

Deep Point Ferry Terminal & Parking Facility

1301 Ferry Road
Southport, Brunswick County, NC 28461

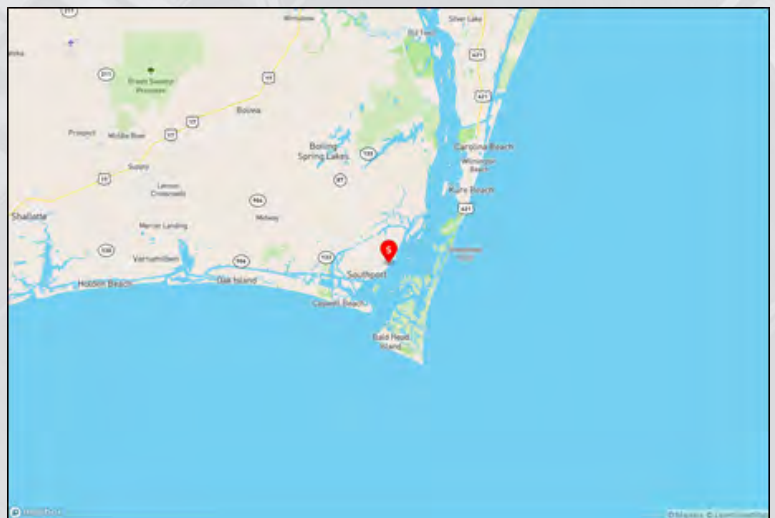
NKF Job No.: 21-0147725-1

Appraisal Report Prepared For:

Susan Rabon
Chair
Bald Head Island Transportation Authority
1029 N. Howe Street, Authority Office
Southport, NC 28461

Prepared By:

Newmark Knight Frank
Valuation & Advisory, LLC
1400 Centrepark Blvd, Suite 310
West Palm Beach, Florida 33401



July 26, 2021

Susan Rabon
Chair
Bald Head Island Transportation Authority
1029 N. Howe Street, Authority Office
Southport, NC 28461

RE: Appraisal of a single-tenant ferry terminal and parking facility at Deep Point Ferry Terminal & Parking Facility located at 1301 Ferry Road, Southport, Brunswick County, NC 28461, prepared by Newmark Knight Frank Valuation & Advisory, LLC (herein "Firm" or "NKF")

NKF Job No.: 21-0147725-1

Dear Ms. Rabon:

The "Subject Property" is a 50,325 square foot square foot one-story terminal building that houses the Bald Head Island (BHI) – Southport Ferry and located at 1301 Ferry Road. The building is in average condition, is of average quality and tenant appeal, and was built in 2009. The site encompasses approximately 54.801 acres (2,387,144 square feet) and is located along the east side of Ferry Road and the west bank of the Cape Fear River. The site is allocated with an estimated 11.54 acres attributable to the ferry terminal and barge operations with the remaining 43.26 acres allocated to parking for approximately 1,950 vehicles. Currently, the improvements are 100% occupied and leased via an internal lease with an entity related to the existing ownership. This lease is disregarded to value the fee simple interest in the subject land and improvements. The valuation specifically excludes both the ferry system and any FF&E related to the ferry and baggage operations.

Key Value Considerations

Strengths

- ❖ Subject is the sole provider of ferry and barge service to the island for both passengers and goods.
- ❖ Strong housing demand and additional development parcels bode well for increased demand.
- ❖ The ferry system is the most common form of transportation to BHI with alternatives limited to private vessels. Air service is predominantly for medical emergencies.
- ❖ The growth of work-from-home initiatives have resulted in rapidly escalating property values in resort areas as homeowners can work from their vacation homes which also increases the need for goods and services on the island.

Risk Factors

- ❖ As a waterfront parcel proximate to the Atlantic Ocean, the primary physical risk is from hurricanes.

- ❖ Inflation is increasing the cost of goods and services with increased risk of interest rate hikes which will make housing more expensive and create greater risk of a bubble should a rapid correction occur.
- ❖ Ongoing pandemic risk reduced ferry capacity in 2020 due to social distancing and new variants of the virus create risk of additional shutdowns or economic distress.

COVID-19 Pandemic

The COVID-19 Pandemic has had a significant impact on the economy and, by extension, real estate markets. Commercial real estate is transforming and adapting with some similarities and some differences to previous crises. As the Pandemic has progressed, there has been greater clarity about the effects through metric and transactional data as well as market participant information and expectations. Effects and projections related to COVID-19 will be addressed throughout the report.

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	7/17/2021	\$33,000,000

Compiled by NKF

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).

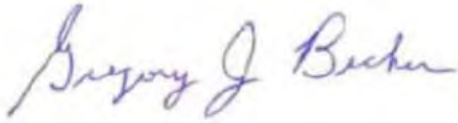


Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of North Carolina.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Greg Becker, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Greg Becker, MAI, MRICS made a personal inspection of the property that is the subject of this report.
13. Significant real property appraisal assistance was provided by Daniel Stoops who has not signed this certification. The assistance of Daniel Stoops consisted of conducting research on the market, subject property, and transactions involving comparable properties, all under the supervision of the person(s) signing this report.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark Knight Frank", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

16. Greg Becker, MAI, MRICS has not performed any 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 the agreement to perform this assignment.



Greg Becker, MAI, MRICS
Senior Managing Director
Certified General Real Estate Appraiser
North Carolina # A7729
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Email: Greg.Becker@nrmrk.com



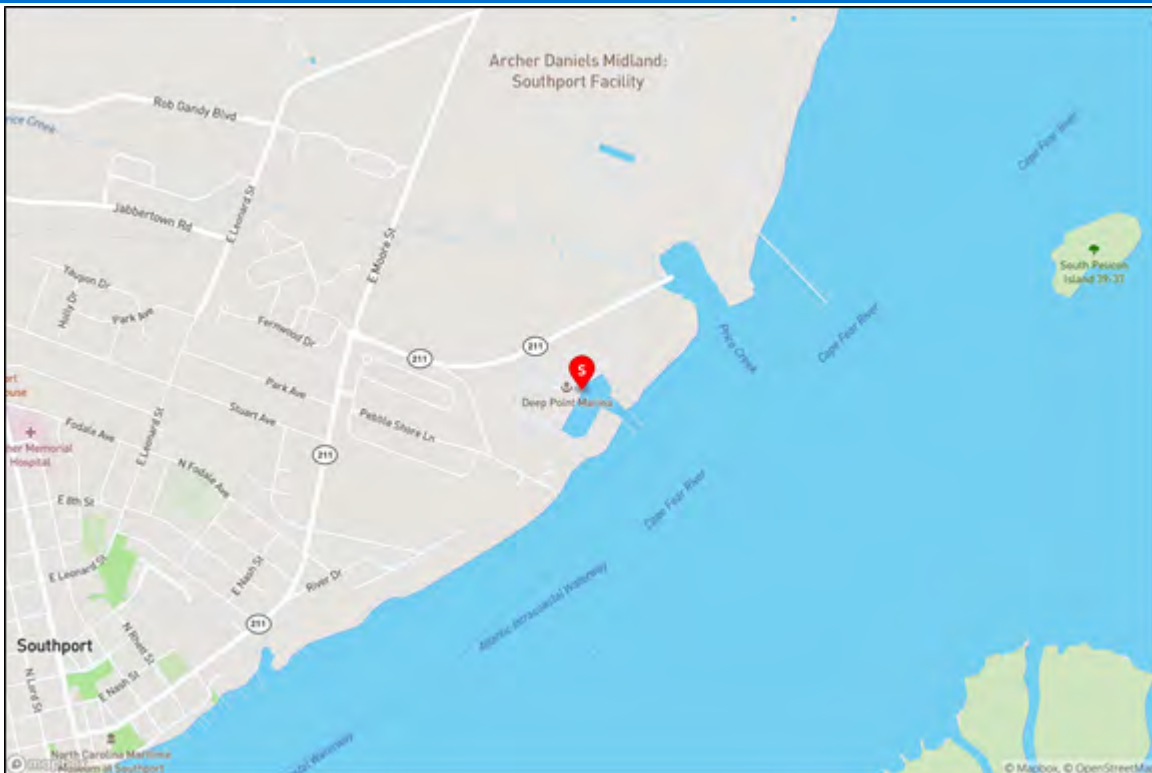
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Aerial Photo



Location Map



Subject View



Subject View



Subject View



Subject View



Subject View



Loading Dock



Ferry Road - East



Ferry Road - West



Access Road



Access Gate



Entrance



Parking



Parking



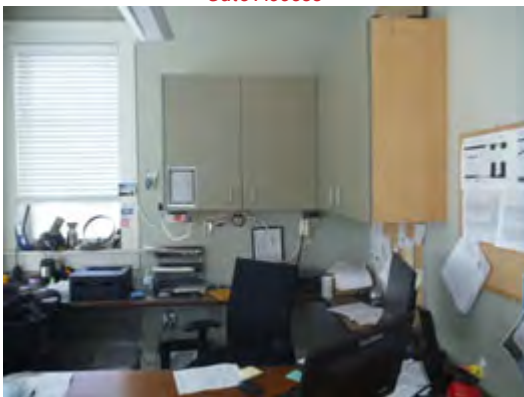
Parking



Gate Access



Interior View



Interior View



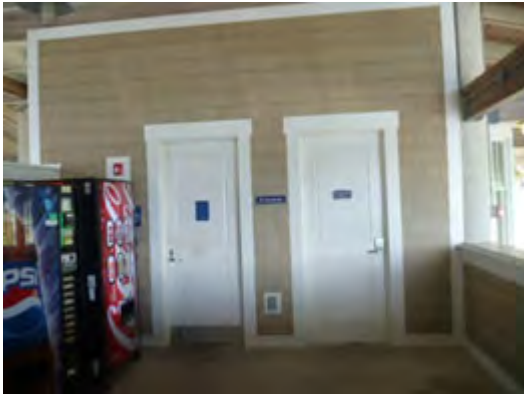
Interior View



Interior View



Interior View



Bathroom



Cafe



Loading Bridge



Marina Outlet



Outlet



Boat Slips



Dock



Sea Wall



Sea Wall



Drop Off/Pick Up Area

Executive Summary

Deep Point Ferry Terminal & Parking Facility

Property Type:	Specialty-Ferry System
Street Address:	1301 Ferry Road
City, State & Zip:	Southport, Brunswick County, NC 28461
Gross Building Area (SF):	50,325
Net Rentable Area (SF):	50,325
Year Built:	2009
Current Occupancy:	N/A
Land Area:	54.801 acres; 2,387,144 SF
Zoning:	BD
Highest and Best Use - As Vacant:	A Commercial Use
Highest and Best Use - As Improved:	Commercial Use

In-Contract Summary

Buying Entity:	Bald Head Island Transportation Authority
Selling Entity:	Bald Head Island Transportation, Inc. & Bald Head Island Limited, LLC
Purchase Price:	\$47,750,000
Contract Date:	Draft - June 2021

Analysis Details

Valuation Date:	July 17, 2021
Market Value "As Is"	July 17, 2021
Inspection Date and Date of Photos:	July 17, 2021
Report Date:	July 26, 2021
Report Type:	Appraisal Report
Client:	Bald Head Island Transportation Authority
Intended Use:	Asset Valuation
Intended User:	Bald Head Island Transportation Authority
Appraisal Premise:	Market Value "As Is"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Fee Simple
Exposure Time (Marketing Period) Estimate:	10 Months (10 Months)

Valuation Summary

Cost Approach	\$/SF	\$ Total
Replacement Cost New (Including Dev. Profit)		\$30,134,976
Depreciated Cost		\$23,964,416
Land Value		\$10,080,000
Stabilization Discount		\$0
Deferred Maintenance		(\$175,000)
Near Term Capital Expenses		\$0
Indicated Cost Approach Value	As Is	\$673.62 \$33,900,000



Income Capitalization Approach - Direct Capitalization Method		\$/SF	\$ Total
Capitalization Rate Indicators and Conclusion		Indication	
Investor Surveys		7.0% - 8.0%	
Band of Investment		7.25%	
Concluded Going-In Capitalization Rate		7.25%	
Stabilized Income Estimate			
Potential Gross Income		\$46.05	\$2,317,500
Stabilized % Vacancy & Collection Loss		0.00%	\$0
Net Other Income		\$0.00	\$0
Effective Gross Income		\$46.05	\$2,317,500
Operating Expenses		\$0.00	\$0
Operating Expense Ratio			0.0%
Net Operating Income		\$46.05	\$2,317,500
Capitalization Rate			7.25%
Indicated Direct Capitalization Value	As Is	\$631.89	\$31,800,000
Indicated Income Capitalization Approach Value	As Is	\$631.89	\$31,800,000
Market Value Conclusion	As Is	\$655.74	\$33,000,000
Exposure / Marketing Time	Min	Max	Average
Concluded Exposure Time		10 Months or Less	
Concluded Marketing Time		10 Months or Less	

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Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by NKF



Introduction

Ownership History

The current owner is Bald Head Island Limited LLC.

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale
In-Contract:	Draft - June 2021
Buyer:	Bald Head Island Transportation Authority
Seller:	Bald Head Island Transportation, Inc. & Bald Head Island Limited, LLC
Purchase Price:	\$47,750,000
Sales in the Previous Three Years:	None

Compiled by NKF

The above pricing reflects the overall purchase, inclusive of the Bald Head Island Ferry Terminal, the subject, the barge and ferry operation as well as the supporting FF&E. No allocation of the purchase price was provided. To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

Definition of Value

Market value is defined 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. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- ❖ Buyer and seller are typically motivated;
- ❖ Both parties are well informed or well advised, and acting in what they consider their own best interests;
- ❖ A reasonable time is allowed for exposure in the open market;
- ❖ Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- ❖ 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."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Appraisal Report

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

Purpose of the Appraisal

The primary purpose of the appraisal is to develop an opinion of the As Is market value of the Fee Simple interest in the property.

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Fee Simple	7/17/2021
<i>Compiled by NKF</i>		

Scope of Work

Extent to Which the Property is Identified

- ✘ Physical characteristics
- ✘ Legal characteristics
- ✘ Economic characteristics

Extent to Which the Property is Inspected

NKF inspected the subject property on July 17, 2021 as per the defined scope of work. Greg Becker, MAI, MRICS made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- ✘ Exposure and marketing time;
- ✘ Neighborhood and land use trends;
- ✘ Demographic trends;
- ✘ Market trends relative to the subject property type;
- ✘ Physical characteristics of the site and applicable improvements;
- ✘ Flood zone status;
- ✘ Zoning requirements and compliance;
- ✘ Real estate tax data;
- ✘ Relevant applicable comparable data; and
- ✘ Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is applicable and is utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is not applicable and is not utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by NKF

The sales comparison approach was not used because there is inadequate market data to develop a value estimate for this approach. The exclusion of this approach is not considered to impact the reliability of the appraisal.

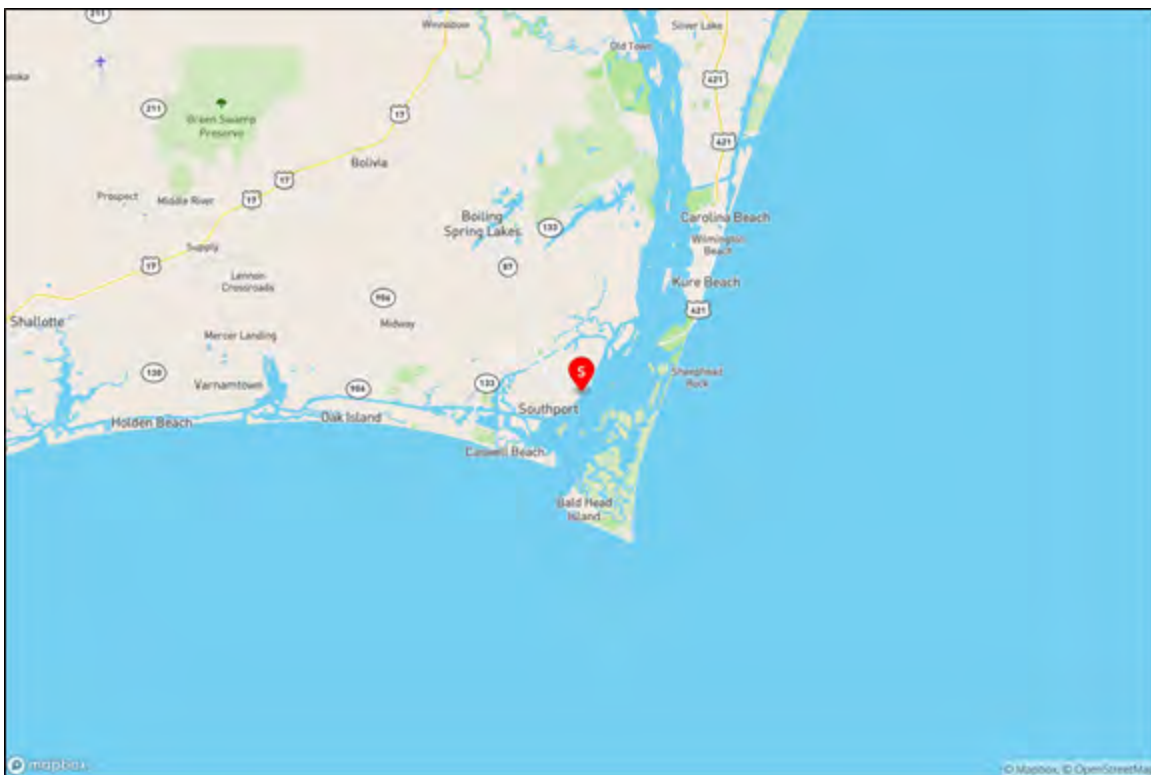
Economic Analysis

The Impact of COVID-19

It is well known that the past several months have been volatile. Real estate market volatility has resulted from the COVID-19 pandemic as well as other events such as oil price declines. Every day, there is greater clarity about the effects and expectations as evidenced by transaction activity, various data sources, and market participants. We have continuously reached out to brokers and other market participants to understand how the market is reacting.

Most of our major data sources, such as Moody's Economy.com, include both COVID-19 pandemic period data and projections inclusive of its effects. This data is included within this section as well as throughout this report and is a central foundation of our analysis. There are an increasing number of transactions occurring and these are providing indications of trends.

Area Analysis



Area Map

The subject is located within Southport and Brunswick County, North Carolina. It is part of the Myrtle Beach-Conway-North Myrtle Beach metro area (Myrtle Beach Metropolitan Statistical Area).

Moody's Analytics' Economy.com provides the following economic summary for the Myrtle Beach Metropolitan Statistical Area as of April, 2021.

Moody's Analytics Précis® Metro Indicators: Myrtle Beach Metropolitan Statistical Area												
2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
16.7	17.0	17.3	17.6	17.9	17.5	Gross metro product (C12\$ bil)	18.8	20.5	21.6	22.7	23.6	24.6
1.8	1.9	2.3	1.7	1.4	-2.3 % change		7.6	9.0	5.3	4.9	4.2	4.0
155.4	160.9	166.9	171.6	175.2	162.2	Total employment (ths)	172.1	180.8	185.4	188.8	191.7	194.6
2.6	3.5	3.7	2.8	2.1	-7.4 % change		6.1	5.0	2.6	1.8	1.5	1.5
7.2	6.0	5.2	4.6	4.0	8.8	Unemployment rate (%)	5.7	5.0	4.9	4.9	4.9	4.9
8.7	7.2	6.6	8.2	6.3	8.0	Personal income growth (%)	5.0	0.9	7.3	6.6	5.7	5.6
46.1	47.6	49.0	52.4	57.0	64.2	Median household income (\$ ths)	65.8	63.9	65.9	67.8	69.4	71.0
431.2	447.3	463.5	481.0	496.9	512.4	Population (ths)	522.5	535.5	548.6	561.7	574.9	588.0
3.6	3.7	3.6	3.8	3.3	3.1 % change		2.0	2.5	2.4	2.4	2.3	2.3
15.2	16.7	16.9	18.7	17.2	16.9	Net migration (ths)	11.5	14.6	14.7	14.9	15.1	15.2
5,763	6,209	7,468	6,741	6,989	8,411	Single-family permits (#)	10,318	11,788	11,320	11,393	11,790	11,655
391	316	1,119	705	851	851	Multifamily permits (#)	2,956	4,946	4,274	4,425	4,295	3,592
187	194	204	216	230	244	FHFA house price (1995Q1=100)	256	266	275	281	285	287

Source: Moody's Analytics Précis® US Metro

Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

Myrtle Beach Metropolitan Statistical Area is mounting an exceptional comeback in light of its deep recession just a year ago. Despite falling much further than average in 2020, payroll growth has consistently outpaced the U.S. and the South over the past few months. This climaxed in April when payrolls surged more than 24% from a year earlier, more than twice the national and regional averages. Most of these gains were in leisure and hospitality as tourism season got fully underway and more of the country emerged from lockdown. The only limit on the pace of hiring over the next several months will be the metro-area workforce. Myrtle Beach is behind both the South and the U.S. when it comes to drawing workers back into the labor market.

Market Comparison

The following table illustrates key economic indicators and a comparison of the Myrtle Beach Metropolitan Statistical Area to the regional grouping as a whole. As indicated, Myrtle Beach is projected to outperform the South Region Metros in six of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Myrtle Beach Metropolitan Statistical Area Metro to South Region											
Indicator	Myrtle Beach Metropolitan Statistical Area			Annual Growth		South Region Metros			Annual Growth		
	2015	2020	2025	2015 - 2020	2020 - 2025	2015	2020	2025	2015 - 2020	2020 - 2025	
Gross metro product (C12\$ bil)	17.0	18.8	24.6	2.1%	5.5%	5,420	5,744	6,953	1.2%	3.9%	
Total employment (ths)	160.9	172.1	194.6	1.4%	2.5%	47,822	49,052	54,113	0.5%	2.0%	
Unemployment rate (%)	6.0%	5.7%	4.9%			5.3%	7.1%	4.2%			
Personal income growth (%)	7.2%	5.0%	5.6%			4.2%	5.4%	4.9%			
Population (ths)	447.3	522.5	588.0	3.2%	2.4%	113,395	118,897	123,636	1.0%	0.8%	
Single-family permits (#)	6,209	10,318	11,655	10.7%	2.5%	362,601	542,304	671,104	8.4%	4.4%	
Multifamily permits (#)	316	2,956	3,592	56.4%	4.0%	182,944	186,669	179,649	0.4%	-0.8%	
FHFA house price (1995Q1=100)	194	256	287	5.7%	2.3%	304	399	437	5.6%	1.8%	
Myrtle Beach Metropolitan Statistical Area outperforming South Region Metros											
Myrtle Beach Metropolitan Statistical Area underperforming South Region Metros											

Source: Moody's Analytics Précis® US Metro; Compiled by NKF



Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

Current Employment by Occupation Sector										
Occupation Sector	28461		Southport City		Brunswick County		Myrtle Beach-Conway-North Myrtle Beach, SC-NC MSA		North Carolina	
White Collar	4,705	59.8%	950	59.3%	29,258	55.6%	114,881	57.5%	3,084,783	62.1%
Administrative Support	676	8.6%	108	6.7%	5,468	10.4%	20,313	10.2%	504,768	10.2%
Management/Business/Financial	1,281	16.3%	245	15.3%	7,466	14.2%	29,785	14.9%	884,363	17.8%
Professional	1,864	23.7%	377	23.5%	10,123	19.2%	36,953	18.5%	1,208,140	24.3%
Sales and Sales Related	884	11.2%	220	13.7%	6,201	11.8%	27,830	13.9%	487,512	9.8%
Services	1,245	15.8%	198	12.4%	9,738	18.5%	41,577	20.8%	732,969	14.8%
Blue Collar	1,918	24.4%	454	28.3%	13,656	25.9%	43,259	21.7%	1,146,102	23.1%
Construction/Extraction	763	9.7%	185	11.5%	4,960	9.4%	15,309	7.7%	267,702	5.4%
Farming/Fishing/Forestry	47	0.6%	0	0.0%	229	0.4%	851	0.4%	24,316	0.5%
Installation/Maintenance/Repair	280	3.6%	75	4.7%	2,144	4.1%	6,815	3.4%	166,202	3.3%
Production	305	3.9%	54	3.4%	2,530	4.8%	7,904	4.0%	305,389	6.2%
Transportation/Material Moving	523	6.6%	140	8.7%	3,793	7.2%	12,380	6.2%	382,493	7.7%
Total Employees (16+ Occupation Base)	7,868	100.0%	1,602	100.0%	52,652	100.0%	199,717	100.0%	4,963,854	100.0%

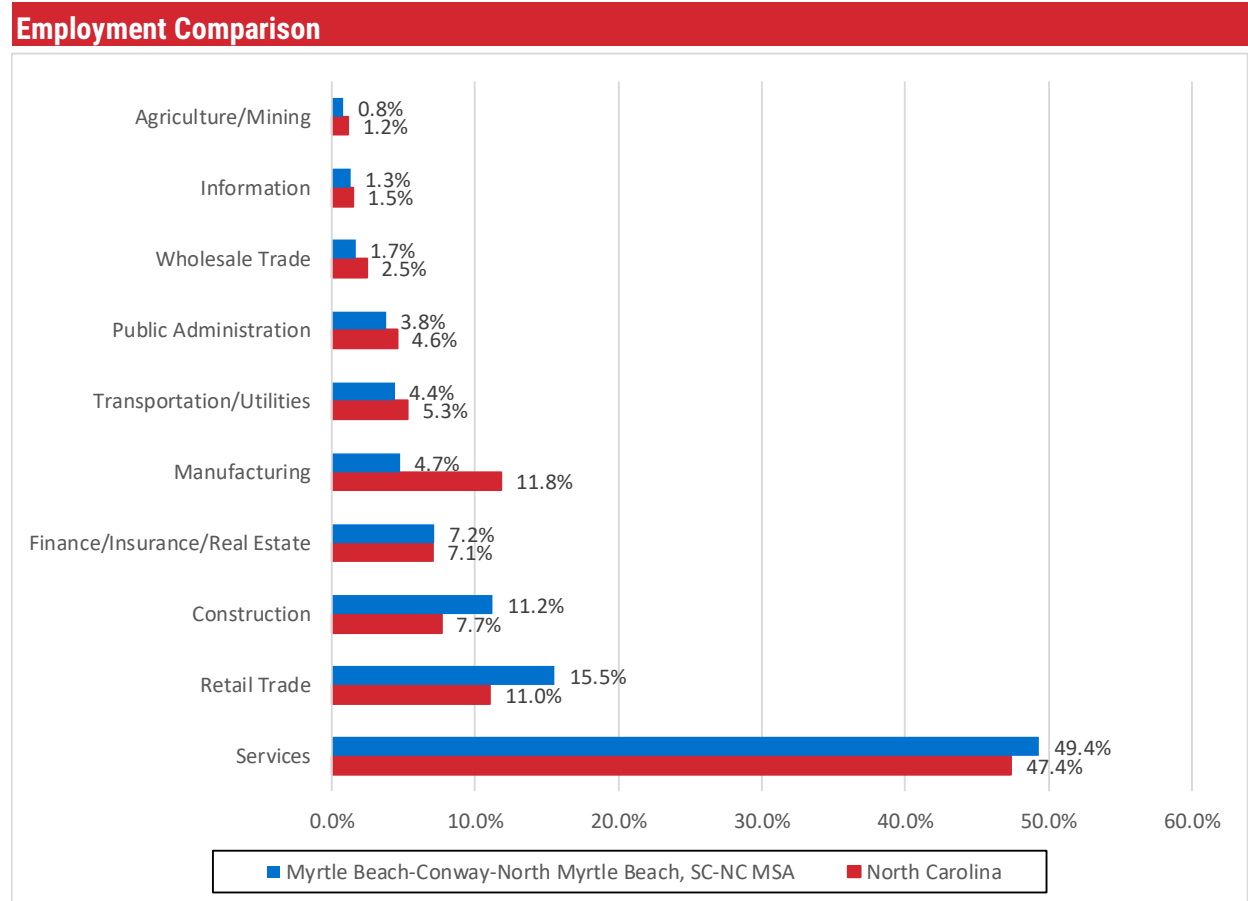
Source: ESRI; Compiled by NKF

Current Employment by Industry Sector										
Industry Sector	28461		Southport City		Brunswick County		Myrtle Beach-Conway-North Myrtle Beach, SC-NC MSA		North Carolina	
Agriculture/Mining	117	1.5%	8	0.5%	426	0.8%	1,636	0.8%	57,664	1.2%
Construction	1,048	13.3%	250	15.6%	6,999	13.3%	22,382	11.2%	380,270	7.7%
Manufacturing	346	4.4%	130	8.1%	3,309	6.3%	9,483	4.7%	586,018	11.8%
Wholesale Trade	47	0.6%	6	0.4%	609	1.2%	3,325	1.7%	121,721	2.5%
Retail Trade	895	11.4%	118	7.4%	7,510	14.3%	31,051	15.5%	548,365	11.0%
Transportation/Utilities	886	11.3%	215	13.4%	3,703	7.0%	8,751	4.4%	265,009	5.3%
Information	78	1.0%	18	1.1%	691	1.3%	2,644	1.3%	75,132	1.5%
Finance/Insurance/Real Estate	485	6.2%	119	7.4%	3,220	6.1%	14,345	7.2%	350,247	7.1%
Services	3,680	46.8%	728	45.4%	23,621	44.9%	98,565	49.4%	2,351,975	47.4%
Public Administration	286	3.6%	13	0.8%	2,564	4.9%	7,535	3.8%	227,453	4.6%
Total Employees (16+ Occupation Base)	7,868	100.0%	1,602	100.2%	52,652	100.0%	199,717	100.0%	4,963,854	100.0%

Source: ESRI; Compiled by NKF

Comparing the industry sectors for the local market area (Myrtle Beach-Conway-North Myrtle Beach, SC-NC MSA) to North Carolina indicates the local market area is somewhat more heavily weighted toward the Retail Trade, Construction, Services, and Finance/Insurance/Real Estate sectors.

By contrast, the industry employment totals for North Carolina indicate somewhat higher proportions within the Manufacturing, Transportation/Utilities, Public Administration, Wholesale Trade, Agriculture/Mining, and Information sectors. The following graphic further illustrates this comparison.

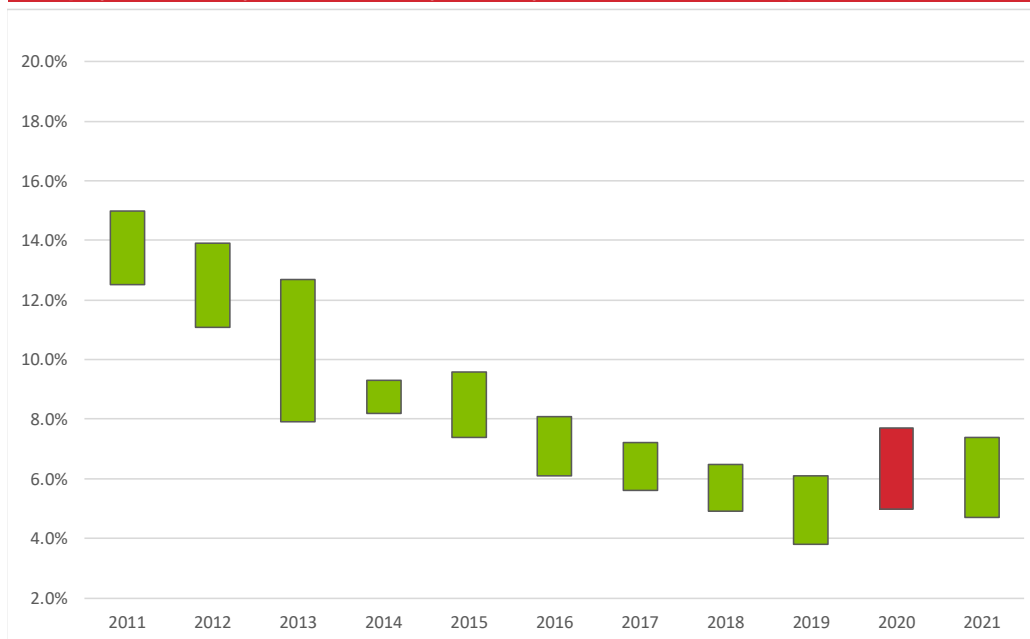


Source: ESRI; Compiled by NKF

Unemployment

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics. The most recent reported unemployment rate for the Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metropolitan Statistical Area is 4.7% (May 2021).

Unemployment Rate: Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metropolitan Statistical Area



Bars represent beginning to end range of unemployment rates in each year

Red bars denote increasing unemployment from beginning to end of year

Green bars are declining unemployment from beginning to end of year

Compiled by NKF

Major Employers

The following table lists a number of major employers with the Myrtle Beach Metropolitan Statistical Area as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: Myrtle Beach Metropolitan Statistical Area		
Rank	Employer	Employees
1	Wal-Mart Stores Inc.	2,623
2	Coastal Carolina University	1,582
3	Conway Medical Center	1,500
4	Grand Strand Regional Medical Center	1,400
5	Progress Energy Co.	>1,000
6	Food Lion	1,000
7	Myrtle Beach National	980
8	Blue Cross/Blue Shield	837
9	National Golf Management	800
10	HTC Communications	684
11	(McLeod Loris Seacoast) Loris Healthcare	680
12	Wyndham Vacation Ownership	650
13	Lowe's Building Supply	603
14	Kingston Plantation	550
15	Novant Medical/Brunswick College	500-999
16	Sands Oceanfront Resorts	500
17	Bi-Lo	468
18	Ocean Lakes Family Campground	450
19	Conbraco Industries Inc.	410
20	AVX Corp.	400

Source: Moody's Analytics Précis® US Metro

Analysis

Further economic analysis from Moody's is detailed as follows:

Tourism

Myrtle Beach's economic outlook is always dominated by tourism, but for the next year and a half this will especially be the case. Leisure/hospitality payrolls will outperform national and regional averages by orders of magnitude this summer as the metro area is perfectly positioned to benefit from the impending surge in consumer spending and pent-up demand among vacationers. Myrtle Beach has offerings for a wide range of visitors from across the socioeconomic spectrum, catering to lower-income vacationers as easily as high-income visitors. This, coupled with its ease of access to most of the East Coast, will help it recover and expand faster than many of its peers. These trends are already beginning to play out in the data. Air traffic at Myrtle Beach International Airport has already surpassed 2019, pre-pandemic levels. Occupancy rates and revenue per



available room are almost double 2019 levels. Leisure/hospitality employment has nearly doubled from a year ago, in turn, and will surpass pre-pandemic peaks by mid-2022, more than a full year before the rest of the South.

Retirees

The end of the pandemic will also bring a reacceleration of retiree in-migration to Myrtle Beach. After a year and a half of tremendous uncertainty, pent-up retirements and relocations will boost population growth in retiree havens across the country, but Myrtle Beach will especially benefit. The metro area boasts one of the most affordable environments for retirees on the East Coast, and house prices are still very competitive despite the near-term pressures from the pandemic. The growing retiree population will support continued expansion in the healthcare sector, which so far this year is on pace to see the fastest rate of job growth in more than a decade.

Housing

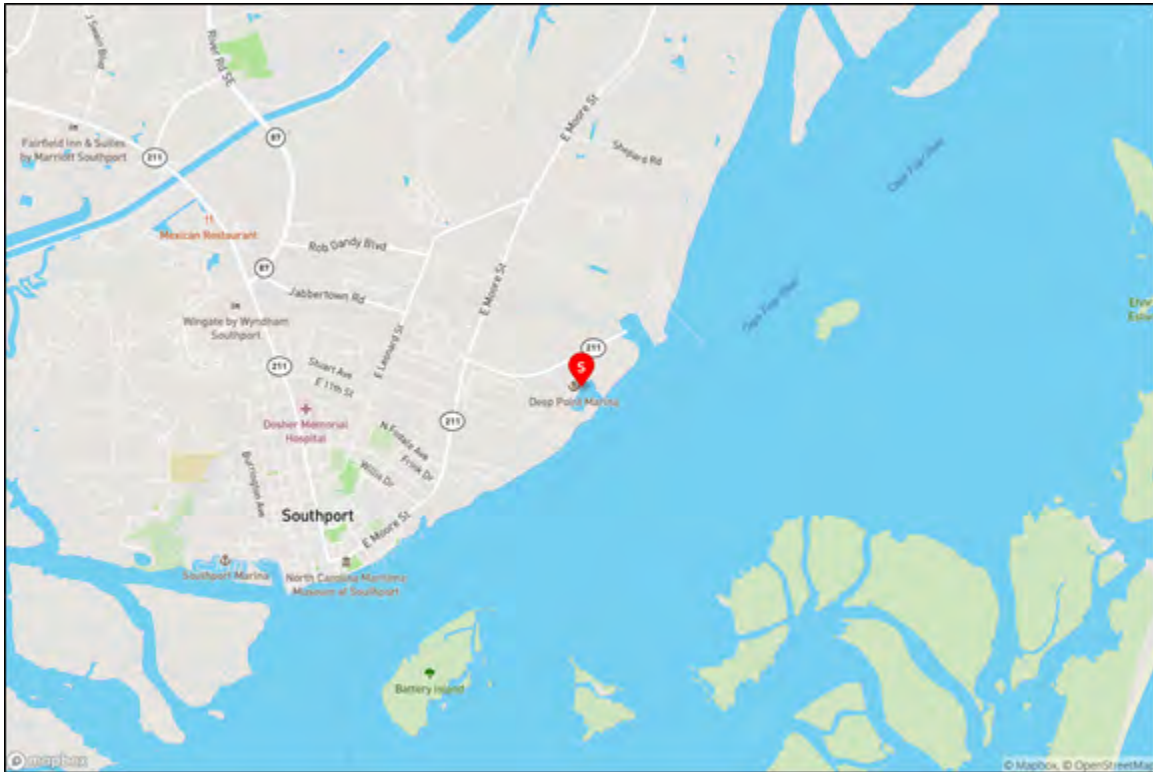
Faster population gains will turbocharge the metro area's already fast-paced housing market. Prices have been growing faster than in the U.S. and the South for the past three years, well before the demand surge during the pandemic. This has allowed Myrtle Beach to get off to a faster start regarding construction than other parts of the country. Permits have increased to a level not seen since before the Great Recession and building activity is steadily outpacing that in the rest of the already high-flying South. Strong demand and high affordability for a retiree destination will allow the metro area to continue to see stronger price growth throughout the forecast. This price appreciation will eventually eat into affordability, however, as prices rise faster than incomes.

Conclusion

Positive Attributes	Negative Attributes
<ul style="list-style-type: none"> ❖ Popular destination for tourists, retirees. ❖ Very strong population growth, including ❖ favorable migration trends. ❖ Low cost of doing business. 	<ul style="list-style-type: none"> ❖ Volatility from dependence on tourism and national discretionary consumer spending. ❖ Risk of property damage due to coastal location.

Myrtle Beach Metropolitan Statistical Area has a strong few years of growth ahead. Its relatively low costs and industry mix position it to benefit perfectly from the nascent surge in consumer demand. The only real limit on the pace of near-term hiring will be the pace of recovery in the labor force. However, rising average hourly earnings and the expiration of enhanced unemployment benefits are sure to alleviate much of those pressures by the end of the year.

Neighborhood Analysis



Area Map

Boundaries

The subject is located in the Southport city of Brunswick County. This area is part of the Southport submarket as defined by Costar and is generally delineated as follows:

North	US State Highway 211
South	Cape Fear River
East	Cape Fear River
West	US State Highway 211

Surrounding Area of Influence Trends

Description

The subject's surrounding area is viewed as suburban. The immediate area around the subject can be described as residential and commercial developments.

Fundamental Real Estate Cycle

The surrounding area is considered to be within the expansion stage of its real estate cycle.

Nuisances or Hazards

Our observation of the area revealed no evidence of significant nuisances or hazards.

Access

Primary Access

Primary access to the property is provided by US State Highway 211.

