
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**APPLICATION FOR APPROVAL OF
INSTALLMENT PURCHASE OR LEASE CONTRACT**

APPLICATION DUE DATE

The Local Government Commission (the "LGC") meets the first Tuesday of each month, unless otherwise announced, to conduct its business, including the approval of applications of units of government to incur debt. Generally, to allow adequate review of applications, the staff of the LGC (the "staff") requires that applications be received no later than twenty-eight days prior to the date of the LGC meeting at which the unit wants its application to be considered. However, in more complex transactions the staff may require earlier submission.

Although this application form is available to interested parties by internet access; the project and the related proposed financing should be discussed with the staff prior to submission of an application. Before the application is accepted for submission to the LGC a preliminary conference may be required (G.S. 159-149).

LEGISLATIVE REPORTING REQUIREMENT

State law G.S. 120 - 157.1 - 157.4 adopted and effective on June 24, 2011 requires that certain capital projects to be financed with debt in an amount exceeding \$1,000,000 be reported to the Joint Legislative Committee on Local Government and to the Fiscal Research Division of the North Carolina General Assembly at least 45 days before the application for debt is to be considered for approval by the Local Government Commission. The law applies to all capital projects to be financed by issuing debt over \$1,000,000 with the exception of schools, jails, courthouses and administrative buildings. Copies of the reporting should also be sent to our office at the time of the filing.

This reporting duty is the responsibility of each local government unit. Each unit should consult its own attorney or the unit's bond counsel for legal advice on complying with the reporting requirements of this new statute.

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**APPLICATION FOR APPROVAL OF INSTALLMENT PURCHASE
OR LEASE CONTRACTS**

CHECK ONE: G. S. 160A-19 G. S. 160A-20
 G. S. 153A-165

1. Unit Holden Beach Population _____ Date 12/22/2021
2. Project Description Purchase of Holden Beach Pier Property and adjacent 50 foot lot
3. Necessity Acquiring the Property will permit the Town to provide regional public beach access, public parking, recreation and access for beach nourishment and emergency operations _____
4. Principal Amount to be Financed..... \$ 3,300,000
5. Interest to be paid during life of contract..... \$ _____
6. Amount due throughout life of contract..... \$ _____
(i.e., amount of periodic payment times number of payments. Should also be the total of 4 + 5 above.)
7. Estimated increase in tax rate by reason of proposed financing \$ 0. If other funding sources are anticipated, explain in one of the following forms:
 - LGC-108C Revenue Projection for Water and Sewer
 - LGC-108D Revenue Project for Other Enterprises
 - LGC-108E Repayment Plan for Non-Enterprise Purposes
8. Term of contract including options to renew (if any)
9. Basis of design and estimated cost of project (engineer) _____

Date construction bids will be opened N/A

10. Capital budget based on estimates as of.....

<u>Estimated Cost</u>	<u>Funding Sources</u>
Construction Cost \$ _____	Loan \$ <u>3,300,000</u>
Engineer or Arch. Fees <u>46,000</u>	Grants (indicate source)
Land and Rt.-of-way <u>3,250,000</u>
Special Counsel Fees <u>23,400</u>
Other Legal/Fiscal Cost..... <u>30,000</u>
Administrative Cost..... <u>1,250</u>
Capitalized Interest..... _____
Contingency..... _____	Available Cash <u>50,650</u>
.....	Other..... _____
Total <u>\$3,350,650</u>	Total..... <u>\$3,350,650</u>

11. The attached are furnished in support of this application:

- a. Certified copy of governing body resolution making necessary findings and authorizing the contract. **Attached**
- b. Publisher's Affidavit of the Notice of Hearing. **Forthcoming after January 18th meeting**
- c. Certified copy of minutes of hearing. **Forthcoming after January 18th meeting**
- d. Certified net debt statement. **Attached**
- e. Certified fiscal information by finance officer. **Attached**
- f. Revenue projections on repayment plan, Form 108C, 108D, or 108E. **Attached**
- g. Engineer's or architect's report establishing feasibility, if applicable. **N/A**
- h. Proposed financing contract. **Forthcoming**
- i. Completed IRS form 8038-G (2 copies) (To be provided at loan closing). **Forthcoming**
- j. Unit Attorney's Opinion. **Forthcoming**
- k. Fee Arrangement Letters: **Attached**
 - Special Counsel
 - Banker/Underwriter
- l. Independent appraiser's report if applicable. **Attached**
- m. Bid specifications and summary of competitive bids from contractors. **N/A**
- n. Bid specifications and summary of competitive bids from banks and other financial institutions. **Forthcoming**
- o. Required licenses and permits. **N/A**
- p. Evidence that plans and specs have been approved by appropriate State agencies. **N/A**
- q. Other: Specify _____
- r. Engineer's/Architect's engagement letter (fee arrangement) and a copy of proposed contract **N/A**
- s. Application fee for installment/lease purchase agreement contract. Attach check for appropriate amount.
 - \$1,250 for private placement.
 - \$12,500 for public offering.

12. Current audited financial statements have been received by Fiscal Management. **Audit Reports are due October 31 each year.** For units with a calendar year or fiscal year not ending on June 30, audited financial statements should be received within four months of year-end. Yes No

13. Unit's Attorney Rick Green Telephone 910-842-1857 Fax 910-842-1859
Address 2998 Holden Beach Road SW Zip 28462

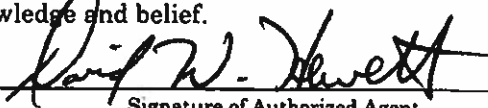
14. Financing contract/agreement with _____

Contact Person _____
Telephone _____ Fax _____

15. Consulting Firm Applied Technology Management
(Architect or Engineer)
Contact Person Francis Way Title Engineer
Telephone 843-414-1040 Fax 843-414-0155

16. Unit's Authorized Agent David Hewett
Title Town Manager Telephone 910-842-6488 Fax 910-842-9315
Address 110 Rothschild St. Zip 28462

This application and supporting documents are deemed to be true and accurate to the best of my knowledge and belief.



Signature of Authorized Agent
(As Designated by Board)

30 Dec 2021

Date

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SELECTED FISCAL INFORMATION AS CERTIFIED BY FINANCE OFFICER

Unit Town of Holden Beach

1. Ad Valorem Tax (current fiscal year):

Appraised Value	<u>\$1,354,932,722</u>	Tax Rate — General Fund	\$ <u>0.20</u>
Total Levy	<u>\$2,709,865</u>	— Other funds	_____
Uncollected at 6/30/2021	<u>36,250</u>	— Total	\$ <u>0.20</u>
Percentage Collected	<u>98.66 %</u>		

2. For the past 5 fiscal years, has there been a delay in payment or non-payment of matured bonds and coupons when presented to the unit's fiscal agent? NO (Yes; No). If yes, explain circumstances on separate statement.

3. Information relating to compliance with Local Government Budget and Fiscal Control Act: (If answer to any question in this item is No, furnish explanation.)

A. Purchasing and Contracts	Yes	No
(1) Are purchase orders issued for all commitments over a minimum amount?	√ _____	_____
(2) Do all purchase orders include a preaudit certificate signed by the finance officer (or properly appointed deputy)?	√ _____	_____
(3) Are all purchase orders posted to appropriate expenditure accounts as encumbrances?	√ _____	_____
B. Other:		
(1) Do checks or drafts on an official depository bear on their face a preaudit certificate, of sufficient unencumbered appropriation signed by the finance officer (or properly appointed deputy)?	√ _____	_____
(2) Are the finance officer, tax collector, and other employees (as required) properly bonded according to G.S. 159-29?	√ _____	_____
(3) Did the budget provide for all deficits, if any, as shown in the audit report for the prior year?	√ _____	_____

C. Please include a description of any material instance of misfeasance or malfeasance (within the last three years) which might affected the credit of the unit. _____

I certify the above is correct to the best of my knowledge	Finance Officer's Signature <i>David W. Hewitt</i>	Date <i>30 Dec 2021</i>
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D. Additional Loan and Grant procedures for a Capital Project Ordinances**(1) Loans**

Pursuant to G.S. 159-26(b)(6), a capital project fund is required to account for all debt instrument proceeds used to finance capital projects. To facilitate budgetary and accounting control, it is required that a capital project ordinance, pursuant to G.S. 159-13.2, be adopted by the governing board authorizing all appropriations necessary for the completion of the project. Will the unit prepare and adopt a balanced capital project ordinance covering the life of the project? YES NO

(2) Grants

To facilitate budgetary and accounting control, it is required that a grant project ordinance, pursuant to G.S. 159-13.2, with a corresponding capital project fund, be adopted by the governing board authorizing all appropriations necessary for the completion of the project. Will the unit prepare and adopt a balanced capital project ordinance covering the life of the project? YES NO

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PROJECTION OF WATER AND SEWER NET REVENUES

Unit _____

Fund _____

Complete only if the proposed financing is for water or sewer facilities. Where separate accounting funds are maintained for each system, one schedule may be completed for proposed water bonds and one for proposed sewer bonds. Water and sewer operations may be consolidated when either water or sewer financing or both are proposed. Use actual amounts on modified accrual basis of accounting (budgetary basis) from latest audit report.

REVENUES	Fiscal Year _____		Fiscal Year _____	
	1. Actual Revenue for Last Complete Fiscal Year	Estimated Increase or (Decrease)		1 + 2 + 3 Estimated Revenue for Fiscal Year After Completion of Project
		2. Due to Normal Growth and Rate Changes	3. Due to Expanded System	
Operating Revenues:				
Customer charges				
Other revenue				

Total				
Non-operating Revenues:				
Interest				
Restricted sales tax				
Other				
Total				
Total Revenues				

EXPENDITURES	Fiscal Year _____		Fiscal Year _____	
	1. Actual Expenditure for Last Complete Fiscal Year	Estimated Increase or (Decrease)		1 + 2 + 3 Estimated Expenditure for Fiscal Year After Completion of Project
		2. Due to Normal Growth and Rate Changes	3. Due to Expanded System	
Operating Expenditures:				
Administration Salaries				
Other				
Operations Salaries				

Total Expenditures				
Excess Revenues over Expenditures				

Projection of water and sewer net revenues (continued)

	Actual Expenditures for Last Complete Fiscal Year	Estimated Expenditures First Fiscal Year After Completion of Project
Other (Do not include depreciation):		
Debt principal		
Interest		
Capital outlay		
Capital reserve		
Transfer to (from) other funds		
Other		

Total other		
Net Income (Loss)		

Does the Unit own and operate a Water System and a Sewer System? Yes _____ No _____ If "No", explain _____

Number of Customers		Current	After Completion of Project
Water	Residential	_____	_____
	Commercial	_____	_____
Sewer	Residential	_____	_____
	Commercial	_____	_____

	Current	After Completion of Project	Percentage of Change
Rate and Fee Structure			
Indicate monthly cost for an average residential customer:			
Average gallons per month (for residential customer):	_____	_____	
WATER			
Rate (Include minimum cost/thousand gallons, etc.) – Residential	_____	_____	_____
Average monthly bill within city limits	_____	_____	_____
Average monthly bill outside city limits	_____	_____	_____
SEWER			
Rate (Include minimum, etc.) – residential	_____	_____	_____
Average monthly bill within city limits	_____	_____	_____
Average monthly bill outside city limits	_____	_____	_____

TAP FEE POLICY _____

IMPACT FEE POLICY _____

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PROJECTION OF ENTERPRISE NET REVENUES

Unit _____ Date _____

Complete only if proposed financing are for electric, gas, parking, hospital or other enterprise purposes. Use form LGC-108C when financing is proposed for water and sewer purposes. Use actual amounts on modified accrual basis of accounting (budgetary basis) from latest audit report.

REVENUE (Indicate nature)	-1- Actual Revenue for Last Complete Fiscal Year	Estimated Increase or (Decrease)		1 + 2 + 3 Estimated Revenue for First Fiscal Year After Completion of Project
		-2- Due to Normal Growth and Rate Changes	-3- Due to Expanded System	
.....				
.....				
.....				
.....				
.....				
.....				
Total revenues				

EXPENDITURES (Indicate nature)	-1- Actual Revenue for Last Complete Fiscal Year	Estimated Increase or (Decrease)		1 + 2 + 3 Estimated Revenue for First Fiscal Year After Completion of Project
		-2- Due to Normal Growth and Rate Changes	-3- Due to Expanded System	
.....				
.....				
.....				
.....				
.....				
.....				
Total expenditures . . .				

Projection of enterprise net revenues (continued)

	Actual Expenditures for Last Complete Fiscal Year	Estimated Expenditures First Fiscal Year After Completion of Project
Other		
- Debt principal		
- Interest		
- Capital outlay		
- Capital reserve		
- Transfer to (from) other funds		
- Other		
Net Income (Loss)		

Rate Structure

	<u>Current</u>	<u>After Completion of Project</u>	<u>Percentage of Change</u>
Average monthly bill per residential customer:			
Within city limits	_____	_____	_____
Outside city limits	_____	_____	_____

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REPAYMENT PLAN FOR NON-ENTERPRISE PROJECTS

Complete if the proposed financing is for non-enterprise purposes. List below the available sources of repayment and the amounts available to service debt over a three-year period. Explain in detail and attach supporting schedules.

AVAILABLE AMOUNT

<u>Available Sources</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2024</u>
B-PART	\$ 5,225,397	\$	\$
Total Amount Available	\$	\$	\$
Debt Service Amount	\$	\$	\$

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STATEMENT OF DEBT

For Holden Beach, North Carolina

To be filed with the application. The debt described below should not include debt incurred or to be incurred in anticipation of the collection of taxes or other revenues or in anticipation of the sale of bonds other than funding or refunding bonds. The debt described below should not include revenue bonds or special obligation bonds.

A. Gross Debt

1. Outstanding debt evidenced by bonds:

<u>Purpose</u>	<u>Amount</u>
Water	
Sanitary Sewer	
Electric	
Gas	
Other	\$ _____

2. The proposed financing, and bonds authorized by orders introduced but not yet adopted:

<u>Date Introduced</u>	<u>Purpose</u>	<u>Amount</u>
	Pier Property Purchase	3,300,000
		\$3,300,000 _____

3. Unissued bonds authorized by adopted orders:

<u>Date Introduced</u>	<u>Purpose</u>	<u>Amount</u>
		\$ _____

4. Outstanding debt not evidenced by bonds (lease-purchase agreements):

<u>Date Incurred</u>	<u>Purpose</u>	<u>Amount</u>
8/17/21	Lift station upgrade	2,569,190.00
3/2/21	Vac Truck	246,030.75
		\$2,815,220.75 _____
	Total Gross Debt (Sum of 1, 2, 3 and 4)	\$6,115,220.75 _____

B. Deductions

1. Funding and refunding bonds authorized by orders introduced but not yet adopted	\$ _____
2. Funding and refunding bonds authorized but not issued ...	\$3,300,000 _____
3. Amount held in sinking funds or otherwise for the payment of gross debt other than debt incurred for water, gas, electric light or power purposes or sanitary sewer purposes (to the extent deductible under Section 159-55[b] of the Local Government Bond Act), or two or more of these purposes	\$ _____
4. Bonded debt included in gross debt and incurred or to be incurred for water, gas or electric light or power purposes, or any two or more of these purposes.	\$ _____
5. Bonded debt included in gross debt and incurred or to be incurred for sanitary sewer system purposes (to the extent deductible under Section 159-55[b] of The Local Government Bond Act).	\$ _____
6. Uncollected special assessments levied for local improvements for which gross debt (that is not otherwise deducted) was or is to be incurred, to the extent it will be applied, when collected, to the payment of such gross debt.	\$ _____
7. Estimate of special assessments to be levied for local improvements for which any part of gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments when collected, will be applied to the payment of any part of gross debt.....	\$ _____
Total Deductions (Sum of 1 through 7)	\$3,300,000 _____
C. Net Debt being the difference between Total Gross Debt (A) and Total Deductions (B)	\$2,815,220.75 _____
D. Assessed Value of property subject to taxation being the value from which the assessed value was last fixed for taxation as revealed by the County tax records and certified by the County Tax Supervisor.....	\$1,354,932,722 _____
E. Percentage that Net Debt bears to the assessed value of property subject to taxation (C ÷ D).....	_____ 0.208%

I certify the above is correct to the best of my knowledge.	Finance Officer's Signature 	Date 30 Dec 2021
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STATE OF NORTH CAROLINA)
COUNTY OF Brunswick) ss.:

David W. Hewett, being duly sworn, says that he is
the Finance Officer of the Town of Holden Beach
in the State of North Carolina; and that the foregoing statement is true and was made and
subscribed by him.



David W. Hewett
Finance Officer

Sworn to and subscribed before me on
the day of the date of said statement

Heather Rose Finnell
(Notary Public)

My commission expires the 20 day of July, 2023.

STATE OF NORTH CAROLINA)
COUNTY OF Brunswick) ss.:

I, the undersigned Town Clerk of the Town
of Holden Beach in the State of North Carolina, DO HEREBY CERTIFY that the
foregoing statement and accompanying affidavit were filed in my office on the 30th day of
December, 2021.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Town County, this
30th day of December 2021.



Heather Finnell
Clerk

**PROCEDURES FOR THE APPROVAL OF INSTALLMENT
PURCHASE CONTRACTS
G.S. 160A-20**

AUTHORITY

Authority for cities, counties, and water and sewer authorities created under Article 1 of Chapter 162A of the General Statutes to make installment purchases is found in G.S. 160A-20 as amended by Chapter 708 of the 1989 Session Laws.

DESCRIPTION

In an installment purchase contract, the title must rest with the unit which earns equity in the property with each payment that is made. At the end of the payment schedule, the property is owned "free and clear" by the unit. In an installment purchase contract, the only security for repayment of the debt is the property itself. If the unit defaults on payment of the debt, the vendor/creditor may repossess the property, sell it, and apply the proceeds to the debt. Any remaining proceeds are payable to the unit.

TERMINATION OF THE CONTRACT — NO DEFICIENCY JUDGEMENT

The contract is terminated whenever the unit chooses not to make a payment. At that time, the vendor may recover the property but it cannot force the unit to make any further payment or pay other damages. To insure that this important limitation is understood by the vendor/creditor, the installment purchase contract should include a statement that there shall be no deficiency judgement allowed for amounts that may be owed when the sale of the property is insufficient to produce enough money to pay the entire remaining obligation. The contract should further state, "The taxing power of the unit is not in any way pledged, directly or indirectly, to secure any moneys due to any bank, assignee, or purchaser of the contract."

NO NONSUBSTITUTION CLAUSE

The Statute (G.S. 160A-20) prohibits inclusion of "nonsubstitution" clauses in installment purchase contracts. A nonsubstitution clause prohibits the unit from substituting some other property for that which has been purchased if the unit does not make its payment and returns the equipment to the vendor/creditor. Imposing a nonsubstitution clause could prohibit a unit from providing essential services.

ESCROW ACCOUNTS

Cities, counties and water and sewer authorities created under Article 1 of Chapter 162A of the General Statutes may use escrow accounts in connection with the advance funding of transactions authorized by G.S. 160A-20, whereby the proceeds of such advance funding are invested pending disbursement. That enables the unit to secure funding at the beginning of the project and set up a construction fund, thus eliminating the need for using a developer or nonprofit corporation to provide financing during the construction period.

PRIVATE PLACEMENT OR CERTIFICATES OF PARTICIPATION

The financing agreement created under an installment purchase transaction may be privately placed with a single bank or financial institution or may be offered in a public sale through certificates of participation. When the obligation is placed with a single sophisticated investor, the lender may do his own tax analysis or may require a tax opinion from a qualified bond attorney. In cases where certificates of participation are issued and marketed publicly, a tax opinion must be provided by qualified bond counsel.

RESPONSIBILITIES UPON INTEREST BECOMING TAXABLE

If by any action or failure to take action by the City, the County, or the Water and Sewer Authority which causes the interest payable on the contract to become taxable, i.e. includable in the gross income of the vendor/creditor or any assignee for federal income tax purposes, then the contract may bear interest from that date at a taxable rate agreed upon by the unit and the vendor/creditor. That provision should not be applicable when interest becomes taxable for any other reason.

PUBLIC HEARING

Before entering into a contract authorized under G.S. 160A-20 involving real property, a City, a County, or a Water and Sewer Authority created under Article 1 of Chapter 162A of the General Statutes shall hold a public hearing on the contract. A notice of the public hearing shall be published at least 10 days before the date fixed for the hearing. A Publisher's Affidavit or Notice of Hearing and a certified copy of the minutes of the hearing shall be filed with the Local Government Commission with the Application.

SECURITY DOCUMENTS

The contract may be secured by a Deed of Trust and Security Agreement prepared in conformity with the installment purchase contract. All of the terms, definitions, conditions, and covenants of the "Security Documents" should be expressly made a part of the contract directly or by reference.

LOCAL GOVERNMENT COMMISSION APPROVAL

All public offering dates must be approved by the Local Government Commission. Local Government Commission approval of an installment purchase contract is required:

1. If the contract extends for five or more years, obligates the unit to pay sums of money to another, and obligates the unit to pay \$500,000 or a sum equal to 1/10 of 1% of the appraised value of the property subject to taxation by the contracting unit; or,
2. Where the installment purchase involves the construction or repair of fixtures or improvements on real property.

The Local Government Commission does not review contracts between the unit of local government and the State of North Carolina or the Federal government which are entered into as a condition to making grants or loans; or, for contracts for the acquisition of motor vehicles or voting machines. It should be noted that the exceptions do not apply to contracts between two or more units of local government.

A contract subject to the Financing Agreements statute is void, and it is unlawful for a local government to make any payments pursuant thereto, unless the contract is approved by the Local Government Commission as evidenced by the Secretary's certificate which is to appear on the contract itself. The Procedure for Commission approval of these contracts is similar to the procedure for approval of non-voted general obligation bonds.

The proposed contract cannot be approved if the "net debt" of the contracting unit, after execution of the contract, would exceed 8% of the assessed value of property subject to taxation by the contracting unit.

In arriving at net debt, principal and interest will be shown, and the sum of principal to fall due under the proposed contract throughout its term will be treated as if that sum were authorized by a single general obligation bond order. The unit's year end statements of financial condition will, of course, reflect the substance of these arrangements as required by generally accepted accounting principles.

PRELIMINARY CONFERENCE

The Secretary of the Local Government Commission has authority to require a local government to attend a preliminary conference with the staff of the Commission before an application for approval of a proposed contract is presented to the Commission. Whether formally required or not, much time can be saved and inconvenience to the local government avoided if the Commission is contacted well in advance of the filing of a formal application.

APPLICATION FOR APPROVAL

Forms for making application to the Commission for approval of a proposed contract subject to the Financing Agreement statute are attached. The first step in the formal approval procedure, following the preliminary conference, is filing of a properly completed application form with attachments. A complete application must be received three weeks prior to a Local Government Commission meeting to provide time for the staff to review and make recommendations to the Commission. The meetings of the Local Government Commission are scheduled to be held on the first Tuesday of each month.

SUPPORTING DOCUMENTS

G.S. 159-149 provides that an application for approval must "state such facts and have attached to it such documents concerning the proposed contract and the financial condition of the contracting unit as the Secretary [of the Local Government Commission] may require." The following supporting documents must be submitted along with the application for approval.

A. RESOLUTION OF GOVERNING BOARD

A certified copy of a resolution duly adopted by the governing board of the contracting unit must accompany the application. This resolution must contain all of the following:

1. Describe the undertaking and the terms of the proposed contract or agreement in general terms.
2. State facts supporting a conclusion that the undertaking is necessary and expedient for the contracting unit.
3. State facts supporting a conclusion that the sums to fall due under the contract are not excessive for its stated purpose.
4. State that the attorney for the contracting unit has rendered an opinion that the proposed undertaking is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.
5. State facts supporting a conclusion that the proposed contract or agreement, under the circumstances, is preferable to a general obligation or revenue bond issue for the same purpose. Specifically, (i) show that the cost of the proposed undertaking exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances, and non-voted bonds that could be issued by the contracting unit in the current fiscal year pursuant to Article V, Sec. 4, of the North Carolina Constitution (the "two-thirds limitation"); (ii) cite reasons and justifications for choosing the contract method of financing rather than a non-voted general obligation bond issue, a voted general obligation bond issue, or a revenue bond issue.
6. State facts supporting a conclusion that the estimated cost of financing the undertaking under the contract method of financing compares reasonably with an estimate of similar costs under bond financing for the same undertaking.

