

AGENDA

North Carolina Land and Water Fund

Acquisition Committee Meeting

April 29 | 1:00 p.m. – 3:00 p.m.

This meeting will be held via teleconference and will have a physical location on the 4th floor of the Nature Research Center located at 121 West Jones Street, Raleigh, NC in room 4508. If any member of the public would like to join to the meeting via MS Teams or in person, please contact Terri Murray at teresa.murray@dncr.nc.gov or 919-707-9400 in advance for links or directions.

Committee Members:

Amy Grissom (Chair), Jason Walser, John Wilson, David Womack

COMMENCEMENT

1) Call to Order (Chair)

- a) Welcome
- b) Roll call
- c) **Compliance with General Statute § 138A-15**
General Statute § 138A-15 mandates that the Chair inquire as to whether any Trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda. If any Trustee knows of a conflict of interest or the appearance of a conflict of interest, please state so at this time.
- d) **Please put cell phones on vibrate or turn off, and if guests are joining remotely, mute your audio and turn off your video unless you are called upon to speak**
- e) **Revisions, additions, and adoption of the agenda**
- f) **Approval of committee meeting minutes from November 27, 2023**

2) Executive Director's Update (Will Summer)

PUBLIC COMMENTS

The public is invited to make comments to the committee (Chair)

The NCLWF Guidelines and Practices Manual states that comments shall be limited to subjects of business falling within the jurisdiction of the NCLWF. The NCLWF welcomes public comments on general issues. Comments will not be allowed on individual projects before the NCLWF for funding during the regular meeting. Comments will be limited to three minutes per person.

BUSINESS

1) Program Manager's update (Marissa Hartzler)

Staff will provide the committee with a program update.

2) Donation Mini-Grant allocation (Marissa Hartzler)

Staff will present a request to increase the DMG allocation for FY23-24.

3) 2000B-703 Emerald Isle Woods amendment request update (Justin Mercer)

Staff will provide an update on a request to amend a conservation easement.

4) 2023-069 The Conservation Fund Sledge Forest extension request (Marissa Hartzler)
Staff will present a progress report and request for grant extension.

ADJOURNMENT _____

**North Carolina Land and Water Fund
Acquisition Committee Meeting Minutes
November 27, 2023**

The meeting was held via Teams with a physical location on the 4th floor of the Nature Research Center located at 121 West Jones Street, Raleigh, NC in room 4508. All Committee Members in attendance were on Teams, and the Teams link was provided to guest attendees.

Committee Members present: Amy Grissom (Chair), Greer Cawood, John Wilson, Jason Walser (joined at 10:04 am)

Committee Members not present: David Womack

Additional Board Members present: Clement Riddle

Staff present: Will Summer, Marissa Hartzler, Steve Bevington, Marie Meckman, Christina Benton, Damon Hearne, Justin Mercer, Jill Fusco, Chelsea Blount, Teresa Murray

Visitors present: Janice Allen, NC Coastal Land Trust; Scott Pohlman, Natural Heritage Program

Call to Order (Amy Grissom, Chair)

Meeting was called to order by Amy Grissom, Chair, at 10:02 am

1. Welcome
2. Compliance with General Statute § 138A-15
 - a. No conflicts of interest were noted
3. Revisions, Additions and Adoption of the Agenda
 - a. **Motion** to approve the agenda was made by Greer Cawood, seconded by John Wilson, and unanimously approved.
 - b. **Motion** to approve the committee meeting minutes from November 13, 2023, was made by John Wilson, seconded by Greer Cawood, and unanimously approved.

Executive Director's Update (Will Summer)

Will Summer provided an update on NCLWF capacity

Public Comments

No public requests for comment

Business

- 1) **Program Manager's update** (Marissa Hartzler)
 - a. Staff presented a summary of projects closed in 2023 and remaining open contracts
- 2) **Donation Mini-Grant program updates** (Marissa Hartzler)
 - a. Staff presented updated draft of Donation Mini-Grant guidelines
 - b. John Wilson suggested reference the specific "Nature Preserve Act" and update last sentence of third paragraph to "Donation Mini-Grant (as opposed to Donated)"
 - c. **Motion** to recommend new Donation Mini-Grant Guidelines to full board with two changes requested by John Wilson was made by Greer Cawood, seconded by John Wilson, and unanimously approved.
- 3) **Transaction Costs for State Agencies updates** (Marissa Hartzler)

- a. Staff presented a recommendation to remove the cap on transaction costs for State Agency applicants.
 - b. **Motion** to repeal ACQ-003 Transaction Costs for State Agencies to remove the cap on transaction costs for State Agency applicants was made by Jason Walser, seconded by John Wilson, and unanimously approved.
- 4) **NHTF Shocco Creek Game Land Dedication Amendment** (Justin Mercer)
- a. Staff presented a NC Department of Transportation (DOT) request to amend the Shocco Creek Game Land Dedication in Halifax County.
 - b. Staff recommended that the Acquisition Committee approve the amendment request, authorizing the Natural Heritage Program, DOT, and State Property Office to amend the Articles of Dedication as recommended by the Natural Heritage Advisory Committee. The NCLWF shall be reimbursed for the value of the entire 0.97-acre area of impact.
 - c. **Motion** to approve the staff recommendation to approve the amendment request was made by Jason Walser, seconded by John Wilson, and unanimously approved.
- 5) **2014-063 Nealey Tract Amendment** (Justin Mercer)
- a. Staff presented a NC Department of Transportation (DOT) request to amend a conservation easement in Nash County.
 - b. Staff recommended that the Acquisition Committee approve the amendment request, authorizing DOT and the State Property Office to terminate up to 0.91 acres of the conservation easement to facilitate replacement of bridge 0090.
 - c. **Motion** to approve the staff recommendation was made by Jason Walser, seconded by John Wilson, and unanimously approved.

Adjournment

Motion to adjourn at 11:10 pm by Jason Walser, seconded by John Wilson, and unanimously approved.

Action Item

Staff member: Marissa Hartzler

Agenda Item 2) Donation Mini-Grant Allocation

Background

At the September 2023 meeting, the Board approved up to \$500,000 for the Donation Mini-Grant Program for applications received from September 2023 through the 2024 funding meeting, currently scheduled for October 2024. These funds are used on an as-needed basis and are drawn from license plate revenue and returned grant funds, similar to provisional funding.

Donation Mini-Grant Program applications have been steadily increasing over recent years:

Year	Applications	Total Funds	Average Request
2023-2024	9 to date	\$271,621 requested to date	\$30,180
2022-2023	11	\$182,628	\$16,603
2021-2022	8	\$129,399	\$16,175
2020-2021	8	\$105,284	\$13,161
2019-2020	4	\$69,345	\$17,336
2018-2019	3	\$58,432	\$19,477

The Board will be asked to make a new allocation to the Program in October, at which point available funds will reset. In the interim, there will be one more round of applications in August and NCLWF staff anticipates more demand than available funds would cover. If all current applications are funded, \$228,379 would remain for the August deadline, enough for 4-7 additional applications.

Staff recommendation

Recommend to the Board an additional allocation of \$300,000 of license plate revenue and/or returned grant funds to the Donation Mini-Grant Program through the 2024 funding meeting.

Committee action needed

Approve or amend the staff recommendation and make a recommendation to the Board.

Action Item**Staff member: Justin Mercer**

Agenda Item 3) 2000B-703 Emerald Isle – Emerald Isle Woods Amendment Request

The Town of Emerald Isle is requesting an amendment to the approximately 42-acre conservation easement to release three acres to facilitate the construction of a new Fire/EMS station.

Background

In 2000, the North Carolina Land and Water Fund awarded a grant in the amount of \$2,400,000 to the Town of Emerald Isle and the North Carolina Coastal Federation to acquire property and to design, construct, operate, and maintain a constructed wetlands system to treat stormwater and reduce pollution in the ocean and Bogue Sound. The entirety of NCLWF's \$2,400,000 funding contribution went toward the \$3,460,000 acquisition of the land.

The Town of Emerald Isle has undergone review of their emergency response services in recent years. This review revealed insufficient response times from existing fire and EMS stations to meet the needs of residents and tourists. A new station closer to the east side of the island is needed to provide adequate services. The centralized location and road frontage along Coast Guard Road led Town staff to select Emerald Isle Woods as their chosen site.

In 2021, the Town established the Emergency Services Task Force and engaged experts from the UNC School of Government, local realty experts, fire service professionals, and outside experts. Despite 18 months of effort, no other suitable location could be identified. The Town of Emerald Isle proposes to offset the impact to the NCLWF conservation easement with the functional protection of an additional nine acres at McLean-Spell Park in addition to monetary compensation for the easement value at Emerald Isle Woods.

At its meeting on November 13, 2024, the Acquisition Committee requested that the Town of Emerald Isle order an appraisal of the 3-acre area subject to the request by an MAI certified appraiser. The property was appraised in January 2024 indicating a fee value of the 3 acres at \$1,515,000.

Staff Recommendation

Though there is significant public benefit associated with this request, staff cannot recommend approval. The committee should carefully weigh the public benefits associated with the request against the impacts to conservation values.

Committee Action Needed

Approve, amend, or deny the request and make a recommendation to the board.

Attachments: Original request packet, original easement, Conservation Benefit Analysis Review Sheet, and Appraisal Report



Nice Matters!

Town of Emerald Isle
7500 Emerald Drive
Emerald Isle, NC 28594

252-354-3424 voice
252-354-5068 fax

www.emeraldisle-nc.org

Mayor
Jason Holland

Mayor Pro-Tem
Floyd Messer, Jr.

Board of Commissioners
Jamie Vogel
Steve Finch
Mark Taylor
Jim Normile

Town Manager
Matt Zapp
mzapp@emeraldisle-nc.org



MEMO

TO: Justin Mercer, Stewardship Manager
North Carolina Land and Water Fund

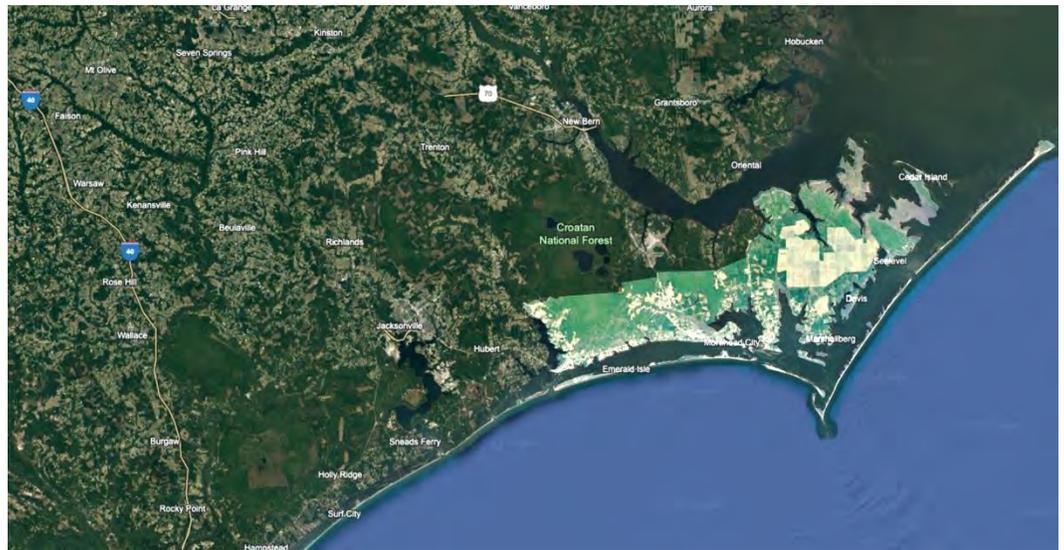
FROM: Matt Zapp, Town Manager

SUBJECT: Town of Emerald Isle Conservation Easement Consideration

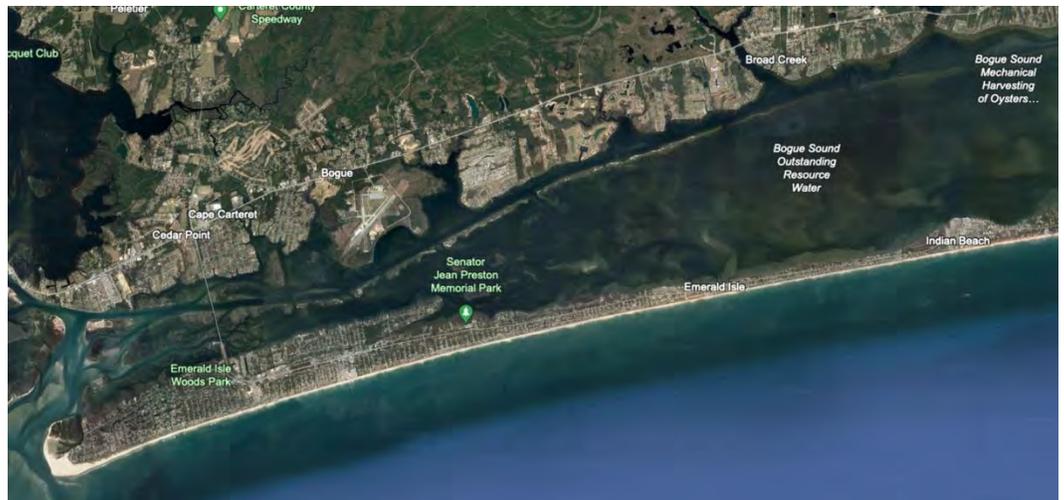
DATE: November 1, 2023

MUNICIPAL OVERVIEW

The Town of Emerald Isle is located in Carteret County North Carolina. Situated on the western end of the Bogue Banks, Emerald Isle proper consists of 5-square miles.



The Town maintains over 12-miles of public beach access and serves some 4,000 residents, a myriad of secondary property owners, and 50,000 daily visitors during the peak summer season. On average, over 4.1 million vehicles travel across the B. Cameron Langston Bridge from the mainland to Emerald Isle.



EMERALD ISLE SERVICES

The town provides Police, Fire, EMS, Ocean Rescue, Public Works, Parks, Planning, and general Administration services.

MARITIME FOREST LOCATIONS

A pair of maritime forest parks are owned and maintained by the local government:

1. Emerald Isle Woods (42 acres)
2. McLean Spell Park (29.7 acres)

EMERALD ISLE FIRE/EMS/OCEAN RESCUE

To meet the growing demands of the permanent and seasonal public, the Emerald Isle Fire Department continues to evolve. Beginning January 2023, the Fire and EMS departments were combined to maximize efficiency.

To properly respond to life and safety emergencies across the 12-mile service territory, construction of a new Emergency Operation Center (Fire, EMS, and Ocean Rescue) is desperately needed.

EMERGENCY SERVICES TASK FORCE

Emerald Isle established an Emergency Services Task Force (ESTF) in 2021. After 18 months of comprehensive investigation, the group determined that the highest and best placement for a new Emergency Operation Center is along Coast Guard Road.

The Emergency Services Task Force further researched every possible location for the new EOC/ fire station. The only location that meets the necessary geographic response criteria is the road frontage at the Emerald Isle Woods.



REQUEST OF THE NORTH CAROLINA LAND AND WATER FUND

Emerald Isle requests an exemption to construct the new emergency center adjacent to Coast Guard Road in Emerald Isle Woods. The Town of Emerald Isle would like to utilize 3-acres of land in the protected space of Emerald Isle Woods to construct the new Fire, EMS, and Ocean Rescue emergency center.



CONSERVATION EXCHANGE

McLean Spell Park consists of 29.7-acres; only 21-acres on the outer edge of this park is protected via a conservation covenant.

In exchange for the 3-acres of disturbed land in Emerald Isle Woods, the Town would further protect an additional 9-acres of maritime forest in McClean Spell Park. If preferred, the Town would consider converting the entire property to a conservation easement protected through a non-profit partner such as the NC Coastal Federation.



MONETARY COMPENSTATION

Emerald Isle is willing to provide repayment to the NCLWF fund, based on your organization's requirements. The tax value of 3-acres in Emerald Isle Woods (*based on the total 42-acre value*) is approximately \$450,000. Based upon NCLWF grant criteria, your organization would be entitled to 69.36% of value or approximately \$312,000. Emerald Isle would be willing to provide payment to the fund, based on your organization's requirements.

STORMWATER REDUCTION IN EMERALD ISLE WOODS

In addition to the plan to build a new Emergency Operation Center/ Fire Station at Emerald Isle Woods, the Town is actively working to reduce the impact of stormwater on the property and increase local water quality.

Currently, the Lands End subdivision annually pumps 272 million gallons of stormwater along Coast Guard Road and into Emerald Isle Woods.

Town staff has secured an \$850,000 FEMA 428 mitigation grant. These funds are dedicated to the design and installation of a Dune Infiltration system in Lands End. The new system will the pumping of 272 million gallons of stormwater into Emerald Isle Woods. Instead, the water will be treated on site via the dune infiltration system.

The \$850,00 project is currently funded by FEMA. A contract has been awarded to Summit Engineering to design the sustainable system, secure CAMA permitting, bid the project, and finally administer its construction. The target completion date is late 2025.

QUESTIONS, IDEAS AND/OR SUGGESTIONS

The Town of Emerald Isle sincerely appreciates your consideration. If the NCLWF trustees have any questions, do not hesitate to contact me via cell phone, text and/or email.

End of Report

N.C. Dept of Administration
Blane Rice
1321 Mail Service Center
Raleigh, NC 27699-1321

Melanie Arthur 11P
Carteret County Register of Deeds
PH Date 10/18/2002 Time 10:20:00
GR 958309 Page 1 of 11

NORTH CAROLINA, CARTERET COUNTY
The foregoing certificate(s) of Notary Public(s) is/are
certified to be correct. This instrument and this certifi-
cate are duly registered at the date and time and in
the Book and Page shown on the first page hereof.

Melanie Arthur, Register of Deeds
By Melanie Arthur
Asst. Deputy, Register of Deeds

CONSERVATION EASEMENT
FROM THE TOWN OF EMERALD ISLE
TO THE
STATE OF NORTH CAROLINA
CLEAN WATER MANAGEMENT TRUST
FUND

BOOK 958 PAGE 309

(11)

Raleigh, NC 27699-1321

Tax Parcel ID # 5383.09-07-9073

Grant No. 2000B-703

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

16-AL

CONSERVATION EASEMENT
Block 44, North, Emerald Isle (Cape Fear Property)

THIS CONSERVATION EASEMENT ("Conservation Easement") is made on this 8th day of May, 2002, by and between the Town of Emerald Isle, a North Carolina municipal corporation, with an address at 7500 Emerald Drive, Emerald Isle, North Carolina ("Grantor") and the STATE OF NORTH CAROLINA, with its address c/o State Property Office, 1321 Mail Service Center, Raleigh, NC 27699-1321 ("State" or "Grantee"), acting solely through the North Carolina Clean Water Management Trust Fund, with its address at 1651 Mail Service Center, Raleigh, NC 27699-1651 ("Fund").

RECITALS & CONSERVATION PURPOSES

A. Grantor is the sole owner in fee simple of the property being approximately 37.5 acres in Carteret County, State of North Carolina and being all of that certain tract as more particularly described in Exhibit A attached hereto and by this reference incorporated herein ("Property"); and

B. The State of North Carolina will be the Grantee and holder of this Conservation easement; and,

C. Fund is authorized by Article 13A, Chapter 113 of the General Statutes of North Carolina ("N.C.G.S.") to finance projects and to acquire land and interests in land, including conservation easements for riparian buffers for the purposes of providing environmental protection for surface waters and urban drinking water supplies and establishing a network of riparian greenways for environmental, educational, and recreational uses; and

D. The Grantor has received a grant from the Fund for acquisition of the Property in consideration of which Grantor has agreed that it will be conserved and managed in a manner that will protect the quality of the waters of Bogue Sound and the Atlantic Ocean and otherwise promote the public purposes authorized by Article 13A, Chapter 113 of the N.C.G.S.; and,

E. The parties hereto recognize the conservation and water quality values of the Property in its present state as a riparian shoreline and intend that said conservation values of the Property be preserved and maintained.

BOOK

958

PAGE

309

F. The characteristics of the Property, its current use and state of improvement are described in Exhibit A, which is the appropriate basis for monitoring compliance with the objectives of preserving the conservation and water quality values; the Exhibit A is not intended to preclude the use of other evidence (e.g. surveys, appraisals) to establish the present condition of the Property if there is a controversy over its use.

NOW, THEREFORE, in consideration of the premises and the mutual benefits recited herein, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the Grantor hereby unconditionally and irrevocably gives, grants and conveys forever and in perpetuity to the Grantee, its successors and assigns, and the Grantee hereby accepts, a Deed of Conservation Easement of the nature and character and to the extent hereinafter set forth in, over, through and across the Property, together with the right to preserve and protect the conservation values thereof as described in the Recitals herein.

The purposes of this Conservation Easement are to provide environmental protection for surface waters and to protect the wildlife and natural heritage values and it shall be so held, maintained, and used therefore. It is the further purpose of this Easement to prevent any use of the Property that will significantly impair or interfere with the preservation of said conservation values. Grantor intends that this easement will restrict use of the Property to such activities as are consistent with the purposes of conservation.

ARTICLE I. DURATION OF EASEMENT

This Conservation Easement shall be perpetual. It is an easement in gross, runs with the land, and is enforceable by Grantee against Grantor, its representatives, successors, assigns, lessees, agents and licensees.