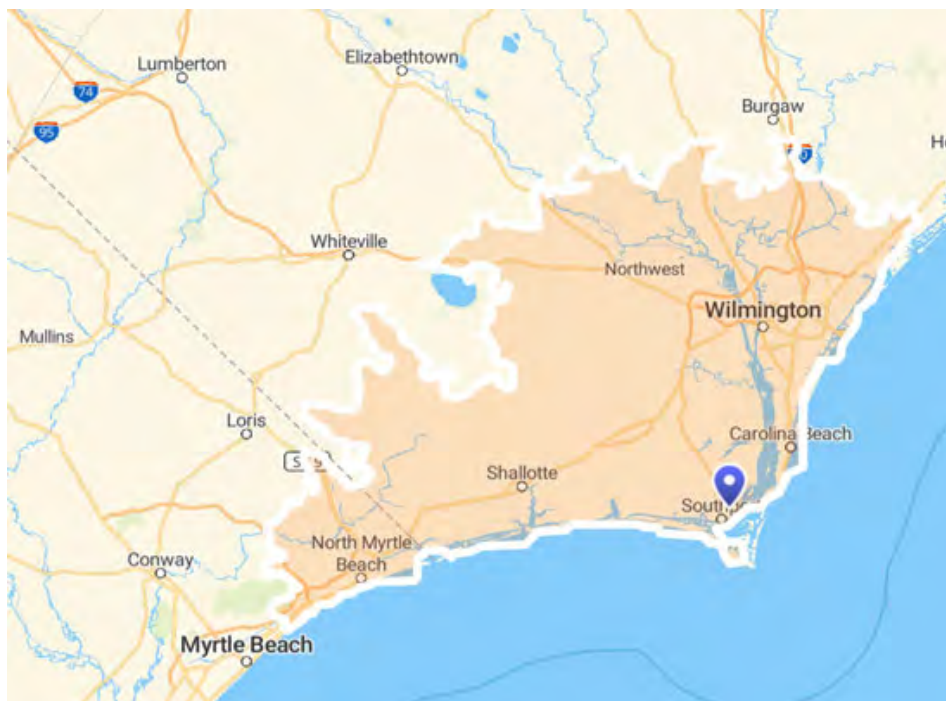
North Carolina Highway 211 (NC 211) is a 162.5-mile-long primary state highway in the U.S. state of North Carolina. It traverses mostly through the Sandhills and Coastal Plain regions of the state, connecting the cities of Candor, Aberdeen, Raeford, Lumberton, Bladenboro, and Southport.

Transportation

Brunswick Transit System, Inc. (BTS) is a non-profit community transportation system that coordinates general public and human services transportation for the residents of Brunswick County. BTS was incorporated in 1989 and operates under the NC Nonprofit Corporation Act and the USC 501(c)(3) Internal Revenue Code. The transit system operates a fleet of 17 vehicles, including ADA equipped vehicles to assist persons with special needs.

Distance from Key Locations

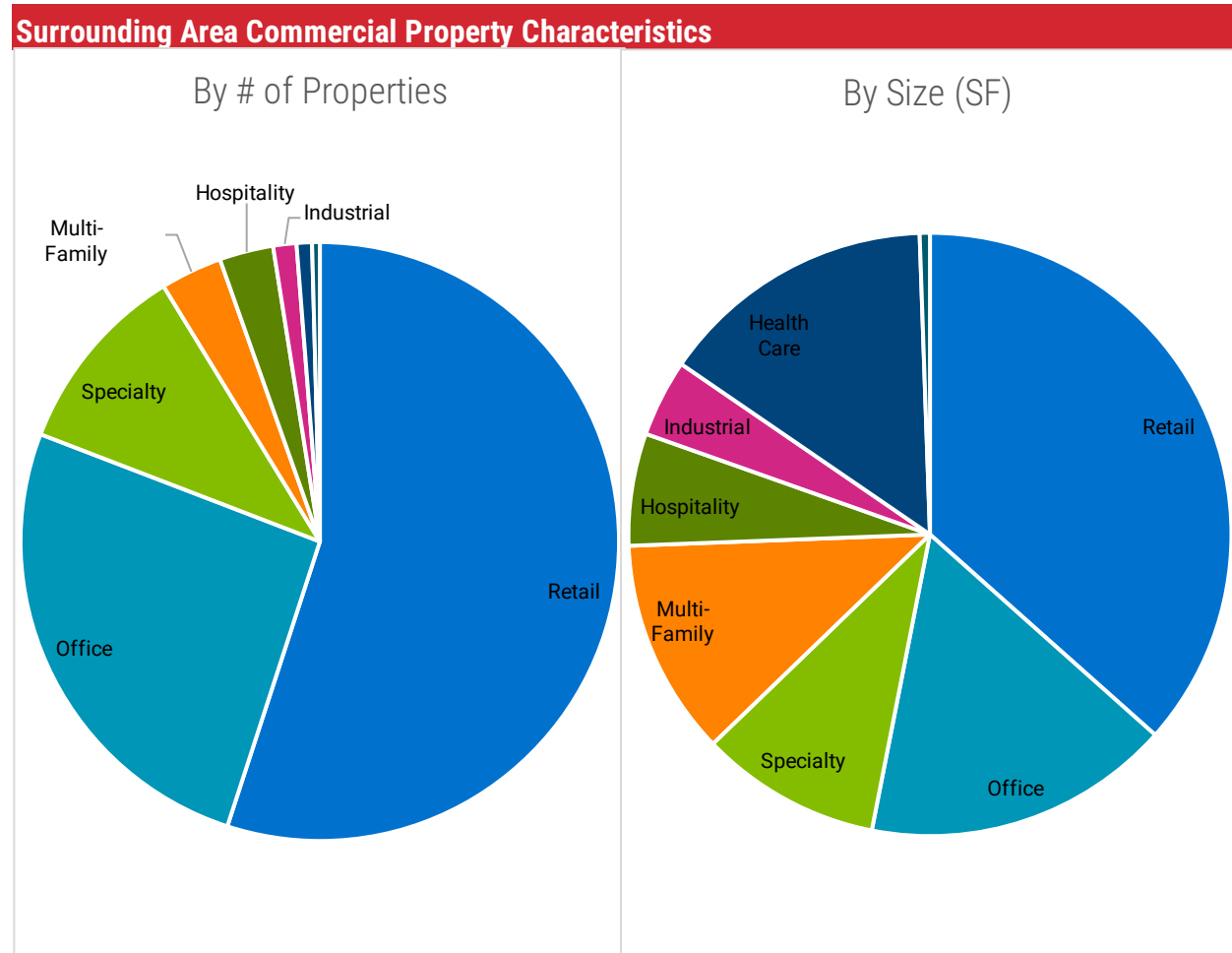
The commute to the Downtown Wilmington Information Center is about fifty minutes and the drive to Wilmington International Airport is about forty minutes. The following illustrates the 60-minute drive time from the subject.



Drive Time Map

Land Use

The following was developed from Costar data for the major property types in the surrounding two-mile radius around the subject.



Source: Costar; Compiled by NKF

Within the immediate area of the subject, property uses include the following:

- ❑ Within a two-mile radius, Costar recognizes a total of 240 commercial use properties.
- ❑ Costar recognizes 132 retail, 62 office, 25 specialty properties in this radius. Retail properties dominate the subject's surrounding area in terms of number of properties.
- ❑ Within this radius, the total property size is 227,377 SF for office developments. The average SF of industrial development within radius is 3,667 SF.

Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	28461	Southport City	Brunswick County	Myrtle Beach-Conway-North Myrtle Beach, SC-NC MSA	North Carolina
Population								
2010 Total Population	659	4,081	8,060	16,143	2,833	107,431	376,722	9,535,483
2021 Total Population	926	5,454	10,829	20,624	4,219	143,291	506,593	10,822,111
2026 Total Population	1,043	6,113	12,075	22,871	4,694	161,841	571,044	11,430,355
Projected Annual Growth %	2.4%	2.3%	2.2%	2.1%	2.2%	2.5%	2.4%	1.1%
Households								
2010 Total Households	300	1,849	3,699	7,181	1,294	46,297	158,522	3,745,155
2021 Total Households	425	2,503	5,012	9,255	1,949	62,278	213,470	4,251,028
2026 Total Households	480	2,818	5,608	10,306	2,180	70,518	241,159	4,493,166
Projected Annual Growth %	2.5%	2.4%	2.3%	2.2%	2.3%	2.5%	2.5%	1.1%
Income								
2021 Median Household Income	\$67,155	\$61,279	\$64,734	\$71,562	\$59,877	\$60,977	\$55,446	\$56,585
2021 Average Household Income	\$99,391	\$84,785	\$91,212	\$98,002	\$82,854	\$81,403	\$74,594	\$80,263
2021 Per Capita Income	\$44,083	\$38,793	\$42,308	\$43,997	\$37,647	\$35,389	\$31,458	\$31,659
Housing								
2021 Owner Occupied Housing Units	66.8%	59.8%	49.1%	57.7%	58.3%	50.6%	46.0%	57.1%
2021 Renter Occupied Housing Units	11.2%	14.3%	11.1%	8.8%	14.0%	9.5%	16.0%	29.3%
2021 Median Home Value	\$376,712	\$328,641	\$335,130	\$317,225	\$329,487	\$269,066	\$236,282	\$217,574
Median Year Structure Built	1992	1995	1998	2001	1997	1997	1995	1988
Miscellaneous Data Items								
2021 Bachelor's Degree	20.3%	20.1%	22.0%	23.6%	19.7%	20.0%	17.4%	20.7%
2021 Grad/Professional Degree	11.8%	11.9%	13.8%	14.7%	10.8%	11.6%	10.1%	12.1%
2021 College Graduate %	32.1%	32.0%	35.7%	38.2%	30.5%	31.5%	27.5%	32.8%
2021 Average Household Size	2.11	2.10	2.12	2.21	2.07	2.29	2.35	2.48
2021 Median Age	59.4	56.8	57.0	58.0	57.4	50.8	45.5	39.2

Source: ESRI; Compiled by NKF

- As shown above, the current population within a three-mile drive distance of the subject is 5,454, and the average household size is 2.10 persons. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Brunswick County overall, the population within a three-mile drive distance is projected to grow at a similar rate.
- Median household income is \$61,279, is higher than the household income for Brunswick County. Residents within a three-mile drive distance have a similar level of educational attainment than those of Brunswick County, while median owner-occupied home values are higher.
- Population growth in the surrounding area has been strong with income levels increasing. This has a positive effect on retail and services related real estate demand. This trend is projected to continue into the foreseeable future.

Recent Housing Transactions

The following snapshot provides the most recent housing transactions in the Bald Head Island and Southport area. The following transaction represent the most recent sales of 2021.

Subdivision Builder	Housing Type	Recorded Closings	Sale Price Avg	Sale Price Range	% Financed	Fin SF Avg	Fin SF Range	Bed Avg	Bath Avg	Lot SF Avg	Acres Avg
BALD HEAD ISLAND											
DR Horton Inc	Detached	1	\$245,000	\$245,000	95.0%	1,983	1,983	4.0	3.0	20,281	0.47
DR Horton Inc	Other/Unk	1	\$239,000	\$239,000	95.0%					20,069	0.46
Subdivision Totals		2	\$242,000	\$239,000-\$245,000	95.0%	1,983	1,983	4.0	3.0	20,175	0.46
BALD HEAD ISLAND STAGE											
522 Flipper LLC	Detached	1	\$591,500	\$591,500	46.5%	2,533	2,533	4.0	4.5	43,560	1.00
Homes by Parrish LLC	Other/Unk	1	\$852,500	\$852,500	80.0%					43,560	1.00
Revel BHI 1 Partners Ltd	Other/Unk	1	\$1,479,000	\$1,479,000						10,100	0.23
Subdivision Totals		3	\$974,333	\$591,500-\$1,479,000	63.2%	2,533	2,533	4.0	4.5	32,407	0.74
SOUTHBEND											
Village Homes Builders LLC	Detached	3	\$233,000	\$230,000-\$235,000	85.5%	1,402	1,384-1,432	3.0	2.0	7,115	0.16
SOUTHERN HOMEBUILDERS INC											
Southern Homebuilders Inc	Detached	1	\$264,500	\$264,500	90.0%	1,316	1,316	3.0	2.0		
SOUTHPORT HGT											
Herrick Homes Inc	Detached	1	\$394,000	\$394,000		1,914	1,914	3.0	2.5	12,197	0.28
SOUTHVIEW PARK											
H & H Homes Inc	Detached	7	\$215,714	\$200,000-\$223,000	95.2%	2,041	1,520-2,348	3.0	2.3	7,070	0.16
H & H Homes Inc	Other/Unk	6	\$211,750	\$199,500-\$221,000	95.3%					6,722	0.15
Subdivision Totals		13	\$213,885	\$199,500-\$223,000	95.3%	2,041	1,520-2,348	3.0	2.3	6,909	0.16



Marina Market Analysis

The primary potential alternative use for the subject would be for expansion of the existing adjoining marina. This market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include:

- ❖ National Marine Manufacturers Association, “2019 Recreational Boating Statistical Abstract”, published in September 2020. This is the most current national marina data available.
- ❖ National Marine Manufacturers Association, “2016 Recreational Boating Participation Study”, published in August 2017. This is the most current data available.
- ❖ US Coast Guard
- ❖ Association of Marina Industries
- ❖ Marine Dock Age “2019 Industry Trends”, Published March 2020. This is the most current data available.
- ❖ Rental Surveys of Competitive Properties
- ❖ Dozier’s Waterway Guide
- ❖ Marinas.com
- ❖ ESRI Demographic Data
- ❖ Interviews with Local Market Participants
- ❖ Subject Property Data

National Marine Market

Market Summary

According to the 2019 edition of the National Marine Manufacturers Association, (NMMA), 2019 Recreational Boating Statistical Abstract, the NMMA Statistical Abstract and the Recreational Boating Economic Study, recreational boating continues to be an important factor to the U.S. economy.

The following is a snapshot of the position and trends in the boating industry as reported in the 2019 Recreational Boating Statistical Abstract.

- ❖ U.S. expenditures on new boats, engines, aftermarket accessories and related costs totaled \$43.1 billion in 2019, up 3.1% from 2018. New boat sales (powerboats, sailboats, and personal watercraft) slightly declined after a seventh consecutive increase year in 2018, the slight decrease represents a 0.89% total unit decrease from an eleven-year high of 281,800 in 2018, total units sold in 2019 totaled 279,300 units.
- ❖ In 2019, there were 12 million registered boats in the U.S., equal to one registered boat for every 10.3 households in the U.S.

- ❖ Florida led all states in boat registrations in 2019, followed by Minnesota, Michigan, California and Wisconsin, in that order.
- ❖ Sales of new outboard boats grew for the ninth consecutive year to a 13-year high of 280,300 units in 2019; corresponding dollar sales totaled \$2.9 billion. Outboard boats remained the most popular category of boats sold in 2019, accounting for 62% of new boat sales.
- ❖ Pontoon boats accounted for the largest share (33.9%) of new retail sales for outboard boats in 2019. Center console boats were the second largest sales category with a 17% market share, followed by Bass boats and “other” boats with 14.1% and 14.0% shares, respectively.
- ❖ The average retail price of an aluminum outboard boat rose 17.7% to \$26,562 in 2019.
- ❖ Unit sales of pre-owned craft were up in four categories in 2019: inboard ski/tow boats, inboard cruisers, personal watercraft (PWC) and jet boats; unit sales of outboard boats, sterndrive boats, and sailboats declined.
- ❖ Sales of pre-owned boats moderated in 2019, down 1.2% to 966,200 units.
- ❖ Recreational boat and marine engine imports rose to an all-time high of \$3.5 billion in 2019, up 5% from 2018. Boat imports were up 7.1% to \$2 billion in 2019. Engine imports also increased, up 2.1% to \$1.5 billion.
- ❖ Recreational boat exports were down 27.8% to \$237.6 million in 2019, likely due to the combined effect of counter tariffs resulting in higher costs for European importers, and the strong dollar in 2019 which strengthened against the Euro and made U.S. products more expensive to countries in the region.
- ❖ Outboard engine sales increased for the eighth consecutive year in 2019, up 0.6% to a 13-year high of 280,300 units; corresponding dollar sales totaled \$2.9 billion in 2019, up 8.5% from 2018. Consumer demand for higher-performance engines continued to trend upward in 2019 with double-digit gains in engines sales for each of the 200.0 and greater horsepower categories.

Barriers to Entry

By far, the most difficult barrier to entry into the marina market is the lack of good waterfront development sites. We are aware of very few marinas and mixed-use waterfront projects that have been built on waterfront land that wasn't previously developed.

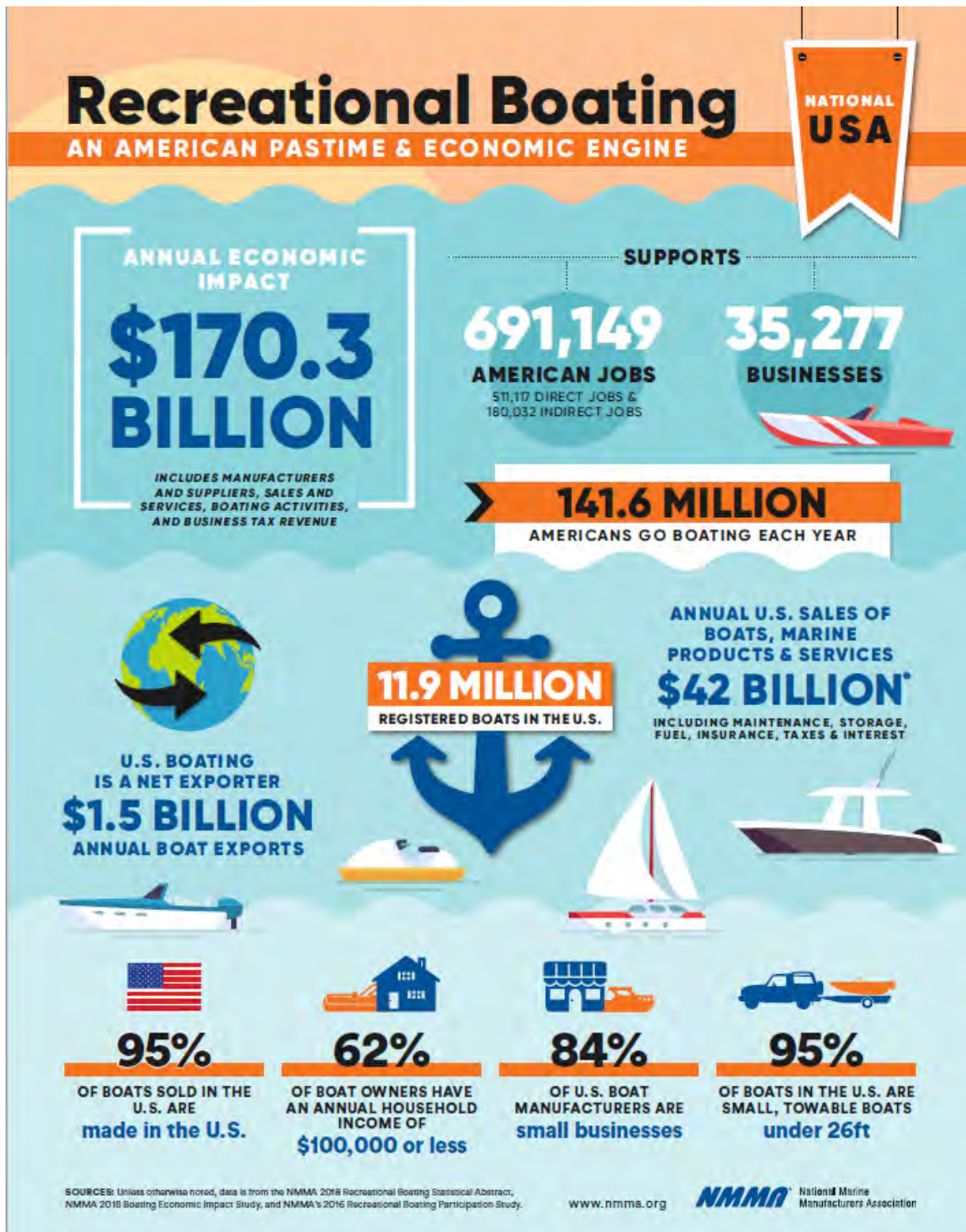
Over the past 2 to 3 years, wet slip occupancies have increased, approaching or exceeding their former market highs in 2005 and 2006. Many marinas are at or above 80%. The market fundamentals in the state currently support marina development in well-chosen locations as well as the renovation, redevelopment and expansion of existing marina developments along the coast.

U.S. boat registrations totaled 11.9 million in 2018, down 0.7% compared to 2016. The top five states for boat registrations in 2018 were unchanged from 2017, and included Florida, Minnesota, Michigan, California and Wisconsin, in that order. Two states within the top 20 states for boat registrations changed rank in 2018. Texas moved from seventh to sixth (switching with Ohio) and Illinois moved from sixteenth to fifteenth (switching with Alabama).

2018 Ranking	State	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	'18 vs. '17 % Change
1	Florida	988,652	991,680	974,353	949,030	914,535	889,895	870,031	870,749	873,507	889,350	905,298	918,255	925,141	0.7%
2	Minnesota	862,937	866,496	867,446	811,775	813,976	808,783	817,996	808,744	809,292	808,627	817,560	825,658	819,317	-0.8%
3	Michigan	828,529	830,743	816,752	811,670	812,066	803,391	804,088	795,875	789,458	787,637	794,137	798,544	795,374	-0.4%
4	California	893,828	964,881	858,853	906,988	810,008	855,243	776,584	820,490	728,679	772,542	697,412	745,641	670,102	-10.1%
5	Wisconsin	635,751	617,366	634,546	626,304	615,335	628,743	622,563	613,516	627,352	623,217	611,240	624,353	614,750	-1.5%
6	Ohio	412,256	415,228	416,586	424,877	430,710	432,696	441,732	449,541	459,778	474,185	505,082	541,898	573,050	5.7%
7	Texas	595,934	599,567	597,428	622,184	596,830	577,174	580,064	575,402	566,897	572,666	573,425	565,422	562,424	-0.5%
8	South Carolina	436,075	442,040	436,844	435,528	435,491	447,745	460,564	466,589	462,680	502,210	518,269	533,419	551,477	3.4%
9	New York	497,974	494,020	485,541	479,161	475,689	467,828	463,539	456,909	451,862	446,582	448,480	444,710	444,103	-0.1%
10	North Carolina	370,291	375,815	371,879	405,663	400,846	392,566	391,711	386,884	380,670	374,823	367,225	358,171	359,361	0.3%
11	Georgia	336,579	344,597	350,479	352,054	353,950	322,346	323,116	319,871	321,740	327,657	335,723	338,210	330,853	-2.2%
12	Pennsylvania	344,190	342,427	338,316	337,747	365,872	331,590	332,431	329,578	322,195	318,873	315,503	313,478	306,781	-2.1%
13	Louisiana	306,366	301,249	302,753	303,111	302,141	302,974	305,081	307,464	307,059	306,731	306,689	305,783	303,966	-0.6%
14	Missouri	324,826	321,782	322,253	314,131	297,194	302,271	300,714	297,562	294,009	293,660	293,185	290,376	289,854	-0.2%
15	Illinois	383,615	379,454	378,208	373,530	370,522	371,365	368,224	310,853	274,906	236,513	242,275	250,776	245,621	-2.1%
16	Alabama	271,658	274,176	272,558	270,726	271,377	265,526	268,374	265,626	262,926	261,183	265,973	266,157	244,619	-8.1%
17	Washington	270,497	270,789	264,393	269,845	237,921	234,543	230,684	229,403	226,662	228,528	234,035	239,316	244,618	2.2%
18	Tennessee	271,687	274,914	271,475	269,361	266,185	259,904	259,632	258,167	256,862	257,772	254,091	248,599	239,313	-3.7%
19	Iowa	234,335	213,757	231,333	247,190	209,660	228,743	235,095	202,886	221,939	236,466	205,145	213,392	231,346	8.4%
20	Virginia	248,091	251,440	249,312	249,235	245,940	242,473	239,878	237,551	236,521	234,052	233,236	224,031	225,732	0.8%
21	Indiana	168,678	241,474	271,532	268,424	281,908	217,297	214,487	214,889	212,466	209,867	209,622	219,870	211,287	-3.9%
22	Oklahoma	216,556	223,758	196,052	205,079	209,457	199,337	201,069	194,801	192,600	203,829	202,388	202,594	198,478	-2.0%
23	Arkansas	199,189	206,395	199,104	198,805	205,925	200,915	199,546	237,466	206,283	171,268	189,514	189,695	172,112	-9.3%
24	Maryland	204,277	202,892	199,087	196,806	193,259	188,623	185,626	181,544	178,573	178,798	176,207	172,304	170,365	-1.1%
25	Oregon	186,497	184,147	180,063	180,552	177,634	171,983	169,188	166,664	163,358	168,175	156,168	168,933	168,100	-0.5%
26	Kentucky	177,951	176,716	173,981	176,535	175,863	171,936	175,286	174,218	174,358	172,315	173,881	173,344	165,987	-4.2%
27	New Jersey	205,967	183,147	185,359	173,994	169,750	166,037	160,345	154,178	152,889	151,450	150,968	153,372	149,971	-2.2%
28	Massachusetts	148,640	145,496	145,113	142,625	141,959	139,991	139,123	137,668	135,750	134,678	140,008	134,538	132,440	-1.6%
29	Mississippi	179,433	180,356	191,312	194,016	156,216	156,743	133,556	130,959	133,406	134,991	132,441	131,873	127,029	-3.7%
30	Arizona	145,023	144,570	140,291	136,463	135,326	131,665	129,221	125,646	124,425	124,076	123,263	123,177	123,223	0.04%
31	Maine	113,276	112,818	109,657	109,169	111,873	106,679	108,502	107,211	106,328	107,475	111,116	109,774	111,681	1.7%
32	New Hampshire	101,297	100,261	96,205	95,402	94,773	91,950	92,976	92,046	92,258	92,979	94,806	94,810	95,444	0.7%
33	Connecticut	108,701	108,539	110,650	109,213	108,078	105,499	103,992	101,887	99,658	95,527	93,364	92,058	90,728	-1.4%
34	Nebraska	83,313	83,722	83,280	80,089	83,832	84,471	86,248	87,078	86,778	86,853	87,596	87,865	88,622	0.9%
35	Idaho	88,464	91,612	89,026	90,501	87,662	84,290	85,749	85,780	86,270	86,969	87,211	84,015	86,801	3.3%
36	Colorado	98,067	98,055	95,330	95,822	91,424	89,321	87,225	83,549	83,683	84,111	84,676	84,936	84,083	-1.0%
37	Kansas	95,677	93,900	91,067	90,522	89,315	88,041	85,840	83,422	82,016	80,979	81,243	83,775	82,700	-1.3%
38	Utah	76,481	76,921	73,009	72,419	70,321	68,427	70,144	66,012	66,804	66,497	65,873	66,136	64,208	-2.9%
39	Montana	81,935	79,651	84,988	83,394	52,105	42,985	54,642	63,438	47,427	60,087	68,229	51,373	63,063	22.8%
40	North Dakota	49,638	53,519	46,067	51,609	56,128	47,537	62,799	69,381	53,560	69,581	67,022	56,933	62,740	10.2%
41	South Dakota	53,430	53,570	56,604	60,094	56,624	56,615	58,449	57,209	57,209	58,972	59,485	59,525	58,896	-1.1%
42	Delaware	59,192	61,569	56,669	61,523	62,983	57,687	58,541	59,186	59,337	59,467	61,901	58,557	55,047	-6.0%
43	West Virginia	57,422	63,064	49,930	57,415	64,510	51,752	57,085	61,961	48,139	50,324	57,305	43,839	51,239	16.9%
44	Alaska	49,533	47,548	47,534	48,892	48,891	50,219	50,142	49,939	50,123	50,781	51,144	50,044	48,829	-2.4%
45	Nevada	59,957	59,895	57,519	56,053	53,464	50,864	50,499	46,327	44,196	41,794	42,426	43,129	40,930	-5.1%
46	Rhode Island	43,375	43,665	42,524	42,519	45,930	40,989	40,451	39,602	36,291	40,075	40,178	39,685	39,230	-1.1%
47	New Mexico	38,794	38,100	33,304	36,544	37,340	37,469	36,846	34,862	34,647	33,933	33,780	33,340	32,505	-2.5%
48	Vermont	32,090	31,482	30,429	30,480	30,315	28,807	28,987	30,008	27,861	28,179	29,353	28,852	28,690	-0.6%
49	Wyoming	26,296	26,956	27,243	27,955	28,249	28,164	28,620	28,081	27,117	27,711	27,288	26,963	26,656	-1.1%
50	Hawaii	15,109	15,094	15,404	15,709	14,835	13,375	14,098	14,258	12,033	10,807	11,238	11,658	12,371	6.1%
51	Dist. of Columbia	2,425	2,866	2,922	2,798	3,017	2,889	2,118	2,622	1,963	2,120	2,115	2,512	2,433	-3.1%
52	U.S. Territories	69,241	71,579	70,129	70,010	73,712	35,579	38,435	28,835	29,334	29,707	30,251	27,519	29,279	6.4%
Total U.S.		12,746,125	12,875,568	12,692,892	12,721,541	12,438,926	12,173,935	12,101,936	12,014,387	11,782,134	11,867,049	11,866,043	11,953,187	11,852,969	
Percent change		-1.5%	1.0%	-1.4%	0.2%	-2.2%	-2.1%	-0.6%	-0.7%	-1.9%	0.7%	-0.01%	0.7%	-0.8%	



The above data table shows the total number of boating registrations by state. Florida remains at the top of the chart, followed this year by Minnesota, Michigan, California, and Wisconsin to round out the top five.



Demand Generators

We have already discussed several factors that qualify a vacant waterfront site as being suited to marina development. However, once a marina development is in place, the quality, condition and reliability of service are key elements to the long-term sustainability of the development. An ongoing maintenance program of capital improvements is vital to a professional marina management plan.

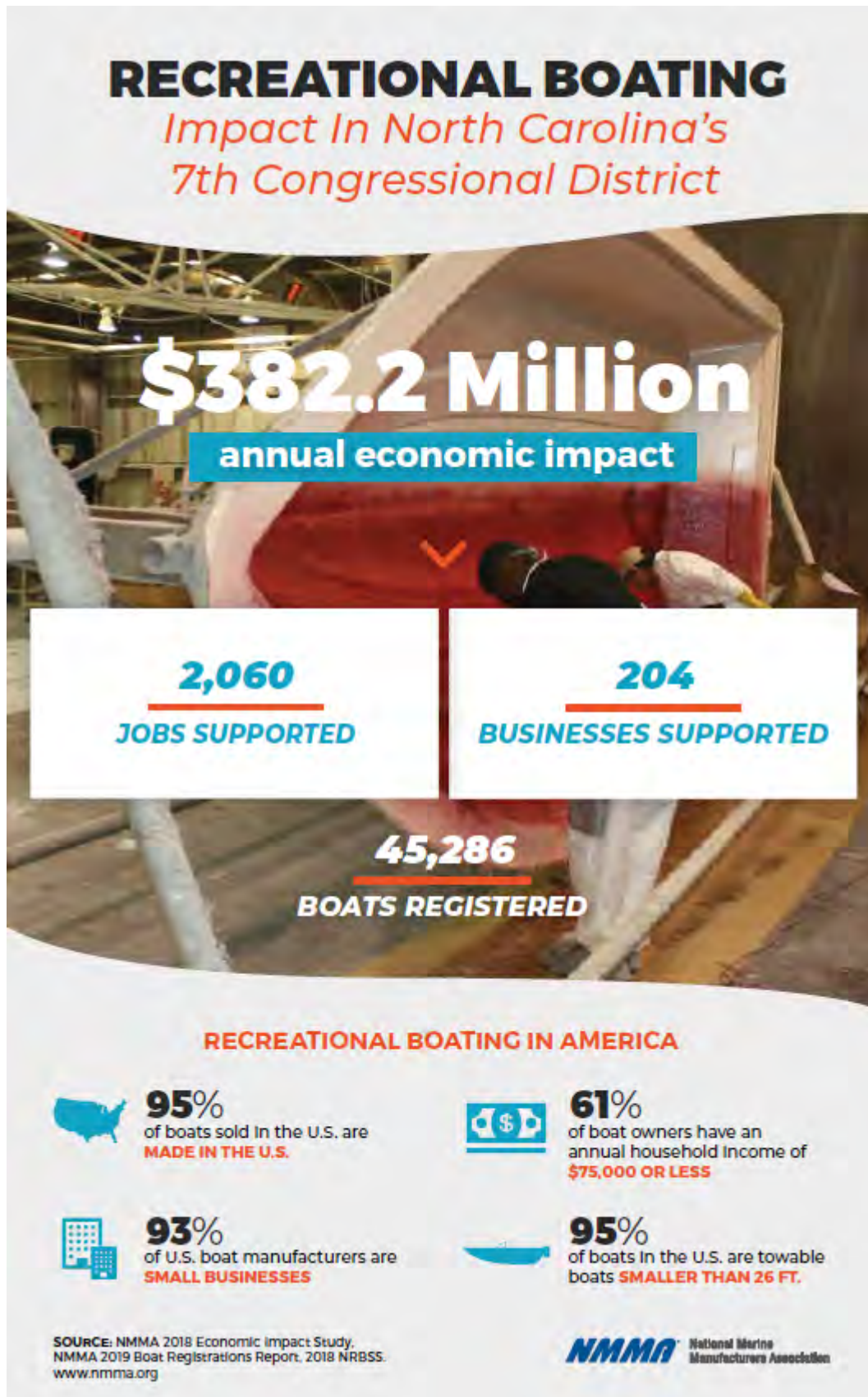
Full service marinas have a significant competitive advantage over limited service or no service marinas. Full service marinas create an “All Inclusive” boating experience that keep their wet slip tenants on-site, long after the vessel is back in its slip. The inclusion of an amenity package such as restaurants, a captain’s lounge and, (based on location), family specific recreational amenities such as an outdoor pool can give a marina property an additional competitive advantage. Finally, the importance of a best-in class Wi-Fi system cannot be overstated. One national marina owner/developer was quoted as saying, “My Wi-Fi is as important as my docks”.

The supply and demand characteristics of the marina market have strengthened significantly since the last recession. Over the past several years, marina portfolio operators have been accumulating mixed-use waterfront properties for their corporate portfolios. Once acquired and renovated, these individual assets, which individually might be valued at cap rates ranging from 7.50% up to 8.50%, are expected to command a cap rate for the entire portfolio of 100 up to 200 basis points lower than they would individually. Much of this spread is driven by quality, condition and critical mass. Thus, there is great incentive in the marina market to acquire and renovate multiple marina properties, especially within a dynamic region such as the southeast where the market fundamentals are already strong.

NATIONAL MARINE MARKET - CONCLUSION

The marine industry has a profound effect on the US economy with \$42 billion in total boating related sales in 2018. The popularity of boating has increased from 2006 to 2018. At the same time, the average annual hourly wage has increased modestly. All of the data sets indicate that the American family has recovered from the recession of 2007 and that many have re-entered boating after a three to five year hiatus. Based on the above data and analysis, it is our opinion that nationally the boating industry will strengthen steadily throughout the foreseeable future.





VALUATION PARAMETERS

In appraisal practice, the two most used unit value indications that can be abstracted from a marina or mixed-use waterfront sale are the price per slip and the capitalization rate. The following is a discussion of the trends and central tendencies of these two components.

Sale Price Per Slip

Many factors affect the price per slip including the number and size of ancillary profit centers that contribute to the sale price, the location of the property, its condition on the date of sale and how well the existing improvements match the current expectations of potential tenants within the local market.

In general, Top Tier marinas that sell in the \$30,000 to \$90,000 per slip range reflect multiple profit centers, newer construction, high occupancy levels and excellent proximity relative to landward and waterward destinations. These marinas are well located, relatively new, well occupied, well designed and well maintained. However, the majority of marinas in the US sell in the \$15,000 to \$30,000 range. They have some, but not all of the characteristics of the top-tier marinas as discussed above.

Trophy properties have good to excellent proximity to a major interstate highway, heavy traffic counts on an adjacent local roadway, direct exposure or signage on an adjacent heavily traveled waterway as well as good to excellent waterward proximity, access and exposure. Therefore, the primary characteristics of a trophy property are excellent proximity, access and exposure combined with large amounts of “Drive-By” traffic in terms of both vessels and vehicles. In order for an optimal marina property to exist, it must have the foregoing locational characteristics plus the positive synergy of well-designed and maintained building and site improvements.

Prior to 2007, marina buyers purchased active marinas for redevelopment, primarily for condominiums. In a redevelopment scenario, the motivation to purchase the property was the number of condominium units that could be developed on the land. Today, condominium redevelopment is much less frequent, as price points and construction costs have collided in many waterfront markets.

Most of the recent improved marina sales represent the acquisition of going concern operations which were purchased for their income potential either in an as-is scenario or as a value-added play.

Typical Acquisition Parameters

We have held discussions with most of the active marina purchasers in the United States market today. Most corporate purchasers are acquiring marinas based on existing in-place income for stabilized marinas, or on a stabilized year NOI for value-added properties.

Typical holding periods range from 7 to 10 years or more. Typical buyers are offering to purchase stabilized saltwater properties with capitalization rates of 7.00% to 9.00%. The lower end of the range typically includes marinas with good to excellent project fundamentals. Most freshwater marinas would command cap rates in the 8.00% to 10.00% range. However, well positioned properties, “Best in Class” properties and properties with in- place Net Operating Incomes of \$1,000,000 or more will typically command a premium.

There are many portfolio collectors that own 2 to 10 marinas. These buyers are very active in marina acquisition. Many small acquisition groups have been formed over the last 8 to 10 years which are targeting marinas and marina portfolios. Individual buyers are targeting marina properties with purchase prices in the \$1,000,000+ range. Many times, these buyers are retiring from another profession and have little or no experience or training in marina management. These investors are much less sophisticated and usually hire marina management companies to handle the day to day operations. Many times, the location of a marina in proximity to family and the prospects of a monthly income are all that is required.

Regardless of whether the investor is corporate or private, the motivation to purchase is not the purchase price divided by the number of wet and dry slips. For both investor groups, the motivation is for a return on and then return of investment.

Capitalization Rates

Two of the capitalization rates that can typically be extracted from an improved marina sale are:

- ❖ The actual cap rate based on the in-place NOI and
- ❖ The pro-forma cap rate based on stabilized, as-cured or pro-forma NOI.

