

STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA



TOWN OF OCEAN ISLE BEACH

OCEAN ISLE BEACH, NORTH CAROLINA

INVESTIGATIVE REPORT
JANUARY 2022



NC OSA
The Taxpayers' Watchdog

EXECUTIVE SUMMARY

PURPOSE

The North Carolina Office of the State Auditor received five allegations through its Hotline concerning the Town of Ocean Isle Beach (Town) and initiated an investigation. These allegations pertained to various activities by Town officials, including the acquisition of the Town police department building and land by the Mayor's real estate company.

BACKGROUND

The Town was incorporated in 1959¹ and is located in Brunswick County,² which is in the coastal plains area of eastern North Carolina. The Town is a barrier island, approximately seven miles long, which is separated from the mainland by the Intracoastal Waterway.³ The Town is a municipal corporation that is governed by an elected Mayor and a Board of Commissioners. The Town provides general government services including law enforcement and public works services to approximately 640 year-round residents.⁴

KEY FINDINGS

- The Mayor derived a direct benefit⁵ by making⁶ and administering⁷ a contract for property (land and a building) she acquired from the Town.
- The Mayor used confidential information that was not available to the public in developing the terms of the Offer to Purchase and Contract to acquire real property from the Town.
- The Board of Commissioners (Board) inappropriately discussed details of the sale⁸ of Town property in closed session and failed to disclose those discussions to the public.
- The Town Administrator executed three contract amendments on behalf of the Town without the proper authority.

¹ <https://oceanislebeach.com/the-history-of-ocean-isle-beach/>

² <https://www.intracoastalrealty.com/blog/history-ocean-isle-beach-nc/>

³ <https://www.oibgov.com/pview.aspx?id=20701&catid=563>

⁴ Ibid.

⁵ Pursuant to *North Carolina General Statutes §14-234(a1)(4)*, a public officer or employee derives a direct benefit from a contract if the person or his or her spouse: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) **acquires property** under the contract. *[Emphasis Added]*

⁶ Pursuant to *North Carolina General Statutes §14-234(a1)(3)*, a public officer or employee is involved in making a contract if he or she participates in the development of specifications or terms or in the preparation or award of the contract. A public officer is also involved in making a contract if the board, commission, or other body of which he or she is a member takes action on the contract, whether or not the public officer actually participates in that action.

⁷ Pursuant to *North Carolina General Statutes §14-234(a1)(2)*, a public officer or employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract.

⁸ Pursuant to *North Carolina General Statutes §143-318.11(a)(5)*, the "acquisition of real property" is a permitted purpose for a closed session but the **sale** of real property is not.

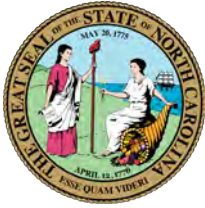
KEY RECOMMENDATION

The Board, Mayor, Legal Counsel, and Town Administrator should take trainings at the University of North Carolina School of Government to help ensure an appropriate control environment exists throughout Town government.

Note: Findings from this investigation are being referred to the District Attorney for the 15th Prosecutorial District to determine if there is sufficient evidence to pursue criminal charges related to the direct benefit derived by the Mayor.

Key findings and recommendations in this summary are not inclusive of all findings and recommendations in this report.

STATE OF NORTH CAROLINA
Office of the State Auditor



Beth A. Wood, CPA
State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0600
Telephone: (919) 807-7500
Fax: (919) 807-7647
<https://www.auditor.nc.gov>

AUDITOR'S TRANSMITTAL

The Honorable Roy Cooper, Governor
Members of the North Carolina General Assembly
Town of Ocean Isle Beach Board of Commissioners

Ladies and Gentlemen:

Pursuant to *North Carolina General Statutes §147-64.6(c)(16)* and *§147-64.6B*, we have completed an investigation of allegations concerning the Town of Ocean Isle Beach. The results of our investigation, along with recommendations for corrective action, are contained in this report.

Copies of this report have been provided to the Governor, the Attorney General, and other appropriate officials in accordance with *G.S. §147-64.6(c)(12)*. We appreciate the cooperation received from the management and employees of the Town of Ocean Isle Beach during our investigation.

Respectfully submitted,

A handwritten signature in black ink that reads "Beth A. Wood".

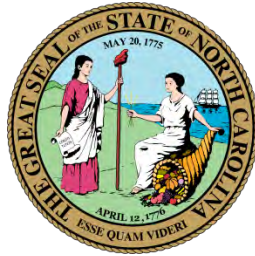
Beth A. Wood, CPA
State Auditor



Beth A. Wood, CPA
State Auditor

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BACKGROUND

The North Carolina Office of the State Auditor (OSA) received five allegations concerning the Town of Ocean Isle Beach (Town) and initiated an investigation. These allegations pertained to various activities by Town officials, including the acquisition of the Town police department building and land by the Mayor's real estate company.

Our investigation of these allegations included the following procedures:

- Review of applicable *North Carolina General Statutes*, Town ordinances, Town Board of Commissioners (Board) meeting minutes, and Town policies and procedures
- Examination and analysis of available documentation related to the allegations
- Interviews with Town officials, Town personnel, and private residents

This report presents the results of the investigation. The investigation was conducted pursuant to *North Carolina General Statutes* §147-64.6(c)(16) and §147-64.6B.

The Town was incorporated in 1959⁹ and is located in Brunswick County,¹⁰ which is in the coastal plains area of eastern North Carolina. The Town is a barrier island, approximately seven miles long, which is separated from the mainland by the Intracoastal Waterway.¹¹ The Town is a municipal corporation that is governed by an elected Mayor and a Board of Commissioners. The Town provides general government services including law enforcement and public works services to approximately 640 year-round residents.¹²

Events Leading to the Mayor's Acquisition of the Police Department Property

- February 2018 - A Town resident expressed an interest to the Town Administrator in purchasing the Town's police department building and land¹³ (Property). As a result, the Board hired an appraiser to perform an updated appraisal of the Property. The appraiser's report valued the Property at \$460,000 as of March 15, 2018.
- May 8, 2018 – At a Board meeting, the Board went into closed session and instructed the Town Administrator to offer to sell the Property to the interested resident for the amount of \$460,000.
- June 12, 2018 – At a Board meeting, the Board went into closed session where the Town Administrator informed the Board that the interested resident did not respond after she attempted to contact him about the offer amount. The interested resident later told investigators that he never received a response from the Town. The Board minutes state the Board then decided, “not to put this property on the open market for sale until later this Fall.”
- August 2018 - The Town Administrator received an Offer to Purchase and Contract for the Property for \$460,670 from a Brunswick County real estate company in which the

⁹ <https://oceanislebeach.com/the-history-of-ocean-isle-beach/>

¹⁰ <https://www.intracoastalrealty.com/blog/history-ocean-isle-beach-nc/>

¹¹ <https://www.oibgov.com/pview.aspx?id=20701&catid=563>

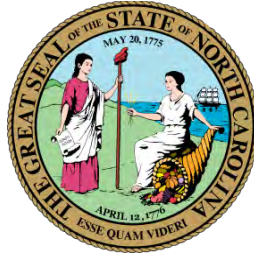
¹² Ibid.

¹³ The police department property is located at 2 West Third Street, Ocean Isle Beach.

Mayor owns 50% and her brother owns 50%. The offer contained a settlement date of December 30, 2019.

- September 11, 2018 – During an open session Board meeting, the Board was informed of the offer from the Mayor's real estate company to purchase the Property. The Board approved the publication of the notice of the \$460,670 offer and advertised for upset bids of at least \$483,753.50.¹⁴ The Mayor's real estate company then wrote a \$25,000 check payable to the Town as a deposit for the Property.
- October 9, 2018 – During an open session Board meeting, the Board voted to accept the \$460,670 offer from the Mayor's real estate company after receiving no upset bids.
- November 5, 2020 - Settlement on the Property occurred more than two years after the Town received the \$25,000 deposit.

¹⁴ *North Carolina General Statutes § 160A-269* sets the requirements of a qualifying upset bid. A town may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council votes to accept it, the council must require the offeror to deposit five percent (5%) of their offer, and will publish a notice of the offer. Once the offer is published, any person has 10 days to submit an upset bid, which raises the offer by at least ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. The council may at any time reject any and all offers. See Appendix A for additional information on the upset bid process.



FINDINGS AND RECOMMENDATIONS

1. MAYOR DERIVED A DIRECT BENEFIT BY MAKING AND ADMINISTERING A CONTRACT FOR PROPERTY SHE ACQUIRED FROM THE TOWN

The Mayor of the Town of Ocean Isle Beach (Town) derived a direct benefit¹⁵ by acquiring Town property in a transaction where she was involved in making¹⁶ and administering¹⁷ the contract. As a result, other members of the public lost the opportunity to purchase the property for an equivalent price. The Mayor failed to observe state law which prohibits officials from being involved in making or administering a contract on behalf of a public agency in which they will derive a direct benefit.

Mayor Derived Direct Benefit by Making and Administering a Contract in Which She Acquired Town Property

The Mayor derived a direct benefit by being inappropriately involved in making and administering a contract in which she acquired Town property. Specifically, a real estate company in which the Mayor holds a 50% ownership interest¹⁸ purchased the Ocean Isle Beach police department building and land¹⁹ (Property) on November 5, 2020 for \$460,670.

The Mayor's inappropriate involvement consisted of preparing the Offer to Purchase and Contract which included the price, due diligence period, and closing date. The Mayor confirmed that she prepared the Offer to Purchase and Contract. The Mayor's real estate company submitted the Offer to Purchase and Contract to the Town Administrator on August 30, 2018.

The Mayor has a **simultaneous obligation** to act in the best interest of the Town and her real estate company. She **cannot temporarily set aside her obligations as Mayor** in order to enter into a business transaction that may result in a direct benefit to her.

Resulted in the Loss of the Public's Opportunity to Purchase Property for an Equivalent Price

The Mayor's inappropriate involvement in making and administering the Offer to Purchase and Contract for the Property resulted in the loss of opportunity for the public to purchase the Property for the same price. The Mayor's Offer to Purchase prompted the Board of Commissioners (Board) to vote to proceed with the upset bid process,²⁰ which would require

¹⁵ Pursuant to *North Carolina General Statutes §14-234(a1)(4)*, a public officer or employee derives a direct benefit from a contract if the person or his or her spouse: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) **acquires property** under the contract. *[Emphasis Added]*

¹⁶ Pursuant to *North Carolina General Statutes §14-234(a1)(3)*, a public officer or employee is involved in making a contract if he or she participates in the development of specifications or terms or in the preparation or award of the contract. A public officer is also involved in making a contract if the board, commission, or other body of which he or she is a member takes action on the contract, whether or not the public officer actually participates in that action.

¹⁷ Pursuant to *North Carolina General Statutes §14-234(a1)(2)*, a public officer or employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract.

¹⁸ The Mayor's brother owns the other 50% of the real estate company.

¹⁹ The property is located at 2 West Third Street, Ocean Isle Beach, NC.

²⁰ *North Carolina General Statutes §160A-269* sets the requirements of a qualifying upset bid. A town may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council votes to accept it, the council must require the offeror to deposit five percent (5%) of their offer, and will publish a notice of the offer. Once the offer is published, any person has 10 days to submit an upset bid, which raises the offer by at least ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. The council may at any time reject any and all offers. See Appendix A for additional information on the upset bid process.

any other interested parties to bid at least \$23,083.50 more than the Mayor's offer. Therefore, the public never had the opportunity to acquire the Property for the same price as the Mayor.

Caused by Failure to Observe State Laws Addressing Public Officers Benefiting from Public Contracts

The Mayor did not follow state law²¹ prohibiting a public official from making or administering a contract on behalf of a public agency where the official would derive a direct benefit from the contract. Instead, she created the terms of the contract in which her real estate company acquired the Property.

During several communications with investigators, the Mayor and the Town's legal counsel (Legal Counsel) provided contradictory responses about whether or not the Mayor was aware of applicable state law.²² Specifically:

- At a July 22, 2021 interview, the Mayor initially stated that she **did not** discuss the purchase of the Property with Legal Counsel prior to the submission of her offer.
- In an October 15, 2021 email, Legal Counsel stated that the Mayor **did** discuss state law with Legal Counsel prior to the submission of the offer.
- In an October 19, 2021 email, Legal Counsel stated the Mayor could not specifically recall whether or not she was aware of state law prior to the submission of the offer. Legal Counsel stated he reviewed the offer after its submission to the Town and felt the Mayor's involvement in the contract did not violate any state laws.

North Carolina General Statutes Prohibit Public Officers from Deriving a Direct Benefit

North Carolina General Statutes §14-234(a)(1) prohibit public officers, such as the Mayor, from making or administering a contract on behalf of a public agency where she would derive a direct benefit from the contract.²³ Specifically, subdivision (a1) of the statute provides that:

(1) As used in this section, the term "public officer" means an individual who is **elected** or appointed **to serve or represent a public agency**, other than an employee or independent contractor of a public agency.

(2) A public officer or employee is involved in administering a contract if he or she oversees the performance of the contract or **has authority to make decisions regarding the contract** or to interpret the contract.

(3) A public officer or employee is involved in making a contract if he or she **participates in the development of specifications or terms** or in the preparation or award of the contract. A public officer is also involved in making a contract if the board, commission, or other body of which he or she is a member takes action on the contract, whether or not the public officer actually participates in that action...

(4) A public officer or employee derives a **direct benefit** from a contract if the person or his or her spouse: (i) **has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract;** (ii)

²¹ *North Carolina General Statutes §14-234.*

²² *Ibid.*

²³ *North Carolina General Statutes §14-234(d1)* states that subdivision (a)(1) does not apply to an elected official representing a town with a population of 15,000 people or less if the contract amount does not exceed \$40,000 and other specified conditions apply. However, the exception in Part (d1) does not apply here because the contract was for \$460,670.

derives any income or commission directly from the contract; or (iii) **acquires property under the contract...** *[Emphasis Added]*

Subdivision (e) of the statute states that, “Anyone violating this section shall be guilty of a **Class 1 misdemeanor**.” Further, subdivision (f) of the statute states that, “A contract entered into in violation of this section is **void**.” *[Emphasis Added]*

RECOMMENDATION

The Town should ensure that its Legal Counsel is knowledgeable in legal matters relating to local government, including **conflicts of interest**.

Note: This finding is being referred to the District Attorney for the 15th Prosecutorial District to determine if there is sufficient evidence to pursue criminal charges related to the direct benefit derived by the Mayor.

2. MAYOR ACQUIRED TOWN PROPERTY USING NONPUBLIC INFORMATION

The Mayor of the Town of Ocean Isle Beach (Town) acquired Town property using confidential information that was not available to the public. As a result, the public lost the opportunity to purchase the property for an equivalent price. The Mayor failed to follow state law which prohibits public officials using information not available to the public to acquire a financial interest in any property.

Use of Nonpublic Information to Purchase Town Property

The Mayor acquired the Town’s police department building and land (Property) using confidential information that was not available to the public.

The Mayor, who is a licensed real estate agent, prepared the terms of her real estate company’s Offer to Purchase and Contract based on information obtained from closed session²⁴ board meetings.²⁵ The information from these meetings was not available to the public. The discussion in the closed sessions included the Board of Commissioners’ (Board) intended sale price (\$460,000) and intended time frame to sell the Property (Fall 2018).

The Mayor submitted her real estate company’s \$460,670 offer to purchase the Property on August 30, 2018. The Board then voted to proceed with the upset bid process,²⁶ which began with a September 20, 2018 public notice in a local newspaper announcing the receipt of the offer and the opportunity to submit an upset bid.

While information about the Mayor’s offer was made public on September 20, 2018 (when advertising for upset bids), the information used by the Mayor to draft the Offer to Purchase and Contract (intended sale price and intended time frame for selling the Property) was never made available to the public.

²⁴ A portion of a board meeting that excludes the public.

²⁵ These meetings were held on May 8, 2018 and June 12, 2018. See Finding 3.

²⁶ *North Carolina General Statutes §160A-269* set the requirements of a qualifying upset bid. A town may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council votes to accept it, the council must require the offeror to deposit five percent (5%) of their offer, and will publish a notice of the offer. Once the offer is published, any person has 10 days to submit an upset bid which raises the offer by at least ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. The council may at any time reject any and all offers. See Appendix A for additional information about the upset bid process.

Resulted in the Loss of the Public's Opportunity to Purchase Property for an Equivalent Price

The Mayor's use of information that was not available to the public to create the Offer to Purchase and Contract for the Property resulted in the loss of opportunity for the public to purchase the Property for an equivalent price. The Mayor's Offer to Purchase prompted the Board of Commissioners (Board) to vote to proceed with the upset bid process, which would require any other interested parties to bid at least \$23,083.50 more than the Mayor's offer. Therefore, the public never had the opportunity to acquire the Property for the same price as the Mayor.

Caused by a Failure to Observe State Laws Addressing the Use of Confidential Information

The Mayor did not follow state law²⁷ prohibiting public officials from using confidential information to acquire a financial interest in any property. Instead, she used information obtained in her official capacity as Mayor to create the terms of the contract in which her real estate company acquired the Property. When asked if the Mayor was aware of *North Carolina General Statutes §14-234.1*, she stated, "No, I can not say that I was."

Further, the Mayor stated that she did not recall any statutes being brought to her attention by Legal Counsel.

North Carolina General Statutes Prohibit Public Officials from Using Confidential Information to Acquire Financial Interest

North Carolina General Statutes §14-234.1(a) prohibit the Mayor from using confidential information gained in her official capacity to acquire a financial interest in property. Specifically, the statute states:

It is unlawful for any officer or employee of the State or an officer or an employee of any of its political subdivisions, in contemplation of official action by himself or by a governmental unit with which he is associated, or **in reliance on information which was made known to him in his official capacity and which has not been made public**, to commit any of the following acts:

- (1) **Acquire a pecuniary²⁸ interest in any property**, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or official action; or
- (2) Intentionally aid another to do any of the above acts. *[Emphasis Added]*

Part B of the same statute states that, "Violation of this section is a **Class 1 misdemeanor**." *[Emphasis Added]*

RECOMMENDATION

The Town should ensure that its Legal Counsel is knowledgeable in legal matters relating to local government, including **conflicts of interest**.

Note: This finding is being referred to the District Attorney for the 15th Prosecutorial District to determine if there is sufficient evidence to pursue criminal charges related to the direct benefit derived by the Mayor.

²⁷ *North Carolina General Statutes §14-234.1*

²⁸ Relating to or consisting of money. *Black's Law Dictionary*, s.v. "pecuniary," accessed November 29, 2021, <https://thelawdictionary.org/pecuniary/>.