7. State facts supporting a conclusion that the debt management policies of the contracting unit have been carried out in strict compliance with law, or that reasonable assurances have been given that debt management will hence forth be so carried out.
8. Estimate what increase in the property tax rate, if any, will be required to raise sums to fall due under the contract in each fiscal year during the term of the contract. If no tax increase is anticipated, or other funding sources in addition to tax increase are anticipated, explain in detail how the sums to fall due under the contract in each fiscal year will be paid.
9. If the undertaking to be financed is a part of a utility or public enterprise system operated by the contracting unit, give a projection of revenues and expenses of the utility or enterprise system during the term of the proposed contract, taking into consideration additional revenues and expenses to be generated by the undertaking and the payments required by the contract.
10. State facts supporting the conclusion that the contracting unit is not in default in meeting its debt service obligations.

B. PUBLIC HEARING NOTICE AND MINUTES

Provide a Publisher's Affidavit of the Notice of Public Hearing and a certified copy of the minutes of the hearing.

C. COPY OF THE PROPOSED CONTRACT

Supply two executed copies of the proposed contract. The contract must contain two certificates: the finance officer's certificate in the form prescribed in G.S. 159-28(b), and the Commission's certificate of approval. The latter certificate will be added by the Commission if the contract is approved. We will retain one copy and return the second copy for your files.

D. COSTS OF PROJECT AND PERMITS

If the contract involves the construction of a building or other improvement, provide a certified tabulation of bids in hand. If the contract involves the purchase of land or an existing building or other improvement, supply at least one appraisal by a licensed real estate broker or other person qualified to appraise similar properties. A letter from the design/construction professional responsible for ensuring compliance with codes and regulations listing all permits required, directly or indirectly, to execute the project and the status of acquisition of those permits is required.

E. ATTORNEY'S OPINION

Supply an opinion letter from the contracting unit's attorney stating that the proposed undertaking is authorized by law and constitutes a public purpose under the Constitution of North Carolina.

F. SWORN STATEMENT OF DEBT: DEBT LIMITATION

The finance officer of the contracting unit (or some other officer designated by the governing board) must prepare and submit with the application a sworn statement of the authorized and outstanding debt of the unit. Forms for this statement are attached. The sworn statement of debt required for financing agreements is essentially the same as that used for general obligation bond issues. The completed statement must be sworn to by the officer preparing it. The original copy must be filed, as part of the application, with the Secretary of the Local Government Commission, and a duplicate original must be filed for public inspection in the office of the clerk to the governing board.

G. DETAILED REPAYMENT PLAN

If debt service of the proposed financing is anticipated to be paid by sources other than property tax increases, the finance officer of the contracting unit (or some other officer designated by the governing board) must prepare and submit one of the following applicable forms:

- LGC-108C Projection of Water and Sewer Net Revenues, for water and sewer facilities.
- LGC-108D Projection of Enterprise Net Revenues, for enterprises other than water and sewer (i.e. electric, gas, parking, hospital and others)
- LGC-108E Repayment plan for Non-Enterprise Projects. The sources and available amounts for servicing the proposed debt must be listed and supporting schedules attached.

H. FEE ARRANGEMENT LETTER

Supply a copy of the fee arrangement letter received from Special Counsel and/or Bond Counsel including a description of the services to be provided.

COMMISSION ACTION ON APPLICATION

After the Secretary has notified the unit of local government that the application has been accepted for submission to the Commission, the application and supporting documents will be considered and either approved or disapproved by the Local Government Commission. The factors to be considered by the Commission are set out in G.S. 159-151.

If the Commission tentatively decides to deny an application, the unit of local government will be so notified and given an opportunity to make further representations concerning the matter. Upon specific request, the Commission will hold a public hearing on the application.

After considering an application and any further representations with respect to the matter, the Commission will either approve or disapprove the application. If the application is disapproved, the contract may not be entered into. If the application is approved, the Secretary of the Commission or his delegate will append a certificate to the contract stating that it has been approved by the Commission. No contract subject to the Financing Agreements statute is valid without this certificate.

COMPLIANCE WITH PURCHASE AND CONTRACT LAWS

Units of local government are advised that any contract subject to the Financing Agreements law may also be subject to the laws controlling purchasing by local governments. It is the responsibility of the unit of local government to have their attorney review those laws and advise on compliance obligations.

COMPLIANCE WITH FEDERAL TAX LAWS

All tax exempt financing including "Installment Purchase," "Lease Purchase," and "Financing Agreements" are subject to Federal Tax Law requirements. It is the responsibility of the financing unit of government to submit form 8038-G to the Internal Revenue Service for each financing and to keep appropriate records of escrow fund earnings for arbitrage rebate purposes. A completed copy of this form must be received prior to the execution of the contract by the Secretary of the Local Government Commission.

APPLICATION FEE

An application fee of \$1,250 is required for installment or lease purchase contracts which are privately placed. The fee for a public offering is \$12,500.

**SAMPLE
RESOLUTION**

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR
APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH
CAROLINA GENERAL STATUTE 160A-20**

WHEREAS, the [City/Town/County/Authority] of Anywhere, North Carolina desires to [Describe the undertaking and terms of the proposed contract] (the "Project") to better serve the citizens of Anywhere; and

WHEREAS, The [City/Town/County/Authority] of Anywhere desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Board of [Commissioners/Aldermen/Directors] of Anywhere, North Carolina, meeting in [regular/special] session on the _____ day of _____, 20____, make the following findings of fact:

1. The proposed contract is necessary or expedient because [State facts supporting a conclusion that the undertaking is necessary and/or expedient for the contracting unit.]
2. The proposed contract is preferable to a bond issue for the same purpose because [State facts supporting a conclusion that the proposed contract or agreement, under the circumstances, is preferable to a general obligation or revenue bond issue for the same purpose. Specifically, (i) show that the cost of the proposed undertaking exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances, and non-voted bonds that could be issued by the contracting unit in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution (the "two-thirds limitation"); (ii) cite reasons and justifications for choosing the contract method of financing rather than a non-voted general obligation bond issue, a voted general obligation bond issue, or a revenue bond issue.]
3. (For all issues marketed publicly.) The cost of financing under the proposed contract is greater than the cost of issuing general obligation bonds. [Include justification for using this method of financing.]
4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because [State facts supporting a conclusion that the sums to fall due under the contract are not excessive for its stated purpose.]
5. The [City/Town/County/Authority] of Anywhere's debt management procedures and policies are good because [State facts supporting a conclusion that the debt management policies of the contracting unit have been carried out in strict compliance with law, or provide assurances that debt management will hence forth be so carried out.]
6. The increase in taxes necessary to meet the sums to fall due under the proposed contract will be _____ cents per \$100 valuation and is not deemed to be excessive.
7. The [City/Town/County/Authority] of Anywhere is not in default in any of its debt service obligations.

8. The attorney for the [City/Town/County/Authority] of Anywhere has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.
9. *(If project is for utility of public service enterprise you must include this finding.)* The probable net revenues of the project to be financed will be sufficient to meet the sums to fall due under the proposed contract.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the [Mayor/Manager/Finance Officer] is hereby authorized to act on behalf of the [City/Town/County/Authority] of Anywhere in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this _____ day of _____, 20____.

The motion to adopt this resolution was made by [Commission/Alderman/Director] _____, seconded by [Commissioner/Alderman/Director] _____ and passed by a vote of _____ to _____.

[Mayor/Chairman]

ATTEST:

[Clerk/Secretary]

This is to certify that this is a true and accurate copy of Resolution No. _____ Adopted by the Anywhere Board of [Commissioners/Aldermen/Directors] on the _____ day of _____, 20____.

[Clerk/Secretary]

Date

SAMPLE ATTORNEY'S OPINION

Department of State Treasurer
Local Government Commission
3200 Atlantic Avenue
Raleigh, North Carolina 27604

Re: _____ Financing of _____
Pursuant to G.S. 160A-20

Gentlemen:

We are counsel for _____, North Carolina, and as such, are familiar with its organization and operation. We are familiar with the official action on the part of its Board of Commissioners in connection with the financing by (City/County name) under G.S. 160A-20 of (project description).

In connection with this opinion letter, we have examined:

- A. Drafts of the financing documents;
- B. Resolutions of the Board of Commissioners;
- C. Article V of the North Carolina Constitution and the appropriate provisions of Chapters _____ of the General Statutes; and
- D. Such other documents as we deemed relevant or necessary in rendering this opinion.

Based upon the examination described above, we are of the opinion:

(1) That (City/County name) has the power and authority to enter into the transaction to finance the project under the provisions of G.S. 160A-20;

(2) That the appropriate documents have been duly authorized by all necessary action on the part of the Board of Commissioners and when duly executed and delivered, will be valid and binding obligations of (City/County name) in accordance with the terms of the documents except that the enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally, as such laws would apply in the event of bankruptcy, insolvency, reorganization or liquidation of, or other similar occurrence with respect to the (County or Municipality) or in the event of any moratorium, temporary injunction or similar occurrence affecting the (County or Municipality);

(3) That the proposed undertaking by (City/County name) is authorized by law and does constitute a public purpose under the Constitution of the State of North Carolina;

(4) That all necessary and appropriate actions by the Board have been taken including a public hearing, if required, and that such public hearing as conducted, met fundamental requirements of the statutes;

(5) That the Notice for a Public Hearing is timely and sufficient to identify the matter (contract) to be considered; and

(6) That the (City/County name) has followed applicable bid law requirements in full compliance with applicable public bid statutes; and

We are members of the Bar of the State of North Carolina and we do not purport to express any opinion except as to the laws of the State of North Carolina.

Attorney's Signature

Private Placement Financing Agreements Timetable

<u>Calendar</u>	<u>Step No.</u>	<u>Event</u>
Day 1-30	1	If applicable, file report required by G.S. 157.1 - 157.9 with Joint Legislative Committee on Local Government and the Fiscal Research Division of the North Carolina General Assembly at least 45 days before the application is scheduled to be considered by the Local Government Commission. Send a copy of the report to the LGC staff.
	2	Contact LGC staff and schedule preliminary conference to discuss the following: <ul style="list-style-type: none"> (a) Discuss project necessity, estimated costs, and feasibility. (b) Discuss financing alternatives. (c) Review unit's debt/fiscal management procedures and policies. (d) Discuss authorization process, requirements and time frame. (e) Decide whether to proceed.
	3	Have Governing Board adopt a resolution giving their approval to proceed, appointing authorized representative and directing staff to request proposals from banks.
	4	Request proposals from a minimum of three banks. After proposals are received, select a bank based on rate, term, and fees. Discuss with LGC staff.
Steps 1-3 can be done in less than 30 days.		
Day 30-60	5	A. File formal application with the LGC. Application, supporting documentation, and essentially final documents to be received at least <u>twenty-eight</u> calendar days prior to any regular meeting of the LGC (first Tuesday of each month). All supporting materials must be received prior to LGC meeting including: (1) description of project and need (2) preliminary engineering report and/or cost estimate (3) any associated service or construction contracts (4) bank contract and estimated fees for all parties and (5) feasibility report, if applicable. B. Include resolution passed by Governing Body making the necessary findings required by the Commission relating to the proposed contract.
	6	<u>Public Notice</u> : Published in local newspaper <u>ten</u> days prior to a Public Hearing. (Provide adequate notification for citizens to attend Hearing and voice their opinion).
Day 50	7	<u>Public Hearing</u> : Financing agreement can be discussed at <u>one</u> of the following: Special Meeting, County Commissioners Meeting, City Council Meeting, or regular Monthly Meeting. Public hearing must be held before application is considered by the LGC.
	8	Application considered by the Local Government Commission.
Day 60	9	Closing and Delivery.

To the Persons on the Attached Distribution List:

Re: Request for Proposal for Installment Financing Agreement

The [City/County] North Carolina (the [City/County]) desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in the principal amount not to exceed \$_____ for the purpose of financing the cost of the project described below. The [City/County] is soliciting your proposal to provide the necessary financing for this project, subject to the terms and conditions set forth in this Request for Proposal.

A. Pertinent Information

The Project consists of _____

_____ (the "Project").

The City/County is currently rated _____ by Moody's Investors Service, _____ by Standard & Poor's Ratings Services and _____ by Fitch. The [City's/County's] North Carolina Municipal Council Rating is _____.

The financing will be bank eligible under Section 265 of the Internal Revenue Code of 1986. [If Bank Qualified.]

The [City/County] expects to obtain Local Government Commission approval of the installment financing agreement on _____.

B. Contract Specifications

1. The desired amount of the financing is not to exceed \$_____.
2. The desired term of the financing is _____ years. The [City/County] desires the debt service payment schedule to reflect amortization over a _____ year period.
3. Installment payments are to be made [semiannually/annually etc.] [arrear/advance].
4. The interest rate(s) shall be fixed for the term.
5. The interest rate(s) proposed must be guaranteed for at least sixty (60) days. The [City/County] desires to close the transaction by the end of _____.
6. Prepayment terms will be negotiated between the [City/County] and the successful bidder. The [City/County] desires prepayment of principal at any time without penalty.
7. The [City/County's] obligations under the installment financing agreement will be secured by a deed of trust or security interest in all or a portion of the project being financed as negotiated between the [City/County] and the successful bidder. No deficiency judgment may be rendered against the [City/County] for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the [City/County] will not be pledged to secure repayment thereunder.
8. The Installment Financing Agreement must not contain a non-substitution clause and there must be a non-appropriation clause in the installment financing agreement.

C. Submission of Proposal

Two copies of you proposal must be received by ____ a.m./p.m. on _____, _____ at the offices of _____, Finance Director, [City/County] [address]. You may also submit your proposal via facsimile transmission at _____.

Proposals must specify at a minimum the following information.

1. The term of the financing.
2. The interest rate.
3. The terms of repayment. Please attach a sample debt service schedule.
4. Proposed terms for optional prepayment. Please also state whether you would allow a prepayment without penalty from excess construction proceeds.
5. A list of all additional costs to be associated with this transaction, including origination or placement fees, escrow fees, counsel fees and expenses. State whether or not any of such fees or expenses will be capped.
6. A statement to the effect that the bank agrees to the contract specifications set forth in Part B of this Request for Proposal.
7. Proposed collateral to secure financing and the method for creating the lien or security interest in such collateral.
8. Bids should be based on gross funding of The Project (without consideration of investment earnings).

The [City/County] reserves the right to request additional information from the bidders and reserves the right to reject all proposals and to waive any irregularity or informality. Although the selection will be based substantially on lowest total financing cost (including both interest cost and upfront fees and expenses), the [City/County] reserves the right to select the bidder that best meet the needs of the [City/County].

If further information is needed or if you have any questions regarding this Request for Proposal, please contact _____.

Thank you in advance for your consideration of this proposal.

Very truly yours,

Finance Director

RESOLUTION 21-18
RESOLUTION OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA, AUTHORIZING
THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR
CERTAIN OTHER RELATED MATTERS THERETO

WHEREAS, the Town of Holden Beach, North Carolina (the "*Town*") is a municipal corporation duly created and validly existing under the Constitution, statutes and laws of the State (the "*State*");

WHEREAS, the Town has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners (the "*Board*") of the Town hereby determines that it is in the best interest of the Town to (1) enter into an installment financing contract (the "*Contract*") with a financial institution to be determined in order to pay the costs of purchasing property in the Town located at 441 Ocean Boulevard W., including the pier (the "*Property*"), and (2) in order to provide security for the Town's obligations under the Contract, grant to such financial institution a security interest under a deed of trust on all or a portion of the real property comprising the Property, and the improvements thereon, as the financial institution providing the funds to the Town under the Contract may require;

WHEREAS, the Town staff has retained (1) Parker Poe Adams & Bernstein LLP, as special counsel ("*Special Counsel*") and (2) DEC Associates Inc., as financial advisor, in connection with the proposed installment financing;

WHEREAS, the Board hereby determines that the acquisition of the Property is important to the general health and welfare of the Town's inhabitants; that acquiring the Property will permit the Town to carry out public functions that it is authorized by law to perform, including, without limitation, providing regional public beach access, public parking, recreation and access for beach nourishment and emergency operations; and that entering into the Contract is necessary and expedient for the Town by virtue of the findings presented herein;

WHEREAS, the Board hereby determines that such cost of acquiring the Property exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the Town in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing the acquisition of the Property pursuant to the Contract is expected to exceed the cost of financing the acquisition of the Property pursuant to a bond financing for the same undertaking, the Town hereby determines that the cost of financing the acquisition of the Property pursuant to the Contract and the obligations of the Town thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay in the ability to acquire the Property; and (3) insufficient revenues are produced by the Property so as to permit a revenue bond financing;

WHEREAS, the Board hereby determines that the estimated cost of financing the acquisition of the Property pursuant to the Contract allows the Town to finance the acquisition of the Property at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the

Town and reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the Town does not anticipate an increase in taxes to pay the installment payments under the Contract, but the increase in taxes, if any, necessary to service the installment payments falling due under the Contract will not be excessive;

WHEREAS, no deficiency judgment may be rendered against the Town in any action for its breach of the Contract, and the taxing power of the Town is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Contract;

WHEREAS, the Town is not in default under any of its debt service obligations;

WHEREAS, the Town's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the Town has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget Ordinance;

WHEREAS, past audit reports of the Town indicate that its debt management and contract obligation payment policies have been carried out in compliance with the law, and the Town has not been censured by the Local Government Commission of North Carolina (the "LGC"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Contract, after publication of a notice with respect to such public hearing, must be held and approval of the LGC with respect to entering the Contract must be received; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA, AS FOLLOWS:

Section 1. That the Mayor and the Town Manager, and their designees, with advice from the Town Attorney and the Town's financial advisor, are hereby authorized and directed to negotiate on behalf of the Town (1) the financing of the acquisition of the Property for a principal amount not to exceed \$3,300,000 under the Contract, to be entered into in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and (2) the provision of a security interest under a deed of trust in the Town's fee simple interest in all or a portion of the real property comprising the Property, together with all improvements thereon, as may be required by the financial institution providing the funds to the Town under the Contract to secure the Town's obligations thereunder.

Section 2. That the Board finds and determines:

- (1) That the proposed Contract is necessary and expedient;
- (2) That the Contract, under the circumstances, is preferable to a bond issue for the same purpose;
- (3) That the sums to fall due under the Contract are adequate and not excessive for its proposed purpose;
- (4) That the Town's debt management procedures and policies are good;
- (5) That the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- (6) That the Town is not in default in any of its debt service obligations.

Section 3. That the Town Manager or his designee is hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the Town and its financial condition as may be required by the LGC.

Section 4. That Parker Poe Adams & Bernstein LLP has been retained by the Town to serve as special counsel for the installment financing and DEC Associates Inc. been retained to serve as financial advisor for the installment financing. The Town Manager, with advice from the Town Attorney, is hereby authorized to retain the assistance of other professionals as they deem necessary and desirable to carry out the intention of this Resolution.

Section 5. That a public hearing shall be conducted by the Board on January 18, 2022 (the "Public Hearing") concerning the approval of the execution and delivery of the Contract for the financing of the acquisition of the Property. The Town Clerk is hereby directed to cause a notice of the Public Hearing, a form of which is attached hereto as Exhibit A, to be published at least once in a qualified newspaper of general circulation within the Town no fewer than 10 days prior to the Public Hearing.

Section 6. That all actions of the Town and its officials, whether previously or hereafter taken in effectuating the proposed installment financing as described herein, are hereby ratified, authorized and approved.

Section 7. That all motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 8. That this Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF BRUNSWICK) SS:

I, *Heather Finnell*, Town Clerk of the Town of Holden Beach, North Carolina, **DO HEREBY CERTIFY** that the foregoing is a true and exact copy of a resolution entitled "RESOLUTION OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO" adopted by the Board of Commissioners of the Town of Holden Beach, North Carolina, at a meeting held on the 21st day of December, 2021.

21st **WITNESS** my hand and the corporate seal of the Town of Holden Beach, North Carolina, this the day of December, 2021.



Heather Finnell

Heather Finnell
Town Clerk
Town of Holden Beach, North Carolina

EXHIBIT A

NOTICE OF PUBLIC HEARING

The Board of Commissioners (the "*Board*") of the Town of Holden Beach, North Carolina (the "*Town*") is considering entering into an installment financing contract (the "*Contract*"), in a principal amount not to exceed \$3,300,000, under which the Town will make certain installment payments, in order to (a) pay the costs of purchasing property in the Town located at 441 Ocean Boulevard W., including the pier (the "*Property*"), and (b) pay the costs associated with entering into the Contract. The Town expects that acquiring the Property will permit the Town to carry out public functions that it is authorized by law to perform, including, without limitation, providing regional public beach access, public parking, recreation and access for beach nourishment and emergency operations. In connection with the Contract, the Town will grant a security interest in all or a portion of the real property comprising the Property, and improvements thereon, for the benefit of the financial institution providing the funds to the Town under the Contract.

NOTICE IS HEREBY GIVEN, pursuant to Sections 160A-20 of the General Statutes of North Carolina, that on January 18, 2022 at 5:00 p.m., or as soon thereafter as practicable, at the Town Hall Public Assembly, 110 Rothschild Street, Holden Beach, NC 28462, the Board will conduct a public hearing concerning the approval of the execution and delivery of the Contract as described above. All interested parties are invited to present comments at the public hearing on the Contract. Any person wishing to comment in writing should do so by submitting comments to Town Hall, 110 Rothschild Street, Holden Beach, NC 28462, Attention: Town Clerk, or heather@hbtownhall.com. Written comments must be submitted between the date of publication of this notice and 24 hours before the public hearing.

/s/ Heather Finnell

Town Clerk

Town of Holden Beach, North Carolina

FINANCIAL ADVISORY AGREEMENT

The Financial Advisory Agreement (the "Agreement") is entered on December 8, 2021, between the Town of Holden Beach, NC ("the Town") and DEC Associates, Inc. ("the Advisor"). The Agreement is specific to the acquisition of the pier property financing specifically "the Financing" dated on or about February 2022.

In connection with the Financing, the Advisor will perform the following services:

1. Advise on matters relating to timing, financing structure, and other related matters,
2. Advise the Town regarding various alternative structures and the design thereof to maximize the economic benefits,
3. Assist the Town in obtaining private placement of the Financing, and the design thereof to maximize the economic benefits by taking request for proposals from the Town's recommended financing partners,
4. Assist in the pricing of the Financing based upon structure, duration, and current market conditions,
5. Assist the Town in obtaining Local Government approval, and
6. Assist in the review of documentation for the transaction.

For these services DEC Associates, Inc. will charge as the fee a sum of \$30,000. This Agreement is cancellable by the Town or the Advisor with thirty (30) days' notice. Upon notice by either party, services provided by DEC will be prorated and billed to the City. This fee does not include services rendered by others.

Our firm is registered with the Securities and Exchange Commission (SEC) as a Municipal Advisor and has MA and MA-I filings with the SEC reviewable on www.SEC.gov. Pursuant to our best practices and registration requirements, our firm, after reasonable diligence, has no known conflicts of interest pursuant to this Agreement. Additionally, our firm is not aware of any material legal or disciplinary events applying to it.

This document has been adopted in the Ordinance required by the Local Government Budget and Fiscal Control Act *DM*



Town of Holden Beach, North Carolina

David Hewett
David Hewett

Town Manager

Title

28 December 2021
Date



DEC Associates, Inc.

Andrew Carter
Andrew Carter

Director

Title

December 8, 2021
Date

An Appraisal Report

of

A combined total of 1.903± Acres being
1.605 acres known as 441 Ocean Boulevard West
a/k/a TMS # 246D-B-001 and also
0.298 acres known as 455 Ocean Boulevard West
a/k/a TMS # 246D-B-002,
Holden Beach,
Brunswick County, North Carolina,

PREPARED FOR

The Town of Holden Beach

AS OF

6 September, 2021

PREPARED BY

ANTON F. B. R. POSTER, SR.

State Certified Residential/General Real Estate Appraiser
North Carolina Certificate #A2048
State Certified General Real Estate Appraiser
South Carolina Certificate #CG 676

File #213617

Anton F.B.R. Poster, Sr.

