

## Carin Faulkner

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**From:** Susan Rabon <susanrabon@gmail.com>  
**Sent:** Tuesday, August 31, 2021 8:33 AM  
**To:** Robert Howard; David Jessen; Landon Zimmer; Andy Sayre; Mike Brown; Rex Cowdry; Paul Cozza; Jed Dixon; Claude Pope; Jim Powell  
**Cc:** Rusher, Mary Nash K.; McLean, J. Dickson; Kitchin, Henry L. Jr.  
**Subject:** Update  
**Attachments:** 21-0147725 Deep Point Marina Ferry Terminal-Parking - REVISED 8312021.pdf

**\*\*EXTERNAL EMAIL; use caution with links and attachments\*\***

All,

We have been working with Greg Becker from Newmark Valuation on some of the tables in the appraisal delivered to the Authority in July, 2021, in which the numbers in several of the charts were not matching. In that process, Mr. Becker determined that in the process of uploading the links from the excel spread sheets into the appraisal, the updated links were not used. Mr. Becker's explanation is below. Therefore, he has delivered an updated appraisal, which contains the correct charts. **The updated charts do not change the final values.**

I have attached the revised appraisal. We will deliver this revised appraisal to the LGC and have it posted on the Village and Bald Head Association web page.

Thank you,

Susan

Message from Greg Becker:

Mary

I've revised the report and checked the math in the excel, its links to word and then in the attached pdf. PDF Page 59 was the page that did not correctly update the initial linked image file and did not accurately represent the final conclusions for both the quality and cost estimates commensurate with the existing subject which is considered to be good quality as opposed to average with those costs derived from the MVS cost guide. While that page did not update, the data that flowed to subsequent pages was based on the correct cost findings thus the final value conclusions are unchanged. The only page with material changes is page 59 which has the replacement cost new charts updated for both the buildings and the site improvements with the Miscellaneous (Service Equipment) and Seawall added to the bottom of the Site Improvements for presentation purposes. The data that is in those rows already correctly flowed through to subsequent pages.

Please review the attached and let me know if you have any questions.

Thank you  
Greg

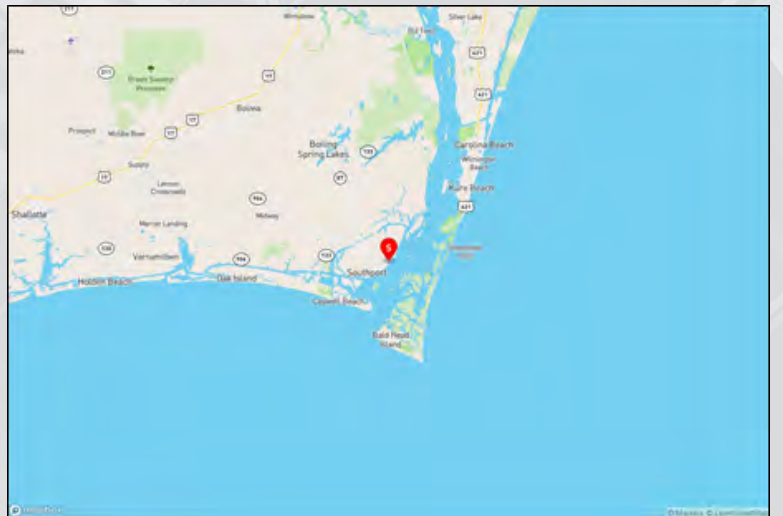
## Deep Point Ferry Terminal & Parking Facility

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

August 31, 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).



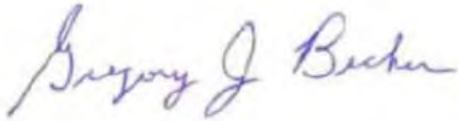


## Certification

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  
Telephone: (561) 212-5165  
Email: Greg.Becker@nmrk.com



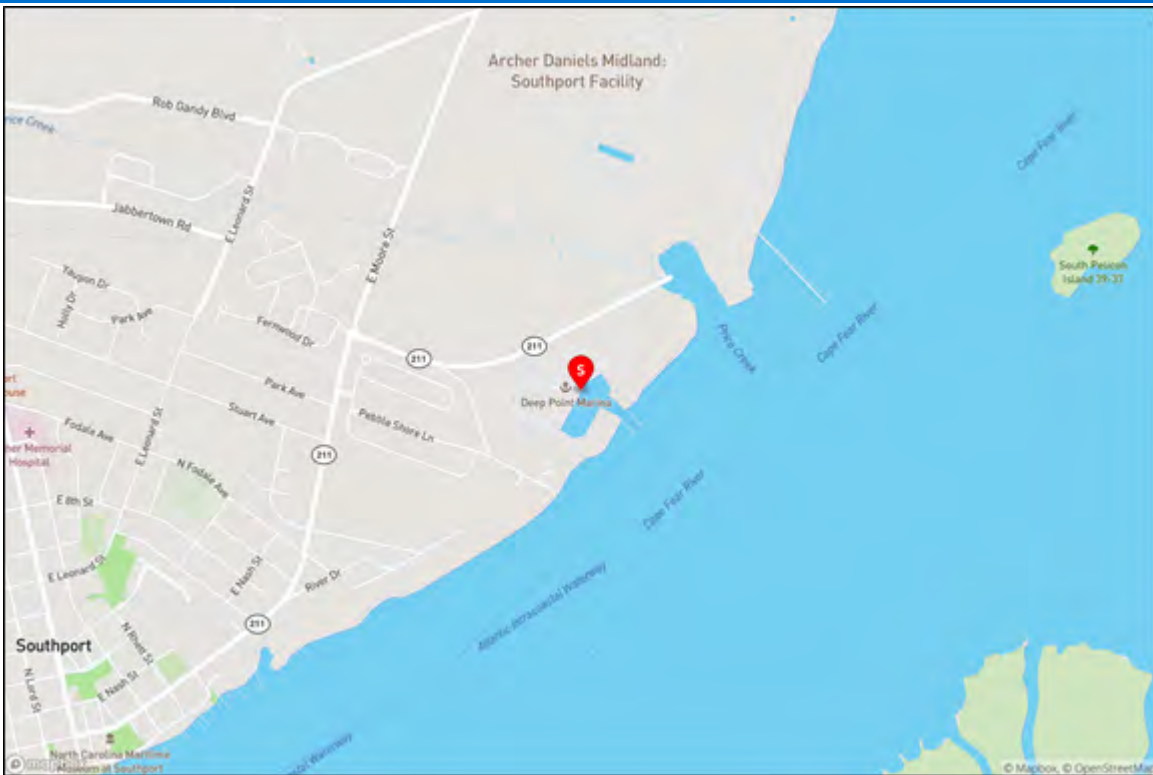
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Aerial Photo



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*



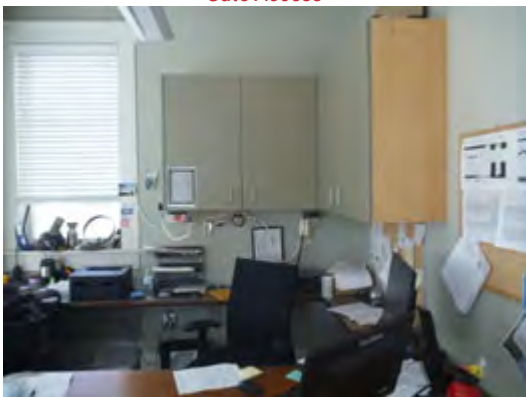
*Parking*



*Gate Access*



*Interior View*



*Interior View*



*Interior View*



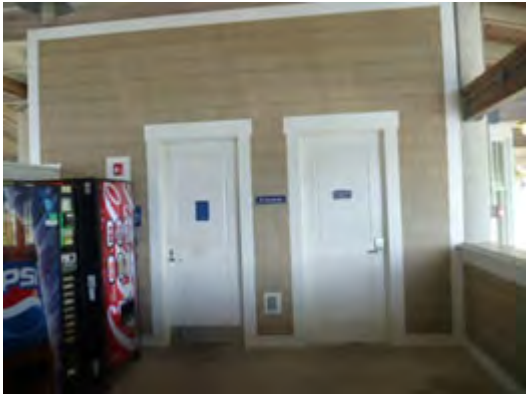




*Interior View*



*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:                               | August 31, 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            |
|---|--------------|-------------------|---------------------|
| <b>Capitalization Rate Indicators and Conclusion</b>          |              |                   | <b>Indication</b>   |
| Investor Surveys  |              |                   | 7.0% - 8.0%         |
| Band of Investment  |              |                   | 7.25%               |
| Concluded Going-In Capitalization Rate                        |              |                   | 7.25%               |
| <b>Stabilized Income Estimate</b>                             |              |                   |                     |
| 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        |
| <b>Market Value Conclusion</b>                                | <b>As Is</b> | <b>\$655.74</b>   | <b>\$33,000,000</b> |
| <b>Exposure / Marketing Time</b>                              | <b>Min</b>   | <b>Max</b>        | <b>Average</b>      |
| Concluded Exposure Time                                       |              | 10 Months or Less |                     |
| Concluded Marketing Time                                      |              | 10 Months or Less |                     |

*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*



# 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**

| <b>Approach</b>                | <b>Comments</b>  |
|--------------------------------|--|
| 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.

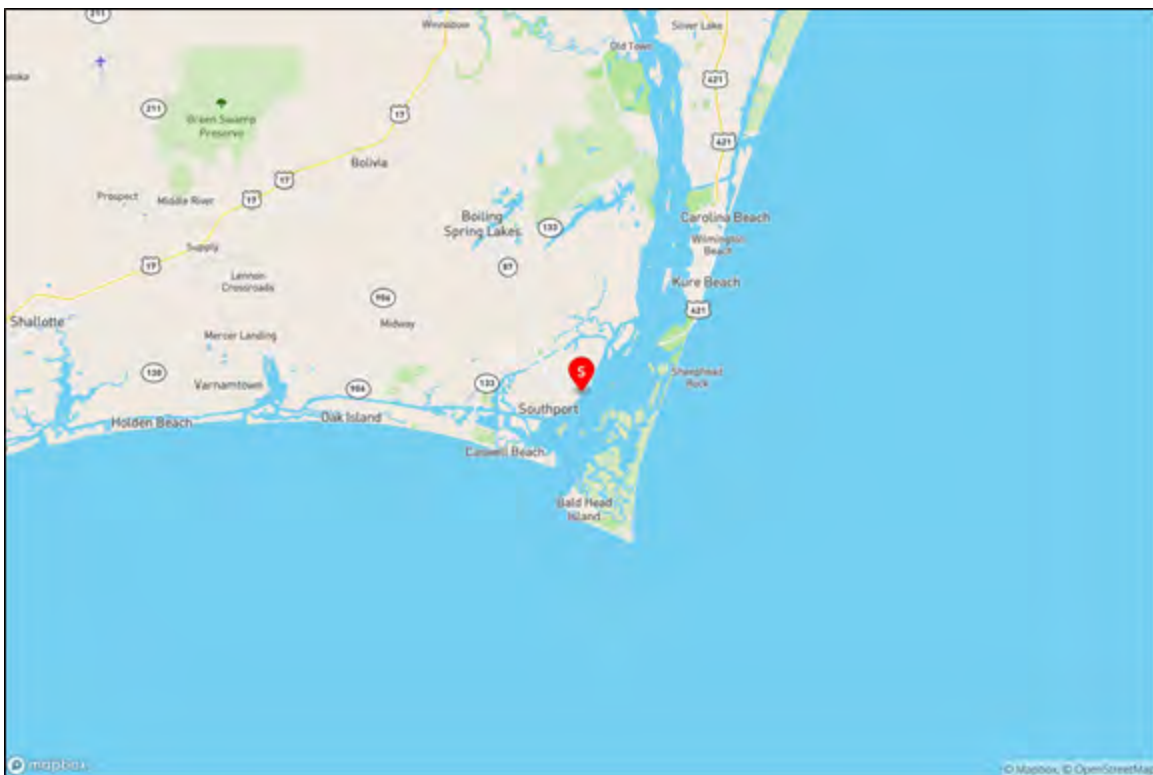
# Economic Analysis

## 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   |                  |
|  | <b>White Collar</b> | <b>4,705</b>  | <b>59.8%</b>   | <b>950</b>    | <b>59.3%</b>     | <b>29,258</b> | <b>55.6%</b>                                      | <b>114,881</b> | <b>57.5%</b>     | <b>3,084,783</b> |
| 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%             |
| <b>Services</b>                              | <b>1,245</b>        | <b>15.8%</b>  | <b>198</b>     | <b>12.4%</b>  | <b>9,738</b>     | <b>18.5%</b>  | <b>41,577</b>                                     | <b>20.8%</b>   | <b>732,969</b>   | <b>14.8%</b>     |
| <b>Blue Collar</b>                           | <b>1,918</b>        | <b>24.4%</b>  | <b>454</b>     | <b>28.3%</b>  | <b>13,656</b>    | <b>25.9%</b>  | <b>43,259</b>                                     | <b>21.7%</b>   | <b>1,146,102</b> | <b>23.1%</b>     |
| 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%             |
| <b>Total Employees (16+ Occupation Base)</b> | <b>7,868</b>        | <b>100.0%</b> | <b>1,602</b>   | <b>100.0%</b> | <b>52,652</b>    | <b>100.0%</b> | <b>199,717</b>                                    | <b>100.0%</b>  | <b>4,963,854</b> | <b>100.0%</b>    |

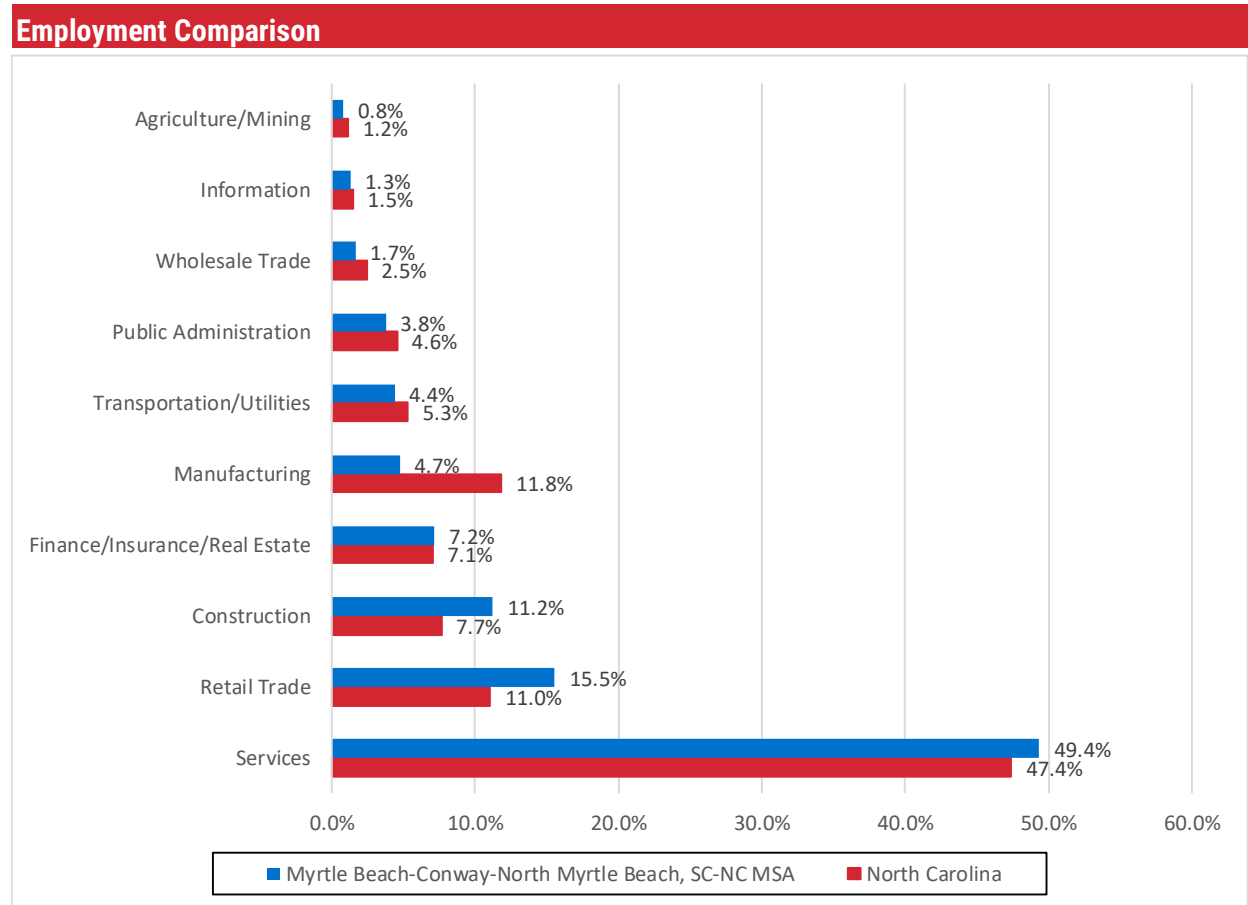
Source: ESRI; Compiled by NKF

| 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        |
| 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%          |
| <b>Total Employees (16+ Occupation Base)</b> | <b>7,868</b>       | <b>100.0%</b> | <b>1,602</b>   | <b>100.2%</b> | <b>52,652</b>    | <b>100.0%</b> | <b>199,717</b>                                    | <b>100.0%</b> | <b>4,963,854</b> | <b>100.0%</b> |

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.



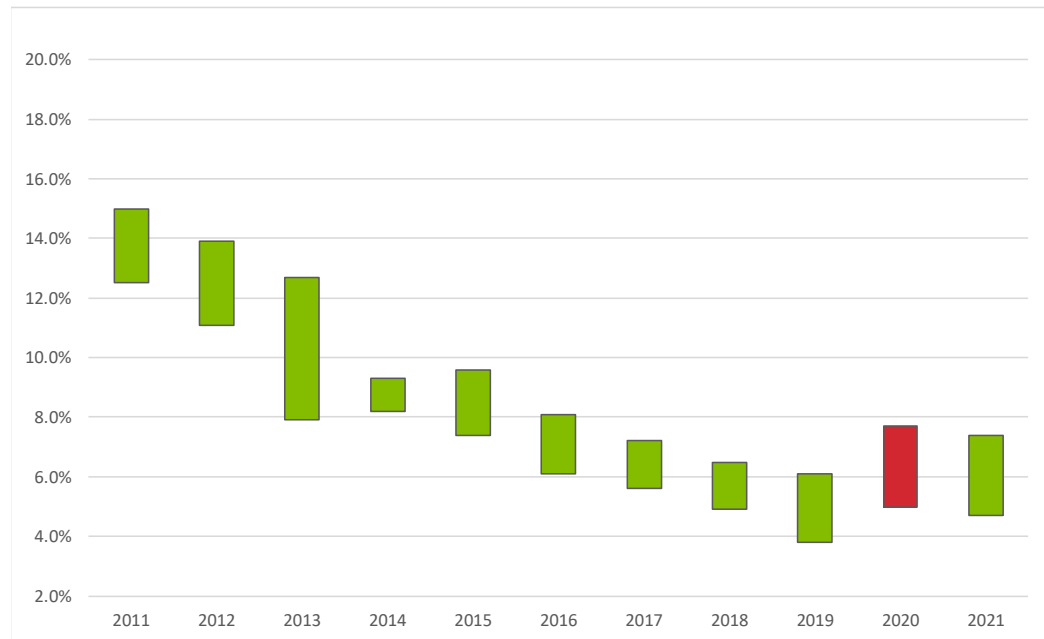
Source: ESRI; Compiled by NKF



### 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.

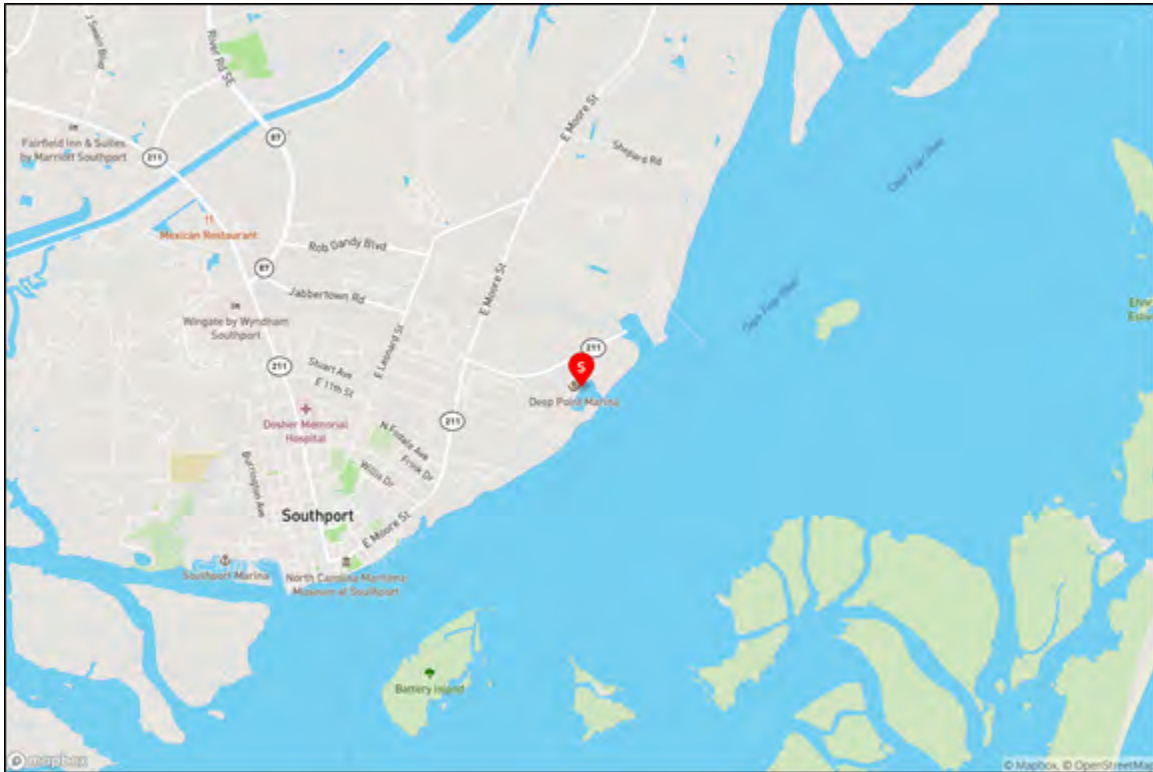
### Conclusion

| Positive Attributes                           | Negative Attributes   |
|---|---|
| ❌ Popular destination for tourists, retirees. | ❌ Volatility from dependence on tourism and national discretionary consumer spending. |
| ❌ Very strong population growth, including    |   |
| ❌ favorable migration trends.                 |   |
| ❌ Low cost of doing business.                 | ❌ 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.