Demand Generators

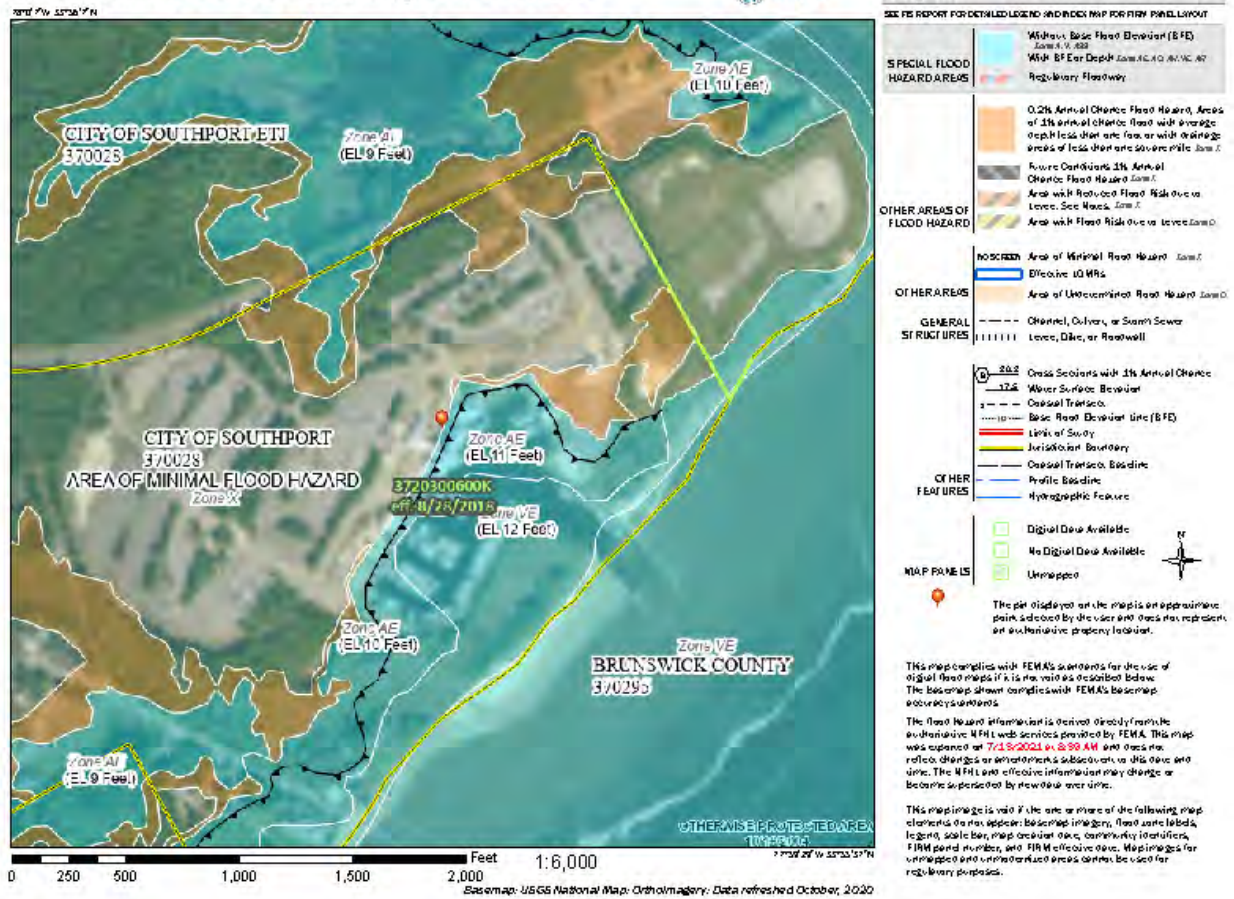
Demand for boat storage includes wet slips, dry rack storage, surface storage as well as on-trailer storage. The demand for these boat storage options within the market is a function of population, disposable income, marina location, proximity to popular fishing and family destinations, the pricing of wet versus dry storage, quality of the facility, fuel prices etcetera.

A very important element in the boat storage business is location, proximity to popular boating destinations, as well as the service and reliability associated with the facility. The newer the facility, the higher the demand, all other things being equal. Full service marinas have a significant competitive advantage over limited service or no service storage options as they create an “All Inclusive” boating experience. The inclusion of an amenity package such as restaurants, lounges and family recreational amenities such as an outdoor pool can give a marina property an additional competitive advantage.

Map Cabinet 119 Page 1



National Flood Hazard Layer FIRMette



Flood Map

Land Parcels

Parcel Summary	Associated APN(s)	Classification	Land Area (SF)	Land Area (Acres)
1301 Ferry Rd - Parking	23800003 (por)	Primary Site 1	1,884,462	43.2613
1301 Ferry Rd - Terminal	23800003 (por)	Primary Site 2	502,682	11.5400
Total Gross Land Area			2,387,144	54.8013
Total Usable Land Area			2,387,144	54.8013
Total Surplus Land Area			0	0.0000
Total Excess Land Area			0	0.0000

Compiled by NKF

Land Description

Total Land Area	54.8013 Acres; 2,387,144 SF
Usable Land Area	54.8013 Acres; 2,387,144 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Survey

Site Characteristics

Primary Street Frontage	Ferry Road SE
Traffic Control at Entry	Turn Lane
Traffic Flow	Moderate
Accessibility Rating	Average
Visibility Rating	Average
Shape	Irregular
Corner	No
Topography	Generally Level, At Road Grade
Easements / Encroachments	Various Access and Utility Easements
Environmental Hazards	None Noted

Flood Zone Analysis

Flood Area Panel Number	3720300600K
Date	8/28/2018
Zone	Zone AE
Description	Special Flood Hazard Area where base flood elevations are provided.
Insurance Required?	No

Utilities

Utility Services	Electricity, Sewer, Water
------------------	---------------------------

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Based on use, we allocated 11.54 acres to the ferry and barge operations with the balance, 43.2613 acres, allocated to parking operations.

Excess or Surplus Land

Analysis of the site and current use indicates that there is an area of the site that is not in use and would be viewed as excess land. We included this land in the overall site value; however, there is potential for additional parking development on the site.

Environmental Issues

No environmental issues were observed or reported. NKF is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

We have reviewed an environmental report, dated February 6, 2019, performed by S&ME, Inc. According to this report, no material evidence of site contamination was found except for the following outlined in the conclusion.

9.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM E 1527-13 of the property located at 1301 Ferry Road in Southport, Brunswick County, North Carolina, the subject property. Any exceptions to, or deletions from, this practice are described in **Sections 1.4** and **10** of this report.

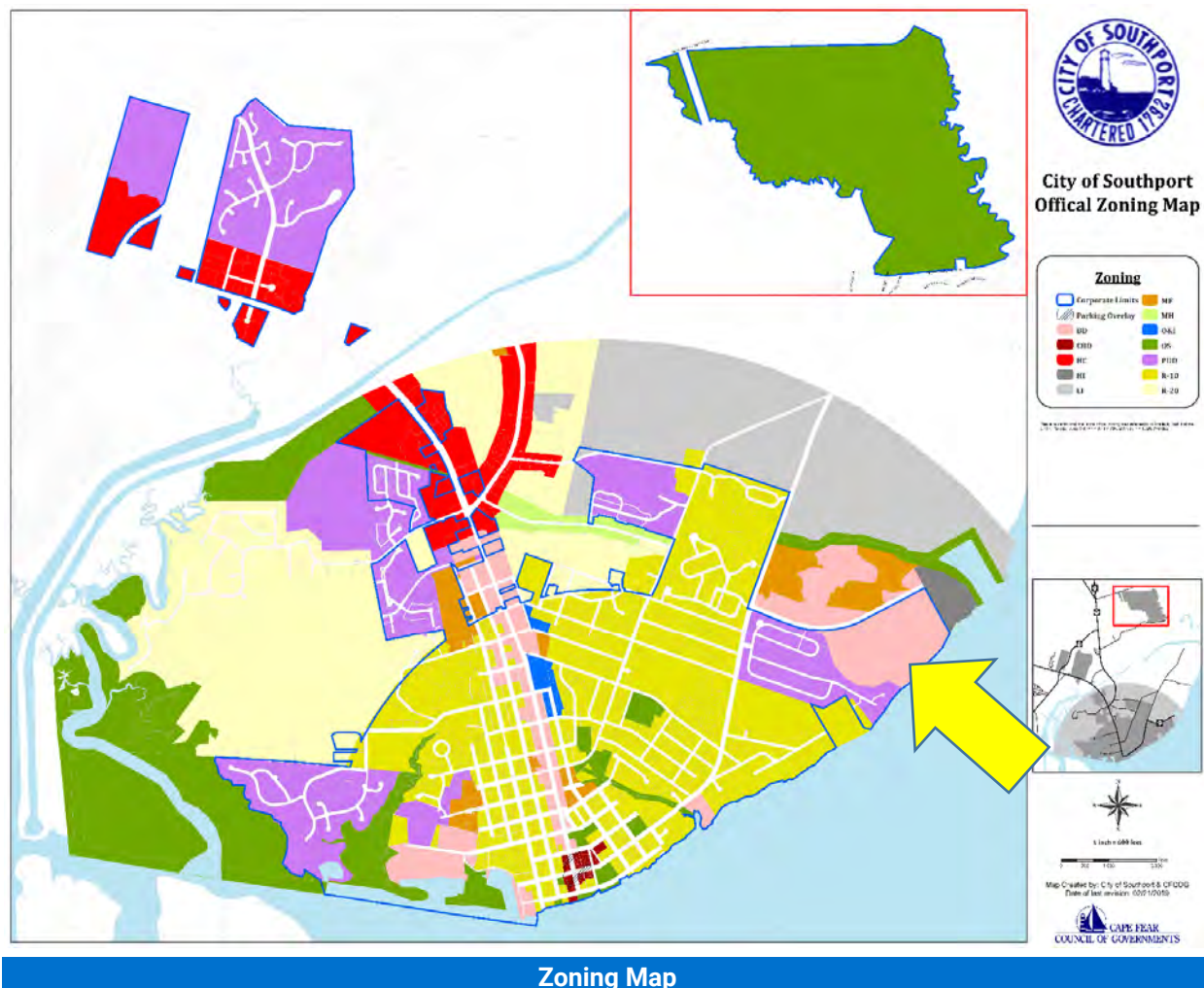
This assessment has revealed no evidence of *recognized environmental conditions* or controlled or historical recognized environmental conditions in connection with the subject property, except for the following:

- ♦ Two underground storage tanks and associated underground transfer lines installed in 2009 on the southwestern adjacent marina property, presents a material threat of a release of petroleum product to the soil and groundwater.

Conclusion

The site is well located in terms of proximity to major roadway linkages. The site is adequate with respect to size, dimensions, and availability of utilities. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity.

Zoning and Legal Restrictions



Zoning Summary

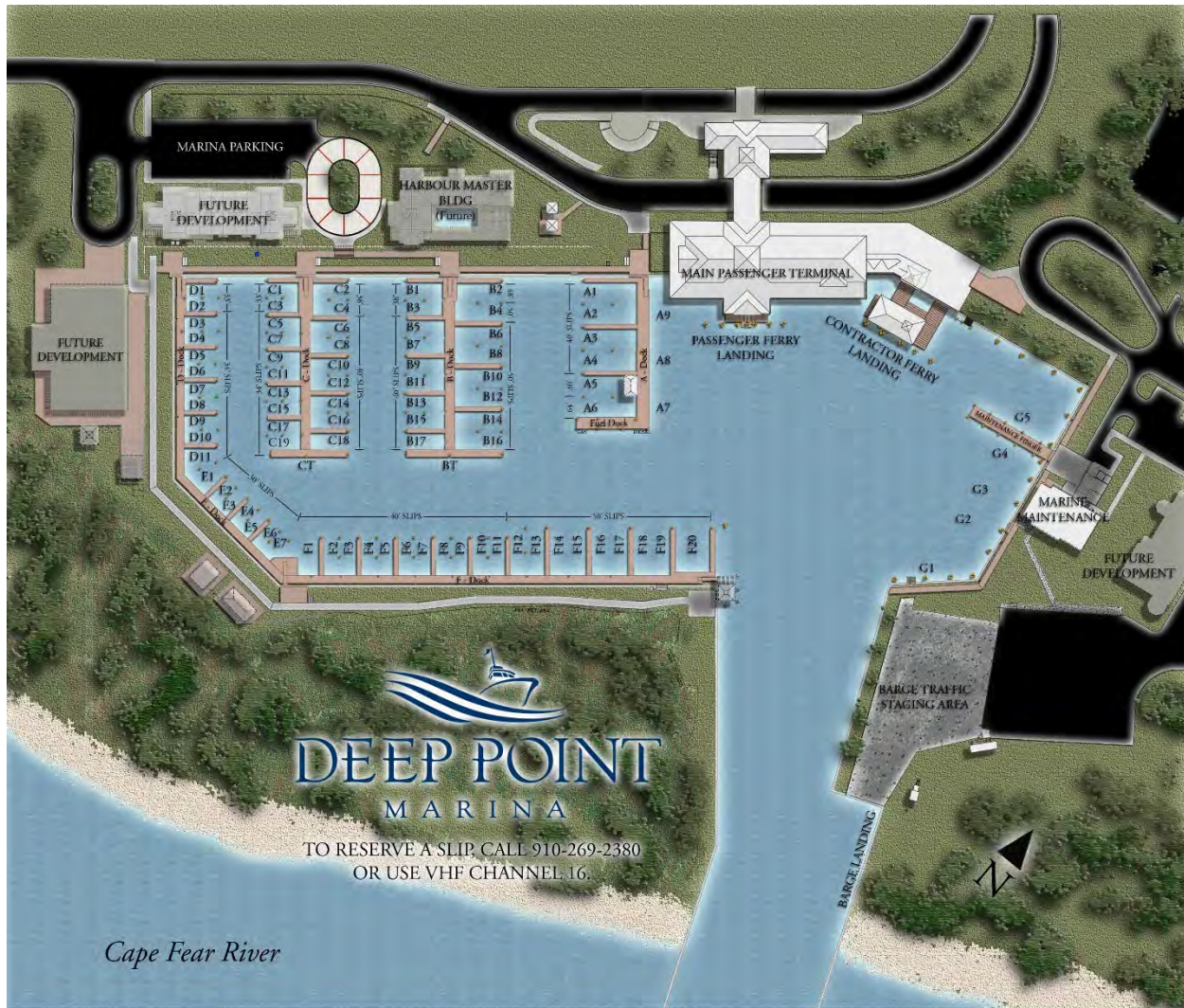
Category	Description
Zoning Jurisdiction	City of Southport
Zoning Designation	BD
Description	Business District: A commercial related district with lot and setback requirements suitable for placement abutting residential areas.
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Various Commercial Uses
Minimum Lot Area	None Noted
Setback Requirements	
Front	None Noted
Side	None Noted
Rear	10 Feet
Building Height Restrictions	40 Feet
Parking Requirement	
Marina, Commercial	One (1) parking space for each wet slip
Commercial Parking Lots	One (1) space per employee; otherwise, none required.
Water Transportation Incl. Docks, Tugboats, Barges, And Excursions	No parking required
Other	None Noted

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Conclusion

The subject appears to be legally conforming based on analysis of zoning ordinances. We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.

Improvements Analysis



Site Plan

The subject is a ferry terminal and barge operation with supporting parking located within Deep Point Marina, located at 1301 Ferry Road, Southport, NC 28461. The subject was built in 2009. It includes seven buildings.

The improvements are more fully described in the following table.

Improvements Description								
Component Structures								
Improvements (Structures)	Ferry Terminal	Marine Maintenance	Shipping/Receiving	IT Data Center	Barge Equipment	Parking Attendant Buildings	Storage	
General Improvement Type	Specialty	Industrial	Industrial	Specialty	Specialty	Specialty	Specialty	
Use Description	Marina	Service Garage	Warehouse/Distribution	Other	Other	Other	Other	
No. Buildings	1	1	1	1	1	1	1	
GBA (SF)	41,157	2,911	5,323	356	100	176	302	
Rentable SF	41,157	2,911	5,323	356	100	176	302	
Construction Status	Existing, Stabilized Operations	Existing, Stabilized Operations	Existing, Stabilized Operations	Existing, Stabilized Operations	Existing, Stabilized Operations	Existing, Stabilized Operations	Existing, Stabilized Operations	
Construction Class	D	S	S	D	D	D	D	
Quality	Average	Average	Average	Average	Average	Average	Average	
Current Condition	Average	Average	Average	Average	Average	Average	Average	
Age/Life Depreciation Analysis								
Year Built	2009	2009	2009	2009	2009	2009	2009	
Year Renovated	None	None	None	None	None	None	None	
Actual Age (Yrs.)	12	12	12	12	12	12	12	
Economic Life (Yrs.)	50	45	45	45	40	40	40	
Effective Age (Yrs.)	7	7	7	7	7	7	7	
Remaining Economic Life (Yrs.)	43	38	38	38	33	33	33	
Percent Depreciation	14.00%	15.56%	15.56%	15.56%	17.50%	17.50%	17.50%	
Floor Area Analysis								
Number of Stories	2	1	1	1	1	1	1	
Est. Ground Floor Area (GBA)	20,579	2,911	5,323	356	100	176	302	
Attributed Site Area (SF)	1,651,428	233,603	427,161	28,568	8,025	14,124	24,235	
Site Coverage	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	
Floor Area Ratio (FAR)	0.025	0.012	0.012	0.012	0.012	0.012	0.012	
Unit Density (Units/Acre)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Land to Building Ratio	40.125	80.248	80.248	80.248	80.248	80.248	80.248	
Parking Type	Surface Lot	Surface Lot	Surface Lot	Surface Lot	Surface Lot	Surface Lot	Surface Lot	
Parking Spaces (including garages when applicable)								
Parking Ratio Per 1,000 SF NRA								
Construction Details								
	Marina	Service Garage	Warehouse/Distribution	Other	Other	Other	Other	
Foundation	Reinforced Concrete Slab & Pilings	Reinforced Concrete	Reinforced Concrete	Wood Subfloor & Pilings	Reinforced Concrete	Reinforced Concrete	Wood	
Basement	None	None	None	None	None	None	None	
Structural Frame	rdi-plank siding plus metal ancillary buildings	Steel	Steel	Wood	Wood	Wood	Wood	
Exterior Walls	Siding	Siding	Siding	Siding	Siding	Siding	Siding	
Windows	Tempered Glass	Tempered Glass	Tempered Glass	Tempered Glass	Tempered Glass	Tempered Glass	Tempered Glass	
Roof	Metal	Metal	Metal	Metal	Shingle	Metal	Metal	
Interior Finish								
	Marina	Service Garage	Warehouse/Distribution	Other	Other	Other	Other	
Floors	Tile & Carpet	Tile & Carpet	Tile & Carpet	Tile & Carpet	Tile & Carpet	Tile & Carpet	Tile & Carpet	
Walls	Textured and painted sheetrock	Textured and painted sheetrock	Textured and painted sheetrock	Textured and painted sheetrock	Textured and painted sheetrock	Textured and painted sheetrock	Textured and painted sheetrock	
Ceilings	Suspended Acoustic Tile	Suspended Acoustic Tile	Suspended Acoustic Tile	Suspended Acoustic Tile	Suspended Acoustic Tile	Suspended Acoustic Tile	Suspended Acoustic Tile	
Lighting	Fluorescent	Fluorescent	Fluorescent	Fluorescent	Fluorescent	Fluorescent	Fluorescent	
Engineering & Mechanical								
	Marina	Service Garage	Warehouse/Distribution	Other	Other	Other	Other	
HVAC	Package HVAC	Package HVAC	Package HVAC	Package HVAC	Package HVAC	Package HVAC	Package HVAC	
Electrical	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	
Plumbing	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	
Utility Meters	Individually metered	Individually metered	Individually metered	Individually metered	Individually metered	Individually metered	Individually metered	
Elevators	None	None	None	None	None	None	None	
Rest Rooms	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	Assumed adequate	
Fire Sprinklers	Yes	No	No	No	No	No	No	
Improvement Features and Amenities								
	Marina	Service Garage	Warehouse/Distribution	Other	Other	Other	Other	
Property Amenities	Café	None	None	None	None	None	None	
Site Features	Marina, Docks, Slips, Barge	Marina, Docks, Slips, Barge	Marina, Docks, Slips, Barge	Marina, Docks, Slips, Barge	Marina, Docks, Slips, Barge	Marina, Docks, Slips, Barge	Marina, Docks, Slips, Barge	

Compiled by NKF



Space Type/Classification

Improvements Summary				
Building Summary	Property Type	No. Buildings	GBA (SF)	Rentable SF
Ferry Terminal	Specialty-Marina	1	41,157	41,157
Marine Maintenance	Industrial-Service Garage	1	2,911	2,911
Shipping/Receiving	Industrial-Warehouse/Distribution	1	5,323	5,323
IT Data Center	Specialty-Other	1	356	356
Barge Equipment	Specialty-Other	1	100	100
Parking Attendant Buildings	Specialty-Other	1	176	176
Storage	Specialty-Other	1	302	302
Property Type Subtotals				
Specialty-Marina		1	41,157	41,157
Industrial-Service Garage		1	2,911	2,911
Industrial-Warehouse/Distribution		1	5,323	5,323
Specialty-Other		4	934	934
Improvements Total		7	50,325	50,325

Compiled by NKF

Functional Utility

Based on our inspection and consideration of its current use, there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

We have reviewed an engineering report, dated March 5, 2019, performed by Moffatt & Nichol. According to this report, each structure was inspected above and below water for due diligence purposes. The summary and repair estimates can be found below.

TABLE 0-1: SUMMARY OF ALL STRUCTURES INSPECTED

Location	Facility	ASCE Condition Rating	Due Diligence Rating	Repair Priority Ranking	Recommended Repair Cost Estimate
Deep Point Ferry Marina	A-Gate Passenger Landing	Good	Good	Low	\$0
	B-Gate Contractor Landing	Satisfactory	Good	Medium	\$11,000
	Maintenance Fixed Pier	Good	Good	Low	\$1,000
	Maintenance Finger Dock	Satisfactory	Good	Low	\$10,000
	"G" Berthing Platform	Good	Good	Low	\$0
	"H" Berthing Platform	Good	Good	Low	\$0
	Bulkhead Wall	Satisfactory	Good	Medium	\$137,000
	DPM Barge Ramp	Satisfactory	Good	Medium	\$154,000
Bald Head Island	BHI Barge Ramp	Satisfactory	Good	Medium	\$130,000
	Contractor Landing	Good	Good	Low	\$10,000
	Passenger Landing	Fair	Good	Medium	\$900,000
Total:					\$1,353,000

The total estimated cost of recommended replacements and repairs over the next ten years, based on the defects observed during this investigation, is \$1,353,000. As part of the recommended routine inspections and maintenance for all of the structural components of the waterfront facilities, routine inspections should be conducted once every five years. The estimated cost to complete each routine inspection is \$65,000, or \$130,000 total over the next ten years. Anticipated additional structural component maintenance repair items discovered during those inspection items can typically be expected on the order of \$100,000 - \$150,000 over the next 10 years based on the conditions observed and typical life expectancy of timber and concrete marine structures. A breakdown of estimated repair/replacement costs is provided in Appendix B.

We have deducted the reported \$159,000 attributable to the Deep Point repair estimates (Deep Point Barge Ramp completed already) from the final value conclusion with a 10% allowance for profit, resulting in a rounded deferred maintenance deduction of \$175,000. The 10% profit allowance is lower than the overall project profit of 15% as the scope of the project is significantly smaller and coordination could be handled by onsite staff.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion

- ❖ The improvements are of average quality construction and are in average condition.
- ❖ The improvements are considered to be functional for the existing use.
- ❖ Overall, the improvements are well suited for the existing use.
- ❖ Overall, the quality, condition, and functional utility of the improvements are rated as average for their age and location.

Real Estate Taxes

The subject property is located in Southport, Brunswick County, and is subject to both Town and County millage rates. The subject is identified in the Brunswick County Tax Assessor's Office as tax parcel number 23800003.

Taxes and Assessments								
Tax Year 2021		Assessor's Market Value			Millage Rates		Taxes and Assessments	
Tax ID	Land	Improvements	Total	Assessment Ratio	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total
23800003 (por)	\$9,346,800	\$6,617,490	\$15,964,290	100.0%	8.20600	\$131,003	\$1,375	\$132,378
	\$9,346,800	\$6,617,490	\$15,964,290	100.0%	8.20600	\$131,003	\$1,375	\$132,378

Compiled by NKF

North Carolina requires that all real estate be assessed at its "true value" or at 100 percent of its fair market value (N.C.G.S. 105-283). State law requires that North Carolina counties revalue all properties a minimum of every eight years. The most recent revaluation in Brunswick County became effective on January 1, 2019 with the next revaluation scheduled for January 1, 2023. According to the assessor's office, the sale of a property typically does (not) trigger a reassessment. The basis for ad valorem taxation is the Fair Market Value (FMV). Property taxes are levied on Assessed Value, which is a specific percentage of FMV based on the property type. The formula for real property taxes is:

$$\text{Fair Market Value} \times \text{Assessment Rate} \times \text{District Millage Rate} = \text{Tax Burden}$$

Tax Comparables

Assessment to Sales Price Ratio Analysis							
No.	1	2	3	4	5	6	NKF Estimate
Property Name	1333 Dickinson Dr, Leland, NC 28451	852 Sunset Blvd N, Sunset Beach, NC 28468	5160 Ocean Hwy W, Shallotte, NC 28470	75 Lanvale Rd, Winnabow, NC 28479	7295 Beach Dr SW, Ocean Isle Beach, NC 28469	4901 Bellamy Ave, Shallotte, NC 28470	Deep Point Ferry Terminal & Parking Facility
Improvements SF	40,000	11,538	14,950	48,170	8,000	58,075	50,325
Sale Date	8/24/2018	4/8/2019	12/28/2017	7/31/2019	7/6/2017	8/12/2019	
Sale Price	\$12,400,000	\$5,000,000	\$5,000,000	\$4,215,000	\$2,801,000	\$3,900,000	
Price/SF	\$310.00	\$433.35	\$334.45	\$87.50	\$350.13	\$67.15	
Total Assessed Value	\$8,190,880	\$3,061,370	\$2,111,990	\$1,683,700	\$2,196,150	\$2,004,090	
Assessed Value as % of Sale Price	66%	61%	42%	40%	78%	51%	65%

Compiled by NKF

As presented above, the assessed values as of the date of sale are compared to the sales price to demonstrate that while the assessor is charged with valuing the property at market value, mass appraisal techniques will tend to fall short of actual transaction prices. Beyond the inability of mass appraisal techniques to accurately value an individual parcel, assessors tend to be conservative on value indications to avoid the time and expense of a substantial number of tax appeals by dissatisfied property owners.



Subject Tax Conclusion

Ad Valorem Tax Analysis		
	Subject History	Conclusion
	2021	
Total Assessed Value	\$15,964,290	\$15,964,290
Total Assessed Value/SF	\$317.22	\$317.22
Tax Rate	0.82060%	0.82060%
Direct Assessments	\$1,375	\$1,375
Actual / Pro Forma Taxes	\$132,378	\$132,378
Reported Tax Delinquencies	None	None
Tax Exemptions or Abatements	None	None

Compiled by NKF

The property appraiser is required by state law to appraise the property at 100% of market value, less closing costs and personal property. Our assignment was to determine market value of the subject property. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer. As a sale of the property does not trigger a reassessment, we are reporting the current tax liability; however, upon reassessment in 2023, the assessment would consider the sale of the property. The consequences of this reassessment have been considered in the appropriate valuation sections.

Highest and Best Use

As Vacant

The site is zoned BD which allows for various commercial uses. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification.

The subject site contains 2,387,144 square feet (54.801 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Of the legally permissible and physically possible uses, only commercial or mixed uses are considered to be reasonably probable. As presented in the Market Analysis section of this report, the subject submarket is supportive of these potential uses.

Given the underlying market conditions and activity, it appears that a commercial or mixed use development would have a sufficient degree of feasibility.

The financially feasible analysis has yielded the conclusion that development of a commercial or mixed use development is feasible and reasonably probable. The associated risk is typical and market conditions appear to be supportive. Therefore, the highest and best use of the subject as though vacant is the development of a commercial or mixed use development. As noted, market and economic conditions are supportive of the near term development of this use on the site. The most likely buyer would be an owner-user or developer. An investor is a potential buyer as land value appreciation would support speculation although near term development would also be likely.

As Improved

The existing improvements are legally conforming to zoning. There are no known legal restrictions to the continued use of the improvements as they were designed. As previously discussed, the improvements are rated as average for their age and location. The improvements conform to the expectations of the market and conform in general terms to the highest and best use as though vacant conclusion above. The improvements were designed for this use. Based on our analysis and review, the improvements do not appear to suffer from significant functional obsolescence. Therefore, continuation of the existing use is reasonably probable and appropriate.

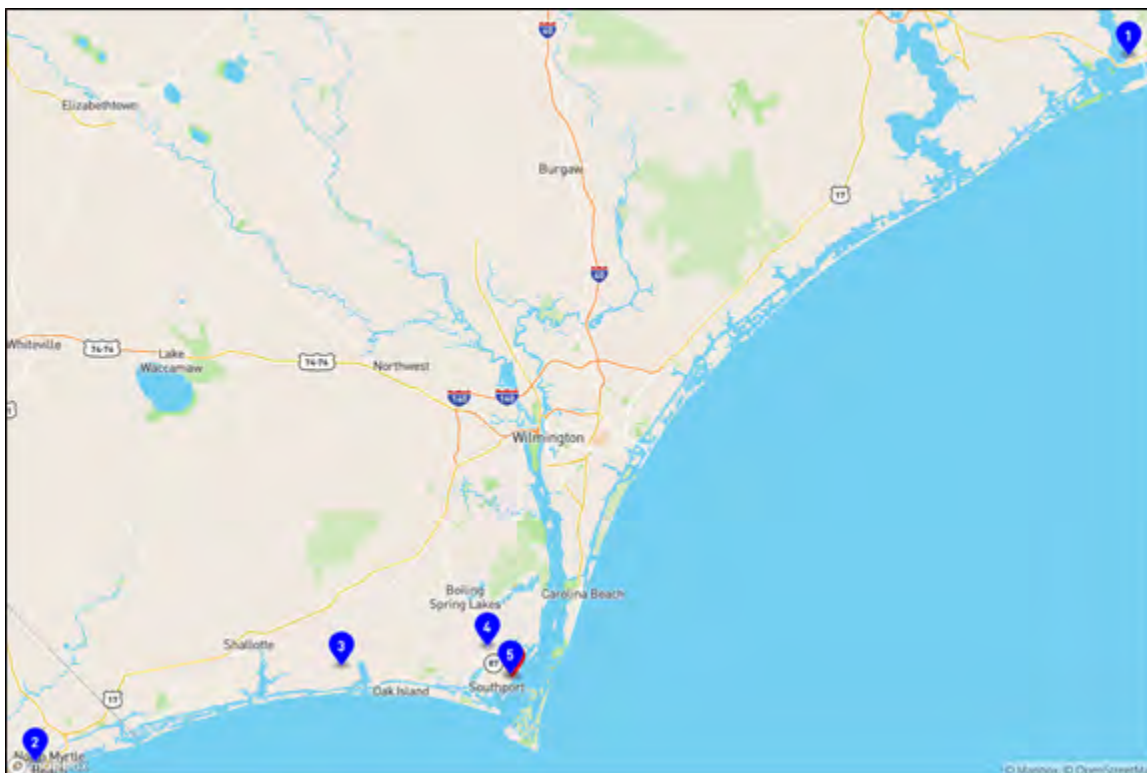
In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation and maintenance of the use. This is demonstrated in the income capitalization approach by the fact that a positive income stream can be generated. Since the concluded value as though improved exceeds the value of the underlying land, it follows that removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated.

The existing improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, the highest and best use of the subject as improved is the existing use. Market and economic conditions are supportive of this continued use. The most likely buyer would be an owner-user or investor. This is based on the current ownership and likely potential future purchasers.



Land Valuation – Parking Site

Land value can be developed from a number of different methodologies. In this case, we have employed sales comparison as sufficient comparable data exists from which to derive a reliable indication of value. Based on a review of market activity, the appropriate unit of comparison is price per usable land sf.



Land Comparables Map

Comparable Land Sales Summary

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	1301 Ferry Road	301 Masonic Avenue	Tom E Chestnut Road	2760 Stone Chimney Road	River Road	1299 Ferry Road Southeast
City, State	Southport, NC	Cedar Point, NC	North Myrtle Beach, SC	Supply, NC	Wilmington, NC	Southport, NC
Gross Land SF	1,884,462 SF	2,462,882 SF	1,031,936 SF	3,833,280 SF	1,785,960 SF	4,635,220 SF
Useable Acres	43.26 Acres	56.54 Acres	23.69 Acres	88.00 Acres	41.00 Acres	74.00 Acres
Useable Land SF	1,884,462 SF	2,462,882 SF	1,031,936 SF	3,833,280 SF	1,785,960 SF	3,223,440 SF
Shape/Topography	Irregular/Generally	Irregular/Level at Street	Irregular/Level at Street	Irregular/Level at Street	Irregular/Level at Street	Irregular/Level at Street
Utilities Available	Electricity, Sewer,	Electricity, Sewer, Water	Electricity, Sewer, Water	Electricity, Sewer, Water	Electricity, Sewer, Water	Electricity, Sewer, Water
Zoning	BD	Commercial	GC	CO-R-7500	HC	Mixed use
Transaction Type		Closed	Closed	Closed	Closed	Listing
Buyer		Cedar Point Town	Beverly Homes LLC	Stanbury Creek No Llc	Turtle Bay At Southport	TBD
Seller		Jones Masonic Campus	Chestnut & Sons Inc	Real Property Development, LLC	Dick J. Thompson	Southport Crossing Holdings LLC
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Date		Apr-19	Aug-20	Apr-21	Apr-21	Jul-21
Price		\$2,800,000	\$2,200,000	\$3,980,000	\$2,750,000	\$3,250,000
Adj. Sale Price		\$2,800,000	\$2,200,000	\$3,980,000	\$2,750,000	\$3,250,000
Price per Gross Land Acre		\$49,522	\$92,866	\$45,227	\$67,073	\$30,542
Price Per Gross Land SF		\$1.14	\$2.13	\$1.04	\$1.54	\$0.70
Price per Usable Land Acre		\$49,522	\$92,866	\$45,227	\$67,073	\$43,919
Price Per Usable Land SF		\$1.14	\$2.13	\$1.04	\$1.54	\$1.01

Compiled by NKF

Analysis of Land Comparables

The following analyzes the most relevant comparable data against the subject property.

- ❖ We have included the sales that are most relevant with each sale being adjusted upward for market conditions at a rate of 3% annually based on overall market trends.
- ❖ Comparables 1 and 3 were adjusted upward for inferior location. Comparables 2 and 4 were adjusted downward for superior location.
- ❖ Comparable 2 was adjusted upward for its smaller size as smaller parcels tend to sell for higher unit values. Conversely, Comparables 3 and 5 were adjusted upward due to their larger sizes.
- ❖ Comparable 5 was adjusted upward for inferior topography as the comparable has substantial wetlands (est 30%) with additional development costs likely required.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each land sale.

Comparable Land Sales Adjustment Grid						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	1301 Ferry Road	301 Masonic Avenue	Tom E Chestnut Road	2760 Stone Chimney Road	River Road	1299 Ferry Road Southeast
City, State	Southport, NC	Cedar Point, NC	North Myrtle Beach, SC	Supply, NC	Wilmington, NC	Southport, NC
Gross Land SF	1,884,462 SF	2,462,882 SF	1,031,936 SF	3,833,280 SF	1,785,960 SF	4,635,220 SF
Usable Land Area (Acres)	43.26 Acres	56.54 Acres	23.69 Acres	88.00 Acres	41.00 Acres	74.00 Acres
Usable Land Area (SF)	1,884,462 SF	2,462,882 SF	1,031,936 SF	3,833,280 SF	1,785,960 SF	3,223,440 SF
Transaction Type	--	Closed	Closed	Closed	Closed	Listing
Transaction Date	--	Apr-19	Aug-20	Apr-21	Apr-21	Jul-21
Price Per Usable Land SF		\$1.14	\$2.13	\$1.04	\$1.54	\$1.01
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	-10%
Market Conditions (Time)		7%	3%	1%	1%	0%
Subtotal (adjustments are multiplied)		7.0%	3.0%	1.0%	1.0%	-10.0%
Transaction Adjusted Price Per Usable Land SF		\$1.22	\$2.19	\$1.05	\$1.56	\$0.91
Physical Adjustments						
Location		10%	-15%	10%	-10%	0%
Corner		0%	0%	0%	0%	0%
Frontage		0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	20%
Shape		0%	-20%	20%	0%	0%
Topography		0%	0%	0%	0%	20%
Utilities		0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%
Subtotal (adjustments are summed)		10%	-35%	30%	-10%	40%
Gross Adjustment		17%	38%	31%	11%	50%
Overall Adjustment		17.7%	-33.05%	31.3%	-9.1%	26.0%
Indicated Price Per Usable Land SF		\$1.34	\$1.43	\$1.37	\$1.40	\$1.27

Compiled by NKF

Land Value Conclusion

- ❖ Market participants have indicated land values have been on an upward trend due to increased demand for living in resort areas due to the ability to work from home.
- ❖ Prior to adjustments, the sales reflect a range of \$1.01 to \$2.13 per usable land sf.



- ❖ After adjustment, the range is narrowed to \$1.27 to \$1.43 per usable land sf, with an average of \$1.36 per usable land sf.
- ❖ Most weight was placed on Comparables Two, Four and Five which indicate an adjusted value range of \$1.27 to \$1.40 per square foot. The subject property was most similar to these comparables because of size and/or location.

Land Value Conclusion

Useable Land SF		1,884,462
Comparable Sales Indications	Range	Average
Unadjusted Price Per Usable Land SF	\$1.01 - \$2.13	\$1.37
Adjusted Price Per Usable Land SF	\$1.27 - \$1.43	\$1.36
Reconciled Value Per Usable Land SF		\$1.35
Total Indicated Value		\$2,544,023
	Rounded	\$2,540,000

Compiled by NKF



The subject includes 43.2613 acres of land attributable to the ferry terminal and barge site which are valued using the different comparables due to this parcel's water frontage and smaller size. The following summarizes the land parcels as they will be valued in this appraisal.

Compiled by NKF

Land Comparables Map

Comparable Land Sales Summary						
	Subject	Sale 6	Sale 7	Sale 8	Sale 9	Sale 10
Address	1301 Ferry Road	2811 Boundary Street	Calais Point	9 White Hall Drive	104 Fairbanks Oak Alley	4139 US 17 Business
City, State	Southport, NC	Beaufort, SC	Charleston, SC	Beaufort, SC	Daniel Island, SC	Murrells Inlet, SC
Useable Land SF	502,682 SF	262,667 SF	161,172 SF	421,661 SF	884,704 SF	87,120 SF
Useable Acres	11.54 Acres	2.75 Acres	3.70 Acres	9.68 Acres	17.00 Acres	2.00 Acres
Useable Land SF	502,682 SF	119,790 SF	161,172 SF	421,661 SF	740,520 SF	87,120 SF
Shape/Topography	Irregular/Generally	Irregular/Generally level,	Irregular/Generally level,	Irregular/Generally level,	Irregular/Generally level,	Rectangular/Level at
Utilities Available	Electricity, Sewer,	Electricity, Sewer, Water	Electricity, Sewer, Water	Electricity, Sewer, Water	Electricity, Sewer, Water	Electricity, Sewer, Water
Zoning	BD	Commercial	Commercial	T3 - Edge	DI - Go	HB
Transaction Type		Closed	Closed	Closed	Closed	Closed
Buyer		CROSS Development	Joseph Moon	Whitehall Point Holdings	SM Charleston, LLC	Mojos Marina Holding Co
Seller		Parks Land Company	Kenneth Leland	First Chatham Bank	Daniel Island Riverside Developers	Marsh View Marina LLC
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Sale Date		Apr-18	Jun-18	Sep-18	Oct-18	May-20
Price		\$1,680,000	\$2,499,999	\$5,550,000	\$13,250,000	\$2,200,000
Adj. Sale Price		\$1,680,000	\$2,499,999	\$5,550,000	\$13,250,000	\$2,200,000
Price per Gross Land Acre		\$278,607	\$675,675	\$573,347	\$652,388	\$1,100,000
Price Per Gross Land SF		\$6.40	\$15.51	\$13.16	\$14.98	\$25.25
Price per Usable Land Acre		\$610,909	\$675,675	\$573,347	\$779,412	\$1,100,000
Price Per Usable Land SF		\$14.02	\$15.51	\$13.16	\$17.89	\$25.25

Compiled by NKF

Analysis of Land Comparables

The following analyzes the most relevant comparable data against the subject property.