**EXECUTIVE SUMMARY
Of An Appraisal Report**

Name of Subject ----- The Holden Beach Pier site plus an adjacent
lot, forming a 1.903+ acre parcel
being TMS Parcel #s 246D-B-001 and 246D-B-002

Address ----- 441 and 455 Ocean Boulevard West,
Holden Beach,
Brunswick County, North Carolina

Description of Property ----- One combined commercial parcel with
Atlantic Ocean frontage
and a pier, no
known nor observable obsolescences

Appraisal of ----- Market Value
Property Rights Appraised ----- Fee Simple Estate
Date of Valuation ----- 6 September, 2021

Assignment Report Option ----- Appraisal Report

Appraiser ----- Anton F.B.R. Poster, Sr.
State Certified Residential/General
Real Estate Appraiser, N. C. # A2048,
State Certified General Real
Estate Appraiser, S. C. # CG676

Positive or Negative Influences ----- Atlantic Ocean Frontage

Highest and Best Use
If Vacant ----- Eventual Commercial Development
As Is ----- Eventual Commercial Development

Cost Approach, As If Completed ----- Not Applicable

Sales Comparison Approach I ----- \$ 3,550,000

Sales Comparison Approach II ----- \$ 3,300,000

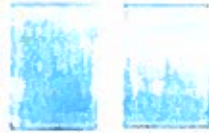
Income Approach ----- Not Applicable

Final Reconciliation ----- \$ 3,500,000

Estimated Exposure Term ----- Twelve (12) Months

Anton F.B.R. Poster, Sr.

**James Powell
Appraisals, LLC**



Anton F.B.R. Poster, Sr.

*Please Make Checks Payable to
James Powell Appraisals, LLC*

DATE: 10 September, 2021


TO: The Town of Holden Beach

In compliance with your request I have completed an inspection of and made an appraisal on a total of 1.903 Acres of land being the Holden Beach Pier site and an adjacent parcel, located at 441 and 455 Ocean Boulevard West, Holden Beach, Brunswick County, North Carolina. This combined parcel is locally known as TMS Parcel #s 246D-B-001 and 246D-B-002.

The purpose of this appraisal is to estimate the Market Value of the Fee Simple Estate of the Subject property as of 16 September, 2021. The definition of market value is expressed by the Federal Banking Agencies as it is found within the attached report, and is abbreviated as "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus..." The definition of Fee Simple Estate from The Appraisal of Real Estate, Ninth Edition, is known as "...absolute ownership unincumbered by any other interest or estate." This appraisal is to be used by you for internal evaluative purposes; the Appraisal Report format is used for this assignment.

This letter is not an appraisal and is a part of the attached report, which includes the results of the analysis contained therein. This letter and the attached report are subject to the Appraisal Restrictions found on the four (4) pages following this letter of transmittal and within the report, including any extraordinary assumptions and/or hypothetical conditions listed therein.

As shown in the attached report, I estimate that the Market Value of the fee simple estate of the Subject is, defined, at \$3,500,000. The marketing time associated with this value is twelve months.


Anton F.B.R. Poster, Sr.
State Certified Residential General Real Estate Appraiser
Appraisal NC Certificate # A1018 State Certified
General Real Estate Appraiser SC Certificate # C1016



Fax #
(910) 555-7071

Mailing Address:
PO Box 959, Shallotte, NC 28429

Telephone #
(910) 555-7070

The enclosed appraisal report, and the related evaluation process, was made subject to and in accordance with the following Assumptions, Limiting Conditions, and Certification:

ASSUMPTIONS AND LIMITING CONDITIONS

The market value of the subject property, as shown and contained in the appraisal report, is made subject to certain assumptions and limiting conditions. Specifically, they are:

1. The date of which this value estimate of the subject property applies is: 6 September, 2021; this is the date of the valuation for the subject being appraised and it is the effective date of the appraisal.
2. No responsibility for matters legal in character is assumed, nor is any opinion rendered as to the title, which is assumed to be good. Any liens or encumbrances (except for any lease encumbrance that might be referred to in the appraisal report) which may exist have been disregarded and the property has been appraised as though no delinquency in the payment of general taxes or special assessments exists, and as though free of indebtedness.
3. Certain information in this report was furnished from sources believed to be reliable; however, such information is not guaranteed to be correct although it has been checked insofar as possible and is believed to be correct.
4. No survey of the subject property was made, or caused to be made, by this appraiser and no responsibility is assumed for the occurrence of such matters.
5. An exterior visual inspection of the property was made. No engineering test borings were made to determine soil bearing qualities. The soil of the area under appraisal appears to be firm and solid, unless otherwise stated. Subsidence in the area is unknown or uncommon, but the appraiser does not warrant against this condition or occurrence.
6. Subsurface rights (minerals and oil) were not considered in making this report, unless otherwise stated.
7. The appraiser, by reason of this report, is not required to give testimony in court with reference to the property herein appraised, nor is he obligated to appear before any government body, board or agent.
8. Any plats or maps in this report are used merely to help the reader visualize the property and its surroundings, and are not certified to be accurate.
9. Possession of this report, or copy thereof, does not carry with it the right to publication, nor may it be used for any purpose by any but the applicant without previous written consent of the appraiser.

ASSUMPTIONS AND LIMITING CONDITIONS - continued

10. Neither all, nor any part, of the contents of this report shall be conveyed to the public through advertising, public relations, news sales or other media, without the written consent and approval of the appraiser.
11. This value estimate must not be used in conjunction with any other appraisal, or intended use, and it is invalid if so used.
12. Use of this report for a stock offering is prohibited.
13. The Legal Description contained in this report describes the entire tract of usable land and was included to show the reader the relationship of its boundaries, where applicable.
14. It is assumed that adequate water and sewer utilities will continue to be available to the subject.
15. It is assumed herein that any improvements under construction and/or proposed, shall be completed in a competent, workman-like manner conforming with the referenced plans and specifications. As per appraisal theory and guidelines, this report assumes that all improvements are complete and occupiable as of the date of this value estimate.
16. No responsibility is assumed for service or operating inspections of equipment in the buildings covered by the appraisal report. It is assumed that all mechanical items are in proper working order.
17. Nor is any responsibility assumed for an inspection of weather tightness of the exterior or interior surfaces of any buildings.
18. No testing of material or equipment was made and no responsibility for same is assured.
19. By acceptance of this appraisal report, the orderer, owner, purchaser, seller, client, lender or any person subsequently receiving this report agrees and understands that the appraiser's liability is limited to the amount of the appraisal fee charged for preparing this appraisal report. This appraisal report is an economic study for value, it is not an engineering, structural, mechanical, feasibility or architectural study.
20. Users of this appraisal report are directed to obtain the services of a professional engineer to determine the presence and/or absence of hazardous materials including, but not limited to: asbestos and/or radon gas and/or urea formaldehyde foam insulation and/or pollutants, as well as the structural integrity of the building and

ASSUMPTIONS AND LIMITING CONDITIONS - continued

the present condition of its mechanical systems, since the Appraiser has made no such inspection expressly or implied and accepts no responsibility therefore.

21. This appraisal is specifically contingent upon, and the appraiser's understanding that, there has been, or will be, a removal of any underground storage tanks which exist or which may have existed on the subject site; also, that there has been no contamination of soils. If contamination has occurred, the contaminated soils and the source of contamination will be removed and the contamination remedied on the subject site in accordance with all federal and state regulations.
22. Acceptance of, and/or use of, this appraisal report by client or any third part constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any any type, and the total liability of appraiser and firm is limited to the amount of the fee received by the appraiser.
23. It is assumed herein that no pollutants are located on site and that nothing on the site has produced pollutants on adjoining sites. Unless specifically stated otherwise in this report, the subject exhibited no positive signs indicating either an existence of or an absence of pollutants or such pollution-creating elements. If the lender/client would like to have assurances as to the existence of pollutants on the subject, then said client should retain the services of a professional corporation designed to test for the existence of such problems.

CERTIFICATION

I certify that, to the best of my knowledge and belief.....

- this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan
- the statements of fact contained in this report are true and correct
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon the reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

CERTIFICATION - Continued

the analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Foundation, as well as the standards and reporting requirements of the Office of the Comptroller of the Currency.

I have made a personal inspection of the property that is the subject of this report.

no one provided significant professional assistance to the person signing this report other than any office assistant(s), who may have assisted in general administrative and or secretarial duties and or assisted with photographs and research of data contained within the report.

The date of valuation for the subject property and the effective date of the appraisal are the same.

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Foundation.

I certify that the use of this report is subject to the requirements of the State of North Carolina and the State of South Carolina relating to review by their duly authorized representatives.

As of the date of this report, I have completed the requirements of the continuing education programs of the State of North Carolina, and the State of South Carolina.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

EXTRAORDINARY ASSUMPTION: Various elements of fact were provided to me by agents of the Client, the local Multiple List Service and or the County, including the estimated square and front footages contained within the site, legal description, assessment and taxes, as well as information regarding wetlands and flood zones, and building zoning. What was provided to me is stated within the appraisal and this appraisal assumes that this information is true and accurate. A variance from any of these assumptions could affect the value(s) found in the appraisal.


Anton F.B.R. Poster, Sr.
State Certified Residential General Real Estate
Appraiser, N.C. Certificate # A7018 State Certified
General Real Estate Appraiser, S.C. Certificate # CC 636



QUALIFICATIONS OF ANTON F. B. R. POSTER, SR.

Biography: Born 6-26-52; Lifetime resident of the Grand Strand;

Married, 3 children; American Legion Award, Science Award; Naval Veteran.

Education: Myrtle Beach School System, 1958-1970

Higher: University of South Carolina, Coastal Carolina Graduate, 1975; Dean's List, Bachelor of Science in Business Administration, Major in Management, Emphases in Psychology, Law, and Real Estate.

Professional: AIREA Course 1-A-1, Course 1-A-2, September, 1979

AIREA Residential Valuation, March, 1981

AIREA Standards of Prof. Practice, July, 1982

AIREA Principals of Capitalization, July, 1983

AIREA Capitalization Theory, Part A, July, 1983

AIREA Hotel/Motel Seminar, October, 1983

AIREA Capitalization Theory, Part B, October, 1984

AIREA Case Studies in RE Valuation, August, 1987

AIREA Valuation Analysis & Report Writing, October, 87

Appraisal Institute Standards, A & B, March, 1992

Sharp's "Do Your Homework" Seminar, March, 1993

Appraisal Institute H&B Use&Market Analysis, November, 93

Appraisal Institute Residential Inspection Seminar, January, 95

Hahn & Associates' "FHA Guidelines" Seminar, May, 95

Sharp's "The Home Inspection" Seminar, March, 1996

Appraisal Institute Standards, A & B, May, 1997

Appraisal Institute Standards of USPAP, Part C, April, 1999

Appraisal Institute Appraisal Procedures, November, 1999

Appraisal Institute Internet Search Strategies Seminar, December, 1999

McKissock, Inc.'s "Residential Construction" Seminar and USPAP Update, May, 2004

Other - Specialized: Computer Programming in Basic, 1980; Marshall Valuation Service Seminars

Professional Experience: (Firm/Position Held/Dates)

Independent Fee Appraiser and Consultant, 1989 - present

Southern Heritage Realty, Broker, 1989 - 1991

Coastal Federal S & L Assn., Chief Appraiser, 1979-1989

Coastal Federal S & L Assn., Vice President, 1986-1989

Coastal Federal S & L Assn., AsstVP, 1980-1986

Coastal Federal S & L Assn., Loan Officer, 1976-1979

Coastal Mortgage Bankers & Realty, Broker in Charge, '81-'89

Dusenbury, Hendrix & Little Law Firm, Paralegal, 1971-1976

* Past Vice President - Ocean Lakes Investment Company, a Real Estate Development Firm.

* Owner of Appraiser Alliance Group of Myrtle Beach, South Carolina.

Special Experience: Calculator and Computer programmer; past Mortgage Secondary Marketing Officer.

Organizations:

* Past Residential Member of the Appraisal Institute of Real Estate Appraisers

* State Certified Residential/General Real Estate Appraiser by the State of North Carolina, Certificate No. A2048

* State Certified General Real Estate Appraiser by the State of South Carolina, Certificate No. CG 676

* Chairman, Sign Ordinance Review Committee and Landscape Ordinance Committee for City of M B

* 5 time Past-President, Arcadian Shores Homeowner's Association

* Licensed and Appointed Lay Reader, Local Episcopal Diocese.

* Past President & Director/Fund Raising Chairman, Myrtle Beach Civitan Club.

* Lifetime Member - Disabled American Veterans

* United States Naval Academy Alumni Association

APPRAISAL IDENTIFICATION

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Market Value of the Fee Simple Estate of the subject. The Subject Data Section of this report describes the subject property in greater detail.

DATE OF THE APPRAISAL

Real estate investment has a high rate degree of risk, and performance and success depended upon management and market equality, and many factors of outside influence. If for any reason substantial events occur after the effective date of this appraisal, the value of the property will change. Substantial events would encompass those of worldwide, national, regional, locale or neighborhood influences. The date of this appraisal is 6 September, 2021.

USE OF THE APPRAISAL

This appraisal is to be used by the client as a means to determine the potential value of the subject property. It is my understanding that this appraisal will be used for to establish market value for internal evaluative purposes by you, the Client: The Town of Holden Beach.

SCOPE OF THE APPRAISAL

The scope, and conditions, of the appraisal assignment will be discussed in detail on the following page of this report. In this appraisal process the following work was done: The site was investigated, as was the surrounding neighborhood and community. As Extraordinary Assumptions it should be noted that various elements of fact were provided to me by agents of the Client, the local Multiple List Service and/or the County, including the property's legal description, acreage, assessment and taxes, as well as information regarding wetlands and flood zones. What was provided to me is stated within the appraisal and this appraisal assumes that this information is true and accurate. Please also note that a variance from any of these Extraordinary Assumptions could (and most likely would) affect the value(s) found within the appraisal. Sales and rental data, as available and applicable, were collected and analyzed. Typical cost, depreciation, and income/expense information was reviewed. The Highest and Best Use for the property was determined. A comparison and analysis was made relating the property and its neighborhood to other, competitive, properties and neighborhoods. The Cost Approach was not developed being deemed potentially misleading. The Sales Comparison (Market) Approach was next applied to the property. It was applied with different, but equally valid methodologies, resulting in two values. The Income Approach was subsequently briefly reviewed. Following this the indications of value were reconciled to a Final Value Estimate of the Subject. An estimate of the marketing period and the potential exposure term for the Subject was developed. Finally, the above work for an appraisal assignment was refined to the enclosed Appraisal Report (which is the format of the assignment) of Defined Value.

DEFINITIONS OF THE APPRAISAL

(1) The definition of **Market Value** which follows is that of the Federal Deposit Insurance Corporation as set forth under publication 12 CFR Part 323.2(f) and has been adopted by the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). This definition is also recognized by the Federal Reserve System as set forth in publication 12 CFR Part 225, Department of the Treasury (OTS) as found in 12 CFR Parts 545, 563 and 564 and Office of the Controller of the Currency as found in 12 CFR Part 34. This definition was not affected by the changes which were published in the Federal Register on 7 June, 1994.

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of the title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

At its national meeting in July 1993 the Board of Directors of the Appraisal Institute adopted new definitions of market value, disposition value and liquidation value. The current definition of market value as established by the Appraisal Institute is:

Market Value is the most probable price which a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale as of a specified date;
-

DEFINITIONS OF THE APPRAISAL – Continued

2. Open and competitive market for the property interest appraised;
3. Buyer and seller each acting prudently and knowledgeably;
4. Price not affected by undue stimulus;
5. Buyer and seller typically motivated;
6. Both parties acting in what they consider their best interests;
7. Adequate marketing efforts made and a reasonable time allowed for exposure in the open market.
8. Payment made in cash in U. S. dollars or in terms of financial
9. Price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(2) "Fair Value" is the cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell - i.e., other than in a forced or liquidation sale.

The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local market conditions. When a current sale is unlikely, i.e., when it is unlikely that the sale can be completed within 12 months, the appraiser must discount all cash flows generated by the property to obtain the estimate of fair value. These cash flows include, but are not limited to those arising from ownership, development, operation and sale of the property. The discount applied should reflect the appraiser's judgment of what a prudent, knowledgeable purchaser, under no necessity to buy, would be willing to pay to purchase the property in a current sale.

Whenever the appraiser believes that more than 12 months is necessary for a fair sale of the property, the appraiser should state and justify the estimated time and should state the annual discount rate applied. The discount applied should be for the entire time period if more than 12 months.

Source: Office of the Comptroller of the Currency, Comptroller's Manual for National Banks, March 1990, Section 7.3025

(3) **Market Value "As Is" on Appraisal Date:** An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.

DEFINITIONS OF THE APPRAISAL - Continued

(4) **Market Value "As If Completed" (Prospective Value) on Appraisal Date:** An estimate of the market value of a property under the stipulations named above but assuming that certain proposed improvements will be completed in the future, as of the date that the appraisal is prepared.

(5) There are many types of ownership of real estate rights and there are many rights to real estate that can be owned. The **Fee Simple** estate of a property is defined as:

"Absolute ownership unencumbered by any other interest or estate; subject only to the limitation of eminent domain, escheat, police power, and taxation."

(From The Dictionary of Real Estate Appraisal)

(6) There are many types of ownership of real estate rights and there are many rights to real estate that can be owned. The **Leasehold Estate** of a property includes the definition of Leasehold Estate from The Appraisal of Real Estate, Eleventh Edition, which is known as:

"...the interest held by the lessee...through a lease transferring specified rights, including the right of use and occupancy, for a stated term under certain conditions."

(7) There are many types of ownership of real estate rights and there are many rights to real estate that can be owned. The **Leased Fee** of a property is defined in The Appraisal of Real Estate, Eleventh Edition, as:

"...an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of the lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease."

(8) "**Market Rent**" is the rental income that a property would most probably command in the open market. The phrase can be used interchangeably with the term "fair rental value".

(From: The Appraisal of Real Estate, Eleventh Edition)

(9) When a tenant pays all expenses of holding a building, including its (1) taxes, (2) insurance premiums, and (3) exterior and mechanical maintenances, the Landlord receives a **Triple-Net Rental**. When the Landlord is responsible for these costs then a **Gross Rental** is paid.

DEFINITIONS OF THE APPRAISAL - Continued

- (10) The 2012-2013 Edition of the Uniform Standards of Professional Appraisal Practice defines **EXPOSURE TIME** as: "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."
- (11) This same source states in Advisory Opinion 7 that the "...reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal." It clarifies that "Marketing time occurs after the effective date of the market value opinion" and that the "...request to provide a reasonable marketing time opinion exceeds the normal information required for the appraisal process and should be separated from that process." The Opinion further states that "...the appraiser must clearly distinguish between a market value opinion allowing for reasonable exposure time and any alternative, appropriately defined, value opinion(s) subject to a special limiting condition resulting from the client imposed marketing time (emphasis added)." For example: in the case of a Subject where a separate, **Liquidation Value** may be requested by the client and subsequently estimated. If specifically the client requested a "Liquidation Value - 90-days" (or words to a similar effect) the, lacking a definition by and from the client this would be presumed to mean (for that assignment) what the property would be felt to be worth if the "reasonable time...allowed for exposure in the open market" portion of the definitions of market value (as applied in the assignment) exceeded 90 days but was less than 12 months.

TYPE OF APPRAISAL

On March 22, 1994, the Appraisal Standards Board adopted certain changes in Standard 2-2 regarding the type of appraisal report options/formats. The effective date of the modifications to the USPAP and Statement 7 was July 1, 1994. These report options and the requirement to have them prominently stated within the appraisal report were continued in changes and modifications made to USPAP as of the effective date of July 1, 2006. The USPAP regulations explicitly defined three different levels of reporting requirements. These different levels were:

Self-Contained Appraisal Report: This is the most detailed and encompassing of the three permitted types of reports. The length and descriptive detail in this type of report should fully support (in a self contained format) the reasoning and conclusions of the appraiser.

Summary Report: This report is less detailed than a Self-Contained Report. In lieu of describing in detail the information considered and the appraisal procedures followed, such information may be included in summary form.

Restricted Report: This report is the least detailed of the three reporting options. Normally, there is only a minimal presentation of information. It is intended for use only by the client. A restricted report must contain a prominent use restriction that limits reliance on the report to the client and cautions that the report can not be properly understood without additional or supportive information from the work file of the appraiser.

As of the new 2014 USPAP regulations these reporting “formats” are no longer applicable. Instead, the Scope of Work Section of this report discusses the depth of the work done in the preparation of an Appraisal Report, and there no longer is a “Self-Contained” nor “Summary Report” format. There is a definite and strong distinction, however, between an “Appraisal Report” and a “Restricted Appraisal Report, with the latter to be used only in (essentially limited occasions. Each assignment must prominently state which format is being used. This assignment, and the assignment results, are presented as an Appraisal Report.

OWNERSHIP/HISTORY/LEGAL DESCRIPTION

The Subject is known by me, and identified in this report, in the following ways:

The property is located at, and fronts on, 441 Ocean Boulevard West (for the ocean front pier site) and also a lot which would have an address of 455 (for a site currently in an ocean front campground) in Holden Beach, Brunswick County, North Carolina.

The subject of this report is a parcel a few miles (to the west of) the intersection of Holden Beach Road (Highway 130) and Ocean Boulevard West, which is the entrance point into Holden Beach in Brunswick County, North Carolina. It is a total of 82,900 square feet (1.903 acres) large, being made up of two contiguous parcels. The parcel known as 441 Ocean Boulevard West holds a pier (originally 675'± long) with a shop and grill building plus parking. This parcel reportedly contains 2.5 acres. This size, though, presumably refers to ownership to the water line, and the usable transferable depth would now be likely (and is for all intents and purposes by the Town's zoning the usable depth) 233' deep times 300 feet width, for a total usable area of 1.605 acres (69,900 square feet). Next door to the west of this site is the mentioned 455 Ocean Boulevard West, which is a 50' wide lot and is 260' deep, holding a total of 13,000 square feet (0.298 acres). The lot is a part of an ocean front campground next door to the pier location (said campground made up of a total of six lots).

The parcel is identified as Tax Map Parcel #s 246D-B-001 (for the pier site) and 246D-B-002, as per the County's Tax Map. It is in the name of Holden Beach Fishing Pier, Inc., which has owned the property for in excess of three (3) years. The legal description for the property is "2.5 AC PLAT 2.5/239" for the larger parcel and "L-80 - 90 S EAST EX PLAT 2.5/239" for the smaller parcel. The larger parcel is currently assessed at \$2,411,090 (\$2,100,000 for the land and \$311,090 for improvements) and the smaller parcel is currently assessed at \$421,400 (\$420,000 for the land and \$1,400 for improvements). **Assessed amounts and actual values typically have little correlation in this County.**

The pier site and this immediate next door lot are unique for Holden Beach in that they are zoned for commercial use. It should be noted that the wood pier itself may or may not be construed as Real Property which is owned by the owner of the pier site, since the portion which extends beyond the lot line and into the Atlantic Ocean lies on land which is owned by the United States as it eventually leads into international waters. Additionally, if the pier is damaged or destroyed then the ability/permission to repair or rebuild said pier may be in the purview of governmental agencies.

The property is under contract for sale for a \$3,250,000 consideration with the contractual purchaser being The Town of Holden Beach.