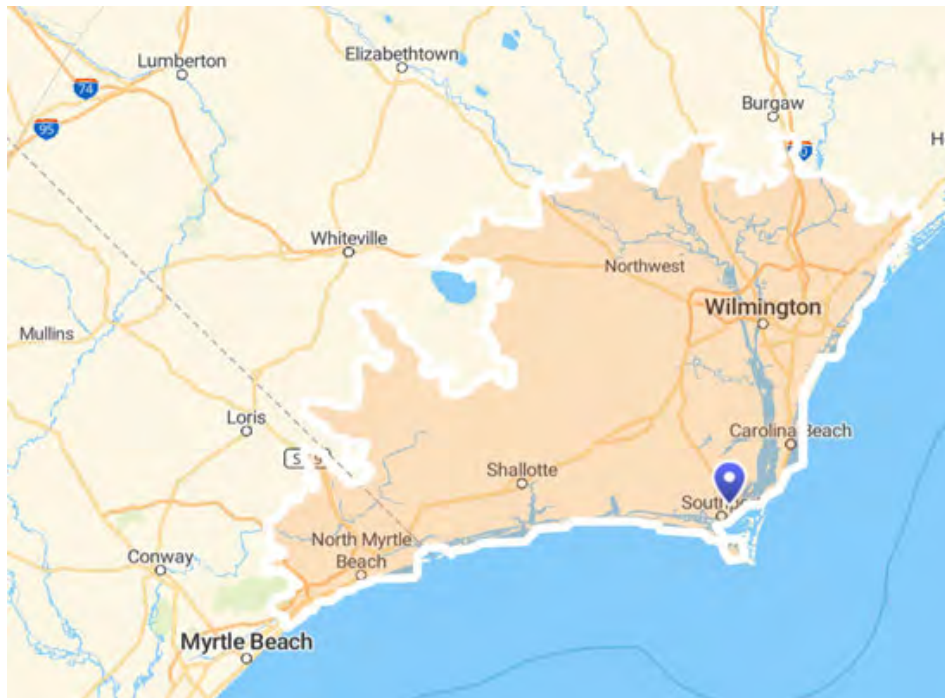
North Carolina Highway 211 (NC 211) is a 162.5-mile-long primary state highway in the U.S. state of North Carolina. It traverses mostly through the Sandhills and Coastal Plain regions of the state, connecting the cities of Candor, Aberdeen, Raeford, Lumberton, Bladenboro, and Southport.

### 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

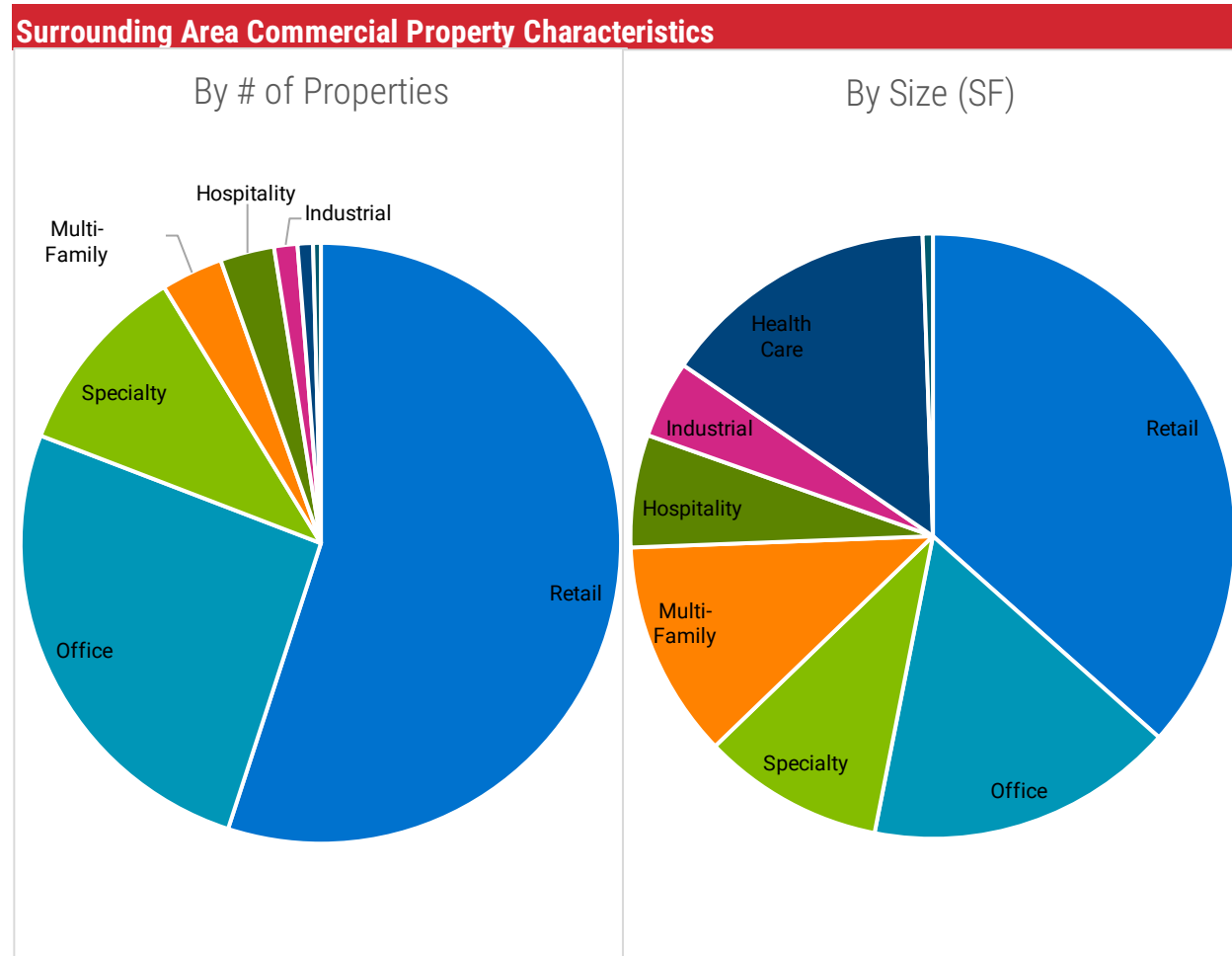
The commute to the Downtown Wilmington Information Center is about fifty minutes and the drive to Wilmington International Airport is about forty minutes. The following illustrates the 60-minute drive time from the subject.



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 |
| <b>Population</b>                  |               |                |                |           |                |                  |   |                |
| 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%           |
| <b>Households</b>                  |               |                |                |           |                |                  |   |                |
| 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%           |
| <b>Income</b>                      |               |                |                |           |                |                  |   |                |
| 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       |
| <b>Housing</b>                     |               |                |                |           |                |                  |   |                |
| 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           |
| <b>Miscellaneous Data Items</b>    |               |                |                |           |                |                  |   |                |
| 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<br>Builder           | Housing Type | Recorded<br>Closings | Sale<br>Price Avg | Sale Price Range             | %<br>Financed | Fin<br>SF Avg | Fin SF Range       | Bed<br>Avg | Bath<br>Avg | Lot<br>SF Avg | Acres<br>Avg |
|----------------------------------|--------------|----------------------|-------------------|------------------------------|---------------|---------------|--------------------|------------|-------------|---------------|--------------|
| <b>BALD HEAD ISLAND</b>          |              |                      |                   |                              |               |               |                    |            |             |               |              |
| 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         |
| <b>Subdivision Totals</b>        |              | <b>2</b>             | <b>\$242,000</b>  | <b>\$239,000-\$245,000</b>   | <b>95.0%</b>  | <b>1,983</b>  | <b>1,983</b>       | <b>4.0</b> | <b>3.0</b>  | <b>20,175</b> | <b>0.46</b>  |
| <b>BALD HEAD ISLAND STAGE</b>    |              |                      |                   |                              |               |               |                    |            |             |               |              |
| 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         |
| <b>Subdivision Totals</b>        |              | <b>3</b>             | <b>\$974,333</b>  | <b>\$591,500-\$1,479,000</b> | <b>63.2%</b>  | <b>2,533</b>  | <b>2,533</b>       | <b>4.0</b> | <b>4.5</b>  | <b>32,407</b> | <b>0.74</b>  |
| <b>SOUTHBEND</b>                 |              |                      |                   |                              |               |               |                    |            |             |               |              |
| 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         |
| <b>SOUTHERN HOMEBUILDERS INC</b> |              |                      |                   |                              |               |               |                    |            |             |               |              |
| Southern Homebuilders Inc        | Detached     | 1                    | \$264,500         | \$264,500                    | 90.0%         | 1,316         | 1,316              | 3.0        | 2.0         |               |              |
| <b>SOUTHPORT HGT</b>             |              |                      |                   |                              |               |               |                    |            |             |               |              |
| Herrick Homes Inc                | Detached     | 1                    | \$394,000         | \$394,000                    |               | 1,914         | 1,914              | 3.0        | 2.5         | 12,197        | 0.28         |
| <b>SOUTHVIEW PARK</b>            |              |                      |                   |                              |               |               |                    |            |             |               |              |
| 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         |
| <b>Subdivision Totals</b>        |              | <b>13</b>            | <b>\$213,885</b>  | <b>\$199,500-\$223,000</b>   | <b>95.3%</b>  | <b>2,041</b>  | <b>1,520-2,348</b> | <b>3.0</b> | <b>2.3</b>  | <b>6,909</b>  | <b>0.16</b>  |



## 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

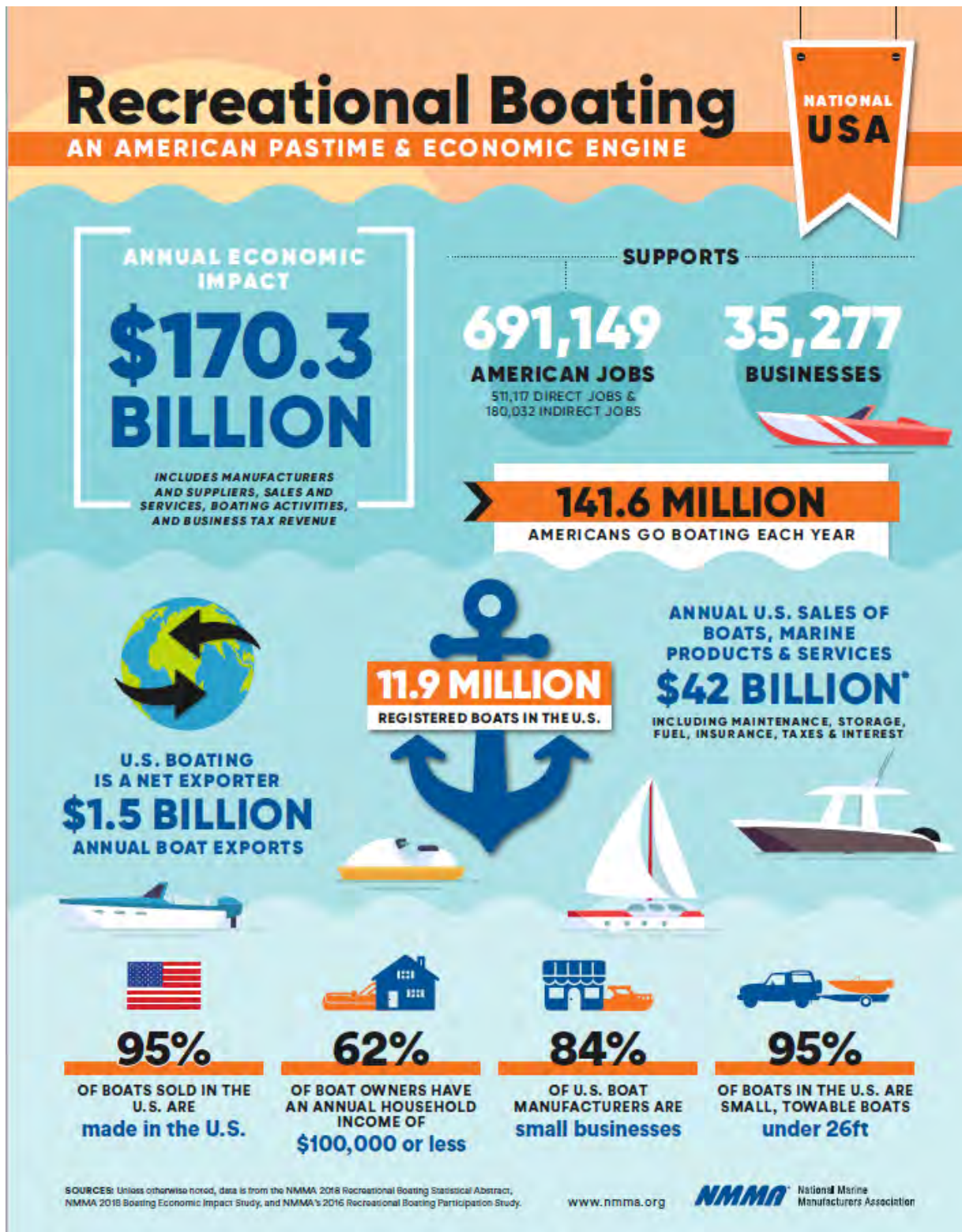
By far, the most difficult barrier to entry into the marina market is the lack of good waterfront development sites. We are aware of very few marinas and mixed-use waterfront projects that have been built on waterfront land that wasn't previously developed.

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.





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**

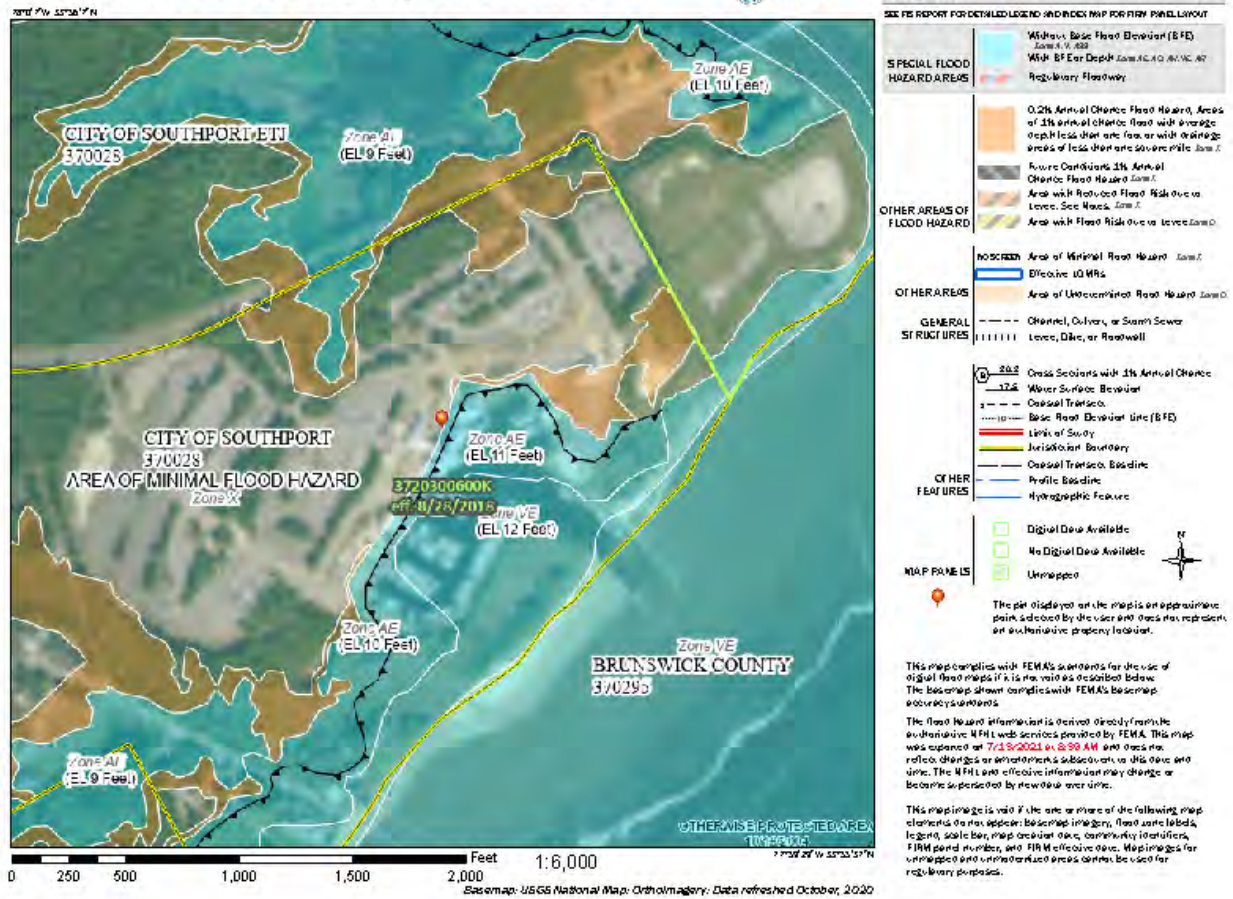
Demand for boat storage includes wet slips, dry rack storage, surface storage as well as on-trailer storage. The demand for these boat storage options within the market is a function of population, disposable income, marina location, proximity to popular fishing and family destinations, the pricing of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





## 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           |
| <b>Total Gross Land Area</b>   |                   |                | <b>2,387,144</b> | <b>54.8013</b>    |
| <b>Total Usable Land Area</b>  |                   |                | <b>2,387,144</b> | <b>54.8013</b>    |
| <b>Total Surplus Land Area</b> |                   |                | <b>0</b>         | <b>0.0000</b>     |
| <b>Total Excess Land Area</b>  |                   |                | <b>0</b>         | <b>0.0000</b>     |

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### 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.

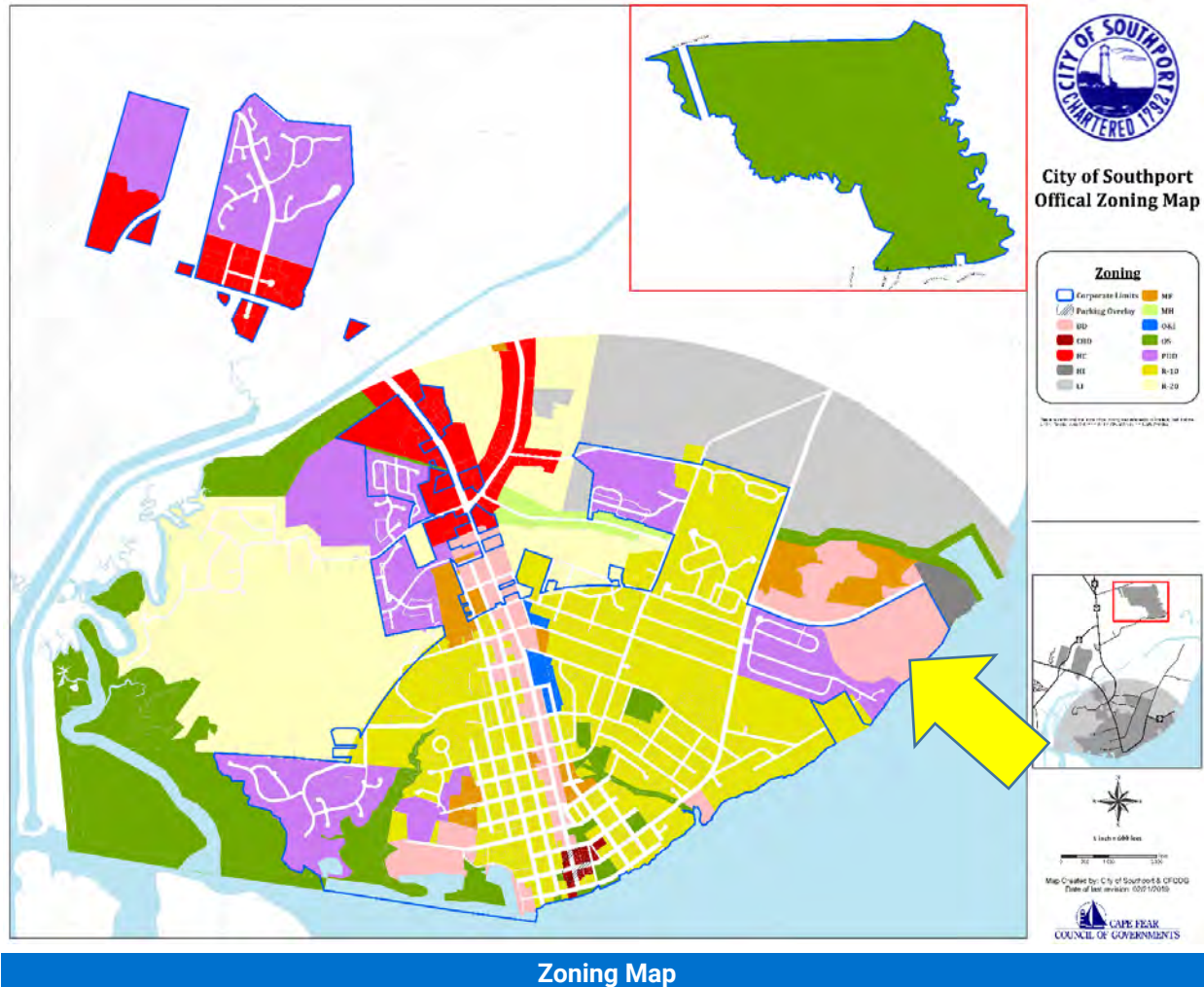
This assessment has revealed no evidence of *recognized environmental conditions* or controlled or historical recognized environmental conditions in connection with the subject property, except for the following:

- ♦ 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



| <b>Zoning Summary</b>  |   |
|--|---|
| <b>Category</b>  | <b>Description</b>  |
| 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  |