- ❖ We have included the sales that are most relevant with each sale being adjusted upward for market conditions at a rate of 3% annually based on overall market trends.
- ❖ Comparables 7, 9 and 10 were adjusted downward for superior location in more developed areas.
- ❖ Comparables 6, 7 and 10 were adjusted downward as smaller parcels tend to sell for higher unit values. Conversely, Comparable 9 was adjusted upward due to its larger size.



Based on our comparative analysis, the following table summarizes the adjustments warranted to each land sale.

Comparable Land Sales Adjustment Grid						
	Subject	Sale 6	Sale 7	Sale 8	Sale 9	Sale 10
Address	1301 Ferry Road	2811 Boundary Street	Calais Point	9 White Hall Drive	104 Fairbanks Oak Alley	4139 US 17 Business
City, State	Southport, NC	Beaufort, SC	Charleston, SC	Beaufort, SC	Daniel Island, SC	Murrells Inlet, SC
Gross Land SF	502,682 SF	262,667 SF	161,172 SF	421,661 SF	884,704 SF	87,120 SF
Usable Land Area (Acres)	11.54 Acres	2.75 Acres	3.70 Acres	9.68 Acres	17.00 Acres	2.00 Acres
Usable Land Area (SF)	502,682 SF	119,790 SF	161,172 SF	421,661 SF	740,520 SF	87,120 SF
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Apr-18	Jun-18	Sep-18	Oct-18	May-20
Price Per Usable Land SF		\$14.02	\$15.51	\$13.16	\$17.89	\$25.25
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)		10%	9%	9%	9%	4%
Subtotal (adjustments are multiplied)		10.0%	9.0%	9.0%	9.0%	4.0%
Transaction Adjusted Price Per Usable Land SF		\$15.42	\$16.91	\$14.34	\$19.50	\$26.26
Physical Adjustments						
Location/Access		0%	-10%	0%	-20%	-20%
Corner		0%	0%	0%	0%	0%
Frontage		0%	0%	0%	0%	0%
Size		-10%	-10%	0%	5%	-15%
Shape		0%	0%	0%	0%	0%
Topography		0%	0%	0%	0%	0%
Utilities		0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%
Subtotal (adjustments are summed)		-10%	-20%	0%	-15%	-35%
Gross Adjustment		20%	29%	9%	34%	39%
Overall Adjustment		-1.0%	-12.8%	9.0%	-7.35%	-32.4%
Indicated Price Per Usable Land SF		\$13.88	\$13.52	\$14.34	\$16.58	\$17.07

Compiled by NKF

Excess Land Value Conclusion

- ❖ Market participants have indicated land values have been on an upward trend due to increased demand for living in resort areas due to the ability to work from home.
- ❖ Prior to adjustments, the sales reflect a range of \$13.16 to \$25.25 per usable land sf.
- ❖ After adjustment, the range is narrowed to \$13.52 to \$17.07 per usable land sf, with an average of \$15.08 per usable land sf.
- ❖ Most weight was placed on Comparables 8, 9 and 10 which indicate an adjusted value range of \$14.34 to \$17.07 per square foot. The subject property was most similar to these comparables because more recent transaction dates, while 8 and 9 are most similar in size.

Land Value Conclusion		
Useable Land SF		502,682
Comparable Sales Indications	Range	Average
Unadjusted Price Per Usable Land SF	\$13.16 - \$25.25	\$17.17
Adjusted Price Per Usable Land SF	\$13.52 - \$17.07	\$15.08
Reconciled Value Per Usable Land SF		\$15.00
Total Indicated Value		\$7,540,236
	Rounded	\$7,540,000

Compiled by NKF



Cost Approach

Replacement Cost New

Building and Site Improvements - Cost Summary									
Improvements (Structures)	Site Improvements	Ferry Terminal	Marine Maintenance	Shipping/Receiving	IT Data Center	Barge Equipment	Parking Buildings	Attendant Warehouse/Distribution	Storage
MVS Improvement Type	Specialty - Marina	Industrial - Service	Industrial - Service	Industrial - Service	Specialty - Other	Specialty - Other	Office - Other	Warehouse/Distribution	Industrial -
Construction Class	D	S	S	S	D	D	D	D	D
Quality	Average	Average	Average	Average	Average	Average	Average	Average	Average
MVS Section	14	14	14	14	14	14	66	14	14
MVS Page	20	32	27	18	26	3	26		
Source Date	2/1/2020	2/1/2020	2/1/2020	2/1/2020	2/1/2020	12/1/2019	2/1/2020		
Base Cost PSF	\$113.00	\$50.00	\$42.25	\$111.00	\$41.25	\$35.50	\$41.25		
+ Sprinklers	3.71	0.00	0.00	3.72	0.00	0.00	0.00		
Adjusted Base Cost PSF	\$116.71	\$50.00	\$42.25	\$114.72	\$41.25	\$35.50	\$41.25		
Height & Size Refinements									
# of Stories Multiplier	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Ceiling Height Multiplier	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Perimeter Multiplier	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Adjusted Base Cost	\$116.71	\$50.00	\$42.25	\$114.72	\$41.25	\$35.50	\$41.25		
Final Calculations									
Current Cost Multiplier	1.160	1.160	1.160	1.160	1.160	1.160	1.160	1.160	1.160
Local Area Multiplier	0.920	0.920	0.920	0.920	0.920	0.920	0.920	0.920	0.920
Other Multiplier (Site Congestion, etc.)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Adjusted Base Cost	\$174.47	\$124.55	\$53.36	\$45.09	\$122.43	\$44.02	\$37.89	\$44.02	
x Structure Size (SF GBA)	50,325	41,157	2,911	5,323	356	100	176	302	50,325
Adjusted Cost	\$8,780,004	\$5,126,224	\$155,331	\$240,010	\$43,585	\$4,402	\$6,668	\$13,295	\$14,369,518
Site Improvements		\$0					\$0		\$0
+ Indirect Costs @ 20.00%	\$1,756,001	\$1,025,245	\$31,066	\$48,002	\$8,717	\$880	\$1,334	\$2,659	\$2,873,904
MVS Indicated Cost New Before Profit	\$10,536,005	\$6,151,469	\$186,397	\$288,012	\$52,302	\$5,283	\$8,001	\$15,954	\$17,243,422

Compiled by NKF

The allowance for indirect costs reflects the additional cost necessary to complete the project beyond the hard construction costs. These soft costs include financing fees, interest, permits and carrying costs throughout the construction period. Our experience with numerous proposed projects indicates that this expense can range from 15% to 35% of hard costs with the subject falling toward the lower end of the range based on the build-to-suit single tenancy but slightly above the low end to reflect the additional coordination costs of waterfront construction.

Site Improvements - Replacement Cost New							
Item	Unit	Measure	Cost/Unit	Cost New	Current Mult.	Local Mult.	Adj. Cost New
Surface Parking	Spaces	1,955	\$1,950.00	\$3,812,250	1.16	0.92	\$4,068,433
Landscaping	SF	117,900	\$5.93	\$699,147	1.16	0.92	\$746,130
Concrete Sidewalks	SF	235,700	\$8.00	\$1,885,600	1.16	0.92	\$2,012,312
Concrete Curbs	LF	47,140	\$12.00	\$565,680	1.16	0.92	\$603,694
Asphalt Paving	SF	235,700	\$2.59	\$610,463	1.16	0.92	\$651,486
Miscellaneous (Barge Ramp) Lump Sum		1	\$154,000.00	\$154,000	1.16	0.92	\$164,349
Miscellaneous (Parking Equip) Lump Sum		1	\$500,000.00	\$500,000	1.16	0.92	\$533,600
Totals				\$8,227,140			\$8,780,004

Compiled by NKF



Entrepreneurial Profit

Entrepreneurial Profit										
		Site Improvements	Ferry Terminal	Marine Maintenance	Shipping/Receiving	IT Data Center	Barge Equipment	Parking Attendant Buildings	Storage	Subtotal
Reconciled Cost New Before Profit		\$10,536,005	\$6,151,469	\$186,397	\$288,012	\$52,302	\$5,283	\$8,001	\$15,954	\$17,243,422
Entrepreneurial Profit @	15.00%	\$1,580,401	\$922,720	\$27,960	\$43,202	\$7,845	\$792	\$1,200	\$2,393	\$2,586,513
Replacement Cost New (RCN)		\$12,116,405	\$7,074,189	\$214,357	\$331,214	\$60,147	\$6,075	\$9,202	\$18,347	\$19,829,935
\$ PSF		\$240.76	\$171.88	\$73.64	\$62.22	\$168.95	\$60.75	\$52.28	\$60.75	\$394.04

Compiled by NKF

Depreciation

- ❖ Physical deterioration, both curable and incurable;
- ❖ Functional obsolescence, both curable and incurable; and
- ❖ External obsolescence.

Physical Deterioration

- ❖ Curable: Deferred maintenance (immediate repairs / feasible to correct) is summarized as follows.

Deferred Maintenance			
Building Improvements	Cost Estimate	Site Improvements	Cost Estimate
A-Gate Passenger Landing	\$0	None	
B-Gate Passenger Landing	\$11,000		
Maintenance Fixed Pier	\$1,000		
Maintenance Finger Dock	\$10,000		
"G" Berthing Platform	\$0		
"H" Berthing Platform	\$0		
Bulkhead Wall	\$137,000		
Building Subtotal	\$159,000	Site Subtotal	\$0
Combined Total for Site and Building Improvements			\$159,000
Entrepreneurial Profit @ 10.00%			\$15,900
Total Deferred Maintenance (Rounded)			\$175,000

Compiled by NKF

- ❖ Incurable: Estimated physical deterioration is based on the economic age/life method. Our estimate of incurable physical deterioration attributable to the building and site improvements is shown as follows.

Age/Life Depreciation Summary								
Building and Site Improvements	Site Improvements	Ferry Terminal	Marine Maintenance	Shipping/Receiving	IT Data Center	Barge Equipment	Attendant Buildings	Storage
Year Built	See Site	2009	2009	2009	2009	2009	2009	2009
Year Renovated	Improvements	None	None	None	None	None	None	None
Actual Age (Yrs.)	Depreciation	12	12	12	12	12	12	12
Economic Life (Yrs.)	Detail	50	45	45	45	40	40	40
Effective Age (Yrs.)		7					7	
Remaining Economic Life (Yrs.)		43	38	38	38	33	33	33
Percent Depreciation		49.62%	14.00%	15.56%	15.56%	17.50%	17.50%	17.50%

Compiled by NKF

Site Improvements - Depreciation					
Item	RCN	Life	Eff. Age	REL	Depr. %
Surface Parking	\$5,614,438	20	4	16.0 Yrs	20.0%
Landscaping	\$1,029,659	20	7	13.0 Yrs	35.0%
Concrete Sidewalks	\$3,610,088	20	7	13.0 Yrs	35.0%
Asphalt Paving	\$899,051	15	7	8.0 Yrs	46.7%
Miscellaneous (Barge Ramp)	\$1,325,462	20	7	13.0 Yrs	35.0%
Miscellaneous (Parking Equip)	\$736,368	15	1	14.0 Yrs	6.7%
Totals	\$17,763,980				24.90%

Compiled by NKF

Functional Obsolescence

- Based on observation of the improvements, no forms of functional obsolescence were noted.

External Obsolescence

- No external obsolescence was noted.

Depreciated Replacement Cost

The calculation of depreciated replacement cost is shown as follows.

Depreciated Replacement Cost									
Building and Site Improvements	Site Improvements	Ferry Terminal Marine Maintenance	Shipping/Receiving T Data Center	Large Equipment	Attendant Buildings	Storage	Subtotal		
Replacement Cost New	\$17,763,980	\$11,438,354	\$297,956	\$540,917	\$60,147	\$6,075	\$9,202	\$18,347	\$30,134,976
Less: Age/Life Depreciation	\$4,423,459	\$1,601,370	\$46,349	\$84,143	\$9,356	\$1,063	\$1,610	\$3,211	\$6,170,560
Adjusted RCN	\$13,340,521	\$9,836,984	\$251,607	\$456,774	\$50,791	\$5,012	\$7,591	\$15,136	\$23,964,416
Less: Functional Obsolescence	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted RCN	\$13,340,521	\$9,836,984	\$251,607	\$456,774	\$50,791	\$5,012	\$7,591	\$15,136	\$23,964,416
Less: External Obsolescence	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciated Replacement Cost	\$13,340,521	\$9,836,984	\$251,607	\$456,774	\$50,791	\$5,012	\$7,591	\$15,136	\$23,964,416
\$ PSF	\$265.09	\$239.01	\$86.43	\$85.81	\$142.67	\$50.12	\$43.13	\$50.12	\$476.19

Compiled by NKF

Cost Approach Conclusion

Cost Approach Conclusions	
As Is	Value Indication
Depreciated Replacement Cost of Building and Site Improvements	\$23,964,416
Land Value	\$10,080,000
As Stabilized Value	\$34,044,416
Rounded	\$34,000,000
Deferred Maintenance	(\$175,000)
Near Term Capital Expenses	\$0
As Is Value	\$33,869,416
Rounded	\$33,900,000

Compiled by NKF



Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized only direct capitalization because investors and market participants typically rely more on this method. Further, we are projecting a NNN lease with the prospective tenant responsible for all operating expenses due to single tenant occupancy based on return on cost basis for calculating rent for the subject as a special purpose property.

The existing operation reflects an internal lease between related parties that is not arm's length and will no longer be in effect upon sale of the property. Based on our fee simple analysis of the subject, this lease is not considered in our analysis.

Market Rent Analysis

The subject ferry terminal is a special purpose property that is typically owner-occupied, thus a dataset of comparable properties for estimating market rent is not available. Properties similar to the subject are typically built to the tenant's specifications and the rental rate is based on a return on cost to provide for both a return on and a return of capital as the improvements are a depreciating asset with limited alternative uses, the most likely of which, as a marina, would also be an owner-occupied structure with rent charged for the boat slips with the existing structure adapted to support this use, thus the structure would not be generating income.

In the cost approach, we estimated the replacement cost of the property and the cost is based on the depreciated replacement cost prior to any deductions for capital expenditures which will be a below the line deduction to the concluded market value.

To estimate the appropriate return on cost, we interviewed several industrial developers as industrial projects are most commonly developed as built-to-suit endeavors with specific return parameters required for a project to be considered viable for development. The developers focus on industrial properties either in the southeast or nationally, with the return parameters based on their hurdle rates for investment. The following chart summarizes the return indications from surveyed participants:

Return on Cost Hurdle Rates

Investor Type	Yield Estimate	
International investment Fund	Leveraged return on & return of cost	12% - 14% IRR
National Developer (Atlanta-based)	Return on Cost	6%
Regional Developer (Florida-based)	Return on Cost	8%
Regional Developer (Florida-based)	Leveraged return on & return of cost	12% - 15% IRR
<i>Compiled by NKF</i>	Conclusion	7.50%

The reported IRR figures are leveraged rates whereas the return on cost figures are based on a cash on cash return and are more applicable to the analysis. The subject should fall toward the upper middle portion of the return on cost figures as the property is a special purpose asset with few alternative users and assumes that the tenant will be maintaining the project in its current state of repair (after near-term capital items are addressed).

Market Rent Conclusion

Based on the preceding analysis, the following is the concluded market lease terms for the subject:

Market Rent (Special Purpose) - Return on Cost

Total Depreciated Cost & Land (Excluding Profit and CapEx)	\$30,900,000
Developer Return Parameters	7.50%
Payment	\$2,317,500
Building Area (SF)	50,325
Annual Rent PSF	\$46.05

Compiled by NKF

Gross Income Estimate

Potential Rental Income

Figures presented below reflect the 12-month period following the effective date of the appraisal.

Potential Rental Income

Subject Historical and Projections	\$/SF	Total
Newmark Projection	\$46.05	\$2,317,500

Compiled by Newmark

Operating History

The subject has been owner-operated through a non-arm's length lease and reflects business operations rather than real property projections; thus, no relevant data was available for the individual operations at Deep Point Marina.



Expense Recoveries

- ❖ The subject is assumed to be leased on an absolute net basis with all expenses accruing to the tenant.

Vacancy & Collection Loss Allowance

- ❖ As the subject is assumed to be leased on an absolute net basis to a single tenant, no vacancy or collection losses are charged against the property as tenancy risk is considered in the selection of the overall capitalization rate.
- ❖ Based on available data and analysis, the concluded collection loss allowance is 0.00%.

Combined Vacancy and Collection Loss Conclusion

Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 0.00%.

Effective Gross Income

Effective Gross Income		
Subject Historical and Projections	\$/SF	Total
Newmark Projection	\$46.05	\$2,317,500
Compiled by Newmark		

Operating Expense Analysis

- ❖ All expenses are assumed to be paid by the tenant.

Net Operating Income

Net Operating Income			
Source	% of EGI	\$/SF	Total
Subject Historical and Projections			
Newmark Projection	#N/A	\$46.05	\$2,317,500
Compiled by Newmark			

Direct Capitalization

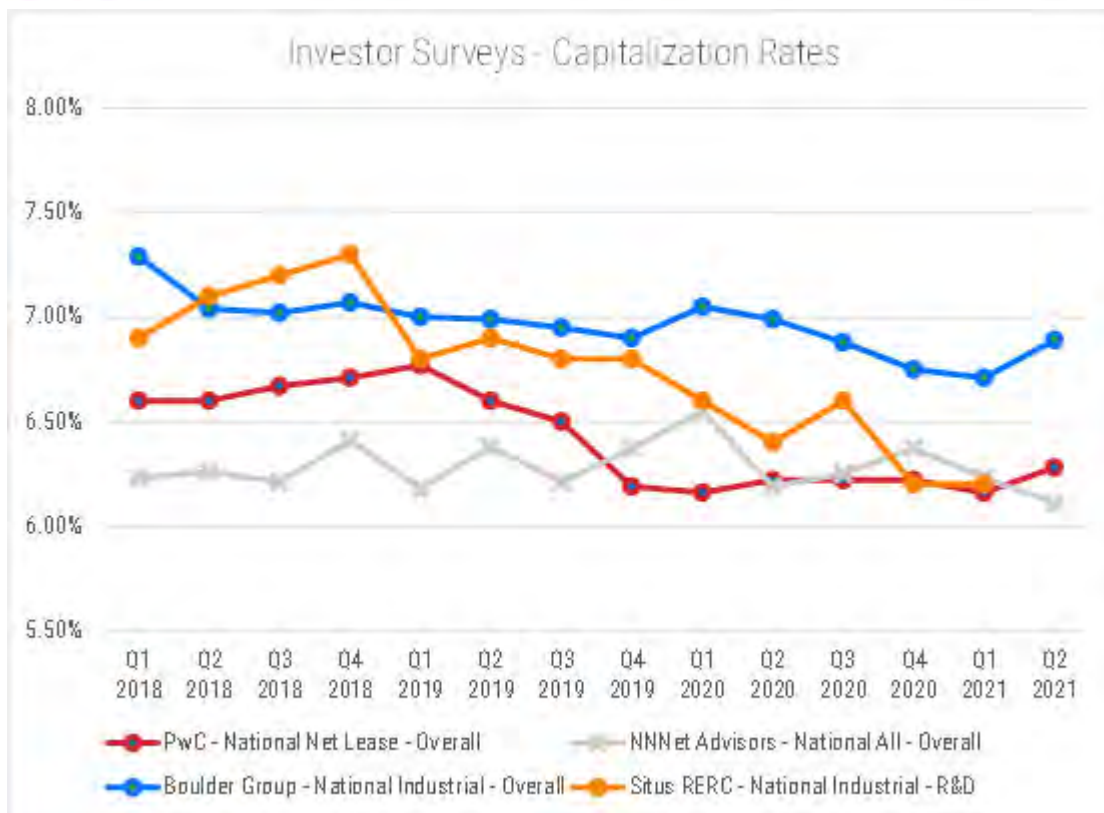
The following subsections represent different techniques for deriving an overall capitalization rate. While comparable sales would be a primary method, a sales comparison approach was not completed, thus rates could not be extract from those transactions. Note that this section does not consider the specific proposed tenancy by the State of North Carolina with its investment grade credit rating.

Investor Surveys

Investor Surveys - Capitalization Rates

Source	Period	Low	High	Average
PwC - National Net Lease - Overall	Q2 2021	5.00%	8.50%	6.28%
NNNet Advisors - National All - Overall	Q2 2021	N/A	N/A	6.11%
Boulder Group - National Industrial - Overall	Q2 2021	N/A	N/A	6.89%
Situs RERC - National Industrial - R&D	Q1 2021	5.00%	7.20%	6.20%

Compiled by NKF



- ❖ The most current national survey data indicates that going-in capitalization rates range from 5.0% to 8.5% with averages ranging from 6.11% to 6.89%.
- ❖ The rate appropriate to the subject is considered to be above to the average rate in the survey data because the subject is a special purpose property with a limited pool of potential tenants and purchasers.
- ❖ Accordingly, based on the survey data, a capitalization rate within a range of 7.0% to 8.0% could be expected for the subject.

Band of Investment

Band of Investment					
Mortgage/Equity Assumptions					
Loan to Value Ratio	70%				
Interest Rate	3.75%				
Amortization (Years)	25				
Mortgage Constant	0.0617				
Equity Ratio	30%				
Equity Dividend Rate	10.00%				
Weighted Average Of Mortgage/Equity Requirements					
Mortgage Requirement	70%	x	6.17%	=	4.32%
Equity Requirement	30%	x	10.00%	=	3.00%
Indicated Capitalization Rate (Rounded)					7.25%

Compiled by NKF

- ✖ The equity dividend rate is based on prior testing and extraction as well as alternative investments.

Capitalization Rate Conclusion

Positive Attributes	Negative Attributes
<ul style="list-style-type: none"> ✖ Good quality and appeal and providing primary access to a resort residential island. ✖ Strong market acceptance of the subject with upward trending ferry passenger counts. ✖ Barriers to entry reduce risk of competition from new construction ✖ Substantial parking revenues 	<ul style="list-style-type: none"> ✖ Special purpose property ✖ Ongoing pandemic risk.

The Deep Point Ferry Terminal should have a lower overall rate as compared to the BHI facility as the Deep Point facility has extensive parking that generates revenues over and above that of the shared ferry operations between Deep Point and BHI.

Capitalization Rate Conclusion	
Source	Indication
Comparable Sales	N/A
Investor Surveys	7.0% - 8.0%
Band of Investment	7.25%
Concluded Going-In Capitalization Rate	7.25%

Compiled by NKF

Adjustments to Value

Capitalization of the projected stabilized net operating income results in an As Stabilized value indication. To estimate the As Is value, adjustments to the indicated As Stabilized value are required for existing deferred maintenance (remaining cost to complete), and projected capital expenditures.

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. The as is value indication is derived through the adjustments noted above. Valuation of the subject by direct capitalization is shown in the table immediately following.

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$ / SF	Total \$
Specialty Income		50,325 SF	
Rental Income		\$46.05	\$2,317,500
Potential Rental Income		\$46.05	\$2,317,500
Vacancy	0.00%	\$0.00	\$0
Collection Loss	0.00%	\$0.00	\$0
Effective Gross Specialty Income		\$46.05	\$2,317,500
Operating Expenses		50,325 SF	
Real Estate Taxes	Paid by Tenant	\$0.00	\$0
Insurance	Paid by Tenant	\$0.00	\$0
Utilities	Paid by Tenant	\$0.00	\$0
Repairs and Maintenance	Paid by Tenant	\$0.00	\$0
Payroll and Benefits	Paid by Tenant	\$0.00	\$0
General and Administrative	Paid by Tenant	\$0.00	\$0
Management	Paid by Tenant	\$0.00	\$0
Other Expenses	Paid by Tenant	\$0.00	\$0
Total Operating Expenses	0.00%	\$0.00	\$0
Net Operating Income		\$46.05	\$2,317,500
Direct Capitalization Method			
Value Indication		\$ / SF	Total \$
Stabilized Net Operating Income		\$46.05	\$2,317,500
Overall Capitalization Rate			7.25%
As Stabilized Value	Effective Date: 7/17/2021		\$31,965,517
Rounded		\$635.87	\$32,000,000
		Valuation Matrix	
		OAR	Value
		6.75%	\$34,333,333
		7.00%	\$33,107,143
		7.25%	\$31,965,517
		7.50%	\$30,900,000
		7.75%	\$29,903,226
As Is			
As Stabilized Value as of Current Date	Effective Date: 7/17/2021		\$31,965,517
Stabilization Discount			\$0
Deferred Maintenance			(\$175,000)
Near Term Capital Expenses			\$0
As Is Value	Effective Date: 7/17/2021		\$31,790,517
Rounded		\$631.89	\$31,800,000

Compiled by NKF



Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise As of Date:	As Is July 17, 2021
Cost Approach:	\$33,900,000
Sales Comparison Approach:	Not Used
Income Capitalization Approach:	\$31,800,000
Market Value Conclusion	\$33,000,000

Compiled by NKF

Cost Approach

The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. In this case, the underlying land value was well established through sales comparison and is considered reliable. The replacement cost was developed through both Marshall Valuation Service data and cost comparables. The weakness to the cost approach is the estimate of depreciation but the newer age of the improvements limits the impact. Still, the subject property is a special purpose property and the cost approach would be given the substantial credence by investors. Accordingly, the cost approach is given strong consideration in this appraisal.

Sales Comparison Approach

The subject property is a special purpose property with no sufficiently comparable properties. As such, this approach was not used as a standalone indication of value; however, the sales comparison methodology was used in the valuation of the underlying site.

Income Capitalization Approach

The subject property is a single tenant special purpose property. The rental rate and income projections are based on a build-to-suit analysis using the depreciated replacement cost to mirror the market and consider appropriate return parameters. As the single tenant lease would be executed on an absolute net basis, only the direct capitalization was developed. Capitalization rates were developed from various sources. In total, the income capitalization approach is considered to be applicable to the subject and supportive of the cost approach conclusion, thus given secondary weight for that reason.

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	7/17/2021	\$33,000,000

Compiled by NKF

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by NKF

Exposure Time

Exposure time is the estimated length of time the subject property 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. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

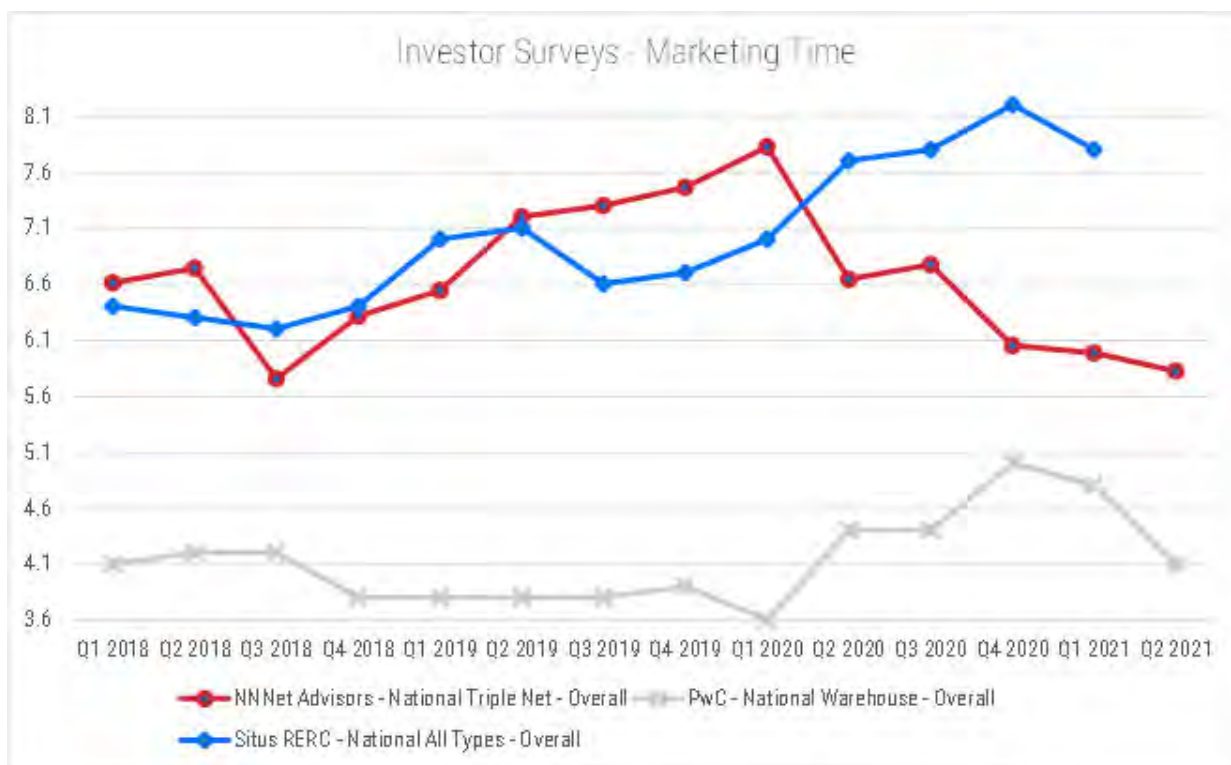
The following is national investor survey data which is one source for the underlying data to this conclusion.

Investor Surveys - Marketing Times

Source	Period	Low	High	Average
NNNet Advisors - National Triple Net - Overall	Q2 2021	N/A	N/A	5.8
PwC - National Warehouse - Overall	Q2 2021	1.0	10.0	4.1
Situs RERC - National All Types - Overall	Q1 2021	N/A	N/A	7.8

Compiled by NKF





Recent sales transaction data for similar properties, supply and demand characteristics for the local specialty market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value / values stated previously is 10 months.

Marketing Time

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 an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 10 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a

substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and

underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A

Glossary of Terms



The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also **surplus land**.

- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [The] 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.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also **hypothetical condition**.
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service Lease:** See **gross lease**.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.

- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.

- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.¹
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** 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 an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease; modified gross lease.**
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.

¹ The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

- ♦ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ♦ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.
- ♦ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ♦ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

Addendum B

Legal Description





NORTH CAROLINA
BRUNSWICK COUNTY

I, _____ Review Officer for Brunswick County,
certify that the map or plat to which this certification is
affixed meets all statutory requirements for recording.

NORTH CAROLINA
BRUNSWICK COUNTY

Filed for registration on the _____ day of _____, 20____

at (A.M./P.M.) and recorded in Plat Cabinet _____, Slide _____

Review Officer

Date

Register of Deeds

THE UNDERSIGNED HEREBY ACKNOWLEDGES THAT THE LAND
SHOWN ON THIS PLAT IS WITHIN THE SUBDIVISION
REGULATION JURISDICTION OF THE CITY OF SOUTHPORT
AND THAT THIS PLAT AND ALLOTMENT IS MY FREE
ACT AND DEED.

THE CITY OF SOUTHPORT DOES HEREBY
CERTIFY THAT THIS MAP WAS APPROVED FOR RECORDING
IN THE OFFICE OF THE REGISTER OF DEEDS FOR BRUNSWICK
COUNTY.

OWNER'S SIGNATURE

SIGNATURE

DATE

ADDRESS

TELEPHONE NUMBER

GRAPHIC SCALE



(IN FEET)
1 inch = 200 ft.

SURVEY NOTES:

1. THIS SUBDIVISION SURVEY IS DERIVED FROM INFORMATION GATHERED BY AN ACTUAL FIELD SURVEY MADE BY THIS OFFICE AND PLATTED NOVEMBER, 2020.
2. HORIZONTAL DATUM USED FOR THIS PROJECT IS NAD 1983 NAD83 2011.
3. ALL DISTANCES ARE HORIZONTAL GROUND MEASUREMENTS UNLESS OTHERWISE NOTED.
4. ALL AREAS COMPUTED BY COORDINATE COMPUTATION METHOD.
5. SUBSURFACE UTILITY INVESTIGATION WAS NOT PERFORMED AS A PART OF THIS PROJECT.
6. THE PURPOSE OF THIS SURVEY IS TO SUBDIVIDE THE DEEP POINT MARINA, TRACT 1 PARCEL.
7. ANY ENCUMBRANCES OR EASEMENTS REGARDING CANALS, DRAINAGE, CONSERVATION, UTILITY RIGHTS, INGRESS/EGRESS, ACCESS, UTILITY OR MAINTENANCE ARE AT THE DISCRETION OF THE TITLE ATTORNEY TO REPORT FOR THIS PROJECT. THIS OFFICE ASSUMES NO LIABILITY IN THE INTERPRETATION AS TO WHETHER ENCUMBRANCES, EASEMENTS, OR RIGHT-OF-WAYS CURRENTLY EXIST. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT A FULL CURRENT TITLE REPORT AND IS SUBJECT TO ANY RIGHT-OF-WAYS, ENCUMBRANCES OR EASEMENTS A FULL TITLE REPORT MAY REVEAL.
8. PORTIONS OF THIS PARCEL DO LIE WITHIN MULTIPLE/FEMA FLOOD HAZARD AREAS AS SHOWN PER FEMA MAP 5703030600K. MAP REVISED 09/20/2016. DELETED FEMA FLOOD HAZARD AREAS PER GOVERNMENT ON-LINE RESOURCE DOWNLOAD WWW.NCFLLOODMAPS.COM (HTTP://FR16.NC.GOV/FR16G/).

PARCEL INFORMATION

PID: 2380000301
PIN: 300810483960
ZONING: SP-BD

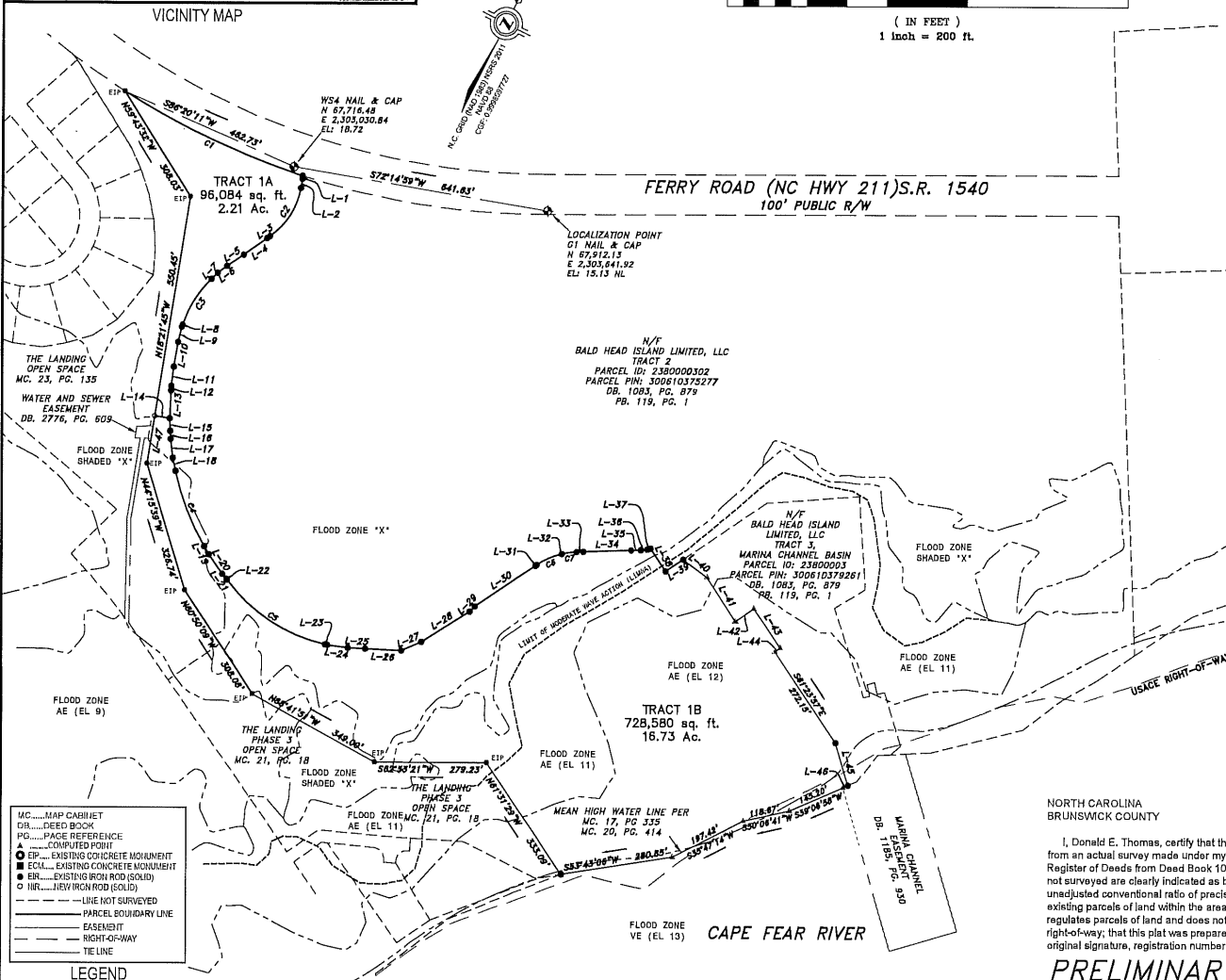
REFERENCES:

DB 1083, PG 879

PB 119, PG 1

Parcel Line Table			Parcel Line Table		
Line #	Direction	Length	Line #	Direction	Length
L-1	N24°50'37"W	7.79'	L-28	N85°35'59"E	89.20'
L-2	S18°09'53"E	23.03'	L-27	N39°24'43"E	54.82'
L-3	S28°41'02"W	0.83'	L-26	N30°23'14"E	142.00'
L-4	N27°18'58"E	71.08'	L-25	N18°43'34"E	17.93'
L-5	N29°05'24"E	50.11'	L-30	N28°47'25"E	181.63'
L-6	N25°28'03"E	28.53'	L-31	N28°48'42"E	3.79'
L-7	N18°00'22"E	21.89'	L-32	N48°08'30"E	0.82'
L-8	S0°13'22"E	5.87'	L-33	N80°28'17"E	15.11'
L-9	N13°42'51"W	38.83'	L-34	N80°52'58"E	119.78'
L-10	N17°54'25"W	61.74'	L-35	N80°58'28"E	24.23'
L-11	N20°01'37"W	48.65'	L-36	N55°52'41"E	16.33'
L-12	N25°19'38"W	10.84'	L-37	N50°23'23"E	8.28'
L-13	N24°44'39"W	68.80'	L-38	S81°18'21"E	87.43'
L-14	S71°38'15"W	37.61'	L-39	N28°42'11"E	52.84'
L-15	S30°20'39"E	31.21'	L-40	S80°25'32"E	74.12'
L-16	S30°28'28"E	20.07'	L-41	S80°42'49"E	130.19'
L-17	S34°12'15"E	46.98'	L-42	N28°38'03"E	56.77'
L-18	S39°28'07"E	33.23'	L-43	S81°23'57"E	117.51'
L-19	S57°40'21"E	23.81'	L-44	S28°38'03"W	16.00'
L-20	S82°10'21"E	58.35'	L-45	S45°50'34"E	110.03'
L-21	S88°40'50"E	16.30'	L-46	S39°08'58"W	13.47'
L-22	S63°38'34"E	2.00'	L-47	N18°21'43"W	119.05'
L-23	S75°04'21"W	5.13'			
L-24	N70°08'51"E	51.84'			
L-25	N85°35'59"E	43.31'			

Curve Table					
Curve #	Chord Direction	Chord Length	Length	Radius	Delta
C1	N87°39'33"E	491.06'	492.38'	1958.08'	14.4072
C4	S48°34'14"E	199.40'	200.24'	630.24'	18.2039
C5	S84°28'17"E	294.41'	300.78'	420.54'	40.9792
C8	S39°00'16"W	68.31'	68.67'	193.00'	20.3858
C7	S54°54'23"W	37.14'	37.19'	193.21'	11.0301



NORTH CAROLINA
BRUNSWICK COUNTY

I, Donald E. Thomas, certify that this subdivision survey was drawn under my direct supervision from an actual survey made under my direct supervision and referenced in the Brunswick County Register of Deeds from Deed Book 1083, Page 879 and Plat Book 119, Page 1; that the boundaries not surveyed are clearly indicated as broken lines and referenced from record information; that the unadjusted conventional ratio of precision as calculated exceeds 1:20,000; that this survey is of existing parcels of land within the area of a county or municipality that has an ordinance that regulates parcels of land and does not create a new street or change an existing street, road or right-of-way; that this plat was prepared in accordance with G.S. 47-30 as amended. Witness my original signature, registration number and seal this _____ day of _____, A.D., 2020.