3. BOARD OF COMMISSIONERS INAPPROPRIATELY DISCUSSED DETAILS OF THE SALE OF TOWN PROPERTY AND FAILED TO DISCLOSE THOSE DISCUSSIONS TO THE PUBLIC

The Board of Commissioners (Board) of the Town of Ocean Isle Beach (Town) held two closed²⁹ session meetings without fully disclosing the purpose of going into closed session. Further, the Board discussed **unallowed** topics in these closed sessions. As a result, the Board's unlawful discussions of the sale of the Town's police department building and land (Property) could damage the public trust. The Board did not disclose the purpose of the closed session because of inaccurate advice from the Town's Legal Counsel (Legal Counsel). State law requires the purpose of going into closed session to be disclosed during the open portion of the meeting and only allows for certain topics to be discussed in closed session.

Board of Commissioners Inappropriately Held Closed Session Discussions

In 2018, the Board held two closed session meetings without fully disclosing the purpose of going into closed session. State law requires the purpose of going into closed session be disclosed during the open portion of the meeting.

Specifically, the Board entered into closed session without fully disclosing the purpose as follows:

- On May 8, 2018, to "briefly discuss the sale of the Police Department" Property.³⁰
- On June 12, 2018, to again discuss the sale of the Property.³¹

During both of the closed sessions, the Board discussed the sale of the Property,³² which is not a permissible reason to go into closed session.

Resulted in the Erosion of Public Trust

The Board's unlawful discussions of the intended sale price and intended time frame for selling the Property could damage the public trust.

This was demonstrated by the Mayor obtaining information about the sale of Town property that was unavailable to the public, which led to her real estate company's purchase of the Property. (See Finding 2)

Caused by Inaccurate Advice from the Town's Legal Counsel

Legal Counsel incorrectly advised the Board that they were allowed to discuss the sale of the Property in closed session.

Legal Counsel stated in an interview with investigators that the Board discussed the potential sale of the Property in closed session "... in order to preserve the attorney-client privilege." However, state law³³ states attorney-client privilege may only be acknowledged when concerning the "handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure."

The potential sale of the Property (as discussed in the closed sessions) does not meet one of these purposes outlined for attorney-client privilege.

²⁹ A portion of a board meeting that excludes the public.

³⁰ According to the May 8, 2018 closed session minutes.

³¹ According to the June 12, 2018 closed session minutes.

³² Located at 2 West Third Street, Ocean Isle Beach, NC.

³³ *North Carolina General Statutes §143-318.11(a)(3)*

North Carolina General Statutes Require Citing a Permissible Purpose for Closed Session

North Carolina General Statutes §143-318.11(c) require the Board to cite a permissible purpose when holding a closed session. Specifically:

A public body may hold a closed session only upon a motion duly made and adopted at an open meeting. **Every motion to close a meeting shall cite one or more of the permissible purposes** listed in subsection (a) of this section.
[Emphasis Added]

Further, subsection (a) provides the permitted purposes for which a closed session can be held. Although the “acquisition of real property” is a permitted purpose for a closed session per *North Carolina General Statutes §143-318.11(a)(5)*, the **sale** of real property is not.

RECOMMENDATION

The Town should ensure that its Legal Counsel is knowledgeable in legal matters relating to local government, including the rules regarding **closed sessions of Board meetings**.

4. TOWN ADMINISTRATOR EXECUTED THREE CONTRACT AMENDMENTS ON BEHALF OF THE TOWN WITHOUT THE PROPER AUTHORITY

The Town Administrator of the Town of Ocean Isle Beach (Town) executed three contract amendments related to the sale of the police department building and land (Property) on behalf of the Town without proper authority or approval by the Board of Commissioners (Board). These unapproved amendments created a risk of the Town being bound to legal agreements without the Board’s knowledge or approval. The Town Administrator believed she had the authority to execute the contract amendments on behalf of the Town. She told investigators that the Town’s Legal Counsel (Legal Counsel) advised her she had that authority. While Town ordinances do allow the Board to adopt regulations authorizing a city official to dispose of surplus personal property, it does not allow delegation of authority to dispose of **real property**.

Town Administrator Executed Contract Amendments without Proper Authority

The Town Administrator executed three contract amendments on behalf of the Town without proper authority or approval by the Board. Specifically, the Town Administrator signed contract amendments to extend the closing date on the sale of the Property.³⁴

When asked who executed the amendments, each of the Board members stated that the Town Administrator was the responsible party.

The Town Administrator signed the following amendments related to the sale of the Property:

- Amendment #1 dated August 15, 2019 extending the close date from December 30, 2019 to August 15, 2020.
- Amendment #2 dated August 14, 2020 extending the close date from August 15, 2020 to September 30, 2020.
- Amendment #3 dated September 30, 2020 extending the close date from September 30, 2020 to October 30, 2020.³⁵

³⁴ The Property is located at 2 West Third Street, Ocean Isle Beach, NC.

³⁵ The sale of the police department property closed on November 5, 2020.

Further, the Town was unable to provide any documentation to indicate the Board reviewed or approved these amendments prior to the Town Administrator's signature.

Resulted in an Increased Risk of Town Being Bound to Legal Agreements without Board Approval

The Town Administrator's execution of contract amendments without review or approval by the Board created a risk of the Town being bound to legal agreements without the Board's knowledge or approval.

Caused by a Failure to Properly Interpret Town of Ocean Isle Beach Ordinance

According to the Town Administrator, Legal Counsel told her she had the authority to extend the close date and execute the contract amendments on behalf of the Town.

Legal Counsel failed to properly interpret Town Ordinance 2008-02 regarding the delegation of authority when disposing of public property. Legal Counsel stated, "In my opinion she was authorized to do that ..." ³⁶

Ocean Isle Beach Town Ordinance Does Not Apply to Real Property

Town Ordinance 2008-02 allows the Board to delegate authority to the Town Administrator, "...to dispose of **personal property** valued at less than \$30,000 and to declare such property surplus, set its fair market value, and convey title in accordance with NCGS 160A-266." *[Emphasis Added]*

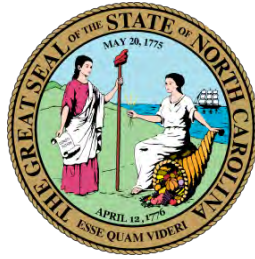
However, this ordinance does not allow the Board to delegate its authority to dispose of **real property** or make amendments to **real property** contracts.

RECOMMENDATION

The Town should ensure that its Legal Counsel is knowledgeable in legal matters relating to local government, including **local Town ordinances**.

The Board, Mayor, Legal Counsel, and Town Administrator should take trainings at the University of North Carolina School of Government to help ensure an appropriate control environment exists throughout Town government.

³⁶ Town Legal Counsel cited *North Carolina General Statutes §160A-266* as the basis for Town Ordinance 2008-02. This statute does not grant the Board of Commissioners the ability to delegate the authority to dispose of real property on behalf of the Town.



APPENDIX



UNC
SCHOOL OF GOVERNMENT

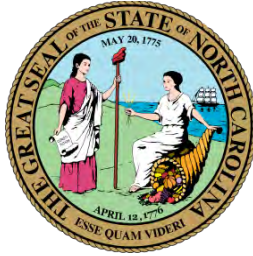
Local Government Property Disposal Procedures

Sale by Negotiated Offer and Upset Bid (G.S. 160A-269)

Listed below are the basic procedures required under state law for disposing of personal and real property by the negotiated offer and upset bid procedure.

- Step 1 Unit receives an offer to purchase property. The unit may solicit offers informally, and may negotiate with a prospective buyer prior to initiating the upset bid procedure.
- Step 2 Governing board adopts a resolution accepting the offer and authorizing the upset bid procedure. The offeror deposits 5% of bid amount with clerk while upset procedure takes place.
- Step 3 Publish advertisement for upset bids in a newspaper of general circulation within the jurisdiction (electronic advertisement is not authorized). The advertisement must describe the property to be sold, the terms and conditions of the sale, and the requirements for submitting a qualifying upset bid within 10 days after the date of publication: a qualifying upset bid must be an amount at least 10% of the first \$1000 of the original offer and 5% of the remainder. Bidders must submit qualifying upset bids within 10 days after date of advertisement and their bids must be accompanied by a 5% bid bond or deposit.
- Step 4 If a qualifying upset bid is received, repeat the advertisement and upset bid process until no additional qualifying upset bid is received.
- Step 5 After no additional qualifying upset bids have been received, governing board awards to the highest responsive, responsible bidder or rejects all bids.

Template resolutions and notices of sale are available on the School of Government's Local Government Procurement and Property Disposal microsite under "Sample Property Disposal Forms"
www.ncpurchasing.unc.edu



STATE AUDITOR'S RESPONSE

The Office of the State Auditor (OSA) strives to provide reports with complete and accurate information to the Governor, the General Assembly, and the citizens of North Carolina. When the response of an auditee potentially **obscures** an issue, **misleads** the reader, or **minimizes** the importance of auditor findings and recommendations, OSA provides clarifications regarding the auditee's response.

In its response to this investigative report, the Town of Ocean Isle Beach (Town) **made several statements that tend to obscure** an issue, **mislead** the reader, and **minimize** the importance of OSA's findings and recommendations. To ensure complete and accurate information, OSA offers the following clarifications.

Mayor Derived Direct Benefit by Making and Administering a Contract in Which She Acquired Town Property

In its response to Finding 1, the Town contends that *North Carolina General Statutes* (N.C.G.S.) §160A-269 governs the sale of the police department property (Property) because, in comparison with N.C.G.S. §14-234, it is the "more specific statute." The Town argues that N.C.G.S. §160A-269 is more specific to the transaction and thus, "under the general principles of the canons of statutory construction," N.C.G.S. §14-234 would not apply. **This is not accurate.**

N.C.G.S. §14-234 applies to the transaction **with equal weight** as N.C.G.S. §160A-269. The statutes are not mutually exclusive and the Town cannot ignore the authority of one statute in preference for another. Specifically, the statutes reference two different topics. N.C.G.S. §14-234 prohibits a public officer from benefiting from a public contract (with exceptions), while N.C.G.S. §160A-269 governs the method of sale for the Property.

In its response, the Town then qualifies its initial assertion that only N.C.G.S. §160A-269 governs the sale of the Property. Specifically, the Town states that "even if N.C. Gen. Stat. §14-234 **is applicable** to this transaction, this transaction is specifically excepted under the provisions of N.C. Gen. Stat. §14-234(d1) and (d2)." **This assertion is incorrect.** The sale of the Property is not a transaction that is excepted under the provisions N.C.G.S. §14-234 (d1) and (d2).

N.C.G.S. §14-234(d1) contains four provisions, and **all four must apply** to qualify for the exception for small jurisdictions. At least one of the four provisions **did not apply** to the subject transaction because the total amount of the contract is more than \$40,000.³⁷ Additionally, per the University of North Carolina School of Government, "there is no indication in the statute that the exception can be used for contracts involving real property transactions."³⁸

Also in its response, the Town states, "It is clear that Legal Counsel discussed North Carolina General Statute §14-234 with the Town Administrator and the Board (including the Mayor) prior to the Board's formal consideration of Sloane's offer." **This is misleading.**

The facts show that the Mayor provided contradictory responses to OSA regarding her knowledge of N.C.G.S. §14-234 **prior to the submission** of her offer. The October 15, 2021 and October 19, 2021 emails cited in the Town's response **further confirms** that the Mayor

³⁷ N.C.G.S. §14-234(d1)(1)

³⁸ Frayda S. Bluestein, *The North Carolina Criminal Self-Dealing Statute (G.S. 14-234): Five Things You Should Know*, COATES' CANONS: NC LOCAL GOV'T LAW (Jun. 26th, 2015), <http://canons.sog.unc.edu/2015/06/the-north-carolina-criminal-self-dealing-statute-g-s-14-234-five-things-you-should-know/>

did not provide investigators with consistent responses regarding her awareness of the statute prior to the making of and submission of the Offer to Purchase.

The Town also states that, "There is a distinct difference between the Mayor's act of delivering the offer to the Town Administrator and the subsequent act of the Town Administrator's submission of the offer to the Board." **This is not accurate.** The Town Administrator is a representative of the Town, and therefore a submission to her is a submission to the Town.

Use of Nonpublic Information to Acquire Town Property

In its response to Finding 2, the Town listed six pieces of information the Town states were made available to the public prior to the Mayor's real estate company and the Mayor acquiring any pecuniary³⁹ interest in the Property:

- (1) The Town's interest in entertaining offers on this property to the point the Board unanimously voted to obtain an appraisal
- (2) The fact that an appraisal was obtained
- (3) The offer made by the Mayor's real estate company
- (4) The Mayor's affiliation with her real estate company
- (5) That both the offer and the appraisal were available for public inspection
- (6) That the public had a right to submit offers to purchase the property

While the disclosure of this information was appropriate at the time, it is not relevant and only serves to confuse the real issue in this Finding. Specifically, the Town's response fails to address the Mayor's access to other privileged information available to her from closed sessions she attended prior to making her offer, but which was not made public, such as:

- (1) The intended sale price for the Property, and
- (2) The intended time frame for selling the Property.

The Mayor was able to use both of these pieces of information in structuring her real estate company's offer, and was therefore the first and lowest bidder on the Property.

The Town's response **does not provide** any new or exculpatory⁴⁰ evidence which would change the finding that the Mayor gained a pecuniary benefit by using nonpublic information to acquire Town Property at an advantageous price.

The Town's response also included a statement that, "... the Town Administrator informed at least one member of the public that the Town would sell the Property for \$460,000..." **This is misleading.** Investigators interviewed the "one member of the public" and asked him if he ever received an offer to sell the Property from the Town Administrator. He responded, "No." He also stated during the interview, "I think if I heard a number, I would have remembered it."

³⁹ Relating to or consisting of money. *Black's Law Dictionary*, s.v. "pecuniary," accessed January 6, 2022, <https://thelawdictionary.org/pecuniary/>.

⁴⁰ Evidence that will clear or tend to clear from guilt. *Black's Law Dictionary*, s.v. "exculpatory," accessed January 6, 2022, <https://thelawdictionary.org/exculpatory/>.

The evidence indicates that the Town Administrator did not contact the "one member of the public," but even if she had, this private, undocumented phone conversation would **not constitute a public disclosure of information**.

Board of Commissioners Inappropriately Held Closed Session Discussions

In its response to Finding 3, the Town stated, "Neither Legal Counsel nor the Board were aware at the time of going into closed session that sale of the police department property would be briefly discussed..." **This is irrelevant.**

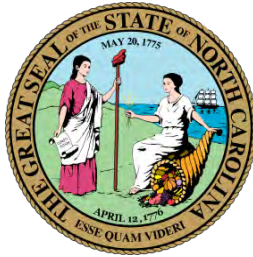
Once the topic of the Property was introduced, Legal Counsel should have instructed the Town Administrator that the discussion was not a permissible topic that could be discussed during closed session. Then, Legal Counsel should have instructed the Board of Commissioners **to formally end the closed session** portion of the meeting and enter into open session before discussing the offer to the interested citizen any further.

Town Administrator Executed Contract Amendments without Proper Authority

In its response to Finding 4, the Town stated it disagreed "... that the contract amendments increased risk to the Town." **This is not accurate.**

The **lack of documented approval** by the Board of Commissioners is the cause of the increased risk to the Town, not the contract amendments themselves. The Town could not provide official documentation showing that the Board of Commissioners reviewed or approved any of the three contract amendments prior to their execution by the Town Administrator.

Again, the Office of the State Auditor (OSA) provided this clarifying information to ensure that this report provides complete and accurate information to the Governor, the General Assembly, and the citizens of North Carolina since the response of the Town of Ocean Isle Beach included several statements that **tend to obscure** an issue, **mislead** the reader, and **minimize** the importance of OSA's findings and recommendations.



RESPONSE FROM THE TOWN OF OCEAN ISLE BEACH

ISENBERG & THOMPSON

ATTORNEYS AT LAW
5101 Sellers Road, Suite 4
SHALLOTTE, NORTH CAROLINA 28470

MICHAEL R. ISENBERG
LAURA E. THOMPSON

TELEPHONE: 910-457-9506
FAX: 910-457-6810

EMAIL: misenberg@fjtdlaw.net

December 16, 2021

The Honorable Beth A. Wood, CPA, State Auditor
NC Office of the State Auditor
2 South Salisbury Street
20601 Mail Service Center
Raleigh NC 27699-0601

RE: Ocean Isle Beach, North Carolina

Dear Ms. Wood:

My name is Mike Isenberg and I serve as the Town Attorney for the Town of Ocean Isle Beach ("Town"). I am writing to you on behalf of the Town in response to the draft investigative report ("Report") that was sent to the Town on December 2, 2021.

The Town Commissioners met on Tuesday, December 14, to discuss the Report and the Town's Response. The Commissioners have authorized me to forward you this Response.

**TOWN OF OCEAN ISLE BEACH'S RESPONSE TO DRAFT
FINDINGS AND RECOMMENDATIONS**

For ease of reference, the Town's response will follow the format of the Report. This Response will address the Background Section of the Report followed by the Finding and Recommendations Section of the Report.

BACKGROUND

The Town generally agrees with the background described in the Report; however, the Town believes the following facts are also relevant and provide a fuller context of the facts and circumstances leading up to the subject sale:

- The Town Board of Commissioners ("Board") began discussing relocating the Town Hall and the Town Police Department to a new off-island site as far back as 2005.

- The Town purchased the new Town Hall / Police Department site in 2006.
- The Town signed the original Agreement with Tych & Walker Architects, LLP in January of 2008 to prepare plans for the new Town Hall and new Police Department.
- The Town suspended this Agreement in February of 2010 due to the economic downturn existing at that time.
- That Agreement with Tych & Walker Architects, LLP was reinstated in July of 2017 and the plans for the new Town Hall / Police Department were completed in October of 2018.
- As noted in the Report, in early 2018, a Town resident asked the Town Administrator if the Town would be interested in selling the former Town Police Department property. [Report p. 1]. The Town Administrator in turn informed the Board of this inquiry.
- Consequently, during the Open Session of the February 13, 2018 regularly scheduled meeting of the Town Board of Commissioners, the Board discussed under item 11 of New Business, “An Interest to Sell Ocean Isle Beach Police Department Building Land.” The minutes of that meeting reflect the following:

Mayor Smith stated the final item of New Business was discussion regarding an interest to sell Ocean Isle Beach Police Department/land. Mayor Smith stated a request for consideration to purchase the OIBPD building and land has been presented to the Town and noted the Town plans to construct a new Town Hall and Police Department in the near future. Mayor Smith commented that before any consideration of this request can be made, an updated appraisal will be necessary. Attorney Michael Isenberg stated there were three available options for selling the property, should the Board wish to do so in the future. Attorney Isenberg listed the options as: (1) Public Auction, (2) Advertisement for Sealed Bids, and (3) Negotiated Offer with Upset Bid Period. Mayor Pro Tem Walters made a motion to secure an appraisal which received a second from Commissioner Williamson. The Vote was unanimous.