COMPETENCY STATEMENT

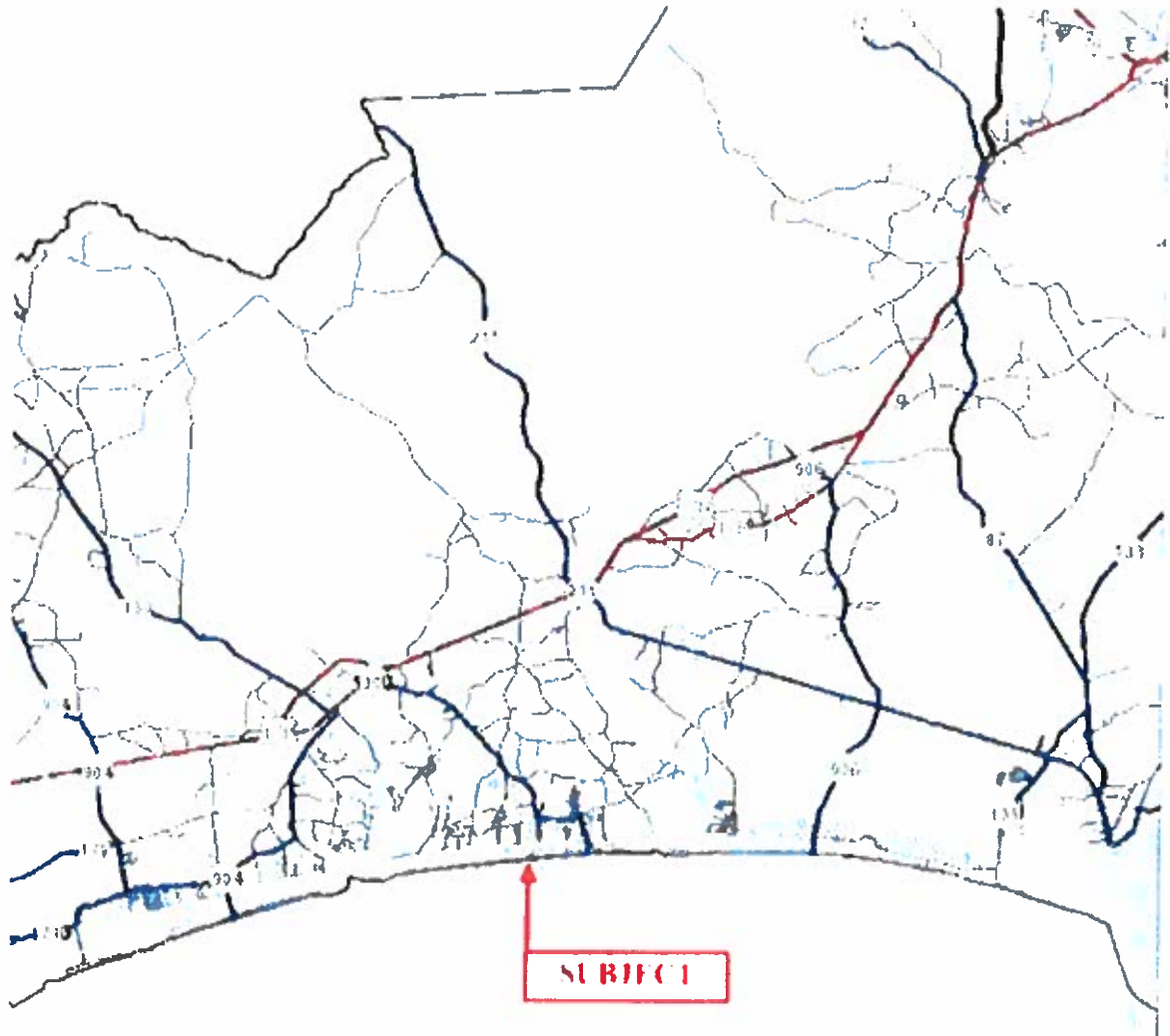
The Uniform Standards of Professional Appraisal Practice (USPAP) contain a provision relative to the ability of the appraiser to perform the appraisal assignment in a competent manner. This provision requires that prior to accepting an appraisal assignment, the appraiser must thoroughly and properly identify the appraisal problem and possess the knowledge and experience to adequately and competently complete the appraisal assignment. In the event the appraiser does not possess adequate background and knowledge with which to properly address the appraisal assignment, he/she may draw upon or associate with another appraiser or consultant who does possess the necessary background and experience. In those instances where association with another individual was utilized, the name(s) of the individual and the extent of the association is identified herein. Therefore, with respect to the preparation of this report, it is the conclusion of the appraiser that the provisions of the competency requirements have been adequately met.

AMERICANS WITH DISABILITIES ACT COMMENT

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser(s) has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of the ADA in estimating the value of the property has not been considered.

AREA ANALYSIS/DESCRIPTION

COASTLINE/COUNTY MAP



COMMUNITY DATA

The subject is located in the southern central section of Brunswick County in the State of North Carolina. Brunswick County is located in the southeastern corner of North Carolina. Its physical boundaries are defined by surrounding counties and the Atlantic Ocean.

Brunswick County is bordered to the north by the Counties of Columbus and Pender, to the east by the County of New Hanover, to the south by the Atlantic Ocean and to the west again by Columbus County as well as Horry County in South Carolina. Horry County contains, along its northeast coast, the Grand Strand. This is a major tourist area which has appeal to both vacationers and retirees. The southern portion of Brunswick County, also along the Atlantic, has effectively become a part of the Grand Strand and shares in its appeal.

The population of Brunswick County has been increasing at an above average rate over the past several years. The 1980 population of Brunswick County was 35,777 according to the U. S. Bureau of Census. This is a 47.7% increase over the 1970 population of 24,223. The increase in population between the years of 1970-1980 was massive but matched by the next, following, increases. The 1990 Census showed the population as 50,985, which was a 42.5% increase over 1980's Census. The 2000 census showed a population of 73,143, for a 43.5% increase in that 10 year span, and the most recent decade census of 2010 shows the population at 107,431, which equals a 46.9% increase relative to the 2000 population. Please note that there is partially completed census data for 2020, yet, but the population estimate for 2019 was 142,820, a 32.9% increase vis-a-vis 2010.

This above average increase in population can most likely be traced to location. Brunswick County's proximity to the Atlantic Ocean, nearby North Myrtle Beach and Myrtle Beach in South Carolina and its rather mild yearly climate are attractions to both potential and permanent residents. The majority of southern Brunswick County is bordered by the Atlantic Ocean. Along this boundary exist numerous beaches which are primarily tourist oriented with summertime populations sometimes tenfold over permanent populations. Brunswick County has two established hospitals. One is located in Southport near the eastern end of the County, while the newer and larger hospital is in a more central location near Supply.

County governmental offices are centrally located in a large, modern complex near Bolivia. Public schools are well placed throughout the County with a high school located in the northern, southern and western sections of the County. A community college is located in Supply which serves area residents. This school recently enlarged on a site to which it had relocated.

COMMUNITY DATA - Continued

Until recently, the road system in Brunswick County could have been described merely as adequate. While sections of a four lane highway existed within the northern sections of the County near Wilmington, the southern section of Brunswick County was made up of two lane roads. U. S. Highway 17 is the main traffic artery through Brunswick County. This road runs in a predominantly north/south direction from Wilmington in adjacent New Hanover County to Myrtle Beach in Horry County, South Carolina. This highway was heavily traveled with traffic congestion a major problem during the summer months.

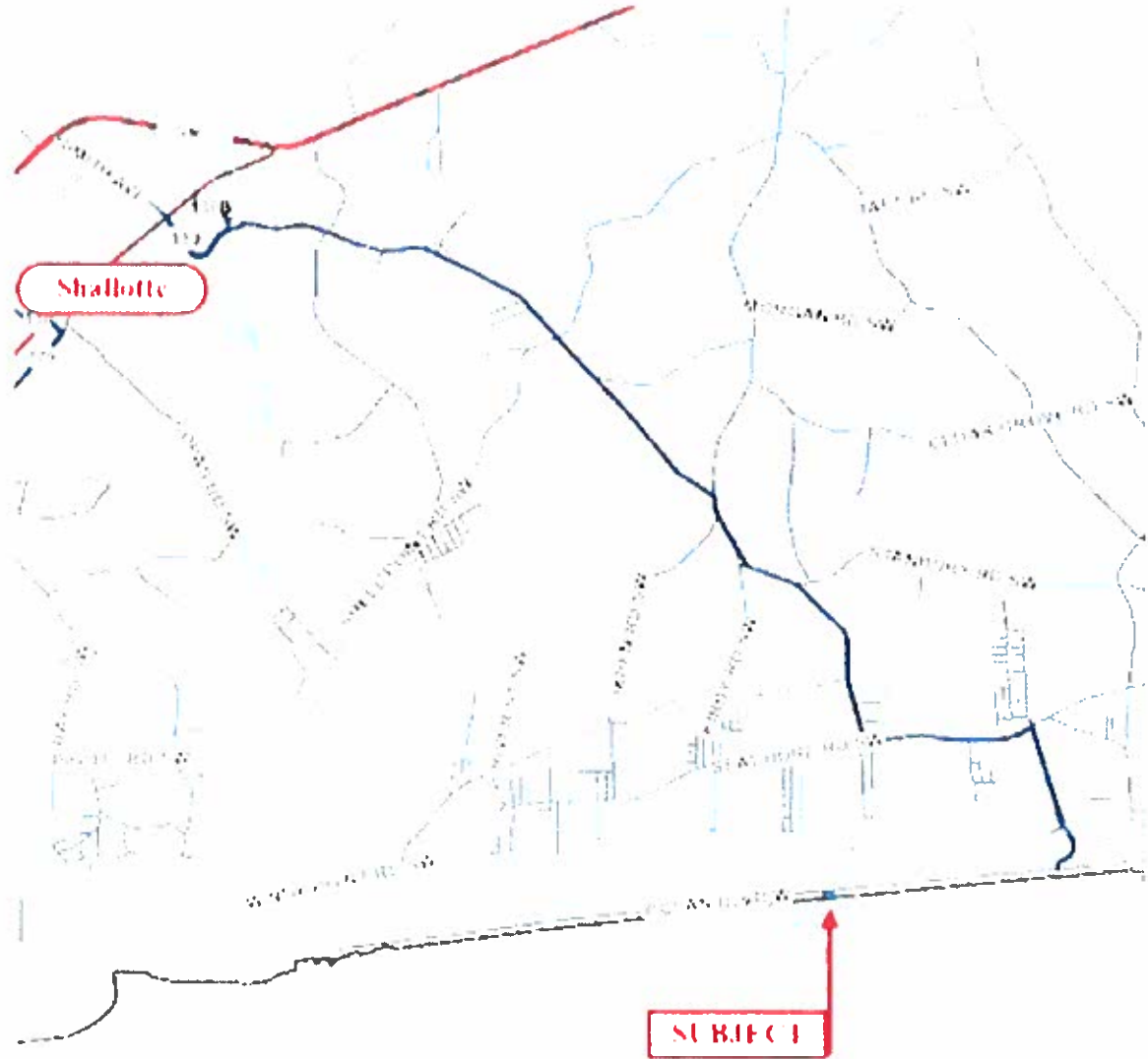
All of Highway 17 within Brunswick County has completed construction for four laning. The completion of the four lane construction on Highway 17 also saw new bypasses built around the Towns of Bolivia and Shallotte and combined these have alleviated most of the traffic problems. The Subject sits on a (the main) road connecting Highway 17 AND downtown Shallotte with Holden Beach's Atlantic Ocean fronting island.

The Towns of Southport and Shallotte are considered the financial and commercial centers of Brunswick County. The township of Supply lies between these two cities. Supply (in the Bolivia area of the County) is connected to Shallotte by Highway 17 and it is connected to Southport by, appropriately enough, the Southport-Supply Road (a/k/a Highway 211). Southport serves the eastern section of the County, while Shallotte serves the southern and western sections. Bolivia lies just off Highway 17 between Shallotte and Wilmington, a large city that is the center of New Hanover County to the East.

As just stated, the Town of Shallotte is considered to be the commercial center of the southern and western sections of Brunswick County. Residents from the nearby towns of Carolina Shores, Calabash, **the Subject's Town of Holden Beach**, Ocean Isle Beach and Sunset Beach travel to Shallotte for banking, retail shopping and other amenities. The area high school and junior high school for these areas is also located in Shallotte. The Subject is located off of Highway 130, a/k/a Holden Beach Road SW outside and to the South of central Shallotte. In fact, the Subject site is at the furthest point South as can be travelled, since it is not just in the highly developed area of the County but **lies directly on the Atlantic Ocean in the densely developed island of Holden Beach**, proper.

The southeastern section of the County is seeing a rapid expansion of commercial facilities as its beaches become more and more of a tourist draw and as increasing golf course facilities attract retirees and retirement and/or golf course oriented neighborhoods.

LOCALE MAP



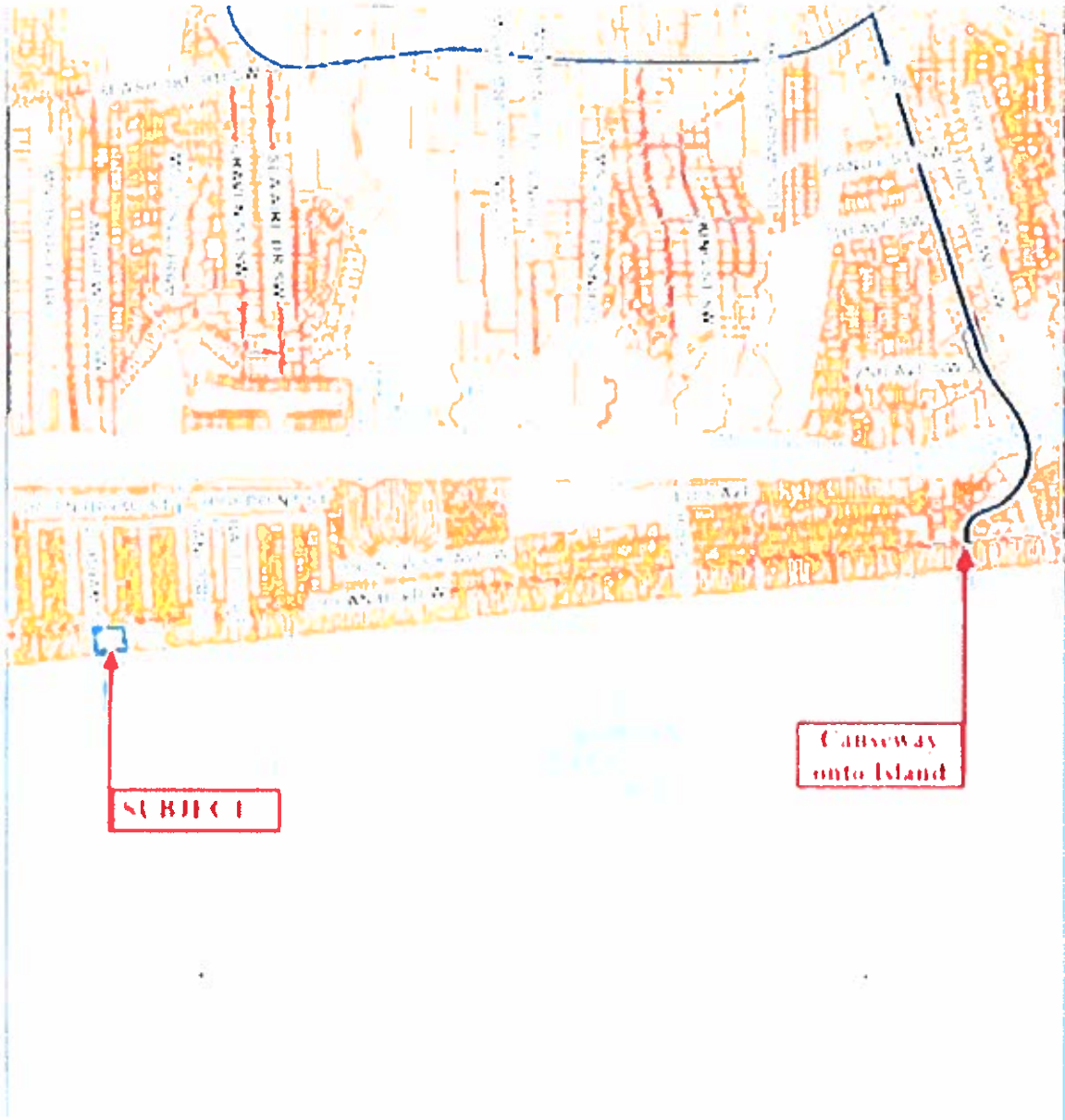
COMMUNITY DATA - Continued

Southport lies, again, on the eastern edge of the County, along the bank of the Cape Fear River. To the South of and paralleling the mentioned Southport-Supply Road is Oak Island, yet another Atlantic Ocean resort area. Like Oak Island, the nearby Sunset Beach and Ocean Isle Beach run in an East/West direction along the Atlantic Ocean. These are all resort oriented towns with a peak population experienced during the summer months of June, July and August. During these months tourists are prevalent with most rental homes/condominiums being rented for weekly occupancy. This is identical to the nature of property in the South Carolina portion/area of the Grand Strand located just to the South of this area, that is, the City of North Myrtle Beach in the State of South Carolina, also a part of the Grand Strand. There are, nonetheless, several year-round residential townships and subdivisions, the latter usually located in golf course plantations.

As previously discussed, the increase in the local tourist business, in general, and number of golf courses coming on line (a factor which expands the tourist season from being Summer months only to Spring and Fall months as well) bodes well for the need for growth in these beaches in the South-Eastern section of Brunswick County which now may be considered to be the Northern end of the Grand Strand.

Unfortunately, the current real estate market across the entire Country is in a slow state, when it comes to commercial property – residential purchases of properties in the \$250,000 to \$500,000, on the other hand, are beginning to increase at an incredible rate, especially in the Subject's and other nearby Coastal Counties. Overall, proximity to normal desirable facilities and amenities such as shopping, employment centers, etc. is good and adequate, with governmental facilities in the nearby area. While the Grand Strand area of North Carolina and Shallotte had historically been somewhat "bulletproof" in the case of most recent (post 1980s) economic downturns, this most recent economic slowdown occurring since late 2008 (sometimes referred to as "The Great Recession") has negatively affected commercial growth and economic health throughout the United States, including the local community and neighborhoods. The Covid situation of 2020 has not helped commercial properties, and reportedly, on a nationwide basis, retail properties dropped over 30% in value through the year and office space properties were "hit" the worst with a loss in value of over 40%. On the other hand, the Subject, which is on the main street paralleling the Atlantic Ocean On Holden Beach Island (Ocean Boulevard) lies in a beach with an extremely small amount of commercially zoned land, which should enhance its desirability. Also highly desirable on the Island, and still strongly in demand, are residential ocean front lots.

NEIGHBORHOOD MAP



PROPERTY DESCRIPTION(S)

NEIGHBORHOOD PHOTOS



Ocean Boulevard West looking East towards Causeway



Ocean Boulevard West looking West

SUBJECT PHOTOS



**Pier/Main Site as seen from directly in front
of the Subject**



**Pier and the Atlantic Ocean located at
the Subject's "rear"**

SUBJECT PHOTOS



**Main Site to the left side of the photograph and
Secondary Site to the right side**



Secondary Site to the immediate West of the Main Site

SUBJECT DATA

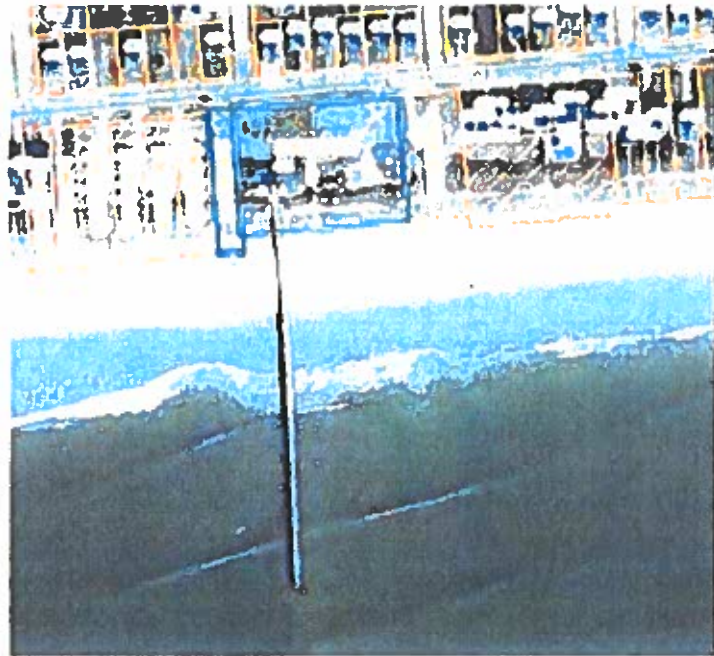
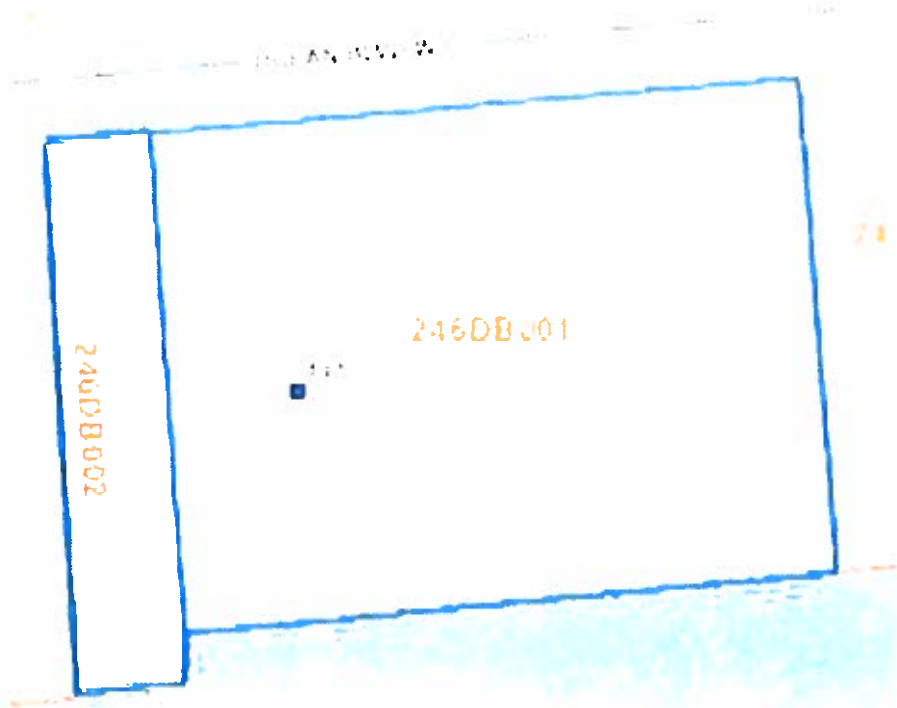
The subject of this report is a parcel a few miles (to the west of) the intersection of Holden Beach Road (Highway 130) and Ocean Boulevard West, which is the entrance point into Holden Beach in Brunswick County, North Carolina. It is a total of 82,900 square feet (1.903 acres) large, being made up of two contiguous parcels. The first parcel is known as 441 Ocean Boulevard West and holds a pier (originally 675'± long) with a shop and grill building plus parking. This parcel is also known as Tax Map Parcel 246D-B-001 and reportedly contains 2.5 acres. This size, though, presumably refers to ownership to the water line, and the usable transferable depth would now be likely (and is for all intents and purposes by the Town's zoning the usable depth) 233' deep times 300 feet width, for a total usable area of 1.605 acres (69,900 square feet). Next door to the west of this site is 455 Ocean Boulevard West, which is a 50' wide lot (it is also known as Tax Map Parcel 246D-B-002) and is 260' deep, holding a total of 13,000 square feet (0.298 acres). The lot is a part of an ocean front campground next door to the pier location (said campground made up of a total of six lots).

The pier site and this immediate next door lot are unique for Holden Beach in that they are zoned for commercial use. It should be noted that the wood pier itself may or may not be construed as Real Property which is owned by the owner of the pier site, since the portion which extends beyond the lot line and into the Atlantic Ocean lies on land which is owned by the United States as it eventually leads into international waters. Additionally, if the pier is damaged or destroyed then the ability/permission to repair or rebuild said pier may be in the purview of governmental agencies.

Both the sites have level, at road grade, terrain with dunes along the Atlantic Ocean and road frontages on Ocean Boulevard. Ocean Boulevard is a 2 lane major road of the town. All mentioned roads are publicly maintained asphalt paved roads.