*Compiled by NKF*

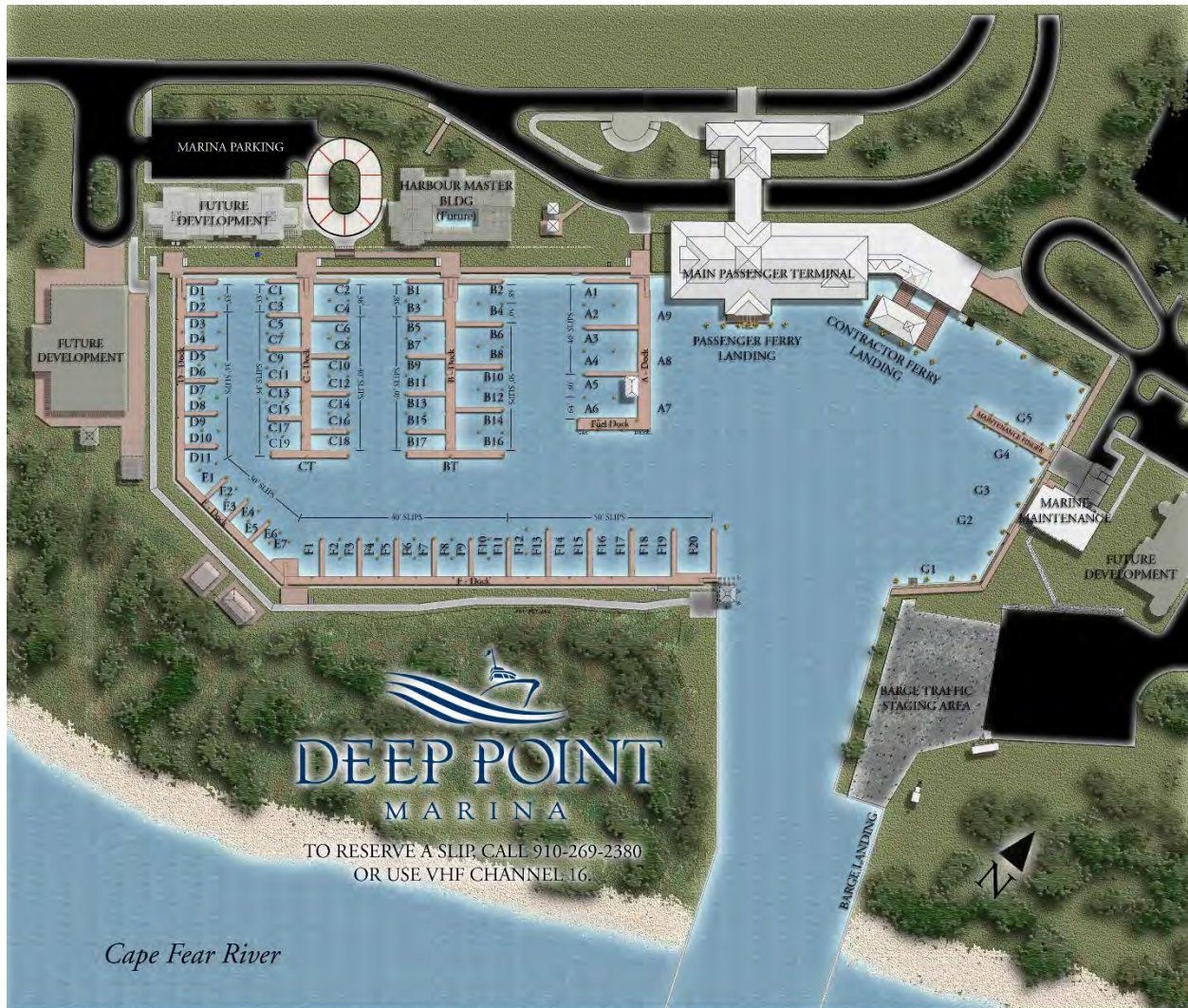
## Conclusion

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



This drawing is not to scale and is intended for illustrative purposes only. All areas shown, including boat slips, are subject to change without notice at the developer's discretion. Water line shown is approximate and subject to change due to natural forces.

## 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                       | Specialty                       | Specialty                       |
| Use Description                                    | Marina  | Service Garage                  | Warehouse/Distribution          | Other                           | Other                           | Other                           | Other                           | Other                           | Other                           |
| No. Buildings                                      | 1   | 1                               | 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 | Existing, Stabilized Operations | Existing, Stabilized Operations |
| Construction Class                                 | D   | S                               | S                               | D                               | D                               | D                               | D                               | D                               | D                               |
| Quality  | Average   | Average                         | Average                         | Average                         | Average                         | Average                         | Average                         | Average                         | Average                         |
| Current Condition                                  | Average   | Average                         | Average                         | Average                         | Average                         | Average                         | Average                         | Average                         | Average                         |
| Age/Life Depreciation Analysis                     |   |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
| Year Built   | 2009  | 2009                            | 2009                            | 2009                            | 2009                            | 2009                            | 2009                            | 2009                            | 2009                            |
| Year Renovated                                     | None  | None                            | None                            | None                            | None                            | None                            | None                            | None                            | None                            |
| Actual Age (Yrs.)                                  | 12  | 12                              | 12                              | 12                              | 12                              | 12                              | 12                              | 12                              | 12                              |
| Economic Life (Yrs.)                               | 50  | 45                              | 45                              | 45                              | 40                              | 40                              | 40                              | 40                              | 40                              |
| Effective Age (Yrs.)                               | 7   | 7                               | 7                               | 7                               | 7                               | 7                               | 7                               | 7                               | 7                               |
| Remaining Economic Life (Yrs.)                     | 43  | 38                              | 38                              | 38                              | 33                              | 33                              | 33                              | 33                              | 33                              |
| Percent Depreciation                               | 14.00%  | 15.56%                          | 15.56%                          | 15.56%                          | 17.50%                          | 17.50%                          | 17.50%                          | 17.50%                          | 17.50%                          |
| Floor Area Analysis                                |   |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
| Number of Stories                                  | 2   | 1                               | 1                               | 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                           | Other                           | Other                           |
| Foundation   | Reinforced Concrete Slab & Pilings              | Reinforced Concrete             | Reinforced Concrete             | Wood Subfloor & Pilings         | Reinforced Concrete             | Reinforced Concrete             | Reinforced Concrete             | Wood                            | Wood                            |
| Basement   | None  | None                            | None                            | None                            | None                            | None                            | None                            | None                            | None                            |
| Structural Frame                                   | rdi-plank siding plus metal ancillary buildings | Steel                           | Steel                           | Wood                            | Wood                            | Wood                            | Wood                            | Wood                            | Wood                            |
| Exterior Walls                                     | Siding  | Siding                          | Siding                          | Siding                          | Siding                          | Siding                          | Siding                          | Siding                          | Siding                          |
| Windows  | Tempered Glass                                  | Tempered Glass                  | Tempered Glass                  | Tempered Glass                  | Tempered Glass                  | Tempered Glass                  | Tempered Glass                  | Tempered Glass                  | Tempered Glass                  |
| Roof   | Metal   | Metal                           | Metal                           | Metal                           | Shingle                         | Metal                           | Metal                           | Metal                           | Metal                           |
| Interior Finish                                    |   |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
|  | Marina  | Service Garage                  | Warehouse/Distribution          | Other                           | Other                           | Other                           | Other                           | Other                           | Other                           |
| Floors   | Tile & Carpet                                   | Tile & Carpet                   | 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  | 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         | Suspended Acoustic Tile         | Suspended Acoustic Tile         |
| Lighting   | Fluorescent                                     | Fluorescent                     | Fluorescent                     | Fluorescent                     | Fluorescent                     | Fluorescent                     | Fluorescent                     | Fluorescent                     | Fluorescent                     |
| Engineering & Mechanical                           |   |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
|  | Marina  | Service Garage                  | Warehouse/Distribution          | Other                           | Other                           | Other                           | Other                           | Other                           | Other                           |
| HVAC   | Package HVAC                                    | Package 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                | Assumed adequate                | Assumed adequate                |
| Plumbing   | Assumed adequate                                | Assumed adequate                | 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            | Individually metered            | Individually metered            |
| Elevators  | None  | None                            | None                            | None                            | None                            | None                            | None                            | None                            | None                            |
| Rest Rooms   | Assumed adequate                                | Assumed adequate                | Assumed adequate                | Assumed adequate                | Assumed adequate                | Assumed adequate                | Assumed adequate                | Assumed adequate                | Assumed adequate                |
| Fire Sprinklers                                    | Yes   | No                              | No                              | No                              | No                              | No                              | No                              | No                              | No                              |
| Improvement Features and Amenities                 |   |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
|  | Marina  | Service Garage                  | Warehouse/Distribution          | Other                           | Other                           | Other                           | Other                           | Other                           | Other                           |
| Property Amenities                                 | Café  | None                            | None                            | 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     | 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           |
| <b>Property Type Subtotals</b>    |                                   |           |               |               |
| 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           |
| <b>Improvements Total</b>         |                                   | <b>7</b>  | <b>50,325</b> | <b>50,325</b> |

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                        |
| Bald Head Island        | DPM Barge Ramp            | Satisfactory          | Good                 | Medium                  | \$154,000                        |
|                         | 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 |

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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,<br>Leland, NC 28451 | 852 Sunset Blvd N,<br>Sunset Beach, NC<br>28468 | 5160 Ocean Hwy W,<br>Shallotte, NC 28470 | 75 Lanvale Rd,<br>Winnabow, NC 28479 | 7295 Beach Dr SW,<br>Ocean Isle Beach,<br>NC 28469 | 4901 Bellamy Ave,<br>Shallotte, NC 28470 | Deep Point Ferry<br>Terminal & Parking<br>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

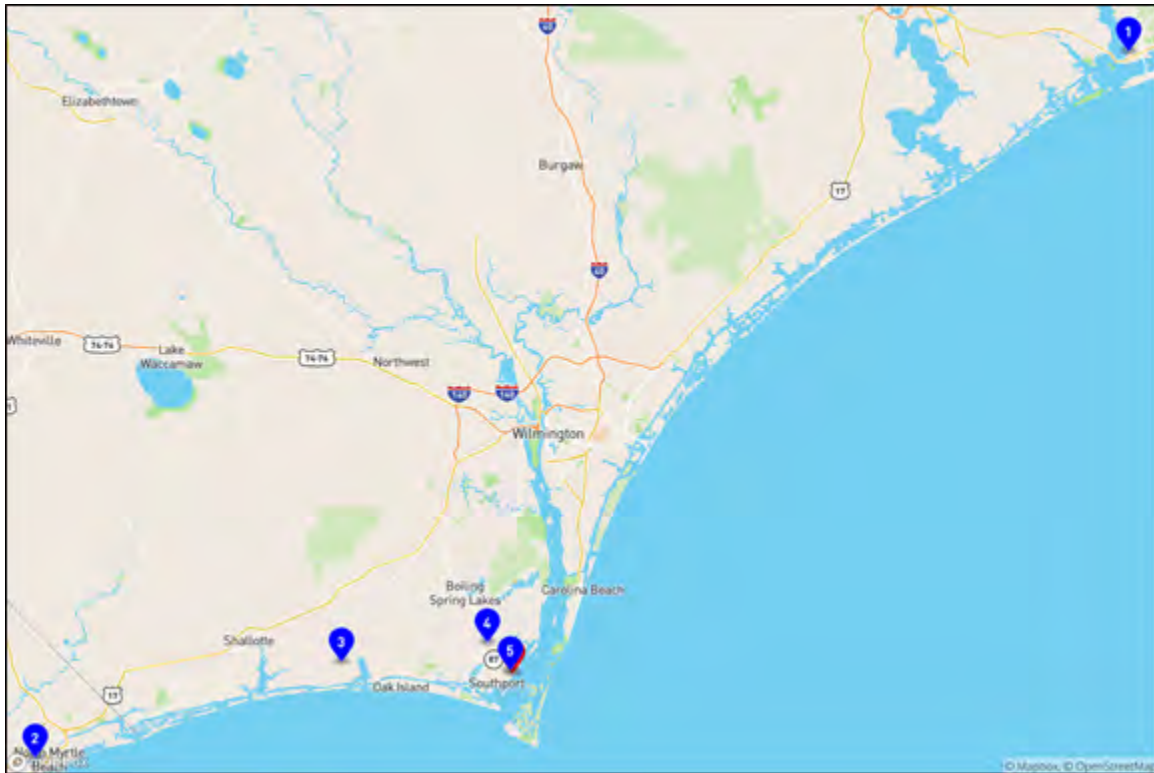
The existing improvements are legally conforming to zoning. There are no known legal restrictions to the continued use of the improvements as they were designed. As previously discussed, the improvements are rated as average for their age and location. The improvements conform to the expectations of 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 Lic          | 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                    |
| <b>Transaction Adjustments</b>                |                 |                    |                        |                         |                |                           |
| Property Rights                               | 0%              | 0%                 | 0%                     | 0%                      | 0%             | 0%                        |
| Financing                                     | 0%              | 0%                 | 0%                     | 0%                      | 0%             | 0%                        |
| Conditions of Sale                            | 0%              | 0%                 | 0%                     | 0%                      | 0%             | -10%                      |
| Market Conditions (Time)                      | 7%              | 3%                 | 1%                     | 1%                      | 0%             | 0%                        |
| Subtotal (adjustments are multiplied)         | 7.0%            | 3.0%               | 1.0%                   | 1.0%                    | 1.0%           | -10.0%                    |
| Transaction Adjusted Price Per Usable Land SF | \$1.22          | \$2.19             | \$1.05                 | \$1.56                  | \$0.91         |                           |
| <b>Physical Adjustments</b>                   |                 |                    |                        |                         |                |                           |
| Location                                      | 10%             | -15%               | 10%                    | -10%                    | 0%             | 0%                        |
| Corner  | 0%              | 0%                 | 0%                     | 0%                      | 0%             | 0%                        |
| Frontage                                      | 0%              | 0%                 | 0%                     | 0%                      | 0%             | 0%                        |
| Size  | 0%              | 0%                 | 0%                     | 0%                      | 0%             | 20%                       |
| Shape   | 0%              | -20%               | 20%                    | 0%                      | 0%             | 0%                        |
| Topography                                    | 0%              | 0%                 | 0%                     | 0%                      | 0%             | 20%                       |
| Utilities                                     | 0%              | 0%                 | 0%                     | 0%                      | 0%             | 0%                        |
| Zoning  | 0%              | 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%          |                           |
| <b>Indicated Price Per Usable Land SF</b>     | <b>\$1.34</b>   | <b>\$1.43</b>      | <b>\$1.37</b>          | <b>\$1.40</b>           | <b>\$1.27</b>  |                           |

*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      |
| <b>Comparable Sales Indications</b> | <b>Range</b>    | <b>Average</b> |
| 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*



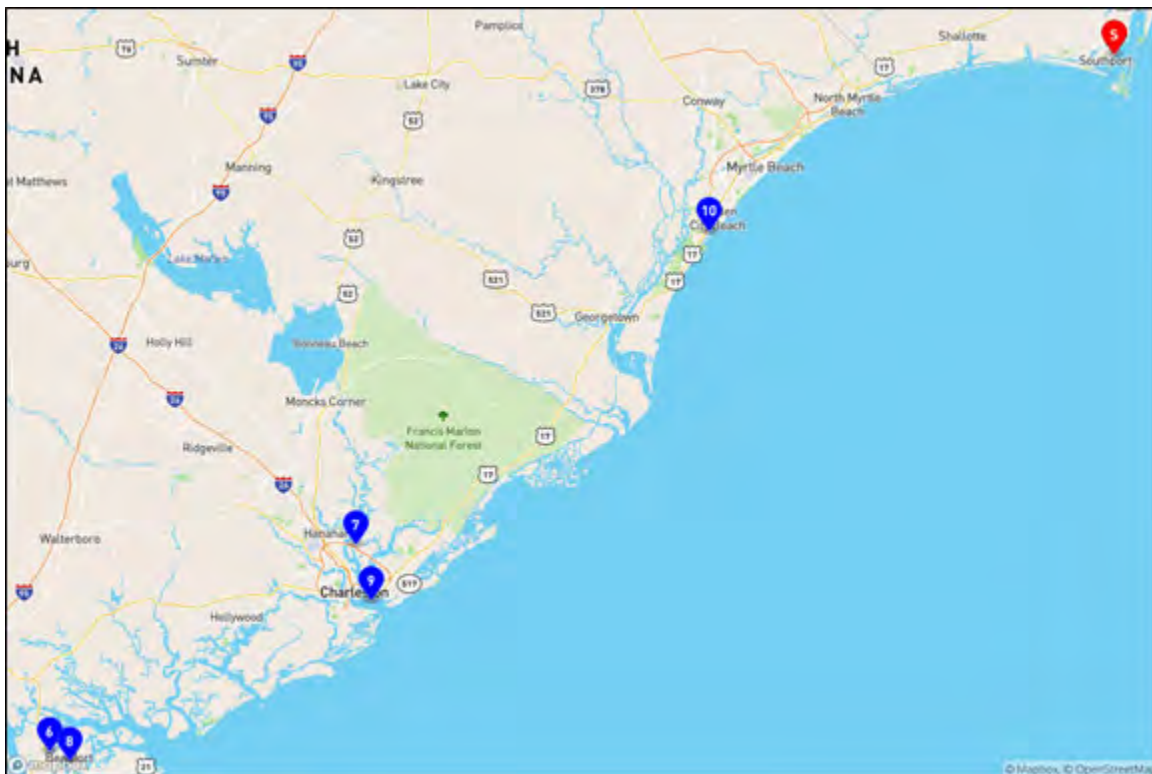
# Land Valuation – Ferry Terminal/Barge Site

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.

| 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*

Based on a review of market activity, the appropriate unit of comparison for the subject excess land is price per usable land sf.



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<br>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.

| <b>Comparable Land Sales Adjustment Grid</b>  |                 |                      |                |                    |                         |                     |
|---|-----------------|----------------------|----------------|--------------------|-------------------------|---------------------|
| <b>Subject</b>                                | <b>Sale 6</b>   | <b>Sale 7</b>        | <b>Sale 8</b>  | <b>Sale 9</b>      | <b>Sale 10</b>          |                     |
| 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             |
| <b>Transaction Adjustments</b>                |                 |                      |                |                    |                         |                     |
| 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             |
| <b>Physical Adjustments</b>                   |                 |                      |                |                    |                         |                     |
| 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%              |
| <b>Indicated Price Per Usable Land SF</b>     |                 | <b>\$13.88</b>       | <b>\$13.52</b> | <b>\$14.34</b>     | <b>\$16.58</b>          | <b>\$17.07</b>      |

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## 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        |
| <b>Comparable Sales Indications</b> | <b>Range</b>      | <b>Average</b> |
| 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    |

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# 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        | Attendant Buildings    | Storage                             | Subtotal     |
| MVS Improvement Type                          | Specialty - Marina | Industrial - Service | Garage Warehouse/Distribution | Industrial - Warehouse/Distribution | Specialty - Other | Specialty - Other | Office - Other | Warehouse/Distribution | Industrial - Warehouse/Distribution |              |
| Construction Class                            | D                  | S                    | S                             | S                                   | D                 | D                 | D              | D                      | D                                   |              |
| Quality                                       | Good               | Good                 | Good                          | Good                                | Good              | Good              | Good           | Good                   | Good                                |              |
| 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          | 2/1/2020          | 12/1/2019      | 2/1/2020               |                                     |              |
| Base Cost PSF                                 | \$185.00           | \$69.50              | \$69.00                       | \$111.00                            | \$41.25           | \$35.50           | \$41.25        | \$41.25                |                                     |              |
| + Sprinklers                                  | 3.71               | 0.00                 | 0.00                          | 3.72                                | 0.00              | 0.00              | 0.00           | 0.00                   |                                     |              |
| Adjusted Base Cost PSF                        | \$188.71           | \$69.50              | \$69.00                       | \$114.72                            | \$41.25           | \$35.50           | \$41.25        | \$41.25                |                                     |              |
| <b>Height &amp; Size Refinements</b>          |                    |                      |                               |                                     |                   |                   |                |                        |                                     |              |
| # 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                            | \$188.71           | \$69.50              | \$69.00                       | \$114.72                            | \$41.25           | \$35.50           | \$41.25        | \$41.25                |                                     |              |
| <b>Final Calculations</b>                     |                    |                      |                               |                                     |                   |                   |                |                        |                                     |              |
| 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                            | \$255.79           | \$201.39             | \$74.17                       | \$73.64                             | \$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                                 | \$12,872,449       | \$8,288,662          | \$215,910                     | \$391,969                           | \$43,585          | \$4,402           | \$6,668        | \$13,295               |                                     | \$21,836,939 |
| + Indirect Costs @ 20.00%                     | \$2,574,490        | \$1,657,732          | \$43,182                      | \$78,394                            | \$8,717           | \$880             | \$1,334        | \$2,659                |                                     | \$4,367,388  |
| MVS Indicated Cost New Before Profit          | \$15,446,939       | \$9,946,395          | \$259,092                     | \$470,362                           | \$52,302          | \$5,283           | \$8,001        | \$15,954               |                                     | \$26,204,327 |

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 | \$10.40      | \$2,451,280         | 1.16          | 0.92        | \$2,616,006         |
| Asphalt Paving                           | SF       | 235,700 | \$2.59       | \$610,463           | 1.16          | 0.92        | \$651,486           |
| Miscellaneous (Barge Ramp)               | Lump Sum | 1       | \$900,000.00 | \$900,000           | 1.16          | 0.92        | \$960,480           |
| Miscellaneous (Parking Equipment)        | Lump Sum | 1       | \$500,000.00 | \$500,000           | 1.16          | 0.92        | \$533,600           |
| Miscellaneous (Service Equipment)        | Lump Sum | 1       | \$750,000.00 | \$750,000           | 1.16          | 0.92        | \$800,400           |
| Seawall                                  | LF       | 1,871   | \$1,250.00   | \$2,338,750         | 1.16          | 0.92        | \$2,495,914         |
| <b>Totals</b>                            |          |         |              | <b>\$12,061,890</b> |               |             | <b>\$12,872,449</b> |