A copy of these minutes is attached as Exhibit 1.

- An appraisal was then ordered and once received by the Town, the appraisal constituted a “public record” under the North Carolina Public Records Act and was/is available for inspection and copying by any member of the public.
- Pursuant to the Board’s directive, the Town Administrator communicated to the interested resident that the Town would be willing to sell the property for \$460,000, which was the approximate appraised value of the property.
- The Town Administrator reached out to the interested resident regarding the Town’s

interest; however, the resident never responded back to the Town Administrator.¹

- On September 7th, 2018, the Board's September 11th, 2018 regular meeting agenda was published on the Town's website, distributed to the "sunshine list" (presently 87 recipients), and distributed to all those who were signed up to receive E-notifications on the Town's website that the meeting agenda has been posted (presently there are 4561 verified registered users). A copy of the sunshine list is attached as Exhibit 3. A screenshot of the Town's Municipal CMS E-Notifications depicting the 4581 verified registered users is attached as Exhibit 4.
- The September 11, 2018 agenda packet contained both a copy of the March 15, 2018 appraisal of the property as well as a copy of Sloane Realty's offer to purchase the property. A copy of this agenda packet is attached as Exhibit 5.
- The agenda for the September 11, 2018 regularly scheduled meeting of the Town Board of Commissioners identified **"Discussion and Review of Offer to Purchase – 2 W. Third Street - OIBPD** *Board will review and discuss acceptance of Offer to Purchase for Parcel #257DH014 (2 W. Third Street)"* as item 5 under New Business.
- During the September 10, 2018 Open Forum Meeting of the Board, at least two members of the public discussed Sloane Realty's Offer to purchase the Police Department (which was identified as item 5 of New Business for the following day's (September 11, 2018) regularly scheduled Board meeting. Likewise, during the September 11, 2018 regular Board Meeting at least two members of the public spoke during the Public Comments section of the meeting and were informed that the appraisal was a matter of public record. These comments were received by the Board prior to the Board's discussion and action on this agenda item.
- During the Open Session of the September 11, 2018 regularly scheduled Board of Commissioners' meeting, the Board discussed item 5 of New Business, "Discussion and Review of Offer to Purchase – 2 W. Third Street – OIBPD". During that discussion Mayor Smith did not participate in the discussion or vote concerning that item. The minutes of that meeting reflect the following:

Mayor Pro Tem Walters stated an Offer to Purchase has been submitted by Sloane Realty for the Ocean Isle Beach Police Department noting Mayor Smith as a principal owner of the company. Mayor Pro Tem noted the Offer to Purchase and appraisal are available for public inspection at Town Hall. Mayor Pro Tem Walters stated that over the past few years the Board has discussed the sale of certain Town properties (OIBPD and ABC Store) to help offset the costs associated with the construction of the new

¹ Although the Report indicates "the interested resident later told investigators that he never received a response from the Town", the Town has reached out to the interested resident regarding this assertion and the interested resident denied saying he did not hear back from the Town, rather he indicated that he told the investigator that he did not recall whether he had heard back from the Town or not. See Email dated December 13, 2021 attached hereto as Exhibit 2.

Town Hall. Mayor Pro Tem Walters noted the police department will always have a presence on the island regardless of the sale of the current OIBPD property. Town Attorney, Mike Isenberg, explained the three of the options a municipality may employ to sell real estate which include: (1) Advertisement for sealed bids, (2) Public auction, and (3) Negotiated offer, advertisement and upset bid period (N.C.G.S. 160A-269). Mr. Isenberg noted that, pending Board approval, a notice of the offer would be published and a 10-day period to receive upset bids would subsequently commence. Mr. Isenberg noted that if any qualifying offer (not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder) is received during the 10-day period, the procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. Mr. Isenberg also noted the Board may anytime reject any and all offers. Mrs. Ivey stated that a recent appraisal was conducted for the property in March of 2018. A motion was made by Commissioner Williamson, seconded by Commissioner Rowell, to direct the Town to proceed pursuant to N.C.G.S. 160A-269 to publish a notice of the offer received from Sloane Realty of Ocean Isle Beach, Inc. to purchase the property of the Town located at 2 W. Third Street for \$460,670 and to receive upset bids in accordance with said statute. The vote was unanimous.

A copy of these minutes is attached as Exhibit 6.

- By statute, the Board retained the right to reject any and all offers submitted for the purchase of the subject property including Sloane Realty's offer, despite the fact that the Board voted to proceed with the upset bid process. The Board's authority to reject all offers included the authority to reject Sloane Realty's offer even if there were no upset bids received.
- Sloane Realty's offer equaled the full March 2018 appraised value according to the appraisal performed by a MAI certified appraiser.
- Sloane Realty acquired no pecuniary interest in the property until the Board voted to accept the offer during its October 9, 2018 regular Board Meeting.
- Construction on the new Town Hall and Police Department started in March 2019; however due to numerous delays, construction was not completed September 15, 2020.
- Due to these construction delays, the Town sought, and Sloane Realty granted, three contract amendments to extend the closing of the sale so as to allow the construction of the new Town Hall and Police Department to be completed prior to closing of the sale of the former Police Department property.
- Town Staff moved into the new facilities October 2020.

FINDINGS AND RECOMMENDATIONS

FINDING NUMBER 1. MAYOR DERIVED A DIRECT BENEFIT BY MAKING AND ADMINISTERING A CONTRACT FOR PROPERTY SHE ACQUIRED FROM THE TOWN.

Town's Response: The Town acknowledges that Sloane Realty purchased, for fair market/full appraised value, the former Town Police Department property and that Mayor Smith has more than a ten percent (10%) ownership interest in Sloane Realty. The Town denies that Sloane Realty's purchase of the property was unlawful and further denies that Mayor Smith acted unlawfully or unethically in connection with the Town's sale of the property to Sloane Realty for the property's full appraised value.

N.C. Gen. Stat. § 160A-269 defines the process for the sale of municipal owned real property through the negotiated offer, advertisement, and upset bids process. In pertinent part, it provides as follows:

§ 160A-269. Negotiated offer, advertisement, and upset bids

A city may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk and shall publish a notice of the offer.

In this instance, the Town followed the statutory requirements of N.C. Gen. Stat. § 160A-269. Sloane Realty's offer was the only offer received by the Town. Ultimately, the Town Board of Commissioners voted to accept this offer. It should be noted that Sloane's offer was equal to the March 15, 2018 appraised value of the property.

The Report cites to N.C. Gen. Stat. § 14-234(a)1 for the proposition that the "Mayor failed to observe state law which prohibits officials from being involved in making or administering a contract on behalf of a public agency in which they will derive a direct benefit." (Report page 3, footnotes 15-17). However, under the general principles of the canons of statutory construction, where two statutes address the same subject matter, the more specific statute governs over the more general. In this instance, the Town contends that N.C. Gen. Stat. § 160A-269 governs this transaction as it specifically addresses the sale of government owned property and contains the necessary safeguards to ensure the Town receives the highest price for the sale (i.e., the upset bid process). The Town complied with the requirements of this statute.

Nevertheless, even if N.C. Gen. Stat. § 14-234 is applicable to this transaction, this transaction is specifically excepted under the provisions of N.C. Gen. Stat. § 14-234(d1) and (d2).

N.C. Gen. Stat. § 14-234(d1) and (d2) provide, in pertinent part, as follows:

§ 14-234. Public officers or employees benefiting from public contracts; exceptions

(d1) Subdivision (a)(1) of this section does not apply to (i) any elected official or person appointed to fill an elective office of a village, town, or city having a population of no more than 15,000 according to

the most recent official federal census ... if all of the following apply:

- (1) The undertaking or contract or series of undertakings or contracts between the village, town, city, county, county social services board, county or city board of education, local health board or area mental health, developmental disabilities, and substance abuse board, or public hospital and one of its officials is approved by specific resolution of the governing body adopted in an open and public meeting, and recorded in its minutes and the amount does not exceed twenty thousand dollars (\$ 20,000) for medically related services and forty thousand dollars (\$ 40,000) for other goods or services within a 12-month period.
- (2) The official entering into the contract with the unit or agency does not participate in any way or vote.
- (3) The total annual amount of contracts with each official, shall be specifically noted in the audited annual financial statement of the village, town, city, or county.
- (4) The governing board of any village, town, city, county, county social services board, county or city board of education, local health board, area mental health, developmental disabilities, and substance abuse board, or public hospital which contracts with any of the officials of their governmental unit shall post in a conspicuous place in its village, town, or city hall, or courthouse, as the case may be, a list of all such officials with whom such contracts have been made, briefly describing the subject matter of the undertakings or contracts and showing their total amounts; this list shall cover the preceding 12 months and shall be brought up-to-date at least quarterly.

(d2) Subsection (d1) of this section does not apply to contracts that are subject to Article 8 of Chapter 143 of the General Statutes, Public Building Contracts.

Accordingly, this sale qualifies under the (d1) exception as:

- (1) Mayor Smith was a public officer of a town having a population no more than 15,000.
- (2) The contract was approved by a specific resolution of the board adopted in an open and public meeting which was recorded in its minutes.
- (3) It was not a contract for medical services in excess of \$ 20,000 or for other goods and services in excess of \$ 40,000 but was a contract for the purchase of real property subject to GS 160A-269.
- (4) Mayor Smith did not participate in the discussion or vote or preside over the matter.
- (5) The contract/sale was noted in the audited financial statement.
- (6) The sale was posted at town hall.

Moreover, subsection (d2) further demonstrates that the (d1) exception applies to this contract as it is a contract for the sale of real property subject to Chapter 160A (§160A-269) and therefore **not** a contract subject to Article 8 of Chapter 143, which is the only exception to the (d1) exception.

The Report asserts that the Mayor and the Town's legal counsel (Legal Counsel) provided contradictory responses about whether or not the Mayor was aware of applicable state law". In support of this assertion the Report states:

- At a July 22, 2021 interview, the Mayor initially stated that she **did not** discuss the purchase of the Property with Legal Counsel prior to the submission of her offer.

- In an October 15, 2021 email, Legal Counsel stated that the Mayor **did** discuss state law with Legal Counsel prior to the submission of the offer.
- In an October 19, 2021 email, Legal Counsel stated the Mayor could not specifically recall whether or not she was aware of state law prior to the submission of the offer. Legal Counsel stated he reviewed the offer after its submission to the Town and felt the Mayor's involvement in the contract did not violate any state laws.

Report p. 4.

The Town adamantly disagrees with this characterization for the following reasons:

During the July 22, 2021 interview, the Mayor truthfully stated that she did not discuss Sloane's offer with Legal Counsel prior to submitting the offer to the Town Administrator. The investigators present during those interviews will recall that the Town Administrator called Legal Counsel after receiving the offer at which time Legal Counsel informed the Town Administrator that the offer did not contain the correct amount of earnest money deposit. The investigators will likely likewise recall that the offer was amended to make the correction as advised by Legal Counsel. However, the Report neglects to make the distinction between the act of submitting the offer to the Town Administrator and the subsequent act of the Town Administrator submitting the offer to the Board for consideration.

The October 15, 2021 email referenced in the Report was the Town's response to questions posed to the Town by an investigator. The following is the verbatim portion of that email:

- (1) **Prior to Ms. Smith's submission of the Offer to Purchase and Contract for the acquisition of the Police Department property, was she aware of the provisions of North Carolina General Statute §14-234?**

Response: Yes, prior to the formal submission of Sloane Realty's offer to the Board, Town Attorney Mike Isenberg discussed the contents and requirements of this statute with Town Administrator Daisy Ivey and the Board Members, including Mayor Smith.

October 15, 2021 Email (emphasis added).

There is a distinct difference between the Mayor's act of delivering the offer to the Town Administrator and the subsequent act of the Town Administrator's submission of the offer to the Board. Accordingly, the Mayor's statement during her July 22, 2021 interview regarding her submission of Sloane's offer to the Town Administrator concerned a time separate and distinct from the time the Town Administrator submitted the offer to the Board.

With respect to the October 19, 2021 email referenced in the Report, the Mayor was again cooperative and truthful. In that email the Town responded to the investigator's request for clarification. The following is the verbatim portion of that email:

- **Clarification needed: It appears you are saying that Ms. Smith was aware of the provisions of North Carolina General Statute §14-234(a)1 prior to her submission of the Offer to Purchase and Contract for the acquisition of the Police Department property. Is that correct?**

Mayor Smith does not specifically recall whether she was aware of the provisions of North Carolina General Statute §14-234(a)1 prior to her submission of Sloane Realty's Offer. To the best of Mayor Smith's recollection Town Attorney Mike Isenberg discussed the statute including the general requirements of the (d1) exception as well as the provisions of North Carolina General Statute §160A-269 concerning the upset bid process at or near time the Sloane's offer was submitted.

- **Clarification needed: Was this Mayor Smith's response or Brian's response? We are looking for Mayor Smith's response when you asked her if she believed the provisions of North Carolina General Statute §14-234 (a)(1) did not apply to her? If so, why?**

The legal analysis in my previous response was my response as to why the exception applies to this contract.

Mayor Smith's response is that she relied on the Town Attorney's advice that the exception applied given the size of the Town, provided that the other (d1) requirements were followed. For example, you will note in the meeting minutes that Mayor Smith passed the gavel to the Mayor Pro Tem when this item came up during the meeting and that she (Mayor Smith) did not participate in the discussion of this item, nor did she vote.

October 19, 2021 Email.

It is clear that Legal Counsel discussed North Carolina General Statute §14-234 with the Town Administrator and the Board (including the Mayor) prior to the Board's formal consideration of Sloane's offer. This is evidenced by the fact that the Mayor did not participate in the discussion or vote concerning this offer in compliance with the provisions of the (d1) exception requirements contained in North Carolina General Statute §14-234. Legal Counsel unequivocally informed the investigators of this during the Town interviews conducted in July of 2021 and the September and October 2021 Board meeting minutes demonstrate that he had so advised the Board. A copy of the October 9, 2021 meeting minutes is attached as Exhibit 7.

FINDING NUMBER 2. MAYOR ACQUIRED TOWN PROPERTY USING NONPUBLIC INFORMATION.

Town's Response: The Town disagrees that the Mayor illegally or unethically used nonpublic information in connection with this sale. As noted above, the Town's interest in the potential sale of this property was announced during the Open Session portion of the February 13, 2018 meeting at which time the Town Board voted unanimously to obtain an appraisal of this property for the purpose of a potential sale. Once received, the appraisal was a public record open to public inspection. Moreover, as the Report indicates, the Town Administrator informed at least one member of the public that the Town would sell the property for \$460,000, the approximate appraised value of the property. Accordingly, the Town's intention to consider offers was made public during the February 13, 2018 meeting as was the fact that the Town was obtaining an appraisal for the property that, once received, was a public record subject to inspection and copying by any member of the public.

Additionally, Sloane's offer was a matter of public record well before the Board voted to accept the offer (at which point the contract was consummated). Both the appraisal and the Offer to Purchase were part of the September 11, 2018 agenda package and were public records available for the public to review. This was available on the Town's website and provided to the local newspaper, provided to the "sunshine list" (presently 87 recipients), and provided to all those who were signed up to receive E-notifications on the Town's website that the meeting agenda has been posted (presently there are 4561 verified registered users) on September 7th, 2018. In fact, members of the public made comments on the potential sale during the Public Forum meeting held on September 10, 2018. The minutes of those meetings reflect that no one objected to or otherwise questioned the appraised value/sales price of the property.

On September 11, 2018, the Town held its regularly scheduled monthly meeting. The appropriate resolution was passed, and the appropriate notice was provided to the public to commence the upset bid process; however, the Town did not receive any upset bids. Accordingly, the following month the Board approved the sale of the property at their regular monthly meeting. The Town complied with N.C. Gen. Stat. § 160A-269 with respect to the sale of the property. Nevertheless, the Board was not obligated to accept the offer at that time despite the fact that no upset bids were received.

The closing date was set, and then extended, to accommodate the completion of the new Town Hall and the relocation of the Police Department. Mayor Smith explained why Sloane Realty was interested in the property given its proximity to Sloane's office and she further confirmed that Sloane could and would have closed on the property on the original closing date but for the Town's need for an extension on the closing due to construction delays associated with the new Town Hall.

The Report asserts that the Mayor violated N. C. Gen. Stat. § 14-234.1 in connection with Sloane's purchase of the subject property. The Town disagrees with this assertion.

N. C. Gen. Stat. § 14-234.1 provides as follows:

§ 14-234.1. Misuse of confidential information

- (a) It is unlawful for any officer or employee of the State or an officer or an employee of any of its political subdivisions, in contemplation of official action by himself or by a governmental unit with which he is associated, or in reliance on information which was made known to him in his official capacity and which has not been made public, to commit any of the following acts:
 - (1) Acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or official action; or
 - (2) Intentionally aid another to do any of the above acts.

This statute is only implicated when an officer or employee of the Town (which we acknowledge Mayor Smith is), in reliance on information known to her and which has not been made public.²

² The Report asserts that Mayor Smith knew, by virtue of the June 12, 2018 closed session discussion, the intended sale price and sale time and that this was nonpublic information (Report p. 5). The Town contends that the public was aware that the

acquires a pecuniary interest in property. The legal definition of “pecuniary interest” is “An amount or an interest related to money or that which can be measured in money”.

In this instance, the earliest Sloane Realty acquired a pecuniary interest in the property was October 9th, 2018, the date the Board voted to accept Sloane’s offer. Prior to that time, Sloane Realty had no legal or pecuniary interest in the property. As stated earlier, the public was made aware of the Town’s intent to entertain offers on this property as early as February 13, 2018, when the Board announced someone had asked about purchasing the property and the Board voted unanimously to obtain an appraisal of the property for the purpose of selling the property. The appraisal, once received by the Town, was a public record available for inspection and copying by any member of the public. Thereafter on September 7th, 2018, the Board’s September 11th, 2018 regular meeting agenda was published on the Town’s website, distributed to the “sunshine list” (presently 87 recipients), and distributed to all those who were signed up to receive E-notifications on the Town’s website (presently there are 4561 verified registered users). Moreover, the September 11, 2018 agenda packet contained both a copy of the March 15, 2018 appraisal of the property as well as a copy of Sloane Realty’s offer to purchase the property. Additionally, the public commented, without objection, on this offer during the September 10, 2018 Open Forum and members of the public likewise commented on this potential sale during the Public Comment Section of the September 11, 2018 meeting, both of which occurred prior to the Board’s vote to proceed with the advertisement and upset bid process.