Utilities provided are presumably full, namely water, electricity, telephone and cable TV and now including sewer. This parcel is conducive to various improvements. The site is in a mandatory Flood Zone. The larger parcel is currently assessed at \$2,411,090 (\$2,100,000 for the land and \$311,090 for improvements) and the smaller parcel is currently assessed at \$421,400 (\$420,000 for the land and \$1,400 for improvements). **Assessed amounts and actual values typically have little correlation in this County.**

GIS MAPs



AERIAL MAP

ENVIRONMENTAL IMPACT COMMENT

This appraiser is not a trained specialist in the field of environmental contamination or cost of environmental clean-up associated with specific contamination. No environmental or concurrency impact studies were either requested nor made in conjunction with this appraisal report. The appraiser(s) thereby, reserve(s) the right to alter, amend, revise, or rescind any of the value opinions based on any subsequent environmental or concurrency impact studies, research, inspection or investigation.

While inspecting the property possible environmental contamination conditions were investigated with simple, practical but unpracticed sense. A checklist is used and areas of suspicion are noted as an unqualified inspector, not necessarily a fact of actual contamination can therefore be noted. If the client or reader of this report desires a qualified opinion as to possible site contamination then someone qualified in the field of environmental contamination and site assessment should be employed by said party to audit the property. Below is a comment as made by the inspecting appraiser(s). A null comment is not a guarantee of the property's status. A positive concern should alert the client/reader to the need for further investigation.

AN ON-SITE INSPECTION REVEALED THE FOLLOWING:

YES NO

- | | | |
|---|-----|-----------|
| 1. Stressed or denuded vegetation or unusual barren areas? | ___ | <u>XX</u> |
| 2. Discoloration, oily, or foul/unusual odors in water? | ___ | <u>XX</u> |
| 3. Storage Drums? | ___ | <u>XX</u> |
| 4. Above or underground storage tanks? | ___ | <u>XX</u> |
| 5. Evidence of petroleum or oil products spillage? | ___ | <u>XX</u> |
| 6. Evidence of PCBs, (electrical transformers, capacitors)? | ___ | <u>XX</u> |
| 7. Existing Structures: | | |
| A. Evidence of chemical or oil spills? | ___ | <u>XX</u> |
| B. Evidence of asbestos (sprayed on)? | ___ | <u>XX</u> |
| C. Sources of air emission contamination? | ___ | <u>XX</u> |
| D. Suspicion of lead-based paint? | ___ | <u>XX</u> |
| 8. Other: <u>N/A</u> | | |

THE APPRAISAL PROCESS

HIGHEST AND BEST USE OF THE SUBJECT

As stated within The Appraisal Of Real Estate, Eighth Edition, Highest and Best Use may be defined in two ways, the first definition: "The Reasonable and Probable Use that supports the highest present value, as defined, as of the date of the appraisal." The alternate definition is: The use, from reasonable, probable and legal alternative usages, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value." "The second definition applies specifically to the highest and best use of land or sites as though vacant. When a site contains improvements, The Highest and Best use may determined to be different from the existing use. The existing use will continue unless or until land value in its Highest and Best Use exceeds the solid value of the entire property in its existing use and the cost to remove the improvements."

The Highest and Best Use of a piece of property, as vacant, is that use which is represented by its land value, as vacant. For this reason, we should determine the Highest and Best Use of the property in its vacant condition to apply to that value that will be found later for the land within the Cost Approach Section of the report. As indicated above, once a property is improved, the existing improvements dictate the maximum value for the land unless the value of the land vacant is, in fact, greater than the value of the total subject property. Therefore, if The Highest and Best Use determination of the property is that its value vacant is greater than the value with the existing improvements, the result of the appraisal must determine that the final value for the subject is the value of the raw land less the cost of demolition of improvements.

The criteria necessary for meeting Highest and Best Use analysis are those items that are (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. The subject site as if vacant is not overly limited in its legal usage by zoning (and any likely applicable restrictions) since "C1" zoning is a designation for commercial development which, as mentioned within the description of the neighborhood, is a very rare designation for properties actually fronting the Atlantic Ocean on the Island of Holden Beach.

In any event the zoning designation would seem to dictate that commercial use would be the most likely use in order to take advantage of the area and the site's Ocean Frontage, if the site were vacant. The presence of the Pier brings up an interesting point, though. The wood pier itself may or may not be construed as Real Property which is owned by the owner of the pier site, since the portion which extends beyond the lot line and into the Atlantic Ocean lies on land which is owned by the United States as it eventually leads into international waters. Additionally, if the pier is damaged or destroyed then the ability/permission to repair or rebuild said pier may be in the purview of governmental agencies.

HIGHEST AND BEST USE – Continued

Within the Income Approach, found later in this report, it is concluded that the pier, if it is Real Estate, does not have a value matching (let alone not exceeding) the value of the Subject's Site, if it were vacant. potentially "in the way" of future maximum development; hence they also have no contributory value. Ideally, the residual value for the improvements on the site will equal the cost of their demolition and/or removal.

Thus, the site as if vacant and "As Is" has eventual commercial development as its Highest and Best Use. However, it should be noted that I have used an analysis of the Subject as a potential source of residential lots. I contacted the City's Building Zoning Department, but they did not confirm if I should be more aggressive in my assumptions as to allowable density. Additionally, ocean front residential lots seem to be appreciating, possibly at a faster rate than commercial land. All of this means that, in the not distant future, the Highest and Best Use for the property may be for a request for rezoning (if need be) and a conversion of the Subject into multiple residential lots. In any event, at this time the combined site "As Is" has eventual commercial development as its Highest and Best Use.

INTRODUCTION TO VALUATION

To appraise an item is to evaluate its worth. The worth of an item is determined by its use, desirability, rarity and the ability of people to purchase the item. As explained by the Eighth Edition of The Appraisal of Real Estate, these items are known as the factors of value. These are the items which create value. There are currently three approaches used to evaluate a property's real estate worth, and they address these factors. All of the approaches eventually use the precept that any property's worth is established by its relationship to alternative commodities, be they other real estate items, alternate or equivalent properties, or other commodities with matching investment utility. The listing of three alternatives is not meant to indicate that each of the three approaches individually addresses only one of the alternatives. Each approach attempts to evaluate value within the real world, and thus use all factors that create or relate to value. Because of this, all of the approaches to evaluating a property use inter-related appraisal principles and techniques such as comparison, market indicators, and expectation valuation.

The three approaches to value are known as the Cost Approach, the Sales Comparison Approach and the Income Approach. The best explanation of each of these is given by the respective interpretation found in the Eighth Edition of The Appraisal of Real Estate:

"In the Cost Approach, the cost to construct a building and the value of an existing building is compared."

"The Sale Comparison Approach is a method of estimating market value whereby a subject is compared with comparable property that has sold recently."

"Income producing property is typically purchased for investment purposes,earning power is the critical element that affects the property's value."

In each of these three approaches there is the potential for an interpretation of the results found. In the end the "interpreter" must have a rationale for his or her choice of translations of what the source is trying to say. The "source", in the case of appraising, is the data discussed within the respective approach. Therefore, each approach must include a reconciliation of the things "said" by the data utilized within the approach. The following approaches are interpretations of real estate market-derived data, and the respective reconciliations are the translations of what the data means.

COST APPROACH

The Cost Approach to real estate evaluation is based on two things: (1) recognition that the buying market frequently relates value of property to cost; and (2) the recognition that the buying market operates by the principle of substitution. This principle asserts that an investor will not pay more to purchase a property than he/she would pay to reconstruct a property of similar utility. Like all appraisal approaches the cost methodology works by comparing the subject to alternative, competitive properties. With the Cost Approach, though, one compares the subject to hypothetical, rather than real, competitive properties.

Obviously, for the approach to work it must make the hypothetical constructed properties truly comparable to the subject. This is done by abstracting from the real world all the aspects that apply to properties. In this way the approach remains an adequate mirror of the market place. For this reason the Cost Approach directly measures all elements negatively influencing the subject. These negative influences are known as obsolescence and depreciations. Those items listed as obsolescences or depreciation within the Highest and Best Use Analysis, regarding the subject, must be carried through to and applied in the Cost Approach. Therefore, this approach uses the principle of Highest and Best Use. Also used are the principles of Supply and Demand, Balance, and Externalities. These three principles, again, bring in comparisons from the real world's demand to the hypothetical model created by the Cost Approach.

There are seven steps to the approach:

- (1) Estimate Site Value, as if vacant.
- (2) Estimate the structure's replacement or reproduction costs.
- (3) Estimate the accrued (see below) depreciation of the structure.
- (4) Deduct all the depreciation from cost estimate the structure's contribution to value.
- (5) Repeat steps 2-4 for all other improvements on the site.
- (6) Add the contributing values of structure and other improvements together.
- (7) Add the Site Value to Item 6 to obtain total value.

Certain definitions help in understanding the approach. The following definitions are modified from *The Appraisal of Real Estate*, eighth Edition. Reproduction is the cost, at current prices, to construct a duplicate of all improvements. Replacement cost is the current cost of improvements having equivalent utility to the subject's improvements. Direct costs include the cost of labor and materials in an improvement. Indirect costs are those that are not included in the direct costs, such as professional

COST APPROACH - Continued

fees, financing cost and miscellaneous developer's holding cost. Entrepreneurial profit is the cost of the developer's reward for taking the risk of construction. Accrued depreciation is the difference between the replacement or reproduction cost and the current market value of the improvements. This last item requires further definitions/explanations.

Accrued depreciation is the aggregate of those potential negative influences of value referred to before herein. These negative items can come from three sources: physical depreciation; functional problems or the improvements; or external influences. Physical deterioration is caused by wear and tear to the improvements, and can affect short-lived items (such as paint or carpet) as well as long-lived items (like the foundation and structural system). Functional problems are created by market perceived deficiencies in the improvement's characteristics. Physical and functional problems on the site and may be correctable by the owner of the subject property. However, correctable or not, they are viewed as curable only if the cost of correction is less than the corresponding increase in market value. External influences are those created off the subject site, and therefore are not correctable by any action of the owner (normally). If these external influences exist and are detrimental to the value of the Subject they become what is known as an External Obsolescence.

In the case of the Subject, the Cost Approach is not applicable. This is due to the fact that the Subject is being evaluated as (and for) its vacant parcel's value with no improvements of contributory/associated value. Thus, all that must be done is complete Step (1), above, and estimate the site value as vacant. This will be done, following, in the Sales Comparison Approach.

Because the Approach would not give any meaningful indicators for the property it is not, therefore, used herein.

METHOD OF EVALUATION SALES COMPARISON APPROACH

As stated in *The Appraisal of Real Estate*, eighth edition, "The sales comparison approach is a method of estimating Market Value whereby a subject is compared with comparable properties that have sold recently." Further explained and defined by this publication are other points regarding this approach. The application of sales comparison involves and integrates critical principles of appraising, such as the principle of supply and demand, balance, substitution, and externalities. It is important to evaluate the rights to ownership, which in this case are the fee simple rights.

The steps for this approach include (1) sales data collection, (2) verification of data, (3) determination of items (also known as units) of comparison, (4) comparison of the subject to the comparable sales, (5) reconciliation of the indication of value. In the collection and verification of data, it is necessary to choose sales of properties which are comparable to the subject. Further, it is necessary to adjust the respective sales price to allow for atypical financing terms or unusual conditions of sale.

As most professional real estate experts are used to reading, in the current extremely slow real estate market it is tempting, and not entirely incorrect, to see an appraiser say "there are no comparable sales for the Subject". Ideally, though, there are some sales that, with appropriate adjustments, can be used as comparable indicators of value for a property. This is especially true for the Subject, since the main, and secondary site(s) are "C1" (commercially zoned in on an island beach town with precious few properties with like zoning. Add to this the oversized nature of the (combined) site(s) and you have a further unique property. Additionally, many times when a property is oversized, or unique, that is a negative quality. In the case of the Subject, though, it allows the Subject to be ideal for many situations. These would include commercial development into (a) restaurant space, or (b) retail shops, or (c) entertainment or amusement venues, to name a few possibilities. Any or all of these spaces would need a larger commercially zoned site.

Obviously, then, what we need to do is to take what sales we do have and make an adjustment to them to convert the value of the available sales to a value of and for the Subject site. Attached is a "Statistical Market Analysis", on two pages, that was compiled from the local Multiple List Service. It combines the data on sales and active listings for ocean front properties in Holden Beach which went under contract and closed in the past year (3 September, 2020 to 3 September, 2021). The highlighting has been added. There were 10 sales and there are five current listings. The fifteen pages following the first two pages are specific listings of those sales/listings.

Please review the following seventeen pages. I call attention to the top of the first following page, highlighted and underlined, which finds the average price per residential lots' square footage as \$24.45.

Statistical Market Analysis

Status #	List Listings	Sold Volume	List Price	Sold Price	Sale/List Price	Lot SqFt	List Price Per Lot SqFt	Sold Price Per Lot SqFt	Days on Market	Cumulative Days on Market	
Active	5	4 189 800	Low	735 000	0	0 00	12 550	44 78	0 00	11	11
			Avg	837 960	0	0 00	15 336	52 65	0 00	95	95
			High	1 190 000	0	0 00	26 572	59 75	0 00	164	164
Closed	10	6 074 200	Low	339 900	325 000	0 91	5 227	9 50	9 43	0	0
			Avg	607 420	584 090	0 95	39 479	25 35	24 45	373	453
			High	1 100 000	1 050 000	1 00	102 802	65 03	62 18	1 125	1 160
Overall:	15	10 264 000	Low	339 900	325 000	0 91	5 227	9 50	9 43	0	0
			Avg	684 267	584 090	0 96	31 765	34 45	24 45	280	334
			High	1 190 000	1 050 000	1 00	102 802	65 03	62 18	1 125	1 160



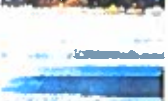


Selection Criteria for Comparable Properties

Specified listings from the following search: Property type Land, Status of 'Active', 'Closed', 'Pending', 'Pending with Showings', City of Holden Beach, Lot Water Features of Ocean Front, Under Contract Date between '09/3/2020' and '09/3/2031', Sold Date between '09/3/2020' and '09/3/2031'

Fannie Mae 1004MC Statistics

Inventory Analysis	Prior 7-12 Months 9/3/2020 - 3/2/2021	Prior 4-6 Months 3/3/2021 - 6/2/2021	Current - 3 Months 6/3/2021 - 9/3/2021
Total # of Comparable Sales (Settled)	8	2	0
Absorption Rate (Total Sales/Months)	1.33	0.67	0.00
Total # of Active Listings	0 (Active on 3/2/2021)	2 (Active on 6/2/2021)	5 (Active on 9/3/2021)
Months of Housing Supply (Total Listings / Ab. Rate)	0	2.99	
Median Sale & list Price, Dom, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months
Median Comparable Sale Price	517 500	672 500	
Median Comparable Sales DOM	350	1	
Median Comparable List Price		735 000	749 900
Median Comparable Listings DOM		164	69
Median Sale Price as % of List Price	95 00 %	97 00 %	

Active Listings

Photo	MLS #	Address	Sub-Type	County	Subdivision	Acres	Total Listing Member
	100287382	437 Ocean Boulevard W	RS	Brunswick	Not In Subdivision	0.61	Alan Holden REALTOR® Entertus
	100278404	241 Ocean Boulevard W	RS	Brunswick	Other	0.29	Tiffany Hobbs Wilson
	100278413	243 Ocean Boulevard W	RS	Brunswick	Other	0.35	Tiffany Hobbs Wilson
	100262786	107 Ocean Boulevard W 16&4	RS	Brunswick	RH Holden	0.32	Mary B Overocker
	100262782	105 Ocean Boulevard W 5&17	RS	Brunswick	RH Holden	0.32	Mary B Overocker

Closed Listings

Photo	MLS #	Address	Sub-Type	County	Subdivision	Acres - Listing Member Total
	100254861	336 Serenity Lane 25	RS	Brunswick	Holden Beach	1.4 Mary B Overstock
	100229519	336 Serenity Lane 26	RS	Brunswick	Holden Beach	1.61 Mary B Overstock
	100073204	1357 Ocean Boulevard W 210	RS	Brunswick	Holden Beach West	0.72 Alan Holden REALTOR® Emeritus
	100105241	1231 Ocean Boulevard W 20	RS	Brunswick	Holden Beach West	0.78 Anne Arnold
	100195242	1235 Ocean Boulevard W 22	RS	Brunswick	Holden Beach West	1.16 Anne Arnold
	100185919	1223 Ocean Boulevard W 16&17	RS	Brunswick	Holden Beach West	2.36 Anne Arnold
	100226690	194 Ocean Boulevard E 75	RS	Brunswick	Not In Subdivision	0.12 Alan Holden REALTOR® Emeritus
	100295993	283 Clarks Brooks 1 975 835	RS	Brunswick	Not In Subdivision	1.32 Alan Holden
	100127846	357 Ocean Boulevard W	RS	Brunswick	Not In Subdivision	0.32 Alan Holden REALTOR® Emeritus
	100130613	279 Ocean Boulevard W 8 18	RS	Brunswick	Not In Subdivision	0.38 Alan Holden REALTOR® Emeritus

Information is deemed to be reliable, but is not guaranteed. Data may have come from public tax records. © 2021 MLS and FBS. Prepared by James Powell on Friday, September 03, 2021 1:19 PM

100254561 336 Serenity Lane, Holden Beach, NC 28462 Closed
 Land Lot # 25 Sold Price: \$750,000
 Listing Office: Coastal Development & Realty



Sub-Type:	Residential Land	HOA:	Yes
City Limits:	Yes	HOA Annual Amt:	\$1,000
County:	Brunswick	HOA Company:	Dunescape POA
Location Type:	Island	HOA Phone:	910-846-3193
Lot #:	25	Zoning:	residential
Marketing City:	Holden Beach Island	Acres - Total:	1.4
Subdivision:	Dunescape	Deed:	Yes
Secondary Subdivision:	N/A	Restriction:	100x638x100x610 confirm with survey
Elem. School:	Virginia Williamson	Dimensions:	61,000
Middle School:	Cedar Grove	Lot SqFt:	100
High School:	West Brunswick	Total Road Frontage:	100
School District:	Brunswick	Water Frontage:	100
		Waterfront:	Yes
		Waterview:	Yes

Bldgs on Property: None
Environmental Hazard: Unknown
Terms: Cash, Conventional
Fuel Tank: None

HOA and Neigh Amenities: Basketball, Clubhouse, Pool, Tennis
Lot Water Features: Ocean Front, Ocean View

Possession: At Closing
Road Type/Frontage: Private
Soil Evaluation: Soil Evaluation - No
Showing Instructions: Show Anytime
Topography: Rolling

Cobra Zone:	No	Federal Flood Ins Avlbl:	Yes	Plat Page:	234-235
Total City Real Estate Property Tax:	1.289	Tax Identifier:	232mp025	Total Real Estate Property Taxes:	3,465
Deed Book:	1137	Plat Book:	18	Special Assessments:	369.64 Holden Beach Sewer Cap
Deed Page:	1289			Tax Assessed Value:	\$450,000
Deferred Taxes:	No			Tax Year:	2020

Marketing/Public Remarks: Here is a rare opportunity to purchase a 1.4-acre plus oceanfront home site in private, gated Dunescape on Holden Beach, NC! This 100-foot wide home site at 336 Serenity Lane is deep so you can build your dream home and not worry about beach erosion. Dunescape's 12-foot side setback means your neighbor's house will be at least 24 feet away. Natural beauty is preserved throughout Dunescape, including in the 20-acre neighborhood common area on the eastern point of the island. A pool and cabana with beautiful ocean views, two tennis courts, a full basketball court, and a sand volleyball court are nestled in the common area. A boardwalk and walking paths wind through the common area's dunes, sea oaks and cedars to the ocean, inlet and Intracoastal Waterway beaches. Dunescape's 6-bedroom limit for oceanfront and 5-bedroom limit for all other home sites protects your serenity. Dunescape is a beautiful haven of towering sand dunes located only one mile from the bridge.

Legal: Lot 25 Dunescape Planned Res. Development
Showing Instructions: CALL LISTING OFFICE FOR DUNESCAPE CODE SHOW ANY TIME
Appointment Contact: Tammy or Joan, Appt. Center Phone: 9108424939
Directions to Property: Left off Holden Beach Bridge to Dunescape Entrance on your left. Please call listing office for Gate Code

Agreement Service:	Full Service	Effective Date:	01/29/2021	Sold Date:	03/09/2021
Agreement Type:	Exclusive Right to Sell	Listing Price:	\$790,000	Sold Price:	\$750,000
Auction:	No	Original List Price:	\$790,000	Sold	\$535,714.29
Owner:	Dunescape Corporation	SPI/LP%:	94.94%	Price/Acre:	
Broker Owner:	No	Prospect Exempt:	No	Status:	Closed
Seller Rep.:	Has owned the property for at least one year	Stipulation of Sale:	None	Status Change Date:	03/09/2021
Buyer Agent Comm:	5%	Sub Agent Comm:	0%	Proposed Closing Date:	03/05/2021
Cumulative DOM:	1	Variable Comm:	No	Closing Date:	
Days On Market:	1	Buyer Financing:	Cash	Under Contract Date:	01/30/2021
Listing Price:	\$790,000			Date:	
List Price/Acre:	\$564,285.71			DUC:	38
				Post Closing:	Due Diligence Date 03/02/2021, Seller Concessions Y/N: No

	Name	Office	Primary	Other Office	E-mail	Other Email
Listing Member:	Mary B Overocker 185385	Listing Office: Coastal Development & Realty C8869	910-470-7653	910-842-4939	mdy@mdyoverocker.com	
Selling Member:	Mary B Overocker	Selling Office: Coastal Development & Realty C8869	910-470-7653	910-842-4939	mdy@mdyoverocker.com	

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00229519 .and 338 Serenity Lane , Holden Beach NC 28462 Lot # 26 Closed Sold Price: \$620,000
Listing Office: Coastal Development & Realty



Sub-Type: Residential Land HOA: Yes
 City Limits: Yes HOA Annual: \$1,000
 County: Brunswick HOA Amt: \$1,000
 Location Type: Island HOA Company: Dunescape POA
 Lot #: 26 HOA Phone: 910-846-3193
 Marketing City: Holden Beach Island HOA Zoning: residential
 Subdivision: Dunescape Acres - Total: 1.51
 Secondary Subdivision: N/A Deed: Yes
 Elem. School: Virginia Williamson Restriction:
 Middle School: Cedar Grove Lot: 100x631x100x638 confirm
 High School: West Brunswick Dimensions: with survey
 School District: Brunswick Lot SqFt: 65,776
 Total Road: 100
 Frontage:
 Water Frontage: 100
 Waterfront: Yes
 Waterview: Yes

Bldgs on Property: None HOA and Neigh Amenities: Basketball, Clubhouse, Road Type/Frontage: Private
 Environmental Hazard: Unknown Pool, Tennis Soil Evaluation: Soil Evaluation - No
 Fuel Tank: None Lot Water Features: Ocean Front, Ocean View Showing Instructions: Show Anytime
 Topography: Rolling

Cobra Zone: No Federal Flood Ins Avbl: Yes Plat Page: 234-235
 Total City Real Estate Property Tax: 1,269 Tax Identifier: 232mp026 Total Real: 3,465
 Deed Book: 1137 Plat Book: 18 Estate Property
 Deed Page: 1289 Taxes:
 Deferred Taxes: No Special: 369.64 Holden Beach Sewer Cap
 Assessments:
 Tax Assessed: \$450,000
 Value:
 Tax Year: 2019

Marketing/Public Remarks: Here is a rare opportunity to purchase a 1.5-acre oceanfront home site in private, gated Dunescape on Holden Beach, NC! This 100-foot wide home site at 338 Serenity Lane is deep, so you can build your dream home and not worry about beach erosion. Dunescape's 12-foot side setback means your neighbor's house will be at least 24 feet away. Natural beauty is preserved throughout Dunescape, including in the 20-acre neighborhood common area on the eastern point of the island. A pool and cabana with beautiful ocean views, two tennis courts, a full basketball court, and a sand volleyball court are nestled in the common area. A boardwalk and walking paths wind through the common area's dunes, sea oaks and cedars to the ocean, inlet and Intracoastal Waterway beaches. Dunescape's 6-bedroom limit for oceanfront and 5-bedroom limit for all other home sites protects your serenity. Dunescape is a beautiful haven of towering sand dunes located only one mile from the bridge.
 Legal: L-26 DUNESCAPE PLAT 18/234-235

Showing Instructions: CALL LISTING OFFICE FOR DUNESCAPE CODE: SHOW ANY TIME
 Appointment Contact: Listing office Appt. Center Phone: 9108424939
 Directions to Property: Right off Holden Beach Bridge left at Dunescape Dr. Right on Windswept Way, left on Serenity home site on the right.