PRELIMINARY
Professional Land Surveyor Number L-4706

Recorded in the Brunswick County Registry at Plat Cabinet _____, Slide _____

PROFESSIONAL LAND SURVEYING SERVICES BY:

ESP ASSOCIATES, INC.
GEOMATICS • MOBILE SURVEYING

2111 Raging Drive, Suite 101
Wilmington, North Carolina 28403
(910) 444-3999 / www.espassociates.com / License # F-1407

SUBDIVISION SURVEY FOR
BALD HEAD ISLAND LIMITED, LLC.
OF TRACT 1 INTO TRACT 1A AND TRACT 1B
AT DEEP POINT MARINA
FERRY ROAD, (SR 1540)
SMITHVILLE TOWNSHIP, BRUNSWICK COUNTY
SOUTH PORT, NORTH CAROLINA



DATE
11-17-2020
DRAWN BY
DET
SCALE
1" = 200'

REVISIONS

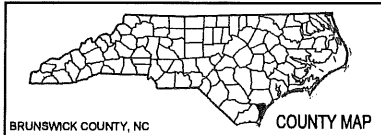
-DESCRIPTION-
SUBDIVISION MAP

SHEET

1 OF 1

1/28/2020

LC

NORTH CAROLINA
BRUNSWICK COUNTY

I, J. J. Swartz, Review Officer for Brunswick County, certify that the map or plat to which this certification is affixed meets all statutory requirements for recording.

J. J. Swartz Review Officer Date 1/28/2020

THE UNDERSIGNED HEREBY ACKNOWLEDGES THAT THE LAND SHOWN ON THIS PLAT IS WITHIN THE SUBDIVISION REGULATION JURISDICTION OF THE CITY OF SOUTHPORT AND THAT THIS PLAT AND ALLOTMENT IS MY FREE AND VOLUNTARY DEED.

OWNERS SIGNATURE: BALD HEAD ISLAND LIMITED, LLC
BY: CHARLES A. PAUL, III, MANAGER
ADDRESS: P.O. BOX 3019 TELEPHONE NUMBER: 910-457-1520
BALD HEAD ISLAND, NC 28411

THE CITY OF SOUTHPORT DOES HEREBY CERTIFY THAT THIS MAP WAS APPROVED FOR RECORDING IN THE OFFICE OF THE REGISTER OF DEEDS FOR BRUNSWICK COUNTY.

Charles A. Paul, III DATE 01/28/2020
SIGNATURE DATE

NORTH CAROLINA
BRUNSWICK COUNTY

Filed for registration on the _____ day of _____, 20____, at (A.M./P.M.) and recorded in Plat Cabinet _____, Slide _____, Register of Deeds

Certificate of Purpose of Plat:

- I, Richard A. Pinkham, Professional Land Surveyor, certify to one of the following:
- That the survey creates a subdivision of land within the area of a county or municipality that has an ordinance that regulates parcels of land;
 - That the survey is of another category, such as recombination of existing parcels, a court-ordered survey, or other exception to the definition of subdivision;
 - That the information to the surveyor is such that the surveyor is unable to make a determination to the best of his/her professional ability as to provisions contained in (a) through (c) above.

Professional Land Surveyor Number L-4646

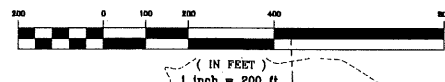
SURVEY NOTES:

- This Subdivision Survey is derived from information gathered by an actual field survey made by this office and plotted June, 2018.
- Horizontal datum used for this project is NAD 1983 NAD83.
- All distances are horizontal ground measurements unless otherwise noted.
- All areas computed by coordinate computation method.
- Subsurface utility investigation was not performed as a part of this project.
- The purpose of this survey is to subdivide the DEEP POINT MARINA parcel.
- Any encumbrances or easements regarding covenants, drainage, conservation, mineral rights, ingress / egress, access, utility or maintenance are at the discretion of the title attorney to report for this project. This office assumes no liability into the interpretation as to whether encumbrances, easements, or right-of-ways currently exist. This survey was performed without the benefit of a full current title report and is subject to any Right-of-Ways, encumbrances or easements a full title report may reveal.
- Portions of the parcel do so within multiple FEMA Flood Hazard areas as shown per FEMA Map # 37020300600K, effective date 08/28/2018. Depicted FEMA Flood Hazard areas per government online resource derived from www.floodmaps.com (http://floodmaps.gov/).

ADDITIONAL REFERENCES:

- CP/L: DB 308, PG 428
EASEMENT: DB 654, PG 1028
1ST AMEND: DB 733, PG 679
DECLARATION OF PROTECTIVE COVENANTS
404 WETLANDS AREAS: DB 2748, PG 1273

GRAPHIC SCALE



Line #	Direction	Length	Line #	Direction	Length
L1	S28°46'21"E	44.11'	L44	S40°58'28"W	24.83'
L2	S28°53'40"W	112.83'	L45	S40°52'58"W	118.79'
L3	S33°37'11"W	97.54'	L46	N40°25'17"E	16.11'
L4	S28°24'08"W	124.54'	L47	S48°04'30"W	0.62'
L5	S48°18'14"W	232.70'	L48	S28°48'42"W	3.78'
L6	N58°41'46"E	82.42'	L49	S15°43'54"W	17.83'
L7	N58°43'56"E	38.55'	L50	S39°24'48"W	54.89'
L8	S22°35'07"W	171.83'	L51	S40°53'28"W	86.20'
L9	N48°15'13"W	36.40'	L52	N45°33'59"E	43.51'
L10	S28°00'04"W	62.64'	L53	S70°04'51"W	51.64'
L11	S44°35'30"W	64.80'	L54	N75°04'31"E	5.13'
L12	S39°39'28"W	115.01'	L55	N45°58'54"W	3.00'
L13	S28°40'58"W	85.33'	L56	N46°40'30"W	16.30'
L14	S28°58'24"W	67.80'	L57	N41°02'11"E	58.33'
L15	S48°04'30"W	77.54'	L58	S27°40'21"E	23.61'
L16	S45°52'51"W	64.24'	L59	N48°28'07"E	23.23'
L17	S41°48'18"W	37.88'	L60	N54°18'18"W	46.86'
L18	S28°54'58"W	61.17'	L61	S28°24'28"E	26.07'
L19	S58°43'51"W	54.92'	L62	N30°50'08"W	31.21'
L20	S39°33'11"W	10.68'	L63	N44°44'58"W	66.80'
L21	S28°04'58"W	134.71'	L64	N45°18'28"W	10.84'
L22	S28°04'58"W	22.84'	L65	N30°01'37"E	48.83'
L23	S11°58'51"W	64.80'	L66	N17°54'25"W	81.74'
L24	S58°43'58"W	31.34'	L67	N19°42'51"W	38.83'
L25	S48°01'54"W	46.11'	L68	S8°17'23"E	5.97'
L26	S81°11'38"W	44.73'	L69	N18°00'33"E	21.89'
L27	S39°31'14"W	46.87'	L70	N52°58'03"E	26.83'
L28	S39°21'18"W	36.78'	L71	N49°09'54"E	86.11'
L29	S39°48'48"W	42.94'	L72	N37°18'58"E	71.08'
L30	S28°58'58"W	40.84'	L73	S38°41'18"W	8.83'
L31	S28°43'24"W	36.15'	L74	S18°09'23"E	23.05'
L32	S26°10'40"W	40.36'	L75	N44°50'57"E	7.78'
L33	S39°27'28"W	45.48'	L76	N48°30'54"W	110.03'
L34	S26°21'58"W	46.97'	L77	S31°43'48"W	86.74'
L35	S33°47'13"W	68.04'	L78	N46°40'30"E	15.85'
L36	S45°51'32"W	58.29'	L79	N40°20'28"E	26.37'
L37	S45°44'38"W	47.36'	L80	N48°50'54"E	18.08'
L38	S81°20'33"W	45.85'	L81	S49°38'06"E	26.91'
L39	S28°36'03"W	34.77'	L82	N48°00'47"E	16.48'
L40	N48°48'11"E	33.84'	L83	S40°53'33"E	74.18'
L41	S81°18'21"E	67.43'	L84	N11°33'57"E	117.81'
L42	S58°25'23"E	8.28'	L85	N45°38'03"E	16.00'
L43	S58°25'41"E	16.33'			

Curve #	Chord Direction	Chord Length	Length	Bearing	Date
C1	N47°19'54"E	491.04'	488.24'	1858.05'	1/24/2019
C2	N71°53'14"E	908.82'	906.34'	1858.05'	1/24/2019
C3	S58°54'33"W	37.14'	37.14'	1853.91'	1/10/14/18
C4	S39°00'16"W	66.31'	66.67'	1853.00'	20/23/08
C5	S24°31'17"E	294.41'	300.79'	426.54'	20/28/03
C6	S48°34'14"E	184.40'	200.24'	430.34'	1/18/14
C7	S48°33'07"W	124.13'	138.30'	365.33'	2/13/14
C8	N45°13'23"E	141.82'	145.85'	176.30'	4/20/2019
C9	S48°48'48"E	188.78'	188.83'	1858.04'	4/20/2019

BO119 P0001 01-28-2020
Brunswick County, NC Register of Deeds page 1 of 4

I, Richard A. Pinkham, certify that this subdivision survey and subsequent sheets 1 thru 4 were drawn under my direct supervision from an actual survey made under my direct supervision and referenced in the Brunswick County Register of Deeds from Map Cabinet 117, Page 335 and Map Cabinet 20 Page 414; that the boundaries not surveyed are clearly indicated as broken lines and referenced from record information; that the unadjudicated conventional ratio of prediction as calculated exceeds 1:20,000; that this survey is a subdivision of land within the area of a county or municipality that has an ordinance that regulates parcels of land and does not create a new street or change an existing street, road or right-of-way; that this plat was prepared in accordance with G.S. 47-30 as amended. Witness my original signature, registration number and seal this 21 day of JAN, A.D., 2020.

Richard A. Pinkham
Professional Land Surveyor Number L-4646

Recorded in the Brunswick County Registry at Plat Cabinet _____, Slide _____

119/1

PROFESSIONAL LAND SURVEYING SERVICES BY:

ESP ASSOCIATES, INC.
GEOMATICS • MOBILE • HYDROGRAPHIC SURVEILLANCE

211 Riche Drive, Suite 101
Wilmington, North Carolina 28403
(910) 444-3899 / www.espassociates.com / License # E-1407

SUBDIVISION SURVEY FOR
BALD HEAD ISLAND LIMITED, LLC.

DEEP POINT MARINA
FERRY ROAD, (SR 1540)
SMITHVILLE TOWNSHIP, BRUNSWICK COUNTY
SOUTH PORT, NORTH CAROLINA



1/28/2020

DATE 1/21/2020

DRAWN BY J.W.S.

REVISIONS

-DESCRIPTION-
SUBDIVISION MAP

SHEET

1 OF 4

SCALE 1" = 200'

CHECKED BY R.A.P.

Addendum C

Financials and Property Information





Due Diligence Assessment

Produced for Bald Head Island Transportation Authority

March 5, 2019



Document Verification

Client	Bald Head Island Transportation Authority
Project name	BHITA Due Diligence Assessment
Document title	Due Diligence Assessment Report
Document sub-title	–
Status	Report
Date	March 5, 2019
Project number	10413
File reference	2019-03-05 BHITA Due Diligence Report.docx

Revision	Description	Issued by	Date	Checked
00	Report	IWC	3/5/19	PRG

Produced by:
Moffatt & Nichol
501 East Kennedy Blvd
Suite 1901
Tampa, FL 33602
(813) 258-8818
www.moffattnichol.com



Disclaimer

Moffatt & Nichol devoted effort consistent with (i) the level of diligence ordinarily exercised by competent professionals practicing in the area under the same or similar circumstances, and (ii) the time and budget available for its work, to ensure that the data contained in this report is accurate as of the date of its preparation. This study is based on estimates, assumptions and other information developed by Moffatt & Nichol from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the Client, the Client's agents and representatives, or any third-party data source used in preparing or presenting this study. Moffatt & Nichol assumes no duty to update the information contained herein unless it is separately retained to do so pursuant to a written agreement signed by Moffatt & Nichol and the Client.

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Executive Summary

Bald Head Island Transportation Authority (BHITA) is in the process of obtaining ownership of marine ferry terminal facilities at Deep Point Marina (DPM) and Bald Head Island (BHI) and contracted Moffatt & Nichol (M&N) to conduct a due diligence level inspection. From December 17-23, 2018, M&N's inspection team carried out the field work using the company's trailered boat and surface-supplied air diving spread in accordance with the Code of Federal Regulation (CFR) and Association of Diving Contractors International (ADCI) industry standards for commercial diving operations. Led by a Professional Engineer-Diver and accompanied by the Bald Head Island, LTD. Project Engineer Mr. Bill Mack, all team members were certified in underwater structural inspections per the National Highway Institute (NHI) training program.

Each structure was inspected above and below water (from deck level to mudline) in accordance with the American Society of Civil Engineers (ASCE) Manuals and Reports on Engineering Practice No. 130: "Waterfront Facilities Inspection and Assessment", which includes standardized condition ratings for structural elements. (Excerpts from this manual are included in Appendix C.) For the purposes of due diligence, these condition ratings are simplified as either Good or Poor.

This report includes a brief description of each structure, findings, and recommendations for short-term repair priority as well as within the 10-year planning horizon. The short-term priority (Low-Medium-High) is based on severity & urgency to repair particular defects, while the long-term recommendations address the overall lifecycle of each structure with respect to major capital investment. Table 0-1 shows a summary of Condition and Repair Priority for all structures inspected.

High Repair Priority

No critical structural issues necessitating a high repair priority were found in any of the 11 facilities inspected.

Medium Repair Priority

Three (3) waterfront ferry terminal facilities at DPM were determined to have a medium repair priority:

1. B-Gate Contractor Landing
2. Concrete Bulkhead Wall
3. Barge Ramp

Two (2) waterfront ferry terminal facilities at BHI were determined to have a medium repair priority:

1. Barge Ramp
2. Passenger Landing

The BHI Passenger Landing was found to be in fair overall condition and replacement is recommended within the 10-year planning horizon. Several piles were found to be severely deteriorated with 50% or more section loss. The structure has surpassed the typical expected design life of marine timber structures of 25 years and has undergone significant repairs in order to maintain capacity.

The steel barge ramps at DPM and BHI are in satisfactory condition however may require refurbishment/replacement within the 10-year planning horizon due to corrosion of framing elements. In order to minimize disruption to barge operations, replacement is preferable and fabricating at least one new ramp would allow the shortest time for removal and installation. It may be cost effective to refurbish one of the existing ramps after it has been replaced (instead of fabricating a second replacement) and then return it to service in place of the remaining original.

The DPM barge ramp concrete substructure and adjacent sheet pile bulkhead repair area are in satisfactory condition but may require retrofit/replacement within the 10-year planning horizon or beyond. A tension crack has developed in the ramp substructure and the adjacent section of bulkhead wall has previously displaced and been repaired. The crack damage appears to be caused by the berthing/mooring forces imposed by the tug-barge. This area should be monitored for signs of worsening and the forces evaluated in greater detail for



potential operational improvements in order to extend the service life of the ramp substructure and bulkhead wall.

Numerous sinkholes were evident behind the concrete sheet pile bulkhead wall along the DPM shoreline which have been filled with sand; these are typical of this type of construction and will likely continue to require ongoing maintenance. Repair with engineered fill including varying types/sizes of fill material (stone, etc.) or more substantial grout fill may stop the sinkholes from recurring in these areas.

Low Repair Priority

The remaining six (6) waterfront ferry terminal facilities assessed are in good to satisfactory condition with minimal recommended repair costs. These facilities include, at DPM:

1. A-Gate Passenger Landing
2. Maintenance Fixed Pier
3. Maintenance Finger Dock
4. "G" Berthing Platform
5. "H" Berthing Platform

And at BHI:

1. Contractor Landing

The following is a summary of the structures, ratings, repair priority, and estimated repair costs:

TABLE 0-1: SUMMARY OF ALL STRUCTURES INSPECTED

Location	Facility	ASCE Condition Rating	Due Diligence Rating	Repair Priority Ranking	Recommended Repair Cost Estimate
Deep Point Ferry Marina	A-Gate Passenger Landing	Good	Good	Low	\$0
	B-Gate Contractor Landing	Satisfactory	Good	Medium	\$11,000
	Maintenance Fixed Pier	Good	Good	Low	\$1,000
	Maintenance Finger Dock	Satisfactory	Good	Low	\$10,000
	"G" Berthing Platform	Good	Good	Low	\$0
	"H" Berthing Platform	Good	Good	Low	\$0
	Bulkhead Wall	Satisfactory	Good	Medium	\$137,000
	DPM Barge Ramp	Satisfactory	Good	Medium	\$154,000
Bald Head Island	BHI Barge Ramp	Satisfactory	Good	Medium	\$130,000
	Contractor Landing	Good	Good	Low	\$10,000
	Passenger Landing	Fair	Good	Medium	\$900,000
Total:					\$1,353,000

The total estimated cost of recommended replacements and repairs over the next ten years, based on the defects observed during this investigation, is \$1,353,000. As part of the recommended routine inspections and maintenance for all of the structural components of the waterfront facilities, routine inspections should be conducted once every five years. The estimated cost to complete each routine inspection is \$65,000, or \$130,000 total over the next ten years. Anticipated additional structural component maintenance repair items discovered during those inspection items can typically be expected on the order of \$100,000 - \$150,000 over the next 10 years based on the conditions observed and typical life expectancy of timber and concrete marine structures. A breakdown of estimated repair/replacement costs is provided in Appendix B.



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1. Introduction

Bald Head Island Transportation Authority (BHITA) is performing due diligence on the Ferry Terminal and related waterfront structures at the Deep Point Marina (DPM) and Bald Head Island (BHI) sites in North Carolina. Moffatt & Nichol was contracted to carry out an above and below water inspection of these during the week of December 17-21, 2018. The purpose of the inspection was to assess the overall general condition of each structure, identify major deficiencies, and recommend needed repairs within a 10-year planning horizon.

The Moffatt & Nichol (M&N) inspection team conducted an above and below water assessment of each structure using surface-supplied air (SSA) diving equipment and the company's 32 ft. inspection boat *Pier Review III*. All members of the crew are commercially trained in this mode of diving and structural inspection including the Team Leader, who is also a licensed (Civil) Professional Engineer.

This report includes the findings of the inspection for each structure, including overall condition, significant defects, and repair priorities and recommendations. The short-term priority (Low-Medium-High) is based on severity & urgency to repair particular defects, while the long-term recommendations address the overall lifecycle of each structure with respect to major capital investment.

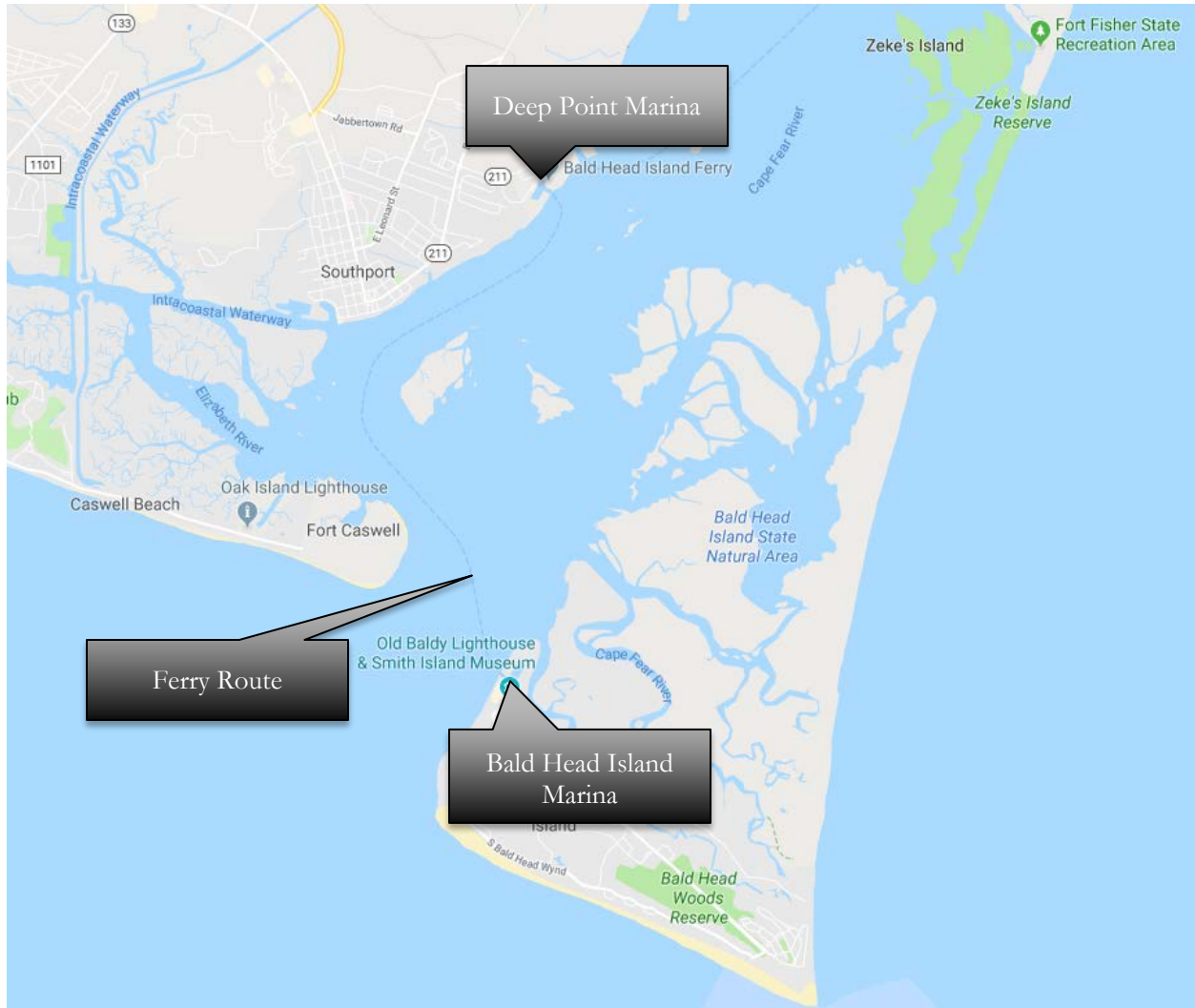
Budgetary cost estimates for recommended repairs and maintenance over the next 10 years are based on general quantities and repair/ replacement in-kind with similar materials, construction, and overall size of the structure.

1.1. Scope of Work

A total of 11 structures were inspected at the Deep Point Marina (DPM) and Bald Head Island (BHI) including sections of the bulkhead wall at DPM. The following Figure 1-1 provides an overview location map of the two ferry terminal facilities. See Table 1-1 and the additional figures that follow for a complete list and illustration of the facilities assessed.

The scope of work included above and below water inspection of support piles, below deck substructure framing and deck undersides (for pile supported docks & landings), and barge ramp concrete substructure and steel structural elements. The DPM concrete bulkhead wall delineated in Figure 2-10 was inspected above water during low tide along its entire length, and in selected areas underwater, focusing on the previously repaired area adjacent to the barge ramp.

FIGURE 1-1: LOCATION MAP



Source: Google Maps

TABLE 1-1: KEY STRUCTURES INCLUDED IN THE ASSESSMENT

No.	Facility
1	A-Gate Passenger Landing
2	B-Gate Contractor Landing
3	Maintenance Fixed Pier
4	Maintenance Finger Dock
5	"G" Berthing Platform
6	"H" Berthing Platform
7	Bulkhead Wall (See Figure 2-10)
8	DPM Barge Ramp
9	BHI Barge Ramp
10	BHI Contractor Landing
11	BHI Passenger Landing

FIGURE 1-2: DEEP POINT MARINA



Facilities Inspected highlighted in yellow. Limits of Bulkhead Wall shown separately in

FIGURE 1-3: BALD HEAD ISLAND MARINA



Facilities Inspected highlighted in yellow.

1.2. Assessment Methodology

Based on the inspection findings and understanding of each structure's history, an overall condition rating was assigned based on the ASCE system and further simplified as described below. The short-term priority (Low-Medium-High) is based on severity & urgency to repair particular defects.

1.2.1. Condition Rating System

The ASCE Manuals and Reports on Engineering Practice No. 130: "Waterfront Facility Inspection and Assessment" (2014) provides standardized definitions for overall condition in tiers from 1 ("Good") to 6 ("Critical") based on the types and severity of defects. For the purposes of Due Diligence, these have been further reduced to two tiers: Good and Poor. This simplified rating system is used by Moffatt & Nichol for Due Diligence inspections to specifically address whether capital investment is required within the planning horizon in order to maintain current capacity. Descriptions of each rating category are provided in Table 1-2.

1.2.2. Repair Priority Rankings

The priority and cost of repairs relative to a future acquisition should be considered when determining the future costs and usable life associated with each facility. These are defined as High, Medium, and Low and relate to the ASCE Condition (1-6) as follows:

(H) High Priority – Ferry terminal structures in *poor*, *serious* or *critical* condition.

(M) Medium Priority – Ferry terminal structures in *fair* condition.

(L) Low Priority – Ferry terminal structures in *satisfactory* or *good* condition.

1.2.3. Opinion of Probable Construction Costs

Order-of-magnitude budgetary cost estimates are provided for repairs and replacements that are recommended to be completed within the next 10 years as a result of the conditions observed during this assessment. The order-of-magnitude costs typically include two options: major rehabilitation to extend the useful service life of the structure; and replacement with a modern version of the same structure. Construction costs are based on Moffatt & Nichol's knowledge of similar construction projects in the region, along with publicly available construction estimating tools, and expands on the data collected during the due diligence inspection.

In addition, costs for future recommended routine structural inspections at five-year intervals are provided, as well as a budgetary estimate of additional structural maintenance and repair items discovered during those future inspections over the next 10 years.

1.2.4. Timber Structures in the Marine Environment

Most of the structures at DPM and BHI are constructed of timber piles, framing, and deck. In warmer climates, treated timber structures in the marine environment typically have a design service life of 25 years, as the structural members and galvanized steel hardware deteriorates from exposure. At the end of the design service life, it is typical for the structures to require significant repair or complete replacement.

Even after structures are repaired, the existing components that are not repaired or replaced will continue to deteriorate and require additional future maintenance. Although repair options appear to be attractive (lower cost) than replacement in the near-term, they become less so when considered over the useful life of the structure and it is advantageous to replace timber structures when they approach the end of their design.

TABLE 1-2: DUE DILIGENCE ASSESSMENT RATINGS (BASED ON ASCE MOP 130)

Due Diligence Rating		ASCE 130 Condition Rating	Description
Good	Maintain capacity by routine maintenance. No significant repairs required within the planning horizon.	6 - Good	No visible damage or only minor damage noted. Structural elements may show very minor deterioration, but no overstressing observed. No repairs are required
		5 - Satisfactory	Limited minor to moderate defects or deterioration observed, but no overstressing observed. No repairs are required
		4 - Fair	All primary structural elements are sound; but minor to moderate defects or deterioration observed. Localized areas of moderate to advanced deterioration may be present but do not significantly reduce the load bearing capacity of the structure. Repairs are recommended, but the priority of the recommended repairs is low.
Poor	Repairs must be made within the planning horizon in order to maintain capacity	3 - Poor	Advanced deterioration or overstressing observed on widespread portions of the structure. Repairs may need to be carried out with moderate urgency.
		2 - Serious	Advanced deterioration, overstressing or breakage may have significantly affected the load bearing capacity of primary structural components. Local failures are possible and loading restrictions may be necessary. Repairs may need to be carried out on a high-priority basis with urgency
		1 - Critical	Very advanced deterioration, overstressing, or breakage has resulted in localized failures(s) of primary structural components. More widespread failures are possible or likely to occur, and load restrictions should be implemented as necessary. Repairs may need to be carried out on a very high priority basis with strong urgency.

2. Findings and Recommendations

This section includes the findings and recommendations for each structure assessed. The findings include Overall Condition (1-6), Repair Priority (Low-Medium-High), Summary of Significant Defects, and Recommendations for each structure inspected. A summary table is provided for each location, as well as a brief description and representative photos. Additional details such as updated pile layouts for selected structures are included in Appendix A and recommendations for repair or replacement in Section 3.

2.1. Deep Point Marina Ferry Terminal Facilities

The DPM Ferry Terminal facilities include the “A” and “B” Gate ferry terminals, multiple smaller landings and docks for berthing and servicing vessels, as well as the barge loading ramp adjacent to the entrance channel from the river. A concrete bulkhead runs along the shoreline and on the south side of the entrance channel, where it transitions into the entrance channel jetty (Section 2.1.7, Figure 2-10 includes a plan view of the DPM bulkhead limits.)

2.1.1. A-Gate Passenger Landing

The A-Gate Passenger Landing is a reinforced concrete dock supported by prestressed concrete piles. A series of timber pile dolphins are arranged along the berthing face to provide vessel breasting and mooring. Overall, the structure was found to be in good condition with no visible sign of damage or repairs needed.

TABLE 2-1: A-GATE PASSENGER LANDING SUMMARY

Summary	
Construction	Concrete
Overall Condition	Good
Repair Priority	Low
Significant Defects	None
Recommendations	Routine Inspection & Maintenance
Recommended Repairs Estimate	\$0

FIGURE 2-1: DPM A-GATE PASSENGER LANDING ELEVATION VIEW (LOOKING WEST)



FIGURE 2-2: DPM A-GATE PASSENGER LANDING (LOOKING NORTH)



End view of concrete support piles, timber fender piles (right), and adjacent concrete bulkhead (left)

Seven of the 24 concrete support piles have been retrofitted with fiberglass and epoxy jackets, reportedly following original construction (pile driving). These were found to be good condition with no signs of deterioration or damage. A series of timber piles along the bulkhead wall were installed to support construction loads and are no longer serving any function. The mudline along the bulkhead wall has been fortified at the south end with cut off sections of concrete pile laid sideways and rip rap stone at the north end between Bent 1 and Bent 5. See the marine pile plan layout (FIG-A1) in Appendix A for more detail.

2.1.2. B-Gate Contractor Landing

The B-Gate Contractor Landing is constructed of timber piles and framing with aluminium gangways and a series of timber pile dolphins along the berthing face. The structure was found to be in satisfactory overall condition with minor decay found on the timber piles and framing—typical for timber structures of this age in the marine environment. There are split/ broken timber joists in two locations and steel tie straps between the under-deck joists and the timber stringers below are severely corroded throughout the structure and should be replaced.

TABLE 2-2: B-GATE CONTRACTOR LANDING SUMMARY

Summary	
Construction	Timber
Overall Condition	Satisfactory
Repair Priority	Medium
Significant Defects	Steel tie straps are corroded/ wasted. Joist boards split 2 places
Recommendations	Repair minor timber framing defects and corroded steel tie straps.
Recommended Repairs Estimate	\$11,000

FIGURE 2-3: DPM B-GATE CONTRACTOR LANDING ELEVATION VIEW (LOOKING WEST)



FIGURE 2-4: DPM B-GATE CONTRACTOR LANDING UNDER DECK FRAMING



Note the corroded tie straps at each joist and broken joist at one location

2.1.3. Maintenance Fixed Pier

The maintenance fixed pier is constructed of timber pile bents and timber deck rated for a nominal 250 psf. Timber pile dolphins on either side of the pier are used to berth and moor vessels. The structure is in good overall condition with minor defects including open bolt holes and a split cross-brace board in one location. These can be addressed with routine maintenance efforts in order to preserve the structural capacity of the dock.

TABLE 2-3: MAINTENANCE FIXED PIER SUMMARY

Summary	
Construction	Timber
Overall Condition	Good
Repair Priority	Low
Significant Defects	Open bolt holes in piles.
Recommendations	Repair minor defects including bolt holes in timber piles and split bracing.
Recommended Repairs Estimate	\$1,000

FIGURE 2-5: DPM MAINTENANCE FIXED PIER ELEVATION VIEW (LOOKING WEST)



FIGURE 2-6: DPM MAINTENANCE FIXED PIER TIMBER PILE BENTS



2.1.4. Maintenance Finger Dock

The Maintenance Finger Dock is a floating dock captured by timber piles and accessed from the bulkhead wall by a gangway. The scope of inspection for this structure included only the gangway support piles, which were found to be in satisfactory condition with abrasion/loss of section and should be repaired or replaced within the 10-year planning horizon. The timber mooring/fender piles, floating dock guide piles, and floating dock were not included in the scope of this assessment.

TABLE 2-4: MAINTENANCE FINGER DOCK SUMMARY

Summary	
Construction	Floats with Timber Piles
Overall Condition (Gangway Support Piles)	Satisfactory
Repair Priority	Low
Significant Defects	Gangway support pile section loss
Recommendations	Repair/replace gangway support pile
Recommended Repairs Estimate	\$10,000

FIGURE 2-7: DPM MAINTENANCE FINGER ELEVATION VIEW (LOOKING NORTHWEST)



2.1.5. “G” Berthing Platform

“G” Berthing platform is constructed of a timber deck supported by the marina bulkhead cap on the landside and a timber piles in the water. An above and below water inspection found the structure to be in good overall condition with no visible signs of damage or repairs needed.

TABLE 2-5: “G” BERTHING PLATFORM SUMMARY

Summary	
Construction	Timber
Overall Condition	Good
Repair Priority	Low
Significant Defects	None
Recommendations	Routine Inspection & Maintenance
Recommended Repairs Estimate	\$0

FIGURE 2-8: DPM “G” BERTHING PLATFORM ELEVATION VIEW (LOOKING SOUTH)



2.1.6. “H” Berthing Platform

“H” Berthing platform is constructed of a timber deck supported by the marina bulkhead cap on the landside and a timber piles in the water. An above and below water inspection found the structure to be in good overall condition with minor abrasions (up to 3/4” deep) on the piles above water.

TABLE 2-6: “H” BERTHING PLATFORM SUMMARY

Summary	
Construction	Timber
Overall Condition	Good
Repair Priority	Low
Significant Defects	Minor abrasions on piles
Recommendations	Routine Inspection & Maintenance
Recommended Repairs Estimate	\$0

FIGURE 2-9: DPM “H” BERTHING PLATFORM ELEVATION VIEW (LOOKING WEST)



2.1.7. DPM Bulkhead Wall

The shoreline at DPM is comprised of a concrete sheet pile bulkhead wall with a reinforced concrete cap. The limits of the bulkhead wall are shown in Figure 2-10. On the north and west perimeter of the marina, the bulkhead extends from the barge ramp around to just beyond the “A” Gate Ferry Terminal Building. The bulkhead wall along the south bank of the inlet channel is also included in this assessment. Segments to the south of the yellow highlighted walls in Figure 2-10 along the marina floating docks are not part of the scope for this assessment.

This section includes the typical conditions for the bulkhead overall (2.1.7.1) as well as for a section of the wall adjacent to the barge ramp which was previously repaired (2.1.7.2).

TABLE 2-7: DPM BULKHEAD WALL SUMMARY

Summary	
Construction	Concrete Sheet Pile
Overall Condition	Satisfactory
Repair Priority	Medium
Significant Defects	Sinkholes behind the wall Minor spalls & cracks
Recommendations	<ol style="list-style-type: none"> 1. Repair/ fill sinkholes as needed 2. Monitor the repair section adjacent to the barge ramp & plan a permanent repair during the next major CAPEX cycle.
Recommended Repairs Estimate	\$137,000

FIGURE 2-10: DEEP POINT MARINA PLAN VIEW



Ferry Terminal bulkhead wall scope limits highlighted in yellow

FIGURE 2-11: VIEW OF DPM (LOOKING WEST)



View of DPM bulkhead wall at marina inlet (foreground left and right) and end of scope limits between Ferry Terminal Building and A Dock (yellow, background center-left)

2.1.7.1. Bulkhead Wall Typical Conditions

The DPM bulkhead wall is constructed of concrete sheet pile panels which interlock with a tongue-and-groove type fit and a reinforced concrete cap along the top of the wall, typically level with the adjacent sand fill/lawn. Inspection of the above water portion of the wall was performed during low tide. With the exception of the section adjacent to the barge ramp (see next section). The bulkhead is in overall good condition with isolated/localized spalls and cracks.

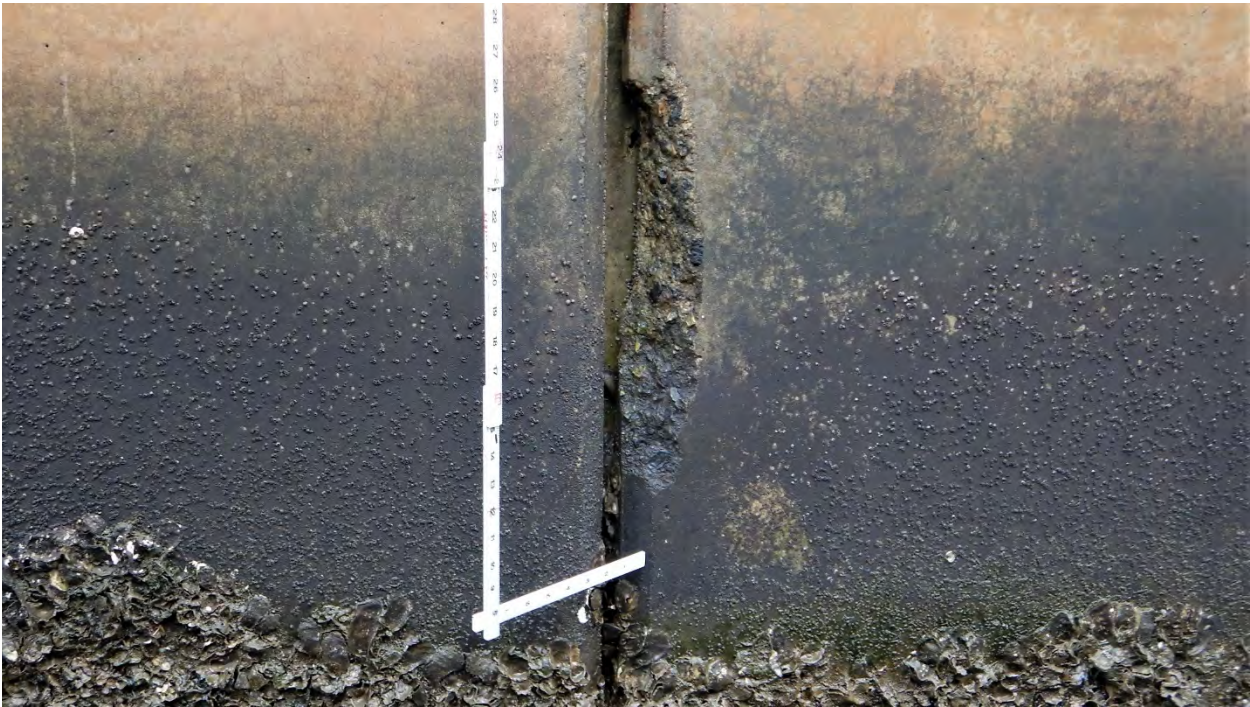
FIGURE 2-12: TYPICAL BULKHEAD WALL ELEVATION AT LOW TIDE



Location adjacent to "H" Berth and Maintenance Docks, looking West

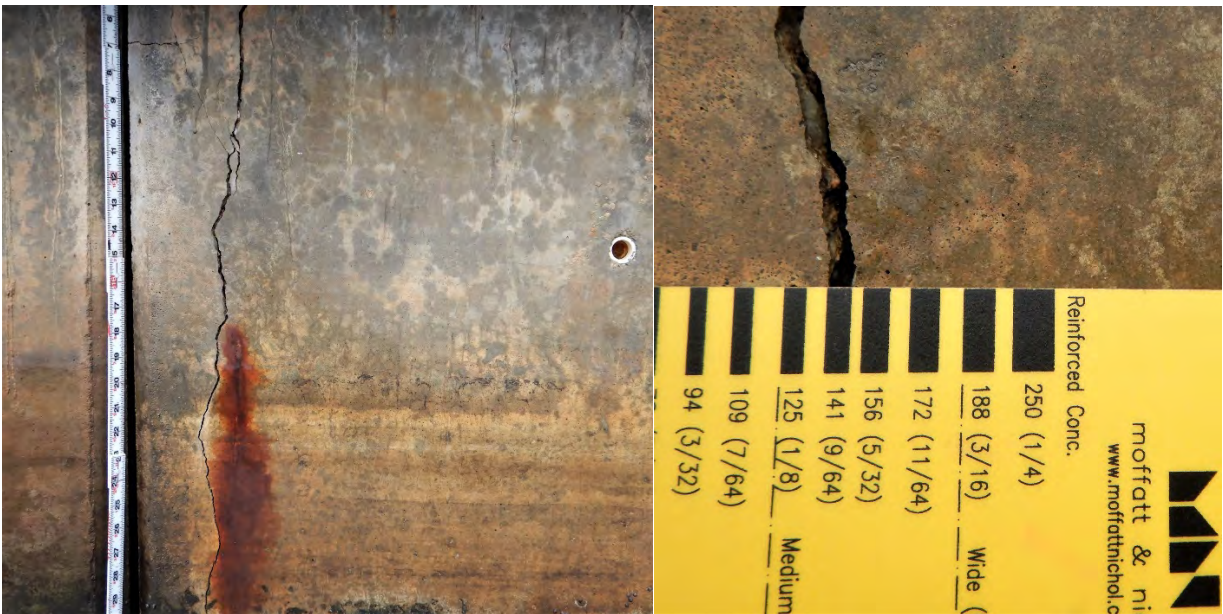
The spalls and cracking in the sheets are typically along the groove side of the tongue-and-groove interlock, exposing the tongue from the adjacent sheet but not creating open voids. Areas behind the wall have loss of fill or “sinkholes” which are typical for this type of construction. Locations with minor fill loss and sinkholes can be addressed by regular maintenance with replacement sand/stone fill material when needed.