Consequently, the following information was made available to the public prior to Sloane Realty’s acquiring any pecuniary interest in the property:

- 1) The Town’s interest in entertaining offers on this property to the point the Board unanimously voted to obtain an appraisal;
- 2) The fact that an appraisal was obtained;
- 3) Sloane Realty’s offer;
- 4) Mayor Smith’s affiliation with Sloane Realty;
- 5) That both the offer and the appraisal were available for public inspection; and
- 6) That the public had a right to submit offers to purchase the property.

Additionally, the Board was advised that it had the right to reject any and all offers at any time, including Sloane’s offer. Clearly no contractual interest was created On September 11, 2018 as the

Town was considering the sale of this property as early as February and that at least one member of the public was made aware of the acceptable sales price. Had the Commissioners announced that they would wait until the fall to market the property the public would have been discouraged to submit offers in the interim, this would clearly not be in the Town’s best interest. Regardless, the timing of the potential sale of the property to Sloane Realty was public information well in advance of Sloane’s acquisition of a pecuniary interest in the property (October 9, 2018) hence N. C. Gen. Stat. § 14-234.1 is neither implicated nor violated in this instance.

only action taken by the Board was to begin the upset bid process. The following is an excerpt from the September 11, 2018, meeting minutes:

Mayor Pro Tem Walters stated an Offer to Purchase has been submitted by Sloane Realty for the Ocean Isle Beach Police Department noting Mayor Smith as a principal owner of the company. Mayor Pro Tem noted the Offer to Purchase and appraisal are available for public inspection at Town Hall. Mayor Pro Tem Walters stated that over the past few years the Board has discussed the sale of certain Town properties (OIBPD and ABC Store) to help offset the costs associated with the construction of the new Town Hall. Mayor Pro Tem Walters noted the police department will always have a presence on the island regardless of the sale of the current OIBPD property. Town Attorney, Mike Isenberg, explained the three of the options a municipality may employ to sell real estate which include: (1) Advertisement for sealed bids, (2) Public auction, and (3) Negotiated offer, advertisement and upset bid period (N.C.G.S. 160A-269). Mr. Isenberg noted that, pending Board approval, a notice of the offer would be published and a 10-day period to receive upset bids would subsequently commence. Mr. Isenberg noted that if any qualifying offer (not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder) is received during the 10-day period, the procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. Mr. Isenberg also noted the Board may at any time reject any and all offers. Mrs. Ivey stated that a recent appraisal was conducted for the property in March of 2018. A motion was made by Commissioner Williamson seconded by Commissioner Rowell, to direct the Town to proceed pursuant to N.C.G.S. 160A-269 to publish a notice of the offer received from Sloane Realty of Ocean Isle Beach, Inc. to purchase the property of the Town located at 2 W. Third Street for \$460,670 and to receive upset bids in accordance with said statute. The vote was unanimous.

Thereafter, the statutorily required notice was published in the local newspaper. Accordingly, all information within Mayor Smith's knowledge was shared with the public prior to Sloane Realty's acquisition of a pecuniary or legal interest in the property. Consequently, the Town respectfully disagrees that Mayor Smith unlawfully or unethically acquired Town Property using nonpublic information. To the contrary, the Board's intention to consider selling the property was disclosed to the public, Sloane's offer was disclosed to the public, Mayor Smith's ownership interest in Sloane Realty was disclosed to the public, the appraisal of the property was disclosed to the public, the Town complied with all statutory procedures concerning the upset bid process and the Board, by voting to accept Sloane's offer well after the aforementioned public disclosures, ensured the Town (and therefore the public) received the full appraised value for the property.

FINDING NUMBER 3. BOARD OF COMMISSIONERS INAPPROPRIATELY DISCUSSED DETAILS OF THE SALE OF THE TOWN PROPERTY AND FAILED TO DISCLOSE THOSE DISCUSSIONS TO THE PUBLIC.

Board of Commissioners Inappropriately Held Closed Session Discussions

Town's Response: The Town acknowledges that it briefly discussed the sale of the police department property in two closed sessions, and that the sale of real property is not a permitted topic in a closed session. The Town denies, however, that the sale of the police department property was a purpose of

either of the closed sessions. As noted on the meeting agenda, as stated in the motion to go into closed session and as shown in the closed session minutes, the purpose of each meeting was to approve prior executive session minutes and discuss pending litigation with the Town Counsel. The minutes of May 8, 2018, show that those proper topics were discussed in that order and that the sale came up briefly at the end of the meeting and merely directed the Town Administrator to make an offer to a member of the public. No vote or formal action was taken. The minutes of June 12, 2018, also show that those proper topics were discussed in that order and at the end of the meeting the Town Administrator merely informed the board that she had not received a reply from the member of the public who was interested in purchasing the property and no action was taken. Neither Legal Counsel nor the Board were aware at the time of going into closed session that sale of the police department property would be briefly discussed near the end of each session. Legal Counsel did not advise the Board that the sale of real property was itself a proper topic of discussion in closed session.

Resulted in the Erosion of Public Trust

Town's Response: When going into closed session, it was not the intent of the Board to discuss unallowed topics or in any way to damage the public trust. In fact, at the May 8, 2018, meeting the board merely directed the Town Administrator to contact a member of the public who had previously made an inquiry about purchasing the police department property.

Legal Counsel will advise the Board that discussions concerning the sale of real property that do not include the provision of legal advice protected by the attorney client privilege are not authorized in Closed Session.

Caused by Inaccurate Advice from the Town's Legal Counsel

Town's Response: Legal Counsel acknowledges that the general topic of the sale of real property is not a proper topic in a closed session, but he did not advise the board that the general topic of the sale of real property was a proper subject for discussion in closed session. He did, however, state that G. S. 143-318.11(a)(3) does allow an executive session "To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged." This is not limited to the handling or settlement of a claim, judicial action, mediation, arbitration or administrative procedure.

North Carolina General Statutes Require Citing a Permissible Purpose for Closed Sessions

Town's Response: It is acknowledged that North Carolina General Statute 143-318.11(c) requires the Board to cite a permissible purpose for closed sessions and that the sale of real property in and of itself is not a permissible purpose. In the May 8, 2018, and June 12, 2018, closed sessions, the purposes cited were all permissible. Legal Counsel will review the closed session statutes with the Board to ensure that no unallowed topics are brought up during a closed session.

FINDING NUMBER 4. TOWN ADMINSTRATOR EXECUTED THREE CONTRACT AMENDMENTS ON BEHALF OF THE TOWN WITHOUT PROPER AUTHORITY.

Town Administrator Executed Three Contract Amendments On Behalf of Town Without Proper Authority

Town's Response: It is acknowledged that the Town Administrator executed three contract amendments related to the sale of the police department property. Prior to or simultaneously with the execution of these amendments, the Town Administrator consulted with Legal Counsel and the Commissioners. The Board was fully aware that the Town would not be able to close on the contract closing date due to the delays in the construction of the new town hall and the need for the police department to remain in its' current location for the best interests of the Town. It is acknowledged that town ordinances do not allow the Town Administrator to dispose of real property but the contract to sell the town's real property was approved by the Board of Commissioners previously. The Town Administrator did not enter into any agreement to sell real property.

The original contract approved by the Board specified a closing date of December 30, 2019. It further provided that any closing delay beyond 14 days (from the specified closing date) should be evidenced by a written agreement so that the party needing the delay would not be in breach of contract. This contract term had been approved by the Board and the Town Administrator executed the amendment in accordance with the terms of the contract already approved by the Board in order for the Town not to be in breach of the contract.

It is the Town's position that the execution of the Amendments did not constitute the disposal or acquisition of real property, rather, their execution was in furtherance of a contract for sale passed by a formal vote of the Board. It is the Town Administrator's duty to carry out the terms of Board approved contracts. However, Legal Counsel for the Town will ensure any future amendments pertaining to the contracts concerning the purchase or sale of real property are approved by a formal vote of the Board during the Open Session portion of a duly called and noticed Board meeting.

Resulted in an Increased Risk of Town Being Bound to Legal Agreement without Board Approval

Town's Response: The Town disagrees that these contract amendments increased the risk to Town. In fact, these amendments to extend the closing date were executed at the request of and for the benefit of Town. The Town needed to extend the closing dates in order for the police department to remain in its' current location as the delays in construction of the new town hall would have required Town to relocate the police department at great expense and inconvenience. To the contrary, the willingness of the buyer to extend the closing date for no consideration was beneficial to the Town. Without the extensions the Town would have either been in breach of the contract and subject to damages or forced to relocate the police department prior to the completion of the new Town Hall at great expense and inconvenience. It was well known to the Board of Commissioners and staff that the construction delays associated with the new town hall necessitated the contract extensions which were discussed with the commissioners by the Town Administrator.

Caused By Failure to Properly Interpret Town of Ocean Isle Beach Ordinances

Town's Response: Town and Legal Counsel acknowledge that Town Ordinance 2008-02 does not authorize the Town Administrator to dispose of real property. The Town Administrator did not execute any contract obligating or purporting to obligate the Town to dispose of real property.

Ocean Isle Beach Town Ordinance Does Not Apply to Real Property

Town's Response: Town and Legal Counsel acknowledge that Town Ordinance 2008-02 does not authorize the Town Administrator to dispose of real property or address real property.

In conclusion, the Town appreciates the opportunity to provide this Response. The Town applauds and supports your office's mission of ensuring public resources are properly accounted for. The Town understands the importance of being a good steward of the people's trust and property.

The Town of Ocean Isle Beach Board of Commissioners notes the areas in which it will improve with respect to closed sessions and the execution of contracts and amendments related to real property. The Board respectfully disagrees that it acted in an unethical or illegal manner with respect to the sale of this property.

Sincerely,

Mike Isenberg

Mike Isenberg, Town Attorney

Brian E. Edes, Assistant Town Attorney

**TOWN OF OCEAN ISLE BEACH
THREE WEST THIRD STREET
OCEAN ISLE BEACH, NC 28469**

**BOARD OF COMMISSIONERS MEETING
February 13th, 2018
MINUTES**

MEMBERS PRESENT:

Mayor Debbie Smith	Mayor Pro Tem Dean Walters
Commissioner Wayne Rowell	Commissioner Carolyn Blythe
Commissioner Betty Williamson	Commissioner Bob Williams
Daisy L. Ivey, Town Administrator	Casey E. Reeves, Town Clerk
Ken Bellamy, Chief of Police Dept.	Robert Yoho, Chief of Fire Dept.
Mike Isenberg, Town Attorney	Bobby Hardy, Public Utilities Director
Justin Whiteside, Asst. Town Admin.	Keith Dycus, Planning and Zoning Admin.

OTHERS PRESENT:

Approximately 30 Property Owners and Guests
First Bank Representatives
Michael Norton – McGill Associates
Captain Brandt McMullan – OIFC
Zoning Applicants – H. Smith, J. Fish, A. Stanley
Chris Stanley – East Coast Engineering
Brian Slattery, Brunswick Beacon

MEETING CALLED TO ORDER

Mayor Smith called the meeting to order with everyone repeating the Lord's Prayer and pledging allegiance to the flag.

CONSENT AGENDA

The consent agenda included approval of:

- January 13th, 2018 Board of Commissioners Meeting Minutes

The consent agenda was approved upon a motion of Commissioner Williamson with a second by Commissioner Rowell. The vote was unanimous.

ADOPTION OF AGENDA

The agenda was amended to include an additional item of discussion regarding an interest to sell the Ocean Isle Beach Police Department Building/Land. The amended agenda was approved upon a motion of Commissioner Rowell with a second by Commissioner Williams. The vote was unanimous.

Exhibit 1

Board of Commissioners Meeting (Cont.)

February 13th, 2018

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REPORTS BY MAYOR

Mayor Smith congratulated Town Clerk, Casey E. Reeves, on receipt of her Certified Municipal Clerk Designation from the International Institute of Municipal Clerks. Mayor Smith stated she was pleased to inform the public that the Town has received the signed and recorded deed for Public Trust Lands from the Williamson Family in conjunction with certain properties along the oceanfront strand of the island.

DEPARTMENTAL REPORTS

1. Administration – Mrs. Ivey presented the financial dashboard as information and noted a steady increase in cash and investments over the same time period last year. Mrs. Ivey noted General Fund Revenues are at 82.77% compared to General Fund Expenditures at 45.62%. Mrs. Ivey reported Water revenues were 55.25% with expenditures at 50.47%, Sewer revenues at 56.81% with expenditures at 60.64%, and Accommodations revenues at 76.75% with expenditures at 52.63%. Mrs. Ivey stated there was an increase of 6.52% in Accommodations Taxes over the same time period last year and a decrease of 8.13% for VRBOs. Mrs. Ivey noted a 92.51% collection rate for 2017 Property Taxes (\$263,382 outstanding) and a 96.57% collection rate for 2016 Property Taxes (with \$119,857 outstanding). Mrs. Ivey reported outstanding taxes for 2013-2015 were \$2,079. Mrs. Ivey stated the first Park Planning Public Workshop was well attended and the Town received a great deal of public input. Mrs. Ivey commented Engineers are currently analyzing the public's input in order to start developing park planning options for consideration by the Board of Commissioners. Mrs. Ivey stated she was happy to report the Army Corps of Engineers certified the real estate for optional work for the CSDR project and noted the Town was on schedule to begin work on the project by the end of March 2018 and completion by end April 30th, 2018. Mrs. Ivey stated an estimated 330,000 cubic yards of sand will be placed on the beach. Mrs. Ivey welcomed new Town employees Justin Stone (Fire Department) and Adam Sellers (Public Utilities Department). Mrs. Ivey noted Mr. Stone joins the Town after serving a tour in Iraq and Mr. Sellers joins the Town with 13 years of Public Utilities experience working for the Town of Holden Beach.
2. Police Department – Chief Bellamy noted that total call volume was up 57% (314 calls) over the same time last year and felonies/major misdemeanor crimes were down 60%. Chief Bellamy stated that overall crime percentages for the month were down 67%, 3 arrests were reported, and noted a 114% increase in citations (total of 15). Chief Bellamy noted 220 hours of training were completed, 8,656 miles were patrolled, and congratulated Officer Stephen Bullock for completion of his Field Officer Training.

Board of Commissioners Meeting (Cont.)

February 13th, 2018

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3. Public Utilities Department – Mr. Hardy stated 200 frozen/ruptured water pipes were reported during the recent winter storm and residual freezing temperatures. Mr. Hardy stated the Department performed 240 locates in conjunction with the ATMC Fiber Optic Installation Project. Mr. Hardy noted the Department completed the storm drain on Cumberland Street and had received positive feedback from property owners in the surrounding area. Mr. Hardy stated four (4) members of the Sewer Department and members of the OIBFD jointly-participated in a confined space exercise at the E-1 Lift Station. Mr. Hardy noted Public Works Supervisor, Spencer Thornton, conducted a Flagger Certification Training Course for the Street Department on February 12th, 2018.
4. Fire Department – Chief Yoho reported during the month of January the Department responded to 73 calls (down 5% over the same time period last year). Chief Yoho stated the new fire truck was back in Louisiana for final construction after travelling to Nebraska for installation of the aerial ladder and noted the completion date for the new truck was on schedule for March 2018. Chief Yoho noted the Department completed over 300 hours of training which included the joint-training exercise with the Sewer Department. Chief Yoho commented that the timing of the training was highly beneficial in providing assistance during the recent construction-related accident at the roundabout project site. Chief Yoho read a letter of gratitude from Ms. Meredith Yelton, twin sister of Ms. Emily Yelton, who tragically passed (along with 6 friends) during the 2007 Scotland Street fire. Chief Yoho expressed his continued sympathy to the families who lost loved ones during the event and his gratitude for their generous donation to the Ocean Isle Beach Fire Department.
5. Planning and Inspections – Mr. Whiteside stated the Coastal Resource Commission will conduct a meeting at Sea Trail later in the afternoon and invited members of the public to attend. Mr. Whiteside announced the NCDOT Monroe Street sidewalk upgrade project will begin construction during the upcoming week and should be completed by the end of March 2018. Mr. Whiteside stated he had received correspondence from Randy Mundt with the Risk Management Division of the NC Department of Safety which stated the Town should receive FEMS's Letter of Final Determination (regarding Flood Maps) by February 28th, 2018. Mr. Whiteside noted this would then initiate the six (6) month statutory period for communities to amend their Flood Damage Prevention Ordinance which is based on the States minimum standards. Mr. Whiteside hopes the Town will receive finalized Flood Maps at the end of this six (6) month period (August 2018).
6. Building Inspections – Mr. Dycus reported permits had been issued for one (1) new single-family residential home in the Town limits and seven (7) new single-family residential homes in the ETJ during the month of January. Mr. Dycus reported a total of 96 permits were issued with a construction valuation of \$2,766,559. Mr. Dycus stated 184 total inspections were performed and permit fees were collected in the amount of \$29,799.34. Mr. Dycus stated a meeting will be held on February 15th, 2018 at Stone Chimney Road for Community Floodplain Administrators to discuss the adoption process for Preliminary Flood Maps.

Board of Commissioners Meeting (Cont.)

February 13th, 2018

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COMMENTS

Mayor Smith opened the floor for Public Comments.

John Crumrine – 109 E. First Street – Mr. Crumrine asked if it will be necessary for OIBPD to direct traffic in the area of the roundabout on Saturdays during the summer tourist season. Mayor Smith stated the OIBPD will closely monitor the traffic situation during the busy Saturday check-in/check-out times and provide assistance if needed.

Being no further comment was heard, Mayor Smith declared the Public Comments Section closed.

OLD BUSINESS

1. Mayor Smith stated the first item of old business was Discussion and Review of Revisions to Sanitation/Polycart Ordinance. The Board held a brief discussion regarding revisions to definitions of short-term and long-term rentals. Mrs. Ivey suggested the ordinance should not apply to condominiums because they typically use dumpsters and noted that in the revised ordinance the terms *Furnished home, apartment or condominium* have been replaced with *single or two family dwellings*. Mrs. Ivey noted an additional amendment to allow for written warnings prior to implementation of fines for violations of the ordinance. The Board established a maximum civil penalty fine not to exceed one hundred (\$100) dollars. Mayor Pro Tem Walters made a motion to approve the revisions which received a second from Commissioner Blythe. The vote was unanimous.
2. Mayor Smith stated the next item of old business was Discussion and Approval of State Aid to Airports Block Grant Agreement Project #36237.60.12.1 – Perimeter Fencing – Phase One. Mrs. Ivey stated Town Staff is requesting Board approval to enter into a Grant Agreement between the Town and the NCDOT Division of Aviation for Project #36237.60.12.1 – Perimeter Fencing – Phase One at Odell Williamson Municipal Airport in the amount of \$322,420.00. Mrs. Ivey explained the project has been approved for 100% funding by the NCDOT Department of Aviation, with the Town responsible for funding 0% of the estimated cost of this portion of the project. Commissioner Rowell made a motion to approve the agreement, which received a second from Commissioner Williamson. The vote was unanimous.