Agreement	Full Service	Effective Date:	07/31/2020	Sold Date:	12/18/2020
Service:		Listing Price:	\$625,000	Sold Price:	\$620,000
Agreement Type:	Exclusive Right to Sell	Original List Price:	\$625,000	Sold:	\$410,596.03
Auction:	No	SP/LP%:	99.20%	Price/Acre:	
Owner:	Dunescape Corporation	Prospect Exempt:	No	Status:	Closed
Broker Owner:	No	Stipulation of Sale:	None	Status Change:	12/18/2020
Seller Rep.:	Has owned the property for at least one year	Sub Agent Comm:	0%	Date:	
Buyer Agent Comm:	5%	Variable Comm:	No	Proposed Closing Date:	12/15/2020
Cumulative DOM:	23	Buyer Financing:	Cash	Under Contract:	09/13/2020
Days On Market:	23			Date:	
				DUC:	96
Listing Price:	\$625,000			Post Closing:	Due Diligence Date: 10/10/2020; Seller Concessions Y/N: No
List Price/Acre:	\$413,907.28				

Name	Office	Primary	Other Office	E-mail	Other Email
Listing Member: Mary B Overocker 185385	Listing Office: Coastal Development & Realty C6869	910-470-7653	910-842-4939	mindy@mindyoverocker.com	
Selling Member: Wyndi Gundrum Sales by Wyndi	Selling Office: Coldwell Banker Sloane Realty OIB C1828	910-443-1170	910-579-1144	wyndi@atmc.net	

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100073204 Land 1357 Ocean Boulevard W, Holden Beach, NC 28462 Lot # 210 Closed Sold Price: \$425,900

Listing Office: RE/MAX at the Beach / Holden Beach



Sub-Type:	Residential Land	HOA:	Yes
City Limits:	Yes	HOA Annual Amt:	\$550
County:	Brunswick	HOA Company:	Holden Beach West
Location Type:	Island	HOA Phone:	910-269-3071
Lot #:	210	Zoning:	HB-R-1
Marketing City:	Holden Beach Island	Acres - Total:	0.72
Post Direction:	W	Deed Restriction:	Yes
Subdivision:	Holden Beach West	Lot Dimensions:	83x440x74x460
Secondary Subdivision:	N/A	Lot SqFt:	31,363
Elem. School:	Virginia Williamson	Total Road Frontage:	83
Middle School:	Cedar Grove	Water Frontage:	74
High School:	West Brunswick	Waterfront:	Yes
School District:	Brunswick	Waterview:	Yes

©2016 NCRMIS

Bldgs on Property: None	Fencing: None	Possession: At Closing
Environmental Hazard: Unknown	HOA and Neigh Amenities: Gated Community;	Road Type/Frontage: Paved Private
Terms: Cash Conventional	Maint - Comm Areas: Maint - Roads; No Amenities	Soil Evaluation: Soil Evaluation - No
Fuel Tank: None	Lot Description: Subdivision	Showing Instructions: Show Anytime
	Lot Water Features: Ocean Front, Ocean View	Topography: Cleared
		Utilities: Municipal Sewer Available, Municipal Water Available

Cobra Zone: No	Federal Flood Ins Avlbl: Yes	Plat Page: 152
Deed Book: 1499	Tax Identifier: 245ga04211	Special Assessments: \$497 sewer fee paid yearly
Deed Page: 455	Plat Book: 22	Tax Assessed Value: \$525,000
Deferred Taxes: No		Tax Year: 2016

Marketing/Public Remarks: Beautiful Oceanfront lot located in the gated community of Holden Beach West. This lot has natural dunes spreading to the white sandy beach. 72 acre for you to enjoy. Build your dream home and start your Holden Beach memories. Holden Beach has been rated #1 family beach in America. If you enjoy swimming, beach walker, boating, fishing and shell seeking this is the spot. Located between Wilmington and Myrtle Beach for easy day trips. RELAX your at the Beach.

Legal: L-210 72AC HOLDEN BCH WEST PLAT 22/152

Showing Instructions: call for gate code, vacant land show anytime

Appointment Contact: sales office Appt. Center Phone: 910-842-8686

Directions to Property: Highway 130 over Holden Beach bridge. Right on Ocean Blvd W to gate. Sign on property

Agreement Service: Full Service	Effective Date: 07/18/2017	Sold Date: 10/21/2020
Agreement Type: Exclusive Right to Sell	Listing Price: \$449,900	Sold Price: \$425,900
Auction: No	Original List Price: \$499,900	Sold \$591,527.78
Owner: The Edward A Wertzberger Trust	SP/LP%: 94.67%	Price/Acre:
Broker Owner: No	Prospect Exempt: No	Status: Closed
Seller Rep.: Has owned the property for at least one year	Stipulation of Sale: None	Status Change Date: 10/22/2020
Buyer Agent Comm: 4%	Sub Agent Comm: 0%	Proposed Closing Date: 10/05/2020
Cumulative DOM: 1125	Variable Comm: No	Under Contract Date: 08/19/2020
Days On Market: 1125	Buyer Financing: Conventional	Date:
Listing Price: \$449,900		DUC: 63
List Price/Acre: \$624,861.11		Post Closing: Due Diligence Date, 09/15/2020
		Seller Concessions Y/N: No

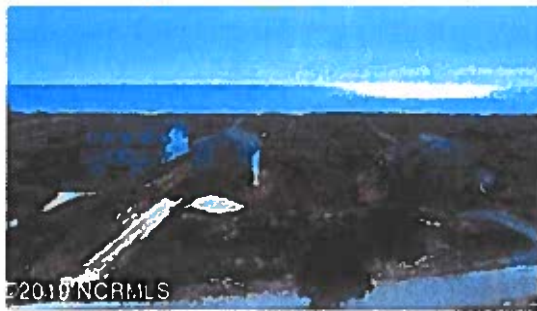
	Name	Office	Primary	Other	Office	E-mail	Other Email
Listing Member:	Alan Holden REALTOR® Emeritus 39655	Listing Office: RE/MAX at the Beach / Holden Beach	910-842-8686	910-842-8686	910-842-8686	alan@alanholdenreally.com	
Selling Member:	A Non Member	Selling Office: A Non Member NonMemberLicense				admin@ncrmis.com	

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00195241 and 1231 Ocean Boulevard W, Holden Beach, NC 28462 Lot # 20 Closed Sold Price: \$550,000

Listing Office: PROACTIVE Real Estate



Sub-Type:	Residential Land	HOA:	Yes
City Limits:	Yes	HOA Annual Amt:	\$615
County:	Brunswick	HOA Company:	HBW
Location Type:	Island	HOA Phone:	910-842-1404
Lot #:	20	Zoning:	HB-R-1
Marketing City:	Holden Beach	Acres - Total:	0.78
Post Direction:	W	Deed Restriction:	Yes
Subdivision:	Holden Beach West	Lot Dimensions:	71x487x75x473
Secondary Subdivision:	N/A	Lot SqFt:	33,977
Elem. School:	Virginia Williamson	Total Road Frontage:	75
Middle School:	Cedar Grove	Water Frontage:	71
High School:	West Brunswick	Waterfront:	Yes
High School 2:	Early College	Waterview:	Yes
School District:	Brunswick		

Bldgs on Property: None	Fencing: None	Possession: At Closing
Environmental Hazard: No	HOA and Neigh Amenities: Gated Community, Main - Roads, See Remarks	Road Type/Frontage: Maintained, Paved, Private
Fuel Tank: None	Lot Description: See Remarks	Soil Evaluation: Other: Sewer
	Lot Water Features: ICW View, Marsh View, Ocean Front, Ocean View, Water View	Showing Instructions: Show Anytime
		Service Providers: Electric Provider: Brunswick Electric, Sewer Provider: City/Town, Water Provider: City/Town
		Topography: Rolling
		Electric Provider: Brunswick Electric
		Utilities: Municipal Sewer Available, Municipal Water Available

Cobra Zone: No	Federal Flood Ins Avbl: Yes	Plat Page: 367
Total City Real Estate Property Tax: 1,050	Tax Identifier: 245fb034	Total Real: 3,176
Deed Book: 1568	Plat Book: L	Estate Property Taxes:
Deed Page: 530		Special Assessments: 369.64 Sewer Cap Fee by town
		Tax Assessed: \$525,000
		Value:
		Tax Year: 2019

Marketing/Public Remarks: Outstanding opportunity to own ocean front property on Holden Beach West, a gated community with covenants. Amazing property ready for construction! 71' X Approx 750' based on recent survey on lots in the vicinity

Agent Remarks: Holden Beach West PH I

Legal: L 20 HB WEST PLAT L/367

Showing Instructions: Go and show vacant lot - call ShowingTime for gate code 888-746-9995

Appointment Contact: none needed. Appt. Center Phone: none needed

Directions to Property: Right off Holden Beach Bridge. Call ShowingTime for code for Holden Beach West Gate.

Agreement Type: Exclusive Right to Sell	Effective Date: 12/04/2019	Sold Date: 01/08/2021
Auction: No	Listing Price: \$550,000	Sold Price: \$550,000
Owner: Baker	Original List Price: \$550,000	Sold: \$705,128.21
Broker Owner: No	SP/LP%: 100.00%	Price/Acre:
Seller Rep.: Has owned the property for at least one year	Prospect Exempt: No	Status: Closed
Buyer Agent Comm: 5%	Stipulation of Sale: None	Status Change Date: 01/09/2021
Cumulative DOM: 341	Sub Agent Comm: 0%	Proposed Closing Date: 01/14/2020
Days On Market: 341	Variable Comm: No	Under Contract Date: 11/09/2020
	Buyer Financing: Conventional	Date:
Listing Price: \$550,000		DUC: 60
List Price/Acre: \$705,128.21		Post Closing: Due Diligence Date 12/18/2020; Seller Concessions Y/N No

Listing Member: Anne Arnold 110629	Office: Listing Office: PROACTIVE Real Estate C24714	Primary: 910-367-1202	Other Office: 910-842-1616	E-mail: annearnoldHB@gmail.com	Other Email:
Selling Member: Jeanette Sanderson	Office: Selling Office: RE/MAX Southern Coast C27185				910-363-4565

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100195242 Land 1235 Ocean Boulevard W. Holden Beach, NC 28462 Lot # 22 **Closed**
 Sold Price: \$500,000

Listing Office: PROACTIVE Real Estate



Sub-Type: Residential Land
City Limits: Yes
County: Brunswick
Location Type: Island
Lot #: 22
Marketing City: Holden Beach Island
Post Direction: W
Subdivision: Holden Beach West
Secondary Subdivision: N/A
Elem. School: Virginia Williamson
Middle School: Cedar Grove
High School: West Brunswick
High School 2: Early College
School District: Brunswick
HOA: Yes
HOA Annual Amt: \$615
HOA Company: HBW
HOA Phone: 910-842-1404
Zoning: HB-R-1
Acres - Total: 1.16
Deed Restriction: Yes
Lot Dimensions: 72x700
Lot SqFt: 50,400
Total Road Frontage: 72
Water Frontage: 72
Waterfront: Yes
Waterview: Yes

Bldgs on Property: None
Environmental Hazard: No
Terms: Cash, Construction to Perm
Fuel Tank: None
Fencing: None
HOA and Neigh Amenities: Gated Community
Maint - Roads, See Remarks
Lot Description: See Remarks
Lot Water Features: ICW View, Marsh View, Ocean Front, Ocean View, Water View
Possession: At Closing
Road Type/Frontage: Maintained; Paved, Private
Soil Evaluation: Other: Sewer is available
Showing Instructions: Show Anytime
Service Providers: Electric Provider: Brunswick Electric, Sewer Provider: City/Town; Water Provider: City/Town
Topography: Rolling
Electric Provider: Brunswick Electric
Utilities: Municipal Sewer Available; Municipal Water Available

Cobra Zone:	No	Tax Identifier:	245fb036	Plat Page:	50
Total City Real Estate Property Tax:	1,050	Plat Book:	7	Total Real Estate Property Taxes:	3,176
Deed Book:	1568			Special Assessments:	\$369.64 Sewer Cap Fee by Town
Deed Page:	530			Tax Assessed Value:	\$525,000
				Tax Year:	2019

Marketing/Public Remarks: Holden Beach Ocean Front lot ready to construct! Located inside Holden Beach West gated community with covenants. Amazing property huge dunes. Lots in the vicinity have been recently surveyed to be 750' in depth!
Agent Remarks: Holden Beach West Ph I
Legal: L-22 HB WEST PLAT 7/50
Showing Instructions: Go and show - vacant lot - Call Showing Time 888-746-9995 for code to community
Appointment Contact: none needed. Appt. Center Phone: none needed
Directions to Property: Right off Holden Beach Bridge. Call Showing Time for code for Holden Beach West

Agreement Type:	Exclusive Right to Sell	Effective Date:	12/04/2019	Sold Date:	01/05/2021
Auction:	No	Listing Price:	\$550,000	Sold Price:	\$500,000
Owner:	Patsy G Baker TTE	Original List Price:	\$550,000	Sold	\$431,034.48
Broker Owner:	No	SP/LP%:	90.91%	Price/Acre:	
Seller Rep.:	Has owned the property for at least one year	Prospect Exempt:	No	Status:	Closed
Buyer Agent Comm:	5%	Stipulation of Sale:	None	Status Change Date:	01/06/2021
Cumulative DOM:	315	Sub Agent Comm:	0%	Date:	
Days On Market:	315	Variable Comm:	No	Proposed Closing Date:	01/05/2021
Listing Price:	\$550,000	Buyer Financing:	Cash	Under Contract Date:	10/14/2020
List Price/Acre:	\$474,137.93			Date:	
				DUC:	83
				Post Closing:	Due Diligence Date: 11/03/2020, Seller Concessions Y/N: No

	Name	Office	Primary	Other Office	E-mail	Other Email
Listing Member:	Anne Arnold 110629	Listing Office: PROACTIVE Real Estate C24714	910-367-1202	910-842-1616	annearnoldHB@gmail.com	
Selling Member:	Anne Arnold	Selling Office: PROACTIVE Real Estate C24714	910-367-1202	910-842-1616	annearnoldHB@gmail.com	

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00185919 and 1223 Ocean Boulevard W. Holden Beach, NC 28462 Lot # 16&17 Closed Sold Price: \$1,050,000

Listing Office: PROACTIVE Real Estate



Sub-Type:	Residential Land	HOA:	Yes
City Limits:	Yes	HOA Annual Amt:	\$600
County:	Brunswick	HOA Company:	Holden Beach W POA
Location Type:	Island	HOA Phone:	0000000000
Lot #:	16&17	Zoning:	HB R-1
Marketing City:	Holden Beach Island	Acres - Cleared:	2.36
Post Direction:	W	Acres - Total:	2.36
Subdivision:	Holden Beach West	Deed Restriction:	Yes
Secondary Subdivision:	N/A	Lot Dimensions:	140X738X140X725
Elem. School:	Virginia Williamson	Lot SqFt:	102,802
Middle School:	Cedar Grove	Total Road Frontage:	140
High School:	West Brunswick	Water Frontage:	140
School District:	Brunswick	Waterfront:	Yes
		Waterview:	Yes

Buildings on Property:	None	Fencing:	None	Possession:	At Closing
Current Use:	Residential	HOA and Neigh Amenities:	Maint - Comm Areas;	Road Type/Frontage:	Maintained, Paved
Environmental Hazard:	None	Maint - Roads, Security:		Soil Evaluation:	Other: Municipal Sewer
Terms:	Cash, Conventional	Lot Description:	Open	Showing Instructions:	Restricted Hours: See Remarks
Water Tank:	None	Lot Water Features:	Marsh View, Ocean Front, Ocean View, Water View	Service Providers:	Electric Provider: Brunswick Electric; Sewer Provider: City/Town
				Topography:	Cleared, Flood Plain: Rolling
				Electric Provider:	Brunswick Electric
				Utilities:	Municipal Sewer; Municipal Water

Jobra Zone:	No	Federal Flood Ins Avbl:	Yes	Plat Page:	7
Deed Book:	3681	Tax Identifier:	245fb030	Total Real:	5,394
Deed Page:	541	Plat Book:	15	Estate Property:	
Deferred Taxes:	No			Taxes:	
				Special:	\$369.64 sewer cap fee
				Assessments:	
				Tax Assessed:	\$787,500
				Value:	
				Tax Year:	2019

Marketing/Public Remarks: OCEAN FRONT Holden Beach West Phase I Beautiful property to build the perfect beach home! Be prepared to be amazed with this beautiful home site. Lots 16 and 17 are combined into one parcel, # 245FB030, 2.36 Acres. Selling price will reflect the combined listing prices.
 Urgent Remarks: You will need a gate code to enter Holden Beach West. Call 910-842-1616 (Office) or 910-367-1202 (Anne)
 Legal: L 16 & 17 2.36 AC HOLDEN BEACH WEST PL 110/20
 Showing Instructions: Go Show and Sell
 Appointment Contact: None Needed Appt. Center Phone: N/A
 Directions to Property: Right off Holden Beach Bridge to Holden Beach West. Property is on the ocean side inside the community.

Agreement:	Full Service	Effective Date:	09/26/2019	Sold Date:	11/04/2020
Service:		Listing Price:	\$1,100,000	Sold Price:	\$1,050,000
Agreement Type:	Exclusive Right to Sell	Original List Price:	\$750,000	Sold:	\$444,915.25
Auction:	No	SP/LP%:	95.45%	Price/Acre:	
Owner:	Andrew and Buchanan	Prospect Exempt:	No	Status:	Closed
Broker Owner:	No	Stipulation of Sale:	None	Status Change:	11/05/2020
Seller Rep.:	Has owned the property for at least one year	Sub Agent Comm:	0%	Date:	
Buyer Agent:	5%	Variable Comm:	No	Proposed:	11/02/2020
Comm:		Buyer Financing:	Cash	Closing Date:	
Cumulative DOM:	1160			Under Contract:	09/18/2020
Days On Market:	358			Date:	
				DUC:	47
Listing Price:	\$1,100,000			Post Closing:	Due Diligence Date: 10/23/2020, Seller Concessions Y/N: No
List Price/Acre:	\$466,101.69				

Listing Member:	Name: Anne Arnold 110629	Office: Listing Office: PROACTIVE Real Estate C24714	Primary: 910-367-1202	Other Office: 910-842-1616	E-mail: annearnoldHB@gmail.com	Other Email:
Selling Member:	A Non Member	Selling Office: A Non Member NonMemberLicense			admin@ncrmls.com	

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100226690 Land 194 Ocean Boulevard E, Holden Beach NC 28462 Lot # 75 Sold Price: \$325,000
 Listing Office: RE/MAX at the Beach / Holden Beach



Sub-Type: Residential Land HOA: No
 City Limits: Yes Zoning: HB-R-1
 County: Brunswick Acres - Total: 0.12
 Location Type: Island Dead Restriction: No
 Lot #: 75 Lot Dimensions: 50x105x50x105
 Marketing City: Holden Beach Island Lot SqFt: 5,227
 Post Direction: E Total Road Frontage: 49
 Subdivision: Not In Subdivision Water Frontage: 50
 Secondary Subdivision: N/A Waterfront: Yes
 Elem. School: Virginia Williamson Waterview: Yes
 Middle School: Cedar Grove
 High School: West Brunswick

Bldgs on Property: None HOA and Neigh Amenities: No Amenities Possession: At Closing
 Environmental Hazard: Unknown Lot Water Features: Ocean Front Ocean View Road Type/Frontage: Paved, Public (City/City/St)
 Terms: Cash, Conventional Soil Evaluation: Soil Evaluation - No
 Fuel Tank: None Showing Instructions: Show Anytime
 Topography: Level
 Utilities: Municipal Sewer Available, Municipal Water Available

Cobra Zone: No Federal Flood Ins Avlbl: Yes Plat Page: 158
 Deed Book: 3746 Tax Identifier: 232mn016 Special: \$497 sewer cap fee
 Deed Page: 621 Plat Book: 2-1/2 Assessments:
 Deferred Taxes: No Tax Assessed: \$210,000
 Value:
 Tax Year: 2019

Marketing/Public Remarks: Great price on this oceanfront lot. Ready for you to enjoy. Great location near shops and restaurants. Build your dream home and enjoy all that oceanfront living has to offer. Holden Beach is rated one of the top family beaches in America. Located between Myrtle Beach and Wilmington for easy day trips.
 Legal: DB-244-249-5-PG-158-L-75-
 Showing Instructions: show anytime vacant land

Directions to Property: Highway 130 over Holden Beach bridge, left onto Ocean Blvd lot on right

Agreement: Full Service Effective Date: 07/14/2020 Sold Date: 10/13/2020
 Service: Listing Price: \$339,900 Sold Price: \$325,000
 Agreement Type: Exclusive Right to Sell Original List Price: \$339,900 Sold: \$2,708,333.33
 Auction: No SP/LP%: 95.62% Price/Acre:
 Owner: T A Womble Private Equity Prospect Exempt: No Status: Closed
 Broker Owner: No Stipulation of Sale: None Status Change: 10/14/2020
 Seller Rep.: Has owned the property for at least one year Sub Agent Comm: 0% Date:
 Buyer Agent: 5% Variable Comm: No Proposed: 10/09/2020
 Comm: Buyer Financing: Cash Closing Date:
 Cumulative DOM: 32 Under Contract: 08/21/2020
 Days On Market: 32 Date:
 Listing Price: \$339,900 DUC: 53
 List Price/Acre: \$2,832,500 Post Closing: Due Diligence Date: 09/30/2020
 Seller Concessions Y/N: No

	Name	Office	Primary	Other	Office	E-mail	Other Email
Listing Member:	Alan Holden REALTOR® Eminentus 39655	Listing Office: RE/MAX at the Beach / Holden Beach	910-842-8686	910-842-8686	910-842-8686	alan@alanholdenrealty.com	
Selling Member:	Mike Neville	Selling Office: Coldwell Banker Sea Coast Advantage C9314	910-880-2848		910-842-1555	mneville34@yahoo.com	

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00265603 and 285 Ocean Boulevard W, Holden Beach, NC 28462 Lot # 5 & 15 Closed Sold Price: \$595,000

Listing Office: A Non Member



Sub-Type:	Residential Land	HOA:	No
City Limits:	Yes	Zoning:	HB-R-1
County:	Brunswick	Acres - Total:	0.32
Location Type:	Island	Acres - Wooded:	2.112
Lot #:	5 & 15	Deed Restriction:	No
Marketing City:	Holden Beach	Lot Dimensions:	55 x 250
Post Direction:	W	Lot SqFt:	13,750
Subdivision:	Not In Subdivision	Total Road Frontage:	55
Secondary Subdivision:	N/A	Water Frontage:	55
Elem. School:	Virginia Williamson	Waterfront:	Yes
Middle School:	Cedar Grove	Waterview:	Yes
High School:	West Brunswick		
School District:	Brunswick		

Bldgs on Property: None	HOA and Neigh Amenities: No Amenities	Road Type/Frontage: Paved; Public (City/Cty/St)
Current Use: Residential	Lot Description: Open; Partially Cleared; See Remarks	Soil Evaluation: Soil Evaluation - No; Other Sewer tap available
Environmental Hazard: No	Lot Water Features: Ocean Front, Ocean View, Water View	Showing Instructions: No Sign, Show Anytime Topography: Cleared; Level
Terms: Cash, Conventional		Utilities: Municipal Sewer Available; Municipal Water Available; Sewer Tap Available; Water Tap Available
Fuel Tank: None		

Cobra Zone: No	Federal Flood Ins Avlbl: Yes	Plat Page: 134
Deed Book: 3514	Tax Identifier: 247ba023	Total Real: 3,261.02
Deed Page: 819	Plat Book: 2.5	Estate Property Taxes:
		Special Assessments: None
		Tax Assessed: \$420,000
		Value:
		Tax Year: 2020

Marketing/Public Remarks: Beautiful large oceanfront lot with close access to the bridge. Great building lot for that dream home of yours!
Agent Remarks: Entered as comp sale
Legal: 5 & 15 B-1 S-3 HOLDENS BEACH PLAT 2 5/134


Directions to Property: cross HB bridge and turn right. Continue about 1 mile and property will be on the left.