ARTICLE II. RIGHTS RESERVED TO GRANTOR

Grantor reserves certain rights accruing from ownership of the Property, including the right to engage in or permit others to engage in uses of the Property that are not inconsistent with the purpose(s) of this Easement. All rights reserved by Grantors are reserved for Grantors, their representatives, successors, and assigns, and are considered to be consistent with the conservation purposes of this Conservation Easement. The following rights are expressly reserved:

A. To engage in recreational uses of the Property requiring minimal surface alteration of the land as indicated in Grantor's Public Park Plan, and any Grantee approved amendments thereto, said plans being on file with the Grantor's Clerk and on file with the Grantee's main office in Raleigh, North Carolina, so long as related alterations, construction, improvements, maintenance and uses pose no threat to conservation values; and

B. To allow public access to and use of the property for the purpose of a public park with associated recreational activities, including, without limitation, walking, fishing, non-motorized boating, animal/plant observations, conducting educational tours, scientific study, maintenance of the Property and any other purpose consistent with these excepted uses and maintaining the conservation value. To accomplish the above uses, the Grantor may construct paved or unpaved walking trails within the Easement Property. The Grantor may also establish a limited parking area near or adjacent to the access street running through the Property and have trail connections extending from said parking area. In construction of such trails and parking area the Grantor may also include a convenience facility, gazebo and maintenance shed. The total impervious surface area associated with all improvements including, but not limited to, the access road, walking trails, limited parking area(s), convenience facility, gazebo and maintenance shed shall not exceed 5% of the total area of the Easement Property. All future improvements shall be subject to the prior approval of the North Carolina Clean Water Management Trust Fund and to the terms set forth in that certain Memorandum of Understanding entered into between the Town of Emerald Isle and the North Carolina Clean Water Management Trust Fund dated April 29, 2002, incorporated herein by reference, and available for inspection in the offices of the Grantor & Grantee.

C. To improve and use the property for stormwater collection, retention and filtration as part of the Grantor's Stormwater Management Plan, and any Grantee approved amendments thereto, incorporated herein by reference and available for inspection in the offices of the Grantor and Grantee.

Notwithstanding the foregoing, Grantor and Grantee have no right to agree to any activity that would result in the termination of this Conservation Easement.

ARTICLE III. PROHIBITED AND RESTRICTED ACTIVITIES

Any activity on, or use of, the Property inconsistent with the purposes of this Conservation Easement is prohibited. The Property shall be maintained in its natural, scenic, wooded and open condition and restricted from any development or use that would impair or interfere with the conservation purposes of this Conservation Easement set forth above.

Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited or restricted.

A. Industrial and Commercial Use. Industrial and commercial activities and any right of passage for such purposes are prohibited on the Property.

B. Agricultural, Timber Harvesting, Grazing and Horticultural Use. Agricultural, timber harvesting, grazing, horticultural and animal husbandry operations are prohibited on the Property.

C. Disturbance of Natural Features, Plants and Animals. Except as allowed under Article II, there shall be no cutting or removal of trees, or the disturbance of other natural features except for the following: (1) as incidental to boundary marking, fencing, signage, construction and maintenance allowed hereunder; (2) selective cutting and prescribed burning or clearing of vegetation and the application of mutually approved pesticides for fire containment and protection, disease control, restoration of hydrology, wetlands enhancement and/or control of non-native plants; subject however, to the prior approval of Fund, and (3) fishing pursuant to applicable rules and regulations.

D. Construction of Buildings and Recreational Use. Except as allowed under Article II, there shall be no constructing or placing of any building, mobile home, asphalt or concrete pavement, billboard or other advertising display, antenna, utility pole, tower, conduit, line, pier landing, dock or any other temporary or permanent structure or facility on or above the Property except for the following: placing and display of no trespassing signs, local, state or federal traffic or similar informational signs, for sale or lease signs, fencing, signs identifying the conservation values of the Property, and/or signs identifying the Grantor as owner of the Property and State as holders of this Conservation Easement and as the source of funding for the acquisition of this Property, educational and interpretative signs, identification labels or any other similar temporary or permanent signs, reasonably satisfactory to the Fund

E. Mineral Use, Excavation, Dredging. Except as allowed under Article II, there shall be no filling, excavation, dredging, mining or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals or other materials, and no change in the topography of the land in any manner except as necessary for the purpose of combating erosion or incidental to any conservation management activities otherwise permitted in this Conservation Easement.

F. Wetlands and Water Quality. Except as allowed under Article II, there shall be no pollution or alteration of water bodies and no activities that would be detrimental to water purity or that would alter natural water levels, drainage, sedimentation and/or flow in or over the Property or into any surface waters, or cause soil degradation or erosion nor diking, dredging, alteration, draining, filling or removal of wetlands, except activities to restore natural hydrology or wetlands enhancement as permitted by state and any other appropriate authorities.

G. Dumping. Dumping of soil, trash, ashes, garbage, waste, abandoned vehicles, appliances, or machinery, or other materials on the Property is prohibited.

H. Conveyance and Subdivision. The Property may not be subdivided, partitioned nor conveyed, except in its current configuration as an entity or block of property.

ARTICLE IV. ENFORCEMENT AND REMEDIES

A. Enforcement. To accomplish the purposes of this Easement, Grantee is allowed to prevent any activity on or use of the Property that is inconsistent with the purposes

of this Easement and to require the restoration of such areas or features of the Property that may have been damaged by such activity or use. Upon any breach of the terms of this Conservation Easement by Grantor that comes to the attention of the Grantee, the Grantee shall, except as provided below, notify the Grantor in writing of such breach. The Grantor shall have ninety (90) days after receipt of such notice to correct the conditions constituting such breach. If the breach remains uncured after ninety (90) days, the Grantee may enforce this Conservation Easement by appropriate legal proceedings including damages, injunctive and other relief. The Grantee shall also have the power and authority, consistent with its statutory authority: (a) to prevent any impairment of the Property by acts which may be unlawful or in violation of this Conservation Easement; (b) to otherwise preserve or protect its interest in the Property; or (c) to seek damages from any appropriate person or entity. Notwithstanding the foregoing, the Grantee reserves the immediate right, without notice, to obtain a temporary restraining order, injunctive or other appropriate relief if the breach of the term of this Conservation Easement is or would irreversibly or otherwise materially impair the benefits to be derived from this Conservation Easement. The Grantor and Grantee acknowledge that under such circumstances damage to the Grantee would be irreparable and remedies at law will be inadequate. The rights and remedies of the Grantee provided hereunder shall be in addition to, and not in lieu of, all other rights and remedies available to Grantee in connection with this Conservation Easement, including, without limitation, those set forth in the Grant Agreement under which this Conservation Easement was obtained.

B. Inspection. Grantee, its employees and agents and its successors and assigns, have the right, with reasonable notice, to enter the Property at reasonable times for the purpose of inspecting the Property to determine whether the Grantor, Grantor's representatives, or assigns are complying with the terms, conditions and restrictions of this Conservation Easement.

C. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury or change in the Property caused by third parties, resulting from causes beyond the Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken in good faith by the Grantor under emergency conditions to prevent, abate, or mitigate significant injury to life, damage to property or harm to the Property resulting from such causes.

D. Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Conservation Easement against Grantor, including, without limitation, any costs of restoration necessitated by Grantor's acts or omissions in violation of the terms of this Conservation Easement, shall be borne by Grantor.

E. No Waiver. Enforcement of this Easement shall be at the discretion of the Grantee and any forbearance by Grantee to exercise its rights hereunder in the event of any breach of any term set forth herein shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or of any other term of this easement or

of Grantee's rights. No delay or omission by Grantee in exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

ARTICLE V. DOCUMENTATION AND TITLE

A. Property Condition. The parties acknowledge that the Property is currently undeveloped land, with no improvements other than as described in Exhibit A and easements and rights of way of record.

B. Title. The Grantor covenants and represents that the Grantor is the sole owner and is seized of the Property in fee simple and has good right to grant and convey the aforesaid Conservation Easement; that there is legal access to the Property, that the Property is free and clear of any and all encumbrances, except easements of record, none of which would nullify, impair or limit in any way the terms or effect of this Conservation Easement; Grantor shall defend its title against the claims of all persons whomsoever, and Grantor covenants that the Grantee shall have the use of and enjoy all of the benefits derived from and arising out of the aforesaid Conservation Easement.

ARTICLE VI. MISCELLANEOUS

A. Subsequent Transfers. Grantor hereby covenants and agrees, that in the event it transfers or assigns the Property, the transferee of the Property will be a qualified organization as that term is defined in Section 170(h)(3) of the Internal Revenue Code of 1986, as amended, or any successor section, and the regulations promulgated thereunder (the Internal Revenue Code'), which is organized or operated primarily for one of the conservation purposes specified in Section 170 (h)(4)(A) of the Internal Revenue Code. Grantor agrees for itself, its successors and assigns, to notify Grantee in writing of the names and addresses of any party to whom the Property, or any part thereof, is to be transferred at or prior to the time said transfer is consummated. Grantor, for itself, its successors and assigns, further agrees to make specific reference to this Conservation Easement in a separate paragraph of any subsequent lease, deed or other legal instrument by which any interest in the Property is conveyed.

B. Conservation Purpose.

(1) Grantee, for itself, its successors and assigns, agrees that this Conservation Easement shall be held exclusively for conservation purposes.

(2) The parties hereto recognize and agree that the benefits of this Conservation Easement are in gross and assignable, provided, however that the Grantee hereby covenants and agrees, that in the event it transfers or assigns this Conservation Easement, the organization receiving the interest will be a qualified organization as that term is defined in Section 170(h)(3) of the Internal Revenue Code, which is organized or operated

primarily for one of the conservation purposes specified in Section 170 (h)(4)(A) of the Internal Revenue Code, and Grantee further covenants and agrees that the terms of the transfer or assignment will be such that the transferee or assignee will be required to continue to carry out in perpetuity the conservation purposes that the contribution was originally intended to advance, set forth in the Recitals herein.

(3) Unless otherwise specifically set forth in this Conservation Easement, nothing herein shall convey to or establish for the public a right of access over the Property.

C. Construction of Terms. This Conservation Easement shall be construed to promote the purposes of the North Carolina enabling statute set forth in N.C.G.S. 121-34 et seq. which authorizes the creation of Conservation Easements for purposes including those set forth in the Recitals herein, and the conservation purposes of this Conservation Easement, including such purposes as are defined in Section 170(h)(4)(A) of the Internal Revenue Code.

D. Recording. State shall record this instrument and any amendment hereto in timely fashion in the official records of Carteret County, North Carolina, and may re-record it at any time as may be required to preserve its rights.

E. Notices. All notices, requests or other communications permitted or required by this Agreement shall be sent by registered or certified mail, return receipt requested, addressed to the parties as set forth above, or to such other addresses such party may establish in writing to the other. All such items shall be deemed given or made three (3) days after being placed in the United States mail as herein provided. In any case where the terms of this Conservation Easement require the consent of any party, such consent shall be requested by written notice. Such consent shall be deemed denied unless, within ninety (90) days after receipt of notice, a written notice of approval and the reason therefore has been mailed to the party requesting consent.

F. Amendments. Grantor and Grantee are free to jointly amend this Conservation Easement to meet changing conditions, provided that no amendment will be allowed that is inconsistent with the purposes of this Conservation Easement or affects the perpetual duration of this Conservation Easement. Such amendment(s) require the written consent of both Grantor and Grantee and shall be effective upon recording in the public records of Carteret County, North Carolina.

G. Environmental Condition of Property. The Grantor warrants, represents and covenants to the Grantee that to the best of its knowledge after appropriate inquiry and investigation that: (a) the Property described herein is and at all times hereafter will continue to be in full compliance with all federal, state and local environmental laws and regulations, and (b) as of the date hereof there are no hazardous materials, substances, wastes, or environmentally regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Property or used in connection therewith, and that there is no environmental condition existing on the Property that may prohibit or impede use of the

Property for the purposes set forth in the Recitals and the Grantor will not allow such uses or conditions.

H. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Conservation Easement. If any provision is found to be invalid, the remainder of the provisions of this Conservation Easement, and the application of such provision to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby. The party(ies) hereto intend this document to be an instrument executed under seal. If any party is an individual, partnership or limited liability company, such party hereby adopts the word "SEAL" following his/her signature and the name of the partnership or limited liability company as his/her/its legal seal. The Recitals set forth above and the Exhibits attached hereto are incorporated herein by reference.

I. Indemnity. The Grantors agree to the fullest extent permitted by law, to defend, protect, indemnify and hold harmless the State from and against all claims, actions, liabilities, damages, fines, penalties, costs and expenses suffered as a direct or indirect result of any violation of any federal, state, or local environmental or land use law or regulation or of the use or presence of any hazardous substance, waste or other regulated material in, on or under the property.

J. Interpretation. This Conservation Easement shall be construed and interpreted under the laws of the State of North Carolina, and any ambiguities herein shall be resolved so as to give maximum effect to the conservation purposes sought to be protected herein.

K. Parties. Every provision of this Conservation easement that applies to the Grantors or to the Grantee shall likewise apply to their respective heirs, executors, administrators, assigns, and grantees, and all other successors in interest herein.

L. Merger. The parties agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interest in the Property.

M. Subsequent Liens. No provisions of this Conservation Easement shall be construed as impairing the ability of Grantors to use this Property for collateral for borrowing purposes, provided that any mortgage or lien arising therefrom shall be subordinated to this Easement.

TO HAVE AND TO HOLD unto THE STATE OF NORTH CAROLINA, its successors and assigns, forever. The covenants agreed to and the terms, conditions, restrictions and purposes imposed as aforesaid shall be binding upon Grantor, Grantor's representatives, successors and assigns, and shall continue as a servitude running in perpetuity with the Property.

IN WITNESS WHEREOF, Grantor, by authority duly given, has hereunto caused these presents to be executed by its officers and its seal affixed, to be effective the day and year first above written.

GRANTOR:

TOWN OF EMERALD ISLE

By: FRM
Frank Rush, Town Manager

[SEAL]

ATTEST:

Carolyn K. Custy, CMC
Carolyn Custy, Town Clerk

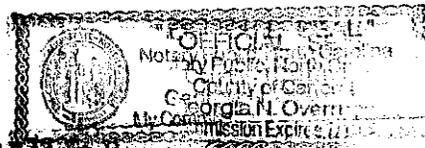
STATE OF NORTH CAROLINA
COUNTY OF CARTERET

I, Georgia N. Overman, Notary Public, do hereby certify that Carolyn Custy personally came before me this day and acknowledged that she is Town Clerk of Emerald Isle, a North Carolina municipal corporation, and that by authority duly given and as the act of the Town, the foregoing instrument was signed in its name by its Town Manager, sealed with its seal, and attested by herself as its Town Clerk.

Witness my hand and notarial seal, this the 27th day of June, 2002.

Georgia N. Overman
Notary Public

My commission expires: 7/19/2009



STATE OF NORTH CAROLINA
CARTERET COUNTY

The foregoing certificate of _____, Notary Public, is certified to be correct.

This _____ day of _____, 2002.

Register of Deeds

This instrument prepared by ~~and should be returned to:~~ Taylor & Taylor
Return to Blane Rice, State Property Office, 1321 Mail Service Center, Raleigh, NC
SINGLE CONSERVATION EASEMENT TEMPLATE 2 06/25/02 10:28 AM

BOOK 958 PAGE 309

EXHIBIT A

NORTH CAROLINA

CARTERET COUNTY

EMERALD ISLE TOWNSHIP

Beginning at a point marked by an iron pipe in the northern right-of-way margin of Coast Guard Road said point being the following courses and distances from a P. K. Nail located at the intersection of the centerline of Ocean Oaks Drive and the centerline of the northernmost leg of Cape Fear Loop Road, S 04° 26' 40" E, 1,004.31 feet, N 65° 52' 47" E, 599.30 feet; thence from this point and place of beginning for a first call of N 05° 30' 00" W, 1,393.70 feet to an existing iron pipe in the highwater mark of Bogue Sound and thence along and with the various courses of the highwater mark of Bogue Sound to a point in the highwater mark of Bogue Sound which is N 66° 17' 42" E, 1,158.15 feet from the terminus of the immediately preceding call; thence S 05° 30' 00" E, 131.32 feet to an iron pipe; thence continuing S 05° 30' 00" E, 1,545.65 feet to a point in the northern right-of-way margin of Coast Guard Road; thence with the northern right-of-way margin of that road N 86° 28' 00" W, 184.68 feet to a point in a curve; thence along the curve to the left having a radius of 1,425.19 feet and chord bearing and distance of S 82° 20' 00" W, 553.64 feet to a point; thence continuing with the northern right-of-way margin of Coast Guard Road S 71° 08' 00" W, 374.69 feet to the point and place of beginning. This parcel is all of that property identified as "Block 44 North", containing 37.554 acres by coordinate computation, and as depicted upon that survey for the Town of Emerald Isle dated March 15, 2002, created by Prestige Land Surveying, P.A. of Cape Carteret-Swansboro, North Carolina which is recorded in Map Book 30, page 120, Carteret County Registry and which is referenced herein for a more particular description.

This property is an unimproved tract of raw land bordered on the North by the waters of Bogue Sound, on the South by Coast Guard Road, and on the East and West by significant residential development. The land is covered primarily by natural wetlands, maritime forests, and many types of native vegetation. There is a single, unpaved access road running across the property from Coast Guard Road to a point near the shoreline of Bogue Sound. The topography is varied, ranging from significant sand dunes with sparse vegetation to low lying areas with often dense vegetation. The contour of the land and the permeability of the soils make the property well suited for stormwater collection, retention and natural filtration.

SINGLE CONSERVATION EASEMENT TEMPLATE 2 06/25/02 10:28 AM

BOOK 958 PAGE 309¹⁰

NCLWF Conservation Benefit Analysis Review Sheet

Created 5/02/2023 by JM

Project Number 2000B-703	Project Name Coast Guard Road Stormwater (Emerald Isle Woods)	Requesting Party Town of Emerald Isle
------------------------------------	---	---

Score Differential G/Y/R	Resource	Impacted Conservation Area 3 acres at Emerald Isle Woods	Proposed offset 10 acres at McLean-Spell Park
-25	Riparian Buffer	Resource Name: coastal wetlands Classification: substantial ARS Score: 25	N/A
0	Historic and Cultural	N/A	N/A
-15	Natural Heritage	Resource Name: Emerald Isle Woods (R1); Interdune pond (S1/G1); Maritime Evergreen Forest (S2/G2); Maritime Swamp Forest (S2G2); painted bunting (S2) ARS Score: 48	Resource Name: Emerald Isle Archers Creek (R4); Maritime Evergreen Forest (S2/G2); Salt Shrub (S4/G5) ARS Score: 33
0	Riparian Greenway	N/A	N/A
-17	Total Score	ARS Score: 50	ARS Score: 33

NCLWF Staff Comments and Interpretation: The scoring comparison results in a negative differential for both RB and NH resources. Though the differential for RB is higher, the NH carries the score as the more significant resource. Discussion with NHP staff confirms that the two properties do not compare favorably. NCLWF staff concludes that this transaction would not result in a positive conservation outcome based on land exchange alone. However, the addition of monetary compensation and the fact that McLean-Spell Park is the only remaining unprotected natural area on the island are worth additional consideration.

Notes: Review sheet should be completed for all requests to amend NCLWF conservation agreements. All resources to be impacted should be documented in the appropriate cell. If a given resource is not impacted, replace text in the designated cell with "N/A." The "Score Differential G/Y/R" column should be color-coded to represent a positive conservation benefit (green), a neutral conservation impact (yellow), or a negative conservation impact (red).

APPRAISAL REPORT



EMERALD ISLE WOODS TRACT
3^{+/-} ACRES OF VACANT LAND
9404 Coast Guard Road
Emerald Isle, Carteret County, North Carolina 28594

PREPARED FOR

Matt Zapp, Manager
TOWN OF EMERALD ISLE
7500 Emerald Drive
Emerald Isle, North Carolina 28594

PREPARED BY

F. Bruce Sauter, MAI
Mitchell T. Boyd
F. BRUCE SAUTER & ASSOCIATES, INC.
2301 Executive Circle
Greenville, North Carolina 27834

F. BRUCE SAUTER & ASSOCIATES, INC.

Real Estate Appraisers and Consultants

2301 Executive Circle, Greenville, North Carolina 27834

Telephone: (252) 758-7000 • Fax: (252) 758-4762

Email: fbs@fbsauter.com

January 29, 2024

Matt Zapp, Manager
Town of Emerald Isle
7500 Emerald Drive
Emerald Isle, North Carolina 28594

RE: EMERALD ISLE WOODS TRACT; 3^{+/-} ACRES OF VACANT LAND, 9404 COAST GUARD ROAD, EMERALD ISLE, CARTERET COUNTY, NORTH CAROLINA 28594

Dear Mr. Zapp,

As requested, we have prepared an appraisal of the above-referenced property to report the *market value* of the *fee simple interest* therein, as existing on or about **January 18, 2024**, the date of inspection. The value reported below is qualified by certain definitions, limiting conditions, and certifications set forth in the attached report. Your attention is specifically invited to these items.

After a personal inspection of the property, and careful consideration of all the information compiled in our investigation, we have concluded that the present value and market position of the subject property is approximately **\$1,515,000**.

The following appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our opinion of value. The value estimate reported above reflects prevailing economic conditions as of the date of the inspection. This report is for the exclusive use of the Town of Emerald Isle and the State of North Carolina. It is not our intention for any other party to rely on this appraisal provided by F. Bruce Sauter and Associates, Inc. without prior written consent.

We certify that we have no present or contemplated future interest in the property appraised, and further, that this appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount, which would result in approval of a loan.

This appraisal is intended to comply with the Uniform Standards of Professional Appraisal Practice, as currently amended, as well as, Federal Regulation (*Sec CFR Part 34.44 and 34.45*), Interagency Appraisal and Evaluation Guidelines, and the Town of Emerald Isle's Letter of Engagement and Instructions.