NEW BUSINESS

1. Mayor Smith stated the first item of new business was Discussion and Review of Encroachment Agreement from ATMC for East Side Fiber Optic Project. Mrs. Ivey stated that the Town and ATMC have been working on an Encroachment Agreement for the Fiber Optic Installation Project on the island over the past few weeks. Mrs. Ivey explained that ATMC has since found an agreement dated in 1962 which would allow ATMC the right to perform the project, however, the Town can still request a surety

Board of Commissioners Meeting (Cont.)

February 13th, 2018

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guarantee. Mrs. Ivey commented that Town Staff recommends a guarantee in the amount of \$100,000 which will require approval from the ATMC Board at their February 20th, 2018 Meeting. Mrs. Ivey stated that the streets on the island may be in a state of temporary disarray throughout the construction project and noted all ATMC equipment will be removed from the island at the end of each work day. Mrs. Ivey stated ATMC has agreed to reimburse Town up to \$4,500 per month to help cover personnel cost associated with locates and has also agreed to furnish paint and flags necessary for project locates. Commissioner Rowell made a motion to move forward with the project pending ATMC Board approval by authorizing Mayor Smith to sign any necessary documents to set the project in motion which received a second from Commissioner Williams. The vote was unanimous.

2. Mayor Smith stated the next item of new business was the Discussion Regarding Request for Improvement Guarantee Reduction – Halpern Enterprises, Inc. Mr. Whiteside stated Halpern Enterprises has requested a reduction to the previously approved improvement bond (\$4,000,786) to ensure on-site infrastructure improvements for the Publix grocery store development. Mr. Whiteside noted the revised cost, including 25% contingency, is \$2,030,330. Mayor Pro Tem Walters made a motion to approve the reduction based upon the Engineer's Opinion of Probable Cost which received a second from Commissioner Rowell. The vote was unanimous.
3. Mayor Smith stated the next item of new business was the Discussion and Review of Rezoning Application – Parcel #24400010. Mrs. Ivey stated Coastal Vineyard Church, Inc. has submitted a Rezoning Application for a portion of Parcel #24400010, currently "split-zoned", and discuss referral to Town Planning Board for consideration. Mrs. Ivey elaborated that the Applicant is requesting that the portion of the parcel currently zoned R-2M be re-zoned as C-3. Mayor Pro Tem Walters made a motion to send the item to the Planning Board for review on February 20, 2018 which received a second from Commissioner Rowell. The vote was unanimous.
4. Mayor Smith stated the next item of new business was the Discussion Regarding Proposed Fencing Ordinance Modifications. Mr. Whiteside stated that during the January 16th, 2018 Planning Board Workshop Meeting a member of the Board recommended making modifications to the existing fencing ordinance. Mayor Pro Tem Walters noted his wishes to have the item referred back to the Planning Board for additional review. Mayor Smith commented that the item is not required to go back to the Planning Board again, but is required to go to Public Hearing before it can be presented to the Board of Commissioners for potential action. Mrs. Ivey provided further clarification that the Board of Commissioners may send it back to the Planning Board before the item goes to Public Hearing, but they are not required to do so. Commissioner Rowell made a motion to send the item to Public Hearing on March 13th, 2018 at 8:45am which received a second from Commissioner Williams. The vote was 4-1 with Mayor Pro Tem Walters voting against the motion.

Board of Commissioners Meeting (Cont.)

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5. Mayor Smith stated the next item of new business was the Discussion and Approval of Request for Group Activity – Family Day. Mrs. Ivey stated Ocean Isle Museum Foundation, Inc. is requesting approval of Group Activity Application to conduct the 2018 Family Day on Saturday, March 31st, 2018 between the hours of 10am-2pm at the Museum of Coastal Carolina. Mrs. Ivey continued that Ocean Isle Museum Foundation, Inc. is requesting permission to use the vacant lot adjacent to the museum for parking and also requesting waiver of fee due to non-profit status (\$450.00). The Museum will also need to obtain a certificate of liability insurance naming the Town as an additional insured prior to the event. Commissioner Rowell made a motion to approve the event which received a second from Commissioner Blythe. The vote was unanimous.
6. Mayor Smith stated the next item of new business was the Discussion and Approval of Request for Group Activity – Kite Flying Day. Mrs. Ivey stated Ocean Isle Property Owner Association is requesting approval of Group Activity Application to conduct the 2018 OIB Community Kite Flying Day on Saturday, March 31st, 2018 between the hours of 2pm-5pm at the Ocean Isle Beach Community Center/Beach Strand. Mrs. Ivey added that the Applicant is requesting waiver of fee (\$250.00) due to non-profit status and plans to utilize the OIB Community Center restroom facilities and public parking areas based upon availability. Commissioner Rowell made a motion to approve the event which received a second from Commissioner Williamson. The vote was unanimous.
7. Mayor Smith stated the next item of new business was the Discussion and Approval of Request for Group Activity – Spring Kickoff & Boat Show. Mrs. Ivey stated Capt. Brant McMullan is requesting approval of the Spring Kickoff & Boat Show to be held March 24th – 25th, 2018 from 9am-4pm at Ocean Isle Fishing Center (OIFC). Mrs. Ivey noted the event will take place entirely upon applicant's property and the \$250.00 permit fee has been paid. Mrs. Ivey stated compliance with sign regulations and the requirements included by the Fire Chief must be adhered to during the event. Mrs. Ivey commented that a Tent Permit Application will be required prior to the erection of any tent based on the requirements of the 2012 NC Fire Prevention Code. Mayor Pro Tem Walters made a motion to approve the event which received a second from Commissioner Williamson. The vote was unanimous.
8. Mayor Smith stated the next item of new business was the Discussion and Approval of Request for Group Activity – 2018 Jolly Mon King Classic Fishing Tournament. Mrs. Ivey stated Capt. Brant McMullan is requesting approval of the 2018 Jolly Mon King Classic to be held June 12th-17th, 2018 (Rain Date - August 24th-26th, 2018) from 10am-8pm at Ocean Isle Fishing Center (OIFC). Mrs. Ivey noted the Applicant is requesting use of the future Town Hall site on the mainland for parking and the \$250.00 permit fee has been paid. Mrs. Ivey stated Staff recommends approval of event contingent upon special event insurance certification being provided to the Town prior to the event. Mrs. Ivey stated compliance with sign regulations must be adhered to during the event and a Tent Permit Application will be required prior to the erection of any tent

Board of Commissioners Meeting (Cont.)

February 13th, 2018

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based on the requirements of the 2012 NC Fire Prevention Code. Commissioner Rowell made a motion to approve the event which received a second from Mayor Pro Tem Walters. The vote was unanimous.

9. Mayor Smith stated the next item of new business was the Discussion and Approval of Request for Group Activity – 2018 Fall Brawl King Classic Fishing Tournament. Mrs. Ivey stated Capt. Brant McMullan is requesting approval of the 2018 Fall Brawl King Classic to be held October 11th-14th, 2018 (Rain Date: October 25th – 28th, 2018) from 10am-8pm at Ocean Isle Fishing Center (OIFC). Mrs. Ivey noted the Applicant is requesting use of the future Town Hall site on the mainland for parking and the \$250.00 permit fee has been paid. Mrs. Ivey stated Staff recommends approval of event contingent upon special event insurance certification being provided to the Town prior to the event. Mrs. Ivey stated compliance with sign regulations must be adhered to during the event and a Tent Permit Application will be required prior to the erection of any tent based on the requirements of the 2012 NC Fire Prevention Code. Commissioner Rowell made a motion to approve the event which received a second from Commissioner Blythe. The vote was unanimous.
10. Mayor Smith stated the next item of new business was the Discussion and Approval of Request for Group Activity – 2018 Kingfish Cup Championship Fishing Tournament. Mrs. Ivey stated Capt. Brant McMullan is requesting approval of the 2018 Kingfish Cup Championship to be held November 1st-4th, 2018 (Rain Date: November 5th – 8th, 2018) from 8am-8pm at Ocean Isle Fishing Center (OIFC). Mrs. Ivey stated Staff recommends approval of event contingent upon special event insurance certification being provided to the Town prior to the event. Mrs. Ivey stated compliance with sign regulations must be adhered to during the event and a Tent Permit Application will be required prior to the erection of any tent based on the requirements of the 2012 NC Fire Prevention Code. Commissioner Rowell made a motion to approve the event which received a second from Commissioner Williamson. The vote was unanimous.
11. Mayor Smith stated the final item of new business was Discussion Regarding an Interest to Sell Ocean Isle Beach Police Department Building/Land. Mayor Smith stated a request for consideration to purchase the OIBPD building and land has been presented to the Town and noted the Town plans to construct a new Town Hall and Police Department in the near future. Mayor Smith commented that before any consideration of this request can be made, an updated appraisal will be necessary. Attorney Michael Isenberg stated there were three available options for selling the property, should the Board wish to do so in the future. Attorney Isenberg listed the options as: (1) Public Auction, (2) Advertisement for Sealed Bids, and (3) Negotiated Offer with Upset Bid Period. Mayor Pro Tem Walters made a motion to secure an appraisal which received a second from Commissioner Williamson. The vote was unanimous.

Board of Commissioners Meeting (Cont.)

February 13th, 2018

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EXECUTIVE SESSION

The Board recessed to executive session upon approval of a motion by Commissioner Williamson, seconded by Mayor Pro Tem Walters. The vote was unanimous. Mayor Smith stated an Executive Session was necessary in order to approve minutes of the January 9th, 2018 Executive Session as per G.S. 143-318.11 (1), to consult with the Town Attorney regarding pending legal issues (Jackson/Hill Aviation and Terminal Groin/Southern Environmental Law Center) as per GS 143-318.11 (3) and to discuss a personnel matter as per GS 143-318.11 (6).

The Board returned to regular session upon a motion of Commissioner Williamson with a second by Commissioner Blythe. The vote was unanimous. Mayor Smith stated during executive session the Board unanimously adopted the minutes of the January 9th, 2018 Executive Session upon a motion of Commissioner Rowell with a second by Mayor Pro Tem Walters. Mayor Smith stated during Executive Session the Board discussed legal matters with the Town's Attorney involving Jackson/Hill Aviation and Terminal Groin/Southern Environmental Law Center, as well as, a personnel matter.

During regular session the Board voted unanimously to appoint Chuck Rash as the new fire chief for the Town. Chuck will succeed Chief Yoho upon his retirement from the Town in late March/mid-April. Motion by Mayor Pro Tem Walters, second by Commissioner Williamson.

RECESS TO RECONVENE

Being no additional business was heard, the meeting was recessed to reconvene on March 12th, 2018 at 8:30am for a budget workshop upon a motion of Commissioner Williamson with a second by Commissioner Rowell. The vote was unanimous.



DATED: March 13th, 2018

SIGNED:

Debbie S. Smith
Debbie S. Smith, Mayor

ATTEST:

Casey E. Reeves
Casey E. Reeves, Town Clerk

misenberg@fjitlaw.net

From: Bo Tate <botate54@gmail.com>
Sent: Monday, December 13, 2021 1:55 PM
To: misenberg@fjitlaw.net
Cc: Daisy Ivey
Subject: State auditor

Mike,

It has been brought to my attention that the representative from the State Auditor's office, Barry Long, is saying that I told him that the OIB Town Administrator, Daisy Ivey, did not contact me regarding the sale of the old police department building.

That is incorrect. I told Mr. Long that I could not remember it. That does not mean it did not happen. I was never interested in the property myself. I had a friend that had an interest which prompted me to inquire of the Town if it was to be sold. Mrs. Ivey said she would let me know if that happened.

Meanwhile my friends' interest waned and with that, mine did as well.

If I were contacted it would have been such a non issue it would not have registered on my radar. Again, just because I do not remember a call does not mean it did not happen. As stated to Mr. Long, I do not recall a call. I do however, remember telling Mr. Long exactly that.

Please feel free to call me with any questions.

Bo Tate
910/443-0812

Bo Tate

Exhibit 2

1

RESPONSE FROM THE TOWN OF OCEAN ISLE BEACH

alanpdavis47@gmail.com; Allen Serkin-CFCOG <aserkin@capefearcog.org>; anneschenk@atmc.net;
auntiegeem@aol.com; bknoble@oceanridge.com; Bob Setzer {rsetzer@atmc.net};
botate54@gmail.com; breezee@atmc.net; brenda1@atmc.net; captbarrett@oifishingcenter.com;
carolgrantham@hotmail.com; Carolyn Blythe <carolynblythe58@gmail.com>; catscorner8@yahoo.com;
chazelton9789@gmail.com; Cherri Cheek (cherri@cheekteam.com); cherricheek@yahoo.com;
cindyvanaman@gmail.com; Clifton Cheek (clif@cheekteam.com); coastalcomfort402@gmail.com;
coastalpool@atmc.net; cwagner5@aol.com; Dale Krause <d.krause744@gmail.com>; daly68@aol.com;
DaveGrantham@GranthamGraphics.com; David Martin <davidmartinoib@gmail.com>;
ddalen@aol.com; dhsutton@bellsouth.net; don.kauffman@ec.rr.com; editor@brunswickbeacon.com;
Edwin Beckley <ejbeckleyjr@yahoo.com>; ellenrothenberg@earthlink.net; Fannykgallard@yahoo.com;
franceswarner@atmc.net; frank@williamsonrealty.com; freddavid9@gmail.com;
ftrickenbaker@twc.com; gena1852@gmail.com; gjchap@gmail.com; gregoryd3@yahoo.com;
janegkirkland@gmail.com; jeromerothenberg@earthlink.net; jessie@cbsloane.com;
jholland@carolinainitiatives.com; Jim Hoffman {director@museumplanetarium.org}; Jimmie
Pendergrass <jimmiep@atmc.net>; jmyers@myersequipment.com; JoyOIB@aol.com;
joyoib@gmail.com; JustinKinlaw@outlook.com; Kerri Allen <kerria@nccoast.org>;
kkrause512@gmail.com; Kris McGirt <kmcgirt@southeasterninc.com>; krisoib@atmc.net;
lamson5@earthlink.net; Larry Cheek <larry@cheekteam.com>; lauradmcneill@gmail.com; Linda Eagle
<eagleoib99@gmail.com>; lindaschueler@hotmail.com; lreaves@smithlaw.com;
lregister@buynccoast.com; Martha Pope <marthapoperealestate.mp@gmail.com>; Meredith Willse
<mwillse@brunswickbeacon.com>; Michael Norton <michael.norton@mcgillassociates.com>; Michael
Wade <mwade002@gmail.com>; mike.allocco@gmail.com; mwasham@harborcapitalmgmt.com;
myrrobertson@yahoo.com; oceanisle123@hotmail.com; oibturtleorg@atmc.net;
oibhouse@hotmail.com; pj@pjcarte.com; rcox21@triad.rr.com; rlaymca@aol.com;
rmfloyd93@yahoo.com; rmoon5@ec.rr.com; Rob Jewell <rrjlcj63@gmail.com>; rubemc@att.net;
sharward2@nc.rr.com; sholland@carolinainitiatives.com; strategy29@aol.com;
twcgoheels@icloud.com; tyler@ncbase.org; wdboib@ec.rr.com; wdouglasbrown58@gmail.com;
whbrowning@aol.com; yduckett@yahoo.com; Zane Cofield <zanecofield@hotmail.com>

Exhibit 3 sunshine list

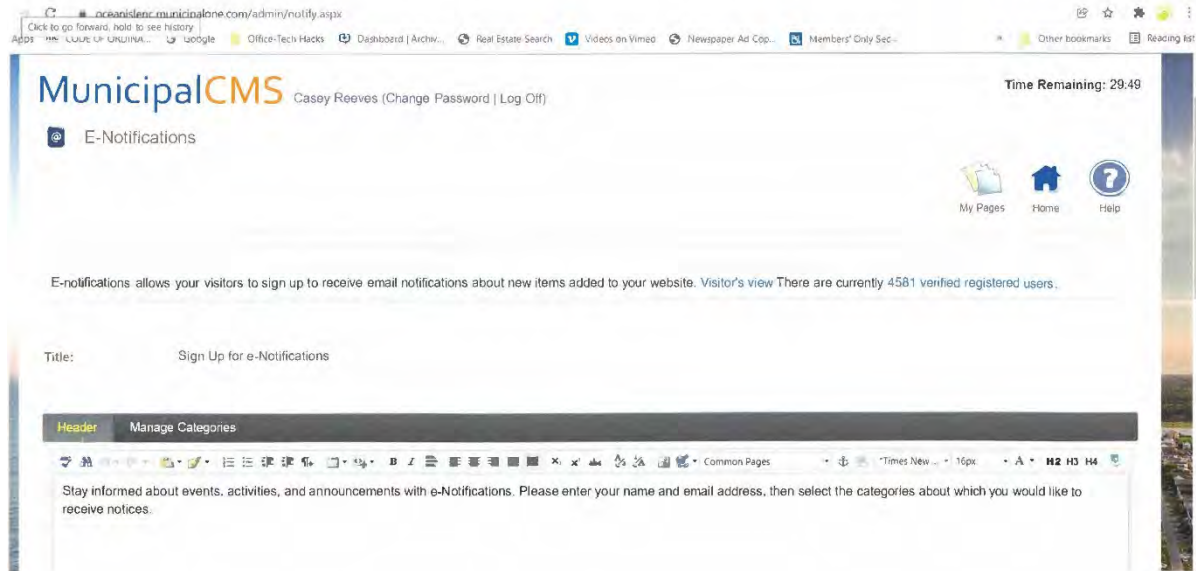


Exhibit 4 E-notification verified users



BOARD OF COMMISSIONERS MEETING AGENDA

September 11, 2018

Mayor - Debbie Smith

Mayor Pro Tem - Dean Walters

Commissioners

Betty S. Williamson

Bob Williams

R. Wayne Rowell

Carolyn Blythe

Town Administrator/Finance Officer - Daisy L. Ivey

Assistant Town Administrator - Justin Whiteside

Town Clerk - Casey E. Reeves

Public Utilities Director - Bobby Hardy

Planning & Zoning Administrator - Keith Dycus

Chief of Police - Ken Bellamy

Chief of Fire Department - Chuck Rash

**TOWN OF OCEAN ISLE BEACH
BOARD OF COMMISSIONERS MEETING**

September 11th, 2018

AGENDA

8:45 AM PUBLIC HEARING

The purpose of this hearing is to solicit public comment with regards to adoption of a resolution authorizing the filing of an application for approval of a financing agreement authorized by North Carolina General Statute 160A-20 for the purchase of a tract of property shown as Tract 6 of Parcel #257DH00407 as shown on Exhibit A recorded in Book 3229 at Page 0832 of the Brunswick County Register of Deeds, for use as Town Parking/Open Space Area in order to better serve the citizens of the Town.