Agreement Type: Exclusive Right to Sell	Effective Date: 02/28/2021	Sold Date: 04/08/2021
Auction: No	Listing Price: \$595,000	Sold Price: \$595,000
Owner: McMillan	Original List Price: \$595,000	Sold: \$1,859,375
Broker Owner: No	SP/LP%: 100.00%	Price/Acre:
Seller Rep.: Has owned the property for at least one year	Prospect Exempt: No	Status: Closed
Buyer Agent Comm: 3%	Stipulation of Sale: Entered as Sale Only	Status Change Date: 04/09/2021
Cumulative DOM: 0	Sub Agent Comm: 0%	Proposed Closing Date: 04/08/2021
Days On Market: 0	Variable Comm: No	Under Contract Date: 02/28/2021
Listing Price: \$595,000	Buyer Financing: Cash	Date:
List Price/Acre: \$1,859,375		DUC: 38
		Post Closing: Due Diligence Date: 04/09/2021; Seller Concessions Y/N: No

	Name	Office	Primary	Other Office	E-mail	Other Email
Listing Member:	A Non Member	Listing Office: A Non Member NonMemberLicense			adm n@ncrmls.com	
Selling Member:	The Andrews Team	Selling Office: Coldwell Banker Sea Coast Advantage C9314	910-540-9879	910-842-1555	holdenbeachbarb@gmail.com	

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100127846 Land	357 Ocean Boulevard W, Holden Beach, NC 28462 Listing Office: RE/MAX at the Beach / Holden Beach	Closed Sold Price: \$490,000
	Sub-Type: Residential Land	HOA: No
	City Limits: Yes	Zoning: HB-R-1
	County: Brunswick	Acres - Total: 0.32
	Location Type: Island	Deed Restriction: No
	Marketing City: Holden Beach Island	Lot Dimensions: 55x252x56x252
	Post Direction: W	Lot SqFt: 13,939
	Subdivision: Not In Subdivision	Total Road Frontage: 55
	Secondary Subdivision: N/A	Water Frontage: 56
	Elem. School: Virginia Williamson	Waterfront: Yes
	Middle School: Cedar Grove	Waterview: Yes
	High School: West Brunswick	

Bldgs on Property: None	Fencing: None	Possession: At Closing
Current Use: Residential	HOA and Neigh Amenities: No Amenities	Road Type/Frontage: Maintained, Public (City/City/St)
Environmental Hazard: Unknown	Lot Water Features: Ocean Front; Ocean View	Soil Evaluation: Soil Evaluation - No
Terms: Cash, Conventional		Showing Instructions: Show Anytime
Fuel Tank: None		Topography: Cleared
		Utilities: Municipal Sewer Available Municipal Water Available
Cobra Zone: No	Federal Flood Ins Avibl: No	Plat Page: 134
Deed Book: 3084	Tax Identifier: 247ab025	Special Assessments: \$497 Sewer Fee Paid Yearly
Deed Page: 640	Plat Book: 2 5	Tax Assessed Value: \$450,000
		Tax Year: 2016

Marketing/Public Remarks: PRICE REDUCED! Just imagine - this "LOT" of view can be yours! This ocean-front homesite has enviable panoramic views of the beach to the south and a fabulous view of a canal to the north. There is ample room on this 55 foot wide lot, a bonus five feet wider than standard lot size, to build your dream home and pool at the beach, with close proximity to Holden Beach bridge. Make this yours! You can be living the Holden Beach life in 2020! Life is better on the HB side of the bridge! Holden Beach has been rated #1 family beach in America. Located between Wilmington and Myrtle Beach for easy day trips. RELAX you're at the Beach.
Legal: L-3 & 13 B-L S-3 HB PL 2 5/134
Showing Instructions: Vacant Lot, Show anytime
Appointment Contact: sales office Appt. Center Phone: 910-842-8686
Directions to Property: Highway 130 over Holden Beach bridge, right on Ocean Blvd, lot on left

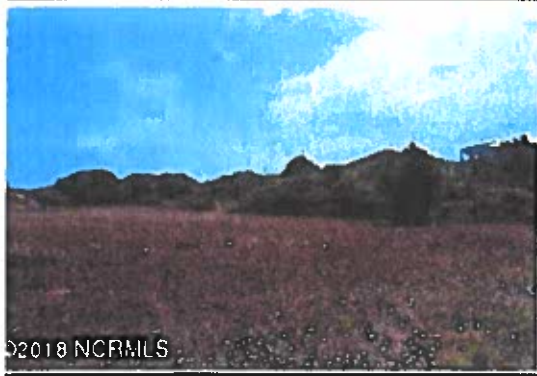
Agreement Service: Full Service	Effective Date: 07/30/2018	Sold Date: 12/31/2020
Agreement Type: Exclusive Right to Sell	Listing Price: \$499,500	Sold Price: \$490,000
Auction: No	Original List Price: \$524,900	Sold: \$1,531,250
Owner: Hollis & Amy Thompson	SP/LP%: 98.10%	Price/Acre:
Broker Owner: No	Prospect Exempt: No	Status: Closed
Seller Rep.: Has owned the property for at least one year	Stipulation of Sale: None	Status Change Date: 01/04/2021
Buyer Agent Comm: 3%	Sub Agent Comm: 0%	Proposed Closing Date: 12/15/2020
Cumulative DOM: 801	Variable Comm: No	Under Contract Date: 10/30/2020
Days On Market: 801	Buyer Financing: Seller Financing	DUC: 62
Listing Price: \$499,500		Post Closing: Due Diligence Date: 11/30/2020; Seller Concessions Y/N: No
List Price/Acre: \$1,560,937.5		

	Name	Office	Primary	Other	Office	E-mail	Other Email
Listing Member:	Alan Holden REALTOR 5 Emeritus 39655	Listing Office: RE/MAX at the Beach / Holden Beach	910-842-8686	910-842-8686	910-842-8686	alan@anholdenrealty.com	
Selling Member:	Beth M Oates	Selling Office: RE/MAX at the Beach / Holden Beach	336-402-3291		910-842-8686	boates711@bel-south.net	

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00130613 and 279 Ocean Boulevard W , Holden Beach, NC 28462 Lot # 8,18 **Closed**
Sold Price: \$535,000
 Listing Office: RE/MAX at the Beach / Holden Beach



Sub-Type:	Residential Land	HOA:	No
City Limits:	Yes	Zoning:	HB-R-1
County:	Brunswick	Acres - Total:	0.38
Location Type:	Island	Deed Restriction:	No
Lot #:	8,18	Lot SqFt:	16,553
Marketing City:	Holden Beach Island	Total Road Frontage:	67
Post Direction:	W	Water Frontage:	64
Subdivision:	Not In Subdivision	Waterfront:	Yes
Secondary Subdivision:	N/A	Waterview:	Yes
Elem. School:	Virginia Williamson		
Middle School:	Cedar Grove		
High School:	West Brunswick		

©2018 NCRMLS

Hdgs on Property: None	HOA and Neigh Amenities: No Amenities	Possession: At Closing
Environmental Hazard: Unknown	Lot Water Features: Ocean Front; Ocean View; Water View	Road Type/Frontage: Paved Public (City/Cty/St)
Terms: Cash, Conventional		Soil Evaluation: Soil Evaluation - No
Fuel Tank: None		Showing Instructions: Show Anytime
		Topography: Cleared
		Utilities: Municipal Sewer Available, Municipal Water Available

Jobra Zone: No	Federal Flood Ins Avlbl: Yes	Plat Page: 134
Deed Book: 1068	Tax Identifier: 247ba020	Special: \$497 sewer fee paid yearly
Deed Page: 828	Plat Book: 2.5	Assessments:
		Tax Assessed: \$465,000
		Value:
		Tax Year: 2017

Marketing/Public Remarks: Oceanfront opportunity on beautiful Holden Beach! Large lot with over 60 feet of ocean frontage. Build your dream home or keep as an investment. Holden Beach has been rated #1 family beach in America. If you enjoy swimming, beach walking, boating, fishing and shell seeking this is the spot. Located between Wilmington and Myrtle Beach for easy day trips. RELAX, your at the Beach.
Agent Remarks: 247BA020 is being sold with adjoining alleyway 247BA01901. Both of these parcels are being sold together! Build on both or sell the alley way with a private crossover.
Legal: L-8&18 B I S 3 HB PLAT 2 5/134 L-10x250 B I S 3 HB 2 5/134
Showing Instructions: Land show Anytime

Directions to Property: Turn right from bridge onto Ocean Blvd W

Agreement Service: Full Service	Effective Date: 08/14/2018	Sold Date: 10/06/2020
Agreement Type: Exclusive Right to Sell	Listing Price: \$574,900	Sold Price: \$535,000
Auction: No	Original List Price: \$574,900	Sold: \$1,407,894.74
Owner: McMillan/McMillan	SP/LP%: 93.06%	Price/Acre:
Broker Owner: No	Prospect Exempt: No	Status: Closed
Seller Rep.: Has owned the property for at least one year	Stipulation of Sale: None	Status Change Date: 10/07/2020
	Sub Agent Comm: 0%	Proposed Date: 09/22/2020
Buyer Agent Comm: 5%	Variable Comm: No	Closing Date: 08/25/2020
Cumulative DOM: 737	Buyer Financing: Cash	Under Contract Date: 08/25/2020
Days On Market: 737		DUC: 42
		Post Closing: Seller Concessions Y/N: No

Listing Price: \$574,900
List Price/Acre: \$1,512,894.74

	Name	Office	Primary	Other	Office	E-mail	Other Email
Listing Member:	Alan Holden REALTOR Emeritus 39555	Listing Office: RE/MAX at the Beach / Holden Beach	910-842-8686	910-842-8686	910-842-8686	alan@alanholdenrealty.com	
Selling Member:	Alan Holden REALTOR Emeritus	Selling Office: RE/MAX at the Beach / Holden Beach	910-842-8686	910-842-8686	910-842-8686	alan@alanholdenrealty.com	

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100287382 **437 Ocean Boulevard W , Holden Beach, NC 28462** **Active**
Land **Listing Office: RE/MAX at the Beach / Holden Beach** **Current Price: \$1,190,000**



Sub-Type:	Residential Land	HOA:	No
City Limits:	Yes	Zoning:	HB-R-2
County:	Brunswick	Acres - Total:	0.61
Location Type:	Island	Deed Restriction:	No
Marketing City:	Holden Beach Island	Lot Dimensions:	114x232x114x232
Post Direction:	W	Lot SqFt:	26,572
Subdivision:	Not In Subdivision	Total Road Frontage:	114
Secondary Subdivision:	N/A	Water Frontage:	114
Elem. School:	Virginia Williamson	Waterfront:	Yes
Middle School:	Cedar Grove	Waterview:	Yes
High School:	West Brunswick		

Bldgs on Property: None	HOA and Neigh Amenities: No Amenities	Road Type/Frontage: Paved; Public (City/Cty/St)
Current Use: Residential	Lot Water Features: Ocean Front	Soil Evaluation: Soil Evaluation - No
Environmental Hazard: Unknown		Showing Instructions: Show Anytime
Terms: Cash, Conventional		Topography: Cleared
Fuel Tank: None		Utilities: Municipal Sewer Available, Municipal Water Available

Cobra Zone: No	Federal Flood Ins Avlbl: Yes	Plat Page: 7
Deed Book: 150	Tax Identifier: 247aa032	Total Real: 3,069.88
Deed Page: 179	Plat Book: 6	Estate Property Taxes:
Deferred Taxes: No		Special Assessments: \$369 sewer cap fee
		Tax Assessed: \$630,000
		Value:
		Tax Year: 2020

Marketing/Public Remarks: Prime large ocean front lot Build your dream home Great location Holden Beach is situated between Myrtle Beach, SC and Wilmington, NC Holden Beach has been rated one of the top family beaches in America.

Legal: L-21 & 22 Plat 6/7
Showing Instructions: vacant land show anytime
Appt. Center Phone: 910-842-8686


Directions to Property: Over Holden Beach bridge, right on Ocean Blvd to 437 OBW on left just before pier

Agreement Service: Full Service	Effective Date: 08/23/2021	Status: Active
Agreement Type: Exclusive Right to Sell	Listing Price: \$1,190,000	Status Change Date: 08/23/2021
Auction: No	Original List Price: \$1,190,000	
Owner: Holden Beach Fishing Pier, Inc	Prospect Exempt: No	
Broker Owner: No	Stipulation of Sale: None	
Seller Rep.: Has owned the property for at least one year	Sub Agent Comm: 0%	
Buyer Agent Comm: 2.5%	Variable Comm: No	
Cumulative DOM: 11		
Days On Market: 11		
Listing Price: \$1,190,000		
List Price/Acre: \$1,950,819.67		

	Name	Office	Primary	Other	Office	E-mail	Other Email
Listing Member:	Alan Holden REALTOR® Emeritus 39655	Listing Office: RE/MAX at the Beach / Holden Beach	910-842-8686	910-842-8686	910-842-8686	alan@alanholdenrealty.com	


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100278404		241 Ocean Boulevard W , Holden Beach, NC 28462			Active
.and		Listing Office: Hobbs Realty, Inc.			Current Price: \$749,900
	Sub-Type:	Residential Land	HOA:	No	
	City Limits:	Yes	Zoning:	Res	
	County:	Brunswick	Acres - Total:	0.29	
	Location Type:	Island	Deed Restriction:	Yes	
	Marketing City:	Holden Beach Island	Lot Dimensions:	50X251X50X251	
	Post Direction:	W	Lot SqFt:	12,550	
	Subdivision:	Other	Total Road Frontage:	50	
	Secondary Subdivision:	N/A	Water Frontage:	50	
	Elem. School:	Virginia Williamson	Waterfront:	Yes	
	Middle School:	Cedar Grove	Waterview:	Yes	
High School:	West Brunswick				
Bldgs on Property: None	Fencing: None	Possession: At Closing			
Environmental Hazard: Unknown	HOA and Neigh Amenities: No Amenities	Road Type/Frontage: Paved; Public (City/Cty/St)			
Terms: Cash, Conventional	Lot Description: See Remarks	Soil Evaluation: Soil Evaluation - No			
Fuel Tank: None	Lot Water Features: Ocean Front, Ocean Side, Ocean View	Showing Instructions: Show Anytime			
		Topography: Wooded			
		Utilities: Municipal Sewer Available; Municipal Water Available			
Cobra Zone: No	Federal Flood Ins Avbl: Yes	Plat Page: 28			
Deed Book: 3129	Tax Identifier: 247ba003	Special: none known			
Deed Page: 1022	Plat Book: 3	Assessments:			
Deferred Taxes: No		Tax Assessed: \$420,000			
		Value:			
		Tax Year: 2020			
Marketing/Public Remarks: Unique OCEANFRONT vacant lot opportunity! Beautiful 50 ft lot in desirable Holden Beach and perfect location on the island. Buy his lot alone and build your dream island home or purchase with the lot next door (243 OBW also for sale) for 110 ft of oceanfront property! Great location, great funes and great views! The possibilities are endless. Do not miss this rare opportunity! Lots recently cleared, see photos and there is a survey pending!					
Agent Remarks: designate attorney to hold EM funds on all contracts					
Legal: L-31832 B-2 S-A HB Plat 3/28					
Showing Instructions: show anytime, vacant lot					
Directions to Property: Cross Holden Beach bridge and take a right on Ocean Blvd West. Vacant lot on the ocean at 241 OBW. Sign on lot.					
Agreement Service:	Full Service	Effective Date:	06/26/2021	Status: Active	
Agreement Type:	Exclusive Right to Sell	Listing Price:	\$749,900	Status Change Date: 06/26/2021	
Auction:	No	Original List Price:	\$749,900		
Owner:	Bessle, LLC	Prospect Exempt:	No		
Broker Owner:	No	Stipulation of Sale:	None		
Seller Rep.:	Has owned the property for at least one year	Sub Agent Comm:	\$0		
Buyer Agent Comm:	2.5%	Variable Comm:	No		
Cumulative DOM:	69				
Days On Market:	69				
Listing Price:	\$749,900				
List Price/Acre:	\$2,585,862.07				
Listing Member:	Name: Tiffany Hobbs Wilson 225152	Office: Listing Office: Hobbs Realty, Inc C13111	Primary: 910-842-2002	Other Office: 910-842-2002	E-mail: tiffany@hobbsrealty.com
				Other Email:	

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100278413		243 Ocean Boulevard W , Holden Beach, NC 28462			Active
Land		Listing Office: Hobbs Realty, Inc.			Current Price: \$779,900
	Sub-Type:	Residential Land	HOA:	No	
	City Limits:	Yes	Zoning:	res	
	County:	Brunswick	Acres - Total:	0.35	
	Location Type:	Island	Deed Restriction:	Yes	
	Marketing City:	Holden Beach Island	Lot Dimensions:	60X251X60X251	
	Post Direction:	W	Lot SqFt:	15,060	
	Subdivision:	Other	Total Road Frontage:	60	
	Secondary Subdivision:	N/A	Water Frontage:	60	
	Elem. School:	Virginia Williamson	Waterfront:	Yes	
	Middle School:	Cedar Grove	Waterview:	Yes	
	High School:	West Brunswick			
	Bldgs on Property: None	Fencing: None	Possession: At Closing		
	Environmental Hazard: Unknown	HOA and Neigh Amenities: No Amenities	Road Type/Frontage: Paved, Public (City/Cty/SI)		
Terms: Cash, Conventional	Lot Description: See Remarks	Soil Evaluation: Soil Evaluation - No			
Fuel Tank: None	Lot Water Features: Ocean Front, Ocean Side, Ocean View	Showing Instructions: Show Anytime, See Remarks			
		Topography: Wooded, See Remarks			
		Utilities: Municipal Sewer Available, Municipal Water Available			
Cobra Zone: No	Federal Flood Ins Avlbl: Yes	Plat Page: 28			
Deed Book: 3129	Tax Identifier: 247ba004	Special: none known			
Deed Page: 1022	Plat Book: 3	Assessments:			
		Tax Assessed: \$420,000			
		Value:			
		Tax Year: 2020			
Marketing/Public Remarks: Unique OCEANFRONT vacant lot opportunity! Beautiful 60 ft lot on desirable Holden Beach and perfect location on the island. Buy this oversized lot alone and build your dream island home or purchase with the lot next door (241 OBW also for sale) for 110 ft of oceanfront property! Great location, great dunes and great views! The possibilities are endless. Do not miss this rare opportunity to own one or TWO oceanfront lots on Holden Beach. Lots recently cleared, see photos and there is a survey pending!					
Agent Remarks: designate attorney to hold EM funds on all contracts					
Legal: L-29&30 10' Strip B-2 S-A Holden Pl-3/28					
Showing Instructions: vacant land, show anytime					
Directions to Property: Cross the Holden Beach bridge and take a right onto Ocean Blvd. vacant lot is on the left on the ocean. Sign on lot					
Agreement Service:	Full Service	Effective Date:	06/26/2021	Status: Active	
Agreement Type:	Exclusive Right to Sell	Listing Price:	\$779,900	Status Change: 06/26/2021	
Auction:	No	Original List Price:	\$779,900	Date:	
Owner:	Bessle, LLC	Prospect Exempt:	No		
Broker Owner:	No	Stipulation of Sale:	None		
Seller Rep.:	Has owned the property for at least one year	Sub Agent Comm:	\$0		
		Variable Comm:	No		
Buyer Agent Comm:	2.5%				
Cumulative DOM:	69				
Days On Market:	69				
Listing Price:	\$779,900				
List Price/Acre:	\$2,228,285.71				
Listing Member:	Name: Tiffany Hobbs Wilson 225152	Office: Listing Office: Hobbs Realty, Inc. C13111	Primary: 910-842-2002	Other Office: 910-842-2002	E-mail: tiffany@hobbsrealtly.com
					Other Email:

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100262782 .and 105 Ocean Boulevard W , Holden Beach, NC 28462 Lot # 5&17 Active Current Price: \$735,000

Listing Office: Coastal Development & Realty



Sub-Type:	Residential Land	HOA:	No
City Limits:	Yes	Zoning:	Res
County:	Brunswick	Acres - Total:	0.32
Location Type:	Island	Deed Restriction:	No
Lot #:	5&17	Lot Dimensions:	55x250x55x250
Marketing City:	Holden Beach Island	Lot SqFt:	13,750
Post Direction:	W	Total Road Frontage:	55
Subdivision:	R.H. Holden	Water Frontage:	55
Secondary Subdivision:	N/A	Waterfront:	Yes
Elem. School:	Virginia Williamson	Waterview:	Yes
Middle School:	Cedar Grove		
High School:	West Brunswick		
School District:	Brunswick		

Bldgs on Property: None	Fencing: None	Road Type/Frontage: Paved; Public (City/Cty/St)
Environmental Hazard: Unknown	HOA and Neigh Amenities: Playground; Sidewalk;	Soil Evaluation: Soil Evaluation - No
Terms: Cash, Conventional	Street Lights	Showing Instructions: Show Anytime
Fuel Tank: None	Lot Water Features: Ocean Front, Ocean View	Topography: Cleared/Partial
		Utilities: Municipal Sewer Available; Municipal Water Available

Cobra Zone: No	Federal Flood Ins Avlbl: Yes	Plat Page: 91
Total City Real Estate Property Tax: 1,209.84	Tax Identifier: 232nk01602	Total Real Estate Property Taxes: 3,260
Deed Book: 2167	Plat Book: 1	Special Assessments: 364.69
Deed Page: 1092		Tax Assessed Value: \$420,000
Deferred Taxes: No		Tax Year: 2020

Marketing/Public Remarks: Beautiful ocean front lot on Holden Beach. Quick access to the restaurants and shops. Close to the Holden Beach Bridge for easy on and off the island. Very few ocean front home sites available. Bring your buyers!