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## Entrepreneurial Profit

| Entrepreneurial Profit            |                   |                |                    |                    |                |                 |         |                     |         |              |
|-----------------------------------|-------------------|----------------|--------------------|--------------------|----------------|-----------------|---------|---------------------|---------|--------------|
| Building and Site Improvements    | Site Improvements | Ferry Terminal | Marine Maintenance | Shipping/Receiving | IT Data Center | Barge Equipment | Parking | Attendant Buildings | Storage | Subtotal     |
| Reconciled Cost New Before Profit | \$15,446,939      | \$9,946,395    | \$259,092          | \$470,362          | \$52,302       | \$5,283         | \$8,001 | \$15,954            |         | \$26,204,327 |
| Entrepreneurial Profit @ 15.00%   | \$2,317,041       | \$1,491,959    | \$38,864           | \$70,554           | \$7,845        | \$792           | \$1,200 | \$2,393             |         | \$3,930,649  |
| Replacement Cost New (RCN)        | \$17,763,980      | \$11,438,354   | \$297,956          | \$540,917          | \$60,147       | \$6,075         | \$9,202 | \$18,347            |         | \$30,134,976 |
| \$ PSF                            | \$352.99          | \$277.92       | \$102.36           | \$101.62           | \$168.95       | \$60.75         | \$52.28 | \$60.75             |         | \$598.81     |

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## 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        |                      |                  |
| <b>Building Subtotal</b>                          | <b>\$159,000</b> | <b>Site Subtotal</b> | <b>\$0</b>       |
| Combined Total for Site and Building Improvements |                  | \$159,000            |                  |
| Entrepreneurial Profit @ 10.00%                   |                  | \$15,900             |                  |
| <b>Total Deferred Maintenance (Rounded)</b>       |                  |                      | <b>\$175,000</b> |

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- ❖ 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         |                | Marine      |                    | IT Data Center | Barge Parking |        | Attendant Buildings | Storage |
|                                | Improvements | Ferry Terminal | Maintenance | Shipping/Receiving |                | Equipment     |        |                     |         |
| Year Built                     | See Site     | 2009           | 2009        | 2009               | 2009           | 2009          | 2009   | 2009                | 2009    |
| Year Renovated                 | Improvements | None           | None        | None               | None           | None          | None   | None                | None    |
| Actual Age (Yrs.)              | Depreciation | 12             | 12          | 12                 | 12             | 12            | 12     | 12                  | 12      |
| Economic Life (Yrs.)           | Detail       | 50             | 45          | 45                 | 45             | 40            | 40     | 40                  | 40      |
| Effective Age (Yrs.)           |              | 7              | 7           | 7                  | 7              | 7             | 7      | 7                   | 7       |
| Remaining Economic Life (Yrs.) |              | 43             | 38          | 38                 | 38             | 33            | 33     | 33                  | 33      |
| Percent Depreciation           |              | 24.90%         | 14.00%      | 15.56%             | 15.56%         | 15.56%        | 17.50% | 17.50%              | 17.50%  |

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| 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 Equipment) | \$736,368           | 15   | 1        | 14.0 Yrs | 6.7%          |  |
| Miscellaneous (Service Equipment) | \$1,104,552         | 20   | 1        | 19.0 Yrs | 5.0%          |  |
| Seawall                           | \$3,444,361         | 35   | 7        | 28.0 Yrs | 20.0%         |  |
| <b>Totals</b>                     | <b>\$17,763,980</b> |      |          |          | <b>24.90%</b> |  |

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### 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.

| Building and Site Improvements | Site         |                | Marine      | Shipping/Receiving | IT Data  | Barge     | Parking   | Storage  | Subtotal     |
|--------------------------------|--------------|----------------|-------------|--------------------|----------|-----------|-----------|----------|--------------|
|                                | Improvements | Ferry Terminal | Maintenance |                    | Center   | Equipment | Buildings |          |              |
| 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     |

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### 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        |
| <b>As Stabilized Value</b>                                     | <b>\$34,044,416</b> |
| <b>Rounded</b>   | <b>\$34,000,000</b> |
| Deferred Maintenance   | (\$175,000)         |
| Near Term Capital Expenses                                     | \$0                 |
| <b>As Is Value</b>   | <b>\$33,869,416</b> |
| <b>Rounded</b>   | <b>\$33,900,000</b> |

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# 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 |

*Compiled by NKF* 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      |

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### 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

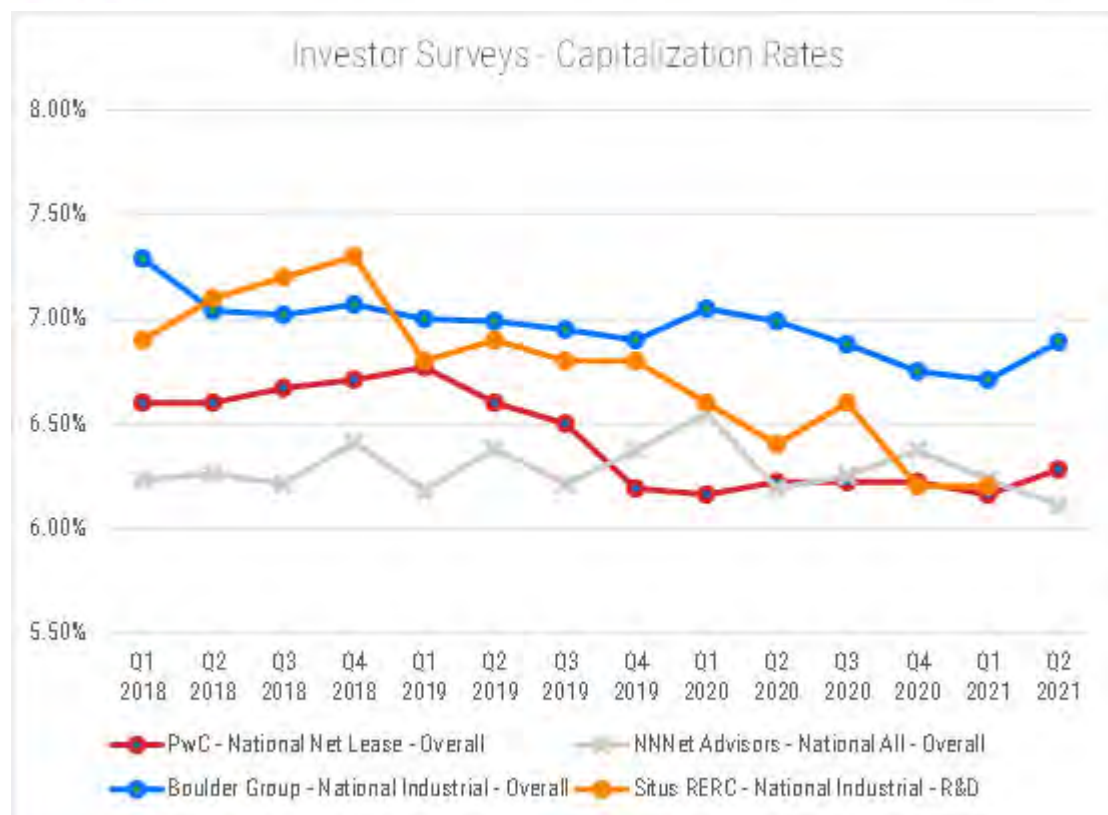
The following subsections represent different techniques for deriving an overall capitalization rate. While comparable sales would be a primary method, a sales comparison approach was not completed, thus rates could not be extract from those transactions. Note that this section does not consider the 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%        |
| <b>Indicated Capitalization Rate (Rounded)</b>   |     |   |        |   | <b>7.25%</b> |

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

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.

| <b>Income Capitalization Approach</b>             |                |                           |                         |                     |
|---|----------------|---------------------------|-------------------------|---------------------|
| <b>Summary of Stabilized Net Operating Income</b> |                |                           |                         |                     |
| Item Description                                  |                | % of Income               | \$ / SF                 | Total \$            |
| <b>Specialty Income</b>                           |                |                           | 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                 |
| <b>Effective Gross Specialty Income</b>           |                |                           | <b>\$46.05</b>          | <b>\$2,317,500</b>  |
| <b>Operating Expenses</b>                         |                |                           | 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%                     | \$0.00                  | \$0                 |
| Other Expenses                                    | Paid by Tenant |                           | \$0.00                  | \$0                 |
| <b>Total Operating Expenses</b>                   |                | <b>0.00%</b>              | <b>\$0.00</b>           | <b>\$0</b>          |
| <b>Net Operating Income</b>                       |                |                           | <b>\$46.05</b>          | <b>\$2,317,500</b>  |
| <b>Direct Capitalization Method</b>               |                |                           |                         |                     |
| 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        |
| <b>Rounded</b>                                    |                |                           | <b>\$635.87</b>         | <b>\$32,000,000</b> |
|   |                |                           | <b>Valuation Matrix</b> |                     |
|   |                |                           | OAR                     | Value               |
|   |                |                           | 6.75%                   | \$34,333,333        |
|   |                |                           | 7.00%                   | \$33,107,143        |
|   |                |                           | <b>7.25%</b>            | <b>\$31,965,517</b> |
|   |                |                           | 7.50%                   | \$30,900,000        |
|   |                |                           | 7.75%                   | \$29,903,226        |
| <b>As Is</b>                                      |                |                           |                         |                     |
| 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        |
| <b>Rounded</b>                                    |                |                           | <b>\$631.89</b>         | <b>\$31,800,000</b> |

Compiled by NKF



# Reconciliation of Value

The values indicated by our analyses are as follows:

| <b>Market Value Indications</b>             |                                |
|---|--------------------------------|
| <b>Market Value Premise<br/>As of Date:</b> | <b>As Is<br/>July 17, 2021</b> |
| 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.

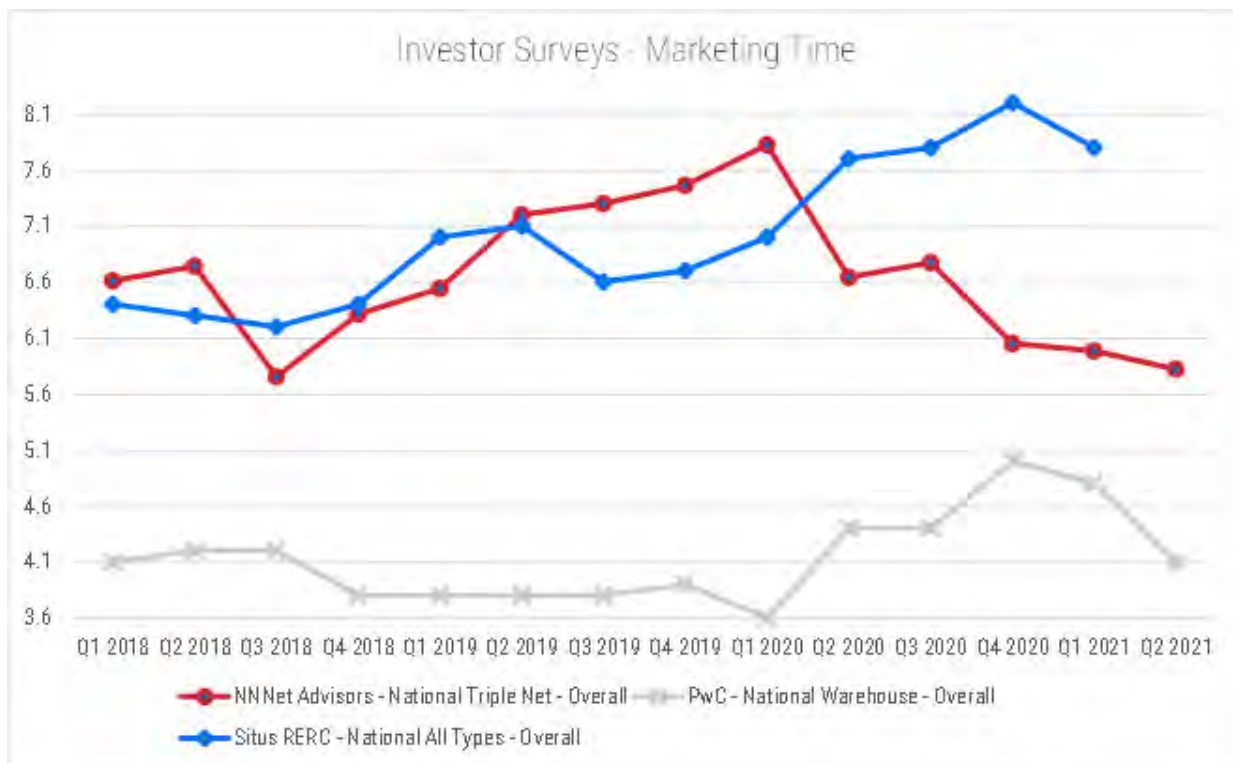
### Investor Surveys - Marketing Times

| 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. <sup>1</sup>
- ◆ **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.

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<sup>1</sup> 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

NORTH CAROLINA  
BRUNSWICK COUNTY

**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 NCPSS 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, UTENSIL 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 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 MDT/TITLE/FEMA FLOOD HAZARD AREAS AS SHOWN PER FEMA MAP 372030600K. MAP REVISED 09/20/2016. DELETED FEMA FLOOD HAZARD AREAS PER GOVERNMENT ON-LINE RESOURCE DOWNLOAD WWW.NCFLOODMAPS.COM (HTTP://FR16.NC.GOV/FR16S).

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

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 \_\_\_\_\_

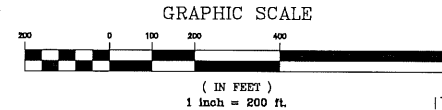
SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

ADDRESS \_\_\_\_\_ TELEPHONE NUMBER \_\_\_\_\_

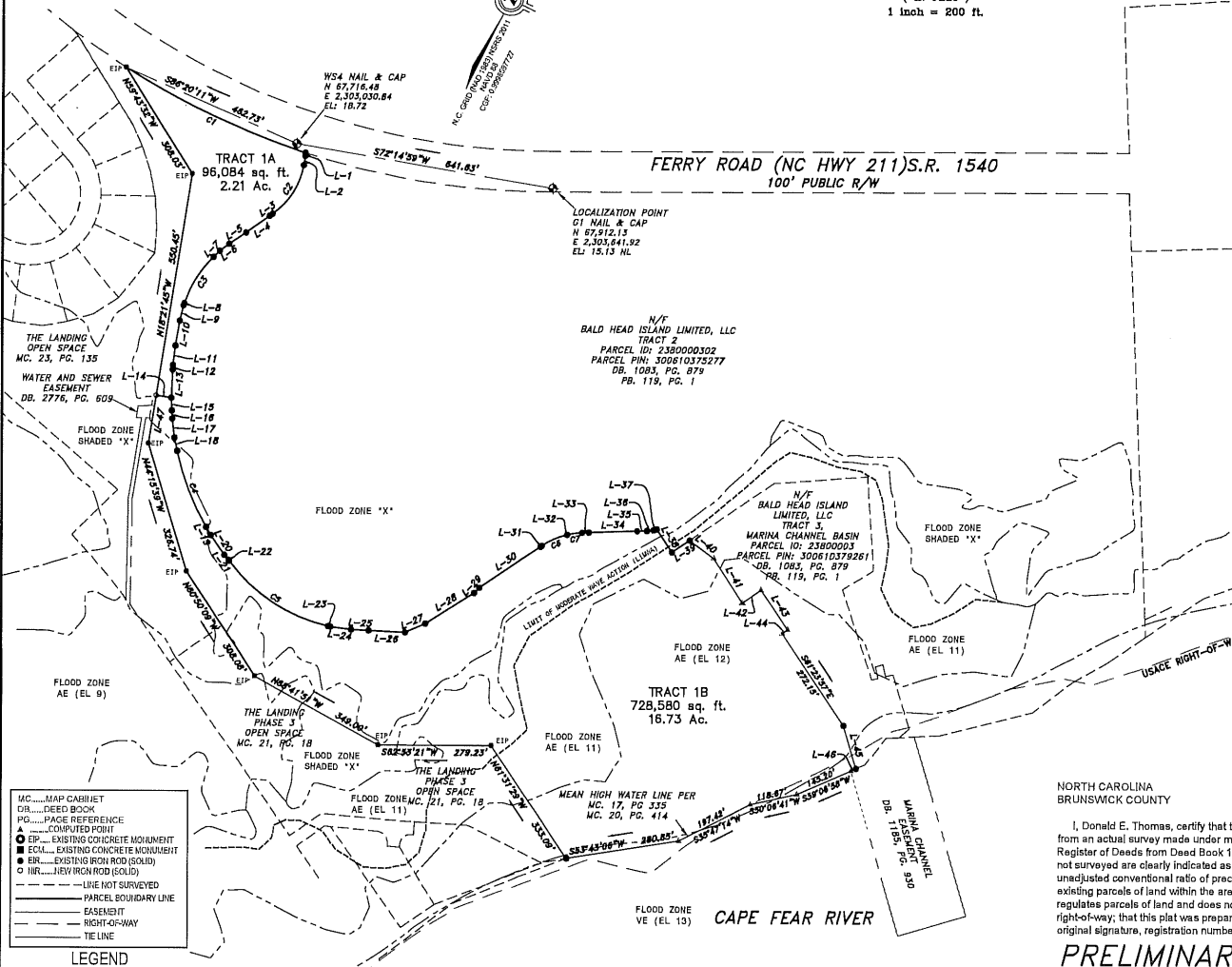
PARCEL INFORMATION  
PID: 2380000501  
PIN: 300810483960  
ZONING: SP-BD

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 | 88.20'  |
| L-2               | S18°09'53"E | 23.05' | L-27              | N39°24'43"E | 54.02'  |
| L-3               | S28°41'02"W | 0.83'  | L-28              | N30°23'14"E | 142.00' |
| L-4               | N27°18'58"E | 71.08' | L-29              | N15°43'54"E | 17.93'  |
| L-5               | N29°05'24"E | 50.11' | L-30              | N28°47'25"E | 181.63' |
| L-6               | N25°08'03"E | 28.53' | L-31              | N28°48'42"E | 3.79'   |
| L-7               | N18°00'22"E | 21.89' | L-32              | N49°08'50"E | 0.82'   |
| L-8               | S0°13'22"E  | 5.87'  | L-33              | N80°28'17"E | 16.11'  |
| L-9               | N13°42'51"W | 36.83' | L-34              | N80°52'58"E | 119.76' |
| L-10              | N17°54'25"W | 61.74' | L-35              | N80°58'28"E | 24.23'  |
| L-11              | N20°01'37"W | 46.85' | L-36              | N55°52'41"E | 16.33'  |
| L-12              | N25°19'58"W | 10.84' | L-37              | N50°25'23"E | 8.28'   |
| L-13              | N24°44'59"W | 68.80' | L-38              | S61°18'21"E | 87.43'  |
| L-14              | S71°38'15"W | 37.61' | L-39              | N28°42'11"E | 52.84'  |
| L-15              | S30°20'59"E | 31.21' | L-40              | S80°25'39"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              | S37°40'21"E | 23.81' | L-44              | S28°38'03"W | 16.00'  |
| L-20              | S62°10'21"E | 58.35' | L-45              | S45°50'34"E | 110.03' |
| L-21              | S68°40'50"E | 16.30' | L-46              | S39°08'58"W | 13.47'  |
| L-22              | S63°58'54"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' |                   |             |         |



VICINITY MAP



**LEGEND**

- MC.....MAP CABINET
- DB.....DEED BOOK
- PG.....PAGE REFERENCE
- A.....COMPUTED POINT
- EP.....EXISTING CONCRETE MONUMENT
- ECAL.....EXISTING CONCRETE MONUMENT
- ER.....EXISTING IRON ROD (SOLID)
- IR.....NEV IRON ROD (SOLID)
- LINE NOT SURVEYED
- PARCEL BOUNDARY LINE
- EASEMENT
- RIGHT-OF-WAY
- TIE LINE

**Curve Table**

| Curve # | Chord Direction | Chord Length | Length  | Radius   | Delta   |
|---------|-----------------|--------------|---------|----------|---------|
| C1      | N87°39'33"E     | 491.06'      | 492.38' | 1958.05' | 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 - MGR/REG/STATE  
2111 Racine Drive, Suite 101  
Wilmington, North Carolina 28403  
(910) 444-3899 / 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

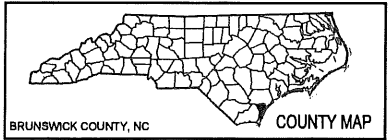


|                                 |                    |
|---------------------------------|--------------------|
| DATE<br>11-17-2020              | SCALE<br>1" = 200' |
| DRAWN BY<br>DET                 | CHECKED BY<br>KWK  |
| REVISIONS                       |                    |
| DESCRIPTION-<br>SUBDIVISION MAP |                    |
| SHEET<br>1 OF 1                 |                    |

Map Cabinet 119 Page 1

11/28/2020 LC

119/1



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

*J. J. Swartz*  
Review Officer 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:  
(a) 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;  
(b) That this survey is of an existing parcel of land;  
(c) 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;  
(d) 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.