All interested persons are invited to attend and provide public comment.

IMMEDIATELY FOLLOWING – BOARD OF COMMISSIONERS MEETING

A. Meeting Called to Order

1. Lord's Prayer
2. Pledge of Allegiance

B. Adoption of Consent Agenda

1. Approval of Minutes

- **August 14th, 2018 Board of Commissioners Meeting Minutes**
Staff recommends approval of August 14th, 2018 Board of Commissioners Meeting Minutes as presented.

2. Approval of ABC Board Travel Policy

Staff recommends approval of Travel Policy

3. Adoption of Resolution 2018-22 in Support of Domestic Violence Awareness Month – October 2018 – Hope Harbor Home

Staff recommends adoption of Resolution 2018-22

C. Adoption of Agenda

D. Reports by Mayor

- **2018 Scavenger Hunt Series Vendor Appreciation/Recognition**
- **Employee Recognition**
 - *Tara Frazier (5 years)*

E. Departmental Reports

- a. Administration
- b. Police Department
- c. Water/Sewer/Streets
- d. Fire Department
- e. Planning/Zoning/CAMA

f. Building Inspections

- F. Comments Section:** This is an opportunity for public comment. Speaker comments are limited to a maximum of **3 minutes** during the public comment period. Although the Board is interested in hearing your comments, speakers should not expect any comments, action, or deliberation from the Board on any issue raised during the public comment period. If an organized group is present to speak on a common issue, please designate one person to present the group's comment, which shall be limited to a maximum of **3 minutes**.

G. Old Business

- 1. Discussion and Review of Text Amendment Application – OIB Development, LLC**
Board will review and discuss Planning Board Recommendations for Text Amendment Application submitted by OIB Development, LLC regarding modifications to Section 49-33 – Stormwater Requirements and scheduling of a Public Hearing on October 9th, 2018.

H. New Business

- 1. Discussion and Review of Request to Install No Parking Signs – Driftwood Dr.**
Board will review and discuss request from Jeannie Steward for "No Parking" signs to be installed along Driftwood Drive on West End of the island.
- 2. Discussion and Approval of Request for Group Activity – 2nd Helping OIB Fall Fun Day (Fundraiser)**
Brunswick Family Assistance is requesting approval of Group Activity Application to conduct the 2nd Helping OIB Fall Fun Day (Fundraiser) on November 10th, 2018 from 8:00am-7:00pm
- 3. Discussion and Review of Amendment to Town Ordinance – Sec. 54-72. - Beach Vehicular Traffic**
Board will discuss approval of an amendment to the Town Code of Ordinances – Sec. 54-72 regarding permissible times for bicycles on the beach strand
- 4. Discussion and Review of Public Hearing Issue - Adoption of a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement - Tract 6 of Parcel #257DH00407**
Board will discuss Adoption of a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement - Tract 6 of Parcel #257DH00407 (5 W. Third Street) for use as Town Parking/Open Space Area
- 5. Discussion and Review of Offer to Purchase – 2 W. Third Street - OIBPD**
Board will review and discuss acceptance of Offer to Purchase for Parcel #257DH014 (2 W. Third Street)

I. Executive Session

- 1.** Approval of Minutes of August 14th, 2018 Executive Sessions as per G.S. 143-318.11(1)
- 2.** To consult with the Town Attorney regarding pending legal issue (Terminal Groin/Southern Environmental Law Center) as per GS 143.318.11(3)
- 3.** To discuss acquisition of real property per G.S. 143.318.11 (5).

J. Adjourn



**TOWN OF OCEAN ISLE BEACH
NOTICE OF PUBLIC HEARING**

Please take notice a Public Hearing will be held on September 11, 2018 beginning at 8:45 AM in the Betty S. Williamson Meeting Hall, Three West Third Street, Ocean Isle Beach, NC.

The purpose of this hearing is to solicit public comment with regards to the following:

The Board of Commissioners intends to adopt a resolution authorizing the filing of an application for approval of a financing agreement authorized by North Carolina General Statute 160A-20 for the purchase of a tract of property shown as Tract 6 of Parcel #257DH00407 as shown on Exhibit A recorded in Book 3229 at Page 0832 of the Brunswick County Register of Deeds, for use as Town Parking/Open Space Area in order to better serve the citizens of the Town.

All interested persons are invited to attend and provide comment.

Casey E. Reeves, Town Clerk

Town of Ocean Isle Beach
Action Agenda Item

Meeting Date:
September 11th, 2018

Action Number:
Consent Agenda Item #1

Issue/Action Requested:

Public Hearing: ☐yes ☒no ☐N/A

1. Approval of Minutes:

- August 14th, 2018 Board of Commissioners Meeting Minutes

Background/Purpose of Request:

Staff recommends approval of minutes as presented.

Fiscal Impact: N/A

Budget Amendment Required:

☐yes
☐no

Review by Finance Director:

☐yes
☐no

Total from Budget:

\$

Contracts/Agreements:

Reviewed by Town Attorney:

☐yes
☐no
☒N/A

Advisory Board Recommendation:

Staff Action:

Staff recommends approval of minutes as presented.

**TOWN OF OCEAN ISLE BEACH
THREE WEST THIRD STREET
OCEAN ISLE BEACH, NC 28469**

**BOARD OF COMMISSIONERS MEETING
August 14th, 2018
MINUTES**

MEMBERS PRESENT:

Mayor Debbie Smith	Mayor Pro Tem Dean Walters
Commissioner Wayne Rowell	Commissioner Carolyn Blythe
Commissioner Betty Williamson	Keith Dycus, Planning/Zoning Director
Daisy L. Ivey, Town Administrator	Casey E. Reeves, Town Clerk
Ken Bellamy, Chief of Police Dept.	Chuck Rash, Chief of Fire Dept.
Mike Isenberg, Town Attorney	Bobby Hardy, Public Utilities Director
Justin Whiteside, Asst. Administrator	

MEMBERS ABSENT

Commissioner Bob Williams

OTHERS PRESENT:

Approximately 30 Property Owners and Guests
First Bank Representatives – K. Boyette, V. Williamson
OIB Development, LLC Representatives
Brian Slattery – Brunswick Beacon

MEETING CALLED TO ORDER

Mayor Smith called the meeting to order with everyone repeating the Lord's Prayer and pledging allegiance to the flag.

CONSENT AGENDA

The consent agenda included approval of:

- July 10th, 2018 Public Hearing Minutes
- July 10th, 2018 Board of Commissioners Meeting Minutes
- Approval of Shoreline Monitoring Analysis Change Order
- Approval of Amendment to Group Activity Application – Pure Markets

The consent agenda was approved upon a motion of Commissioner Rowell with a second by Commissioner Williamson. The vote was unanimous.

ADOPTION OF AGENDA

The agenda was amended to include New Business Item #6 – Group Activity Application for 2018 NC Oyster Festival. The amended agenda was approved upon a motion of Commissioner Blythe with a second by Commissioner Rowell. The vote was unanimous.

Board of Commissioners Meeting (Cont.)

August 14th, 2018

Page 2

MAYOR REPORTS

Mayor Smith presented an Employee Recognition Award to Assistant Town Administrator, Justin Whiteside (15 years), and thanked him for his dedication to the Town of Ocean Isle Beach. The Board of Commissioners and Town Administrator, Daisy Ivey, also extended words of gratitude regarding Mr. Whiteside's professionalism and exemplary service to the Town.

DEPARTMENTAL REPORTS

1. Administration – Mrs. Ivey presented the financial dashboard as information. Mrs. Ivey stated there was an overall increase of 13.63% in Accommodation Taxes over the same time period last year and a 12.19% increase in VRBOs. Mrs. Ivey noted a 97.47% collection rate for 2017 Property Taxes, a 98.58% collection rate for 2016 Property Taxes (\$49,646 outstanding), and reported outstanding taxes for 2013-2015 were \$1,048.93. Mrs. Ivey stated she was sad to report Fire Captain Jeremy Meares will be leaving his position with the Town of Ocean Isle Beach Fire Department for family reasons. Mrs. Ivey noted the Town will be advertising for the vacant position and will accept applications for external and internal candidates through September 14th, 2018. Mrs. Ivey stated Town Staff and Mayor Smith met with representatives from Tych and Walker Architects to discuss moving forward in the process to prepare the bid package and RFP for Banking Services regarding construction of the new Town Hall before sending to the Local Government Commission for approval. Mrs. Ivey stated Town Staff continues to work with NCDOT on landscaping plans for the new roundabout. Mrs. Ivey stated staff hopes to receive information regarding the Town's Park PARTF Grant Approval sometime after August 24, 2018.
2. Police Department – Chief Bellamy noted that total call volume was up 4% (1,178 calls) over the same time last year and felonies/major misdemeanor crimes were down 50%. Chief Bellamy stated that accidents for the month were up 57% (11 in 2018 versus 7 in 2017) and citations were down 8%. Chief Bellamy stated Town Ordinance citations were down 28% (5 in 2018 versus 7 in 2017) and 9,636 miles were patrolled. Chief Bellamy noted the Department recently participated in a training exercise with the County at Boiling Spring Lakes for Quick Response Mass Shooting (QRMS).
3. Public Utilities Department – Mr. Hardy stated the Department performed routine maintenance, meter readings, and installed 2 new water taps. Mr. Hardy stated the Department continues to perform locates for ATMC regarding Fiber Optic installation project and cleaned 27 pumps which were clogged with wipes. Mr. Hardy reported 1,705,000 gallons of water were used on July 3rd which is the highest use date on record in the past 5-years. Mr. Hardy stated the Street Department performed routine maintenance on the island and Causeway, planted lantana at the roundabout on First street, filled holes on the beach, and ensured that sidewalks were cleaned after each of the recurring rain events.

Board of Commissioners Meeting (Cont.)

August 14th, 2018

Page 3

4. Fire Department – Chief Rash reported during the month of July the Department responded to 40 fire calls for service in the Town (10 in the County), 57 medical calls for service in the Town (30 in the County), 3 water rescues and 3 Mutual Aid responses (2 in Sunset Beach and 1 in Shallotte Point). Chief Rash reported 143 total calls for service in July (an increase of 3% over the same time period last year for the busiest month on record) and noted 368 hours of training were conducted. Chief Rash stated Asst. Fire Chief Tommy Moore, Blake Ingram, Justin Stone, and Christian Wright all completed *Initial Water Rescue Training*. Chief Rash announced the Department will conduct a Community Service Project with local Boy Scouts on September 9th and 22nd to help pick up rocks from the beach strand on the East End of the island. Mayor Smith extended her gratitude to the Department and the Boy Scouts for their upcoming efforts.
5. Planning/Zoning/CAMA – Mr. Whiteside provided an update on the new roundabout noting that the yellow truncated domes would be completed pending the completion of corrective paving which was required as a result of excessive rainfall amounts in recent weeks. Mr. Whiteside also noted additional direction signage will soon be installed. Mrs. Ivey added that the Town has received numerous positive reports regarding the installation of the new Mobi-Mat at the Community Center (44 E. First St.). Mayor Smith stated she recently received a phone call from a woman with a handicapped son requesting information on handicap accessible options on the island. Mayor Smith discussed available options with her and shared that the woman was very excited and grateful for the recent advancements, including the Mobi-mats at Monroe St. and Driftwood, widened beach-access at Monroe St. and the floating beach wheelchair.
6. Building Inspections – Mr. Dycus reported permits had been issued for two (2) new single-family residential homes in the Town limits, five (5) new single-family residential homes in the ETJ, and one (1) Zoning permit during the month of July. Mr. Dycus reported a total of 108 permits were issued with a construction valuation of \$3,252,505. Mr. Dycus stated 218 total inspections were performed and permit fees were collected in the amount of \$26,387.61. Mr. Dycus announced Columbia and Charlotte St. Beach Accesses (sand walkovers) were now open to the public. Mr. Dycus shared a report from the US Census Bureau, stating that Brunswick County is the fastest growing county in North Carolina with a 21.8 percent increase in population since 2010.

COMMENTS

Mayor Smith opened the floor for Public Comments.

Toni Tatone – E. Third Street - Ms. Tatone requested an update on the Terminal Groin Project. Mayor Smith stated that the project was still involved in litigation and no new reports have been received. Mayor Smith noted that the window of opportunity for any progress in 2018 has passed and explained that the next opportunity would not occur until 2019 pending the outcome of the lawsuit initiated by Southern Environmental Law Center.

Board of Commissioners Meeting (Cont.)

August 14th, 2018

Page 4

Jay Middleton – Crown Creek POA – Mr. Middleton requested information regarding the locations of exits for the Saltwater Palms PUD. Mr. Dycus referred to the locations identified on a map of the property at the front of the meeting room. Mr. Middleton requested to have vines removed from a stop sign located on Marketplace Blvd near the Publix shopping center. Mrs. Ivey noted that Town Staff would gladly take care of the situation.

Loren Shearer – 23 Driftwood Drive – Mr. Shearer noted his concerns regarding the installation of a new bike lane on West First street due to the heavy traffic flow and recommended the Town consider other locations.

Being no further comment was heard, Mayor Smith declared the Public Comments Section closed.

OLD BUSINESS

1. Mayor Smith stated the first item of old business was Discussion and Review of Preliminary Master Land Use Plan for Planned Unit Development (PUD) - Saltwater Palms. Mr. Whiteside summarized the Planning Board Recommendations for the Preliminary Master Land Use (Parcel #243EC00201) located on Marketplace Blvd near the Publix Shopping Center where the developer plans to create a 66-unit PUD (33 buildings) on approx. 19.84 acres. Brief discussion was held and a motion was made by Mayor Pro Tem Walters to approve the preliminary plan with Planning Board Recommendations incorporated. The motion received a second from Commissioner Rowell and the vote was unanimous.

NEW BUSINESS

1. Mayor Smith stated the next item of new business was the Discussion Regarding Expiring Terms of Advisory Board Members. The Board discussed the term expiration of two (2) Advisory Board Members – David Martin (Board of Adjustment) and Todd Robertson (Board of Adjustment). Mrs. Ivey stated advertisements for Advisory Board Vacancies were posted on Town Website, Bulletin Board, and published in the Brunswick Beacon. Mrs. Ivey noted two (2) applications for re-appointment and one (1) application for new appointment were received. The Board expressed their gratitude to all applicants for their interest in serving on the Board of Adjustment. Mayor Pro Tem Walters made a motion to re-appoint Mr. Martin and Mr. Robertson for additional 3-year terms. The motion received a second from Commissioner Rowell and the vote was unanimous.
2. Mayor Smith stated the next item of new business was Discussion Regarding Resignation of Advisory Board Member – Local Firefighter's Relief Fund Board. Mrs. Ivey announced Advisory Board Member, Kathryn Gossett had submitted her resignation and noted the Board will need to appoint a new member to fill the vacancy. Mrs. Ivey stated Ms. Kim Boyette (First Bank Representative) has submitted an application and resume

Board of Commissioners Meeting (Cont.)

August 14th, 2018

Page 5

for consideration. Mayor Pro Tem Walters made a motion to appoint Ms. Boyette to fill the vacant seat on the Local Firefighter's Relief Fund Board which received a second from Commissioner Blythe. The vote was unanimous.

3. Mayor Smith stated the next item of new business was Discussion and Review of Speed Limit Ordinance for SR 1294 – Rick Street. Mrs. Ivey stated a speed limit ordinance was initiated by NCDOT for the portion of Rick Street located within the Town limits. Mrs. Ivey explained the 25 mph speed limit ordinance was initiated based on a citizen request and a speed study conducted by NCDOT officials. Commissioner Rowell made a motion to approve Resolution 2018-20 to adopt the Speed Limit Ordinance which received a second from Commissioner Williamson. The vote was unanimous.
4. Mayor Smith stated the next item of new business was Discussion and Review of Text Amendment Application – OIB Development, LLC. Mrs. Ivey stated a Text Amendment Application was submitted by OIB Development, LLC regarding modifications to Section 49-33 – Stormwater Requirements. Mrs. Ivey explained the text amendment would provide an exemption to PUD/subdivisions in the ETJ regarding the “on lot” stormwater maintenance requirement currently imposed by the Town. Mrs. Ivey clarified that properties located within the Town limits would not qualify for the exemption. Mrs. Ivey noted PUD/subdivisions in the ETJ are required to comply with existing State stormwater regulations. Commissioner Rowell made a motion to refer the item to the Planning Board on August 21, 2018 for further review which received a second from Commissioner Williamson. The vote was unanimous.
5. Mayor Smith stated the next item of new business was Discussion and Review of Resolution in Support of Local Direct Attributable Funds Program Application – Bike Lane Installation. Mr. Whiteside stated Town Staff is seeking approval to submit an application for funding assistance from GSATS to install bike lanes along both sides of E. and W. First Streets and hopes the proposed project may be conducted in conjunction with an NCDOT resurfacing project of those streets. Mayor Smith encouraged the public to visit Sunset Beach to see an example how the proposed bike lane would appear after completion. Mrs. Ivey noted NCDOT will meet with Town Staff during the upcoming week to discuss the repair of existing cracks in certain locations (FY 2018/2019) and explained the Town will then have to wait another year (FY 2019/2020) before the proposed repaving can occur. Mayor Pro Tem Walters noted that additional meetings and input sessions will be necessary before the proposed bike lane installation can be approved by the Board of Commissioners. Mrs. Ivey noted the installation of bike lanes has previously been discussed throughout the CAMA Land Use Plan Update process and System-Wide Park Planning process. Mr. Whiteside noted the time for applying for the GSATS grant is of the essence and explained that applying now will provide the highest percentage of success for securing funding assistance for the proposed project. Commissioner Rowell made a motion to approve the Resolution in Support of Local Direct Attributable Funds

Board of Commissioners Meeting (Cont.)

August 14th, 2018

Page 6

Program Application which received a second from Commissioner Williamson. The vote was 3-to-1 with Commissioner Blythe voting against the item.

6. Mayor Smith stated the final item of new business was the Discussion and Review of Group Activity Application for 2018 NC Oyster Festival. Mr. Whiteside stated the Brunswick County Chamber of Commerce has requested approval of a Group Activity Application to conduct the NC Oyster Festival on October 20th (9am-6pm) and 21st (10am-5pm). Mr. Whiteside noted the Applicant is requesting use of Town property adjacent to Museum of Coastal Carolina and waiver of permit fee due to non-profit status. Mr. Whiteside continued that Applicant is required to submit an Indemnity Agreement for use of Town Property and provide proof of permission from Drapac, the Williamson Family, and McMullan Ventures (if needed) prior to event for additional property use. Mr. Whiteside noted the Applicant is required to provide proof of updated liability insurance naming the Town "additional insured" prior to event. Mr. Whiteside stated the Applicant will need to acquire and submit a NCDOT permit to close a portion of 2nd Street prior to event. Commissioner Rowell made a motion to approve the agreement which received a second from Commissioner Blythe. The vote was unanimous.