This appraisal is for the real property only. We further certify that we have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Respectfully submitted,



F. Bruce Sauter, MAI
NC General Certification No.: A8



Mitchell T. Boyd
NC General Certification No.: A8308



SUMMARY OF SALIENT FACTS

The appraisal revealed the following facts and conclusions:

PROPERTY LOCATION:	9404 Coast Guard Road, Emerald Isle, Carteret County, North Carolina 28594
PROPERTY OWNER:	Town of Emerald Isle
LEGAL DESCRIPTION:	Deed Book 940, Page 654 of the Carteret County Registry
LAND AREA:	3 ^{+/-} Acres (<i>According to Carteret County GIS Measurement</i>)
NEIGHBORHOOD:	Residential / Commercial
ZONING:	G – Government District
PROPOSED ZONING:	R2 – Residential District
UTILITIES:	Electric, Telephone, Municipal Water & Septic
FLOOD ZONE:	Portions Located in 100-Year and 500-Year Flood Hazard Areas
PRESENT USE	Governmental (Park)
HIGHEST AND BEST USE:	Single-Family Residential
INTEREST APPRAISED:	Fee Simple
DATE OF INSPECTION/VALUATION:	January 18, 2024
MARKET VALUE CONCLUSION:	\$1,515,000

TABLE OF CONTENTS

	<u>Page No.</u>
LETTER OF TRANSMITTAL.....	I
SUMMARY OF SALIENT FACTS	II

APPRAISAL

CLIENT.....	1
APPRAISERS	1
SUBJECT	1
IDENTIFICATION OF THE PROPERTY	2
OWNERSHIP AND PROPERTY HISTORY	3
SCOPE OF THE ASSIGNMENT	3
DATE OF INSPECTION / VALUATION.....	4
PURPOSE OF THE APPRAISAL/INTENDED USE/INTENDED USERS	4
MARKET VALUE.....	5
PROPERTY RIGHTS APPRAISED.....	5
VALUATION SERVICES – APPRAISAL DEVELOPMENT AND REPORTING	6
HYPOTHETICAL CONDITIONS	6
EXTRAORDINARY ASSUMPTIONS	6
REGIONAL AND AREA ANALYSIS CARTERET COUNTY	7
LOCATION	7
HIGHWAYS	7
FREIGHT & DELIVERY SERVICES.....	8
PORT	8
RAIL/FREIGHT	9
PASSENGER	9
COMMERCIAL AIR SERVICE	9
PUBLIC TRANSPORTATION	9
GEOGRAPHIC CHARACTERISTICS	10
TERRAIN AND TOPOGRAPHY	10
BEACHES.....	10
CLIMATE	10
SOIL	11
NATURAL RESOURCES	11
TIMBER	11
WATER.....	11
WETLANDS.....	12
MINERALS AND GRAVEL	12
POPULATION.....	12
WORKFORCE.....	13
WAGES AND INCOME	14
BUSINESS & INDUSTRY	14
MILITARY	15
TOURISM.....	15
MARINE TRADES.....	16
LOCAL GOVERNMENT & TAX RATES	16
TAX RATES	17
CONCLUSIONS	18
NEIGHBORHOOD DESCRIPTION	19
EXPOSURE AND MARKETING TIME	22
DESCRIPTION OF THE SUBJECT PROPERTY	24
EASEMENTS AND ENCROACHMENTS.....	27
TAXES AND ASSESSMENTS	28

HIGHEST AND BEST USE	30
LEGALLY PERMISSIBLE	30
PHYSICALLY POSSIBLE.....	31
FINANCIALLY FEASIBLE	31
MAXIMALLY PRODUCTIVE	32
HIGHEST AND BEST USE AS THOUGH VACANT	32
VALUATION – APPRAISAL METHODOLOGY	33
COST APPROACH.....	33
SALES COMPARISON APPROACH	33
INCOME APPROACH.....	33
METHODOLOGY APPLICABLE TO THE SUBJECT	34
LOT VALUES	34
ASSUMPTIONS AND LIMITING CONDITIONS	66
APPRAISER’S CERTIFICATION	68
APPRAISER’S CERTIFICATION	69

ADDENDUM

SUBJECT PHOTOS.....	A
DEED	B
SURVEY	C
APPRAISER’S QUALIFICATIONS.....	D

APPRAISAL REPORT TYPES

According to the Uniform Standards of Professional Appraisal Practice, Standard Rule 2-2, an appraisal report must be prepared under one of the following two options:

APPRAISAL REPORTS should contain all information significant to the solution of the appraisal problem.

RESTRICTED APPRAISAL REPORTS should contain brief statements of the information significant to the solution of the appraisal problem.

This Appraisal Report is intended to comply with the requirements set forth under Standards Rule 2-2 as noted above of the Uniform Standards of Professional Appraisal Practice. The depth of discussion contained in this report is specific to the needs of the client and for the intended stated use. The appraisers are not responsible for unauthorized use of this report.

CONFIDENTIALITY AGREEMENT

Acceptance and use of this appraisal is an implied confidentiality agreement between F. Bruce Sauter and Associates, Inc. and the intended user and or named clients. Due to the nature of the appraisal industry, and most importantly, client and USPAP confidentiality requirements, the contents of this appraisal are considered confidential. In addition, the contents of this appraisal are also the intellectual property of F. Bruce Sauter and Associates, Inc. not to be distributed without prior written agreement. Significance is given to the distribution of data that involves prior confidentiality agreements.

CLIENT

Matt Zapp, Manager
Town of Emerald Isle
7500 Emerald Drive
Emerald Isle, North Carolina 28594

APPRAISERS

F. Bruce Sauter, MAI
NC General Certification No.: A8

Mitchell T. Boyd
NC General Certification No.: A8308

SUBJECT

Emerald Isle Woods Tract
3^{+/-} Acres of Vacant Land
9404 Coast Guard Road
Emerald Isle, Carteret County, North Carolina 28594
PARCEL NUMBER: 538309170022000

IDENTIFICATION OF THE PROPERTY



The subject of this appraisal is a vacant tract of land located at 9404 Coast Guard Road, Emerald Isle, North Carolina. The parent tract (outlined in red above) contains 37.554 acres, as illustrated on the survey for the Town of Emerald Isle prepared by Prestige Land Surveying, P.A., and recorded in Map Book 30, Page 120 of the Carteret County Registry. The tract is owned by the Town of Emerald Isle and is currently serving as Emerald Isle Woods Park. The tract is further identified as Carteret County Parcel Number 538309170022000.

The subject of this appraisal is approximately 3 acres of vacant land located along the frontage of Coast Guard Road (*outlined in yellow above*). The acreage was taken from GIS measurements. The purpose of the appraisal is to provide the Town of Emerald Isle a fair market value of the land for possible development of a fire station. As indicated by the client, this appraisal has been performed as if the land is free and clear from any conservation easement.

As discussed in the highest and best use section following later in this report, the highest and best use for the subject tract is for single-family residential development.

OWNERSHIP AND PROPERTY HISTORY

The subject property was acquired by the Town of Emerald Isle from Cape Fear Company Limited Partnership, as recorded in May of 2002, in Deed Book 940, Page 654 of the Carteret County Registry. Revenue stamps affixed to the deed totaled \$6,920, indicating a purchase price of \$3,460,000. Subsequent to purchase, a 1.16-acre tract along Coast Guard Road was subdivided out for the Bogue Banks Water Corporation. The parent tract is currently utilized by the Town of Emerald Isle for use as the Emerald Isle Woods Park, and for a discharge point for storm water management from adjacent subdivisions.

We are unaware of any current listings or pending sales of the subject property at this time. To our knowledge, no other transactions between third parties have occurred during the last three years.

SCOPE OF THE ASSIGNMENT

The *scope of work* encompasses the level of detail and documentation required by the appraiser to satisfy the purpose and premise of the appraisal. As indicated by the client, this assignment is to provide an estimate of market value for the property in an “as is” condition, as if the land was free and clear from any conservation easement. Therefore, the level of detail and documentation in this report has been tailored to meet

the purpose of the assignment, including the type and definition of the value to be developed, and the credibility of the reported value conclusions.

This report reflects necessary information about the subject, market conditions, and market data available for analysis and conclusions. The data obtained came from normal sources that include the County Tax Assessor's offices, Court House records, physical inspections, real estate brokers and agents, property owners, and parties familiar with the various properties and transactions. In addition, use was made of national and regional publications, as well as, our extensive market research stored within our files and reference materials. Additional information about this assignment has been retained in our file memoranda.

DATE OF INSPECTION / VALUATION

The site was inspected on *January 18, 2024*, in the presence of Mr. Billy Matthias, Fire Chief of Emerald Isle Fire Department. At that time, a cursory investigation was made of the surrounding community and various photographs of the property were taken.

DATE OF REPORT

The date of the report is the date indicated on the letter of transmittal.

PURPOSE OF THE APPRAISAL/INTENDED USE/INTENDED USERS

The purpose of the appraisal is to develop an opinion as to the *market value “as is”* of the *fee simple interest* in the subject property, in terms of cash, on or about the effective date of valuation.

The function and intended use of this appraisal report is for internal purposes by the named client. The report is for the exclusive use of the Town of Emerald Isle and the State of North Carolina and its affiliates. F. Bruce Sauter and Associates, Inc. does not warrant any unauthorized use, nor is it our intention for another party to rely on this

appraisal. It is our intention for this report to comply with the Uniform Standards of Professional Appraisal Practice, as currently amended, and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as currently amended.

MARKET VALUE

Market value¹ is defined in the Interagency Appraisal and Evaluation Guidelines as follows:

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

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

PROPERTY RIGHTS APPRAISED

This appraisal is for the **fee simple estate** and has been valued accordingly.

The **fee simple estate**² is defined as:

“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.

¹ This definition of market value is taken from: The Office of the Comptroller of the Currency under 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

VALUATION SERVICES – APPRAISAL DEVELOPMENT AND REPORTING

F. Bruce Sauter and Associates, Inc. completed the following steps for this assignment in accordance with the Uniform Standards of Professional Appraisal Practice.

- *Inspected the subject property;*
- *Understood the intended use of the report;*
- *Applied the appropriate methodology;*
- *Analyzed the comparable data to arrive at a probable range of value via each approach to value used in this report;*
- *Reconciled the results of each approach into a reasonable and defensible final estimate of value for the subject, as defined herein; and*
- *Estimated a reasonable exposure and marketing time associated with the property.*

As part of this appraisal, an independent investigation and analysis was conducted. A personal inspection of the property was made including the surrounding neighborhood.

HYPOTHETICAL CONDITIONS

Hypothetical conditions are known to be false, but are presumed to be true for the purpose of reasonable analysis.

This appraisal is performed as if the land is free and clear from any conservation easement.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is something that is assumed to be true, but it is not certain. If it turns out to be untrue, the value conclusion would be impacted. Extraordinary assumptions are those assumptions that are specific to the particular assignment (*e.g., that a possibly contaminated site is not adversely impacted by contamination*), as opposed to general assumptions, which could be applicable to any assignment (*e.g., that the title is marketable*).

There are no extraordinary assumptions associated with this appraisal.

REGIONAL AND AREA ANALYSIS CARTERET COUNTY

LOCATION



Carteret County is ideally situated midway between Boston and Miami. Two-thirds of US commercial facilities are within a day's trucking distance. The county is bordered by Onslow County to the west, Jones County to the Northwest, Craven County to the North and Pamlico County to the Northeast, across the Neuse River. Major county municipalities include Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Morehead City, Newport, Peletier, and Pine Knoll Shores.

HIGHWAYS

US Highway 70, a four-lane road, is the Eastern Region's "Main Street", linking Carteret County to major East Coast markets and the Raleigh-Durham/Research Triangle to the west. Interstate 95 is 105 miles from the Port of Morehead City (FTZ). Interstate 40 is 63 miles away via four lane NC Highway 24 and US Highway 17 providing access to the Port of Wilmington (FTZ). The Global TransPark (FTZ) is 78 miles from the Port of Morehead City via I-70 and 88 miles to the Port of Wilmington via US Highway 70.

2013 TRAFFIC COUNTS

Carteret/Craven County Line	21,000
US Highway 70 & Hibbs Road	26,000
US Highway 70 & NC Highway 24 Morehead City	29,000
US Highway 70 & NC Highway 101 West, Beaufort	16,000
US Highway 70 & Camp Glen	27,000
US Highway 70 & Gallants Channel Bridge	17,000
US Highway 70 & 23 rd Street Atlantic Beach Bridge	25,000
Morehead Avenue & Fort Macon State Park	1,100
Morehead Avenue & Fort Macon Boulevard West	13,000
Harkers Island Bridge	2,800
NC Highway 58 At Pine Knoll Shores	9,700
NC Highway 58 At Emerald Isle Bridge	13,000
NC Highway 24 At Cape Carteret	28,000

FREIGHT & DELIVERY SERVICES

Carteret County is a very competitive trucking market well served by major interstate freight lines offering overnight delivery to many major cities. Package delivery services such as UPS, FedEx, and DHL serve commercial and local airports and provide worldwide shipping.

PORT

The Port of Morehead City, one of the deepest ports on the US East Coast, is located just south of the Outer Banks. The port, with a 45' channel depth, is 4 miles from open sea. Access from the port to major east coast markets and Interstates 95/40 is available via



US Highways 70 and 17, as well as, rail service from Norfolk Southern. Barge services are also available. The port handles both break bulk, roll-on/roll-off and heavy lift cargo and is the second largest volume port in the country for imported natural rubber used in the tire manufacturing industry. The port is also a leading exporter of phosphate and features a dry-bulk facility with a 225,000-ton capacity warehouse. A Foreign Trade Zone (FTZ), Zone 67, is located at the Port of Morehead City. Additional FTZ's are located at the Port of Wilmington and the Global TransPark.

RAIL/FREIGHT

The North Carolina Railroad Company (NCRR) owns and manages the 317-mile rail corridor running from the Port of Morehead City to Charlotte. NCRR has a Master Agreement with Norfolk Southern, who operates the freight trains. Norfolk Southern has a Class One Railroad system that serves the Port of Morehead City and surrounding areas.

PASSENGER

Amtrak runs eight passenger trains daily from at stations in Rocky Mount and Wilson. Amtrak Thruway Motor Coach offers an eastern North Carolina bus service from Morehead City to the train station in Wilson. The service includes stops in Greenville, New Bern, Havelock, Kinston, Goldsboro, Jacksonville, and Wilmington.

COMMERCIAL AIR SERVICE

Coastal Carolina Regional Airport (ECW), located just off US 70 south of New Bern, is within a 30-45 minute drive of most locations in Carteret County. The airport provides US Airways and Delta regional jet service to east coast hubs in Charlotte and Atlanta with connections to over 300 destinations worldwide.



Commercial air service is also available in Jacksonville, Greenville, and Kinston, which are within easy driving distance.

PUBLIC TRANSPORTATION

The Carteret County Area Transportation System (CCATS), authorized by the Carteret County Board of Commissioners, provides accessible public transportation services for residents and guests of Carteret County.

GEOGRAPHIC CHARACTERISTICS

TERRAIN AND TOPOGRAPHY

Carteret County's flat, gently rolling terrain and extensive salt marsh systems, located in the southeastern coastal plain of North Carolina, covers a total area of 1,341 square miles with a land area of 520 square miles and a water area of 821 square miles (61.22%). The county includes the protected areas of the Cape Lookout National Seashore, Cedar Island National Wildlife Refuge, and part of the Croatan National Forest.



BEACHES

Carteret County, part of the Southern Outer Banks, is known as the "The Crystal Coast" because of its 81 miles of white sandy beaches. The location of the coast is unique because the sun rises and sets over the ocean. The beaches face south rather than east from the southern point of Core Banks at Cape Lookout to the west end of Bogue Banks. In addition, the north winds calm the ocean water close to the beaches while the Crystal Coast's proximity to the Gulf Stream keeps water temperatures mild. The waters have an abundance of aquatic life; the offshore Gulf Stream features the northern range of southern species and the southern range of northern species.

CLIMATE

- Average Annual Temperature: 60°
- Average Annual Temperature: 60°
- Average Annual High Temperature: 71°
- Average Winter Temperature: 46°
- Average Water Temperature (July): 78°
- Average Water Temperature (January): 50°
- Annual Average Rainfall: 50.0"

Carteret County has a mild southeast Atlantic coastal climate with an average daily temperature ranging from 46 degrees in January to 77 degrees in July. The average annual temperature is 60 degrees, with the coldest month being January and the hottest month being July.

The annual average rainfall is 50 inches and precipitation is well distributed throughout the year with the maximum in August and the minimum in February. The frost-free growing season averages 332 days depending on the location within the county.

SOIL

There are many types of soil found within the county because the area covers several major physiographic regions; each has a different set of soil characteristics and properties, which sets it apart from the other regions. Red and yellow clays of the Piedmont uplands predominate in the western portions of the region, which give way to the sandy loam and sandy clay loams of the Coastal Plains. The intermediate fall line zone has a combination of soil types of both regions. Soil surveys have been made for the county and all localities have adopted erosion and sediment control laws.

NATURAL RESOURCES

TIMBER

Forests cover 60% of the coastal plain of North Carolina's eastern region. Though the area is urbanizing, this large coverage of woodland gives the region a distinct rural atmosphere. About 97% of the forestland is classified as timberland. More than 60 commercially important tree species are found in the area and 68% of timberland acreage is hardwood (loblolly pine, southern yellow pine, and oak-hickory). Timber inventory is at an all-time high and has doubled over the last 50 years.

WATER

Most of the surface water in Carteret County is tidally influenced and brackish; and therefore groundwater is predominantly utilized as a water source. The surficial aquifer can be accessed in most all areas of the region, and along the western reach of the County, the deeper Castle Hayne aquifer is utilized as a water source. The Castle Hayne is considered as one of the most productive aquifers in the United States, let alone North Carolina, because of its thickness and high percentage of permeable limestone and sands. The chloride content (saltwater) increases eastward and exceeds drinking water standards along the eastern half of the County. The region is fortunate to have abundant sources of

water from the White Oak, Newport and North Rivers, and the smaller streams feeding these river systems. Several watershed projects have been created.

WETLANDS

The State of North Carolina has declared it a public policy to preserve wetlands and to prevent their despoliation and destruction. Local jurisdictions have been authorized to adopt wetlands zoning ordinances and to create wetlands review boards.

MINERALS AND GRAVEL

The surficial sediments of mainland Carteret County are sharply differentiated by two general zones separated to the east and west by a north/south trending feature referred to as the Minnesott Ridge. The ridge represents an ancestral shoreline and accompanying Cape complex to the west of the ridge, located north of NC Highway 24. The dune topography ranges from 25 to 40⁺ feet above sea level and are generally comprised of moderately to well-sorted fine to coarse-grained quartz sand. The low-topography "swales" between the dunes are commonly characterized by sediments rich in organic matter that support thick, scrubby vegetation. Notwithstanding smaller sand dunes that lie in the Towns of Atlantic and Cedar Island (younger than those mentioned above); to the east of the Minnesott Ridge, the topography is generally much lower and is dominated by soft silt/clay (mud) and peat, or muddy sand. The surficial sediments are generally underlain by a complex and thin series of formations that include silts, clays, shells; limestone gravel, and phosphatic marine sands and silts that essentially cap the Castle Hayne formation. The Castle Hayne is a moldic, sandy limestone encountered roughly 60 feet below sea level towards the western edge of Carteret County to over 200 feet below sea level along the far eastern range of the County.

POPULATION

A continuing stream of new residents and second homeowners, attracted by a highly desirable coastal location and lifestyle, beautiful natural environment, low crime rate, and affordable housing, will continue Carteret County's steady growth. Plan It East,

a regional planning forum, projects an additional 600,000 persons to call the region home by 2030 with a significant portion of this growth occurring along the coast.