FIGURE 2-13: TYPICAL CONCRETE SHEET PILE SPALL



Note tongue-and-groove fit between the sheets, visible inside the spall

FIGURE 2-14: CONCRETE SHEET PILE CRACKING



Overall and close up view shown of medium-width “worst case” cracking observed in the bulkhead wall at intermittent locations

FIGURE 2-15: TYPICAL SINKHOLES BEHIND WALL

Sinkholes in sand fill behind interlocking concrete sheet pile construction of this type is typically caused by migration of the sand backfill through the joint. This may be mitigated by varying the size and gradation of repair materials, i.e. backfilling with larger size gravel or stone. More robust repairs including the installation of filter fabric and/or the use of grout or flowable fill could be considered in the future if sinkholes become larger or more prevalent. Fill loss should be monitored during routine inspections to determine if more substantial repair methods are recommended.

2.1.7.2. Bulkhead Repair Section

An area of the bulkhead wall along the inlet channel and adjacent to the barge ramp has previously been repaired after developing a “tension crack” and displacement of the concrete sheet pile, likely due to the forces imposed by the tug and barge.

FIGURE 2-16: BULKHEAD REPAIR SECTION ELEVATION VIEW (LOOKING NORTH)

Photo taken from inlet channel showing affected concrete panels, steel tie rod with square plate washer, and steel repair plate on the concrete cap

FIGURE 2-17: DISPLACED CONCRETE SHEET PILES AT BULKHEAD REPAIR SECTION



The bulkhead repair section was inspected above and below water and found to be in satisfactory condition. The sheets were found to be intact with no voids or signs of recent movement.

A permanent repair should be planned for the next major Capital Expenditure (CAPEX) cycle and should be designed to address the berthing/mooring forces imposed by the tug and barge at the adjacent DPM Barge Ramp.

2.1.8. DPM Barge Ramp

The DPM Barge Ramp is a moveable steel loading ramp supported by a monolithic reinforced concrete substructure. Timber pile dolphins on either side of the ramp provide protection against impact and bitts are located landside for moorings. The scope of this assessment included only the structural components of the ramp and not any hydraulic systems required for operation.

Above and below water inspection found the structure to be in satisfactory condition with a crack in the concrete substructure wall corresponding to the adjacent bulkhead repair area as well as minor to moderate corrosion affecting the ramp steel framing, cylinder bases, and other weldments.

TABLE 2-8: DPM BARGE RAMP SUMMARY

Summary	
Construction	Steel Ramp with Concrete Substructure
Overall Condition	Satisfactory
Repair Priority	Medium
Significant Defects	Moderate corrosion of steel elements Crack in concrete substructure
Recommendations	<ol style="list-style-type: none"> 1. Monitor tension crack associated with bulkhead repair section. 2. Monitor steel corrosion and plan refurbishment during the next major CAPEX cycle.
Recommended Repairs Estimate	\$154,000

FIGURE 2-18: DPM BARGE RAMP ELEVATION VIEW (LOOKING SOUTHWEST)



FIGURE 2-19: DPM BARGE RAMP TENSION CRACK IN CONCRETE SUBSTRUCTURE



2.2. Bald Head Island Ferry Terminal

The Ferry Terminal structures located within BHI Marina include a barge ramp as well as timber Passenger and Contractor Ferry Landings.

2.2.1. BHI Barge Ramp

The BHI Barge Ramp is similar to its counterpart at DPM, with a moveable steel frame loading ramp and reinforced concrete substructure with concrete sheet pile side walls and bulkhead. These were found to be in satisfactory condition with moderate corrosion to steel elements and minor spall and cracking defects on the concrete sheet pile side and bulkhead walls.

TABLE 2-9: BHI BARGE RAMP SUMMARY

Summary	
Construction	Steel Ramp with Concrete Substructure
Overall Condition	Satisfactory
Repair Priority	Medium
Significant Defects	Moderate corrosion of steel elements
Recommendations	Monitor steel corrosion and plan refurbishment during the next major CAPEX cycle.
Recommended Repairs Estimate	\$130,000

FIGURE 2-20: BHI BARGE RAMP ELEVATION VIEW (LOOKING SOUTHEAST)



FIGURE 2-21: BHI BARGE RAMP STEEL FRAMING MODERATE CORROSION



2.2.2. BHI Contractor Landing

The BHI Contractor landing is a timber structure fully supported by timber piles; the deck cantilevers over the bulkhead wall along the shoreline but does not bear on it. A series of timber pile dolphins along the berthing face provides fendering and moorings for vessels. Above and below water inspection found the structure to be in good overall condition with minor defects on the timber piles, typical of timber structures in a marine environment. These include internal and external decay (10% section loss or less), open bolt holes, and other surface defects such as abrasions, checks, and shakes.

TABLE 2-10: BHI CONTRACTOR LANDING SUMMARY

Summary	
Construction	Timber
Overall Condition	Good
Repair Priority	Low
Significant Defects	Minor decay on 3 piles Open bolt holes and minor timber defects (abrasion/ check/ shake)
Recommendations	Routine Inspection & Maintenance Cover open bolt holes with epoxy
Recommended Repairs Estimate	\$10,000

FIGURE 2-22: BHI CONTRACTOR LANDING END VIEW (LOOKING SOUTH)



FIGURE 2-23: BHI CONTRACTOR LANDING UNDERDECK VIEW (LOOKING NORTH)



2.2.3. BHI Passenger Landing

The BHI Passenger Landing is a timber structure supported by various types of piles/columns and timber substructure elements, either from the original construction or installed during its repair history. The original round timber piles (installed by pile-driving them into the subsurface) have been augmented by additional timber piles driven where access was available or by square columns jetted into the subsurface. These have been connected directly to the original timber framing stringers or with additional structural members to create “crutch bents” in order to support the loads from the deck and structure above. There are a series of timber pile dolphins along the berth face for vessel breasting and mooring.

Connecting ramps span between the Passenger Landing and the bulkhead along shore, accommodating the change in elevation between the ground level and (lower) deck level. Two of the three ramps are pile supported next to the bulkhead end, however the third (cargo ramp) is supported by the horizontal timber wale of the bulkhead itself.

Above and below water inspection of the piles confirmed the current pile/column layout (see Appendix A) and assessed their condition underwater by visual/ tactile inspection and “sounding” the piles with a hammer and the above water framing and fasteners were visually inspected.

Several of the original piles have significant decay and section loss, up to 100% in certain locations, and have been identified in “severe” condition, although they may have been abandoned in place and augmented with repair piles/columns. The capacity of the repair piles/columns is difficult to verify, particularly those installed with jetting techniques.

The substructure timber framing was found to be in fair condition with exterior decay and moderate corrosion on fasteners; typical conditions for construction of this type in the marine environment. Extensive substructure timber framing (stringer) repairs have also been made, typically by adding a “sister” board and through-bolting to the original or other segments which are not continuous across multiple support piles.

A series of “crutch bents” are constructed of piles driven outside of the deck footprint (where access was available) with beams built-up from multiple boards fastened together in place. Several of these beams are visibly distorted (bowed) and may lose their strength over time due to deterioration (corrosion) of the fasteners.

TABLE 2-11: BHI PASSENGER LANDING SUMMARY

Summary	
Construction	Timber
Overall Condition	Fair
Repair Priority	Medium
Significant Defects	Multiple repairs & retrofits; load path may not be adequate for current conditions (multiple piles are no longer bearing; repair history is unknown) Cargo Ramp is bearing on bulkhead Crutch bents are bowed
Recommendations	1. Monitor piles and framing for deterioration 2. Plan replacement of the substructure
Recommended Repairs Estimate	\$900,000

FIGURE 2-24: BHI PASSENGER LANDING ELEVATION VIEW (LOOKING WEST)



FIGURE 2-25: BHI PASSENGER LANDING UNDERDECK VIEW (LOOKING EAST)



Two long-span crutch bents are visible at left and center of the photo. Bowing of timber crutch bent cap visible to the left (others similar).

FIGURE 2-26: UNDERDECK VIEW OF TIMBER STRINGER



Stringer has been repaired with thru-bolted "sistered" boards. Note the various repairs do not form a continuous member and are out of alignment.

FIGURE 2-27: UNDERDECK VIEW OF CARGO RAMP



Cargo ramp at Passenger Landing is supported by the marina bulkhead wall (foreground). For comparison, the adjacent Contractor Landing is fully supported with a row of timber piles (center background).

3. Conclusions and Recommendations

No critical structural issues were found in any of the 11 facilities inspected. The following conclusions and recommendations are listed in order of repair priority.

High Repair Priority

None

Medium Repair Priority

1. **Replacement of the BHI Passenger Landing is recommended within the 10-year planning horizon.** The structure has surpassed its original expected design life and has undergone significant repairs in order to maintain capacity.
2. **The steel barge ramps at DPM and BHI may require refurbishment/replacement within the 10-year planning horizon due to corrosion of framing elements.** In order to minimize disruption to barge operations, replacement is preferable and fabricating at least one new ramp would allow the shortest time for removal and installation. It may be cost effective to refurbish one of the existing ramps after it has been replaced (instead of fabricating a second replacement) and then return it to service in place of the remaining original. The cost estimates provided assume full replacement of both ramps within the next 10 years.
3. **The DPM barge ramp concrete substructure and adjacent sheet pile bulkhead repair area may require retrofit/replacement within the 10-year planning horizon or beyond.** The tension crack in the ramp substructure and the previously repaired bulkhead wall failure likely have the same cause: the berthing/mooring forces imposed by the barge. This area should be monitored for signs of worsening and the forces evaluated in greater detail for potential improvements in order to extend the service life of the substructure and bulkhead wall.
4. **The sinkholes behind the concrete sheet pile bulkhead wall along the DPM shoreline are typical of this type of construction and will likely continue to require ongoing maintenance.** Repair with engineered fill including varying types/sizes of fill material (stone, etc.) may stop the sinkholes from recurring in these areas. In regions with more substantial fill loss, or specific locations with habitual fill loss despite the placement of additional fill material, more extensive repairs should be considered. Compaction grouting, grout columns, or placement of flowable fill behind the bulkhead wall would provide increased soil stability with a denser material that would greatly reduce the potential for fill loss through the bulkhead joints.

Low Repair Priority

The remaining waterfront ferry terminal facilities assessed are in good to satisfactory condition with minimal recommended repair costs that can be completed during regular maintenance cycles.

The total estimated cost of the recommended replacements and repairs mentioned over the next ten years is \$1,353,000. Moving forward, routine inspections of the waterfront ferry terminal facilities should be conducted once every five years. The estimated cost to complete each routine inspection is \$65,000, or \$130,000 total over the next ten years. Anticipated additional structural component maintenance repair items discovered during those inspection items can typically be expected on the order of \$100,000 - \$150,000 over the next 10 years based on the conditions observed and typical life expectancy of timber and concrete marine structures.

Despite the nature of timber structures in the marine environment, certain measures can be taken in order to slow their deterioration. The simplest are done at the time of design & construction, using marine grade materials in sizes better proportioned (larger), fewer in number, and with details which do not create



opportunity for decay and deterioration—e.g. reduce the number of braces and bolted connections which penetrate through the piles, particularly at or below the waterline.

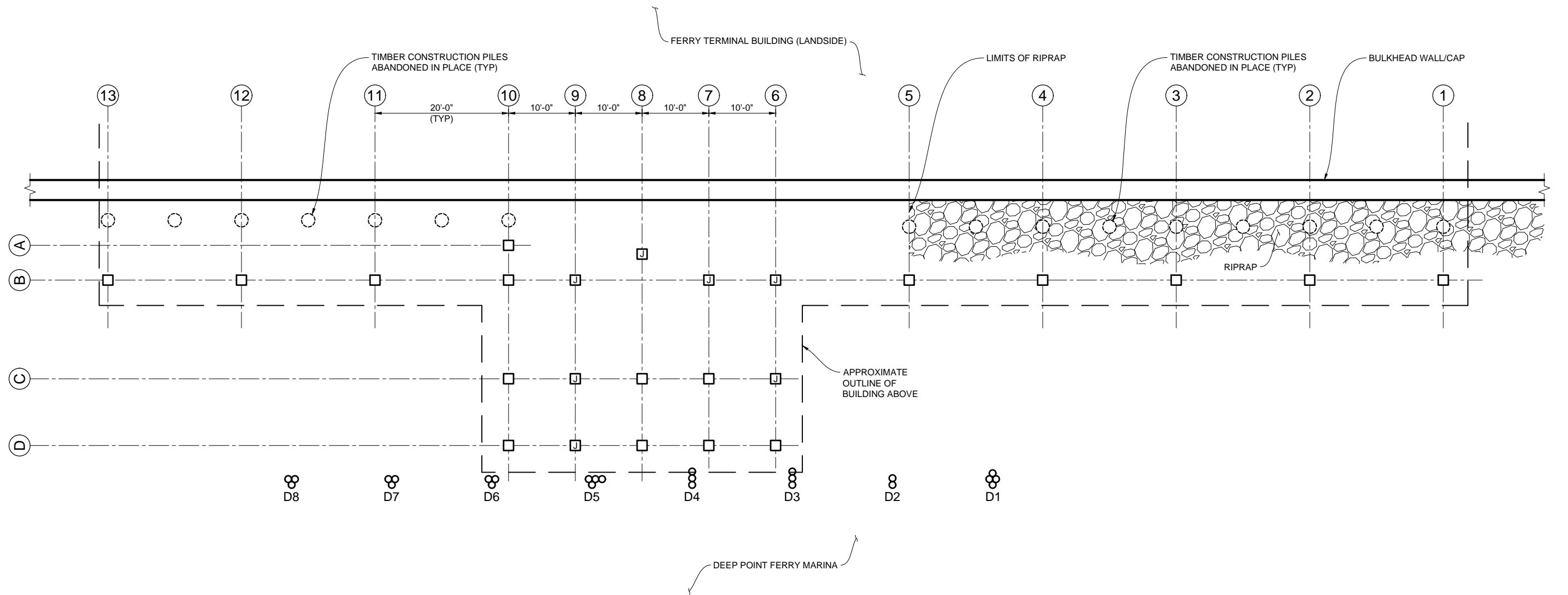
Slowing the deterioration of marine timber structures which have already constructed is focused on protecting piles and bracing in the waterline area and other sources of moisture, typically by wrapping or encapsulating with any of a variety of commercially available products. The various solutions all have benefits and drawbacks, and any investment should be carefully considered against the overall useful life of the structure. For the structures inspected during this scope of work, for example, few if any would be likely to realize useful benefit or extension of service life from these types of countermeasures. The piles and waterline bracing at the BHI Passenger Landing show signs of advanced deterioration that would neither be remedied nor significantly slowed by encapsulation or wrapping.



Appendix A: Figures



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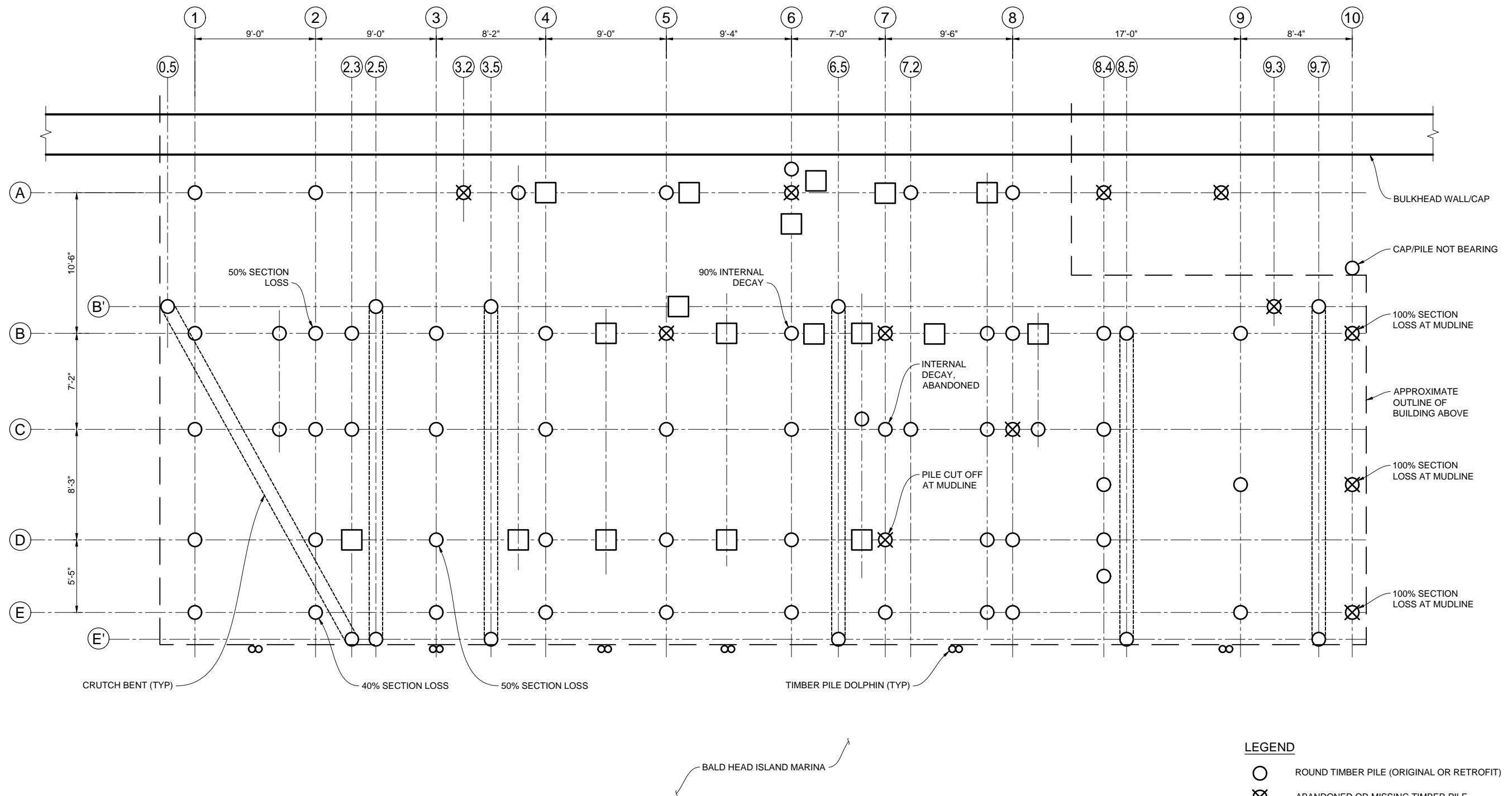
A-GATE PASSENGER TERMINAL PILE PLAN



moftatt & nichol

FIG-A1

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PASSENGER LANDING PILE PLAN



GRAPHICAL SCALE



Appendix B: Recommended Repair/Replacement Cost Estimates



BHITA
Due Diligence Inspection

Deep Point Marina B-Gate
Opinion of Probable Cost

Date Prepared **18-Feb-19**
M&N Job Number **10413**

Description	Quantity	Units	Unit Price	Subtotal	Total
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Repair Cost Summary

Timber Dock					\$ 11,000
	Steel Tie Straps	100	EA	\$ 50	\$ 5,000
	Joists	60	LF	\$ 60	\$ 3,600
	Mob/Contingency	30%			\$ 2,580

Total Repair Cost for Deep Point Marina B-Gate					\$ 11,000
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BHITA
Due Diligence Inspection

Deep Point Marina Maintenance Fixed Pier
Opinion of Probable Cost

Date Prepared **18-Feb-19**
M&N Job Number **10413**

Description	Quantity	Units	Unit Price	Subtotal	Total
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Repair Cost Summary

Fixed Pier					\$ 1,000
	Fill Bolt Holes	5	CF	\$ 50	\$ 250
	Split Bracing	10	LF	\$ 60	\$ 600
	Mob/Contingency	30%			\$ 255

Total Repair Cost for Maintenance Fixed Pier					\$ 1,000
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BHITA
Due Diligence Inspection

Deep Point Marina Maintenance Finger Dock
Opinion of Probable Cost

Date Prepared **18-Feb-19**
M&N Job Number **10413**

Description	Quantity	Units	Unit Price	Subtotal	Total
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Repair Cost Summary

Finger Dock					\$ 10,000
	Demolition/Pile Removal	1	EA	\$ 750	\$ 750
	New Support Pile	50	LF	\$ 50	\$ 2,500
	Mob/Contingency	200%			\$ 6,500

Total Repair Cost for Maintenance Finger Dock					\$ 10,000
--	--	--	--	--	------------------

BHITA
Due Diligence Inspection

Deep Point Marina Bulkhead
Opinion of Probable Cost

Date Prepared **18-Feb-19**
M&N Job Number **10413**

Description	Quantity	Units	Unit Price	Subtotal	Total
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Repair Cost Summary

Bulkhead					\$ 137,000
Sinkhole Fill	100	CF	\$ 50	\$ 5,000	
Concrete Spall Repair	15	CF	\$ 2,500	\$ 37,500	
Concrete Crack Repair	25	LF	\$ 1,250	\$ 31,250	
New Bulkhead Sections	400	SF	\$ 50	\$ 20,000	
New Bulkhead Anchorage	10	EA	\$ 1,200	\$ 12,000	
Mob/Contingency	30%			\$ 31,725	

Total Repair Cost for DPM Bulkhead					\$ 137,000
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BHITA
Due Diligence Inspection

Deep Point Marina Ferry Ramp
Opinion of Probable Cost

Date Prepared 18-Feb-19
M&N Job Number 10413

Description	Quantity	Units	Unit Price	Subtotal	Total
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Replacement Cost Summary

DPM Ferry Ramp					\$ 130,000
	Demolition / Removal	15	Tons	\$ 750	\$ 11,250
	Steel Ramp	15	Tons	\$ 6,000	\$ 90,000
	Mob/Contingency	30%		\$ 30,375	

Total Replacement Cost for DPM Ferry Ramp	\$ 130,000
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Repair Cost Summary

Ferry Ramp					\$ 24,000
	Concrete Spall Repair	8	CF	\$ 2,500	\$ 18,750
	Mob/Contingency	30%		\$ 5,625	

Total Repair Cost for Ferry Ramp	\$ 24,000
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BHITA
Due Diligence Inspection

Bald Head Island Marina Ferry Ramp
Opinion of Probable Cost

Date Prepared **18-Feb-19**
M&N Job Number **10413**

Description	Quantity	Units	Unit Price	Subtotal	Total
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Replacement Cost Summary

BHI Ferry Ramp						\$ 130,000
	Demolition / Removal	15	Tons	\$ 750	\$ 11,250	
	Steel Ramp	15	Tons	\$ 6,000	\$ 90,000	
	Mob/Contingency	30%			\$ 30,375	

Total Replacement Cost for BHI Ferry Ramp					\$ 130,000
--	--	--	--	--	-------------------

BHITA
Due Diligence Inspection

Bald Head Island Contractor Landing
Opinion of Probable Cost

Date Prepared **18-Feb-19**
M&N Job Number **10413**

Description	Quantity	Units	Unit Price	Subtotal	Total
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Repair Cost Summary

Timber Dock					\$ 10,000
	Fill Bolt Holes	10	CF	\$ 50	\$ 500
	Timber Repairs	30	LF	\$ 250	\$ 7,500
	Mob/Contingency	30%			\$ 2,400

Total Repair Cost for BHI Contractor Landing					\$ 10,000
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BHITA
Due Diligence Inspection

Bald Head Island Passenger Landing
Opinion of Probable Cost

Date Prepared **18-Feb-19**
M&N Job Number **10413**

Description	Quantity	Units	Unit Price	Subtotal	Total
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Replacement Cost Summary

Timber Dock						\$ 900,000
	Demolition / Removal	3150	SF	\$ 20	\$ 63,000	
	Covered Timber Dock	3150	SF	\$ 200	\$ 630,000	
	Mob/Contingency	30%			\$ 207,900	

Total Replacement Cost for BHI Passenger Landing					\$ 900,000
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Appendix C: Damage and Condition Assessment Rating Descriptions



Table C-1: Component Damage Rating Descriptions

COMPONENT RATING	DESCRIPTION
Not Inspected (NI)	Component was inaccessible or not included in the scope.
No Damage (ND)	Component had a sound material surface.
Minor (MN)	<p><i>Timber:</i> Checks, splits, and gouges less than 0.5 inches wide.</p> <p><i>Steel:</i> Less than 50% of perimeter or circumference affected by corrosion at any elevation or cross-section; loss of thickness up to 15% of nominal thickness at any location.</p> <p><i>Concrete:</i> Mechanical abrasion or impact dents; general cracks up to 1/16-inch wide; occasional corrosion stain or small pop-out corrosion spall.</p>
Moderate (MD)	<p><i>Timber:</i> Checks and splits greater than 0.5 inches wide; diameter loss up to 15%; cross-section area loss up to 25%; corroded hardware; marine borer infestation.</p> <p><i>Steel:</i> Greater than 50% of surface at any elevation/cross-section affected by corrosion; 15% to 30% loss of nominal thickness at any location.</p> <p><i>Concrete:</i> Structural cracks up to 1/16-inch wide; corrosion cracks up to 1/4-inch wide; chemical deterioration; random cracks up to 1/16-inch wide; soft concrete and rounding corners up to 1-inch deep; frequent corrosion stain or medium pop-out corrosion spall.</p>
Major (MJ)	<p><i>Timber:</i> Checks and splits through full depth of cross-section; diameter loss 15% to 30%; cross-section loss 25% to 50%; heavily corroded hardware; displacement, misalignments at connections.</p> <p><i>Steel:</i> Partial loss of flange edges or visible reduction of wall thickness; 30% to 50% loss of nominal thickness, any location.</p> <p><i>Concrete:</i> Structural cracks 1/16-inch to 1/4-inch wide; partial breakage (spalls); corrosion cracks greater than 1/4-inch wide; multiple cracking and disintegration of surface due to chemical deterioration.</p>
Severe (SV)	<p><i>Timber:</i> Diameter loss greater than 30%; cross-section area loss greater than 50%; loss of connections and/or fully non-bearing; partial or complete breakage.</p> <p><i>Steel:</i> Structural bends or buckling, breakage and displacement at supports, loose or lost connections; greater than 50% loss of nominal thickness, any location.</p> <p><i>Concrete:</i> Structural cracks greater than 1/4-inch wide; breakage; loss of bearing and displacement at connections; reinforcing steel w/cover loss and greater than 30% diameter loss for any main bar; exposed steel due to chemical deterioration; cross section loss greater than 30% of any component for any reason.</p>



Table C-2: Structure Condition Assessment Rating Descriptions

CAR Rating	Description
6 "Good"	No defects or only minor defects noted. Structural elements may show some very minor deterioration, but no significant reduction in structural capacity. No Repairs are required.
5 "Satisfactory"	Minor to moderate defects and deterioration observed, but no significant reduction in structural capacity. No repairs are required.
4 "Fair"	All primary structural elements are sound; but minor to moderate defects and deterioration observed. Localized areas of moderate to severe deterioration may be present but do not significantly reduce the structural capacity. Repairs are recommended, but the priority of the recommended repairs is low.
3 "Poor"	Major deterioration or overstressing observed on widespread portions of the structure. Some reduction in structural capacity. Repairs may need to be carried out with moderate urgency.
2 "Serious"	Severe deterioration, overstressing or breakage may have significantly affected the load bearing capacity of primary structural components. Local failures are possible. Repairs may need to be carried out on a high-priority basis with urgency.
1 "Critical"	Very severe deterioration, overstressing, or breakage has resulted in localized failure(s) of primary structural components. More widespread failures are possible or likely to occur. Repairs may need to be carried out on a very high priority basis with strong urgency.





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OPERATION PELICAN

Historical Parking (715) Income Statement - FYE 12/31

CONFIDENTIAL INFORMATION

Notes:

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

(b) Effective July 22, 2019, Daily Parking Rates were increased for the first time since 2009. General Lot Daily Parking Rates were increased by \$1.00 from \$8.00 to \$9.00 Sep-May and by \$1.00 from \$9.00 to \$10.00 Jun-Aug. Contractor Lot Daily Parking Rates were increased by \$1.00 to \$8.50. No Parking rate changes occurred associated with Annual or Seasonal Parking Rates.

(c) 2020 Preliminary Financials - Prior to year-end audit, tax and non-cash accounting adjustments and reconciliations.

(d) Beginning in February 2020, the State of North Carolina, North Carolina Utilities Commission, and local municipal jurisdictions collectively began to impose restrictions and prohibitions associated with the Covid-19 pandemic (to include prohibitions on vacation rentals, construction, and mandatory ferry capacity limits) that started to effect Parking operations and

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31 (a)

Income Statement	2013	2014	2015	2016	2017	2018	2019 (b)	Quarter 1 2020 (c),(d)
Parking Annual-Monthly-Seasonal	692,891	682,340	714,345	707,652	743,439	854,249	876,704	190,900
Parking Daily	1,486,873	1,534,817	1,589,362	1,630,612	1,754,446	1,700,135	1,880,475	202,086
Other Miscellaneous	480	260	213	88	91	340	320	60
Gross Revenue	2,180,244	2,217,417	2,303,919	2,338,352	2,497,976	2,554,723	2,757,499	393,046
Cost-of-Sales								
Credit Card Fees	34,130	36,503	39,591	41,237	44,242	49,969	55,660	11,392
Sales Tax	0	59	114	34	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total Cost-of-Sales	34,130	36,562	39,705	41,271	44,242	49,969	55,660	11,392
Gross Profit	2,146,114	2,180,855	2,264,215	2,297,081	2,453,734	2,504,754	2,701,839	381,654
Salaries & Wages								
Salaries & Wages	115,137	123,029	133,359	143,446	145,493	156,682	189,136	58,026
Overtime	6,842	8,403	6,598	4,593	11,407	8,923	10,777	1,131
Incentives	0	0	1,549	2,544	2,285	2,724	3,003	0
Payroll Taxes	13,286	15,782	15,641	14,877	14,339	13,532	15,578	4,553
Group Insurance	9,314	10,470	14,160	16,079	13,678	18,996	23,691	7,297
Workman's Comp Insurance	5,033	5,199	6,347	7,180	6,522	8,655	4,244	919
401k Retirement	0	0	0	0	0	0	0	0
Total Salaries & Wages	149,612	162,883	177,655	188,719	193,724	209,514	246,428	71,925

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

(b) Effective July 22, 2019, Daily Parking Rates were increased for the first time since 2009. General Lot Daily Parking Rates were increased by \$1.00 from \$8.00 to \$9.00 Sep-May and by \$1.00 from \$9.00 to \$10.00 Jun-Aug. Contractor Lot Daily Parking Rates were increased by \$1.00 from \$7.50 to \$8.50. No parking rate changes occurred associated with Annual or Seasonal Parking Rates.

(c) 2019 Preliminary Financials - Prior to year-end audit, tax and non-cash accounting adjustments and reconciliations.

(d) Beginning in February 2020, the State of North Carolina, North Carolina Utilities Commission, and local municipal jurisdictions collectively began to impose restrictions and prohibitions associated with the Covid-19 pandemic (to include prohibitions on vacation rentals, construction, and mandatory ferry capacity limits) that started to effect Parking operations and financial performance.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31 (a)

Operating Expenses	2013	2014	2015	2016	2017	2018	2019 (b)	Quarter 1 2020 (c),(d)
Uniforms	1,554	1,820	2,191	1,816	2,103	4,914	1,867	0
Training & Education	915	6,269	1,415	99	25	0	0	0
Telephone-Telecom-Radio	3,030	1,834	505	574	1,183	1,024	1,560	404
Utilities Water & Sewer	1,010	962	1,022	933	613	24	0	0
Utilities - Electric	20,730	18,850	14,304	10,927	9,980	9,534	10,158	2,629
Supplies General	140	415	206	826	1,199	1,379	2,653	0
Supplies Fuel	1,003	854	698	802	479	531	356	54
R&M Facilities & Grounds	207	473	1,246	424	6,917	19,283	8,943	950
R&M: Vehicles & Carts	1,627	1,922	1,563	2,340	2,672	2,152	5,229	362
Machinery & Equipment	12,880	32,350	23,689	8,967	3,848	11,810	390	550
Legal & Professional	0	0	0	250	0	0	0	0
Software & Support	0	0	0	4,950	3,657	320	0	0
Postage	189	215	200	205	466	393	243	3
Copying, Printing & Forms	10,268	4,652	5,445	6,895	7,193	3,383	6,083	0
Office Supplies	806	1,861	3,137	1,827	3,025	1,601	4,980	1,375
Travel-Entertainment & Guests	687	1,214	369	4,798	108	0	516	0
Property Tax	17,094	16,751	32,272	30,934	32,920	34,148	33,315	8,329
Insurance	4,536	4,253	4,316	4,357	4,563	5,338	6,891	1,949
Deep Point Terminal Campus	163,306	158,872	174,585	183,540	192,985	187,217	183,315	35,017
Facilities Lease	0	0	0	0	0	0	0	0
Employee Ferry Ticket	142	32	44	39	26	26	82	0
Barge Fees	0	300	350	250	300	350	205	0
Daily-Monthly Parking	3,257	2,738	3,160	4,175	4,262	6,147	7,800	2,450
Cart Rental	2,840	1,206	0	0	1,689	2,533	4,738	1,636
Parking Lot	600	0	1,097	4,064	5,951	5,547	6,765	0
Security	993	2,624	0	2,009	1,390	1,691	1,601	0
Other Miscellaneous	77	616	(109)	354	(179)	591	10,670	(42)
Total Operating Expenses	247,894	261,080	271,705	276,354	287,376	299,937	298,362	55,667
Operating Income	1,748,609	1,756,891	1,814,855	1,832,008	1,972,634	1,995,303	2,157,049	254,062

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

(b) Effective July 22, 2019, Daily Parking Rates were increased for the first time since 2009. General Lot Daily Parking Rates were increased by \$1.00 from \$8.00 to \$9.00 Sep-May and by \$1.00 from \$9.00 to \$10.00 Jun-Aug. Contractor Lot Daily Parking Rates were increased by \$1.00 from \$7.50 to \$8.50. No parking rate changes occurred associated with Annual or Seasonal Parking Rates.

(c) 2019 Preliminary Financials - Prior to year-end audit, tax and non-cash accounting adjustments and reconciliations.

(d) Beginning in February 2020, the State of North Carolina, North Carolina Utilities Commission, and local municipal jurisdictions collectively began to impose restrictions and prohibitions associated with the Covid-19 pandemic (to include prohibitions on vacation rentals, construction, and mandatory ferry capacity limits) that started to effect Parking operations and financial performance.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31 (a)

	2013	2014	2015	2016	2017	2018	2019 (b)	Quarter 1 2020 (c),(d)
Operating Expenses								
Interest	51	0	0	0	0	0	0	0
Depreciation	511,809	473,142	456,714	445,725	473,407	497,103	472,197	113,612
(Gain) or Loss Cap Asset	0	0	0	0	5,573	0	930	0
Total Other Expense	511,861	473,142	456,714	445,725	478,980	497,103	473,127	113,612
Net Income	1,236,748	1,283,749	1,358,141	1,386,283	1,493,653	1,498,200	1,683,922	140,451

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

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(c) 2019 Preliminary Financials - Prior to year-end audit, tax and non-cash accounting adjustments and reconciliations.