EXECUTIVE SESSION

The Board recessed to executive session upon approval of a motion by Commissioner Williamson, seconded by Mayor Pro Tem Walters. The vote was unanimous. Mayor Smith stated an Executive Session was necessary in order to approve minutes of the July 10th, 2018 Executive Session as per G.S. 143-318.11 (1), to consult with the Town Attorney regarding pending legal issues (Jackson/Hill Aviation and Terminal Groin/Southern Environmental Law Center) as per GS 143-318.11 (3), and to discuss acquisition of real property per G.S. 143.318.11 (5)

The Board returned to regular session upon a motion of Commissioner Williamson with a second by Commissioner Blythe. The vote was unanimous. Mayor Smith stated during executive session the Board unanimously adopted the minutes of the July 10th, 2018 Executive Session upon a motion of Mayor Pro Tem Walters with a second by Commissioner Blythe. Mayor Smith stated during Executive Session the Board discussed legal matters with the Town's Attorney involving Jackson/Hill Aviation and Terminal Groin/Southern Environmental Law Center and the acquisition of real property.

ADJOURN

Being no additional business was heard, the meeting was adjourned upon a motion of Commissioner Rowell with a second by Commissioner Williams. The vote was unanimous.

Board of Commissioners Meeting (Cont.)
August 14th, 2018
Page 7

DATED: _____

SIGNED: _____
Debbie S. Smith, Mayor

(SEAL)

ATTEST: _____
Casey E. Reeves, Town Clerk

Town of Ocean Isle Beach
Action Agenda Item

Meeting Date: September 11th, 2018
Action Number: Consent Agenda Item #2

Issue/Action Requested: Approval of ABC Board Travel Policy
Public Hearing: ☐yes ☒X no ☐N/A

Background/Purpose of Request:
ABC Boards that have elected to adopt the appointing authority’s travel policy must have an approval annually from the appointing authority. Prior year approvals do not meet this requirement per G.S. 18B-700 (g2).

A copy of the Town’s travel policy is included for review.

Fiscal Impact: N/A

Budget Amendment Required: ☐yes ☐no
Review by Finance Director: ☐yes ☐no
Total from Budget: \$

Contracts/Agreements:
Reviewed by Town Attorney: ☐yes ☐no ☐N/A

Staff Action: Staff recommends approval of policy as presented.

Page 1 of 1

OIB ABC

From: "McLean, Moniqua S" <moniqua.mclean@abc.nc.gov>
Date: Tuesday, August 28, 2018 10:48 AM
Subject: Travel Policy Approvals

Bcc: ABC Boards

Reminder:

ABC Boards that have elected to adopt the appointing authority's travel policy must have an approval annually from the appointing authority. The annual approval must be in written form (letter from the appointing authority or copy of board minutes) and apply to the upcoming year. Prior year approvals do not meet this requirement.

Please forward approvals once received. If the appointing authority's travel policy has changed, please include a copy.

G.S. 18B-700 (g2) states, "...the local board shall annually provide the appointing authority's written confirmation of such approval to the Commission and a copy of the travel policy authorized by the appointing authority."

If you have already submitted the approvals for this year, please disregard. If you have additional questions, please see below for the contact information.

Thank you.

Moniqua S. McLean, MAFM
ABC Board Auditor


State of North Carolina
Department of Public Safety
NC Alcoholic Beverage Control Commission
4307 Mail Service Center
Raleigh, NC 27699-4307

Office: 919-779-8365
Mobile: 919-418-4825
Fax: 919-661-5927

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

Email correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.

8/28/2018

	ADMINISTRATIVE POLICIES AND PROCEDURES			SUBJECT:
	NUMBER	REVISIONS	EFFECTIVE DATE	TRAVEL PAGE:
	1002	UPDATED	07/01/18	1 OF 1
	SUPERSEDES	APPROVED BY:		
	0	DEBBIE SMITH, MAYOR DAISY IVEY, TOWN ADMINISTRATOR		

PURPOSE

It is the intent of this policy to provide Town employees and agencies a comprehensive reference for uniform interpretation of payment or reimbursement for travel expenses pertaining to official travel and subsistence.

DEPARTMENTS AFFECTED

All Town Departments and Employees

POLICY

This policy outlines procedures for Travel

GENERAL REGULATIONS

Expense reports shall be submitted a minimum of two full working days prior to trip departure in order to receive an advance for travel or a minimum of two working days immediately following return from trip for reimbursement.

Reimbursement is not permitted for expenses which are also reimbursed by other sources.

All reimbursement of travel is contingent upon the availability of funds in the program's budgeted line item.

Prior written approval is required to travel outside of the 50-mile radius regardless of whether overnight lodging cost is incurred. Sufficient attendance documentation should be attached to travel request.

This travel policy is applicable to all employees conducting official business or activity of the Town.

ADVANCES FOR TRAVEL AND SUBSISTENCE

An advance for reimbursement may be made provided it does not exceed the allowable reimbursable expenses listed in table below, plus estimated cost of motel and fuel or mileage expense. An expense report plus receipts for lodging and fuel (if driving Town Vehicle) shall be submitted immediately after returning from a trip and advancement (if previously made) will be adjusted accordingly. Net advancement will not exceed receipts previously mentioned for actual expenses plus allowable allotment

for food and mileage (if personal vehicle is driven).

1. Allowable Reimbursable Expenses are as follows:

Food (These rates include all food, taxes and tips for meals)

Breakfast	\$11.00
Lunch	\$12.00
Dinner	\$23.00
Incidentals	\$5.00

Reimbursement will not be provided for any alcoholic beverages.

Mileage – Reimbursement for the use of a personal automobile for official business shall be at the prevailing State governmental rate. Mileage rate shall be considered as full reimbursement for all costs incurred in the operation of a privately owned automobile except for road, bridge and ferry tolls.

Lodging – Estimated advancement for lodging may be requested prior to trip departure. Upon return from trip, reimbursement will be made or advancement will be adjusted for lodging according to receipt for actual motel expenses.

2. A breakfast meal will not be reimbursed unless the employee departs prior to 7:00AM. A dinner meal will not be reimbursed unless the employee returns after 7:00PM. In each case, if a breakfast and/or dinner meal is claimed, a statement setting forth the circumstances regarding the early and/or late departure must accompany the request for reimbursement.
3. Each meal reimbursement must be listed on the expense requisition.
4. A receipt for motel expenses must be attached to the employees' expense report to substantiate the overnight lodging was necessary and accomplished.
5. Reimbursement will not be allowed for laundry, entertainment, alcoholic beverages, set-ups, snacks and other personal expenses.
6. Reimbursement is allowed for official telephone calls under "Other Expenses". Calls must be identified as to origin and destination.

TRAVEL WITHIN THE 50 MILE RADIUS

No lodging is reimbursable if it is incurred within fifty (50) miles of the city limits of Ocean Isle Beach, unless approved as part of a formal assembly.

COMMERCIAL AIRLINES

Reimbursement or advancement shall be for all coach or tourist unless such accommodations are not available. Ticket must be attached to expense report. An employee should not request reimbursement for a meal served during commercial airline flights. Such costs are included in the price of the ticket.

REGISTRATION FEES

Reimbursement or advancement will be contingent upon the availability of funds and approval by Mayor, Town Administrator, Police Chief or Fire Chief.

ORDINARY AND NECESSARY EXPENSE

Each item of expense submitted for reimbursement or advancement should be subjected to the test of being ordinary, necessary, reasonable and in accordance with the above regulations.

POLICY APPROVED AND IMPLEMENTED BY THE BOARD OF COMMISSIONERS ON
SEPTEMBER 9, 2000 AND HAS BEEN REFORMATED IN THE CURRENT POLICY FORMAT.

Daisy Ivey, Town Administrator

**Town of Ocean Isle Beach
Action Agenda Item**

Meeting Date: September 11th, 2018
Action Number: Consent Agenda Item #3

Issue/Action Requested: **Public Hearing:** ☐ yes ☒ no ☐ N/A
Adoption of Resolution 2018-22 in Support of Domestic Violence Awareness Month – October 2018 – Hope Harbor Home

Background/Purpose of Request:
Hope Harbor Home of Brunswick County is requesting approval of a Resolution of Support from the Town of Ocean Isle Beach Board of Commissioners regarding the observance of Domestic Violence Awareness Month (October 2018)

Items included for review:
• Copy of Resolution 2018-22

Fiscal Impact: N/A

Budget Amendment Required: ☐ yes ☐ no
Review by Finance Director: ☐ yes ☐ no
Total from Budget: \$

Contracts/Agreements:
Reviewed by Town Attorney: ☐ yes ☐ no ☐ N/A

Staff Action: Staff recommends approval of Resolution 2018-22



Town of Ocean Isle Beach

Resolution No. 2018 - 22
Date Adopted: September 11th, 2018

**RESOLUTION OF SUPPORT FOR
DOMESTIC VIOLENCE AWARENESS MONTH – HOPE HARBOR HOME
OCTOBER 2018**

WHEREAS, Domestic Violence Awareness Month, also known as DVAM originated from the "Day of Unity" that was held in October of 1981 and was conceived by the National Coalition Against Domestic Violence. This single day quickly evolved into an entire week and in 1987 the first Domestic Violence Awareness Month was observed, and;

WHEREAS, Domestic Violence Awareness Month founders began this initiative to connect advocates across the nation who were already working to end violence against women and their children. The goal was to bring together these individuals in a group effort to have a stronger voice against violence, and;

WHEREAS, The, now month, of awareness is full of activities to make it known to each participating community these serious issues that our nation is undergoing. It is also an opportunity to let them know the resources available to them in the case that they were to need help, and;

WHEREAS, The advocates and staff at Hope Harbor Home take great pride in this month of activities and see it as an opportunity to reach more people in Brunswick County who may be looking for help. HHH has been in operation for over 30 years and in those years has served thousands of women, men, and children.

NOW THEREFORE, BE IT RESOLVED, that the Town Ocean Isle Beach Board of Commissioners supports the observance of Domestic Violence Awareness Month, October 2018, and recognizes that Domestic Violence Awareness Month sends a clear, much needed, message that Brunswick County, NC is united against Violence.

This the 11th day of September, 2018.

Debbie S. Smith, Mayor

ATTEST: _____
Casey E. Reeves, Town Clerk

**Town of Ocean Isle Beach
Action Agenda Item**

Meeting Date: September 11th, 2018
Action Number: Old Business Item #1

Issue/Action Requested: _____ **Public Hearing:** ☒ **yes** ☐ **N/A**
Discussion and Review of Text Amendment Application – OIB Development, LLC

Background/Purpose of Request:

Board will review and discuss Planning Board Recommendations for Text Amendment Application submitted by OIB Development, LLC regarding modifications to Section 49-33 – Stormwater Requirements and scheduling of a Public Hearing on October 9th, 2018.

The applicant wishes to exclude subdivisions and PUDs within the Town Limits on the mainland from complying with the individual Stormwater requirements contained within Chapter 49 of the Town Code of Ordinances if the development meets certain criteria.

Items included for Review:

- *Planning Board Recommendations*
- *Draft Language*
- *Text Amendment Application*

Fiscal Impact: N/A

Budget Amendment Required: ☐ **yes** ☐ **no**
Review by Finance Director: ☐ **yes** ☐ **no**
Total from Budget: \$ _____

Contracts/Agreements:

Reviewed by Town Attorney: ☐ **yes** ☐ **no**

Advisory Board Recommendation: N/A

Staff Action:



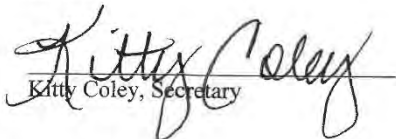
TO: Mayor Smith and Board of Commissioners
FROM: Planning Board
DATE: September 4, 2018
SUBJECT: RECOMMENDATIONS FROM PLANNING BOARD

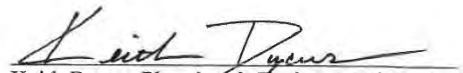
The following report reflects the recommendations of the Planning Board during their meeting held on the 21st day of August, 2018:

1. The Planning Board recommended the proposed amendment regarding modification to Section 49-33 – Stormwater Requirements.

Additions are double-underlined.

Attest:


Kitty Coley, Secretary


Keith Dycus, Planning & Zoning Administrator

Sec. 49-33. - Same—Stormwater requirements.

All development activities within the jurisdiction of the Town of Ocean Isle Beach shall manage stormwater as follows:

- (1) Runoff from all new development, regardless of size, shall approximate the rate of flow and timing of runoff that would have occurred following the same rainfall under predevelopment conditions for the 24-hour ten-year frequency rainfall events.
- (2) Control systems must be infiltration systems designed in accordance with section 49.34 to control the runoff from all surfaces generated by the first inch and one-half inches of rainfall along with the requirements from paragraph (1) above. Alternatives as described in section 49-34 may also be approved if they do not discharge to surface waters in response to the design storm;
 - a. Development shall be approved if the following conditions are met:
 1. No direct outlet channels or pipes to SA waters unless permitted in accordance with 15A NCAC 2H .0126;
 2. Control systems must be infiltration systems designed in accordance with section 49.34 to control the runoff from all surfaces generated by the ten-year frequency rainfall event. Alternatives as described in section 49-34 may also be approved if they do not discharge to surface waters in response to the design storm;
 3. Runoff in excess of the design volume must flow overland through a vegetative filter, designed in accordance with section 49-34.

(3) Subdivisions and planned unit developments located within the Town Limits on the mainland which are served by a NCDEQ permitted stormwater facility that meets paragraphs (1) and (2) above, are designed with all impervious areas draining to a collection system (by pipe or open channel), and that have an established homeowners or property owner's association that is responsible for stormwater management, shall be exempt from the individual lot requirements contained in this chapter.

(Ord. of 11-14-00, § 12.2; Ord. of 9-9-2003(2), §§ 4, 5)

**Town of Ocean Isle Beach
Action Agenda Item**

Meeting Date: August 21, 2018

Action Number: Agenda Item New Business # 1

Issue/Action Requested: Public Hearing: ☐ yes ☐ no ☒ X_N/A

Discussion and Review of a Text Amendment Application submitted by OIB Development, LLC regarding modifications to Section 49-33

Background/Purpose of Request:

Board will review a Text Amendment Application submitted by OIB Development, LLC regarding modifications to Section 49-33 – Stormwater Requirements. The applicant wishes to exclude subdivisions and Planned Unit Developments within the Town Limits on the mainland from complying with the individual lot stormwater requirements contained within Chapter 49 if the development meets certain criteria.

Items attached for review:

- Text Amendment Application
- Draft Language Submitted by Applicant
- Draft Language Submitted by Staff

Fiscal Impact:

Budget Amendment Required: ☐ yes ☐ no

Review by Finance Director: ☐ yes ☐ no

Total from Budget: \$ _____

Contracts/Agreements:

Reviewed by Town Attorney: ☐ yes ☐ no ☒ X_N/A

Advisory Board Recommendation:

Staff Action:



Zoning Ordinance
Text Amendment Application

Town of Ocean Isle Beach
Planning Department
3 West Third Street
Ocean Isle Beach, NC 28469
Phone: 910-579-3469
Fax: 910-579-2940

FEE: \$250.00

Fees are subject to change without notice

All pages must be completely filled out before application is accepted. For assistance filling out this application, contact the Planning Department.

To the Board of Commissioners and Planning Board of the Town of Ocean Isle Beach:

I, OIB Development, LLC, do hereby make an application to change the Zoning Ordinance of the Town of Ocean Isle Beach as herein requested.

Amend Article 49 Section 33 as follows:
See Attached

PLEASE USE AN ATTACHMENT IF NECESSARY

Applicant Information

Name: OIB Development, LLC - Andrew Smith
Mailing Address: 60 Gregory Road, Suite 7
City/State/Zip: Belville, NC 28451
Phone: 910-200-1959
Alternate phone: 910-520-1971
Email: ASmith@LoganHomes.com

STANDARD OPERATING PROCEDURES REGARDING TEXT AMENDMENTS ON PAGE 2



"For PUD developments on the mainland: that are served by a NCDEQ permitted stormwater facility, that meet Section 49-33 of the Town Ordinance, that are designed with all impervious areas draining to a collection system (by pipe or open channel), and that has an established HOA/POA is exempt from individual lot stormwater provision that is part of Section 49-30 of the Town ordinance"

**Town of Ocean Isle Beach
Action Agenda Item**

Meeting Date: September 11th, 2018

Action Number: New Business Item #1

Issue/Action Requested: _____ **Public Hearing:** ☐ yes ☐ no ☒ N/A

Discussion and Review of Request to Install No Parking Signs – Driftwood Dr.

Background/Purpose of Request:

Board will review and discuss request from Jeannie Steward for “No Parking” signs to be installed along Driftwood Drive on West End of the island.

Items attached for review:

- Letter from resident

Fiscal Impact: N/A

Budget Amendment Required: ☐ yes ☐ no

Review by Finance Director: ☐ yes ☐ no

Total from Budget: \$ _____

Contracts/Agreements:

Reviewed by Town Attorney: ☐ yes ☐ no

Staff Action: _____

Casey Reeves

From: Debbie Sloane Smith <debbie@sloanerealty.com>
Sent: Friday, August 24, 2018 8:04 AM
To: Casey Reeves
Subject: Fwd: Driftwood No Parking Sign

Debbie Smith

Begin forwarded message:

Resent-From: <mayer@oibgov.com>
From: Jeannie Steward <jmtaylor80@gmail.com>
Date: August 23, 2018 at 2:24:10 PM EDT
To: daisy@oibgov.com, mayer@oibgov.com, carolynblythe58@gmail.com, betty@williamsonrealty.com, oibbob@gmail.com, dwaltersgroup@atmc.net
Subject: Driftwood No Parking Sign

Good afternoon all -

Last year we were pleasantly surprised when the Town installed signs along 1st Street & cross streets, however I was puzzled as to why Driftwood was overlooked. I called the Town with my inquiry, and was told at the time the Town had no plans to install signs along Driftwood, however I could put in a request and it would be considered. At this time I would like to formally submit a second request to put No Parking signs along Driftwood. We would like our cross street to have the same signage as every other cross street on the west side. All cross street should be uniform with signage to avoid confusion from renters & visitors who take it upon themselves to park in any non-signed space that's available. We often have individuals parking in our driveway and in front of our home when we aren't home without consequences from the police or town. I believe uniform signage on all streets could help avoid this confusion.

Thank you for listening to my request.