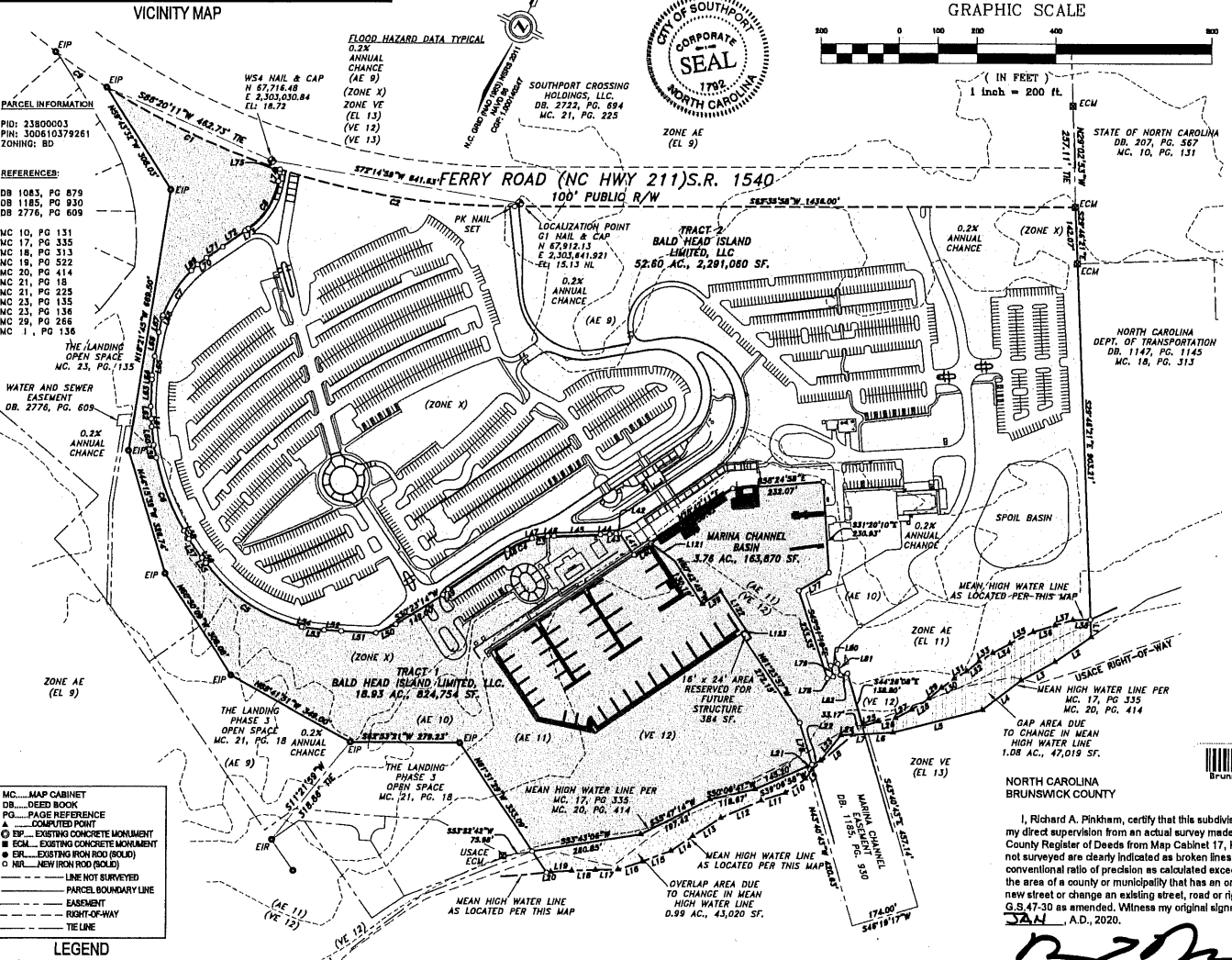
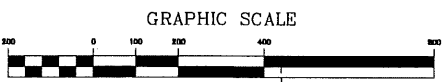
THE UNDERSIGNED HEREBY ACKNOWLEDGES THAT THE LAND SHOWN ON THIS PLAT IS WITHIN THE SUBDIVISION REGULATION JURISDICTION OF THE CITY OF SOUTHPORT AND THAT THIS PLAT AND ALLOTMENT IS MY FREE AND VOLUNTARY ACT.  
OWNERS SIGNATURE: BALD HEAD ISLANDS LIMITED, LLC  
BY: CHARLES A. PAUL, III, MANAGER  
ADDRESS: P.O. BOX 3019 TELEPHONE NUMBER: 910-457-1500  
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* 01/28/2020  
SIGNATURE DATE  
Professional Land Surveyor Number L-4646

SURVEY NOTES:  
1. This Subdivision Survey is derived from information gathered by an actual field survey made by this office and plotted June, 2018.  
2. Horizontal datum used for this project is NAD 1983 NCP82 2011.  
3. All distances are horizontal ground measurements unless otherwise noted.  
4. All areas computed by coordinate comparison 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 parcel.  
7. Any encumbrances or assessments regarding credits, 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.  
8. Portions of the parcel do lie within FEMA Flood Hazard Areas as shown per FEMA Map # 3720300600K effective date 08/27/2018. Depicted FEMA Flood Hazard Areas per government on-line resource downloaded www.floodmaps.com (http://flood.gov/haz).

ADDITIONAL REFERENCES:  
CPL: DB 308, PG 428  
EASEMENT: DB 654, PG 1028  
187 AMEND: DB 733, PG 679  
DECLARATION OF PROTECTIVE COVENANTS  
404 WETLANDS AREAS: DB 2748, PG 1273

Parcel Line Table

| Line # | Direction   | Length  | Line # | Direction   | Length  |
|--------|-------------|---------|--------|-------------|---------|
| L1     | S89°48'21"W | 441.11' | L44    | S40°58'58"W | 24.82'  |
| L2     | S23°53'40"W | 112.83' | L45    | S70°25'58"W | 118.79' |
| L3     | S33°37'11"W | 97.84'  | L46    | N02°51'17"E | 16.11'  |
| L4     | S23°24'58"W | 124.64' | L47    | S48°04'30"W | 0.62'   |
| L5     | S48°28'54"W | 238.70' | L48    | S28°48'42"E | 3.78'   |
| L6     | N85°41'46"E | 82.42'  | L49    | S15°43'54"W | 17.83'  |
| L7     | N59°43'36"E | 38.58'  | L50    | S39°24'48"W | 54.88'  |
| L8     | S22°35'57"W | 171.81' | L51    | S63°13'38"W | 88.20'  |
| L9     | N8°25'13"W  | 38.65'  | L52    | N63°33'59"E | 43.51'  |
| L10    | S28°00'04"W | 88.64'  | L53    | S70°04'51"W | 51.84'  |
| L11    | S44°35'50"W | 64.88'  | L54    | N78°04'31"E | 5.13'   |
| L12    | S39°39'58"W | 115.01' | L55    | N43°54'54"W | 3.00'   |
| L13    | S29°40'58"W | 85.33'  | L56    | N46°40'30"W | 16.20'  |
| L14    | S28°58'24"W | 87.80'  | L57    | N42°10'21"E | 58.35'  |
| L15    | S48°04'30"W | 77.54'  | L58    | S27°30'21"E | 23.81'  |
| L16    | S43°54'51"W | 84.28'  | L59    | N48°28'07"E | 23.23'  |
| L17    | S81°48'18"W | 37.88'  | L60    | N54°11'38"E | 48.66'  |
| L18    | S62°54'58"W | 41.17'  | L61    | S28°24'28"E | 28.07'  |
| L19    | S58°43'51"E | 34.52'  | L62    | N32°07'28"E | 31.21'  |
| L20    | S58°32'51"W | 10.68'  | L63    | N44°44'58"W | 68.80'  |
| L21    | S28°04'58"W | 13.47'  | L64    | N58°18'28"E | 10.84'  |
| L22    | S28°04'58"W | 33.84'  | L65    | N00°11'37"E | 48.83'  |
| L23    | S11°58'51"W | 84.08'  | L66    | N17°58'25"W | 81.74'  |
| L24    | S58°48'28"W | 31.34'  | L67    | N19°42'21"E | 38.85'  |
| L25    | S48°18'54"W | 46.12'  | L68    | S8°12'23"E  | 8.97'   |
| L26    | S81°11'28"W | 44.72'  | L69    | N18°00'33"E | 21.89'  |
| L27    | S39°24'48"W | 48.87'  | L70    | N58°24'28"E | 28.83'  |
| L28    | S30°21'12"W | 28.78'  | L71    | N48°00'54"E | 86.11'  |
| L29    | S29°48'48"W | 42.94'  | L72    | N47°18'58"E | 71.04'  |
| L30    | S29°58'58"W | 40.84'  | L73    | S28°41'18"W | 8.83'   |
| L31    | S28°43'24"W | 36.15'  | L74    | S18°00'58"E | 23.05'  |
| L32    | S24°18'40"W | 40.56'  | L75    | N48°50'57"W | 7.78'   |
| L33    | S30°27'28"W | 40.48'  | L76    | N43°00'54"W | 110.03' |
| L34    | S34°21'18"W | 48.97'  | L77    | S31°43'48"W | 88.74'  |
| L35    | S33°47'13"W | 68.04'  | L78    | N48°40'50"E | 13.85'  |
| L36    | S48°33'52"W | 58.29'  | L79    | N40°20'28"E | 28.37'  |
| L37    | S43°44'38"W | 47.38'  | L80    | N48°58'54"E | 18.08'  |
| L38    | S81°20'23"W | 45.85'  | L81    | S48°28'06"E | 28.91'  |
| L39    | S28°38'58"W | 34.77'  | L82    | N48°20'47"E | 16.48'  |
| L40    | N08°48'11"E | 33.84'  | L83    | S03°23'58"E | 74.18'  |
| L41    | S81°18'21"E | 67.43'  | L84    | N11°23'37"W | 117.81' |
| L42    | S58°25'23"W | 8.28'   | L85    | N48°38'03"E | 16.00'  |
| L43    | S58°24'14"W | 16.33'  |        |             |         |



Curve Table

| Curve # | Chord Direction | Chord Length | Length  | Radius   | Delta     |
|---------|-----------------|--------------|---------|----------|-----------|
| C1      | N47°25'53"E     | 491.04'      | 488.24' | 1858.00' | 1°23'29"  |
| C2      | N71°53'17"E     | 808.88'      | 808.38' | 1858.00' | 17°08'58" |
| C3      | S58°54'33"W     | 37.14'       | 37.14'  | 185.31'  | 17°01'48" |
| C4      | S39°00'18"W     | 68.51'       | 68.67'  | 182.00'  | 20°23'08" |
| C5      | S28°28'17"E     | 294.41'      | 300.79' | 426.54'  | 20°58'43" |
| C6      | S48°34'14"E     | 188.40'      | 200.24' | 430.24'  | 18°13'44" |
| C7      | S48°33'00"W     | 124.12'      | 138.20' | 282.53'  | 28°13'44" |
| C8      | N4°18'23"E      | 141.82'      | 145.83' | 176.20'  | 48°50'23" |
| C9      | S28°48'48"E     | 188.78'      | 198.83' | 188.04'  | 4°38'91"  |

MC...MAP CABINET  
DB...DEED BOOK  
PG...PAGE REFERENCE  
A...COMPUTED POINT  
C...EXISTING CONCRETE MONUMENT  
E...EXISTING CONCRETE MONUMENT  
R...EXISTING IRON ROD (SOLID)  
N...NEW IRON ROD (SOLID)  
---LINE NOT SURVEYED  
---PARCEL BOUNDARY LINE  
---EASEMENT  
---RIGHT-OF-WAY  
---TELINE

Recorded in the Brunswick County Registry at Plat Cabinet \_\_\_\_\_, Slide \_\_\_\_\_

80119 P0001 01-28-2020  
11:09:19.000  
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 17, 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 unadjusted conventional ratio of precision 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 GS 47-30 as amended. Witness my original signature, registration number and seal this 21 day of JAN, A.D., 2020.

*R. A. Pinkham*  
Professional Land Surveyor Number L-4646

PROFESSIONAL LAND SURVEYING SERVICES BY:  
**ESP ASSOCIATES, INC**  
GEOMATICS - MOBILE - HYDROGRAPHIC-SUBSURFACE  
211 Racine Drive, Suite 101  
Wilmington, North Carolina 28403  
(910) 444-3899 / www.espsurvey.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



*R. A. Pinkham*  
1-21-2020

|                                  |           |            |           |
|----------------------------------|-----------|------------|-----------|
| DATE                             | 12/1/2020 | SCALE      | 1" = 200' |
| DRAWN BY                         | J.W.S.    | CHECKED BY | R.A.P.    |
| REVISIONS                        |           |            |           |
| -DESCRIPTION-<br>SUBDIVISION MAP |           |            |           |
| SHEET<br>1 OF 4                  |           |            |           |

## **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](http://www.moffattnichol.com)



## Disclaimer

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



## 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                        |
| Bald Head Island        | DPM Barge Ramp            | Satisfactory          | Good                 | Medium                  | \$154,000                        |
|                         | 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.

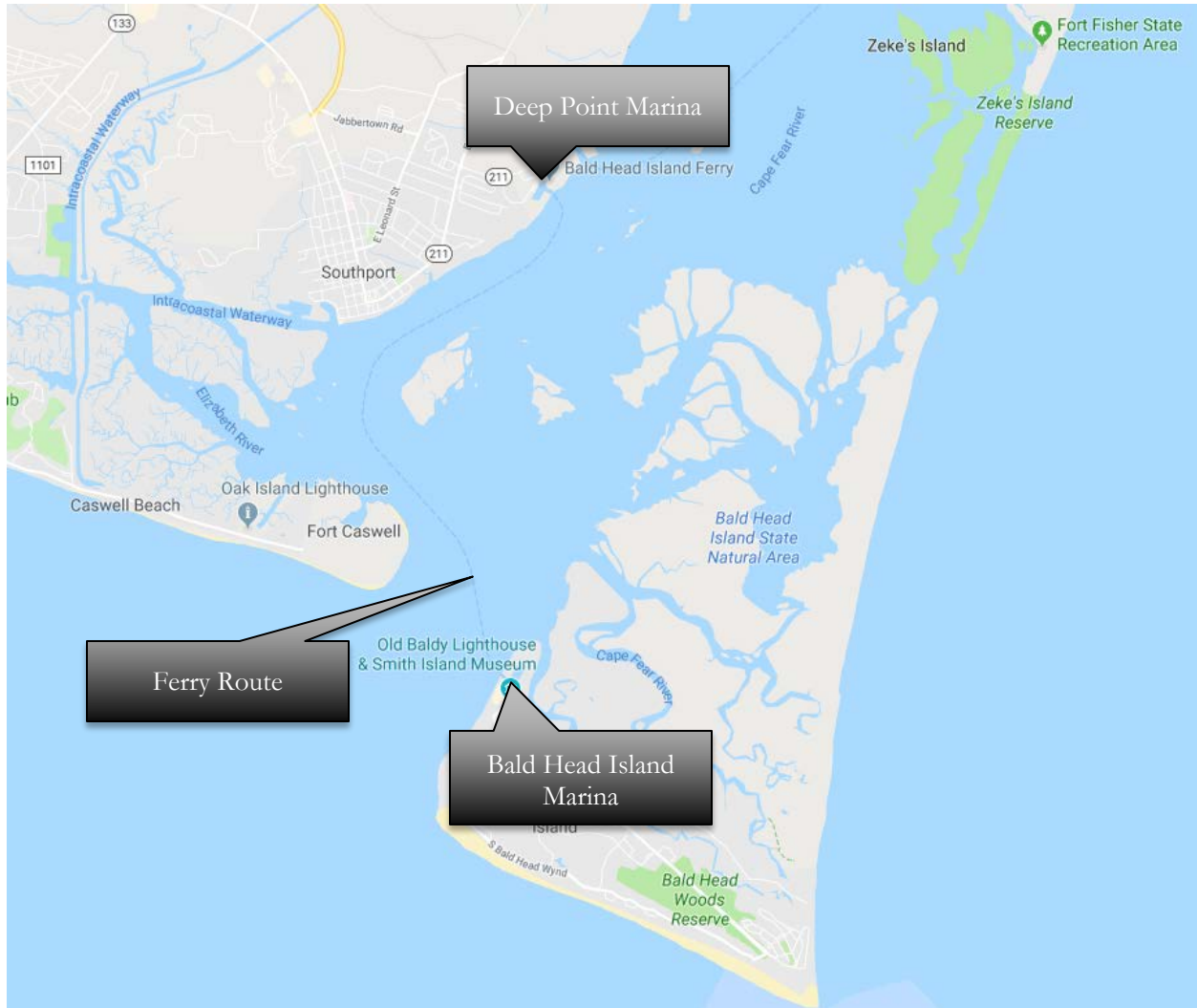
## 1.1. Scope of Work

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.<br><br>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.<br><br>No repairs are required  |
|                      |   | 5 - Satisfactory          | Limited minor to moderate defects or deterioration observed, but no overstressing observed.<br><br>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.<br><br>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 of overstressing observed on widespread portions of the structure.<br><br>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.<br><br>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.<br><br>More widespread failures are possible or likely to occur, and load restrictions should be implemented as necessary.<br><br>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.<br>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<br>Minor spalls & cracks   |
| Recommendations              | <ol style="list-style-type: none"> <li>1. Repair/ fill sinkholes as needed</li> <li>2. Monitor the repair section adjacent to the barge ramp &amp; plan a permanent repair during the next major CAPEX cycle.</li> </ol> |
| 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



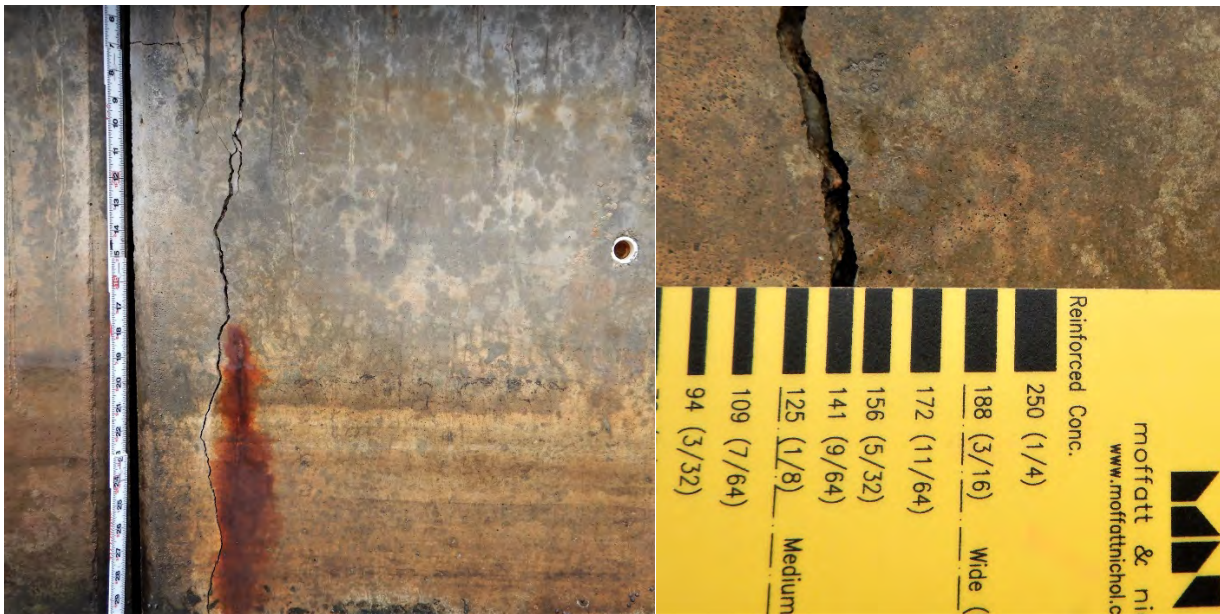
The spalls and cracking in the sheets are typically along the groove side of the tongue-and-groove interlock, exposing the tongue from the adjacent sheet but not creating open voids. Areas behind the wall have loss of fill or “sinkholes” which are typical for this type of construction. Locations with 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<br>Crack in concrete substructure  |
| Recommendations              | <ol style="list-style-type: none"> <li>1. Monitor tension crack associated with bulkhead repair section.</li> <li>2. Monitor steel corrosion and plan refurbishment during the next major CAPEX cycle.</li> </ol> |
| 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.

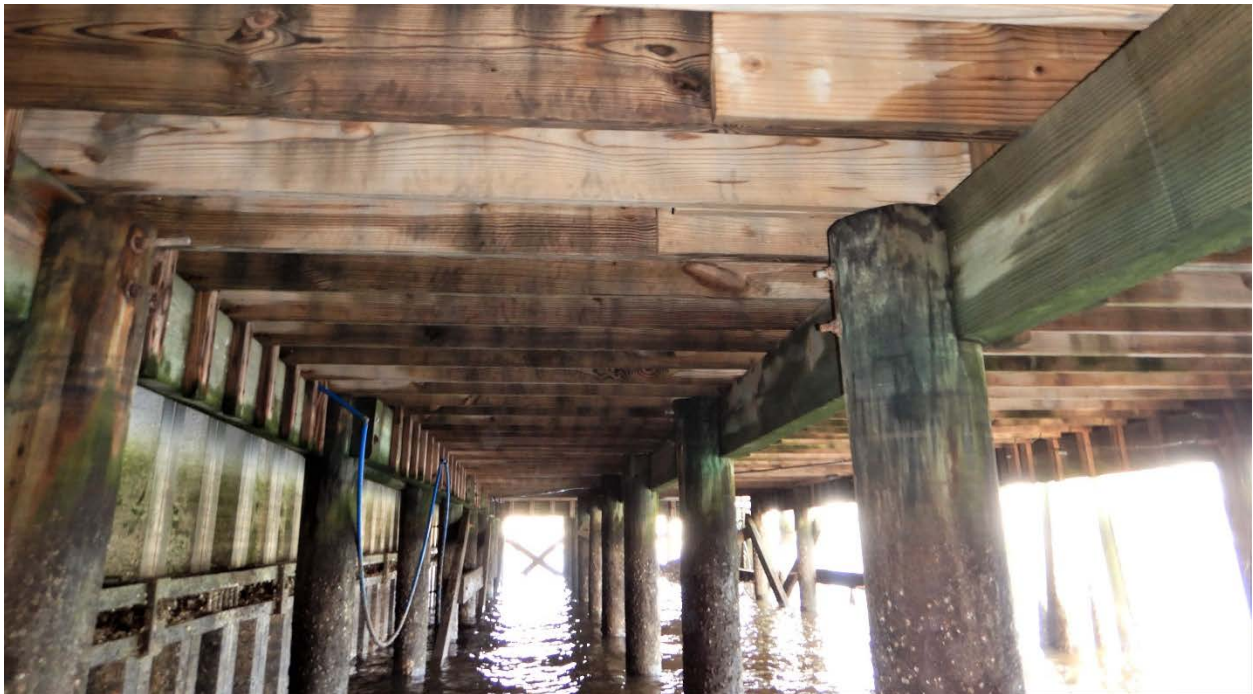
**TABLE 2-10: BHI CONTRACTOR LANDING SUMMARY**

| Summary                      |   |
|------------------------------|---|
| Construction                 | Timber  |
| Overall Condition            | Good  |
| Repair Priority              | Low   |
| Significant Defects          | Minor decay on 3 piles<br>Open bolt holes and minor timber defects (abrasion/ check/ shake) |
| Recommendations              | Routine Inspection & Maintenance<br>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**

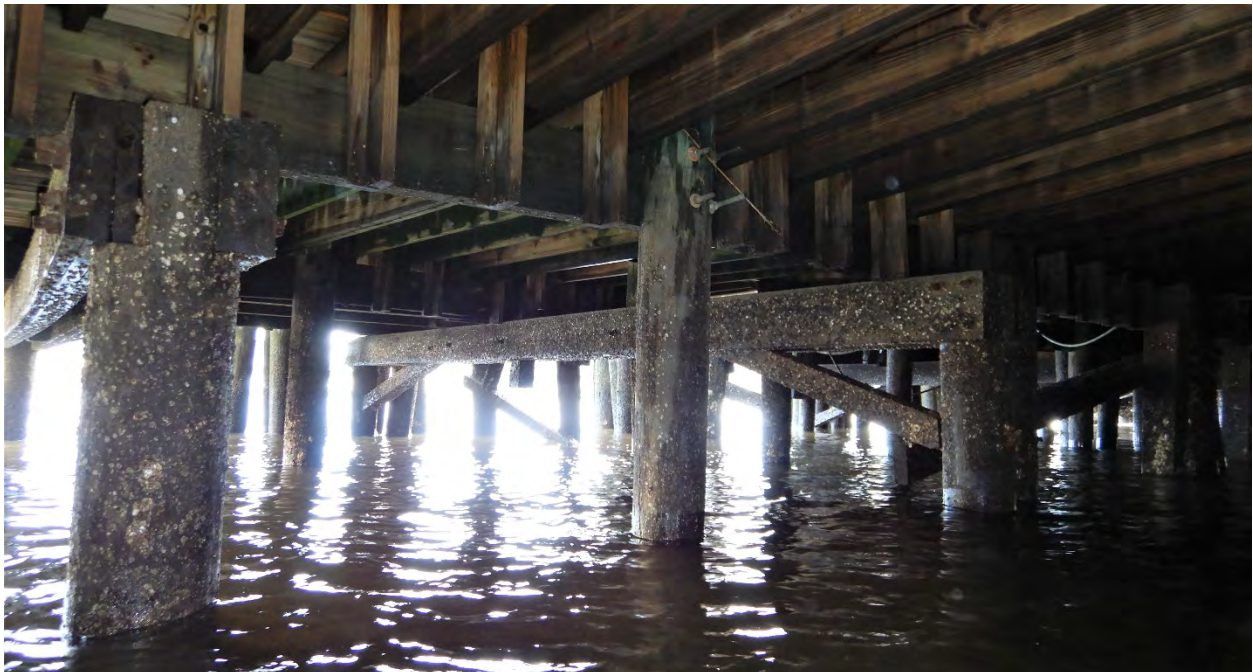
| Summary                      |   |
|------------------------------|---|
| Construction                 | Timber  |
| Overall Condition            | Fair  |
| Repair Priority              | Medium  |
| Significant Defects          | Multiple repairs & retrofits; load path may not be adequate for current conditions (multiple piles are no longer bearing; repair history is unknown)<br>Cargo Ramp is bearing on bulkhead<br>Crutch bents are bowed |
| Recommendations              | 1. Monitor piles and framing for deterioration<br>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-bolts "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.