Demographics		
Population & Growth	Population	% Annual Growth
2019 Est Population	69,070	0.2%
2020 Census Total Population	67,686	0.2%
Jul2020 NC Certified Population Estimate	67,571	(4.8%)
Urban/Rural Representation		Urban/Rural Percent
2010 Census Total Population: Urban	44,798	67.4%
2010 Census Total Population: Rural	21,671	32.6%
Estimated Population by Age		% Pop by Age
2019 Est Median Age	49	
2019 Est Total Pop 0-19	13,595	19.6%
2019 Est Total Pop 20-24	3,262	4.7%
2019 Est Total Pop 25-34	6,775	9.8%
2019 Est Total Pop 35-44	7,684	11.1%
2019 Est Total Pop 45-54	9,450	13.7%
2019 Est Total Pop 55-64	11,561	16.8%
2019 Est Total Pop 65+	16,743	24.2%

MUNICIPAL POPULATION & GROWTH

LOCALITY	2010	2021	% Growth	Median Age
Atlantic Beach	1,495	1,194	-6.8%	54.3
Beaufort	4,039	4,157	2.9%	51.0
Bogue	684	770	12.6%	42.1
Cape Carteret	1,917	2,080	8.5%	53.0
Cedar Point	1,279	1,555	21.6%	51.0
Emerald Isle	3,655	3,488	-4.6%	58.0
Indian Beach	112	187	67.0%	58.2
Morehead City	8,661	9,519	10.0%	47.3
Peletier	644	809	26.0%	42.2
Pine Knoll Shores	1,339	1,274	-4.9%	63.0

Source: American Fact Finder

WORKFORCE

Employment / Unemployment		
	Currently	2020 Annual
Sep2021 Prelim., 2020 Employment	31,104	29,373
Sep2021 Prelim., 2020 Unemployment	1,017	1,947
Sep2021 Prelim., 2020 Unemployment Rate	3.2%	6.2%
2021Q2YTD, 2020 Announced Job Creation	.	87
2021Q2YTD, 2020 Total Announced Investments (\$mil)	.	\$5.3

Source: Access NC; Bureau of Labor Statistics

WAGES AND INCOME

AVERAGE ANNUAL WAGES FOR MAJOR BUSINESS SECTORS

Employment / Wages by Industry	2021Q1 Employment	2020 Employment	2021Q1 Avg Weekly Wage	2020 Avg Weekly Wage
Total All Industries	22,223	22,655	\$718	\$738
Total Government	4,630	4,692	\$857	\$906
Total Private Industry	17,593	17,963	\$681	\$695
Agriculture Forestry Fishing & Hunting		121		\$680
Mining				
Utilities	141	135	\$1,306	\$1,335
Construction	1,541	1,479	\$753	\$832
Manufacturing	911	912	\$739	\$799
Wholesale Trade	407	368	\$1,342	\$1,183
Retail Trade	4,216	4,341	\$547	\$559
Transportation and Warehousing	344	358	\$789	\$872
Information	146	193	\$1,140	\$861
Finance and Insurance	512	496	\$1,719	\$1,402
Real Estate and Rental and Leasing	481	514	\$794	\$873
Professional and Technical Services	736	706	\$1,197	\$1,171
Mgt of Companies, Enterprises				
Administrative and Waste Services	1,039	1,084	\$614	\$660
Educational Services		1,518		\$858
Health Care and Social Assistance	3,294	3,283	\$919	\$1,016
Arts, Entertainment and Recreation	549	638	\$479	\$480
Accommodation and Food Services	3,656	3,847	\$353	\$386
Other Services Ex. Public Admin	746	755	\$519	\$558
Public Administration	1,820	1,917	\$846	\$845
Unclassified	0	0	\$0	\$0

ECONOMIC TRENDS

Commercial/Retail/Industrial			
Local Business		Local Retail Business	
2021Q3 Available Industrial Buildings		2021 Total Retail Sales (With Food/Drink) (\$mil)	\$897.6
2021Q1 Establishments: Total Private Industry	2,243	2021 Total Retail Businesses (With Food/Drink)	819
2021Q1 Establishments: Manufacturing	55	2021 Avg Sales/Business Total (with Food/Drink)	\$1,096,025
2019 Est Self Employed	2,953	2021Q3 Available Commercial Buildings (if County reports)	

BUSINESS & INDUSTRY

2021 TOP 30 EMPLOYERS

Year	Month	Company Name	Industry	Class	Employment Range	Rank
2021	03	Carteret County Board Of Education	Educational Services	Public Sector	1000+	1
2021	03	Carteret County General	Health Care and Social Assistance	Public Sector	1000+	2
2021	03	Carteret County Government	Public Administration	Public Sector	500-999	3
2021	03	Wal-Mart Associates Inc.	Retail Trade	Private Sector	250-499	4
2021	03	Lowe's Home Centers Inc	Retail Trade	Private Sector	250-499	5
2021	03	Food Lion	Retail Trade	Private Sector	250-499	6
2021	03	Carteret Community College	Educational Services	Public Sector	250-499	7
2021	03	Bally Refrigerated Boxes Inc	Manufacturing	Private Sector	100-249	8
2021	03	Lowe's Foods Llc	Retail Trade	Private Sector	100-249	9
2021	03	McDonalds	Accommodation and Food Services	Private Sector	100-249	10
2021	03	Town Of Morehead City Human Resourc	Public Administration	Public Sector	100-249	11
2021	03	Veneer Technologies Inc	Manufacturing	Private Sector	100-249	12
2021	03	State Of Nc Dept Of Environment & N	Public Administration	Public Sector	100-249	13
2021	03	Broad Creek Holdings Inc	Accommodation and Food Services	Private Sector	100-249	14
2021	03	Adams Keegan Inc	Health Care and Social Assistance	Private Sector	100-249	15
2021	03	Town Of Emerald Isle	Public Administration	Public Sector	100-249	16
2021	03	Ascend Beaufort Hotel	Accommodation and Food Services	Private Sector	100-249	17
2021	03	Parker Offshore Llc	Manufacturing	Private Sector	100-249	18
2021	03	Carolinas Center For Surgery	Health Care and Social Assistance	Private Sector	100-249	19
2021	03	Gmri Inc	Accommodation and Food Services	Private Sector	100-249	20
2021	03	Bojangles Famous Chicken & Biscuits	Accommodation and Food Services	Private Sector	100-249	21
2021	03	South East Employee Leasing Service	Manufacturing	Private Sector	100-249	22
2021	03	Waste Industries Llc	Administrative and Support and Waste Manage	Private Sector	100-249	23
2021	03	Emerald Isle Realty Inc	Real Estate and Rental and Leasing	Private Sector	50-99	24
2021	03	Dolgencorp Llc	Retail Trade	Private Sector	50-99	25

Commuters, Workers Age 16 and Over, 2019 Census ACS Est			
Percent of Workers, By Travel Time		Workers, By Transportation	
Avg Travel Time, Minutes	23.4	Worker Transp. Base	30,621
Workers Not Working at Home	29.090	Work at Home	5.0%
Travel Time to Work: < 10 minutes	17.7%	Drove Car/Truck/Van Alone	82.2%
Travel Time to Work: 10-14 minutes	16.5%	Carpooled Car/Truck/Van	8.9%
Travel Time to Work: 15-19 minutes	16.1%	Public Transportation	0.5%
Travel Time to Work: 20-24 minutes	13.3%	Walked	1.3%
Travel Time to Work: 25-29 minutes	5.1%	Bicycle	0.6%
Travel Time to Work: 30-34 minutes	13.1%	Taxi, Motorcycle, Other	1.5%
Travel Time to Work: 35-44 minutes	6.5%		
Travel Time to Work: 45-59 minutes	5.9%		
Travel Time to Work: 60+ minutes	5.9%		
Place of Work		Commuters	Residents
Worked in State/County of Residence		22,598	73.8%
Worked in State/Outside County of Residence		7,533	24.6%
Worked Outside State of Residence		521	1.7%

Income			% Ann Growth or % Pov
2019 Est Median Family Income	\$71,425		
2019 Median Household Income (SAIPE)	\$60,058		9.1%
2019 Est Median Worker Earnings	\$30,281		
2019 Per Capita Income (BEA)	\$51,582		
2019 Est Pop. Income Below Poverty (SAIPE)	7,102		10.4%

MILITARY

The military has a very significant impact on the economy of Carteret County and Eastern North Carolina. In fact, Fleet Readiness Center East (FRC East), located in Craven County aboard Marine Corps Air Station Cherry Point (MCAS), has grown to become eastern North Carolina's largest industrial employer and a key military asset. During the Fiscal Year 2019, FRC East and MCAS Cherry Point salaries totaled over \$1.21 billion. Contracts awarded to North Carolina companies reached over \$112 million in 2019 and have an estimated total economic impact for the state of over \$2.246 billion. FRC EAST and MCAS Cherry Point are the leading employers of Carteret County residents with 5,498 civilian employees and 7,215 active duty military employees. The county is home to 12,537 family members of active duty military, retired military and civilians.

TOURISM

Crystal Coast tourism is a major component of the Carteret County economy creating over 3,200 jobs with an annual payroll of \$57 million in 2021. Tourism and travel in 2021 generated approximately \$325 million dollars in revenue.

MARINE TRADES

Carteret County, with over 27 boat builders and manufacturers and 80 marinas and docks, is home to one of the largest industrial clusters of marine related businesses on the East Coast. The boat building industry has an annual payroll of over \$5.5 million.

North Carolina has traditionally ranked among the country's top ten seafood-producing states. Nearly 1,850 commercial fishermen in Carteret County make their living from North Carolina's coastal and estuarine waters. North Carolina fishermen follow state and federal regulations that sustain the fisheries of the rivers, sounds, and oceans as a food source for people.

The marine science cluster in Carteret County is anchored by the Duke University Marine Lab, the University of North Carolina Institute of Marine Sciences, the North Carolina State University Center for Marine Science and Technology (CMAST) and the National Oceanic and Atmospheric Administration (NOAA) Center for Coastal Fisheries and Habitat Research. The four institutions have 162,645 square feet of marine research facilities and 40 individual laboratories. Marine science in Carteret County accounts for over \$58 million in revenue and over 500 employees.

In addition, the North Carolina Maritime Museum and the North Carolina Aquarium at Pine Knoll Shores feature 117,000 square feet of museum space and aquarium facilities that host over 405,000 visitors annually. The Queen Anne's Revenge (Blackbeard's infamous flagship recently recovered off Shackleford Banks) Exhibit is housed at the Maritime Museum while the 3,000 lb anchor of the ill-fated vessel has a new home at the QAR Conservation Lab at East Carolina University in Greenville, NC.

Source: Center for Competitive Economics - Kenan Institute, University of North Carolina

LOCAL GOVERNMENT & TAX RATES

Carteret County, established in 1722, has a commissioner/manager form of government. The County's seven commissioners are nominated by district and voted on

countywide. The county seat is located in the Town of Beaufort and it is a member of the Eastern Carolina Council of Governments.

Carteret County has eleven municipalities, Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Morehead City, Newport, Peletier, and Pine Knoll Shores, each of which has its own town council. The type of government structure varies from town to town.

TAX RATES

There is only one assessment in each county. Property is to be assessed at 100% of appraised value. Property appraised at the full value at the time of appraisal may appreciate until appraised value is only 50% or 60% of true value by the end of the eight-year period. Actual ratios vary from county to county. Carteret County’s most recent reevaluation was effective January 1, 2020. The tax rates vary from county to county and from town to town. Countywide rates range from 34¢ to 79¢ per \$100 of appraised valuation. In much of the state only countywide rates, apply outside of cities and towns.

2023-2024 FISCAL YEAR TAX RATES
CARTERET COUNTY (COUNTYWIDE) TAX RATE = \$0.34 PER \$100 VALUATION

Municipality (Towns)	Rate	Rescue Districts	Rate
Atlantic Beach	0.215	Beaufort	0.06
Beaufort	0.46	Broad Creek & Gales Creek	0.06
Bogue	0.05	Mill Creek	0.09
Cape Carteret	0.21	Mitchell Village	0.04
Cedar Point	0.1475	Otway	0.10
Morehead City	0.38	Sea Level	0.10
BFT TNSH/MOREHEAD	0.38	WSTN Carteret	0.06
Newport	0.545	South River	0.13
Peletier	0.055	Newport	0.02
Indian Beach	0.31	Fire Districts	Rate
Non-Ocean Front	0.010	Atlantic	0.08
	0.32	Beaufort	0.10
		Broad/Gales Creek	0.04
Indian Beach	0.31	Cedar Island	0.10
Oceanfront	0.030	Davis	0.085
	0.34	Harkers Island	0.12
		Harlowe	0.075
Emerald Isle	0.165	Marshallberg	0.08
Non-Ocean Front	0	Mill Creek	0.075
	0.165	Mitchell Village	0.08
		Newport	0.10
Emerald Isle	0.165	North River	0.07
Oceanfront	0.040	Otway	0.10
	0.205	Salter Path	0.15

Pine Knoll Shores	0.24	Sea Level	0.095
Non-Ocean Front	0.015	South River	0.06
	0.255	Stacy	0.085
		Stella	0.10
Pine Knoll Shores	0.24	Wildwood	0.1125
Oceanfront	0.055	WSTN Carteret	0.07
	0.295		
Hoffman Beach (County Rate)	0.34	Solid Waste	Rate
Oceanfront	0.055	Without Pickup	157.00
Water Rates		County Solid Waste	15.00
BFT Fire BFT Rescue	0	Beaufort Storm Water	48.00
NRTRVR Fire BFT Rescue	0	Emerald Isle Waste	295.00
HRLWE Fire MLCRK Rescue	0		
MLCRK Fire MLCRK Rescue	0		
Newport Fire	0		

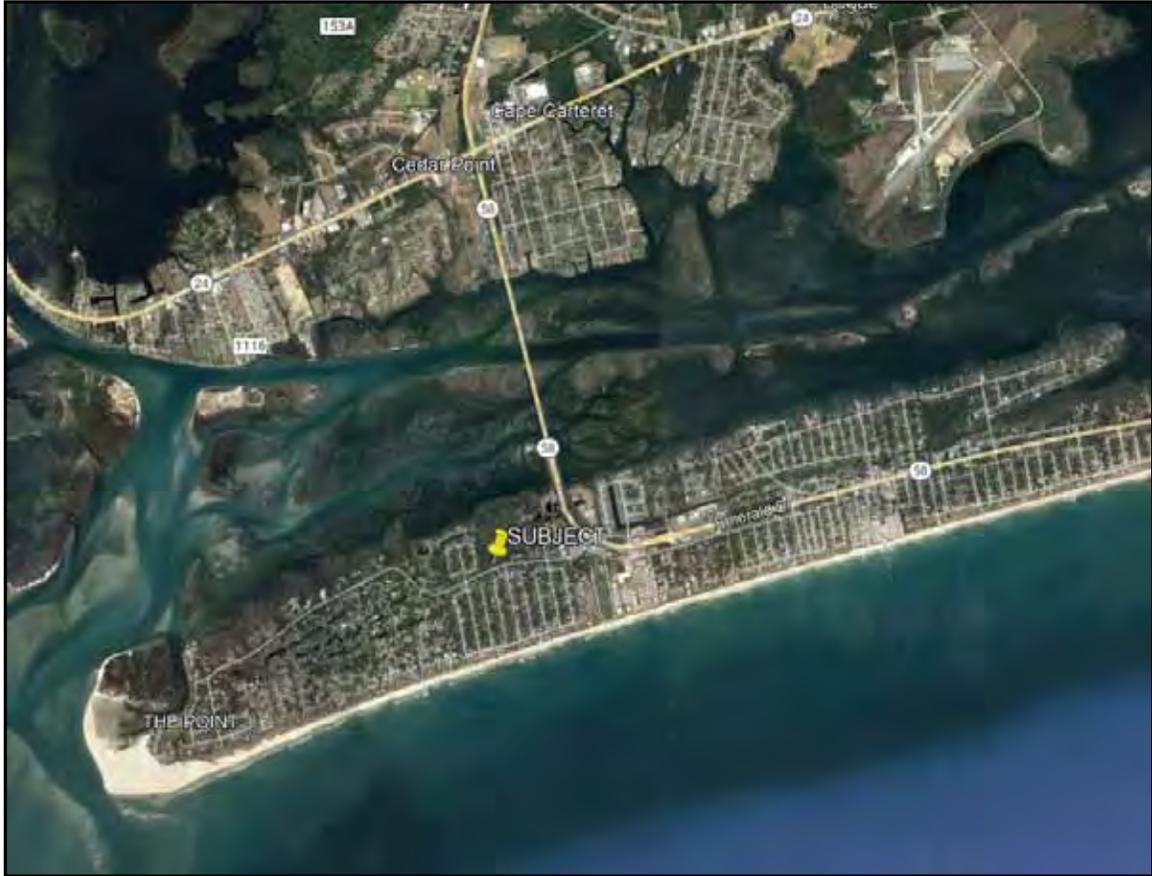
CONCLUSIONS

Major components of the Carteret County economy include tourism, seafood processing, and industry concentrated around Morehead City, one of the east coast's deepest and most accessible commercial ports. Advanced telecommunications capabilities, including fiber optic cable and digital switching, are available throughout the county.

The outlook for the area is predicated upon the health of the national economy and, to a lesser extent, upon the health of the other parts of North Carolina. A turnaround in these national influences should enable the area to realize relatively stronger growth. However, growth is not expected to return to record levels within the next couple of years. Still, we should see an economy that is moderately healthy, as it continues to service the needs of its permanent residents and visitor population.

The county benefits from its coastal location and mild climate, and it is seeing moderate growth in tourist related business activities. The port at Morehead City, diversified local industries, and the military influences of Marine Corps Air Station Cherry Point provides the basis for year round economic activity. With increased spending on leisure activities and a continually improving network of roads serving the area it is envisage that the local economy will continue to grow. The anticipated trend for the area is continued growth in the more popular resort areas, with the balance of the county growing at a rate commensurate with general economic conditions.

NEIGHBORHOOD DESCRIPTION



The subject's physical address is 9404 Coast Guard Road, Emerald Isle, North Carolina. The general neighborhood is all the area for several miles west of the intersection with Emerald Drive (NC Highway 58).

Development along the highway in the area of the subject consists mainly of commercial and high-density residential uses; i.e. RV parks; hotels and motels; campgrounds; retail establishments; and resort entertainment attractions catering to the transient and tourist traffic during peak travel periods. Easy access to ocean beaches is a primary attraction in this neighborhood. NC Highway 58 continues eastward for several miles through the resort areas of Salter Path, Pine Knoll Shores, and Atlantic Beach, ending at historic Fort Macon.

The general neighborhood is all of the area around the intersection of Coast Guard Road and Emerald Drive from Bogue Sound to the Atlantic Ocean. General development is similar to most all of Emerald Isle catering mainly to visitors during peak seasons from Easter to Labor Day. The Big Rock / Blue Marlin sport-fishing tournament at Atlantic Beach, usually held in June, is one of the largest of its kind on the East Coast attracting local and regional sport fishing boats and crews from all over. During the off seasons, this area also caters to a considerable number of sport fishermen accessing a myriad of onshore and offshore venues.

Access to the area is facilitated via US Highway 70, NC Highway 24, and NC Highway 58. No adverse external influences were observed within the immediate area. Several local attractions have been razed to make way for future expansion of existing hotels, as well as, new condominium developments. Property values appear to be increasing at a moderate pace. These trends are expected to continue for the foreseeable future.

The specific neighborhood is all of the area on both sides of Coast Guard Road extending from Emerald Drive (NC Highway 58) to the west. This area is predominantly residential, with Coast Guard Road providing the main thoroughfare access to numerous residential subdivisions for 2 miles to the east. Subdivisions to the north of Coast Guard Road provide interior and sound front lots, with subdivisions to the south of Coast Guard Road filled with interior lots and leading to ocean front lots. Subdivisions in the immediate area of the subject to the east include Osprey Ridge, Belle Cove, and Deer Horn Dunes. Subdivisions to the south and east include Sea Dunes, Ocean Oaks, Cape Emerald, Royall Oaks, Dolphin Ridge, Spinnaker's Reach, Spinnaker's Landing, Lands End, Deer Run Bluffs, Pointe Bogue, West End, and Wyndtree.

The subject's location enjoys good exposure, especially from visitors entering the area from the mainland via NC Highway 58. No adverse external influences were

observed within the immediate area. Overall, property values appear to be increasing at a steady pace over the past several years.

EXPOSURE AND MARKETING TIME

Exposure time is assumed to reflect the time period required, prior to the valuation, to conclude a sale as of the date of valuation. *Marketing time* is the anticipated time required to sell the property, as of the date of the appraisal, should the property be placed on the market.

The collapse of residential markets in other areas of the country in 2008/2009 had a significant ripple effect in most developing residential neighborhoods. Oversupply was rampant at this time due to over-speculation by developers in the pre-crash years, which led to the ensuing real estate market crash. Construction essentially halted, leaving developers with large tracts of land, which were unable to generate revenue; therefore, many projects were abandoned by their respective owners, which in turn were taken back by the banks. During the period of recession which followed, little to no sales occurred as a direct result of financial institutions increasing regulations, which made approval for mortgages even harder for potential purchasers and developers.

In recent years, beginning in 2015, oversupply has begun to diminish and demand has increased, resulting in a rise in investor confidence, as well as, optimism within lending institutions. Banks will likely expand their involvement in single-family lending activities and are now under less scrutiny relative to levels previously observed. Due to the continuing favorable financing conditions and the diminishing oversupply of vacant lots developed for residential construction, developers are once again considering single-family construction to be a viable investment. We have investigated the absorption of vacant lots and lot home packages within nearby subdivisions in close proximity to the subject.

Absorption rates within Emerald Isle have remained steady, with a peak of 72 closed lot sales in 2021. The number of vacant lots absorbed over the last 5 years was 43 lots per year. The adjacent table illustrates recent vacant lot sales activity over the last 5 years.

Emerald Isle Closed Lot Sales	
Year	# of Sales
2023	23
2022	30
2021	72
2020	62
2019	29

Based upon the diminishing supply and most recent absorption rates within competing subdivisions, we have estimated the total take-down of the 8 lots within 24 months at comparable pricing discussed later in this report. Exposure time would likely be similar.

Emerald Isle Closed Lot-Home Packages	
Year	# of Sales
2023	198
2022	254
2021	380
2020	366
2019	240

DESCRIPTION OF THE SUBJECT PROPERTY



On the date of inspection, the site was vacant and utilized for Emerald Isle Woods Park. As previously mentioned, the subject of this appraisal is the approximately 3-acre tract along the road frontage of Coast Guard Road (outlined in yellow above).

SIZE: 3^{+/-} Acres (According to Carteret County GIS Measurement)

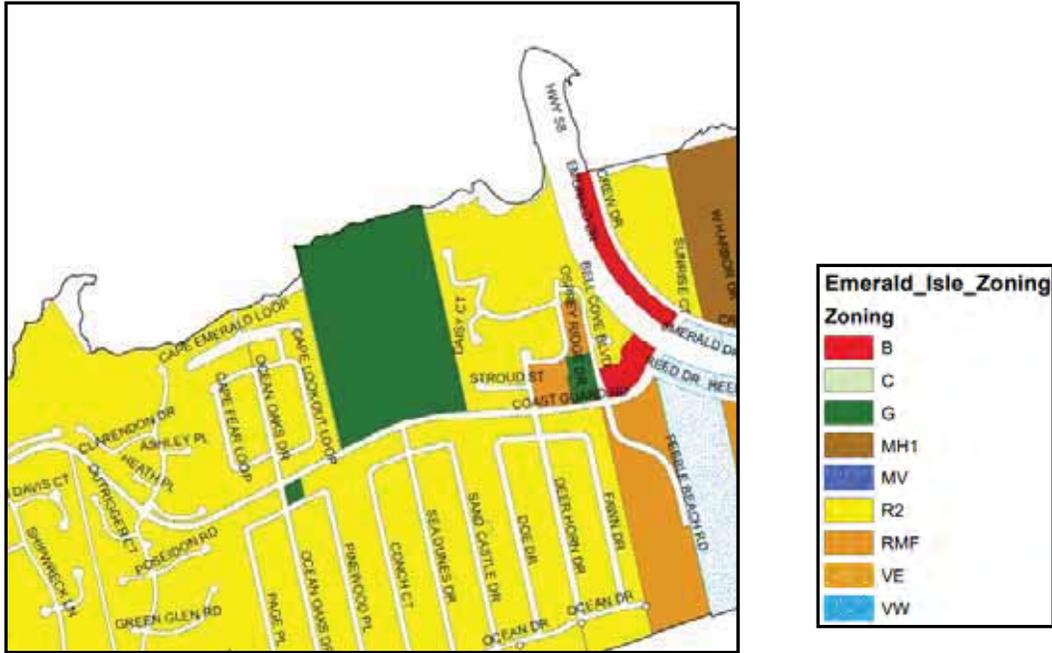
FRONTAGE: 726^{+/-} Lineal Feet along Coast Guard Road

ACCESS: Access is presently gained via asphalt-paved entrance drive from Coast Guard Road.