(d) Beginning in February 2020, the State of North Carolina, North Carolina Utilities Commission, and local municipal jurisdictions collectively began to impose restrictions and prohibitions associated with the Covid-19 pandemic (to include prohibitions on vacation rentals, construction, and mandatory ferry capacity limits) that started to effect Parking operations and financial performance.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/20 (a),(b),(c),(d)

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	61,683	63,133	66,083										190,900
Parking Daily	72,930	51,930	77,226										202,086
Other Miscellaneous	0	20	40										60
Gross Revenue	134,613	115,083	143,349	0	0	0	0	0	0	0	0	0	393,046
Cost-of-Sales													
Credit Card Fees	6,722	1,858	2,811										11,392
Sales Tax	0	0	0										0
Other	0	0	0										0
Total Cost-of-Sales	6,722	1,858	2,811	0	0	0	0	0	0	0	0	0	11,392
Gross Profit	127,891	113,225	140,538	0	0	0	0	0	0	0	0	0	381,654
Salaries & Wages													
Salaries & Wages	19,883	18,240	19,902										58,026
Overtime	593	69	469										1,131
Incentives	0	0	0										0
Payroll Taxes	1,641	1,384	1,528										4,553
Group Insurance	2,433	2,433	2,432										7,297
Workman's Comp Insurance	306	306	306										919
401k Retirement	0	0	0										0
Total Salaries & Wages	24,856	22,432	24,637	0	0	0	0	0	0	0	0	0	71,925

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OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/20 (a),(b),(c),(d)

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	0	0										0
Training & Education	0	0	0										0
Telephone-Telecom-Radio	117	117	170										404
Utilities Water & Sewer	0	0	0										0
Utilities - Electric	1,071	738	820										2,629
Supplies General	0	0	0										0
Supplies Fuel	13	28	12										54
R&M Facilities & Grounds	0	0	950										950
R&M: Vehicles & Carts	64	64	234										362
Machinery & Equipment	550	0	0										550
Legal & Professional	0	0	0										0
Software & Support	0	0	0										0
Postage	1	1	2										3
Copying, Printing & Forms	0	0	0										0
Office Supplies	157	892	327										1,375
Travel-Entertainment & Guests	0	0	0										0
Property Tax	2,776	2,776	2,776										8,329
Insurance	660	660	629										1,949
Deep Point Terminal Campus	11,505	10,799	12,713										35,017
Facilities Lease	0	0	0										0
Employee Ferry Ticket	0	0	0										0
Barge Fees	0	0	0										0
Daily-Monthly Parking	850	850	750										2,450
Cart Rental	545	545	545										1,636
Parking Lot	0	0	0										0
Security	0	0	0										0
Other Miscellaneous	(42)	0	0										(42)
Total Operating Expenses	18,268	17,470	19,929	0	0	0	0	0	0	0	0	0	55,667
Operating Income	84,767	73,323	95,972	0	0	0	0	0	0	0	0	0	254,062

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

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(d) Beginning in February 2020, the State of North Carolina, North Carolina Utilities Commission, and local municipal jurisdictions collectively began to impose restrictions and prohibitions associated with the Covid-19 pandemic (to include prohibitions on vacation rentals, construction, and mandatory ferry capacity limits) that started to effect Parking operations and financial performance.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/20 (a),(b),(c),(d)

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest													0
Depreciation	37,904	37,861	37,846										113,612
(Gain) or Loss Cap Asset													0
Total Other Expense	37,904	37,861	37,846	0	0	0	0	0	0	0	0	0	113,612
Net Income	46,863	35,461	58,126	0	0	0	0	0	0	0	0	0	140,451

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

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(d) Beginning in February 2020, the State of North Carolina, North Carolina Utilities Commission, and local municipal jurisdictions collectively began to impose restrictions and prohibitions associated with the Covid-19 pandemic (to include prohibitions on vacation rentals, construction, and mandatory ferry capacity limits) that started to effect Parking operations and financial performance.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/19 (a),(b),(c)

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	55,900	63,252	65,653	78,559	78,687	76,936	77,194	77,565	75,572	76,622	74,390	76,376	876,704
Parking Daily	58,786	44,967	85,459	134,601	153,852	271,556	358,245	339,874	151,447	130,868	83,093	67,729	1,880,475
Other Miscellaneous	0	0	20	20	20	20	40	20	80	0	40	60	320
Gross Revenue	114,686	108,219	151,131	213,180	232,559	348,511	435,479	417,459	227,099	207,490	157,523	144,165	2,757,499
Cost-of-Sales													
Credit Card Fees	4,102	4,462	1,700	2,182	3,548	4,005	5,671	8,434	9,376	1,659	1,918	8,604	55,660
Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost-of-Sales	4,102	4,462	1,700	2,182	3,548	4,005	5,671	8,434	9,376	1,659	1,918	8,604	55,660
Gross Profit	110,584	103,757	149,432	210,998	229,011	344,507	429,809	409,025	217,722	205,831	155,605	135,560	2,701,839
Salaries & Wages													
Salaries & Wages	10,783	9,503	12,748	15,701	15,839	15,964	17,698	18,158	17,815	18,189	17,408	19,330	189,136
Overtime	98	223	504	657	1,034	1,585	1,565	2,435	907	794	464	511	10,777
Incentives	0	0	0	592	0	0	0	400	0	0	2,011	0	3,003
Payroll Taxes	950	813	1,097	1,371	1,281	1,326	1,437	1,610	1,391	1,419	1,477	1,405	15,578
Group Insurance	1,347	1,347	1,922	1,002	1,533	1,967	2,427	2,427	2,427	2,427	2,433	2,433	23,691
Workman's Comp Insurance	325	325	325	325	325	306	306	306	778	306	306	307	4,244
401k Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salaries & Wages	13,503	12,211	16,597	19,648	20,012	21,148	23,433	25,336	23,318	23,136	24,099	23,985	246,428

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OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/19 (a),(b),(c)

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	0	0	558	0	94	0	0	0	0	1,215	0	1,867
Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone-Telecom-Radio	280	186	99	99	98	96	117	117	118	117	117	118	1,560
Utilities Water & Sewer	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities - Electric	832	730	736	806	888	777	1,016	949	653	850	800	1,120	10,158
Supplies General	228	0	0	110	98	949	1,003	60	204	0	0	0	2,653
Supplies Fuel	42	46	36	31	25	27	38	26	22	18	21	24	356
R&M Facilities & Grounds	0	0	0	0	2,032	2,529	5,702	1,681	5,915	0	0	(8,914)	8,943
R&M: Vehicles & Carts	0	436	32	677	1,740	417	1,435	64	236	64	64	64	5,229
Machinery & Equipment	0	0	0	0	0	390	0	0	0	0	0	0	390
Legal & Professional	0	0	0	0	0	0	0	0	0	0	0	0	0
Software & Support	0	0	0	0	0	0	0	0	0	0	0	0	0
Postage	2	2	1	0	12	0	0	1	0	0	0	226	243
Copying, Printing & Forms	0	0	294	667	0	0	667	2,933	0	0	0	1,522	6,083
Office Supplies	0	104	28	380	1,970	105	216	75	440	150	903	609	4,980
Travel-Entertainment & Guests	0	0	88	0	198	0	92	46	0	0	92	0	516
Property Tax	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,012	33,315
Insurance	451	451	536	193	426	776	634	658	683	683	683	718	6,891
Deep Point Terminal Campus	16,255	14,515	14,157	14,140	19,353	13,955	17,996	15,945	9,761	11,874	11,659	23,705	183,315
Facilities Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Ferry Ticket	0	0	0	26	0	0	0	0	0	56	0	0	82
Barge Fees	50	0	0	0	100	0	55	0	0	0	0	0	205
Daily-Monthly Parking	438	481	625	625	685	679	713	669	713	749	713	713	7,800
Cart Rental	211	211	211	611	267	267	267	511	545	545	545	545	4,738
Parking Lot	0	0	0	0	1,079	1,321	490	0	0	0	0	3,875	6,765
Security	0	0	0	0	0	702	899	0	0	0	0	0	1,601
Other Miscellaneous	52	104	39	(24)	3,466	2,196	4,130	733	84	(128)	(0)	17	10,670
Total Operating Expenses	21,687	20,112	19,728	21,746	35,282	28,127	38,315	27,312	22,218	17,825	19,658	26,353	298,362
Operating Income	75,393	71,434	113,107	169,604	173,717	295,232	368,060	356,377	172,187	164,869	111,848	85,221	2,157,049

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(c) 2019 Preliminary Financials - Prior to year-end audit, tax and non-cash accounting adjustments and reconciliations.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/19 (a),(b),(c)

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest	0	0	0	0	0	0							0
Depreciation	39,262	39,262	39,262	39,484	39,484	39,484	39,484	39,484	40,233	37,643	39,398	39,716	472,197
(Gain) or Loss Cap Asset	0	0	0	0	0	0	0	0	0	930	0	0	930
Total Other Expense	39,262	39,262	39,262	39,484	39,484	39,484	39,484	39,484	40,233	38,573	39,398	39,716	473,127
Net Income	36,131	32,172	73,845	130,120	134,232	255,748	328,575	316,893	131,954	126,297	72,450	45,505	1,683,922

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

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(c) 2019 Preliminary Financials - Prior to year-end audit, tax and non-cash accounting adjustments and reconciliations.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/18

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	51,319	56,661	69,946	68,957	79,591	77,220	82,211	77,265	72,815	73,452	84,315	60,496	854,249
Parking Daily	55,862	46,615	89,727	129,665	147,826	279,980	380,273	304,827	82,279	65,289	74,748	43,047	1,700,135
Other Miscellaneous	0	0	0	60	20	20	20	0	20	180	20	0	340
Gross Revenue	107,180	103,276	159,673	198,682	227,436	357,219	462,504	382,091	155,114	138,921	159,083	103,543	2,554,723
Cost-of-Sales													
Credit Card Fees	1,923	3,774	1,996	2,637	3,390	3,697	5,774	8,784	7,224	2,253	1,661	6,856	49,969
Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost-of-Sales	1,923	3,774	1,996	2,637	3,390	3,697	5,774	8,784	7,224	2,253	1,661	6,856	49,969
Gross Profit	105,258	99,502	157,678	196,044	224,046	353,522	456,729	373,307	147,890	136,668	157,422	96,686	2,504,754
Salaries & Wages													
Salaries & Wages	9,940	8,847	15,245	14,148	15,244	13,795	12,967	12,577	14,933	14,113	13,102	11,773	156,682
Overtime	831	455	292	450	77	2,479	2,268	407	465	510	18	672	8,923
Incentives	0	0	890	0	0	0	0	300	0	230	1,304	0	2,724
Payroll Taxes	901	773	1,452	1,137	1,212	1,276	1,190	1,069	1,178	1,127	1,125	1,092	13,532
Group Insurance	956	956	1,404	1,404	1,850	1,830	2,275	1,870	1,850	1,850	1,850	901	18,996
Workman's Comp Insurance	544	544	544	544	544	544	106	648	325	325	325	3,660	8,655
401k Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salaries & Wages	13,173	11,576	19,827	17,683	18,926	19,924	18,806	16,870	18,751	18,155	17,723	18,098	209,514

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/18

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	0	0	2,370	0	0	0	0	0	0	2,544	0	4,914
Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone-Telecom-Radio	83	77	77	77	79	117	79	87	87	90	86	83	1,024
Utilities Water & Sewer	0	0	0	0	24	24	(24)	0	0	0	0	0	24
Utilities - Electric	799	738	700	746	792	864	965	832	708	587	907	897	9,534
Supplies General	53	0	92	0	43	342	0	314	194	87	0	254	1,379
Supplies Fuel	47	49	34	57	50	45	48	45	25	36	50	44	531
R&M Facilities & Grounds	0	0	0	38	0	4,070	9,211	4,637	1,326	0	0	0	19,283
R&M: Vehicles & Carts	32	32	32	1,018	32	0	293	32	0	32	64	585	2,152
Machinery & Equipment	(265)	0	0	3,087	0	0	0	565	0	1,900	0	6,522	11,810
Legal & Professional	0	0	0	0	0	0	0	0	0	0	0	0	0
Software & Support	0	0	0	0	0	0	320	0	0	0	0	0	320
Postage	1	0	0	0	0	0	0	0	0	0	0	391	393
Copying, Printing & Forms	84	0	19	552	754	318	0	172	1,405	48	0	31	3,383
Office Supplies	236	306	492	0	0	68	154	50	44	0	250	0	1,601
Travel-Entertainment & Guests	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Tax	2,742	2,742	2,742	2,742	2,742	2,742	2,742	2,742	2,742	2,742	2,742	3,989	34,148
Insurance	414	414	414	484	449	443	443	467	449	451	451	460	5,338
Deep Point Terminal Campus	12,795	16,084	18,772	13,998	16,749	0	14,988	32,501	13,476	14,072	16,801	16,981	187,217
Facilities Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Ferry Ticket	0	0	26	0	0	0	0	0	0	0	0	0	26
Barge Fees	0	0	0	50	0	0	50	0	50	50	150	0	350
Daily-Monthly Parking	406	506	1,581	(506)	587	538	538	548	538	581	394	438	6,147
Cart Rental	211	211	211	211	211	211	211	211	211	211	211	211	2,533
Parking Lot	342	0	0	0	0	3,320	1,386	0	0	0	499	0	5,547
Security	0	0	0	0	0	886	805	0	0	0	0	0	1,691
Other Miscellaneous	354	(24)	(50)	58	24	135	135	(91)	15	41	21	(28)	591
Total Operating Expenses	18,333	21,137	25,142	24,983	22,537	14,124	32,344	43,113	21,270	20,928	25,169	30,857	299,937
Operating Income	73,752	66,789	112,709	153,378	182,583	319,475	405,580	313,324	107,869	97,585	114,530	47,731	1,995,303

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/18

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	38,106	44,037	41,228	41,296	41,240	41,271	41,710	41,710	41,577	41,643	41,643	41,643	497,103
(Gain) or Loss Cap Asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Expense	38,106	44,037	41,228	41,296	41,240	41,271	41,710	41,710	41,577	41,643	41,643	41,643	497,103
Net Income	35,646	22,753	71,481	112,082	141,343	278,204	363,870	271,614	66,292	55,941	72,886	6,087	1,498,200

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/17

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	46,823	49,836	51,594	56,603	63,271	64,663	66,436	65,572	65,543	69,014	71,892	72,193	743,439
Parking Daily	48,770	37,918	64,242	126,082	145,904	232,722	393,038	292,032	147,489	124,526	95,495	46,231	1,754,446
Other Miscellaneous	0	20	0	0	0	20	40	0	0	0	0	11	91
Gross Revenue	95,593	87,773	115,836	182,685	209,175	297,404	459,514	357,604	213,032	193,539	167,387	118,434	2,497,976
Cost-of-Sales													
Credit Card Fees	1,629	2,856	1,733	1,995	3,209	3,983	5,078	8,202	6,640	3,410	3,116	2,390	44,242
Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost-of-Sales	1,629	2,856	1,733	1,995	3,209	3,983	5,078	8,202	6,640	3,410	3,116	2,390	44,242
Gross Profit	93,964	84,917	114,102	180,690	205,966	293,421	454,436	349,402	206,392	190,129	164,271	116,044	2,453,734
Salaries & Wages													
Salaries & Wages	12,722	9,159	12,047	12,508	11,898	13,083	16,063	11,805	12,215	10,564	11,439	11,989	145,493
Overtime	46	943	36	721	674	1,155	4,632	(85)	1,260	547	313	1,166	11,407
Incentives	0	0	0	873	0	0	0	340	0	0	1,072	0	2,285
Payroll Taxes	1,231	950	1,170	1,285	1,126	1,298	1,941	1,051	1,178	899	1,082	1,128	14,339
Group Insurance	925	925	962	967	967	967	962	1,402	1,846	1,395	1,400	960	13,678
Workman's Comp Insurance	629	629	629	629	629	629	460	544	547	110	544	544	6,522
401k Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salaries & Wages	15,553	12,607	14,843	16,983	15,295	17,132	24,058	15,058	17,045	13,514	15,850	15,786	193,724

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/17

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	0	781	0	0	0	115	164	0	73	969	0	2,103
Training & Education	0	0	0	0	0	0	0	0	0	0	0	25	25
Telephone-Telecom-Radio	72	72	72	72	72	274	75	178	75	76	75	71	1,183
Utilities Water & Sewer	69	121	16	15	195	87	29	24	20	19	18	0	613
Utilities - Electric	932	609	812	800	815	821	1,013	824	968	781	816	789	9,980
Supplies General	0	186	74	201	166	0	0	0	77	0	27	468	1,199
Supplies Fuel	46	58	58	54	45	52	27	27	35	17	25	36	479
R&M Facilities & Grounds	0	0	0	574	367	280	73	474	828	100	791	3,431	6,917
R&M: Vehicles & Carts	16	0	351	0	0	48	16	16	16	852	902	455	2,672
Machinery & Equipment	20	16	890	553	0	1,100	0	0	721	32	0	515	3,848
Legal & Professional	0	0	0	0	0	0	0	0	0	0	0	0	0
Software & Support	0	3,657	0	0	0	0	0	0	0	0	0	0	3,657
Postage	0	9	0	0	0	0	0	0	24	12	0	422	466
Copying, Printing & Forms	0	214	0	839	416	1,797	166	2,460	249	1,051	0	0	7,193
Office Supplies	820	187	327	201	251	53	59	427	89	181	200	230	3,025
Travel-Entertainment & Guests	0	0	0	0	0	0	32	0	0	0	0	76	108
Property Tax	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	4,240	2,580	2,885	32,920
Insurance	363	363	299	299	299	299	504	470	414	414	414	426	4,563
Deep Point Terminal Campus	20,519	15,798	14,990	13,447	13,225	16,655	15,372	14,372	15,892	14,226	16,668	21,821	192,985
Facilities Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Ferry Ticket	0	13	0	13	0	0	0	0	0	0	0	0	26
Barge Fees	0	0	0	0	0	0	100	0	0	100	50	50	300
Daily-Monthly Parking	333	377	377	377	333	333	333	333	333	377	333	421	4,262
Cart Rental	0	0	0	0	211	211	211	211	211	211	211	211	1,689
Parking Lot	0	0	0	0	0	0	0	0	1,187	0	0	4,764	5,951
Security	0	0	0	0	0	0	1,198	0	0	192	0	0	1,390
Other Miscellaneous	(42)	(10)	175	(320)	82	(64)	(23)	15	(45)	22	22	8	(179)
Total Operating Expenses	25,729	24,250	21,800	19,704	19,057	24,526	21,882	22,575	23,674	22,977	24,099	37,103	287,376
Operating Income	52,681	48,060	77,459	144,003	171,615	251,763	408,496	311,769	165,673	153,638	124,322	63,155	1,972,634

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/17

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	36,092	56,351	46,905	46,225	47,050	46,112	46,112	46,778	46,624	46,624	38,449	(29,916)	473,407
(Gain) or Loss Cap Asset	0	0	3,595	1,978	0	0	0	0	0	0	0	0	5,573
Total Other Expense	36,092	56,351	50,500	48,204	47,050	46,112	46,112	46,778	46,624	46,624	38,449	(29,916)	478,980
Net Income	16,589	(8,291)	26,959	95,799	124,565	205,651	362,384	264,991	119,049	107,014	85,873	93,071	1,493,653

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/16

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	49,725	50,225	53,718	56,723	60,310	60,703	63,530	63,536	63,212	62,477	61,596	61,896	707,652
Parking Daily	48,422	32,466	83,163	93,617	133,997	234,163	371,670	303,124	129,566	84,918	80,725	34,783	1,630,612
Other Miscellaneous	0	0	0	0	8	0	60	0	20	0	0	0	88
Gross Revenue	98,146	82,691	136,881	150,339	194,314	294,867	435,260	366,660	192,798	147,395	142,321	96,679	2,338,352
Cost-of-Sales													
Credit Card Fees	1,865	3,170	1,158	2,133	2,321	3,253	5,427	7,630	6,953	2,977	2,041	2,308	41,237
Sales Tax	0	0	0	34	0	0	0	0	0	0	0	0	34
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost-of-Sales	1,865	3,170	1,158	2,167	2,321	3,253	5,427	7,630	6,953	2,977	2,041	2,308	41,271
Gross Profit	96,282	79,520	135,722	148,172	191,993	291,614	429,833	359,030	185,846	144,418	140,279	94,370	2,297,081
Salaries & Wages													
Salaries & Wages	10,472	10,645	10,729	10,968	11,879	12,728	16,129	14,383	10,792	11,534	12,882	10,305	143,446
Overtime	180	57	128	48	214	985	526	928	581	32	228	686	4,593
Incentives	0	0	0	854	0	0	0	0	0	0	1,690	0	2,544
Payroll Taxes	1,089	1,102	1,095	1,267	1,173	1,371	1,745	1,538	1,058	1,027	1,376	1,039	14,877
Group Insurance	1,277	1,277	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,351	1,351	1,405	16,079
Workman's Comp Insurance	607	607	607	607	607	629	629	629	629	629	629	371	7,180
401k Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salaries & Wages	13,625	13,688	13,904	15,089	15,219	17,058	20,374	18,822	14,405	14,573	18,155	13,806	188,719

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/16

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	383	0	0	0	0	0	422	0	0	1,011	0	1,816
Training & Education	0	0	0	0	0	0	0	0	0	0	0	99	99
Telephone-Telecom-Radio	42	42	42	43	43	44	45	45	44	44	70	70	574
Utilities Water & Sewer	69	69	73	75	80	84	93	89	178	49	75	(0)	933
Utilities - Electric	1,147	940	849	585	938	866	1,031	946	960	788	818	1,058	10,927
Supplies General	0	0	0	0	106	32	0	144	0	0	184	361	826
Supplies Fuel	88	57	55	52	59	76	64	58	69	66	66	93	802
R&M Facilities & Grounds	0	0	0	0	0	0	185	0	124	0	0	115	424
R&M: Vehicles & Carts	0	0	20	504	0	638	693	118	0	0	218	149	2,340
Machinery & Equipment	0	41	321	860	1,703	685	2,974	0	0	2,203	0	180	8,967
Legal & Professional	0	250	0	0	0	0	0	0	0	0	0	0	250
Software & Support	0	0	0	0	0	0	0	0	0	0	4,950	0	4,950
Postage	0	0	8	0	10	0	0	0	0	0	186	0	205
Copying, Printing & Forms	0	0	0	2,551	106	400	71	1,104	0	0	2,662	0	6,895
Office Supplies	0	404	391	65	0	340	0	211	0	0	321	95	1,827
Travel-Entertainment & Guests	0	0	0	22	4,564	45	45	0	0	26	52	44	4,798
Property Tax	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	1,584	2,580	2,560	30,934
Insurance	366	366	355	299	299	476	364	363	363	363	363	382	4,357
Deep Point Terminal Campus	13,038	15,532	15,055	13,756	14,515	13,147	20,604	16,068	16,739	16,484	12,858	15,743	183,540
Facilities Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Ferry Ticket	0	0	0	13	0	0	0	0	0	26	0	0	39
Barge Fees	50	0	0	50	50	0	0	100	0	0	0	0	250
Daily-Monthly Parking	290	290	333	333	333	377	377	377	377	377	377	333	4,175
Cart Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking Lot	0	0	0	0	0	0	0	0	0	0	0	4,064	4,064
Security	0	0	0	0	0	300	791	0	918	0	0	0	2,009
Other Miscellaneous	(16)	63	(22)	(49)	83	175	(56)	(78)	(16)	(304)	(2,224)	2,798	354
Total Operating Expenses	17,764	21,127	20,172	21,850	25,578	20,375	29,970	22,657	22,447	21,705	24,567	28,142	276,354
Operating Income	64,893	44,706	101,646	111,233	151,197	254,180	379,489	317,550	148,994	108,139	97,557	52,422	1,832,008

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/16

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	37,937	37,937	37,937	37,937	37,937	37,937	36,013	36,013	36,013	36,582	36,582	36,903	445,725
(Gain) or Loss Cap Asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Expense	37,937	37,937	37,937	37,937	37,937	37,937	36,013	36,013	36,013	36,582	36,582	36,903	445,725
Net Income	26,956	6,770	63,710	73,297	113,260	216,244	343,477	281,538	112,981	71,557	60,975	15,519	1,386,283

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/15

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	44,475	53,212	53,314	56,570	60,876	64,539	64,283	64,466	63,176	63,923	62,616	62,896	714,345
Parking Daily	43,145	27,065	45,235	112,965	156,373	245,307	331,962	306,588	129,293	94,098	65,452	31,881	1,589,362
Other Miscellaneous	0	20	20	20	40	40	73	(20)	0	20	0	0	213
Gross Revenue	87,620	80,297	98,569	169,554	217,289	309,886	396,317	371,034	192,469	158,040	128,068	94,777	2,303,919
Cost-of-Sales													
Credit Card Fees	1,985	2,607	1,364	1,397	2,507	3,418	5,302	7,099	6,719	3,324	2,259	1,610	39,591
Sales Tax	69	0	0	9	4	0	0	0	25	8	0	0	114
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost-of-Sales	2,054	2,607	1,364	1,406	2,511	3,418	5,302	7,099	6,744	3,332	2,259	1,610	39,705
Gross Profit	85,566	77,690	97,205	168,149	214,778	306,468	391,015	363,935	185,725	154,708	125,810	93,167	2,264,215
Salaries & Wages													
Salaries & Wages	9,226	9,192	9,211	11,235	13,625	14,339	12,798	10,862	9,595	9,877	10,291	13,108	133,359
Overtime	38	68	38	467	687	1,318	815	2,115	1,335	(356)	16	57	6,598
Incentives	0	0	0	530	0	0	0	0	0	1,019	0	0	1,549
Payroll Taxes	1,120	1,083	960	1,347	1,697	1,722	1,472	1,444	1,223	1,229	1,062	1,281	15,641
Group Insurance	829	829	1,363	1,363	1,363	1,363	1,363	1,352	891	891	1,277	1,278	14,160
Workman's Comp Insurance	318	318	318	318	318	607	607	607	607	607	607	1,116	6,347
401k Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salaries & Wages	11,530	11,489	11,889	15,260	17,690	19,349	17,055	16,380	13,651	13,267	13,254	16,842	177,655

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/15

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	0	0	741	0	0	267	0	0	832	290	62	2,191
Training & Education	0	0	0	0	15	0	0	0	0	0	0	1,400	1,415
Telephone-Telecom-Radio	42	41	42	41	41	42	42	44	43	43	42	42	505
Utilities Water & Sewer	73	5	74	17	148	86	29	93	61	36	12	387	1,022
Utilities - Electric	1,962	1,902	1,539	846	908	1,044	1,003	1,109	981	941	1,088	981	14,304
Supplies General	(102)	0	0	0	22	61	53	0	128	45	0	0	206
Supplies Fuel	48	53	65	79	63	64	72	47	55	53	51	47	698
R&M Facilities & Grounds	1,228	0	0	0	0	0	0	0	0	18	0	0	1,246
R&M: Vehicles & Carts	245	125	0	136	52	0	0	0	755	240	10	0	1,563
Machinery & Equipment	188	4,248	0	695	173	8	66	0	0	11,385	7,058	(131)	23,689
Legal & Professional	0	0	0	0	0	0	0	0	0	0	0	0	0
Software & Support	0	0	0	0	0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	0	0	0	199	0	200
Copying, Printing & Forms	219	2,541	157	0	0	0	662	0	0	1,866	0	0	5,445
Office Supplies	15	519	118	402	480	266	248	0	0	819	120	151	3,137
Travel-Entertainment & Guests	(20)	50	0	0	56	138	46	46	52	0	0	0	369
Property Tax	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	13,421	2,598	3,689	32,272
Insurance	355	355	345	345	345	366	366	366	366	366	366	377	4,316
Deep Point Terminal Campus	9,161	16,459	13,675	13,923	14,507	12,529	13,232	14,437	15,443	17,329	18,342	15,547	174,585
Facilities Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Ferry Ticket	15	15	15	0	0	0	0	0	0	0	0	0	44
Barge Fees	0	0	0	100	0	0	50	50	50	100	0	0	350
Daily-Monthly Parking	131	131	394	306	350	350	263	175	219	263	290	290	3,160
Cart Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking Lot	0	0	0	31	0	1,045	0	(31)	31	21	0	0	1,097
Security	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Miscellaneous	53	(38)	(33)	(22)	78	(174)	(32)	(9)	35	104	(2)	(70)	(109)
Total Operating Expenses	15,009	27,803	17,785	19,036	18,636	17,223	17,760	17,723	19,615	47,880	30,464	22,772	271,705
Operating Income	59,027	38,398	67,531	133,853	178,453	269,896	356,200	329,832	152,459	93,561	82,092	53,554	1,814,855

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/15

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	37,883	37,883	37,962	37,923	37,982	37,982	37,982	37,982	38,258	38,258	38,258	38,360	456,714
(Gain) or Loss Cap Asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Expense	37,883	37,883	37,962	37,923	37,982	37,982	37,982	37,982	38,258	38,258	38,258	38,360	456,714
Net Income	21,144	515	29,569	95,930	140,470	231,914	318,218	291,849	114,201	55,304	43,834	15,193	1,358,141

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/14

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	48,844	50,901	50,171	58,718	58,155	59,349	60,403	60,263	59,164	57,929	60,295	58,146	682,340
Parking Daily	41,439	26,446	51,293	112,839	119,308	231,692	321,404	293,835	133,365	95,205	57,806	50,186	1,534,817
Other Miscellaneous	0	40	40	40	40	60	0	20	0	0	20	0	260
Gross Revenue	90,283	77,387	101,504	171,597	177,503	291,101	381,807	354,118	192,529	153,134	118,120	108,333	2,217,417
Cost-of-Sales													
Credit Card Fees	2,227	2,326	1,139	1,460	2,494	2,613	4,703	6,851	6,083	2,946	2,212	1,450	36,503
Sales Tax	0	0	6	2	4	2	0	30	0	0	16	0	59
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost-of-Sales	2,227	2,326	1,144	1,461	2,498	2,615	4,703	6,881	6,083	2,946	2,228	1,450	36,562
Gross Profit	88,056	75,061	100,360	170,136	175,005	288,487	377,105	347,237	186,446	150,187	115,892	106,883	2,180,855
Salaries & Wages													
Salaries & Wages	9,330	4,722	11,637	8,676	13,298	8,973	14,325	13,473	11,169	8,376	8,894	10,157	123,029
Overtime	95	591	1,062	635	431	1,895	1,933	1,152	281	100	155	74	8,403
Incentives	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Taxes	1,142	577	1,516	1,027	1,672	1,208	1,915	1,694	1,308	934	892	1,896	15,782
Group Insurance	725	719	441	1,195	818	1,201	823	1,167	1,178	446	823	932	10,470
Workman's Comp Insurance	448	448	448	448	448	338	338	208	318	318	105	1,336	5,199
401k Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salaries & Wages	11,739	7,056	15,104	11,980	16,667	13,615	19,334	17,694	14,253	10,174	10,870	14,396	162,883

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/14

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	0	0	485	218	0	339	0	669	0	109	0	1,820
Training & Education	0	0	4,200	0	150	0	0	0	398	0	0	1,521	6,269
Telephone-Telecom-Radio	239	224	139	204	175	177	196	197	157	42	42	42	1,834
Utilities Water & Sewer	72	5	71	146	16	150	92	93	85	81	75	77	962
Utilities - Electric	1,711	2,143	1,630	1,416	1,574	1,363	71	1,542	2,207	1,599	1,709	1,886	18,850
Supplies General	0	0	44	120	0	30	0	3	116	0	0	102	415
Supplies Fuel	81	56	37	72	121	46	62	90	131	44	63	50	854
R&M Facilities & Grounds	(57)	355	0	0	0	0	0	0	0	0	0	175	473
R&M: Vehicles & Carts	0	0	759	47	56	104	0	464	232	0	260	0	1,922
Machinery & Equipment	2,950	874	413	358	441	18	2,250	126	3,416	1,650	6,627	13,227	32,350
Legal & Professional	0	0	0	0	0	0	0	0	0	0	0	0	0
Software & Support	0	0	0	0	0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	7	0	0	183	25	215
Copying, Printing & Forms	887	0	0	0	35	0	0	0	3,729	0	0	0	4,652
Office Supplies	0	129	112	0	91	248	567	0	222	83	67	341	1,861
Travel-Entertainment & Guests	0	0	0	1,185	0	0	0	0	0	0	0	29	1,214
Property Tax	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,082	16,751
Insurance	376	376	333	333	333	355	355	355	355	355	355	372	4,253
Deep Point Terminal Campus	9,170	14,158	12,578	8,724	13,109	12,054	16,919	12,556	12,297	13,001	13,392	20,914	158,872
Facilities Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Ferry Ticket	32	0	0	0	0	0	0	0	0	0	0	0	32
Barge Fees	0	0	50	0	0	50	100	50	0	0	0	50	300
Daily-Monthly Parking	246	131	131	263	263	153	328	350	211	225	219	219	2,738
Cart Rental	134	134	134	134	134	134	134	134	0	134	0	0	1,206
Parking Lot	0	0	0	0	0	0	0	0	0	0	0	0	0
Security	0	0	0	0	216	2,261	147	0	0	0	0	0	2,624
Other Miscellaneous	5	(13)	58	(819)	(56)	(104)	1,393	350	(170)	(22)	7	(13)	616
Total Operating Expenses	17,269	19,997	22,114	14,092	18,300	18,463	24,379	17,741	25,480	18,615	24,532	40,098	261,080
Operating Income	59,048	48,008	63,141	144,063	140,039	256,409	333,391	311,802	146,713	121,399	80,490	52,389	1,756,891

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/14

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	39,382	39,382	39,403	39,299	39,299	39,299	37,785	37,785	37,785	37,836	37,836	48,052	473,142
(Gain) or Loss Cap Asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Expense	39,382	39,382	39,403	39,299	39,299	39,299	37,785	37,785	37,785	37,836	37,836	48,052	473,142
Net Income	19,666	8,627	23,738	104,764	100,739	217,110	295,607	274,017	108,928	83,562	42,654	4,337	1,283,749

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/13

Income Statement	January	February	March	April	May	June	July	August	September	October	November	December	Total
Parking Annual-Monthly-Seasonal	49,312	50,968	52,946	56,086	58,488	61,236	62,356	62,152	60,528	60,236	62,459	56,124	692,891
Parking Daily	43,532	30,109	58,426	104,574	115,608	230,107	314,849	269,201	138,504	86,804	45,288	49,873	1,486,873
Other Miscellaneous	0	20	140	40	60	60	40	80	20	20	(20)	20	480
Gross Revenue	92,844	81,097	111,512	160,699	174,156	291,403	377,245	331,433	199,051	147,060	107,727	106,016	2,180,244
Cost-of-Sales													
Credit Card Fees	1,526	2,921	936	1,409	2,311	2,442	4,436	6,477	5,740	3,033	1,874	1,023	34,130
Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost-of-Sales	1,526	2,921	936	1,409	2,311	2,442	4,436	6,477	5,740	3,033	1,874	1,023	34,130
Gross Profit	91,318	78,176	110,576	159,290	171,845	288,960	372,809	324,955	193,311	144,027	105,852	104,994	2,146,114
Salaries & Wages													
Salaries & Wages	9,169	7,878	8,779	8,749	12,142	10,366	10,716	10,689	7,565	11,102	8,373	9,609	115,137
Overtime	448	85	324	297	1,040	780	1,710	1,248	1,015	(101)	(7)	3	6,842
Incentives	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Taxes	1,120	873	1,022	1,001	1,473	1,122	1,286	1,469	778	1,059	840	1,242	13,286
Group Insurance	680	680	641	641	641	1,041	1,038	1,038	728	722	1,020	443	9,314
Workman's Comp Insurance	248	248	248	248	248	448	448	448	448	1,107	448	448	5,033
401k Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salaries & Wages	11,665	9,764	11,014	10,937	15,545	13,757	15,198	14,892	10,534	13,889	10,673	11,744	149,612

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/13

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Uniforms	0	88	694	0	0	77	140	0	0	0	207	349	1,554
Training & Education	0	0	0	0	15	0	0	0	0	0	900	0	915
Telephone-Telecom-Radio	239	240	241	242	241	243	239	223	258	240	241	382	3,030
Utilities Water & Sewer	118	9	135	74	73	107	62	150	97	90	147	(52)	1,010
Utilities - Electric	2,115	1,242	1,585	2,313	1,601	1,339	1,433	1,730	1,730	1,913	1,803	1,927	20,730
Supplies General	6	0	0	10	0	92	16	0	6	0	10	0	140
Supplies Fuel	43	86	68	60	72	73	80	278	58	62	51	73	1,003
R&M Facilities & Grounds	50	0	0	0	0	50	0	0	0	0	0	107	207
R&M: Vehicles & Carts	0	130	65	39	101	0	2	626	473	96	95	0	1,627
Machinery & Equipment	0	243	0	520	0	1,774	1,662	2,914	0	2,402	1,219	2,147	12,880
Legal & Professional	0	0	0	0	0	0	0	0	0	0	0	0	0
Software & Support	0	0	0	0	0	0	0	0	0	0	0	0	0
Postage	0	0	0	0	0	0	0	0	0	0	185	4	189
Copying, Printing & Forms	0	0	0	2,599	4,556	204	0	54	0	0	216	2,639	10,268
Office Supplies	46	11	257	0	112	146	20	35	0	231	79	(130)	806
Travel-Entertainment & Guests	0	0	99	50	0	0	50	63	0	0	0	426	687
Property Tax	608	608	608	608	608	608	608	608	608	8,776	1,425	1,425	17,094
Insurance	0	0	0	0	0	0	0	0	0	3,770	376	391	4,536
Deep Point Terminal Campus	5,050	0	16,803	7,659	5,811	15,060	22,577	6,107	6,133	54,724	10,564	12,819	163,306
Facilities Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Ferry Ticket	16	16	16	0	32	0	0	16	32	16	0	0	142
Barge Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Daily-Monthly Parking	246	246	252	290	333	320	290	290	210	290	246	246	3,257
Cart Rental	288	288	288	288	288	288	288	288	134	134	134	134	2,840
Parking Lot	0	0	0	0	0	0	0	0	0	0	0	600	600
Security	0	0	0	0	0	0	768	0	0	0	0	226	993
Other Miscellaneous	(3)	(2)	45	(47)	69	40	(411)	(1,981)	39	(323)	(710)	3,361	77
Total Operating Expenses	8,820	3,204	21,155	14,704	13,912	20,421	27,821	11,401	9,776	72,420	17,186	27,072	247,894
Operating Income	70,833	65,207	78,407	133,649	142,388	254,783	329,790	298,663	173,001	57,719	77,993	66,178	1,748,609

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

OPERATION PELICAN
Historical Parking (715) Income Statement - FYE 12/31/13

Operating Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Total
Interest	0	0	0	0	51	0	0	0	0	0	0	0	51
Depreciation	42,749	42,748	42,748	42,748	42,748	42,749	42,553	42,637	42,469	42,553	42,553	42,553	511,809
(Gain) or Loss Cap Asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Expense	42,749	42,748	42,748	42,748	42,800	42,749	42,553	42,637	42,469	42,553	42,553	42,553	511,861
Net Income	28,084	22,458	35,658	90,900	99,588	212,034	287,237	256,025	130,532	15,165	35,440	23,625	1,236,748

(a) Ferry and Parking operations moved from Indigo Plantation Terminal facilities to Deep Point Terminal Facilities in June 2009.

Addendum D

Comparable Data



Land Sales



Addenda

Land Sale Comparable 1

301 Masonic Avenue

Location Data

Location	301 Masonic Avenue
City, State	Cedar Point, NC
Market	Valuation Properties
Submarket	Valuation Land
County	Carteret
APN	5374.11.56.3724000



Physical Data

Property Type	Land (General Commercial)
Use at Sale	0
Proposed Use	General Commercial
Acres	56.54 Acres
Land SF	2,462,882 SF
Useable Acres	56.54 Acres
Useable Land SF	2,462,882 SF
Frontage	0
Visibility	Average
Topography	Level At Street Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	AE
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	Commercial
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	0 SF

Sale Data

Transaction Type	Closed
Date	April 24, 2019
Marketing Time	N/A
Grantor	Jones Masonic Campus
Grantee	Cedar Point Town
Document No.	0
Price	\$2,800,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$2,800,000

Analysis

Price per Acre	\$49,522
Price Per SF	\$1.14
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This 56.54-acre parcel was purchased April 24, 2019 for a total of \$2,800,000. Future development is reportedly for city use as a town park.

Addenda

Land Sale Comparable 2

Tom East Chestnut Road

Location Data

Location	Tom E Chestnut Road
City, State	North Myrtle Beach, SC
Market	SC - Myrtle Beach
Submarket	North Myrtle Beach
County	Horry
APN	1430001020



Physical Data

Property Type	Land (General Commercial)
Use at Sale	0
Proposed Use	General Commercial
Acres	23.69 Acres
Land SF	1,031,936 SF
Useable Acres	23.69 Acres
Useable Land SF	1,031,936 SF
Frontage	0
Visibility	Average
Topography	Level At Street Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	AE
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	GC
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	0 SF

Sale Data

Transaction Type	Closed
Date	August 10, 2020
Marketing Time	N/A
Grantor	Chestnut & Sons Inc
Grantee	Beverly Homes LLC
Document No.	0
Price	\$2,200,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$2,200,000

Analysis

Price per Acre	\$92,866
Price Per SF	\$2.13
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This comparable sale represents a 23.69-acre parcel of land located at Tom East Chestnut Road in North Myrtle Beach, South Carolina. The sale took place on August 10, 2020 for a reported \$2,200,000 or \$2.13 per square foot. The site is zone general commercial and has direct waterfront access.