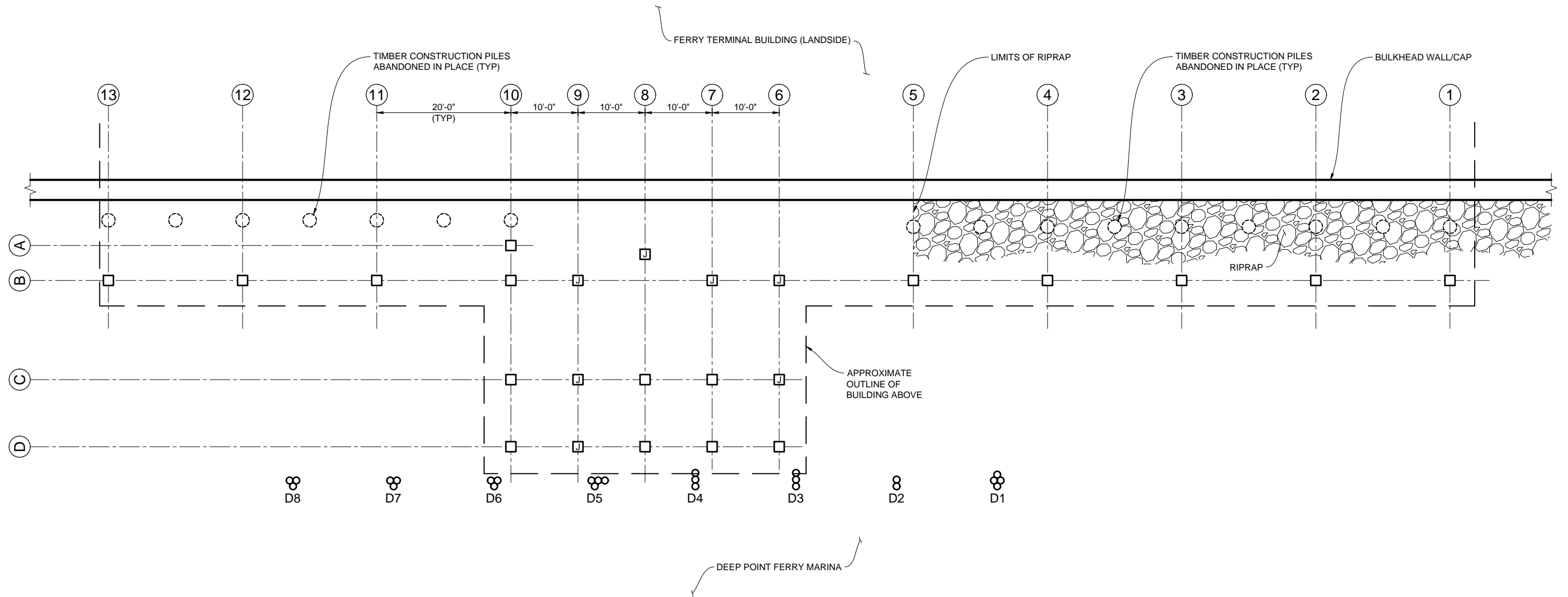




# Appendix A: Figures



File: C:\TA\1041310500\_CAD\Activel\_Report\1041300\_FIG-A1 - Plotted: 2/19/2019 10:10 AM by SMITH, ANTHONY R. ; Saved: 2/19/2019 10:10 AM by ARSMITH

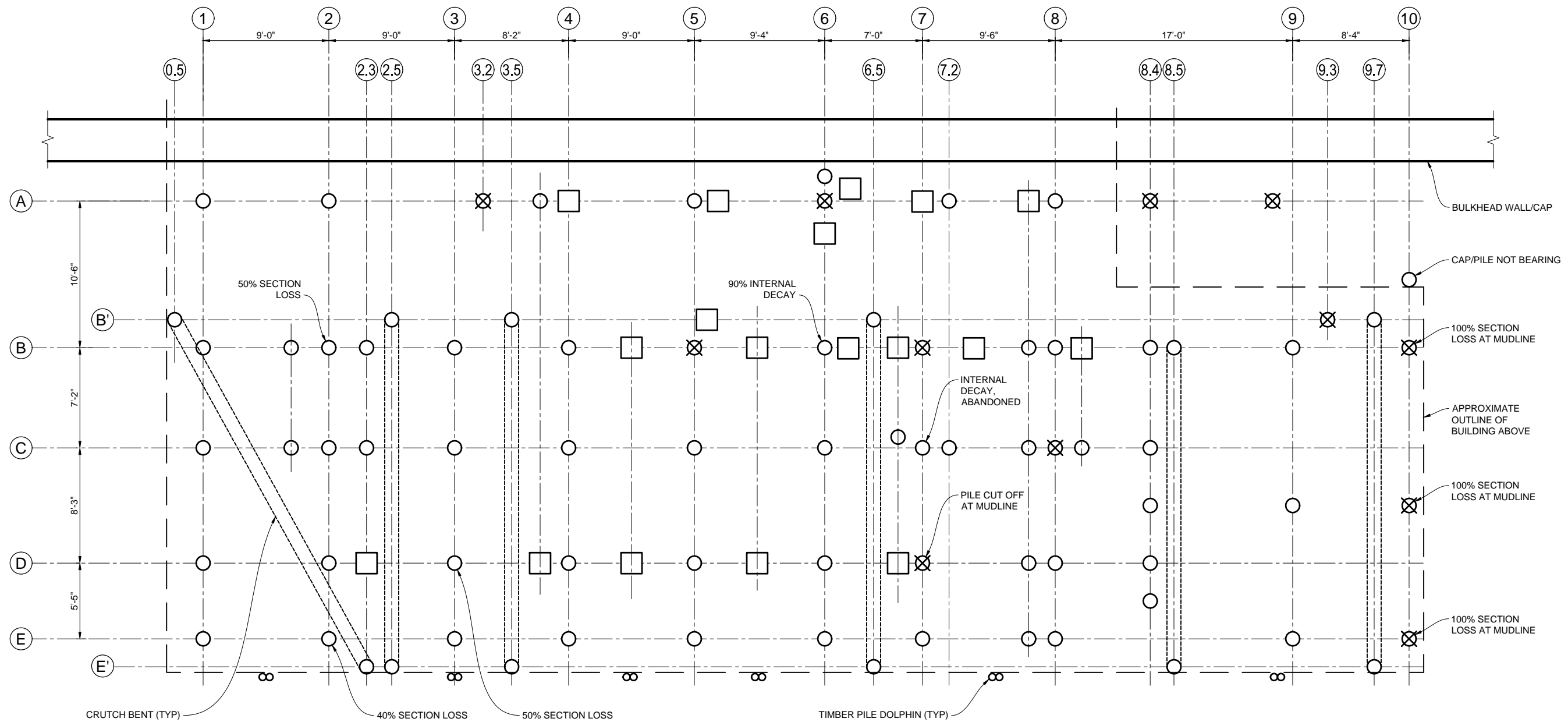


- LEGEND**
- PRESTRESSED CONCRETE PILE
  - ⌈ PRESTRESSED PILE WITH FIBERGLASS JACKET
  - ⊗ TIMBER PILE DOLPHIN

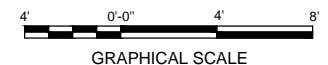


**A-GATE PASSENGER TERMINAL PILE PLAN**

File: C:\TA\1041310500\_CAD\_Activel\_Report\1041300\_FIG-A2\_Plot.dwg, Plotted: 2/19/2019 10:10:10 AM by SMITH, ANTHONY R., Saved: 2/15/2019 4:09 PM by ARSMITH



- LEGEND**
- ROUND TIMBER PILE (ORIGINAL OR RETROFIT)
  - ⊗ ABANDONED OR MISSING TIMBER PILE
  - SQUARE TIMBER COLUMN (RETROFIT)
  - ∞ TIMBER PILE DOLPHIN



**PASSENGER LANDING PILE PLAN**

## 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 |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Repair Cost Summary**

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

|   |                  |
|---|------------------|
| <b>Total Repair Cost for Deep Point Marina B-Gate</b> | <b>\$ 11,000</b> |
|---|------------------|



**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 |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Repair Cost Summary**

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

|   |                 |
|---|-----------------|
| <b>Total Repair Cost for Maintenance Fixed Pier</b> | <b>\$ 1,000</b> |
|---|-----------------|

**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 |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Repair Cost Summary**

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

|  |                  |
|--|------------------|
| <b>Total Repair Cost for Maintenance Finger Dock</b> | <b>\$ 10,000</b> |
|--|------------------|

**BHITA**  
**Due Diligence Inspection**

**Deep Point Marina Bulkhead**  
**Opinion of Probable Cost**

**Date Prepared**  
**M&N Job Number**

**18-Feb-19**  
**10413**

| Description | Quantity | Units | Unit Price | Subtotal | Total |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Repair Cost Summary**

| <b>Bulkhead</b>        |     |    |          |           |  | <b>\$ 137,000</b> |
|------------------------|-----|----|----------|-----------|--|-------------------|
| 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 |  |                   |

|   |                   |
|---|-------------------|
| <b>Total Repair Cost for DPM Bulkhead</b> | <b>\$ 137,000</b> |
|---|-------------------|

**BHITA**  
**Due Diligence Inspection**

**Deep Point Marina Ferry Ramp**  
**Opinion of Probable Cost**

**Date Prepared**  
**M&N Job Number**

**18-Feb-19**  
**10413**

| Description | Quantity | Units | Unit Price | Subtotal | Total |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Replacement Cost Summary**

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

|  |                   |
|--|-------------------|
| <b>Total Replacement Cost for DPM Ferry Ramp</b> | <b>\$ 130,000</b> |
|--|-------------------|

**Repair Cost Summary**

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

|   |                  |
|---|------------------|
| <b>Total Repair Cost for Ferry Ramp</b> | <b>\$ 24,000</b> |
|---|------------------|

**BHITA**  
**Due Diligence Inspection**

**Bald Head Island Marina Ferry Ramp**  
**Opinion of Probable Cost**

**Date Prepared**  
**M&N Job Number**

**18-Feb-19**  
**10413**

| Description | Quantity | Units | Unit Price | Subtotal | Total |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Replacement Cost Summary**

| <b>BHI Ferry Ramp</b> |                      |     |      |          |           |
|-----------------------|----------------------|-----|------|----------|-----------|
|                       | Demolition / Removal | 15  | Tons | \$ 750   | \$ 11,250 |
|                       | Steel Ramp           | 15  | Tons | \$ 6,000 | \$ 90,000 |
|                       | Mob/Contingency      | 30% |      |          | \$ 30,375 |

|  |                   |
|--|-------------------|
| <b>Total Replacement Cost for BHI Ferry Ramp</b> | <b>\$ 130,000</b> |
|--|-------------------|



**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 |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Repair Cost Summary**

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

|   |                  |
|---|------------------|
| <b>Total Repair Cost for BHI Contractor Landing</b> | <b>\$ 10,000</b> |
|---|------------------|

**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 |
|-------------|----------|-------|------------|----------|-------|
|-------------|----------|-------|------------|----------|-------|

**Replacement Cost Summary**

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

|   |                   |
|---|-------------------|
| <b>Total Replacement Cost for BHI Passenger Landing</b> | <b>\$ 900,000</b> |
|---|-------------------|

## 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 ¼-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 ¼-inch wide; partial breakage (spalls); corrosion cracks greater than ¼-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 ¼-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"         | <p>No defects or only minor defects noted. Structural elements may show some very minor deterioration, but no significant reduction in structural capacity.</p> <p>No Repairs are required.</p>   |
| 5 "Satisfactory" | <p>Minor to moderate defects and deterioration observed, but no significant reduction in structural capacity.</p> <p>No repairs are required.</p>   |
| 4 "Fair"         | <p>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.</p> <p>Repairs are recommended, but the priority of the recommended repairs is low.</p> |
| 3 "Poor"         | <p>Major deterioration or overstressing observed on widespread portions of the structure. Some reduction in structural capacity.</p> <p>Repairs may need to be carried out with moderate urgency.</p>   |
| 2 "Serious"      | <p>Severe deterioration, overstressing or breakage may have significantly affected the load bearing capacity of primary structural components. Local failures are possible.</p> <p>Repairs may need to be carried out on a high-priority basis with urgency.</p>  |
| 1 "Critical"     | <p>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.</p> <p>Repairs may need to be carried out on a very high priority basis with strong urgency.</p>                                  |







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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<br>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                        |
| <b>Gross Revenue</b>              | <b>2,180,244</b> | <b>2,217,417</b> | <b>2,303,919</b> | <b>2,338,352</b> | <b>2,497,976</b> | <b>2,554,723</b> | <b>2,757,499</b> | <b>393,046</b>            |
| <b>Cost-of-Sales</b>              |                  |                  |                  |                  |                  |                  |                  |                           |
| 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                         |
| <b>Total Cost-of-Sales</b>        | <b>34,130</b>    | <b>36,562</b>    | <b>39,705</b>    | <b>41,271</b>    | <b>44,242</b>    | <b>49,969</b>    | <b>55,660</b>    | <b>11,392</b>             |
| <b>Gross Profit</b>               | <b>2,146,114</b> | <b>2,180,855</b> | <b>2,264,215</b> | <b>2,297,081</b> | <b>2,453,734</b> | <b>2,504,754</b> | <b>2,701,839</b> | <b>381,654</b>            |
| <b>Salaries &amp; Wages</b>       |                  |                  |                  |                  |                  |                  |                  |                           |
| 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                         |
| <b>Total Salaries &amp; Wages</b> | <b>149,612</b>   | <b>162,883</b>   | <b>177,655</b>   | <b>188,719</b>   | <b>193,724</b>   | <b>209,514</b>   | <b>246,428</b>   | <b>71,925</b>             |

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

| Operating Expenses              | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019 (b)         | Quarter 1<br>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)                      |
| <b>Total Operating Expenses</b> | <b>247,894</b>   | <b>261,080</b>   | <b>271,705</b>   | <b>276,354</b>   | <b>287,376</b>   | <b>299,937</b>   | <b>298,362</b>   | <b>55,667</b>             |
| <b>Operating Income</b>         | <b>1,748,609</b> | <b>1,756,891</b> | <b>1,814,855</b> | <b>1,832,008</b> | <b>1,972,634</b> | <b>1,995,303</b> | <b>2,157,049</b> | <b>254,062</b>            |

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## OPERATION PELICAN

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

| Operating Expenses         | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019 (b)         | Quarter 1<br>2020 (c),(d) |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
| 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                         |
| <b>Total Other Expense</b> | <b>511,861</b>   | <b>473,142</b>   | <b>456,714</b>   | <b>445,725</b>   | <b>478,980</b>   | <b>497,103</b>   | <b>473,127</b>   | <b>113,612</b>            |
| <b>Net Income</b>          | <b>1,236,748</b> | <b>1,283,749</b> | <b>1,358,141</b> | <b>1,386,283</b> | <b>1,493,653</b> | <b>1,498,200</b> | <b>1,683,922</b> | <b>140,451</b>            |

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## 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             |
| <b>Gross Revenue</b>              | <b>134,613</b> | <b>115,083</b> | <b>143,349</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>393,046</b> |
| <b>Cost-of-Sales</b>              |                |                |                |          |          |          |          |          |           |          |          |          |                |
| Credit Card Fees                  | 6,722          | 1,858          | 2,811          |          |          |          |          |          |           |          |          |          | 11,392         |
| Sales Tax                         | 0              | 0              | 0              |          |          |          |          |          |           |          |          |          | 0              |
| Other                             | 0              | 0              | 0              |          |          |          |          |          |           |          |          |          | 0              |
| <b>Total Cost-of-Sales</b>        | <b>6,722</b>   | <b>1,858</b>   | <b>2,811</b>   | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>11,392</b>  |
| <b>Gross Profit</b>               | <b>127,891</b> | <b>113,225</b> | <b>140,538</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>381,654</b> |
| <b>Salaries &amp; Wages</b>       |                |                |                |          |          |          |          |          |           |          |          |          |                |
| 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              |
| <b>Total Salaries &amp; Wages</b> | <b>24,856</b>  | <b>22,432</b>  | <b>24,637</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>71,925</b>  |

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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)           |
| <b>Total Operating Expenses</b> | <b>18,268</b> | <b>17,470</b> | <b>19,929</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>55,667</b>  |
| <b>Operating Income</b>         | <b>84,767</b> | <b>73,323</b> | <b>95,972</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>254,062</b> |

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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          |
|----------------------------|---------------|---------------|---------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------------|
| Interest                   |               |               |               |          |          |          |          |          |           |          |          |          | 0              |
| Depreciation               | 37,904        | 37,861        | 37,846        |          |          |          |          |          |           |          |          |          | 113,612        |
| (Gain) or Loss Cap Asset   |               |               |               |          |          |          |          |          |           |          |          |          | 0              |
| <b>Total Other Expense</b> | <b>37,904</b> | <b>37,861</b> | <b>37,846</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>113,612</b> |
| <b>Net Income</b>          | <b>46,863</b> | <b>35,461</b> | <b>58,126</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>140,451</b> |

(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 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              |
| <b>Gross Revenue</b>              | <b>114,686</b> | <b>108,219</b> | <b>151,131</b> | <b>213,180</b> | <b>232,559</b> | <b>348,511</b> | <b>435,479</b> | <b>417,459</b> | <b>227,099</b> | <b>207,490</b> | <b>157,523</b> | <b>144,165</b> | <b>2,757,499</b> |
| <b>Cost-of-Sales</b>              |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Cost-of-Sales</b>        | <b>4,102</b>   | <b>4,462</b>   | <b>1,700</b>   | <b>2,182</b>   | <b>3,548</b>   | <b>4,005</b>   | <b>5,671</b>   | <b>8,434</b>   | <b>9,376</b>   | <b>1,659</b>   | <b>1,918</b>   | <b>8,604</b>   | <b>55,660</b>    |
| <b>Gross Profit</b>               | <b>110,584</b> | <b>103,757</b> | <b>149,432</b> | <b>210,998</b> | <b>229,011</b> | <b>344,507</b> | <b>429,809</b> | <b>409,025</b> | <b>217,722</b> | <b>205,831</b> | <b>155,605</b> | <b>135,560</b> | <b>2,701,839</b> |
| <b>Salaries &amp; Wages</b>       |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Salaries &amp; Wages</b> | <b>13,503</b>  | <b>12,211</b>  | <b>16,597</b>  | <b>19,648</b>  | <b>20,012</b>  | <b>21,148</b>  | <b>23,433</b>  | <b>25,336</b>  | <b>23,318</b>  | <b>23,136</b>  | <b>24,099</b>  | <b>23,985</b>  | <b>246,428</b>   |

(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.

## 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           |
| <b>Total Operating Expenses</b> | <b>21,687</b> | <b>20,112</b> | <b>19,728</b>  | <b>21,746</b>  | <b>35,282</b>  | <b>28,127</b>  | <b>38,315</b>  | <b>27,312</b>  | <b>22,218</b>  | <b>17,825</b>  | <b>19,658</b>  | <b>26,353</b> | <b>298,362</b>   |
| <b>Operating Income</b>         | <b>75,393</b> | <b>71,434</b> | <b>113,107</b> | <b>169,604</b> | <b>173,717</b> | <b>295,232</b> | <b>368,060</b> | <b>356,377</b> | <b>172,187</b> | <b>164,869</b> | <b>111,848</b> | <b>85,221</b> | <b>2,157,049</b> |

(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.



## 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              |
| <b>Total Other Expense</b> | <b>39,262</b> | <b>39,262</b> | <b>39,262</b> | <b>39,484</b>  | <b>39,484</b>  | <b>39,484</b>  | <b>39,484</b>  | <b>39,484</b>  | <b>40,233</b>  | <b>38,573</b>  | <b>39,398</b> | <b>39,716</b> | <b>473,127</b>   |
| <b>Net Income</b>          | <b>36,131</b> | <b>32,172</b> | <b>73,845</b> | <b>130,120</b> | <b>134,232</b> | <b>255,748</b> | <b>328,575</b> | <b>316,893</b> | <b>131,954</b> | <b>126,297</b> | <b>72,450</b> | <b>45,505</b> | <b>1,683,922</b> |

(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.