UTILITIES: Electric, Telephone, Municipal Water & Septic

ZONING: G – Government District – A district allowing a variety of governmental and public uses.

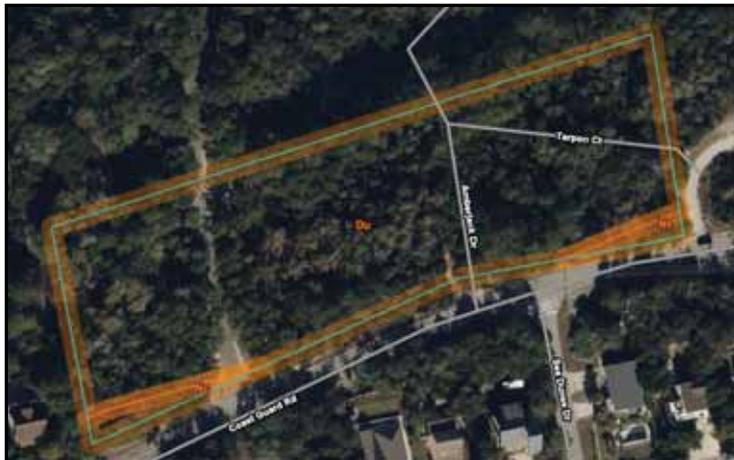
ZONING MAP:



TOPOGRAPHY: The subject site is basically level and at the grade of the surrounding road.

SOIL CONDITIONS: Specific soil conditions are unknown. Based on the surrounding land use patterns, the soils appear to be suitable for residential development.

SOIL MAP:



Map Unit Symbol	Map Unit Name
Du	Duckston fine sand, frequently flooded
Nc	Newhan-Corolla complex; 0 to 30 percent slopes

FLOOD ZONE: Portions of the subject tract are located within the 100-Year Flood Hazard Area as shown on the following Flood Insurance

Rate Map - Community Panel Number 3720538300J dated July 16, 2003 and the Carteret County GIS flood map.



Our inspection revealed no apparent soil, subsoil, topographical, mineral, hazardous material or other features or conditions, which would adversely impact the

valuation or marketability of the subject for residential purposes. We did not make a subsurface investigation and since we are not qualified to detect environmentally hazardous substances, a complete soils study may be advisable.

EASEMENTS AND ENCROACHMENTS

As previously mentioned, the parent tract contains a conservation easement. However, this appraisal is performed as if the land is free and clear from any conservation easement. To our knowledge, no other easements other than highway right-of-ways and minor utility easements, or encroachments affect the subject. No nuisances or hazards were observed in the immediate area that would prevent its use for residential development.

TAXES AND ASSESMENTS



Bill Information		Tax Information	
Tax Payer Name	TOWN OF EMERALD ISLE MUNICIPAL EXEMPTION	Base Tax Amount	\$0.00
Property Address	9404 COAST GUARD RD EMERALD ISLE, NC 28594	Fees	\$0.00
Property Key	538309170022000	Penalty	\$0.00
Tax Year	2023	Interest	\$0.00
		Amount Due	\$0.00
Property Information		Payment Information	
Bill Type	Real Estate	Payment Status	✔ Paid
Description	PART B340 AND ACREAGE EM ISLE EMERALD WOODS PARK	Total Due	\$0.00

Presently, the parent tract is zoned for governmental use and is tax exempt. The tax rate for Carteret County (0.34) and the Town of Emerald Isle (0.165) is 0.505 per \$100 of assessed value. Carteret County’s most recent reevaluation was effective

January 1, 2020. The next countywide re-evaluation was scheduled for 2024; however, it has been postponed and scheduled to be effective January 1, 2025.

Based on the size of the proposed 3-acre tract, the subject could contain 8 lots of similar size to adjacent subdivisions. The lots have yet to be subdivided out of the parent tract; therefore, we have identified the assessed values of existing Cape Emerald subdivision in order to derive the annual tax liability for the proposed lots. The table below illustrates current lot assessments within Cape Emerald subdivision.

Lot Assessments					
Subdivision	Address	Lot Number	Size (SF)	Size (AC)	Assessed Value
Cape Emerald	300 Cape Lookout Loop	1A	12,676	0.291	\$ 201,687
Cape Emerald	302 Cape Lookout Loop	2A	12,807	0.294	\$ 201,498
Cape Emerald	304 Cape Lookout Loop	3A	12,720	0.292	\$ 200,499
Cape Emerald	306 Cape Lookout Loop	4A	12,545	0.288	\$ 200,303
Cape Emerald	308 Cape Lookout Loop	5A	12,720	0.292	\$ 202,001

The assessments range from \$200,303 to \$202,001 per lot, with an average of \$201,198 per lot. The subject property can expect the same assessed values. Therefore, the proposed assessed value for the developed lots would be approximately \$201,000 per lot or \$1,608,000. The tax liability for the proposed lots can be calculated as follows:

$$\mathbf{\$1,608,000 \div 100 = \$16,080 \times 0.505 = \$8,120 \text{ (RD)}}$$

HIGHEST AND BEST USE

Four common standards are normally utilized to determine the highest and best use of a site, as if vacant or improved. The highest and best use of the land must be:

1. **Legally Permissible:** What uses of the land or site are permitted by zoning or deed restrictions?
2. **Physically Possible:** What uses of the land or site are physically possible?
3. **Financially Feasible:** Which possible and permissible uses will produce the highest return to the owners of the land or site?
4. **Maximally Productive:** The use that produces the highest price or value consistent with the rate of return warranted by the market for that use is the highest and best use.

LEGALLY PERMISSIBLE

There are no known deed restrictions that affect the subject site. The subject is located within a residential area and currently has G, Government zoning classification by Town of Emerald Isle jurisdiction. The G District is a district allowing a variety of governmental and public uses. Therefore, the legally permissible use for the subject site as existing is for a wide variety of public uses. However, as illustrated on the zoning map below, the vast majority of the land in this area is zoned R2, Residential.



The site is owned by the Town of Emerald Isle for use as the Emerald Isle Woods Park. As previously mentioned, the purpose of this appraisal is to determine the fair market value of the 3-acre tract that fronts along Coast Guard Road. For purposes of this appraisal, it is assumed that the Town of Emerald Isle could use its governmental powers to have the land rezoned from Government to the most likely highest and best use of the site, which based upon surrounding development and R2 zoning, would be for residential use. Therefore, the legally permissible use for the site would be for residential development.

PHYSICALLY POSSIBLE

The subject site contains 3 acres. The site is basically level and at the grade of the abutting street and is served by electric, telephone, municipal water, and septic. The subject is sufficient in size and shape for residential subdivision development. Surrounding land use, as well as, past and current development trends indicates no adverse restrictions on residential development in this area. Its frontage and exposure along Coast Guard Road is good. Access to the site is adequate with significant road frontage. Surrounding uses include predominantly single-family residential development. As compared to typical lot sizes of adjacent subdivisions, the subject should be able to be subdivided into 8 residential lots. Based on this analysis, the legally permissible and physically possible use for the subject site is for single-family residential use.

FINANCIALLY FEASIBLE

Based upon the legally permissible and physically possible uses for the subject site, the financially feasible use represents uses that bring a return to the land. The subject is located in a predominantly residential area developed with single-family subdivisions. There appears to be demand for development, as evidenced by the numerous recent lot sales and single-family development over the last 5 years. Therefore, based on the activity in the immediate area of the subject, it appears that residential development provides an adequate return to the land.

MAXIMALLY PRODUCTIVE

The maximally productive use represents the legally permissible, physically possible, and financially feasible use that produces the highest price or value consistent with the rate of return warranted by the market for that use. Relative to the maximally productive use of the site, a feasibility study is not within the scope of this report; however, given the nature of the subject neighborhood, the legally permissible and physically possible uses, which we have found to be financially feasible, would be for single-family residential lots.

HIGHEST AND BEST USE AS THOUGH VACANT

After considering the location and physical characteristics of the site, the surrounding land use development patterns, and the predominant zoning classification of R2, Residential; we have generally concluded that the highest and best use of this site as if vacant is for single-family residential lots.

The typical buyer profile for individual lots is the first or second homebuyer who can qualify for current conventional financing in connection with the construction of a residence on the lot. Most likely, this purchaser will be required to have at least 20% to 25% down payment for a relatively short term, to eventually be included in a permanent type loan for a residence. The wholesale buyer would likely be a local contractor wishing to expand the availability for lot-home packages typical of other developments in the surrounding area. The wholesale value; however, is subject to the sell-out period. A quicker sell-out period usually results in a higher bulk value.

VALUATION – APPRAISAL METHODOLOGY

In the application of the various analytic appraisal methods, an approach to value is included or omitted based on its applicability to the property type being appraised and the quality and quantity of information available.

COST APPROACH

The Cost Approach is based on the premise that an informed buyer would pay no more for the property than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves new and or relatively new improvements, which represent the highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences in characteristics, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as a price per square foot, price per unit, per floor area, etc, or economic units of comparison such as gross rent or effective gross income multipliers. Adjustments are applied to the physical units of comparison derived from the comparable sales. The unit of comparison is then applied to the subject in the same manner as it was extracted from the comparables to estimate a total value.

INCOME APPROACH

The Income Approach reflects the subject's income-producing ability. This approach is based on the assumption that the value is created by the investor's expected benefits to be derived in the future. Specifically, the Income Approach estimates the value an investor would be willing to pay to receive an income stream plus the reversion over a specific period of time. The two principle techniques associated with the Income Capitalization Approach are Direct Capitalization and the Discounted Cash Flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In the application of the various analytic appraisal methods, an approach to value is included or omitted based on its applicability to the property type being appraised and the quality and quantity of information available. The subject is vacant land; therefore, the Cost Approach and Income Approach are not applicable and have been omitted.

In this appraisal, the Sales Comparison Approach has been utilized to estimate the market position of the subject property on or about the effective date of valuation. In applying this methodology, sales transactions involving similar type-sites are collected, analyzed, and adjusted for recognizable differences, to form an opinion of value for the land. The steps to develop an opinion of value are outlined as follows:

- *Gather sales, listing, offers, and pending sales data;*
- *Identify the units of comparison;*
- *Determine the Highest and Best Use of the Comparable Sales;*
- *Identify the similarities and differences in the data;*
- *Adjust the sales for differences in the elements of comparison;*
- *Form an opinion of the subject's projected lot value.*

The elements of comparison include, but are not limited to, property rights conveyed, financing, conditions of sale, expenditures, market conditions/time of sale, location, utilities, and zoning. Physical characteristics include location, size, shape, soil conditions, and flood plain. The most likely unit of comparison for similar tracts of land is the price paid per lot.

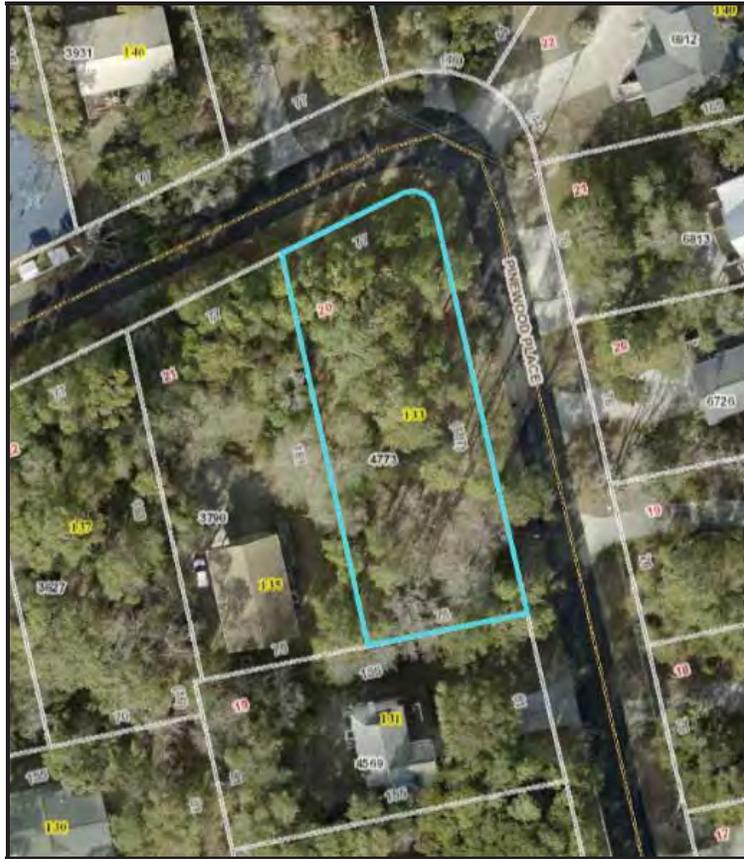
LOT VALUES

Typically, larger subdivision developers “develop” land into lots for two main reasons. One, in order to establish a steady supply of developed lots for their own building company; or for resale to individuals, as in the past; or to single purchasers on a bulk basis.

In order to determine beginning lot values for the lots at subject property, we have investigated recently closed lot sales within nearby subdivisions including Ocean Oaks, Dolphin Ridge, Wyndtree, Emerald Landing, Deer Horn Dunes, Cape Emerald, Spinnaker's Reach, and Holly Point.

There have been numerous recent and comparable sales within the subject's immediate neighborhood. There are no land listings that would influence the results of the following analysis. The following sales together with appropriate adjustments to the various elements of comparison are offered in support of our estimate value of the subject property, as though vacant and available to be developed to its highest and best use.

LOT SALE NO. 1



Property Identification

Record ID 3833
Property Type Vacant Lot, Residential Lot
Property Name Ocean Oaks, Lot 20
Address 133 Pine Wood Place, Emerald Isle, Carteret County, North Carolina 28594
Tax ID 538309054773000

Sale Data

Grantor Richard Allen Bristow, Jr. and wife, Karen Bristow, et al.
Grantee M and S of Carteret, LLC
Sale Date February 23, 2023
Deed Book/Page 1758/407
Recorded Plat 21/36
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$250,000
Cash Equivalent \$250,000

LOT SALE NO. 1 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Basically Rectangular
Flood Info	Located in the 500-Year Flood Hazard Area

Land Size Information

Gross Land Size	0.321 Acres or 13,983 SF
Front Footage	187 ft Pinewood Place; 77 ft Page Place

Indicators

Sale Price/Gross Acre	\$778,803
Sale Price/Gross SF	\$17.88

LOT SALE NO. 2



Property Identification

Record ID 3834
Property Type Vacant Lot, Residential Lot
Property Name Ocean Oaks, Lot 22
Address 137 Pinewood Place, Emerald Isle, Carteret County, North Carolina
28594
Tax ID 538309053627000

Sale Data

Grantor Leslie John Reynolds and Sarah Evans Reynolds
Grantee Susan L. Strom
Sale Date August 05, 2023
Deed Book/Page 1806/113
Recorded Plat 21/36
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$325,000
Cash Equivalent \$325,000

LOT SALE NO. 2 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Basically Rectangular
Flood Info	Located in the 500-Year Flood Hazard Area

Land Size Information

Gross Land Size	0.289 Acres or 12,589 SF
Front Footage	77 ft Pinewood Place

Indicators

Sale Price/Gross Acre	\$1,124,553
Sale Price/Gross SF	\$25.82

LOT SALE NO. 3



Property Identification

Record ID 3835
Property Type Vacant Lot, Residential Lot
Property Name Ocean Oaks, Lot 11
Address 115 Ocean Oaks Drive, Emerald Isle, Carteret County, North Carolina 28594
Tax ID 538313042870000

Sale Data

Grantor Satish K. Kumar
Grantee M and S of Carteret, LLC
Sale Date March 03, 2023
Deed Book/Page 1793/459
Recorded Plat 21/36
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$275,000
Cash Equivalent \$275,000

LOT SALE NO. 3 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Rectangular
Flood Info	Located in the 500-Year Flood Hazard Area

Land Size Information

Gross Land Size	0.320 Acres or 13,939 SF
Front Footage	90 ft Ocean Oaks Drive

Indicators

Sale Price/Gross Acre	\$859,387
Sale Price/Gross SF	\$19.73

LOT SALE NO. 4 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Irregular
Flood Info	Not Located in a Flood Hazard Area

Land Size Information

Gross Land Size	0.290 Acres or 12,632 SF
Front Footage	97 ft Outrigger Court

Indicators

Sale Price/Gross Acre	\$1,155,209
Sale Price/Gross SF	\$26.52

LOT SALE NO. 5



Property Identification

Record ID 3837
Property Type Vacant Lot, Residential Lot
Property Name Wyndtree, Lots 22 & 23
Address 10707 & 10709 Coast Guard Road, Emerald Isle, Carteret County,
North Carolina 28594
Tax ID 537314324603000 & 537314324526000

Sale Data

Grantor Peter G. Demetriades and spouse, Penny K. Demetriades
Grantee Eric Alan Stern and spouse, Jennifer Leigh Pearson
Sale Date June 19, 2023
Deed Book/Page 1806/33
Recorded Plat 8/63
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$600,000
Cash Equivalent \$600,000

LOT SALE NO. 5 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Rectangular
Flood Info	Located in the 100-Year Flood Hazard Area

Land Size Information

Gross Land Size	0.620 Acres or 27,008 SF
Front Footage	140 ft Coast Guard Road

Indicators

Sale Price/Gross Acre	\$967,713
Sale Price/Gross SF	\$22.22

Remarks

Sale consisted of two adjacent lots.

LOT SALE NO. 6



Property Identification

Record ID 3838
Property Type Vacant Lot, Residential Lot
Property Name Wyndtree, Lot 66
Address 10505 Island Circle, Emerald Isle, Carteret County, North Carolina 28594
Tax ID 537314327802000

Sale Data

Grantor Scott P. Bishop, et al.
Grantee DMJ Property Management, LLC
Sale Date May 13, 2022
Deed Book/Page 1767/210
Recorded Plat 15/86
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$269,000
Cash Equivalent \$269,000

LOT SALE NO. 6 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Rectangular
Flood Info	Located in the 100-Year Flood Hazard Area

Land Size Information

Gross Land Size	0.310 Acres or 13,504 SF
Front Footage	76 ft Island Circle

Indicators

Sale Price/Gross Acre	\$867,716
Sale Price/Gross SF	\$19.92

LOT SALE NO. 7 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Irregular
Flood Info	Not Located in a Flood Hazard Area

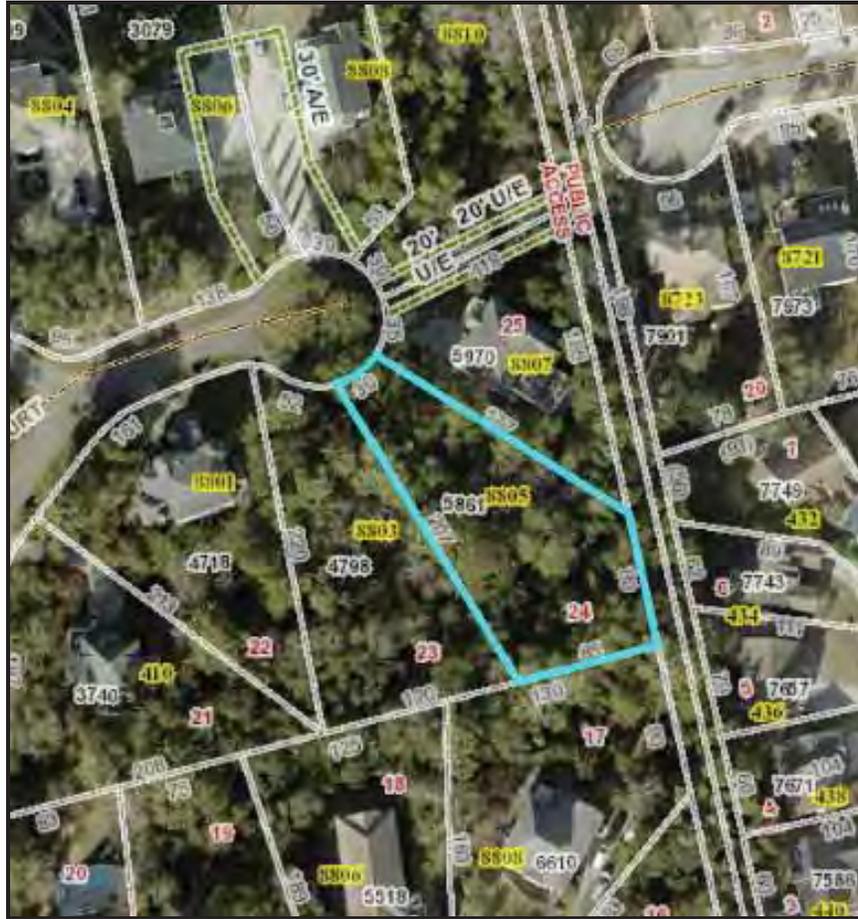
Land Size Information

Gross Land Size	0.420 Acres or 18,295 SF
Front Footage	52 ft Sound View Court

Indicators

Sale Price/Gross Acre	\$642,864
Sale Price/Gross SF	\$14.76

LOT SALE NO. 8



Property Identification

Record ID 3840
Property Type Vacant Lot, Residential Lot
Property Name Emerald Landing, Lot 24
Address 8805 Sound View Court, Emerald Isle, Carteret County, North Carolina 28594
Tax ID 538307585861000