Addenda

Land Sale Comparable 3

2760 Stone Chimney Road

Location Data

Location	2760 Stone Chimney Road Southwest
City, State	Supply, NC
Market	Valuation Properties
Submarket	Valuation Land
County	Brunswick
APN	2160004707, 2160004712, 2160004713



Physical Data

Property Type	Land (General Commercial)
Use at Sale	0
Proposed Use	General Commercial
Acres	88.00 Acres
Land SF	3,833,280 SF
Useable Acres	88.00 Acres
Useable Land SF	3,833,280 SF
Frontage	0
Visibility	Average
Topography	Level At Street Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	CO-R-7500
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	0 SF

Sale Data

Transaction Type	Closed
Date	April 13, 2021
Marketing Time	N/A
Grantor	Real Property Development, LLC
Grantee	Stanbury Creek Nc Llc
Document No.	0
Price	\$3,980,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$3,980,000

Analysis

Price per Acre	\$45,227
Price Per SF	\$1.04
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This comparable sale represents a 88-acre parcel of land located at 2760 Stone Chimney Road in Holden Beach, North Carolina. The sale took place on April 13, 2021 for a reported \$3,980,000 or \$1.04 per square foot. The site was partially improved with road way access.

Addenda

Land Sale Comparable 4

River Road

Location Data

Location	River Road
City, State	Wilmington, NC
Market	Valuation Properties
Submarket	Valuation Land
County	New Hanover
APN	22100017



Physical Data

Property Type	Land (General Commercial)
Use at Sale	0
Proposed Use	General Commercial
Acres	41.00 Acres
Land SF	1,785,960 SF
Useable Acres	41.00 Acres
Useable Land SF	1,785,960 SF
Frontage	0
Visibility	Average
Topography	Level At Street Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	HC
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	0 SF

Sale Data

Transaction Type	Closed
Date	April 15, 2021
Marketing Time	N/A
Grantor	Dick J. Thompson
Grantee	Turtle Bay At Southport LLC
Document No.	0
Price	\$2,750,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$2,750,000

Analysis

Price per Acre	\$67,073
Price Per SF	\$1.54
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This comparable sale represents a 41-acre parcel of land located off River Road in Southport, North Carolina. The sale took place in April of 2021 for a reported \$2,750,000 or \$1.51 per square foot. The property is zoned for commercial development with the purchaser reportedly interested in developing multi-family housing on the site.

Addenda

Land Sale Comparable 5

Moore Street & Ferry Road

Location Data

Location	1299 Ferry Road Southeast
City, State	Southport, NC
Market	Valuation Properties
Submarket	Valuation Land
County	Brunswick
APN	2220000607



Physical Data

Property Type	Land (General Commercial)
Use at Sale	0
Proposed Use	General Commercial
Acres	106.41 Acres
Land SF	4,635,220 SF
Useable Acres	74.00 Acres
Useable Land SF	3,223,440 SF
Frontage	0
Visibility	Average
Topography	Level At Street Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	AE
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	Mixed use
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	0 SF

Sale Data

Transaction Type	Listing
Listing Date	January 0, 1900
Marketing Time	N/A
Grantor	Southport Crossing Holdings LLC
Grantee	TBD
Document No.	0
Listing Price	\$3,250,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$3,250,000

Analysis

Price per Acre	\$43,919
Price Per SF	\$1.01
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This comparable listing represents a 106.41-acre parcel of land located at 1299 Ferry Road in Brunswick, North Carolina. The site is currently listed by Margaret Rudd & Associates with a listing price of \$3,250,000 or \$30,542 per acre (\$0.70 per square foot). The site is zoned for mixed use development. Currently the land is native and uncleared. Approximately 30% of the site is wetlands and undevelopable.

Addenda

Land Sale Comparable 6

Waterfront Land Sale

Location Data

Location	2811 Boundary Street
City, State	Beaufort, SC
Market	SC - Charleston
Submarket	Charleston Metro Area
County	Beaufort
APN	R120-026-000-146A-0000 et al

Physical Data

Property Type	Land (General Commercial)
Use at Sale	Planned
Proposed Use	General Commercial
Acres	6.03 Acres
Land SF	262,667 SF
Useable Acres	2.75 Acres
Useable Land SF	119,790 SF
Frontage	0
Visibility	Average
Topography	Generally Level, At Road Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	Commercial
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	Confirmed-Confidential

Sale Data

Transaction Type	Closed
Date	April 5, 2018
Marketing Time	N/A
Grantor	Parks Land Company
Grantee	CROSS Development
Document No.	1801-8694
Price	\$1,680,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$1,680,000

Analysis

Price per Acre	\$610,909
Price Per SF	\$14.02
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This waterfront land sale is located on the north side of Boundary Street, which is a four-lane connector. The land parcel has frontage, access and exposure from Boundary Street as well as water frontage on a navigable river which leads out to the Atlantic Ocean. However, the water frontage is shallow for about 100 yards. Current development plans do not include any docks or piers. The Purchase price was verified by the listing broker at \$1,680,000. The upland land area was 2.75 acres. The unit value indication was \$14.02 per SF of upland land area.

Addenda

Land Sale Comparable 7

Waterfront Land Sale

Location Data

Location	Calais Point
City, State	Charleston, SC
Market	SC - Charleston
Submarket	Charleston Metro Area
County	Charleston
APN	R-200-014-000-0030-0000 et al



Physical Data

Property Type	Land (General Commercial)
Use at Sale	Planned
Proposed Use	General Commercial
Acres	3.70 Acres
Land SF	161,172 SF
Useable Acres	3.70 Acres
Useable Land SF	161,172 SF
Frontage	0
Visibility	Average
Topography	Generally Level, At Road Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	Commercial
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	Confirmed-Confidential

Sale Data

Transaction Type	Closed
Date	June 26, 2018
Marketing Time	N/A
Grantor	Kenneth Leland
Grantee	Joseph Moon
Document No.	0
Price	\$2,499,999
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$2,499,999

Analysis

Price per Acre	\$675,675
Price Per SF	\$15.51
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This waterfront land sale has landward access from Calais Point, which is located just north of the mark Clark Expressway. It also has water frontage on the Cooper River, which leads out to the Atlantic Ocean. The property sold for \$2,500,000 and provided a unit value indication of \$15.51 per SF of upland land area.

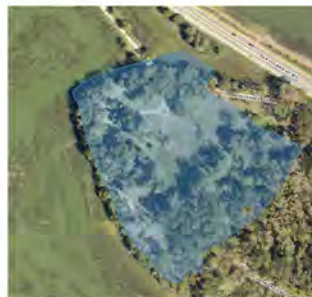
Addenda

Land Sale Comparable 8

Waterfront Land Sale

Location Data

Location	9 White Hall Drive
City, State	Beaufort, SC
Market	SC - Charleston
Submarket	Charleston Metro Area
County	Beaufort
APN	R200-014-000-0030-0000 et al



Physical Data

Property Type	Land (General Commercial)
Use at Sale	Planned
Proposed Use	General Commercial
Acres	9.68 Acres
Land SF	421,661 SF
Useable Acres	9.68 Acres
Useable Land SF	421,661 SF
Frontage	0
Visibility	Average
Topography	Generally Level, At Road Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	T3 - Edge
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	Confirmed-Confidential

Sale Data

Transaction Type	Closed
Date	September 12, 2018
Marketing Time	N/A
Grantor	First Chatham Bank
Grantee	Whitehall Point Holdings
Document No.	3705-206
Price	\$5,550,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$5,550,000

Analysis

Price per Acre	\$573,347
Price Per SF	\$13.16
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This waterfront land sale is located at the northern terminus of Lady's Island, just south of downtown Beaufort, on Lady's Island, South Carolina. This is a 9.68 acre waterfront land parcel that is heavily wooded. The purchase price was \$5,550,000 and unit value indication was \$573,347 per acre. This property has visibility from US Highway 21.

Land Sale Comparable 9

Waterfront Land Sale

Location Data

Location	104 Fairbanks Oak Alley
City, State	Daniel Island, SC
Market	SC - Charleston
Submarket	Charleston Metro Area
County	Charleston
APN	271-00-00-010 & 271-00-00-012



Physical Data

Property Type	Land (General Commercial)
Use at Sale	Planned
Proposed Use	General Commercial
Acres	20.31 Acres
Land SF	884,704 SF
Useable Acres	17.00 Acres
Useable Land SF	740,520 SF
Frontage	0
Visibility	Average
Topography	Generally Level, At Road Grade
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	Di - Go
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	Confirmed-Confidential

Sale Data

Transaction Type	Closed
Date	October 4, 2018
Marketing Time	N/A
Grantor	Daniel Island Riverside Developers
Grantee	SM Charleston, LLC
Document No.	2870-943
Price	\$13,250,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$13,250,000

Analysis

Price per Acre	\$779,412
Price Per SF	\$17.89
Price per Unit	\$0
Price per FAR	\$0.00

Comments

This waterfront land sale is located on the north side of the Wando River, northeast of the Mark Clark Expressway in Daniel Island South Carolina. This property was purchased for multifamily waterfront development. The Wando River is wide and clear, providing good water frontage, access and views. The purchase price of \$13,250,000 provides a unit value indication of \$17.89 per SF of upland land area.

Addenda

Land Sale Comparable 10

Inlet Marina

Location Data

Location	4139 US 17 Business
City, State	Murrells Inlet, SC
Market	Valuation Properties
Submarket	Valuation Land
County	Georgetown
APN	41-0114-107.00.00



Physical Data

Property Type	Land (General Commercial)
Use at Sale	0
Proposed Use	General Commercial
Acres	2.00 Acres
Land SF	87,120 SF
Useable Acres	2.00 Acres
Useable Land SF	87,120 SF
Frontage	0
Visibility	Average
Topography	Level At Street Grade
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	AE
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	HB
Allowable Bldg Area	0 SF
Allowable Bldg Units	
Verification	0 SF

Sale Data

Transaction Type	Closed
Date	May 1, 2020
Marketing Time	N/A
Grantor	Marsh View Marina LLC
Grantee	Mojos Marina Holding Co LLC
Document No.	4727
Price	\$2,200,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$2,200,000

Analysis

Price per Acre	\$1,100,000
Price Per SF	\$25.25
Price per Unit	\$0
Price per FAR	\$0.00

Comments

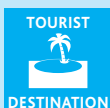
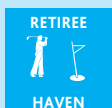
This comparable sale represents a 2.00 acre parcel of land located in Murrells Inlet, South Carolina. The land was improved with a 3,000 square foot storage facility and improvements of a 35 marina slips. The property was purchased in May of 2020 for a reported \$2,700,000 with improvements contributing \$500,000 resulting in a land purchase value of \$2,200,000 or \$25.25 per square foot.

Addendum E

Précis Metro Report - Economy.Com, Inc.



ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2020-2022
13
1st quintile

2020-2025
10
1st quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING
98%

BUSINESS
80%

U.S.=100%

VITALITY

RELATIVE
0.62

Rank: 34

Best=1, Worst=403

QUALITY

OF LIFE
161

Best=1, Worst=378

BUSINESS CYCLE STATUS



ANALYSIS

Recent Performance. Myrtle Beach-Conway-North Myrtle Beach is mounting an exceptional comeback in light of its deep recession just a year ago. Despite falling much further than average in 2020, payroll growth has consistently outpaced the U.S. and the South over the past few months. This climaxed in April when payrolls surged more than 24% from a year earlier, more than twice the national and regional averages. Most of these gains were in leisure and hospitality as tourism season got fully underway and more of the country emerged from lockdown. The only limit on the pace of hiring over the next several months will be the metro-area workforce. MYB is behind both the South and the U.S. when it comes to drawing workers back into the labor market.

Tourism. MYB's economic outlook is always dominated by tourism, but for the next year and a half this will especially be the case. Leisure/hospitality payrolls will outperform national and regional averages by orders of magnitude this summer as the metro area is perfectly positioned to benefit from the impending surge in consumer spending and pent-up demand among vacationers. MYB has offerings for a wide range of visitors from across the socioeconomic spectrum, catering to lower-income vacationers as easily as high-income visitors. This, coupled with its ease of access to most of the East Coast, will help it recover and expand faster than many of its peers. These trends are already beginning to play out in the data. Air traffic at Myrtle Beach International Airport has already surpassed 2019, pre-pandemic levels. Occupancy rates and revenue per available room are almost double 2019 levels. Leisure/hospitality employment has nearly doubled from a year ago, in turn, and will surpass pre-pandemic peaks by mid-2022, more than a full year before the rest of the South.

Retirees. The end of the pandemic will also bring a reacceleration of retiree in-migration to

MYB. After a year and a half of tremendous uncertainty, pent-up retirements and relocations will boost population growth in retiree havens across the country, but MYB will especially benefit. The metro area boasts one of the most affordable environments for retirees on the East Coast, and house prices are still very competitive despite the near-term pressures from the pandemic. The growing retiree population will support continued expansion in the healthcare sector, which so far this year is on pace to see the fastest rate of job growth in more than a decade.

Housing. Faster population gains will turbocharge the metro area's already fast-paced housing market. Prices have been growing faster than in the U.S. and the South for the past three years, well before the demand surge during the pandemic. This has allowed MYB to get off to a faster start regarding construction than other parts of the country. Permits have increased to a level not seen since before the Great Recession and building activity is steadily outpacing that in the rest of the already high-flying South. Strong demand and high affordability for a retiree destination will allow the metro area to continue to see stronger price growth throughout the forecast. This price appreciation will eventually eat into affordability, however, as prices rise faster than incomes.

Myrtle Beach-Conway-North Myrtle Beach has a strong few years of growth ahead. Its relatively low costs and industry mix position it to benefit perfectly from the nascent surge in consumer demand. The only real limit on the pace of near-term hiring will be the pace of recovery in the labor force. However, rising average hourly earnings and the expiration of enhanced unemployment benefits are sure to alleviate much of those pressures by the end of the year.

Dan White
April 2021

1-866-275-3266
help@economy.com

STRENGTHS & WEAKNESSES

STRENGTHS

- » Popular destination for tourists, retirees.
- » Very strong population growth, including favorable migration trends.
- » Low cost of doing business.

WEAKNESSES

- » Volatility from dependence on tourism and national discretionary consumer spending.
- » Risk of property damage due to coastal location.

FORECAST RISKS

SHORT TERM



LONG TERM



COVID-19
EXPOSURE
APRIL 2021

10

1st quintile

Most=1
Least=403

UPSIDE

- » Influx of retirees and strong population growth help reduce reliance on tourism.
- » A more favorable evolution of the virus boosts tourism more than expected.

DOWNSIDE

- » Excess rental supply leads to lower rents, weighing on construction.
- » It proves more difficult to bring workers back into the labor force than first expected, limiting the pace of new hiring.

MOODY'S RATING

Aa1COUNTY
AS OF JAN 20, 2017

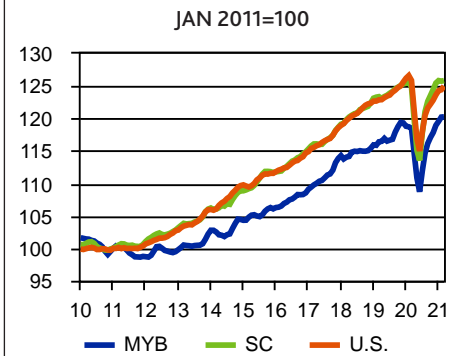
2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
16.7	17.0	17.3	17.6	17.9	17.5	Gross metro product (C12\$ bil)	18.9	20.6	21.6	22.7	23.8	24.9
1.8	1.9	2.3	1.7	1.4	-2.4	% change	8.4	8.6	4.9	5.3	4.8	4.4
155.4	160.9	166.9	171.6	175.2	162.2	Total employment (ths)	172.6	180.6	184.7	188.0	190.8	193.6
2.6	3.5	3.7	2.8	2.1	-7.4	% change	6.4	4.6	2.3	1.8	1.5	1.5
7.2	6.0	5.2	4.6	4.0	8.8	Unemployment rate (%)	5.7	4.8	4.9	4.8	4.9	4.8
8.7	7.2	6.6	8.2	6.3	8.0	Personal income growth (%)	1.9	1.0	6.9	6.5	5.8	5.6
46.1	47.6	49.0	52.4	57.0	63.8	Median household income (\$ ths)	63.3	62.0	63.8	65.6	67.2	68.8
431.2	447.3	463.5	481.0	496.9	510.9	Population (ths)	518.9	531.1	543.5	555.8	568.1	580.2
3.6	3.7	3.6	3.8	3.3	2.8	% change	1.6	2.3	2.3	2.3	2.2	2.1
15.2	16.7	16.9	18.7	17.2	15.9	Net migration (ths)	10.4	14.0	14.5	14.5	14.6	14.6
5,763	6,209	7,468	6,741	6,989	8,411	Single-family permits (#)	10,626	11,476	11,205	11,367	11,772	11,492
391	316	1,119	705	851	851	Multifamily permits (#)	2,813	4,617	3,934	4,092	3,954	3,247
186.6	194.1	204.2	216.4	229.7	244.2	FHFA house price (1995Q1=100)	256.0	266.0	275.8	282.6	287.3	290.2

ECONOMIC HEALTH CHECK

3-MO MA	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
Employment, change, ths	3.6	2.6	2.0	1.4	0.9	0.6
Unemployment rate, %	7.1	7.0	6.9	6.7	6.7	6.5
Labor force participation rate, %	47.4	47.5	47.2	46.8	46.9	47.1
Average weekly hours, #	31.3	31.0	30.6	30.6	30.6	30.9
Industrial production, 2012=100	101.6	101.6	102.9	103.6	104.4	103.5
Residential permits, single-family, #	9,599	10,327	10,463	10,915	10,812	10,982
Residential permits, multifamily, #	70	1,026	1,271	1,321	425	324
Dec/Dec	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20
Employment, change, ths	4.0	5.8	4.7	4.1	4.1	-8.4
<div> <div>Better than prior 3-mo MA</div> <div>Unchanged from prior 3-mo MA</div> <div>Worse than prior 3-mo MA</div> </div>						

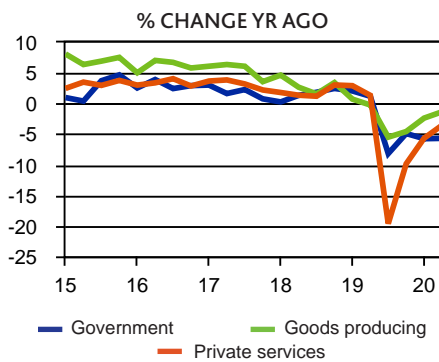
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS



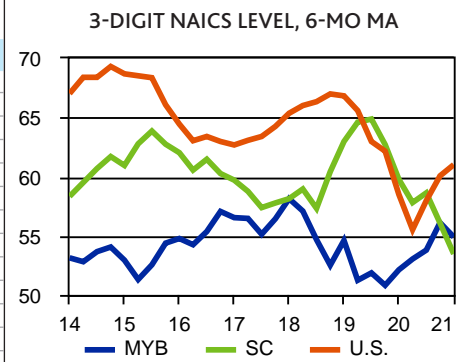
Sources: BLS, Moody's Analytics

% CHANGE YR AGO, 3-MO MA

	Mar 20	Sep 20	Mar 21
Total	1.3	-8.7	-4.1
Mining	-2.1	-0.1	1.5
Construction	0.0	-4.5	-1.1
Manufacturing	-0.7	-4.8	-0.8
Trade	-0.4	-5.2	5.0
Trans/Utilities	3.2	-1.4	-6.3
Information	1.4	-3.5	-3.8
Financial Activities	1.9	-4.4	1.8
Prof & Business Svcs.	0.8	-6.5	0.4
Edu & Health Svcs.	4.3	-5.5	-2.7
Leisure & Hospitality	1.1	-19.1	-13.9
Other Services	2.5	-8.4	-7.4
Government	1.2	-4.9	-6.2

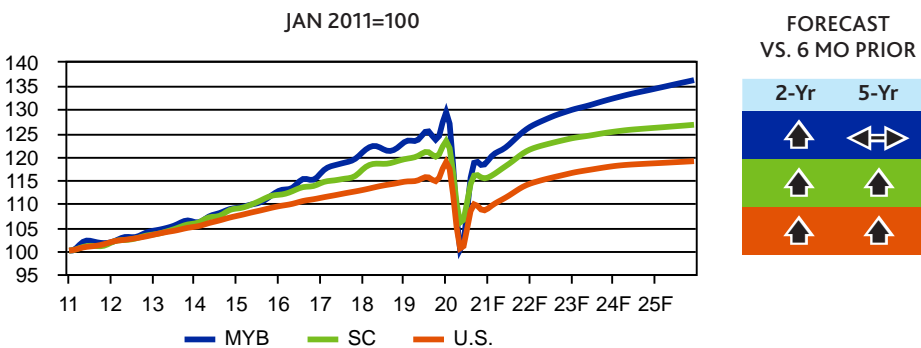
Sources: BLS, Moody's Analytics

DIFFUSION INDEX



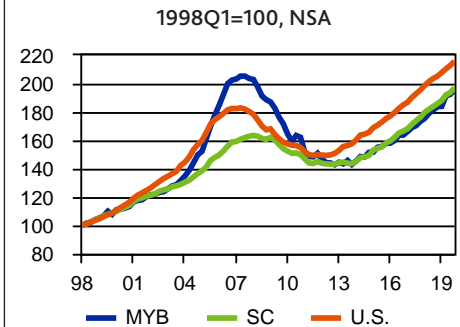
Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE



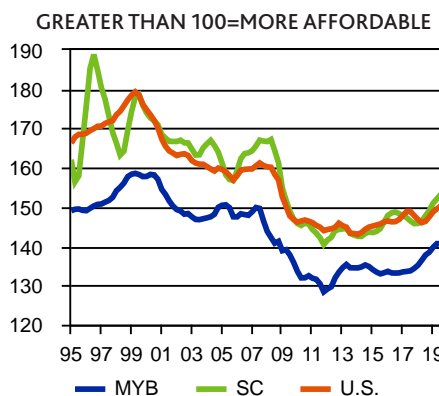
Sources: BLS, Moody's Analytics

HOUSE PRICE



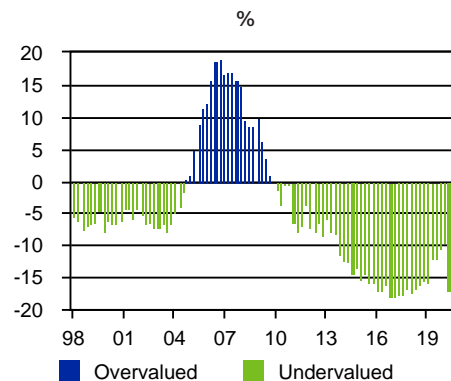
Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY



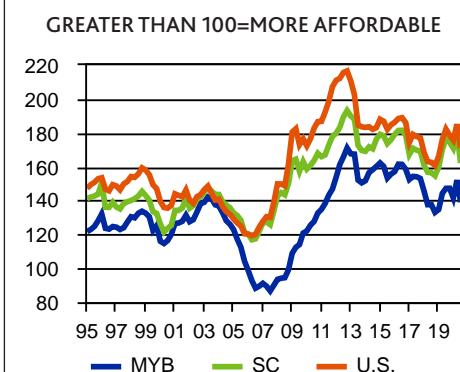
Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

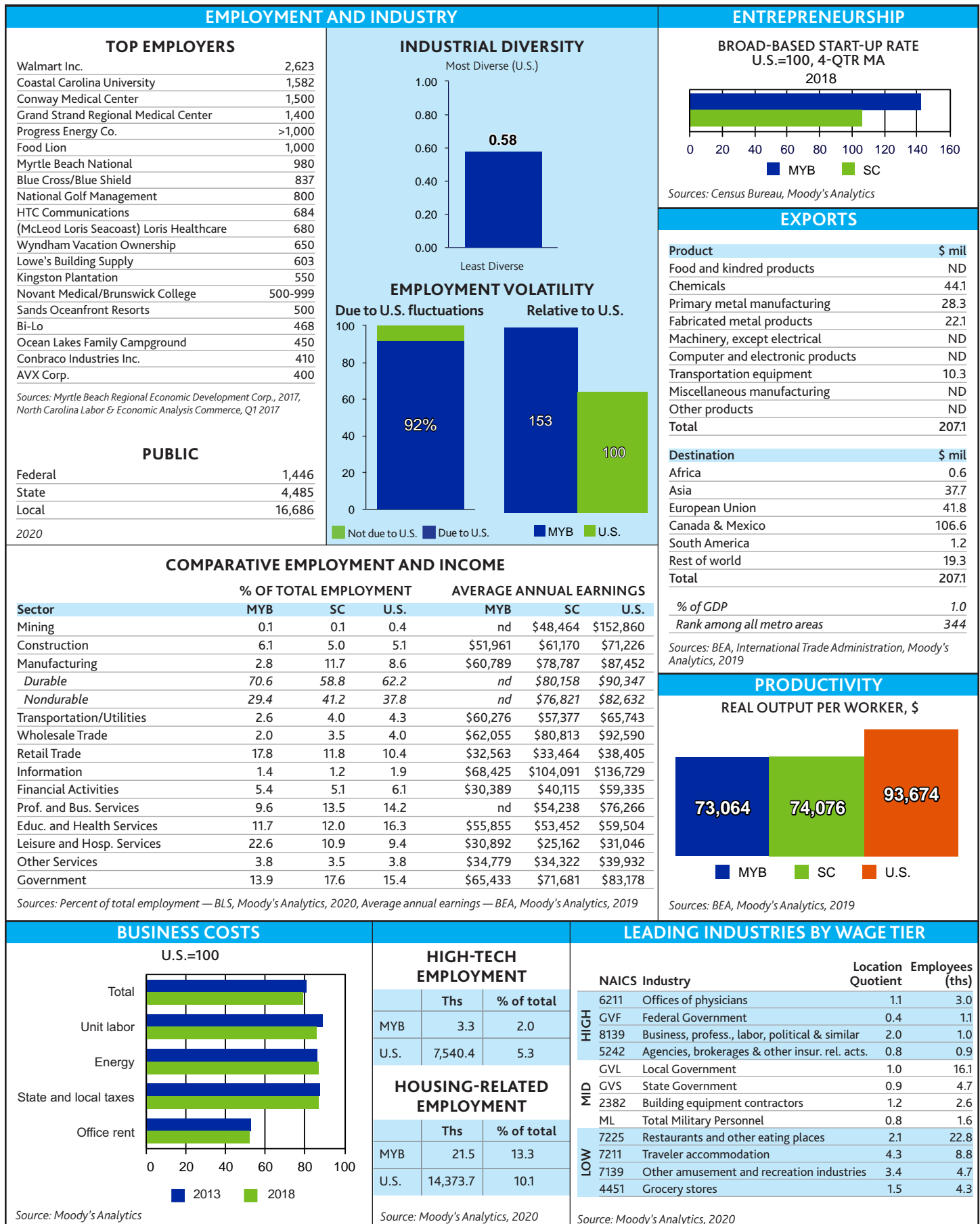


Sources: FHFA, Moody's Analytics

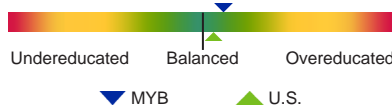
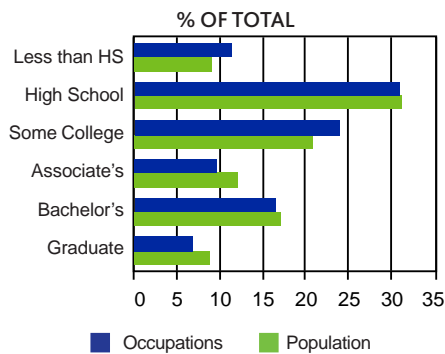
HOUSING AFFORDABILITY



Sources: NAR, Moody's Analytics



SKILLS MISMATCH

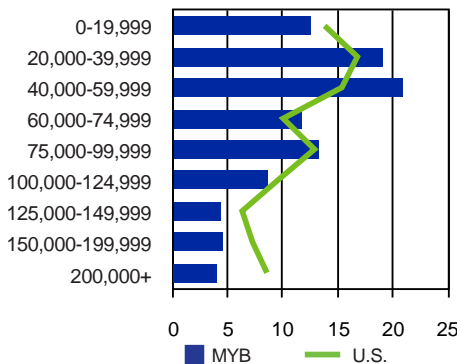


ECONOMIC DISENFRANCHISEMENT

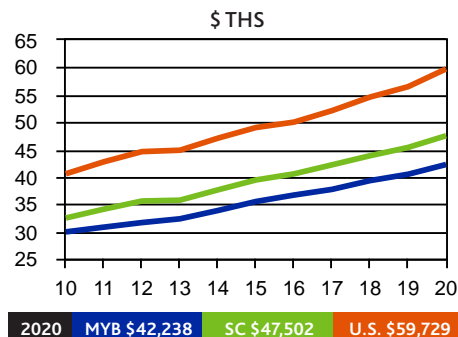
Index	2018	Rank*
Gini coefficient	0.45	286
Palma ratio	3.0	243
Poverty rate	13.0%	233

*Most unequal=1; Most equal=403

HOUSEHOLDS BY INCOME, %



PER CAPITA INCOME



MIGRATION FLOWS

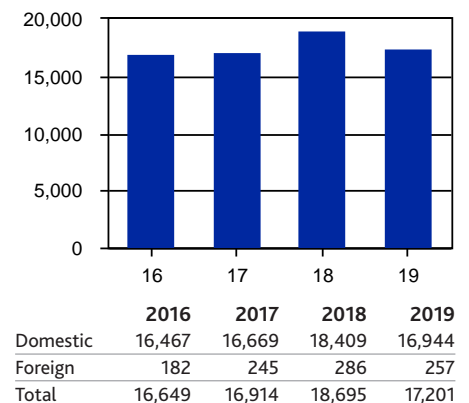
INTO MYRTLE BEACH SC

	Number of Migrants
Wilmington NC	2,026
Charlotte NC	1,603
New York NY	1,584
Washington DC	867
Nassau County NY	725
Raleigh NC	677
Baltimore MD	537
Newark NJ	489
Greensboro NC	416
Charleston SC	404
Total in-migration	33,114

FROM MYRTLE BEACH SC

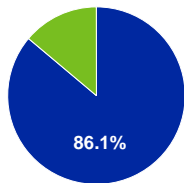
	Number of Migrants
Wilmington NC	1,362
Charlotte NC	724
Charleston SC	649
Columbia SC	473
Raleigh NC	440
Greenville SC	357
Florence SC	319
Greensboro NC	228
Fayetteville NC	168
Atlanta GA	149
Total out-migration	20,051
Net migration	13,063

NET MIGRATION,



COMMUTER FLOWS

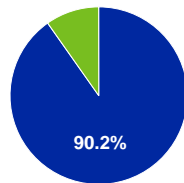
RESIDENTS WHO WORK IN MYB



Top Outside Sources of Jobs

Source	Share
Myrtle Beach SC	
Wilmington NC	6.6
Florence SC	0.4
Columbia SC	0.3
Charlotte NC	0.2
Raleigh NC	0.2

WORKERS WHO LIVE IN MYB



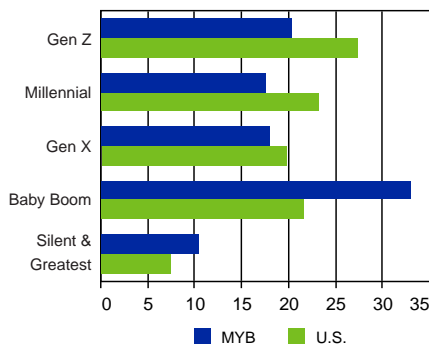
Top Outside Sources of Workers

Source	Share
Myrtle Beach SC	
Wilmington NC	2.6
Florence SC	0.2
Charleston SC	0.2
Charlotte NC	0.1
Columbia SC	0.1

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

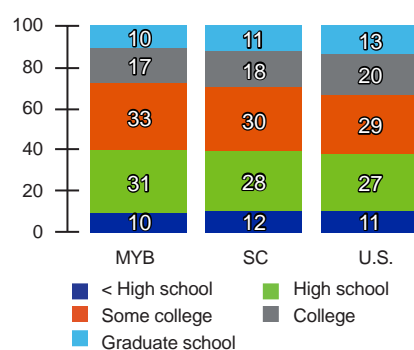
GENERATIONAL BREAKDOWN

POPULATION BY GENERATION, %

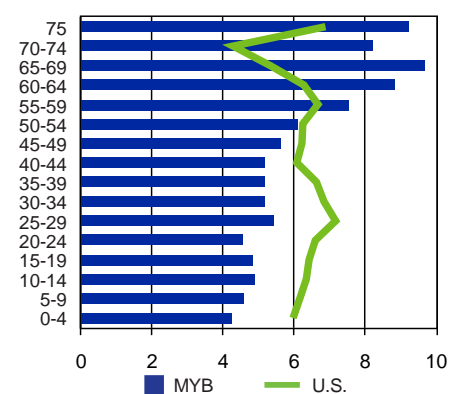


EDUCATIONAL ATTAINMENT

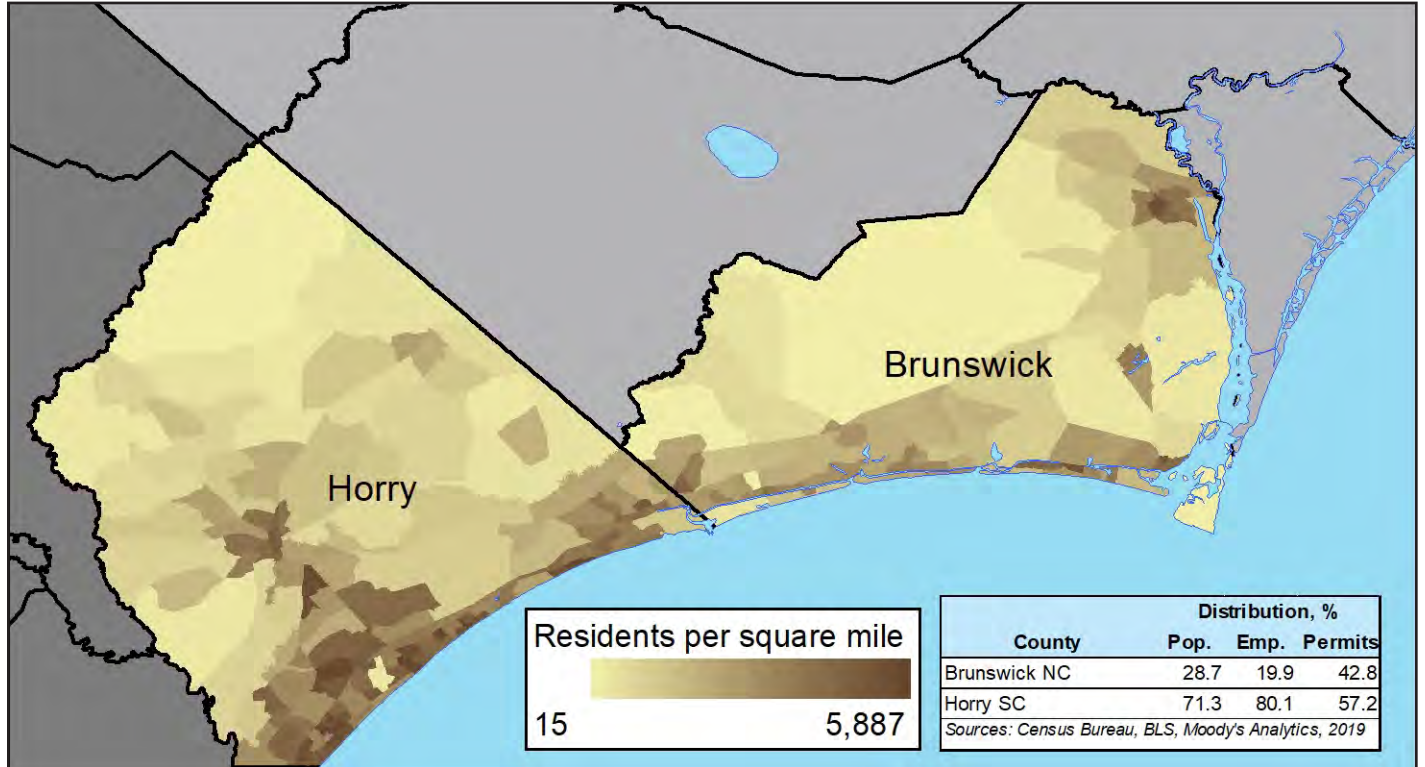
% OF ADULTS 25 AND OLDER



POPULATION BY AGE, %



POPULATION DENSITY



U.S. Dollars

17,131 102,990

	Units	Value	Rank*
Total area	sq mi	2,305.0	151
Total water area	sq mi	321.9	68
Total land area	sq mi	1,980.9	159
Land area - developable	sq mi	1,806.0	62
Land area - undevelopable	sq mi	177.1	271
Population density	pop. to developable land	255.5	299
Total population	ths	514.5	124
U.S. citizen at birth	% of population	93.3	156
Naturalized U.S. citizen	% of population	2.0	285
Not a U.S. citizen	% of population	3.7	187
Median age		49.7	12
Total housing units	ths	309.9	90
Owner occupied	% of total	48.6	359
Renter occupied	% of total	15.5	385
Vacant	% of total	35.9	4
1-unit; detached	% of total	54.7	362
1-unit; attached	% of total	4.1	189
Multifamily	% of total	26.0	102
Median year built		1996	

* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2019 except land area 2010

Sources: ACS, Moody's Analytics

About Moody's Analytics

Moody's Analytics provides financial intelligence and analytical tools supporting our clients' growth, efficiency and risk management objectives. The combination of our unparalleled expertise in risk, expansive information resources, and innovative application of technology helps today's business leaders confidently navigate an evolving marketplace. We are recognized for our industry-leading solutions, comprising research, data, software and professional services, assembled to deliver a seamless customer experience. Thousands of organizations worldwide have made us their trusted partner because of our uncompromising commitment to quality, client service, and integrity.

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Moody's Analytics added the economic forecasting firm Economy.com to its portfolio in 2005. This unit is based in West Chester PA, a suburb of Philadelphia, with offices in London, Prague and Sydney. More information is available at www.economy.com.

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Addendum F

Appraiser Qualifications and Licenses



GREG BECKER, MAI

**Senior Managing Director/
Market Leader**



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Years of Experience

28 Years

Areas of Specialization

- ♦ Valuation & Advisory
- ♦ Retail
- ♦ Industrial

Greg Becker, MAI, joined Newmark Knight Frank's Valuation & Advisory in 2017 as the senior managing director and market leader for Florida and the Caribbean. Based in the firm's office in Palm Beach Gardens, Mr. Becker leads a staff of 11 professionals who provide valuation services throughout Florida and the Caribbean.

Since 2003, Mr. Becker has specialized in the valuation of retail, industrial and office properties. His experience encompasses a wide variety of property types including regional, neighborhood and community shopping centers, institutional grade industrial properties, automobile dealerships, office buildings, marinas and self-storage facilities.

Mr. Becker brings to his position more than 28 years of real estate appraisal and consulting experience in 43 states. Prior to Newmark Knight Frank, he served for over 14 years, rising to executive vice president of valuation & advisory services, in the Palm Beach Gardens office of CBRE.

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| ♦ JP Morgan Chase | ♦ SunTrust Bank |
| ♦ LNR Partners | ♦ TD Bank |
| ♦ PNC Bank | ♦ TIAA/CREF |

PROFESSIONAL ACHIEVEMENTS:

- ♦ Top Producer Award – Florida, CBRE, 2008 – 2016
- ♦ Top 10% Nationally, CBRE, 2008 – 2016
- ♦ Top 5 Nationally, CBRE, 2013 – 2016
- ♦ Florida RISE Award Winner, CBRE, 2011



PROFESSIONAL AFFILIATIONS:

- ◆ Alternate representative, Appraisal Institute, South Florida Chapter
- ◆ MAI designation, Appraisal Institute
- ◆ Member, Royal Institute of Chartered Surveyors (MRICS)
- ◆ Certified General Appraiser, State of Florida and Commonwealth of Puerto Rico
- ◆ Licensed real estate salesman, state of Florida

Mr. Becker earned his Master of Business Administration degree in finance and real estate from the University of Georgia and his Bachelor of Science in Business Administration in operations management from Villanova University.



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Appraiser's Signature

Executive Director

EXPIRES JUNE 30, 2022