**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              |
| <b>Gross Revenue</b>              | <b>107,180</b> | <b>103,276</b> | <b>159,673</b> | <b>198,682</b> | <b>227,436</b> | <b>357,219</b> | <b>462,504</b> | <b>382,091</b> | <b>155,114</b> | <b>138,921</b> | <b>159,083</b> | <b>103,543</b> | <b>2,554,723</b> |
| <b>Cost-of-Sales</b>              |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Cost-of-Sales</b>        | <b>1,923</b>   | <b>3,774</b>   | <b>1,996</b>   | <b>2,637</b>   | <b>3,390</b>   | <b>3,697</b>   | <b>5,774</b>   | <b>8,784</b>   | <b>7,224</b>   | <b>2,253</b>   | <b>1,661</b>   | <b>6,856</b>   | <b>49,969</b>    |
| <b>Gross Profit</b>               | <b>105,258</b> | <b>99,502</b>  | <b>157,678</b> | <b>196,044</b> | <b>224,046</b> | <b>353,522</b> | <b>456,729</b> | <b>373,307</b> | <b>147,890</b> | <b>136,668</b> | <b>157,422</b> | <b>96,686</b>  | <b>2,504,754</b> |
| <b>Salaries &amp; Wages</b>       |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Salaries &amp; Wages</b> | <b>13,173</b>  | <b>11,576</b>  | <b>19,827</b>  | <b>17,683</b>  | <b>18,926</b>  | <b>19,924</b>  | <b>18,806</b>  | <b>16,870</b>  | <b>18,751</b>  | <b>18,155</b>  | <b>17,723</b>  | <b>18,098</b>  | <b>209,514</b>   |

(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              |
| <b>Total Operating Expenses</b> | <b>18,333</b> | <b>21,137</b> | <b>25,142</b>  | <b>24,983</b>  | <b>22,537</b>  | <b>14,124</b>  | <b>32,344</b>  | <b>43,113</b>  | <b>21,270</b>  | <b>20,928</b> | <b>25,169</b>  | <b>30,857</b> | <b>299,937</b>   |
| <b>Operating Income</b>         | <b>73,752</b> | <b>66,789</b> | <b>112,709</b> | <b>153,378</b> | <b>182,583</b> | <b>319,475</b> | <b>405,580</b> | <b>313,324</b> | <b>107,869</b> | <b>97,585</b> | <b>114,530</b> | <b>47,731</b> | <b>1,995,303</b> |

(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**

| <b>Operating Expenses</b>  | <b>January</b> | <b>February</b> | <b>March</b>  | <b>April</b>   | <b>May</b>     | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|----------------------------|----------------|-----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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                |
| <b>Total Other Expense</b> | <b>38,106</b>  | <b>44,037</b>   | <b>41,228</b> | <b>41,296</b>  | <b>41,240</b>  | <b>41,271</b>  | <b>41,710</b>  | <b>41,710</b>  | <b>41,577</b>    | <b>41,643</b>  | <b>41,643</b>   | <b>41,643</b>   | <b>497,103</b>   |
| <b>Net Income</b>          | <b>35,646</b>  | <b>22,753</b>   | <b>71,481</b> | <b>112,082</b> | <b>141,343</b> | <b>278,204</b> | <b>363,870</b> | <b>271,614</b> | <b>66,292</b>    | <b>55,941</b>  | <b>72,886</b>   | <b>6,087</b>    | <b>1,498,200</b> |

*(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               |
| <b>Gross Revenue</b>              | <b>95,593</b> | <b>87,773</b> | <b>115,836</b> | <b>182,685</b> | <b>209,175</b> | <b>297,404</b> | <b>459,514</b> | <b>357,604</b> | <b>213,032</b> | <b>193,539</b> | <b>167,387</b> | <b>118,434</b> | <b>2,497,976</b> |
| <b>Cost-of-Sales</b>              |               |               |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Cost-of-Sales</b>        | <b>1,629</b>  | <b>2,856</b>  | <b>1,733</b>   | <b>1,995</b>   | <b>3,209</b>   | <b>3,983</b>   | <b>5,078</b>   | <b>8,202</b>   | <b>6,640</b>   | <b>3,410</b>   | <b>3,116</b>   | <b>2,390</b>   | <b>44,242</b>    |
| <b>Gross Profit</b>               | <b>93,964</b> | <b>84,917</b> | <b>114,102</b> | <b>180,690</b> | <b>205,966</b> | <b>293,421</b> | <b>454,436</b> | <b>349,402</b> | <b>206,392</b> | <b>190,129</b> | <b>164,271</b> | <b>116,044</b> | <b>2,453,734</b> |
| <b>Salaries &amp; Wages</b>       |               |               |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Salaries &amp; Wages</b> | <b>15,553</b> | <b>12,607</b> | <b>14,843</b>  | <b>16,983</b>  | <b>15,295</b>  | <b>17,132</b>  | <b>24,058</b>  | <b>15,058</b>  | <b>17,045</b>  | <b>13,514</b>  | <b>15,850</b>  | <b>15,786</b>  | <b>193,724</b>   |

(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)            |
| <b>Total Operating Expenses</b> | <b>25,729</b> | <b>24,250</b> | <b>21,800</b> | <b>19,704</b>  | <b>19,057</b>  | <b>24,526</b>  | <b>21,882</b>  | <b>22,575</b>  | <b>23,674</b>  | <b>22,977</b>  | <b>24,099</b>  | <b>37,103</b> | <b>287,376</b>   |
| <b>Operating Income</b>         | <b>52,681</b> | <b>48,060</b> | <b>77,459</b> | <b>144,003</b> | <b>171,615</b> | <b>251,763</b> | <b>408,496</b> | <b>311,769</b> | <b>165,673</b> | <b>153,638</b> | <b>124,322</b> | <b>63,155</b> | <b>1,972,634</b> |

(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**

| <b>Operating Expenses</b>  | <b>January</b> | <b>February</b> | <b>March</b>  | <b>April</b>  | <b>May</b>     | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|----------------------------|----------------|-----------------|---------------|---------------|----------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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            |
| <b>Total Other Expense</b> | <b>36,092</b>  | <b>56,351</b>   | <b>50,500</b> | <b>48,204</b> | <b>47,050</b>  | <b>46,112</b>  | <b>46,112</b>  | <b>46,778</b>  | <b>46,624</b>    | <b>46,624</b>  | <b>38,449</b>   | <b>(29,916)</b> | <b>478,980</b>   |
| <b>Net Income</b>          | <b>16,589</b>  | <b>(8,291)</b>  | <b>26,959</b> | <b>95,799</b> | <b>124,565</b> | <b>205,651</b> | <b>362,384</b> | <b>264,991</b> | <b>119,049</b>   | <b>107,014</b> | <b>85,873</b>   | <b>93,071</b>   | <b>1,493,653</b> |

*(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               |
| <b>Gross Revenue</b>              | <b>98,146</b> | <b>82,691</b> | <b>136,881</b> | <b>150,339</b> | <b>194,314</b> | <b>294,867</b> | <b>435,260</b> | <b>366,660</b> | <b>192,798</b> | <b>147,395</b> | <b>142,321</b> | <b>96,679</b> | <b>2,338,352</b> |
| <b>Cost-of-Sales</b>              |               |               |                |                |                |                |                |                |                |                |                |               |                  |
| 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                |
| <b>Total Cost-of-Sales</b>        | <b>1,865</b>  | <b>3,170</b>  | <b>1,158</b>   | <b>2,167</b>   | <b>2,321</b>   | <b>3,253</b>   | <b>5,427</b>   | <b>7,630</b>   | <b>6,953</b>   | <b>2,977</b>   | <b>2,041</b>   | <b>2,308</b>  | <b>41,271</b>    |
| <b>Gross Profit</b>               | <b>96,282</b> | <b>79,520</b> | <b>135,722</b> | <b>148,172</b> | <b>191,993</b> | <b>291,614</b> | <b>429,833</b> | <b>359,030</b> | <b>185,846</b> | <b>144,418</b> | <b>140,279</b> | <b>94,370</b> | <b>2,297,081</b> |
| <b>Salaries &amp; Wages</b>       |               |               |                |                |                |                |                |                |                |                |                |               |                  |
| 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                |
| <b>Total Salaries &amp; Wages</b> | <b>13,625</b> | <b>13,688</b> | <b>13,904</b>  | <b>15,089</b>  | <b>15,219</b>  | <b>17,058</b>  | <b>20,374</b>  | <b>18,822</b>  | <b>14,405</b>  | <b>14,573</b>  | <b>18,155</b>  | <b>13,806</b> | <b>188,719</b>   |

(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              |
| <b>Total Operating Expenses</b> | <b>17,764</b> | <b>21,127</b> | <b>20,172</b>  | <b>21,850</b>  | <b>25,578</b>  | <b>20,375</b>  | <b>29,970</b>  | <b>22,657</b>  | <b>22,447</b>  | <b>21,705</b>  | <b>24,567</b> | <b>28,142</b> | <b>276,354</b>   |
| <b>Operating Income</b>         | <b>64,893</b> | <b>44,706</b> | <b>101,646</b> | <b>111,233</b> | <b>151,197</b> | <b>254,180</b> | <b>379,489</b> | <b>317,550</b> | <b>148,994</b> | <b>108,139</b> | <b>97,557</b> | <b>52,422</b> | <b>1,832,008</b> |

(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**

| <b>Operating Expenses</b>  | <b>January</b> | <b>February</b> | <b>March</b>  | <b>April</b>  | <b>May</b>     | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|----------------------------|----------------|-----------------|---------------|---------------|----------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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                |
| <b>Total Other Expense</b> | <b>37,937</b>  | <b>37,937</b>   | <b>37,937</b> | <b>37,937</b> | <b>37,937</b>  | <b>37,937</b>  | <b>36,013</b>  | <b>36,013</b>  | <b>36,013</b>    | <b>36,582</b>  | <b>36,582</b>   | <b>36,903</b>   | <b>445,725</b>   |
| <b>Net Income</b>          | <b>26,956</b>  | <b>6,770</b>    | <b>63,710</b> | <b>73,297</b> | <b>113,260</b> | <b>216,244</b> | <b>343,477</b> | <b>281,538</b> | <b>112,981</b>   | <b>71,557</b>  | <b>60,975</b>   | <b>15,519</b>   | <b>1,386,283</b> |

*(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              |
| <b>Gross Revenue</b>              | <b>87,620</b> | <b>80,297</b> | <b>98,569</b> | <b>169,554</b> | <b>217,289</b> | <b>309,886</b> | <b>396,317</b> | <b>371,034</b> | <b>192,469</b> | <b>158,040</b> | <b>128,068</b> | <b>94,777</b> | <b>2,303,919</b> |
| <b>Cost-of-Sales</b>              |               |               |               |                |                |                |                |                |                |                |                |               |                  |
| 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                |
| <b>Total Cost-of-Sales</b>        | <b>2,054</b>  | <b>2,607</b>  | <b>1,364</b>  | <b>1,406</b>   | <b>2,511</b>   | <b>3,418</b>   | <b>5,302</b>   | <b>7,099</b>   | <b>6,744</b>   | <b>3,332</b>   | <b>2,259</b>   | <b>1,610</b>  | <b>39,705</b>    |
| <b>Gross Profit</b>               | <b>85,566</b> | <b>77,690</b> | <b>97,205</b> | <b>168,149</b> | <b>214,778</b> | <b>306,468</b> | <b>391,015</b> | <b>363,935</b> | <b>185,725</b> | <b>154,708</b> | <b>125,810</b> | <b>93,167</b> | <b>2,264,215</b> |
| <b>Salaries &amp; Wages</b>       |               |               |               |                |                |                |                |                |                |                |                |               |                  |
| 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                |
| <b>Total Salaries &amp; Wages</b> | <b>11,530</b> | <b>11,489</b> | <b>11,889</b> | <b>15,260</b>  | <b>17,690</b>  | <b>19,349</b>  | <b>17,055</b>  | <b>16,380</b>  | <b>13,651</b>  | <b>13,267</b>  | <b>13,254</b>  | <b>16,842</b> | <b>177,655</b>   |

(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)            |
| <b>Total Operating Expenses</b> | <b>15,009</b> | <b>27,803</b> | <b>17,785</b> | <b>19,036</b>  | <b>18,636</b>  | <b>17,223</b>  | <b>17,760</b>  | <b>17,723</b>  | <b>19,615</b>  | <b>47,880</b> | <b>30,464</b> | <b>22,772</b> | <b>271,705</b>   |
| <b>Operating Income</b>         | <b>59,027</b> | <b>38,398</b> | <b>67,531</b> | <b>133,853</b> | <b>178,453</b> | <b>269,896</b> | <b>356,200</b> | <b>329,832</b> | <b>152,459</b> | <b>93,561</b> | <b>82,092</b> | <b>53,554</b> | <b>1,814,855</b> |

(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**

| <b>Operating Expenses</b>  | <b>January</b> | <b>February</b> | <b>March</b>  | <b>April</b>  | <b>May</b>     | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|----------------------------|----------------|-----------------|---------------|---------------|----------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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                |
| <b>Total Other Expense</b> | <b>37,883</b>  | <b>37,883</b>   | <b>37,962</b> | <b>37,923</b> | <b>37,982</b>  | <b>37,982</b>  | <b>37,982</b>  | <b>37,982</b>  | <b>38,258</b>    | <b>38,258</b>  | <b>38,258</b>   | <b>38,360</b>   | <b>456,714</b>   |
| <b>Net Income</b>          | <b>21,144</b>  | <b>515</b>      | <b>29,569</b> | <b>95,930</b> | <b>140,470</b> | <b>231,914</b> | <b>318,218</b> | <b>291,849</b> | <b>114,201</b>   | <b>55,304</b>  | <b>43,834</b>   | <b>15,193</b>   | <b>1,358,141</b> |

*(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              |
| <b>Gross Revenue</b>              | <b>90,283</b> | <b>77,387</b> | <b>101,504</b> | <b>171,597</b> | <b>177,503</b> | <b>291,101</b> | <b>381,807</b> | <b>354,118</b> | <b>192,529</b> | <b>153,134</b> | <b>118,120</b> | <b>108,333</b> | <b>2,217,417</b> |
| <b>Cost-of-Sales</b>              |               |               |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Cost-of-Sales</b>        | <b>2,227</b>  | <b>2,326</b>  | <b>1,144</b>   | <b>1,461</b>   | <b>2,498</b>   | <b>2,615</b>   | <b>4,703</b>   | <b>6,881</b>   | <b>6,083</b>   | <b>2,946</b>   | <b>2,228</b>   | <b>1,450</b>   | <b>36,562</b>    |
| <b>Gross Profit</b>               | <b>88,056</b> | <b>75,061</b> | <b>100,360</b> | <b>170,136</b> | <b>175,005</b> | <b>288,487</b> | <b>377,105</b> | <b>347,237</b> | <b>186,446</b> | <b>150,187</b> | <b>115,892</b> | <b>106,883</b> | <b>2,180,855</b> |
| <b>Salaries &amp; Wages</b>       |               |               |                |                |                |                |                |                |                |                |                |                |                  |
| 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                |
| <b>Total Salaries &amp; Wages</b> | <b>11,739</b> | <b>7,056</b>  | <b>15,104</b>  | <b>11,980</b>  | <b>16,667</b>  | <b>13,615</b>  | <b>19,334</b>  | <b>17,694</b>  | <b>14,253</b>  | <b>10,174</b>  | <b>10,870</b>  | <b>14,396</b>  | <b>162,883</b>   |

(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              |
| <b>Total Operating Expenses</b> | <b>17,269</b> | <b>19,997</b> | <b>22,114</b> | <b>14,092</b>  | <b>18,300</b>  | <b>18,463</b>  | <b>24,379</b>  | <b>17,741</b>  | <b>25,480</b>  | <b>18,615</b>  | <b>24,532</b> | <b>40,098</b> | <b>261,080</b>   |
| <b>Operating Income</b>         | <b>59,048</b> | <b>48,008</b> | <b>63,141</b> | <b>144,063</b> | <b>140,039</b> | <b>256,409</b> | <b>333,391</b> | <b>311,802</b> | <b>146,713</b> | <b>121,399</b> | <b>80,490</b> | <b>52,389</b> | <b>1,756,891</b> |

(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**

| <b>Operating Expenses</b>  | <b>January</b> | <b>February</b> | <b>March</b>  | <b>April</b>   | <b>May</b>     | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|----------------------------|----------------|-----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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                |
| <b>Total Other Expense</b> | <b>39,382</b>  | <b>39,382</b>   | <b>39,403</b> | <b>39,299</b>  | <b>39,299</b>  | <b>39,299</b>  | <b>37,785</b>  | <b>37,785</b>  | <b>37,785</b>    | <b>37,836</b>  | <b>37,836</b>   | <b>48,052</b>   | <b>473,142</b>   |
| <b>Net Income</b>          | <b>19,666</b>  | <b>8,627</b>    | <b>23,738</b> | <b>104,764</b> | <b>100,739</b> | <b>217,110</b> | <b>295,607</b> | <b>274,017</b> | <b>108,928</b>   | <b>83,562</b>  | <b>42,654</b>   | <b>4,337</b>    | <b>1,283,749</b> |

*(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**

| <b>Income Statement</b>           | <b>January</b> | <b>February</b> | <b>March</b>   | <b>April</b>   | <b>May</b>     | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|-----------------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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              |
| <b>Gross Revenue</b>              | <b>92,844</b>  | <b>81,097</b>   | <b>111,512</b> | <b>160,699</b> | <b>174,156</b> | <b>291,403</b> | <b>377,245</b> | <b>331,433</b> | <b>199,051</b>   | <b>147,060</b> | <b>107,727</b>  | <b>106,016</b>  | <b>2,180,244</b> |
| <b>Cost-of-Sales</b>              |                |                 |                |                |                |                |                |                |                  |                |                 |                 |                  |
| 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                |
| <b>Total Cost-of-Sales</b>        | <b>1,526</b>   | <b>2,921</b>    | <b>936</b>     | <b>1,409</b>   | <b>2,311</b>   | <b>2,442</b>   | <b>4,436</b>   | <b>6,477</b>   | <b>5,740</b>     | <b>3,033</b>   | <b>1,874</b>    | <b>1,023</b>    | <b>34,130</b>    |
| <b>Gross Profit</b>               | <b>91,318</b>  | <b>78,176</b>   | <b>110,576</b> | <b>159,290</b> | <b>171,845</b> | <b>288,960</b> | <b>372,809</b> | <b>324,955</b> | <b>193,311</b>   | <b>144,027</b> | <b>105,852</b>  | <b>104,994</b>  | <b>2,146,114</b> |
| <b>Salaries &amp; Wages</b>       |                |                 |                |                |                |                |                |                |                  |                |                 |                 |                  |
| 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                |
| <b>Total Salaries &amp; Wages</b> | <b>11,665</b>  | <b>9,764</b>    | <b>11,014</b>  | <b>10,937</b>  | <b>15,545</b>  | <b>13,757</b>  | <b>15,198</b>  | <b>14,892</b>  | <b>10,534</b>    | <b>13,889</b>  | <b>10,673</b>   | <b>11,744</b>   | <b>149,612</b>   |

(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**

| <b>Operating Expenses</b>       | <b>January</b> | <b>February</b> | <b>March</b>  | <b>April</b>   | <b>May</b>     | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|---------------------------------|----------------|-----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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               |
| <b>Total Operating Expenses</b> | <b>8,820</b>   | <b>3,204</b>    | <b>21,155</b> | <b>14,704</b>  | <b>13,912</b>  | <b>20,421</b>  | <b>27,821</b>  | <b>11,401</b>  | <b>9,776</b>     | <b>72,420</b>  | <b>17,186</b>   | <b>27,072</b>   | <b>247,894</b>   |
| <b>Operating Income</b>         | <b>70,833</b>  | <b>65,207</b>   | <b>78,407</b> | <b>133,649</b> | <b>142,388</b> | <b>254,783</b> | <b>329,790</b> | <b>298,663</b> | <b>173,001</b>   | <b>57,719</b>  | <b>77,993</b>   | <b>66,178</b>   | <b>1,748,609</b> |

(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**

| <b>Operating Expenses</b>  | <b>January</b> | <b>February</b> | <b>March</b>  | <b>April</b>  | <b>May</b>    | <b>June</b>    | <b>July</b>    | <b>August</b>  | <b>September</b> | <b>October</b> | <b>November</b> | <b>December</b> | <b>Total</b>     |
|----------------------------|----------------|-----------------|---------------|---------------|---------------|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|------------------|
| 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                |
| <b>Total Other Expense</b> | <b>42,749</b>  | <b>42,748</b>   | <b>42,748</b> | <b>42,748</b> | <b>42,800</b> | <b>42,749</b>  | <b>42,553</b>  | <b>42,637</b>  | <b>42,469</b>    | <b>42,553</b>  | <b>42,553</b>   | <b>42,553</b>   | <b>511,861</b>   |
| <b>Net Income</b>          | <b>28,084</b>  | <b>22,458</b>   | <b>35,658</b> | <b>90,900</b> | <b>99,588</b> | <b>212,034</b> | <b>287,237</b> | <b>256,025</b> | <b>130,532</b>   | <b>15,165</b>  | <b>35,440</b>   | <b>23,625</b>   | <b>1,236,748</b> |

*(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.