Sale Data

Grantor Matthew J. Deluca and wife, Jill A. Deluca
Grantee Egerton & Frantz Property Development, Inc.
Sale Date April 25, 2022
Deed Book/Page 1766/47
Recorded Plat 28/363
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$265,000
Cash Equivalent \$265,000

LOT SALE NO. 8 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Irregular
Flood Info	Not Located in a Flood Hazard Area

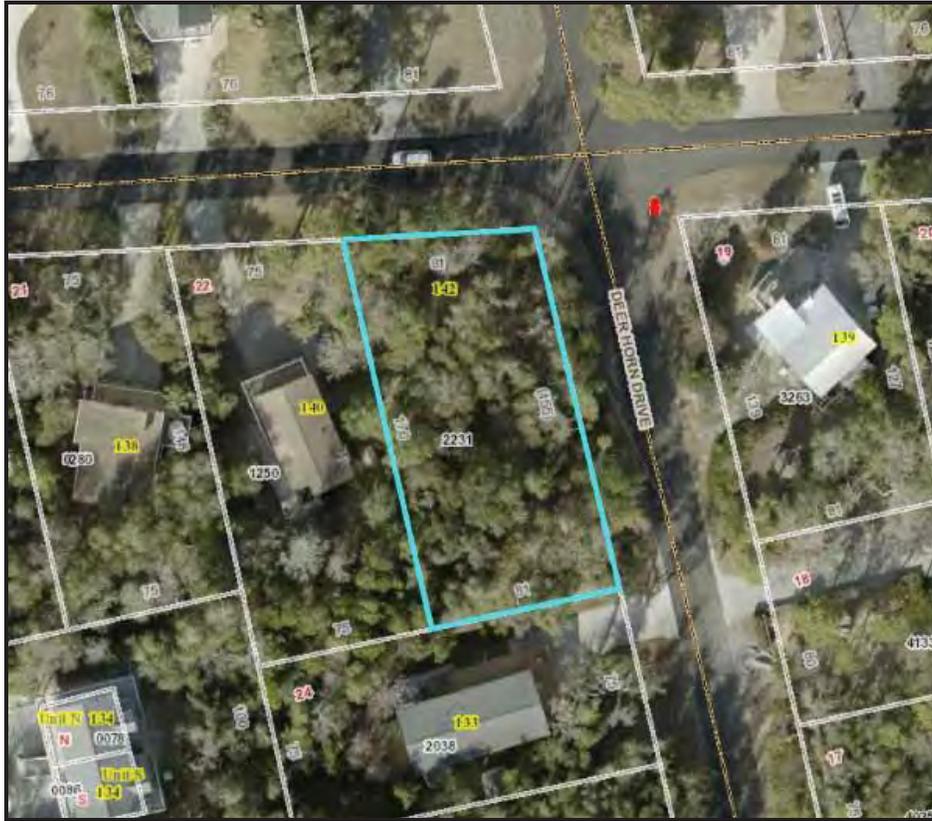
Land Size Information

Gross Land Size	0.296 Acres or 12,894 SF
Front Footage	30 ft Sound View Court

Indicators

Sale Price/Gross Acre	\$895,254
Sale Price/Gross SF	\$20.55

LOT SALE NO. 9



Property Identification

Record ID	3841
Property Type	Vacant Lot, Residential Lot
Property Name	Deer Horn Dunes, Lot 23
Address	142 Doe Drive, Emerald Isle, Carteret County, North Carolina 28594
Tax ID	538309262231000

Sale Data

Grantor	Dewey R. Bennett and wife, Mary A. Rogers
Grantee	Christopher D. Sparr
Sale Date	March 31, 2021
Deed Book/Page	1724/411
Recorded Plat	14/93
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI
Sale Price	\$215,000
Cash Equivalent	\$215,000

LOT SALE NO. 9 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Rectangular
Flood Info	Located in the 500-Year Flood Hazard Area

Land Size Information

Gross Land Size	0.301 Acres or 13,112 SF
Front Footage	155 ft Deer Horn Drive

Indicators

Sale Price/Gross Acre	\$714,262
Sale Price/Gross SF	\$16.40

LOT SALE NO. 10



Property Identification

Record ID	3842
Property Type	Vacant Lot, Residential Lot
Property Name	Ocean Oaks, Lot 14
Address	125 Page Place, Emerald Isle, Carteret County, North Carolina 28594
Tax ID	537312958044000

Sale Data

Grantor	Shannon L. Richmond
Grantee	M and S of Carteret, LLC
Sale Date	August 02, 2021
Deed Book/Page	1733/186
Recorded Plat	21/36
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price	\$230,000
Cash Equivalent	\$230,000

LOT SALE NO. 10 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Rectangular
Flood Info	Located in the 500-Year Flood Hazard Area

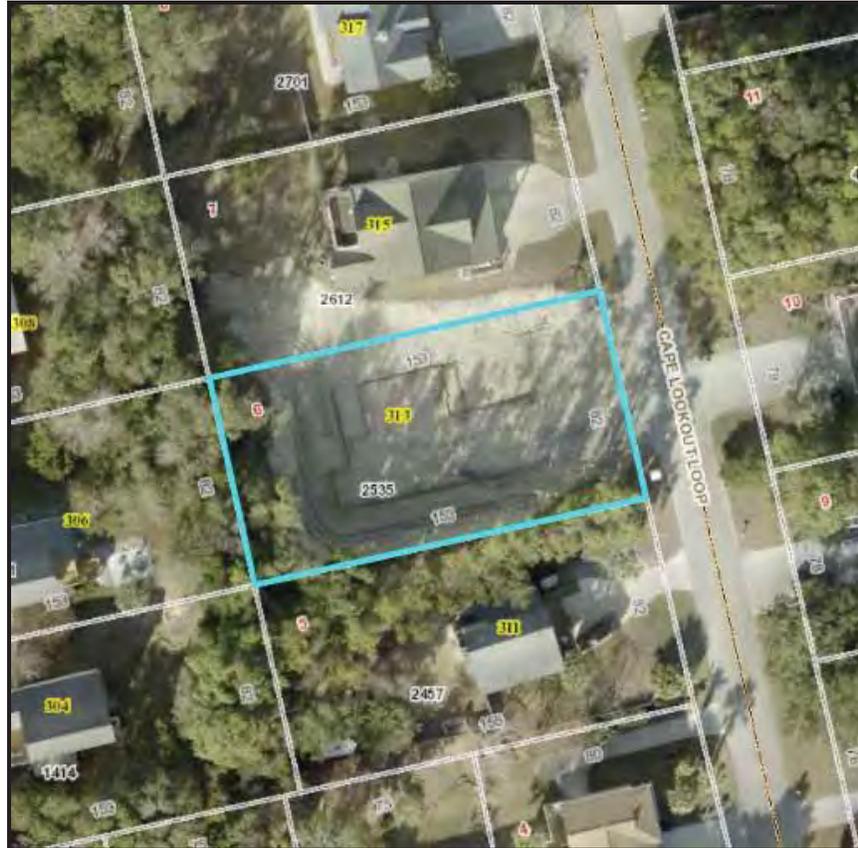
Land Size Information

Gross Land Size	0.290 Acres or 12,632 SF
Front Footage	76 ft Page Place

Indicators

Sale Price/Gross Acre	\$793,129
Sale Price/Gross SF	\$18.21

LOT SALE NO. 11



Property Identification

Record ID 3843
Property Type Vacant Lot, Residential Lot
Property Name Cape Emerald, Lot 6
Address 313 Cape Lookout Loop, Emerald Isle, Carteret County, North Carolina 28594
Tax ID 538309062535000

Sale Data

Grantor Josie Guthrie, Trustee
Grantee The Carter Living Trust
Sale Date June 28, 2021
Deed Book/Page 1728/442
Recorded Plat 24/90
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$210,000
Cash Equivalent \$210,000

LOT SALE NO. 11 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Rectangular
Flood Info	Located in the 500-Year Flood Hazard Area

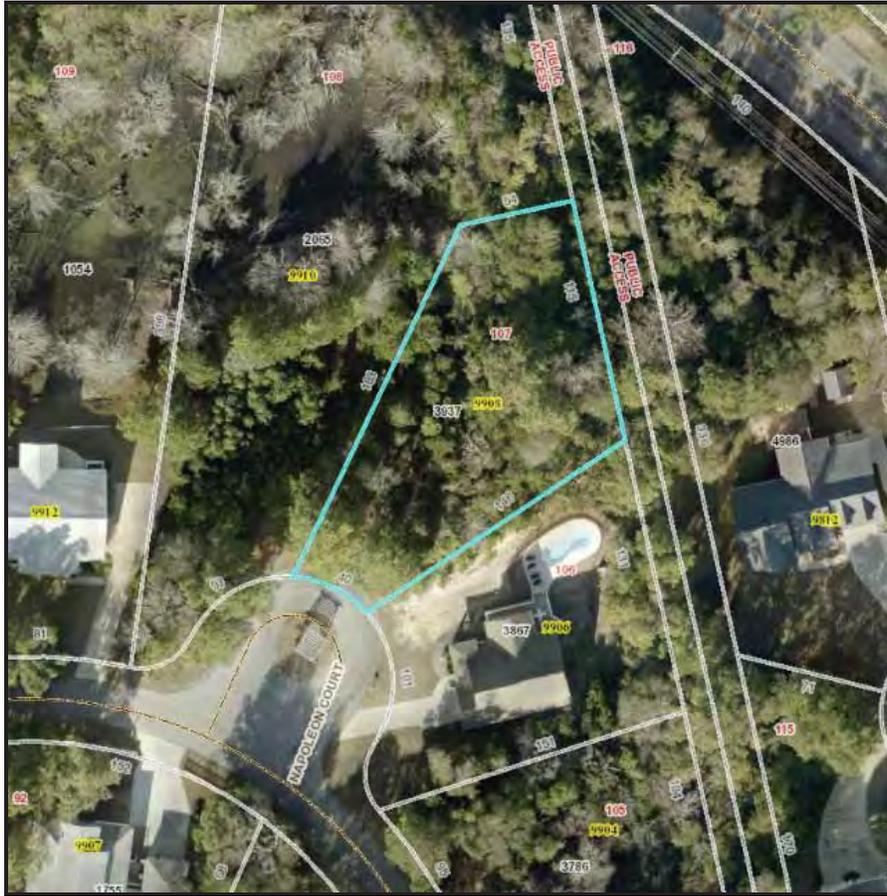
Land Size Information

Gross Land Size	0.298 Acres or 12,981 SF
Front Footage	82 ft Cape Lookout Loop

Indicators

Sale Price/Gross Acre	\$704,691
Sale Price/Gross SF	\$16.18

LOT SALE NO. 12



Property Identification

Record ID	3844
Property Type	Vacant Lot, Residential Lot
Property Name	Spinnakers Reach, Lot 107
Address	9908 Napoleon Court, Emerald Isle, Carteret County, North Carolina 28594
Tax ID	537312853937000

Sale Data

Grantor	Stefano Rosic and Leslie Rosic, Trustees
Grantee	Mariano Alicea, Jr., and Mariann Alicea
Sale Date	July 21, 2021
Deed Book/Page	1733/14
Recorded Plat	30/353
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price	\$260,000
Cash Equivalent	\$260,000

LOT SALE NO. 12 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Irregular
Flood Info	Portion located in the 500-Year Flood Hazard Area

Land Size Information

Gross Land Size	0.300 Acres or 13,068 SF
Front Footage	40 ft Napoleon Court

Indicators

Sale Price/Gross Acre	\$866,667
Sale Price/Gross SF	\$19.90

LOT SALE NO. 13



Property Identification

Record ID 3845
Property Type Vacant Lot, Residential Lot
Property Name Holly Point, Lot 28
Address 410 Wild Cherry Lane, Emerald Isle, Carteret County, North Carolina 28594
Tax ID 539305098956000

Sale Data

Grantor Ronald F. Cox
Grantee William U. Farrington Construction Co.
Sale Date June 09, 2023
Deed Book/Page 1801/198
Recorded Plat 28/458
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Other sources: MLS; Public Record, Confirmed by Bruce Sauter, MAI

Sale Price \$240,000
Cash Equivalent \$240,000

LOT SALE NO. 13 (CONTINUED)

Land Data

Zoning	R2, Residential
Topography	Level
Utilities	All City
Shape	Rectangular
Flood Info	Not Located in a Flood Hazard Area

Land Size Information

Gross Land Size	0.290 Acres or 12,632 SF
Front Footage	111 ft Wild Cherry Lane

Indicators

Sale Price/Gross Acre	\$827,612
Sale Price/Gross SF	\$19.00

COMPARABLE LOT SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in SF	Price/ SF
1.	133 Pine Wood Place	02/23/2023	\$250,000	13,983	\$17.88
2.	137 Pinewood Place	08/05/2023	\$325,000	12,589	\$25.82
3.	115 Ocean Oaks Drive	03/03/2023	\$275,000	13,939	\$19.73
4.	9808 Outrigger Court	10/18/2023	\$335,000	12,632	\$26.52
5.	10707 & 10709 Coast Guard Road	06/19/2023	\$600,000	27,008	\$22.22
6.	10505 Island Circle	05/13/2022	\$269,000	13,504	\$19.92
7.	8803 Sound View Court	10/19/2022	\$270,000	18,295	\$14.76
8.	8805 Sound View Court	04/25/2022	\$265,000	12,894	\$20.55
9.	142 Doe Drive	03/31/2021	\$215,000	13,112	\$16.40
10.	125 Page Place	08/02/2021	\$230,000	12,632	\$18.21
11.	313 Cape Lookout Loop	06/28/2021	\$210,000	12,981	\$16.18
12.	9908 Napoleon Court	07/21/2021	\$260,000	13,068	\$19.90
13.	410 Wild Cherry Lane	06/09/2023	\$240,000	12,632	\$19.00

COMPARABLE LOT SALES LOCATION MAP



The above lot sales are in similar residential developments within the subject's immediate neighborhood, as illustrated in the location map above. The lot sales above ranged from \$210,000 to \$325,000 per lot, with an average of \$267,429 per lot. The above sales represent individual single-family lots purchased for future residential development. The subject has the potential for 8 lots. Based upon the most recent sales and the proposed size of the subject lots, we have concluded the proposed subdivision to achieve a retail lot value of \$270,000 per lot.

In the Net Present Value Analysis, which follows, we have concluded that the beginning retail value of an individual lot should be approximately \$270,000. The total indicated aggregate retail value for the 8 lots is approximately \$2,160,000. This aggregate value represents accumulated periodic income to be received in the future from the sale of lots to individual purchasers.

Based on our investigation of the surrounding area, we have estimated a 2-year sell-out period on an annual basis, with beginning lot prices at \$270,000. A deduction of 6% has been applied for Sales/Marketing Costs, 3% for Overhead/Administration Costs (*to cover office and administrative expenses*), and 10% for Entrepreneurial Profit. Furthermore, we have deducted \$1,015 per lot for real estate taxes for the lots held within the holding period. This amount is deducted annually.

We have incorporated a discount rate of 10% in order to reflect an appropriate discount for the time-value of money. Given the current interest rate structure in today's economy, we believe that 10% applied annually is reasonable, and compares favorably with other long-term interest rate vehicles such as tax-free municipal and tax-exempt corporate bonds, and 5-year annuity contracts, issued by insurance companies. The discount rate is a measure of the internal rate of return on the equity (all cash) necessary to attract investors to this type of market. It includes a sufficient amount for risk associated with single-family residential development at this time.

Realty Rates Developer Survey for the 4th Quarter of 2023 indicates discount rates for site-built residential in the range of 14.62% to 27.25%, with an average rate of 20.51%, as shown adjacent. These indicated rates include developer's profit. The discount rate of 20% utilized in the following analysis (10% discount and 10% developer's profit) falls within this range.

RealtyRates.com DEVELOPER SURVEY - 4th Quarter 2023*						
Southeast - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	14.62%	31.60%	21.45%	14.03%	30.34%	20.59%
-100 Units	14.62%	27.25%	20.51%	14.03%	26.16%	19.69%
100-500 Units	14.98%	29.97%	21.58%	14.39%	28.77%	20.71%
500+ Units	15.35%	31.33%	21.94%	14.74%	30.08%	21.06%
Mixed Use	15.72%	31.60%	21.77%	15.09%	30.34%	20.90%
Manufactured Housing	14.92%	34.56%	22.95%	14.33%	33.17%	22.03%
-100 Units	14.92%	30.05%	22.04%	14.33%	28.85%	21.15%
100-500 Units	15.30%	33.05%	23.21%	14.68%	31.73%	22.28%
500+ Units	15.67%	34.56%	23.61%	15.04%	33.17%	22.66%
Business Parks	14.91%	32.09%	21.83%	14.31%	30.81%	20.96%
-100 Acres	14.91%	27.90%	20.98%	14.31%	26.79%	20.14%
100-500 Acres	15.28%	30.69%	22.07%	14.67%	29.47%	21.19%
500+ Acres	15.65%	32.09%	22.44%	15.03%	30.81%	21.54%
Industrial Parks	14.98%	27.85%	19.94%	14.38%	26.73%	19.15%
-100 Acres	14.98%	24.21%	19.20%	14.38%	23.25%	18.43%
100-500 Acres	15.35%	26.64%	20.15%	14.74%	25.57%	19.35%
500+ Acres	15.72%	27.85%	20.48%	15.10%	26.73%	19.66%

*3rd Quarter 2023 Data

Copyright 2023 RealtyRates.com™

The results of our analysis are summarized in the following table:

NPV Emerald Isle Woods, Single-Family Lots				
Total Number of Lots			8	
Initial Lot Price		\$270,000		
Average R.E. Taxes/Lot/Period		\$1,015		\$1,015
Emerald Isle Woods - Sellout (w/ Line Item Deduction for Entrepreneurial Profit)				
Annual Periods		1	2	Totals
Total Lots	8			
Unsold Lots BOP		8	4	
Lots Sold		4	4	8
Unsold Lots EOP		4	0	
Average Lot Price		\$270,000	\$270,000	
Potential Retail Sellout		\$1,080,000	\$1,080,000	\$2,160,000
Construction Costs		\$0	\$0	
Sales/Marketing Costs	6.0%	-\$64,800	-\$64,800	-\$129,600
Overhead/Adminis.	3.0%	-\$32,400	-\$32,400	-\$64,800
RE Taxes		-\$4,060	\$0	-\$4,060
Entrepreneurial Profit	10.0%	-\$108,000	-\$108,000	-\$216,000
Net Cash Flows		\$870,740	\$874,800	\$1,745,540
Net Present Value @	Annual 10.0%	Present Value		\$1,514,557

FINAL VALUE CONCLUSION: \$1,515,000

ASSUMPTIONS AND LIMITING CONDITIONS

- 1) No responsibility is assumed for legal or title considerations. Title to the property is assumed good and marketable unless otherwise stated in this report.
- 2) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 3) Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 4) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 5) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 6) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 7) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- 8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in this appraisal report.
- 9) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental 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 are based.
- 10) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- 11) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

- 12) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- 13) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
- 14) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- 15) The distribution, if any, of the total valuation in this report between land and improvements applied only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 16) Possession of this report or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
- 17) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraisers.

APPRAISER'S CERTIFICATION

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported contingent and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation; and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



F. Bruce Sauter, MAI
NC General Certification No.: A8



APPRAISER'S CERTIFICATION

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported contingent and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation; and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Mitchell T. Boyd
NC General Certification No.: A8308



ADDENDUM

SUBJECT PHOTOS.....	A
DEED	B
SURVEY	C
APPRAISER'S QUALIFICATIONS.....	D



VIEW OF SUBJECT TRACT



VIEW OF SUBJECT TRACT



ENTRANCE DRIVE FROM COAST GUARD ROAD



ENTRANCE DRIVE FROM COAST GUARD ROAD



VIEW OF SUBJECT TRACT



VIEW OF FRONTAGE ALONG COAST GUARD ROAD FACING EAST



VIEW OF FRONTAGE ALONG COAST GUARD ROAD FACING WEST

*Gaylor
Gaylor*

Tax Parcel ID: 5383.09-07-9073

STATE OF NORTH CAROLINA
COUNTY OF CARTERET

THIS DEED, made and entered into this the 3RD day of May, 2002,
by and between CAPE FEAR COMPANY LIMITED PARTNERSHIP, a North Carolina limited
partnership, party of the first part; and TOWN OF EMERALD ISLE, a North Carolina municipal
corporation, having an address of 7500 Emerald Drive, Emerald Isle, North Carolina 28594,
party of the second part;

Prepared by:
Ward and Smith, P.A.
1001 College Court
New Bern, NC 28562

WITNESSETH:

That the party of the first part in consideration of the sum of Ten Dollars (\$10.00)
and other good and valuable considerations to said party paid by the party of the second part, the
receipt of which hereby is acknowledged, has bargained and sold and by these presents does
bargain, sell and convey unto the party of the second part, said party's successors and assigns,
subject to the matters set forth herein, the following described property, to wit:

6920.00

WARD AND SMITH, P.A., ATTORNEYS AT LAW

All that certain tract or parcel of land lying and being situate in
White Oak Township, Carteret County, North Carolina, and being
more particularly described as follows:

Carteret County Register
05/08/2002
8274
\$6,920.00

Real Estate
Excise Tax



STATE OF
NORTH
CAROLINA

No Title
Examination
Conducted By
Ward and Smith, P.A.