Agent Remarks: additional tax parcel # 232NK01603

Legal: Lot 17&5 B-A S-1HB

Showing Instructions: Show any time

Appointment Contact: 9108424939 Appt. Center Phone: 910-8424939

Directions to Property: Left at the bridge. Ocean front lot on the left

Agreement Service: Full Service	Effective Date: 03/23/2021	Status: Active
Agreement Type: Exclusive Right to Sell	Listing Price: \$735,000	Status Change Date: 03/23/2021
Auction: No	Original List Price: \$685,000	
Owner: Dawkins Concrete Products Inc.	Prospect Exempt: No	
Broker Owner: No	Stipulation of Sale: None	
Seller Rep.: Has owned the property for at least one year	Sub Agent Comm: 0%	
	Variable Comm: No	
Buyer Agent Comm: 4%		
Cumulative DOM: 164		
Jays On Market: 164		
Listing Price: \$735,000		
List Price/Acre: \$2,296,875		

	Name	Office	Primary	Other Office	E-mail	Other Email
Listing Member:	Mary B Overacker 185385	Listing Office: Coastal Development & Realty C6869	910-470-7653	910-842-4939	m.andy@marydyoveoveracker.com	

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100262786 Land 107 Ocean Boulevard W, Holden Beach, NC 28462 Lot # 16&4 Active
Current Price: \$735,000

Listing Office: Coastal Development & Realty



Sub-Type:	Residential Land	HOA:	No
City Limits:	Yes	Zoning:	Res
County:	Brunswick	Acres - Total:	0.32
Location Type:	Island	Deed Restriction:	No
Lot #:	16&4	Lot Dimensions:	55x250x55x250
Marketing City:	Holden Beach Island	Lot SqFt:	13,750
Post Direction:	W	Total Road Frontage:	55
Subdivision:	R.H. Holden	Water Frontage:	55
Secondary Subdivision:	N/A	Waterfront:	Yes
Elem. School:	Virginia Williamson	Waterview:	Yes
Middle School:	Cedar Grove		
High School:	West Brunswick		
School District:	Brunswick		

Bldgs on Property: None
 Environmental Hazard: Unknown
 Fuel Tank: None
 HOA and Neigh Amenities: Sidewalk; Street Lights
 Lot Water Features: Ocean Front; Ocean View
 Road Type/Frontage: Paved Public (City/Cty/St)
 Soil Evaluation: Soil Evaluation - No
 Showing Instructions: Show Anytime
 Topography: Cleared/Partial

Cobra Zone:	No	Federal Flood Ins Avlbl:	Yes	Plat Page:	91
Total City Real Estate Property Tax:	1,209.64	Tax Identifier:	232nk017	Total Real Estate Property Taxes:	3,260
Deed Book:	2135	Plat Book:	1	Special Assessments:	364.69 HB sewer Cap fee
Deed Page:	575			Tax Assessed Value:	\$420,000
Deferred Taxes:	No			Tax Year:	2020

Marketing/Public Remarks: Looking for a wonderful ocean front lot to build your beach home? This lot is just for you. Enjoy the ocean views and all the beach activity from the home or deck. Quick on and off the bridge. Walk to the local restaurants and shops.
 Legal: Lots 16&4 B-A S-1
 Showing Instructions: Show any time
 Appointment Contact: CD&R Appt. Center Phone: 910-842-4939
 Directions to Property: Take a left off the bridge home site on the right

Agreement Service:	Full Service	Effective Date:	03/23/2021	Status:	Active
Agreement Type:	Exclusive Right to Sell	Listing Price:	\$735,000	Status Change Date:	03/23/2021
Auction:	No	Original List Price:	\$685,000		
Owner:	Concord Holdings LLC	Prospect Exempt:	No		
Broker Owner:	No	Stipulation of Sale:	None		
Seller Rep.:	Has owned the property for at least one year	Sub Agent Comm:	0%		
Buyer Agent Comm:	4%	Variable Comm:	No		
Cumulative DOM:	164				
Days On Market:	164				
Listing Price:	\$735,000				
List Price/Acre:	\$2,298,875				

	Name	Office	Primary	Other Office	E-mail	Other Email
Listing Member:	Mary B Overacker 185385	Listing Office: Coastal Development & Realty C6869	910-470-7653	910-842-4939	m.ndy@m.ndyoveracker.com	

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SALES COMPARISON APPROACH – Continued

As mentioned at the beginning of this Section, we must develop an adjustment which can be applied to our initially found value, in order to estimate the value of the Subject, as a commercial site. In appraiser parlance this adjustment is ideally found via what is known as a “matched pair analysis”. With this concept we find an (ideally) perfect way to make an adjustment that ensures comparable sales give us the proper value for our Subject Property. The most ideal way to do this is not just to use multiple sales, but also to test multiple adjustment factors. Therefore, we next will discuss sales of other property types, in order to derive value adjustment factors. The first of these sales of alternate types of properties will be Dock sales from the NorthEastern-most edge of Horry County, which is at the edge of South Carolina abutting Brunswick County. Both Counties have frontages on the Intracoastal Waterway and the Atlantic Ocean, and both appeal to the same seasonal markets, in terms of residential and commercial “traffic”. Thus, the Subject and these sales are immediately adjacent and in a neighboring and competing county, despite the change in the States:

Comparable 1: M I S # 1925008 was a 46' boat slip in Little River with *ready* access to the Atlantic Ocean via the Intracoastal Waterway, being PIN # 312-00-00-0699. It sold from Fredrick S. Faber to Stephen Todd Burnett on 15 April, 2020, in Deed Book 4304, Page 996 for \$28,000. This equalled \$609 per linear foot.

Comparable 2: M I S # 2003492 was a 60' boat slip in Little River with *ready* access to the Atlantic Ocean via the Intracoastal Waterway, being PIN # 312-00-00-0429. It sold from J. Gary Dilaure, et ux to Robert A. Worley on 14 September, 2020, in Deed Book 4343, Page 492 for \$36,000. This equalled \$600 per linear foot.

Comparable 3: M L S # 2023870 was a 40' boat slip in Little River with non-ready access to the Atlantic Ocean, being PIN # 314-00-00-0357. It sold from Kelly K. Lange, et al, to Southern Breeze Waterfront Entities LLC on 18 December, 2020, in Deed Book 4373, Page 1053 for \$14,000. This equalled \$350 per linear foot.

Apparently, ready access to the Atlantic Ocean should create a dock that would have a value of \$600 per liner foot, which would be the equivalent of commercial dock/access-way. This would appear to be worth ($\$600 / \$350 =$) 1.714X the value of non-commercial access-way.

SALES COMPARISON APPROACH – Continued

In the past I have previously twice been able to find a residential-to-commercial use multiplier. The first time was roughly 30 years ago, when commercial land was especially in demand, and the multiplier at that time was a 2X (200%) multiplier. The second time was just after the 2008 financial recession, when there was a “squelched” demand for commercial properties, and the multiplier at that time was 1.5X (150%). Just above we have found a suggestion of a 1.714X multiplier in 2020 for dock space with a potential commercial use versus a residential use. Ideally, we should have one more derived factor so that we test the validity of this multiplier.

After further and extensive research I have found the following data.

On the next page will be a map showing three sales of properties on Holden Beach, itself. These 3 Sales are referred to herein, and on said map, as Sales A, B, and C. they are as follows:

Comparable A: MLS # 100253154 was a 60' X 120' (6,000 square foot) lot located at 122 Davis Street in the central section of Holden Beach. It was a **commercial** lot well off the ocean, being a third row lot. Its TMS # was 232N-B-015. It had been assessed at \$117,000. It sold from Catherine G. Boone to ZHC Holdings LLC on 14 April, 2021, in Deed Book 4595, Page 937 for \$155,000. This equalled \$25.83 per square foot.

Comparable B: Next door to Sale A was a 50' X 120' X 45' X 120.1' (5,702 square foot) lot located on Davis Street in the central section of Holden Beach. It was a **commercial** lot well off the ocean, being a third row lot. Its TMS # was 232N-B-016. It had been assessed at \$465,000. It sold from Holden Beach Enterprises, Inc. to the Town of Holden Beach on 30 December, 2010, in Deed Book 3122, Page 105 for \$114,000. This equalled \$19.99 per square foot.

Comparable C: Three blocks from Sales A and B was a 68' X 152.66' X 68.3' X 158.37' (10,575 square foot) lot located on Brunswick Avenue West in the central section of Holden Beach. It was a **residential** lot well off the ocean, being a third row lot. Its TMS # was 232O-C-073. It had been assessed at \$104,500. It sold from Doris Kay Lanier to John Henry Bolden, et ux. on 8 May, 2016, in Deed Book 3743, Page 452 for \$155,000. This equalled \$13.14 per square foot.

Again, these three sales are shown “close up” on a map of Holden Beach.

LAND SALES A-C LOCATION MAP



SALES COMPARISON APPROACH – Continued

Comparing Sales A and B (being both commercial sites next door to each other but 124 months apart) we can derive a 0.24% per month appreciation factor. Taking this factor and adjusting Sale B by 63 months we can adjust Sale B's value to the time of Sale C we can find a value of and for Sale B's land as of the time of Sale C to $(0.0024 \times 63 = 0.1512 + 1 = 1.1512 \times \$19.99 =)$ \$23.01. We can then compare Sale B's **commercial** value to Sales C's **residential** value and find a value enhancement factor of $(\$23.01 / \$13.14 =)$ 1.7511, or 75.11%

We thus have a suggest residential-to-commercial multiplier of 1.714X and 1.7511X. From these amounts I estimate that an appropriate current multiplier is 1.75X, or 1 and three quarters. This is midway between the two previously derived multipliers of 2X and 1.5X.

Taking our previously found average residential land value of \$24.45 per square foot and multiplying it times 1.75 leads us to an estimated current value of commercial land with Atlantic Ocean access of $(\$24.45 \times 1.75 =)$ \$42.79 per square foot. Of course the Subject has, as has previously been discussed, a combined total of 82,900 square feet. The math results in a total value for the Subject as a commercial site of $(\$42.79 \times 82,900 =)$ 3,547,291. Therefore, with rounding to the nearest \$25,000 amount, the Subject is estimated to be worth

THREE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS
(\$3,550,000).

As also shown on the previously referenced "Statistical Market Analysis" the average Days on Market term for the 10 closed sales was 373 days. Of course, this was for residential property and the Subject may likely have an enhanced desirability in terms of marketing time (as well as its value) due to its commercial zoning. I feel that if the property were to be properly and fairly and competitively marketed at a price point near these findings the Subject could enjoy a marketing/exposure term of twelve (12) months. As previously stated, and as is obvious in reviewing the comparable sales' prices vis-a-vis their assessments, tax assessments in this County obviously have no correlation with actual market values. Therefore, the Subject's current total assessment of \$2,832,490 is considered to be irrelevant. We will next investigate another possibility of using the Sales Comparison Approach:

SALES COMPARISON APPROACH - Continued

Within the past two decades some nearby ocean front commercially zoned properties had their improvements razed and replaced with single-family detached homes. A nearby gasoline station was demolished (roughly seventeen years ago) and condominiums placed on the site, despite the fact that it was zoned commercially. For these reasons I believe that the market may look at the Subject in an alternate way and perceive it as potential residential sites.

In our alternate way of evaluating the Subject we can presume that the City would allow the property to be sold for a less congesting sort of property and that the site could sell as residential lots. I contacted the City's Building/Zoning Department, but they did not confirm the number of potential lots that would be available. Therefore I did not think that I should be excessively aggressive in my assumptions as to allowable density. The Assessor's Office is likely of use in this regards. Despite the fact that the main site is 300 feet wide, and that the secondary site is 50 feet wide, the Assessor does not list that the main site has $(300' / 50' =) 6$ sites but instead lists the main site as having 5 "land units". This may be due to the slightly shallower depth of the main site vis-a-vis the secondary site's depth. In any event I feel that it is safe to calculate that the Subject, with both the main and the secondary site, could be converted into $(5 + 1 =) 6$ residential sites.

The oft referenced "Statistical Market Analysis" shows that lowest active listing price of a lot is \$735,000; it further show that in the most recent Sale Price-to-List Price Ratio was 97.00%. Since the Subject would need to have the improvements removed, and in the spirit of making this investigation conservative, in order to attract investors, I feel that it is appropriate to go to this lowest active price.

Doing this suggests an actual sales price of the 6 lots, each listed for \$735,000, would be $(\$735,000 \times 97.00\% =) \$712,950$, which should be rounded to an average retail value of \$715,000 per lot and $(\$715,000 \times 6 =) \$4,290,000$ for all six lots.

We now need to include an "Income Approach spin" to this **retail value**. The Subject can be considered to be an income producing property (and thus need a bit of an income approach) in that its value, in its entirety, is dependent on the selling out of the individual units of production (i. e., the sellout of the 6 lots). The selling of the 6 lots, whose total of 6 values can be considered to be a retail value of same said lots, needs to be converted into a "bulk" sales value, sometimes also called a **wholesale value**. This would be the value of the 6 units if they were sold at one time to one purchaser who then wanted to turn around and sell out the 6 individual lots to separate purchasers. Obviously, one buyer would not need all 6 lots without the express intent of reselling many or all of them.

SALES COMPARISON APPROACH – Continued

Attached is a wholesale sellout. Since this is an abbreviated section of the report which does not need to discuss each consideration of discounting in detail, I will note that the theories and interest rates used therein have been tested in a real-world situation - without going into the particulars of the situation(s). It is important to note, though, that the format has proven to yield results that match an actual bulk-buyer's actions. It should be noted that the Subject will have an amount put aside monthly as an escrow – this is estimated to be roughly \$250.00 per month per unsold lot. This amount is set aside to allow for a monthly escrow for eventual real estate taxes.

Units for Sale	6	6	6	6	4	2
Units Unsold by mid-period	6	6	6	5	3	1

Loan Amount	\$2625000	ClosCsts/Unit	\$1750.00	Escrow/Unit	\$250.00	
Gen. Overhead:	1.000%	per unit sold				
Sales Commiss:	10.000%	per unit sold		Avg.Sales Pr.	\$715000.00	
Discount Rate	8.000%		Investors desired rate re:	10.00%		
Assumed:	Typ. sales of	1	0.5 Units/Month			
Sales price incr. of	0		(compounded annually) per sales term			
Effective Gross Income Per Unit		\$0.00	x	100.00%	to unit ownr =	\$0.00
Net Income from Other Sources		\$0.00	Annually	Occupancy Factor:		0

Month End:	2	4	6	8	10	12
Gross Sales:	\$0	\$0	\$0	\$1430000	\$1430000	\$1430000
Inc. from Unsold Units	\$0	\$0	\$0	\$0	\$0	\$0
Inc. from other sources	\$0	\$0	\$0	\$0	\$1030	\$0
less:						
Closing Costs:	\$0	\$0	\$0	\$3500	\$3500	\$3500
Escrow:	\$1500	\$1500	\$1500	\$1250	\$750	\$250
Overhead:	\$0	\$0	\$0	\$14300	\$14300	\$14300
Commissions:	\$0	\$0	\$0	\$143000	\$143000	\$143000
Loan Interest:	\$24063	\$24063	\$24063	\$20052	\$12031	\$4010
Principle Payment:	\$0	\$0	\$0	\$875000	\$875000	\$875000
Balance:	-\$25563	-\$25563	-\$25563	\$372898	\$382449	\$389940
Discount Factor:	98.680%	97.377%	96.092%	94.823%	93.571%	92.336%
Present Value:	-\$25226	-\$24892	-\$24564	\$353593	\$357861	\$360055

Month End:	14	16	18	20	22	24
Units for Sale	0	0	0	0	0	0
Units Unsold by mid period	0	0	0	0	0	0
Gross Sales:	\$0	\$0	\$0	\$0	\$0	\$0
Inc. from Unsold Units:	\$0	\$0	\$0	\$0	\$0	\$0
Inc. from other sources	\$0	\$0	\$0	\$0	\$0	\$0
less:						
Closing Costs:	\$0	\$0	\$0	\$0	\$0	\$0
Escrow:	\$0	\$0	\$0	\$0	\$0	\$0
Overhead:	\$0	\$0	\$0	\$0	\$0	\$0
Commissions:	\$0	\$0	\$0	\$0	\$0	\$0
Loan Interest:	\$0	\$0	\$0	\$0	\$0	\$0
Principle Payment:	\$0	\$0	\$0	\$0	\$0	\$0
Balance:	\$0	\$0	\$0	\$0	\$0	\$0
Discount factor:	91.117%	89.914%	88.727%	87.556%	86.400%	85.260%
Present Value:	\$0	\$0	\$0	\$0	0	\$0

Tot. of Present Values	\$3621827					Rounded Wholesale Value
Divided by:	110.000%	(to allow for Investor's Rate of Return			\$3293000	

Actual Rate of Return(Income/Investment) 59.970%
Discount (Wholesale/Retail) Ratio: 76.760%

SALES COMPARISON APPROACH - Continued

The form assumes that an interim investor of the six effective units would get an interim loan (equal to 80±% of the discounted value of the lots), pay standard lot real estate commissions and associated costs (closing costs of \$1,750 per sold lot), a general overhead and a monthly provision [as mentioned] of \$250 per month for unsold units). A Present Value Factor needs to be applied to the short-term sellout period. Finally, the total of the present values of the future net income stream needs to be divided by 110% to allow a profit margin for the interim, thus giving the investor an incentive to purchase the lots in bulk.

Please review the remaining highlighted items regarding sales terms and the recent absorption rate shown on the referenced "Statistical Market Analysis". At the desirable pricing of \$735,000 per lot and eventual sales price of \$715,000 per lot (as derived above in the Sales Comparison Approach) it is believed that the six units can be sold at a rate of 0.5 lots for each month and thus eventually sell out in one year.

Assuming an average sales price of \$715,000 per unit the attached Wholesale sellout finds a total of the present values of the net sales prices of \$3,621,827. Allowing for the mentioned 10% profit leads to a wholesale value of \$3,293,000. With rounding to the nearest \$25,000 amount this semi-Income Approach of this appraisal thus finds a Wholesale Value for the Subject of

THREE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$3,300,000).

This equals a Discount Ratio of 76.760%. With the provision of the interim investor using a loan the actual rate of Return on Investment to the investor is 59.9702%. This amount should be quite adequate to draw appeal to the investor market. This amount of \$3,293,000 is most truly what the value of the Subject is worth to a single purchaser, as a market value, since they would most likely want to divest themselves of the property to one purchaser instead of to six individual buyers. Please note that while a higher price per lot would result in a higher gross sell-out the effects of "time-of-money" factors/discounting would drive up the discount ratio and drive down the wholesale-to-retail percentage. In other words, the wholesale sell-out (which is the amount that would attract an investor) would be likely similar (or less) with a higher price per lot than with this "quick-sale" individual lot price.

SALES COMPARISON APPROACH – Continued

These two analyses provide the information necessary to indicate and confirm that the two forms of selling "out" the Subject are true and correct Measurements of the Subject's proper value. As such, and since they both address the Subject from such different methodologies, they are both considered to be germane, although the higher value is obviously, likely, the value of interest at this time to a potential purchaser/investor. Accordingly, they will be referred to herein as Sales Comparison Approach I and Sales Comparison Approach II.

Thus, the two indicators of value are:

THREE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

(\$3,550,000)

Sales Comparison Approach I, and

THREE MILLION THREE HUNDRED THOUSAND DOLLARS

(\$3,300,000)

Sales Comparison Approach II.

Both of these amounts are predicated upon a marketing/exposure term of roughly twelve (12) months.

INCOME APPROACH

The Income Approach Section of an appraisal normally endeavors to find the valuation of the property utilizing standard appraisal techniques for the industry. These are as follows: a gross rent for the property shall be found utilizing current and standard indicators of a gross rent income. These indicators should be found within the local marketplace. Following the Income Estimate expenses should be deducted from this potential gross income. These expenses should be for such items as vacancy and credit loss, management costs, insurance and tax costs, and reserve for maintenance, etc.

Once one determines a true net income for the property the capitalization rate, typical for true net income, would be applied to the estimated net income for the subject building. The capitalization utilized should be one typical for both the current market and not atypical for the national market. Applying a capitalization is done as a division process, not as a multiplication factor. Thus, a hypothetical \$10,000 Triple Net Income would be divided by, as an example, a 10% capitalization rate to find a value of ($\$10,000 / 10\% =$) \$100,000. Capitalization Rates are used, rather than multipliers, to allow for computations using Rates of Return and/or Interest Rates. 10% has been a long used typical capitalization rate.

In the case of vacant property, or property where the inherent Highest and Best Use is in the vacant land, the Income Approach typically does not have application. This is especially true for the Subject property, since it is being appraised for the value of its site as (if) vacant. Accordingly, the Approach will not be developed for this property other than in determining its market value. This was done in the previous section of this report.

However, the Approach may be used to test the concept that the improvements do not have contributory value. Another North Carolina pier was approached and it was found that the pier and its improvements and land were annually leased for \$140,000. The property had more than adequate land and a longer pier. If we assume that \$1,400,000 rental was a Net Income and use the mentioned 10% Capitalization Rate the indication is that the comparable pier has a value of ($\$140,000 / 10\% =$) \$1,400,000. The landlord feels that they are renting "under market" but even if they were at a full half rental rate the indication would still be \$2,800,000 for a pier with more land and pier length.

Alternately, we will look at two older pier sales:

SALES COMPARISON as used in the INCOME APPROACH - Continued

Pier Sale #1

Property Identification: Surfside Pier
13 North Ocean Boulevard
Surfside Beach, Horry County,
South Carolina
TMS # 195-04-09-001

Sales Price: \$2,500,000 Concessions: Cash to Seller.

Corrected Sales Price: \$2,500,000 Date: 24 September, 2008

Site:

Shape - Rectangular and regularly shaped
Topography - Dipping below road grade
Access - Good Access and Exposure
Utilities - All available

Improvements: Size - 810 linear feet plus store and restaurant

Age: 40+ Years

Amenities: Standard retail building + restaurant

Quality/Condition: Standard wood frame construction /Avg for age

Unit(s) of Comparison:

\$ 3.086 / LF: \$ n/a / Unit: \$ n/a/ GRM: \$ n/a / n/a

Grantor: Pier Properties, Inc.

Grantee: Town of Surfside Beach

Verified: Public Records

Recorded: Deed Book 3364, Page 1071

Comments: Non-Corner location. This sale did include the land, which was 0.95 acres of usable commercial land.

Additional Information: None Other

SALES COMPARISON as used in the INCOME APPROACH - Continued

PIER SALE #2

Property Identification: Ocean Crest Pier
1411 East Beach Drive
Oak Island, Brunswick County,
North Carolina
TMS # 235P-D-005

Sales Price: \$ 786,959 Concessions: Cash to Seller.
This was for a half (1/2) interest indicating 2.5X for total value (to allow for an annoyance factor)

Corrected Sales Price: \$1,967,398 Date: 23 December, 2002

Site:
Shape - Rectangular and regularly shaped
Topography - At road grade
Access - Good Access and Exposure
Utilities - All available. septic tank.

Improvements: Size - 894 linear feet plus store and restaurant

Age: 10 Years Effective
Amenities: Standard retail building + restaurant
###]Quality/Condition: Standard wood frame construction /Avg for age

Unit(s) of Comparison:
\$ 2,201 / LF; \$ n/a / Unit; \$ n/a/ GRM; \$ n/a / n/a

Grantor: Joanna P. Prince and her husband Edward W. Prince. III
Grantee: Steven Andrews
Verified: In-House Files and Brunswick County
Recorded: Deed Book 1678, Page 1413

Comments: Non-Corner location. This sale did include the land, which was 1.17 acres of usable commercial land.

Additional Information: Please note, purchasing a 50% interest does not necessarily mean that 50% of market value is paid. A half interest usually is 80% of what the value would be to allow for its being annoying to have another owner; thus 50% ownership is typically 40% the value, meaning the value is 2.5X the paid price.

SALES COMPARISON as used in the INCOME APPROACH – Continued

No other more current sales of piers are known to have taken place in Brunswick County, North Carolina or the neighboring Horry County in South Carolina. To recap – both sales included improvements and land. Pier Sale 1 took place in September, 2008 and had an indicated value per linear foot of \$3,086. Pier Sale 2 took place in December, 2002 and had a maximum indicated value per linear foot of \$2,201.

If we assume the same monthly inflation/appreciation factor of 0.24% that was found for vacant land in the Sales Comparison Approach (which is clearly unlikely since property with improvements have those improvements depreciating each year whereas vacant property does not, and since 2020's Covid problems affected improved commercial sales values) the the current, adjusted values for Pier Sales' 1 and 2 would be \$4,241 per linear foot and \$3,453 per linear foot. The average of these amounts is \$3,847 per linear foot. This amount times a maximum potential length of the Subject's pier of 675 feet equals \$2,596,725.

If we assume that this amount would include the land value in the main site (and the improvements value since the land and improvements were included in the comparable sales' values), but that the excess land is still available, then the excess land may have a value (as a commercial lot) of \$550,000 to (as a residential lot) \$715,000; even with the higher number, and no discounting for two disparate properties in one sale, the total would not exceed \$3,311,725. This amount is clearly under the value of the site when it is evaluated for its land, alone, as was done, twice, within the Sales Comparison Approach. This amount also uses assumptions that are clearly untenable and excessively optimistic.

Thus, the work in this Income Approach (looking at potential income and looking at older but appreciated inflated pier sales) supports the analysis stated in the Highest and Best Use Analysis: The Subject's Highest and Best Use is not in or with the existing improvements and they have no contributory value.

FINAL RECONCILIATION

To review our indications of value, we find the following:

VALUE "AS IS ":

Cost Approach	Not Applicable
Value via Sales Comparison Approach I	\$ 3,550,000
Value via Sales Comparison Approach II	3,300,000
Value via Income Capitalization Approach	Not Applicable

The Cost Approach is felt to have limited applicability to the Subject's valuation other than in its application of the Sales Comparison Approach. The Sales Comparison Approach has strong support from real world purchasing decisions. I allowed for two different methodologies and thus had two different, but similar and somewhat equally valid, derived amounts. Information given to me by informed sources further confirms the apparent correctness of the amounts found. I feel that most weight should be given to higher value of Sales Comparison Approach I, since this Approach uses the current applicable zoning of and for the Property. The Income Approach was, again, not considered appropriate for a development of value for vacant land, after said Approach was used to determine the Highest and Best Use for the Subject. Accordingly, it was not applicable herein.

Thus, the final value estimate of the Market Value for the land, as a total of an estimated 1.903 ± acres is found by this appraisal to be :

THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000).

The likely exposure marketing time for the Subject is estimated to be twelve (12) months.