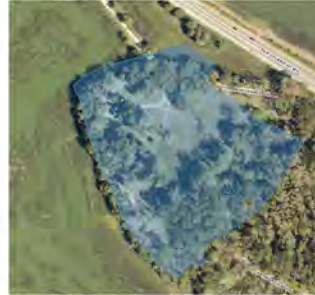
# Addenda

## 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.

# Addenda

## 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.**



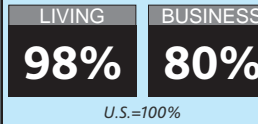
## ECONOMIC DRIVERS



## EMPLOYMENT GROWTH RANK



## RELATIVE COSTS



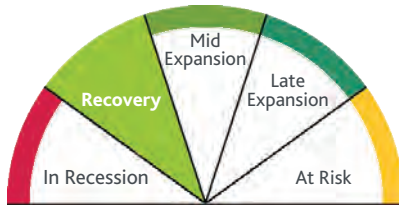
## VITALITY



## QUALITY



## 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



### 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

**Aa1**

COUNTY  
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  |

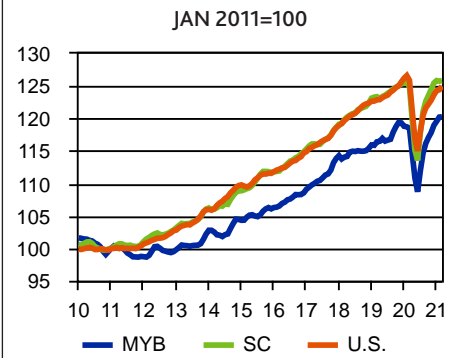
**ECONOMIC HEALTH CHECK**

| 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   |

Better than prior 3-mo MA
Unchanged from prior 3-mo MA
Worse than prior 3-mo MA

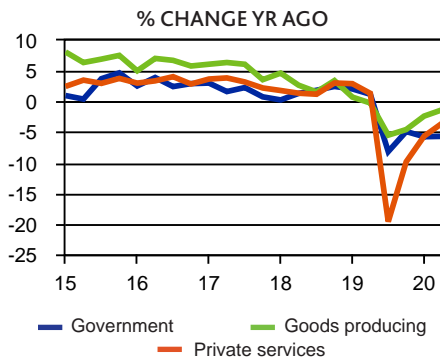
Sources: BLS, Census Bureau, Moody's Analytics

**BUSINESS CYCLE INDEX**



Source: Moody's Analytics

**CURRENT EMPLOYMENT TRENDS**

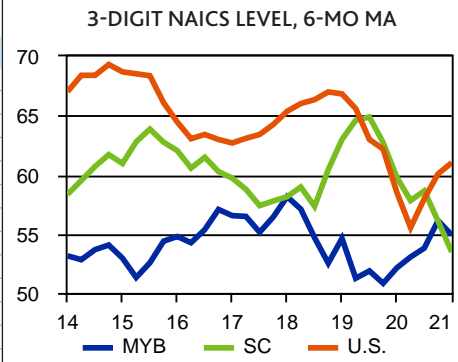


Sources: BLS, Moody's Analytics

|                       | % 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   |

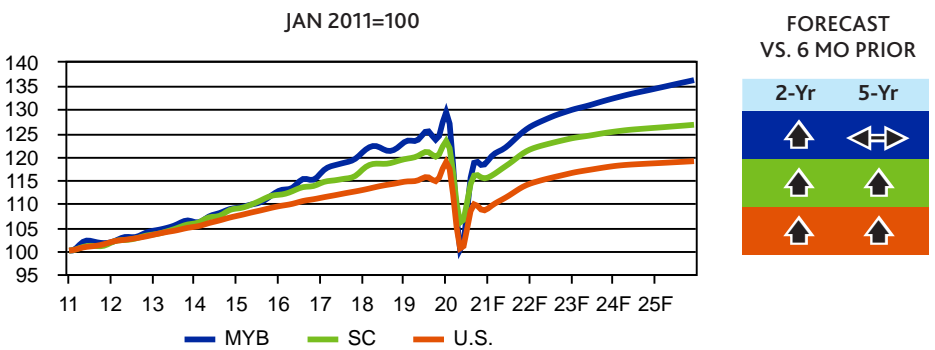
Sources: BLS, Moody's Analytics

**DIFFUSION INDEX**



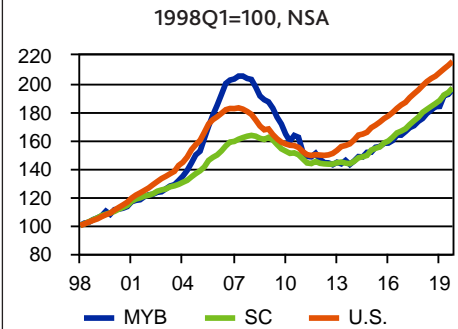
Sources: BLS, Moody's Analytics

**RELATIVE EMPLOYMENT PERFORMANCE**



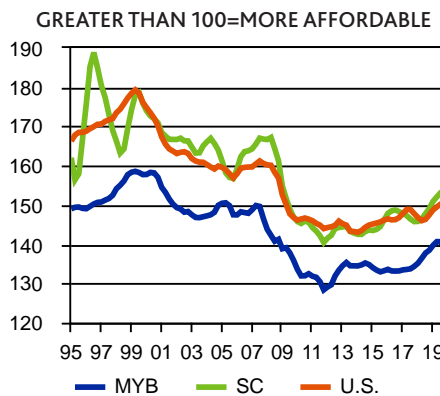
Sources: BLS, Moody's Analytics

**HOUSE PRICE**



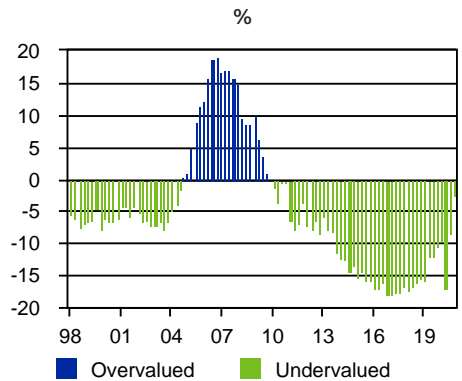
Sources: FHFA, Moody's Analytics

**RENTAL AFFORDABILITY**



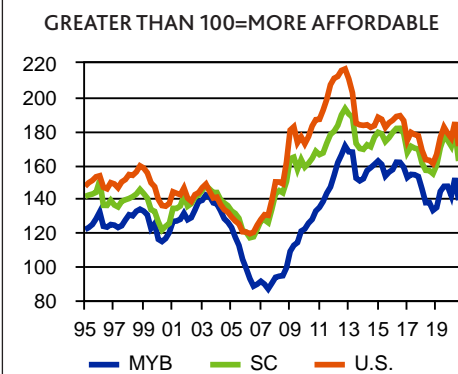
Sources: Census Bureau, BLS, Moody's Analytics

**HOUSE PRICE TRENDS**

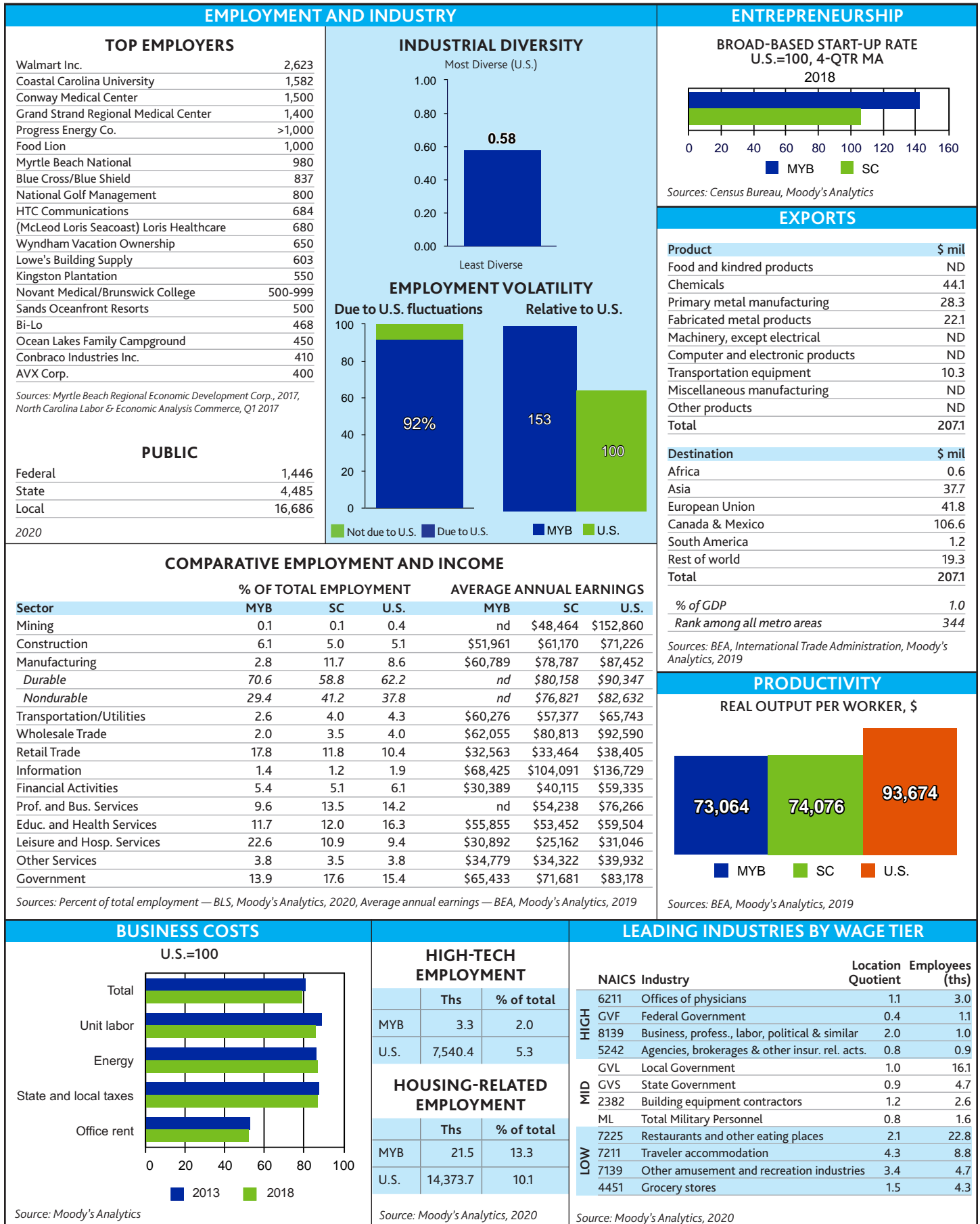


Sources: FHFA, Moody's Analytics

**HOUSING AFFORDABILITY**

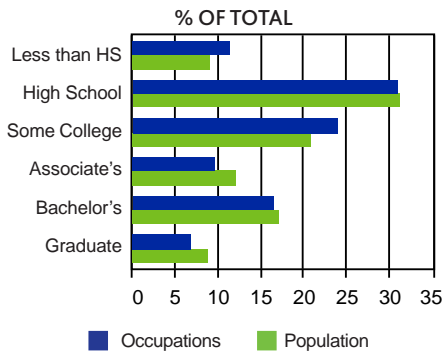


Sources: NAR, Moody's Analytics

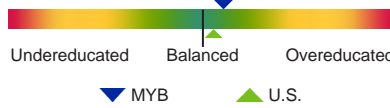




**SKILLS MISMATCH**



Sources: Census Bureau, ACS, Moody's Analytics, 2018

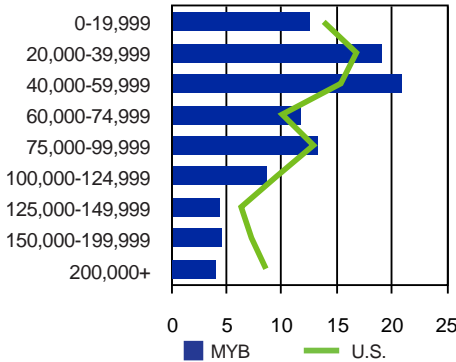


**ECONOMIC DISENFRANCHISEMENT**

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

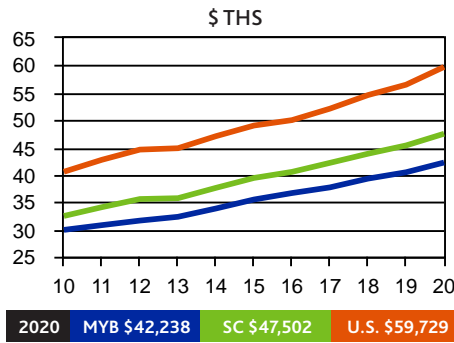
\*Most unequal=1; Most equal=403

**HOUSEHOLDS BY INCOME, %**



Sources: Census Bureau, ACS, Moody's Analytics, 2019

**PER CAPITA INCOME**



Sources: BEA, Moody's Analytics

**MIGRATION FLOWS**

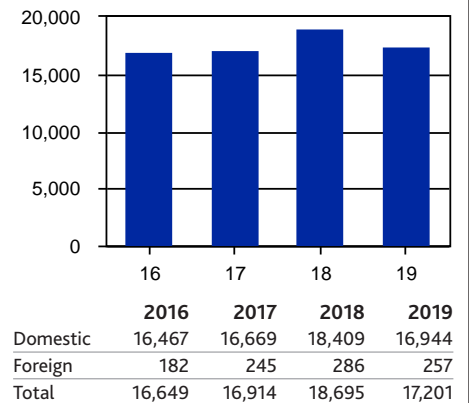
**INTO MYRTLE BEACH SC**

| Location                  | 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                |
| <b>Total in-migration</b> | <b>33,114</b>      |

**FROM MYRTLE BEACH SC**

| Location                   | 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                |
| <b>Total out-migration</b> | <b>20,051</b>      |
| <b>Net migration</b>       | <b>13,063</b>      |

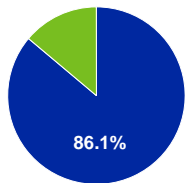
**NET MIGRATION, #**



Sources: IRS (top), 2018, Census Bureau, Moody's Analytics

**COMMUTER FLOWS**

**RESIDENTS WHO WORK IN MYB**

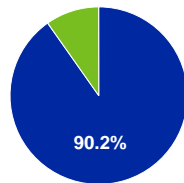


**Top Outside Sources of Jobs**

| Location        | Share |
|-----------------|-------|
| Myrtle Beach SC | 86.1% |
| Wilmington NC   | 6.6   |
| Florence SC     | 0.4   |
| Columbia SC     | 0.3   |
| Charlotte NC    | 0.2   |
| Raleigh NC      | 0.2   |

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

**WORKERS WHO LIVE IN MYB**

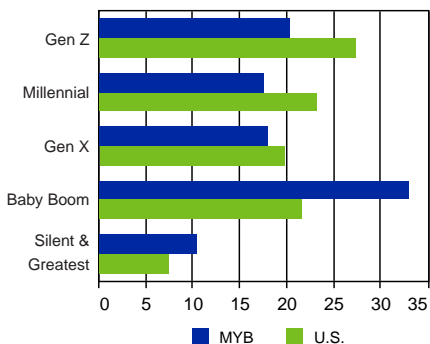


**Top Outside Sources of Workers**

| Location        | Share |
|-----------------|-------|
| Myrtle Beach SC | 90.2% |
| Wilmington NC   | 2.6   |
| Florence SC     | 0.2   |
| Charleston SC   | 0.2   |
| Charlotte NC    | 0.1   |
| Columbia SC     | 0.1   |

**GENERATIONAL BREAKDOWN**

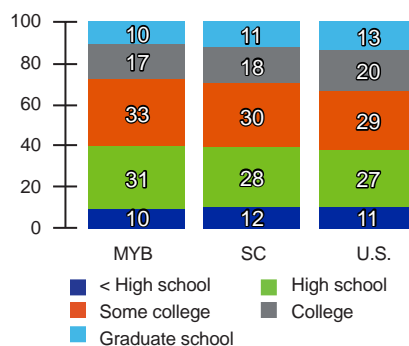
**POPULATION BY GENERATION, %**



Sources: Census Bureau, Moody's Analytics, 2019

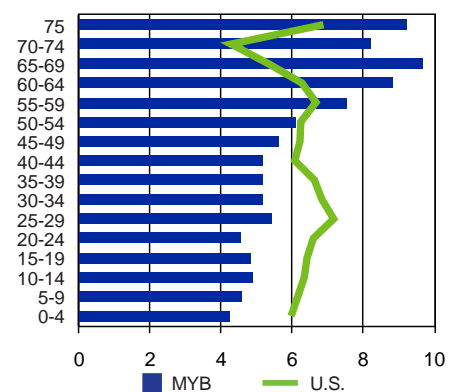
**EDUCATIONAL ATTAINMENT**

**% OF ADULTS 25 AND OLDER**



Sources: Census Bureau, ACS, Moody's Analytics, 2019

**POPULATION BY AGE, %**

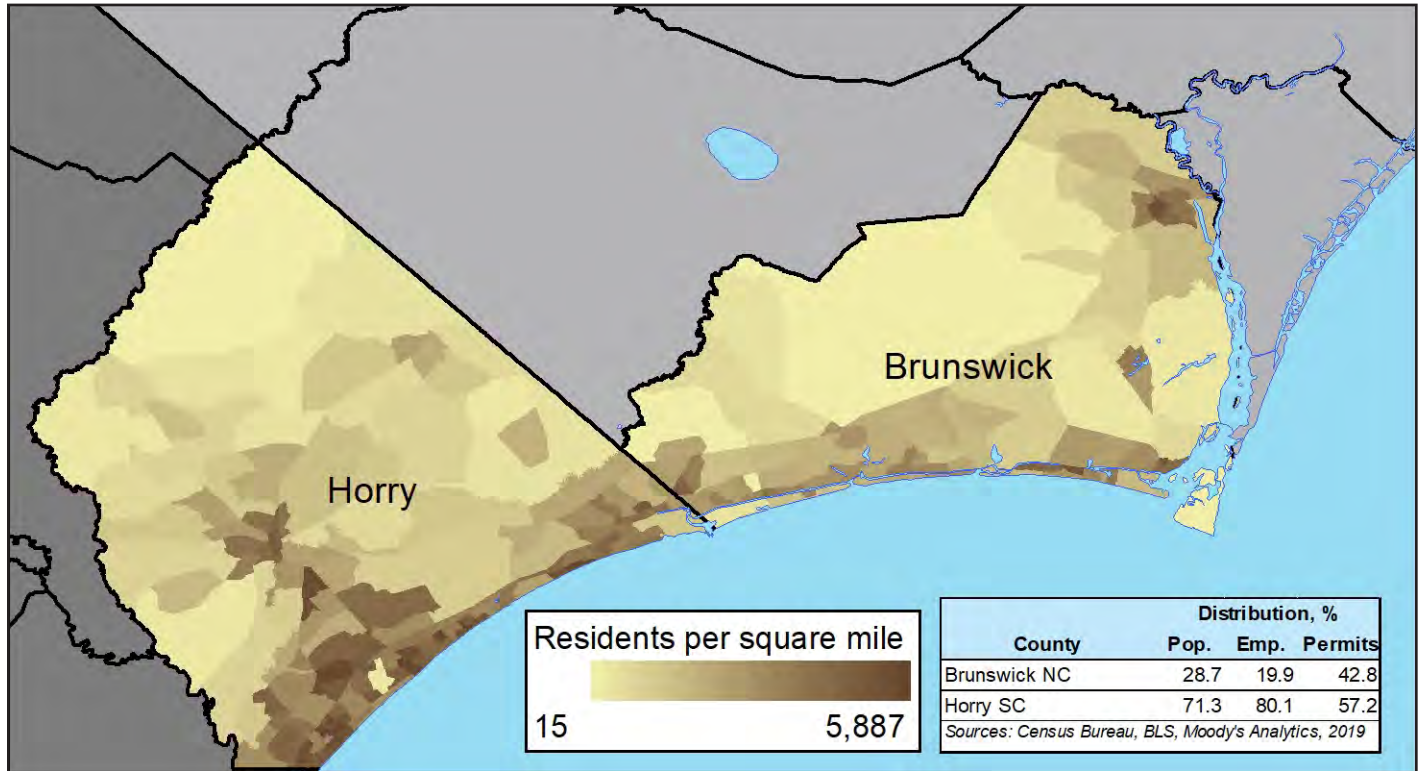


Sources: Census Bureau, Moody's Analytics, 2019

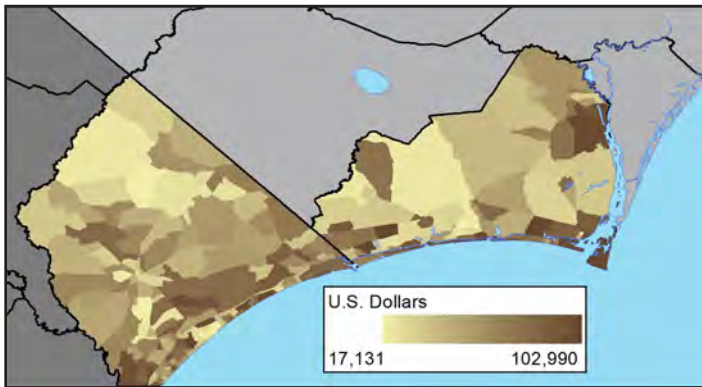


**GEOGRAPHIC PROFILE**

**POPULATION DENSITY**



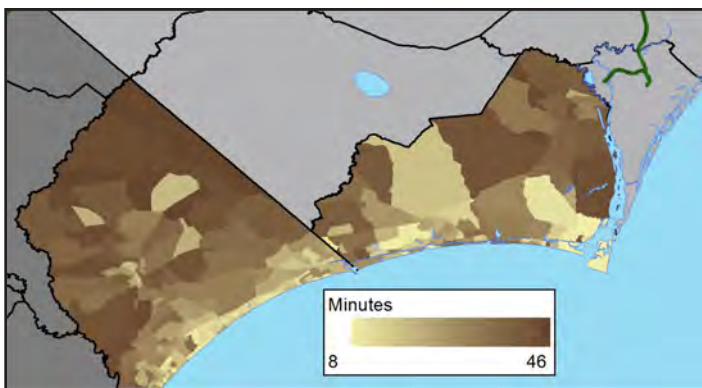
**MEDIAN HOUSEHOLD INCOME**



**POPULATION & HOUSING CHARACTERISTICS**

|                           | 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    |       |

**MEDIAN COMMUTE TIME**



\* 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

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# **Addendum F**

## **Appraiser Qualifications and Licenses**





**GREG BECKER, MAI**

**Senior Managing Director/  
Market Leader**



Newmark Knight Frank  
4440 PGA Boulevard, Suite 403  
Palm Beach Gardens, FL 33410  
greg.becker@ngkf.com  
T 561.212.5165

**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.

**PARTIAL CLIENT LIST:**

- ◆ 5/3 Bank
- ◆ Banco Popular
- ◆ Bank of America
- ◆ Bank United
- ◆ BB&T Bank
- ◆ Helba Landesbank
- ◆ JP Morgan Chase
- ◆ LNR Partners
- ◆ PNC Bank
- ◆ Popular Community Bank
- ◆ Principal
- ◆ Prologis
- ◆ Prudential
- ◆ Regions Bank
- ◆ Sabadell
- ◆ SunTrust Bank
- ◆ TD 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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**GREGORY J BECKER**

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A7729  
APPRAISER NUMBER

G  
TYPE

Y  
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Appraiser's Signature

Executive Director

**EXPIRES JUNE 30, 2022**