Beginning at a point marked by an iron pipe in the northern right-
of-way line of Coast Guard Road, said point of beginning being
located the following courses and distances from a P. K. Nail
located at the intersection of the centerline of Ocean Oaks Drive
and the centerline of the northernmost leg of Cape Fear Loop
Road: S 04° 26' 40" E, 1,004.31 feet to a set mag nail in the
southern edge of the asphalt of Coast Guard Road; and N 65° 52'
47" E, 599.30 feet to the point of beginning. Thence from this
point and place of beginning for a first call of N 05° 30' 00" W,
1,393.70 feet to an existing iron pipe in the highwater mark of
Bogue Sound; thence along and with the various courses of the
highwater mark of Bogue Sound in a northeasterly direction to a
point in the highwater mark of Bogue Sound which is N 66° 17'
42" E, 1,158.15 feet from the terminus of the immediately

(5)

BOOK 940 PAGE 654

preceding call; thence S 05° 30' 00" E, 131.32 feet to an iron pipe; thence continuing S 05° 30' 00" E, 1,545.65 feet to a point in the northern right-of-way line of Coast Guard Road; thence with the northern right-of-way line of Coast Guard Road N 86° 28' 00" W, 184.68 feet to a point in a curve; thence continuing along the northern right-of-way line of Coast Guard Road along the curve to the left having a radius of 1,425.19 feet, an arc length of 557.19 feet and a chord bearing and distance of S 82° 20' 00" W, 553.64 feet to a point; thence continuing with the northern right-of-way line of Coast Guard Road S 71° 08' 00" W, 374.69 feet to the point and place of beginning. This parcel is all of that property identified as "Block 44 North", shown as containing 37.554 acres by coordinate computation, and as depicted upon that survey for the Town of Emerald Isle dated March 15, 2002, created by Prestige Land Surveying, P.A. of Cape Carteret-Swansboro, North Carolina which is recorded in Map Book 30, page 120, Carteret County Registry and which is referenced herein for a more particular description.

The above-described property is conveyed subject to the following matters:

1. Taxes for the year 2002 and subsequent years, not yet due and payable.
2. Right(s) of others including riparian, littoral and drainage in and to the waters of any branch, river, stream, creek, lake, canal, ditch or other watercourse which joins or traverses the above described property.
3. Easement(s)/Right(s) of way in favor of Carteret Craven Electric Membership Corporation recorded in Book 155, Page 69 and Book 155, Page 109, Carteret County Registry.

BOOK 940 PAGE 654

4. Easement(s)/Right(s) of way in favor of Bogue Banks Water and Sewer Corporation recorded in Book 314, Page 481, Carteret County Registry.
5. Deed to the State of North Carolina recorded in Book 727, Page 164, Carteret County Registry.
6. Such state of facts as will be disclosed by an accurate survey and inspection of the above described property.
7. Rights of the Federal Government, State of North Carolina and general public with regard to the ownership and use of all lands, waters and marshes below the mean highwater mark of Bogue Sound.

TO HAVE AND TO HOLD said property and all privileges and appurtenances thereunto belonging to the party of the second part, said party's successors and assigns forever, subject to the matters set forth above.

And the party of the first part does covenant that said party is seized of said property in fee and has the right to convey same in fee simple; that the same is free from encumbrances except any encumbrances, exceptions or restrictions mentioned above and that said party will warrant and defend the title to the same against the lawful claims of all persons whomsoever.

BOOK 940 PAGE 654

WARD AND SMITH, P.A., ATTORNEYS AT LAW

IN TESTIMONY WHEREOF, the party of the first part has caused this instrument to be executed under seal and in such form as to be binding, all by authority duly given, this the day and year first above written.

CAPE FEAR COMPANY LIMITED PARTNERSHIP (SEAL)
A North Carolina Limited Partnership

By: Frank R. Holding (SEAL)
Frank R. Holding
A General Partner

STATE OF South Carolina
COUNTY OF Charleston

I, Joan M. Reicheimer, a Notary Public in and for said County and State, do hereby certify that FRANK R. HOLDING before me this day personally appeared, who being by me first duly sworn, says that he is a general partner of CAPE FEAR COMPANY LIMITED PARTNERSHIP, the limited partnership described in and which executed the foregoing instrument; that he executed said instrument in the limited partnership name by subscribing his name thereto; and that the instrument is the act and deed of said limited partnership.

WITNESS my hand and notarial seal, this the 3 day of May, 2002.

Joan M. Reicheimer
Notary Public

My Commission Expires:

My Commission Expires January 24, 2006 BOOK 940 PAGE 654
4



STATE OF NORTH CAROLINA
COUNTY OF CARTERET

The foregoing certificate of Joan M. Rugheimer,
a Notary Public of said County and State, is certified to be correct. This instrument was
presented for registration this day and hour and duly recorded in the office of the Register of
Deeds of Carteret County, North Carolina, in Book 940, Page 654.

This 8 day of May, 2002, at 12:12 o'clock P.M.

Cynthia J. Smith, Deputy
Register of Deeds

NBMAIN485038.1

WARD AND SMITH, P.A., ATTORNEYS AT LAW

BOOK 940 PAGE 654
5

F. BRUCE SAUTER, MAI

APPRAISER QUALIFICATIONS

2301 Executive Park West, Greenville, North Carolina 27835-7123

Telephone: (252) 758-7000 • Fax: (252) 758-4762

Email: fbs@fbsauter.com

EDUCATION

B.S. University of Maryland, 1966
Commissioned Officer USMC, 1967
NC Real Estate Broker, 1971
(License No. 19201)
Member Appraisal Institute (MAI), 1978
(Certificate No. 5816)
NC Certified General Real Estate Appraiser, 1991
(Certificate No. A8)
SC Certified General Real Estate Appraiser, 1994
(Certificate No. CG 2395)

EMPLOYMENT HISTORY

F. Bruce Sauter & Associates, Inc.	1984 - Present
Moore and Sauter, Inc.	1975 - 1984
Whelless and Moore, Inc.	1972 - 1975

APPRAISAL EXPERIENCE

Single and Multifamily Residentials, Office/Medical Buildings, Retail/Shopping Centers, Townhouses, PUD's, Condominiums, Warehouses, Industrial/Manufacturing Buildings, Motels, Restaurants, Marinas, Day Care Centers, C-Stores, MH Parks, Athletic/Fitness Centers, Campgrounds, Funeral Homes
Highway Right-of-Way Acquisitions, Power Line Right-of-Ways, National and State Park Acquisitions, Farms, Timberlands, Rural Residentials, Estates, Subdivisions and Planned Communities, Conservation Easements, Industrial and Special Purpose Properties, Condemnations, Automotive Dealerships, Golf Courses, Resort Developments and Ocean Beach Properties.

EXPERT WITNESS EXPERIENCE

Federal Bankruptcy Court
NC Property Tax Commission
NC Superior Court: Beaufort, Brunswick, Carteret, Hyde, Chowan, Dare, Duplin, Durham, Hertford, Lenoir, Martin, Pasquotank, New Hanover, Pender, Pitt, Wake, Washington

INSTITUTIONAL CLIENTELE

Beaufort County Economic Development Commission
Carolina Power & Light Company/Progress Energy
Cities of Greenville, Kinston, New Bern, & Washington, NC
Towns of Farmville & Winterville, NC
Counties of Pitt, Nash, Martin, & Dare, NC
Universities: ECU, NCSU, & UNCG
Colleges: NC Wesleyan & Southeastern Community
National Audubon Society
Pamlico-Tar River Foundation
Federal Home Loan Mortgage Corporation (FHLMC)
Federal National Mortgage Association (FNMA)
Greenville Utilities Commission, North Carolina
Pitt-Greene Electric Membership, Corporation
Pitt County Memorial Hospital (PCMH)
Pitt Greenville Airport Authority (PGV)
Tri-County Airport Authority
Internal Revenue Service/Berkley Finance Center
North Carolina Department of Administration
North Carolina Department of Transportation
U.S. Bankruptcy Court
U.S. Department of Interior-National Park Service
U.S. Forestry Service & U.S. Postal Service
North Carolina Nature Conservancy
Physicians East, PA

PROFESSIONAL AFFILIATIONS

NC Chapter-Appraisal Institute-Past President
National Association of Realtors
North Carolina Association of Realtors
Greenville-Pitt County Board of Realtors
Past Member - NC Real Estate Appraisal Board
Past Chairman - Grnvl. Planning & Zoning Commission

FINANCIAL CLIENTELE

Bank of America, FL, GA, MD, NC, VA
Commonwealth Bank, VA
BB&T, NC, SC, VA
Capitol Bank, Raleigh, NC
Capstone Bank, Raleigh, NC & Tascaloosa, AL
City National Bank, Charleston, WV
First Bank, Troy, Wilmington, Candor, NC
First Citizens Bank, NC / Coastal Federal Credit Union, NC
First South Bank, Greenville, Washington, NC
East Carolina Bank, NC / RBC-Centura, NC
Select Bank & Trust, NC / The Little Bank, NC
Paragon Commercial Bank, Raleigh, NC
M&T Bank, Towson, MD / New Century Bank, Dunn, NC
Marine Federal Credit Union, Jacksonville, NC
Mercury Real Estate Services, Fort Washington, PA
Navy Federal Credit Union, CT, NC, VA, FL
North American Savings Bank - FSB, Grandview, MO
UMB Bank, Kansas City, MO / Monarch Bank, Chesapeake, VA
Regions Bank, Wilmington & Raleigh, NC, Gulfport, MS
Southern Bank & Trust, NC / TrustAtlantic Bank, NC
State Employees Credit Union, NC / Central Carolina Bank, NC
SunTrust Bank, Chesapeake, VA, Apex, NC
Wells Fargo/Wachovia Bank, NC, SC, GA, PA, MN, CA
Hampton Roads Bankshare Affiliates, Elizabeth City, NC
American Commercial Bank, Charlotte, NC
United Western Bank & SBA, Denver, CO
Mercantile-Safe Deposit & Trust Corp., Baltimore, MD

PROFESSIONAL/CORPORATE CLIENTELE

Talbert & Bright, Wilmington, NC
Prichett & Burch, PLLC, Windsor, NC
White & Allen, PA, Kinston, NC
Bryan Cave, LLP, Washington, DC
Colombo, Kitchin, & Dunn, Attnys, Greenville, NC
Nichols & Crampton, Attnys., Raleigh, NC
E.I. DuPont, Wilmington, DE / Nexans, Inc. Hickory, NC
Emmett B. Haywood Attorney, Raleigh, NC
Greenville Storage Company, Greenville, NC
Kirk, Kirk, Howell Cutler & Thompas, LLP, Wendell, NC
L.M. Sandler & Sons, Inc., Virginia Beach, VA
Fountain Power Boats, Washington, NC
McDonald's Corporation, Raleigh, NC
McGladrey & Pullen, CPA's, Greenville, NC
Moore & Van Allen, Attnys., Charlotte, NC
Poyner & Spruill, LP, Rocky Mount, NC
Thomas, Ferguson, & Mullins, LLP, Durham, NC
Payless Shoes, Topeka, KS
Stallings Oil Company, Rocky Mount, NC
Proctor and Gamble, Cincinnati, OH
Vandeventer, Black, Attnys., Kitty-Hawk, Raleigh, NC
Ward and Smith, Attnys., Greenville, New Bern, Wilmington, NC
Womble, Carlyle, Attnys., Winston-Salem, NC
NACCO Materials Handling Gp., Greenville, NC
Unifi Manufacturing, Inc., Greensboro, NC
Coastland Corporation, Virginia Beach, VA

NC APPRAISER QUALIFICATION CARD



F. BRUCE SAUTER, MAI

MITCHELL T. BOYD

APPRAISER QUALIFICATIONS

2301 Executive Park West • Greenville, North Carolina 27835-7123

Telephone: (252)758-7000 • Fax: (252)758-4762

Email: mtb@fbsauter.com

EDUCATION

B.S. North Carolina State University, 2009
NC Certified General Real Estate Appraiser, 2018
(Certificate No. A8308)

EMPLOYMENT HISTORY

F. Bruce Sauter & Associates, Inc. - 2010 - Present

APPRAISAL EXPERIENCE

Single and Multi-family Residentials, Office Buildings, Shopping Centers, Townhouses, PUD's, Condominiums, Warehouses, Manufacturing Buildings, Motels, Restaurants, Marinas, Day Care Centers, C-Stores, Highway Right-of-Way Acquisitions, Power Line Right-of-Ways, National and State Park Acquisitions, Farms, Timberlands, Rural Residentials, Estates, Subdivisions and Planned Communities, Conservation Easements, Industrial and Special Purpose Properties, Condemnations, Automotive Dealerships, Golf Courses, Resort Developments, Ocean Beach Properties, RV Parks, MH Parks

INSTITUTIONAL CLIENTELE

City of Greenville, North Carolina
Greenville Utilities Commission
Vidant Health
Eastern Nephrology, Inc.
Town of Ayden Economic Development
Piedmont Natural Gas Company, Inc.
Virginia Electric and Power Company

FINANCIAL CLIENTELE

Select Bank, Greenville, NC
Southern Bank, Mount Olive, NC
First Bank, Southern Pines, NC
Select Bank & Trust, Dunn, NC
Atlantic Union Bank, Virginia Beach, VA
Paragon Bank, Raleigh, NC
TrustAtlantic Bank, Raleigh, NC
Bank of North Carolina, NC
First National Bank, Greensboro, NC
First South Bank, Greenville, Washington, NC
CresCom Bank, Raleigh, NC
Union Bank, Greenville, NC
Hampton Roads Bank, NC
Capital Bank, Raleigh, NC
Wells Fargo, Greenville, Charlotte, NC
Essex Bank, Richmond, VA
TowneBank, Raleigh, NC
United Bank, MD
Albemarle Bank & Trust, Raleigh, NC
Carter Bank & Trust, VA
Dogwood State Bank, Raleigh, NC

PROFESSIONAL/CORPORATE CLIENTELE

Ward and Smith, Attorneys, Greenville, NC
Prichett & Burch, PLLC, Windsor, NC
Vandeventer, Black, Attorneys, Kitty-Hawk, NC
Colombo, Kitchin, Attorneys, Greenville, NC
Poyner & Spruill, PLLC, Southern Pines, NC

NC APPRAISER QUALIFICATION CARD



MITCHELL T. BOYD

Action Item

Staff member: Marissa Hartzler

Agenda Item 4) 2023-069 The Conservation Fund Sledge Forest extension request

Background

In 2023, the Board approved a capped award of \$5M of a \$7.1M request for the conservation of 3,900 acres of land in New Hanover County near Wilmington. The project, which scored a 77 on the application rating system, would protect riparian buffer, natural heritage, and historic and cultural resources and provide a future park to be owned and managed by the County.

Due to the large request, the Board approved the project subject to expiration of funds on May 31, 2024, with any extension request requiring recommendation of the Acquisition Committee and approval by the Board.

Staff will present the progress of the project so that the Committee may consider making a recommendation on extending the grant award.

Staff recommendation

Staff recommends extending the grant award to August 31, 2024, in expectation of a significant update for the August Acquisition Committee and Board meetings.

Committee action needed

Approve or amend the staff recommendation and make a recommendation to the Board.

Attachments: project summary and presentation



2023-069 - The Conservation Fund - Sledge Forest - Nature Park

SCORE: 77 COUNTY: New Hanover ACRES: 3900 FIELD REP: Jill Fusco PROGRAM STAFF: Marissa Hartzler

REQUESTED AMOUNT: \$7,115,811 MATCH AMOUNT: \$11,008,100 TOTAL BUDGET: \$18,123,911 TOTAL MATCH: 61%

PURPOSE: Riparian Buffer, Natural Heritage, Historic/Cultural PURCHASE TYPE: Fee

PROJECT DESCRIPTION:

The Grant Applicant will protect approximately 3,900 acres along the Northeast Cape Fear River and containing a portion of the Northeast Cape Fear River Floodplain natural area.

PROJECT SIGNIFICANCE:

This Project would protect the last, large, undeveloped privately-owned land in New Hanover County through the creation of a new nature park, while buffering the Rose Hill Plantation Cemetery.

CONNECTION TO OTHER PROTECTED LAND:

The Property is adjacent to the dedicated Cape Fear River Wetlands Game Land, protected in part through NCLWF grants 1998A-005 and 2003A-019, New Hanover County Open Space and the UNC Wilmington Research and Teaching Reserve.

CONSERVATION STRATEGY:

The Property will be owned and managed by New Hanover County Parks and Recreation Department. A Conservation Easement held by the State will be recorded on approximately 3,900 acres of the Property. The Conservation Easement will be monitored by North Carolina Coastal Land Trust.

ADDITIONAL RESERVED RIGHTS REQUESTED:

- mountain biking and horseback riding
- observation platforms and docks
- canoe/kayak launch with drop-off access and 1-2 accessible parking spaces
- outside 100-foot buffers:
 - maintenance of existing open areas for passive recreation
 - group camping
 - maintenance of existing early successional habitat
 - main parking lot
 - ten (10) covered picnic facilities
 - toilets

SPECIAL CONTRACT CONDITIONS: All structures will be removed prior to Closing and NCLWF will not contribute toward their purchase.

COUNTY ECONOMIC TIER: 3

URGENCY OF PROTECTION: Property is on the market

MATCH SPENT PRIOR TO AWARD DATE:

Appraisal(s), Phase I Environmental Site Assessment

SOURCES OF MATCH:

U.S. Fish and Wildlife Service (\$1,500,000), New Hanover County (\$8,200,000), Private Funds (\$1,300,000), Private funds (\$8,100) ★

2023-069 - TCF - Sledge Forest - Nature Park

Score/Rating Breakdown

SCORE: 77

Resource Summary

Riparian Buffers - 40

Highest sub-score within each category is used.
 Waterbody Name: Northeast Cape Fear River, Prince George Creek ■ Waterbody Classification(s): Primary Nursery Area |30|, DWR Exceptional Wetland |25|, B |20| ■ Integrated Ecological Networks: > 8 miles of stream buffer on property |10|, Borders property with a permanent cons. agreement |10|.

Natural Heritage - 50

Highest sub-score within each category is used.
 ■ Highest Natural Area Rank: Exceptional (C1 or R1) |30|/Highest EO Ranking: Imperiled (S1) |20|; ■ Contribution to NHP Protection: Protects portion of Natural Area @ >=10 % and <50% |10|/Contains 1 or more of the defining EO |15|; ■ Connections/Size: Borders property with a permanent conservation agreement |5|/> 500 acres |5|/Protects small patch EO: Yes |5|

Riparian Greenways - N/A

Historic and Cultural - 31

Contains archaeological sites
 ■ General aspect of state or national history or culture |15|; ■ Condition: Degraded but can promote understanding of history |3|; ■ Location: Isolated site that contains 25 - 50% of core area |5|; ■ Nat'l Recognition: National Register, Determination of Eligibility, or State Study List |5|; ■ Richness: Allows for only one event to be interpreted |3|

RESOURCES

HIGHEST RESOURCE BENEFIT SCORE (max 50)

50

ADDITIONAL RESOURCE BENEFITS (max 8)

5

MILITARY BUFFERS (max 5)

N/A

OTHER PUBLIC BENEFITS

RECREATIONAL USES/ACCESS (max 5)

5

Open to public use with amenities

PUBLIC OR SCIENTIFIC EDUCATION (max 2)

2

Organized Efforts on Regular Basis

READINESS AND NEED

LANDOWNER INTEREST (max 2)

0

Letter of Intent

PERCENT FUNDING SECURED (max 3)

0

1% of match is secured.

COMPREHENSIVE LONG-TERM PLAN (max 3)

1

Consistent with the overall goals of the plan

LIKELIHOOD OF DEVELOPMENT (max 2)

2

Parcel within likely development area

VALUE OF MATCHING RESOURCES (max 20)

12

■ Private: 7.2% ■ Local and/or Federal: 53.6%

Additional Resource Benefit Scoring Guide

- 1 point for each additional category with 1 to 24 points
- 2 points for each additional category with 25 to 39 points
- 3 points for each additional category with 40 to 45 points
- 4 points for each additional category with 46 to 50 points

Matching Resources Scoring Guide

Matching resources will be given a value based on the percentage and type of match. Any fraction in the final total will be rounded up.

1. Private funds (including bargain sale and donated value) = % of total x 0.22
2. Federal or local government funds = % of total x 0.18
3. Other State funds = % of total x 0.14

State-held Stewardship funds are not included in the total project cost for the purposes of calculating matching resource score.

TOTAL SCORE:

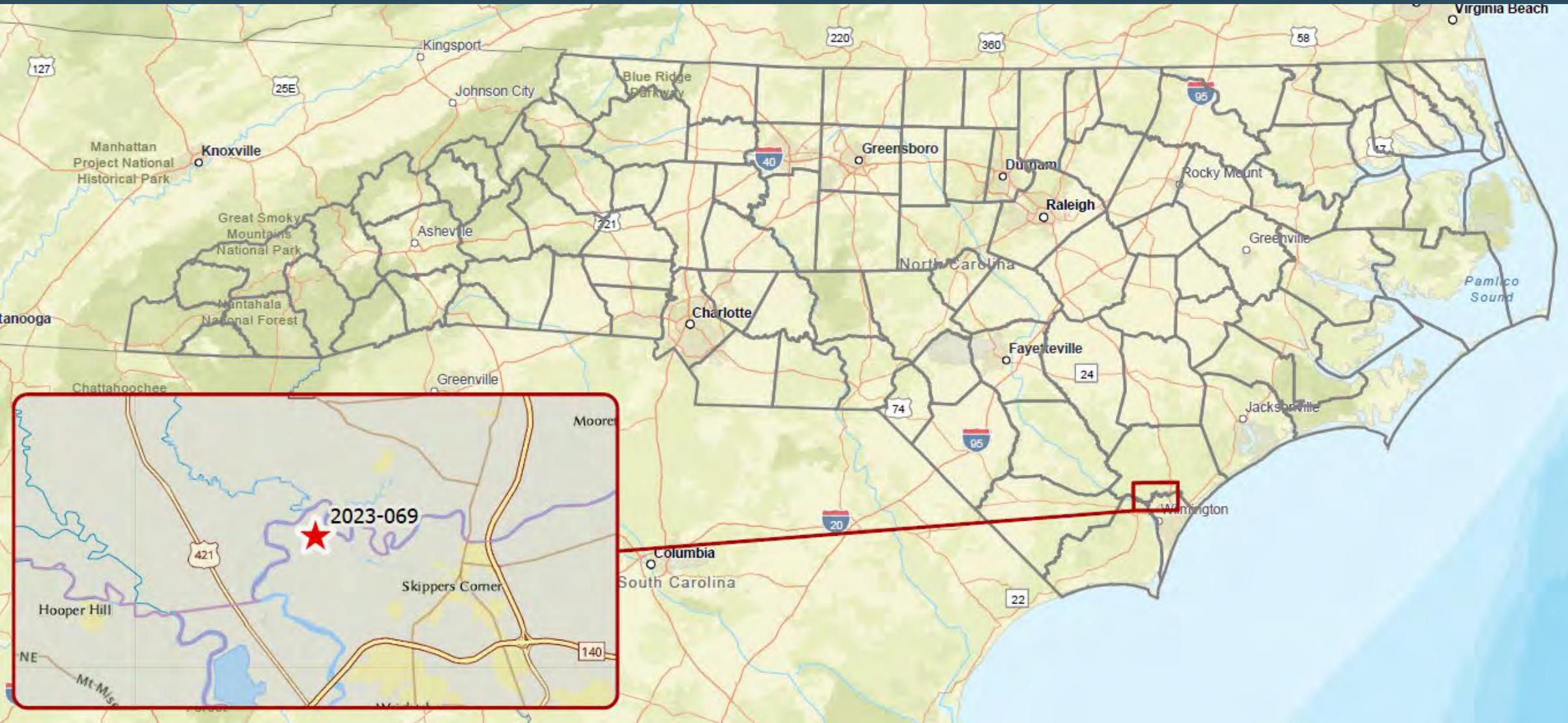
77

2023-069

**The Conservation Fund
Sledge Forest - Nature Park**

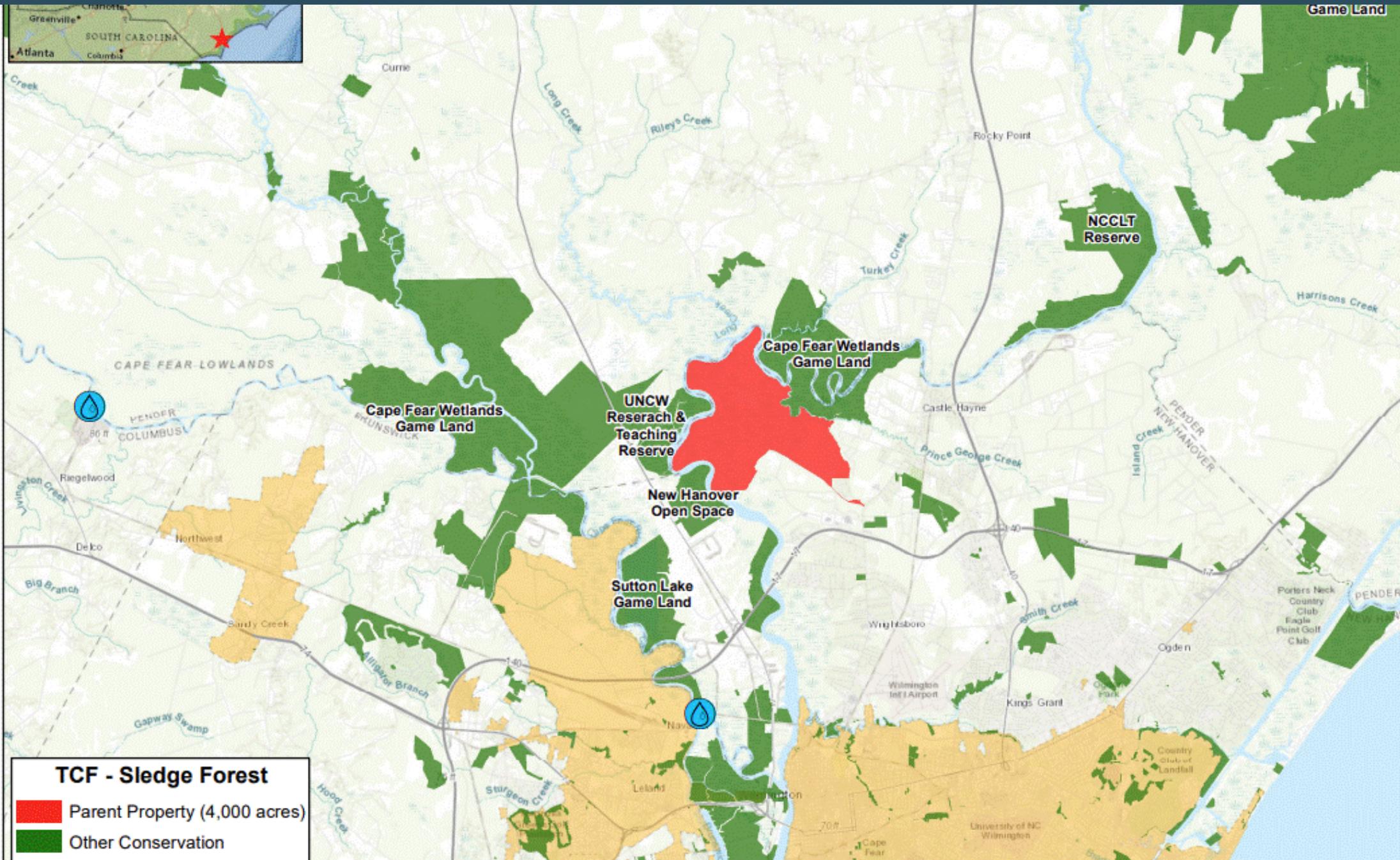
TCF is requesting \$7,115,811 out of \$18,123,911 to acquire 3900 acres.





Located in New Hanover County, near Skippers Corner.

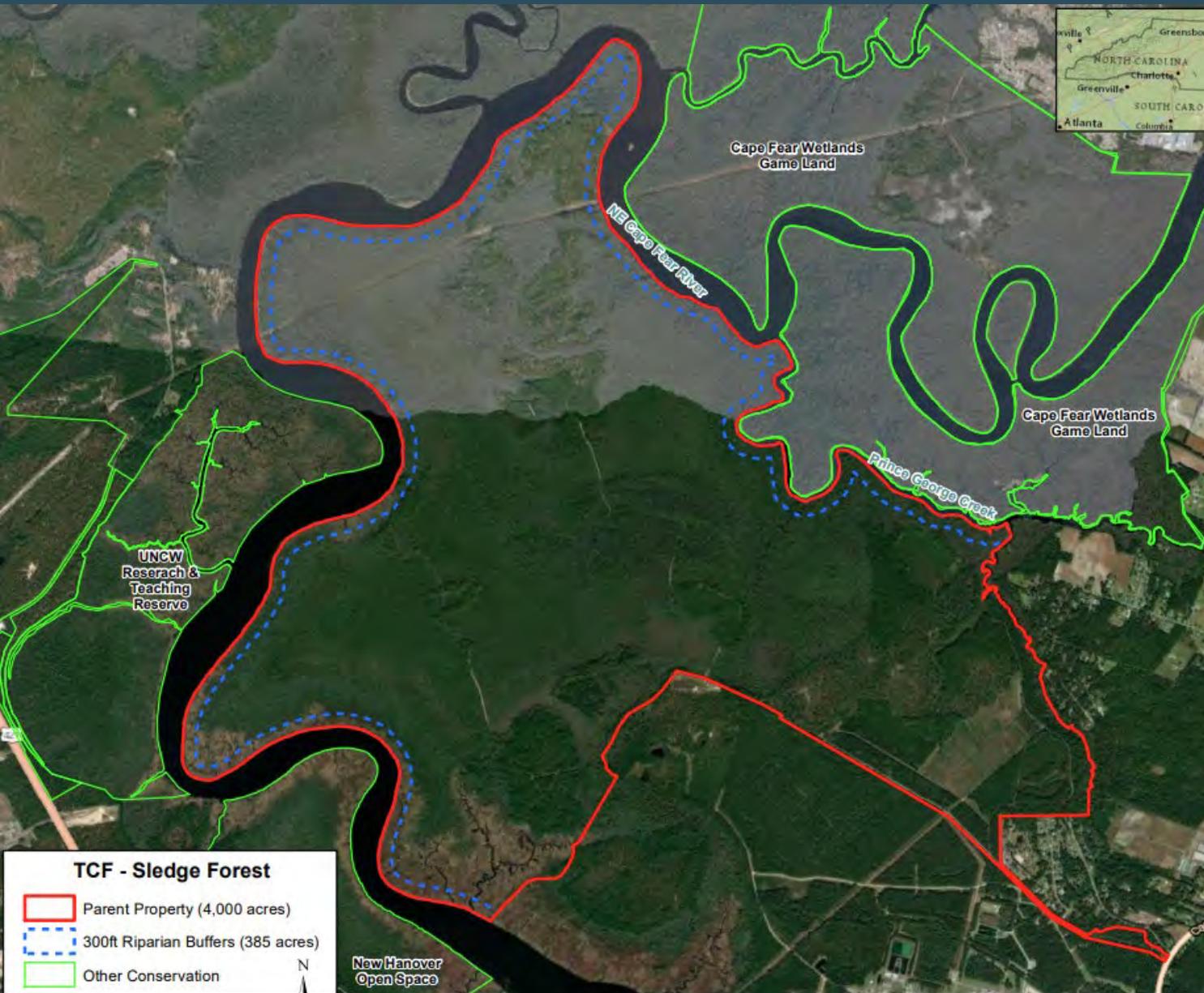




TCF - Sledge Forest

- Parent Property (4,000 acres)
- Other Conservation





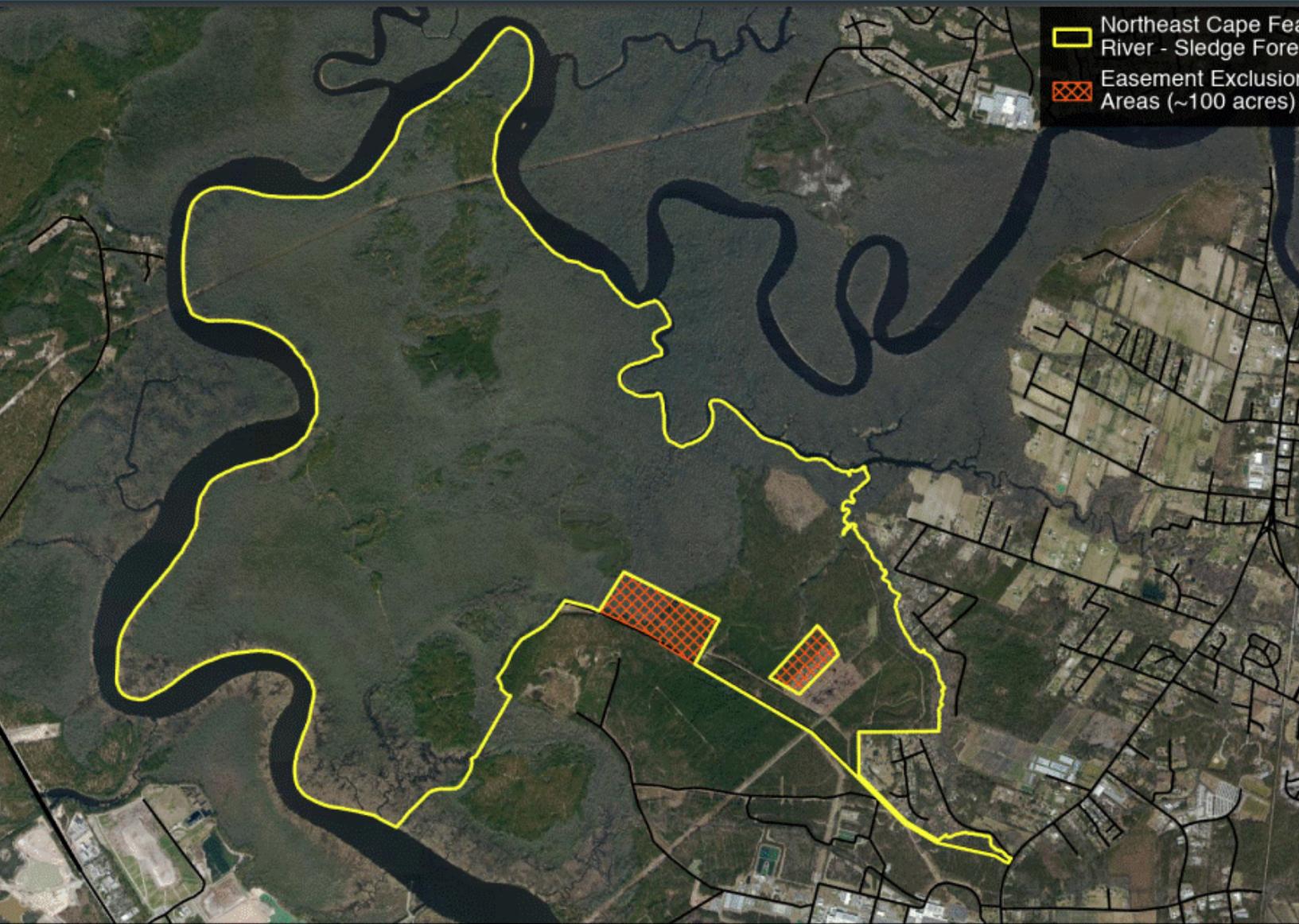
TCF would acquire 3,900 acres using NCLWF, federal, local government, and private funds.

- Conservation easement held by the State
- The Property will be owned and managed by New Hanover County Parks and Recreation Department as a new nature park

Reserved rights:

- Mountain biking and horseback riding
- Observation platforms and docks
- Canoe/kayak launch with drop-off access and 1-2 accessible parking spaces





■ Northeast Cape Fear River - Sledge Forest
▨ Easement Exclusion Areas (~100 acres)

RESERVED RIGHTS

Outside 100-foot buffers:

- Maintenance of existing open areas for passive recreation
- Group camping
- Maintenance of existing early successional habitat
- Main parking lot
- Ten covered picnic facilities
- Toilets





- Northeast Cape Fear River - Sledge Forest
- Improvement Areas
- Possible Exclusion Areas from NCLWF Easement (~100 acres)

Improvement Area 1 (on the NE Cape Fear; ~63 acres): Dock, canoe/kayak launch, picnic shelters (3-4 acre portion)

Improvement Area 2 (~25 acres): Parking area, Equipment Shed, Restroom facility, picnic shelters (4-5 acre portion)

Improvement Area 3 (~34 acres): Early successional habitat, picnic shelters (5 acre portion)

Improvement Area 4 (~3 acres): Early successional habitat



RIPARIAN BUFFERS

Significant water resources include:

**Northeast Cape Fear River,
Prince George Creek**

- **Primary Nursery Area, DWR
Exceptional Wetland, B**

Protected land includes:

- **~ 13 miles of buffer**
- **~ 3,294 acres of wetland**



NATURAL HERITAGE

**Northeast Cape Fear River
Floodplain (Exceptional)**

**FOURTEEN known element
occurrences:**

- 1. Riverbank Evening-primrose (*Oenothera riparia*) - State SR-L | S2S3/G2G3**
- 2. Carolina Sunrose (*Crocانthemum carolinianum*) - State E | S1/G4**
- 3. Wet Pine Flatwoods (Typic Subtype) - S3/G3**



NATURAL HERITAGE

4. Pondspice (*Litsea aestivalis*) - State SC-V | S2S3/G3?
5. Spoonflower (*Peltandra sagittifolia*) - State SR-P | S2S3/G3G4
6. American Alligator (*Alligator mississippiensis*) - State T/Federally T(S/A) | S3/G5
7. Peatland Atlantic White Cedar Forest - S1/G2

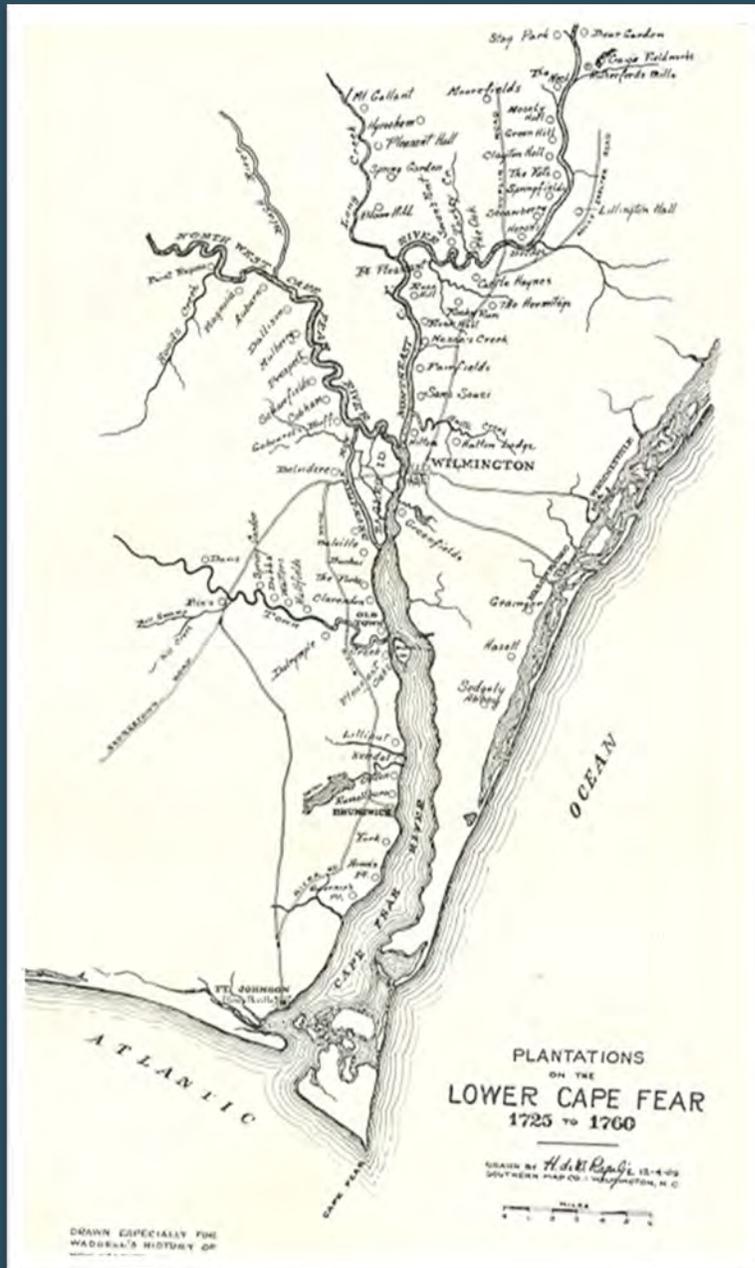


8. Swamp Island Evergreen Forest - S2S3/G2G3
9. Nonriverine Swamp Forest (Cypress-Gum Subtype) - S2/G2G3
10. Savanna Milkweed (*Asclepias pedicellata*) - State SC-V | S3/G4



NATURAL HERITAGE

- 12. Xeric Sandhill Scrub (Typic Subtype) - S3S4/G3?**
- 13. Pine/Scrub Oak Sandhill (Mixed Oak Subtype) - S3/G3?**
- 14. Pond Pine Woodland (Typic Subtype) - S3/G3**
- 15. Nonriverine Swamp Forest (Mixed Subtype) - S3/G3**



HISTORIC & CULTURAL

General aspect of State or National history or culture

Contains archaeological sites related to Rose Hill Plantation and/or Rocky Run Plantation

- Rose Hill Plantation was the residence Mr. Quince from Ramsgate, England. They are one of the oldest families on the Cape Fear River
- Rocky Run Plantation was the home of Maurice Jones, Esq. and later his son-in-law, Dr. Nat. Hall, a distinguished physician
- Many of these plantations grew rice

Waddell, Alfred M. (Alfred Moore), 1834-1912. A history of New Hanover County and the lower Cape Fear region : 1723-1800. 1909. F262.N5 W2 1909. East Carolina University Digital Collections. <https://digital.lib.ecu.edu/16993>. Accessed 28 Aug. 2023.





PUBLIC ACCESS/EDUCATION – Open to public use as a County Park

Organized Efforts on Regular Basis

URGENCY – Property is on the market

BUDGET

Total Project	Request Amount	NCLWF Proportion
\$18,123,911	\$7,115,811	39%

Match Source	Match Amount	Proportion of Project	Secured
New Hanover County	\$8,200,000	45%	—
Private Funds	\$1,300,000	7%	—
Private funds	\$8,100	0%	✓
U.S. Fish and Wildlife Service	\$1,500,000	8%	—

61%
Total Match

1%

Proportion of Match Secured



2023-069 - TCF - Sledge Forest - Nature Park

- **Score: 77**
- **\$7,115,811 out of \$18,123,911**
- **Acquire 3900 acres and protect under easement**
- **This Project would protect the last, large, undeveloped privately-owned land in New Hanover County through the creation of a new nature park.**



SCORE BREAKDOWN

Resource Significance	55
Military Buffer	N/A
Other Public Benefits	7
Readiness	3
Value	12
<u>TOTAL SCORE</u>	<u>77</u>

61%

Total Match



1%

Proportion of Match Secured