Jeannie Steward
221 W 1st Street

Sent from my iPhone

**Town of Ocean Isle Beach
Action Agenda Item**

Meeting Date: September 11th, 2018
Action Number: New Business Item #2

Issue/Action Requested: **Public Hearing:** ☐ yes ☐ no ☒ N/A
Discussion and Approval of Request for Group Activity – 2nd Helping OIB Fall Fun Day (Fundraiser)

Background/Purpose of Request:

Brunswick Family Assistance is requesting approval of Group Activity Application to conduct the 2nd Helping OIB Fall Fun Day (Fundraiser) on November 10th, 2018 from 8:00am-7:00pm at Pelican's Perch. Fundraiser proceeds will benefit the BFA "Summer Back Pack" program for children who have limited access to food when school is out for summer vacation. Applicant has requested use of Town Property beside museum for parking and Staff is awaiting confirmation from the Applicant regarding the location of overflow parking. Applicant has requested waiver of fee due to non-profit status (\$250) and will provide signed Indemnity Agreement and Proof of Liability Insurance naming the Town as Additional Insured prior to the event.

Fiscal Impact: N/A

Budget Amendment Required: ☐ yes ☐ no
Review by Finance Director: ☐ yes ☐ no
Total from Budget: \$ _____

Contracts/Agreements:

Reviewed by Town Attorney: ☐ yes ☐ no

Staff Action: Staff recommends approval of event and waiver of fee



Group Activity Request Checklist

Event Name: 2nd Helping OIB Fall Fun Day (Fundraiser)

Event Location: The Pelican's Perch

Event Description: Yard Sale, Bar-b-que, Cornhole Tournament, and live band

Event Contact: Sarah & Nick Walters (336) 675-6739

Sponsor: Brunswick Family Assistance

Date: November 10, 2018

Alternate Date: None indicated

Hours: 8:00 am – 7:00 pm

Comments:

Estimated Attendance: 100

☐ **Permit Fee Paid**

○ **Comments:** Request for waiver due to non-profit status

☒ **Permission Letters from Property Owners**

○ **Comments:** Request permission to use vacant lot adjacent to Museum for parking.

Concessions:

☒ **Yes**

☐ **No**

○ **Comments:** BBQ for a donation

Brunswick County Health Dept. Approval

☐ **Yes**

☐ **No**

☒ **N/A**

○ **Comments:**

Alcoholic Beverages:

☒ **Yes**

☐ **No**

○ **Comments:** Through the existing restaurant

ABC Permit Obtained:

☒ **Yes**

☐ **No**

☐ **N/A**

○ **Comments:**

- ☐ Site Plan & Layout of Activities Provided
- ☐ Sanitary Facilities Provided
- ☐ Garbage Disposal Arranged
- ☐ Parking Plan Provided
 - o Comments: Working for additional parking area
- ☐ Compliance with Sign Regulations
 - o Comments: None listed.

Preliminary Review & Approval

- ☐ Police Chief
 - o Comments: No comments
- ☐ Fire Chief
 - o Comments: No comments
- ☐ Public Utilities Director
 - o Comments: No comments
- ☐ Building Inspector
 - o Comments: No comments

Comments/Conditions Recommended by Staff:

Staff recommends approval of event along with the waiver of the permit fee (\$250). Staff is awaiting confirmation from the applicant of the location of overflow parking.

Casey Reeves

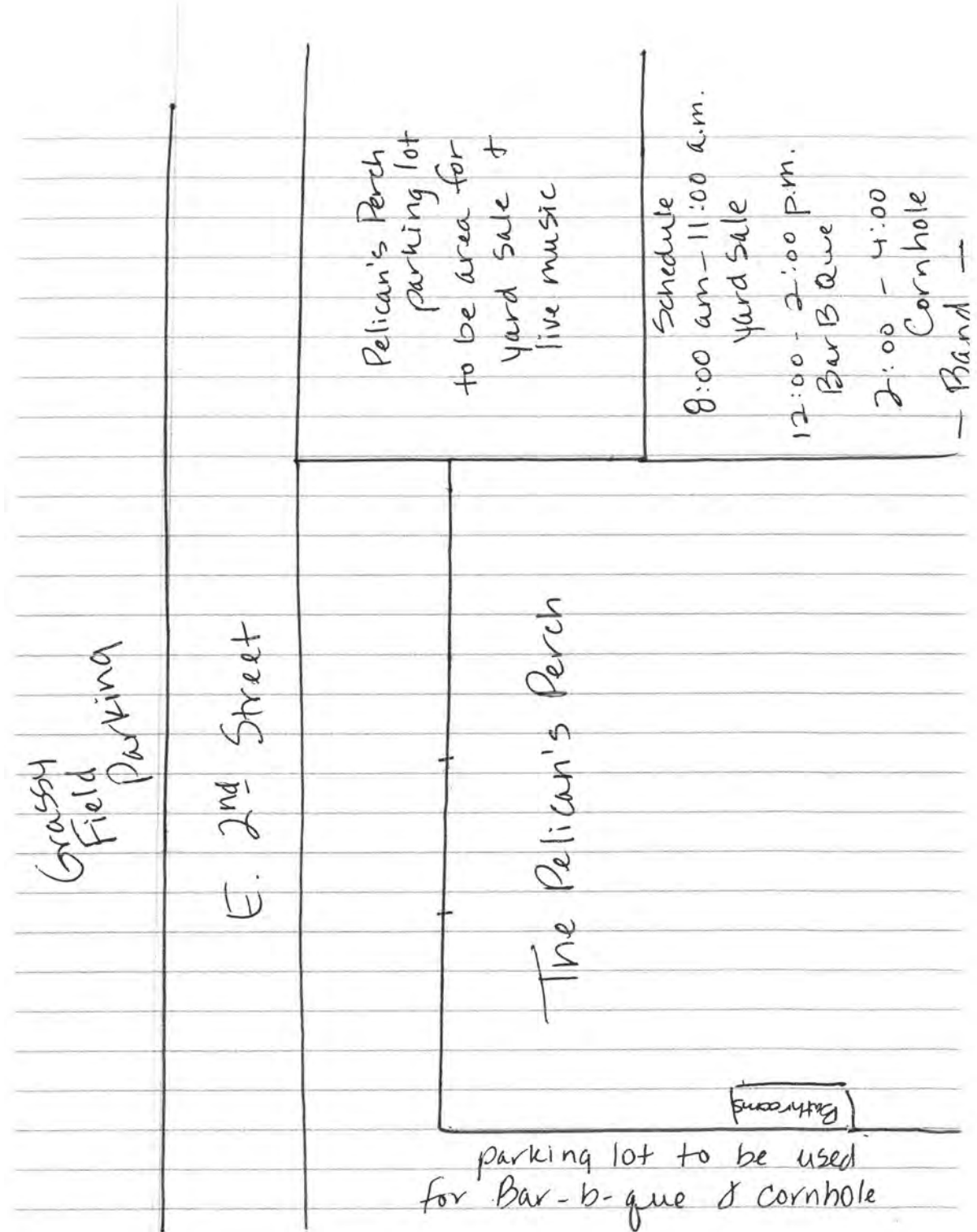
From: Teresa Gibson <teresagibsonlaw@gmail.com>
Sent: Wednesday, August 29, 2018 10:08 AM
To: Casey Reeves
Cc: rebeccapowell@allstate.com; Sarah
Subject: 2nd Helping OIB Fall Fun Day - 11/10/2018

TO: TOWN OF OIB

Our charity project, 2nd Helping OIB, will be holding an event "2nd Helping OIB Fall Fun Day" on November 10, 2018. The Pelican's Perch has kindly offered their venue for this charity event. All proceeds from the yard sale, corn hole tournament and donations for bar-b-que will go directly to 2nd Helping OIB to help Brunswick Family Assistance with a summer back-pack program for the children when school is out and the kids in need in Brunswick County are not getting food from school, either thru lunches or the regular backpack program.

We appreciate your consideration of approval for this event, as it is so needs for our kids.
Thank you.

2nd Helping OIB



Town of Ocean Isle Beach
Action Agenda Item

Meeting Date:
September 11th, 2018

Action Number:
New Business Item #3

Issue/Action Requested:

Public Hearing:
yes
no
X
N/A

Discussion and Review of Amendment to Town Ordinance – Sec. 54-72. - Beach Vehicular Traffic

Background/Purpose of Request:

Board will discuss approval of an amendment to the Town Code of Ordinances – Sec. 54-72 regarding permissible times for bicycles on the beach strand. The current ordinance states bicycles are prohibited on the beach strand from April 30th - October 1st of each calendar year. Proposed amendment would reduce the window of time bicycles are prohibited to Memorial Day – Labor Day.

Items included for review:

- Draft Amendment to Ordinance

Fiscal Impact:
N/A

Budget Amendment Required:

Review by Finance Director:

Total from Budget:

yes
no

yes
no

\$

Contracts/Agreements:

Reviewed by Town Attorney:

yes
no

Staff Action:
Staff recommends approval of amendment



Town of Ocean Isle Beach

Resolution No. 2018-23
Date Adopted: September 11, 2018

**AN AMENDMENT TO SECTION 54-72 OF TOWN CODE OF ORDINANCES
REGARDING BEACH VEHICULAR TRAFFIC**

WHEREAS, the Town has enacted an ordinance regulating vehicular traffic on the beaches and the dune areas of the town; and

WHEREAS, the Board of Commissioners of the Town of Ocean Isle Beach support measures to assure safety, enjoyment, and well-being of residents, guests and visitors of the Town; and

WHEREAS, the Board of Commissioners has the responsibility to serve the general needs of the community by making appropriate revisions to the Town's ordinance; and

WHEREAS, this amendment is both reasonable and in the public interest;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF OCEAN ISLE BEACH to modify the Town's Ordinance as follows:

1. That section 54-72 be amended to read as follows:

Sec. 54-72. - Beach vehicular traffic.

- a. It shall be unlawful to operate any automobile, off-road vehicle, motorcycle, wind-powered, battery-powered, or motor-powered vehicle, or other vehicle (including but not limited to ~~bicycles, trieycles,~~ golf carts, ~~or~~ dune buggies) on the beaches and the dune areas of the town; ~~however, individuals may operate bicyeles.~~ **Bicycles are prohibited** on the beach strand from ~~a period from October 1 through April 30~~ **Memorial Day to Labor Day** of each calendar year.
 - b. The provisions of this section shall not apply to municipal employees, municipal vehicles or their drivers who may be required to enter upon the beach in the performance of their duties; nor shall this section apply to a governmental agency, its employees, agents, contractors and subcontractors, and their vehicles when engaged in beach restoration or protection work.
2. That except as may be modified herein, all other terms and conditions in said ordinance shall remain in full force and effect. That this modification shall take place immediately.
 3. That the clerk shall place a copy of this ordinance in the Town's ordinance book and shall provide a copy to the codification company when modifications are made in the future.



Town of Ocean Isle Beach

Resolution No. 2018-23
Date Adopted: September 11, 2018

This resolution adopted this the 11th day of September 2018.

Debbie S. Smith, Mayor

ATTEST:

Casey E. Reeves, Town Clerk

Sec. 54-72. - Beach vehicular traffic.

- (a) It shall be unlawful to operate any automobile, off-road vehicle, motorcycle, wind-powered, battery-powered, or motor-powered vehicle, or other vehicle (including but not limited to bicycles, tricycles, golf carts, or dune buggies) on the beaches and the dune areas of the town; ~~however, individuals may operate bicycles.~~ **Bicycles are prohibited** on the beach strand from a period from October 1 through April 30 **Memorial Day to Labor Day** of each calendar year.
- (b) The provisions of this section shall not apply to municipal employees, municipal vehicles or their drivers who may be required to enter upon the beach in the performance of their duties; nor shall this section apply to a governmental agency, its employees, agents, contractors and subcontractors, and their vehicles when engaged in beach restoration or protection work.

(Code 1983, § 5-1-4)

Town of Ocean Isle Beach
Action Agenda Item

Meeting Date: September 11th, 2018
Action Number: New Business Item #4

Issue/Action Requested: Public Hearing: ☐yes ☐no ☒N/A
Discussion and Review of Public Hearing Issue - Adoption of a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement - Tract 6 of Parcel #257DH00407

Background/Purpose of Request:
Board will discuss Adoption of a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement - Tract 6 of Parcel #257DH00407 (5 W. Third Street) for use as Town Parking/Open Space Area

- Items included for review:
- Draft Resolution 2018-21
 - Notice of Public Hearing
 - RFP for Installment Financing Agreement
 - Distribution List
 - Offer to Purchase

Fiscal Impact: N/A

Budget Amendment Required: ☐yes ☐no
Review by Finance Director: ☒yes ☐no
Total from Budget: \$

Contracts/Agreements:
Reviewed by Town Attorney: ☒yes ☐no

Staff Action:

Casey Reeves

From: Daisy Ivey
Sent: Tuesday, August 21, 2018 2:43 PM
To: Betty S. Williamson; Bob Williams (oibbob@gmail.com); Carolyn Blythe; Dean Walters; Debbie Smith at Sloane Realty; Wayne Rowell (oibwayne@gmail.com)
Cc: Justin Whiteside; Casey Reeves; Robin Farmer
Subject: LGC Approval and Financing Documents

Follow Up Flag: Follow up
Flag Status: Completed

Per the direction of the Board during the August executive session, the Mayor has received verbal approval of the Town's offer in regards to the property located adjacent to Town Hall. Therefore, we will be proceeding with the process to secure financing for this property. A preliminary conference has been held with the LGC and we are hoping to have the loan closed prior to December. In order to submit the application for approval to the LGC the following things will need to occur:

- Appraisal of Property (I have contacted Jim McNeil/Mike Powell) to perform this appraisal
- A public hearing and adoption of resolution authorizing the filing of an application for approval of financing agreement must be held and approved by the Board before application package is submitted to the LGC for approval. This public hearing and resolution will occur at the September 11th meeting.
- A request for proposal for Installment Financing has been sent to the following banks: First Bank, BB&T, CresCom and First Citizens.

There will be other steps in this process but this we get us well on our way. If you have any questions of concerns, please feel free to contact my office.



Daisy L. Ivey
Town Administrator/Finance Officer
Town of Ocean Isle Beach
3 W Third Street, Ocean Isle Beach, NC 28469
PH: 910-579-2166 Fax: 910-579-5529
[*daisy@oibgov.com*](mailto:daisy@oibgov.com)



**TOWN OF OCEAN ISLE BEACH
NOTICE OF PUBLIC HEARING**

Please take notice a Public Hearing will be held on September 11, 2018 beginning at 8:45 AM in the Betty S. Williamson Meeting Hall, Three West Third Street, Ocean Isle Beach, NC.

The purpose of this hearing is to solicit public comment with regards to the following:

The Board of Commissioners intends to adopt a resolution authorizing the filing of an application for approval of a financing agreement authorized by North Carolina General Statute 160A-20 for the purchase of a tract of property shown as Tract 6 of Parcel #257DH00407 as shown on Exhibit A recorded in Book 3229 at Page 0832 of the Brunswick County Register of Deeds, for use as Town Parking/Open Space Area in order to better serve the citizens of the Town.

All interested persons are invited to attend and provide comment.

Casey E. Reeves, Town Clerk



Town of Ocean Isle Beach

Resolution No. 2018 - 21

Date Adopted: September 11th, 2018

RESOLUTION

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

WHEREAS, the Town of Ocean Isle Beach, North Carolina desires to purchase a tract of property for use as Town Parking/Open Space in an amount to be financed of \$1,000,000 for a ten-year amortization period in order to better serve the citizens of Ocean Isle Beach, North Carolina; and

WHEREAS, the Town of Ocean Isle Beach, North Carolina desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

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

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Town of Ocean Isle Beach, North Carolina, meeting in regular session on the 11th day of September, 2018, make the following finding of fact:

1. The proposed contract is necessary or expedient because the Town wishes to preserve open space and property necessary for future parking and accessibility by the Town.
2. The proposed contract is preferable to a bond issue for the same purpose because the cost of the proposed undertaking exceeds the amount that can be prudently raised from current available appropriations and unappropriated fund balances. The relative informality as well as the low issuance costs of this type of financing is also more practicable than that of a bond issue.
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the amount in is in line with the sale of other similar surrounding properties.
4. The Town of Ocean Isle Beach's debt management procedures and policies are sound because the Town's budget and financing programs have been carried out in strict compliance with the law.
5. No increase in taxes will be necessary to meet the sums to fall due under the proposed contract.

Town of Ocean Isle Beach

Resolution No. 2018 - 21
Date Adopted: September 11th, 2018

6. The Town of Ocean Isle Beach, North Carolina, is not in default in any of its debt service obligations.
7. The Attorney for the Town of Ocean Isle Beach, North Carolina, has rendered an opinion that the proposed project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Officer is hereby authorized to act on behalf of the Town of Ocean Isle Beach, North Carolina in filing an application with the North Carolina Local Government Commission for approval of the project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 11th day of September, 2018.

The motion to adopt this resolution was made by Commissioner _____
with a second by Commissioner _____ and passed by a vote of _____.

(SEAL)

Debbie S. Smith, Mayor

ATTEST:

Casey Reeves, Town Clerk

This is to certify that this is a true and accurate copy of Resolution No. 2018-21
Adopted by the Town of Ocean Isle Beach Board of Commissioners on the 11th day of September,
2018.

DATED: _____

Casey Reeves, Town Clerk



August 21, 2018

To the Persons Shown on the Attached Distribution List

RE: Request for Proposal for Installment Financing Agreement

The Town of Ocean Isle Beach, North Carolina desires to enter into an installment financing agreement pursuant to NCGS 160A-20 in the principal amount not to exceed \$1,000,000 for the purpose of financing the cost of the project described below. The Town of Ocean Isle Beach is soliciting your proposal to provide the necessary financing for this project, subject to the terms and conditions set forth in this Request for Proposal.

A. Pertinent Information

The Project consists of the purchase of property shown as Tract 6 of Parcel#257DH00407 as shown on Exhibit A recorded in Book 3229 at Page 0832 of the Brunswick County Register of Deeds, for use as Town Parking/OpenSpace Area in order to better serve the citizens of the Town.
(Copy of Map Attached for Reference)

The Town of Ocean Isle Beach expects to obtain Local Government Commission approval of the installment financing agreement on November 6, 2018.

B. *Contract Specifications*

1. The desired amount of the financing is not to exceed \$1,000,000.
2. The desired term of the financing is ten years. The Town of Ocean Isle Beach desires the debt service payment schedule to reflect amortization over a ten-year period.
3. Installment payments are to be made annually.
4. The interest rate shall be fixed for the term of the loan.
5. The interest rate proposed must be guaranteed for at least sixty (60) days. The Town desires to close the transaction by November 30, 2018.
6. Prepayment terms will be negotiated between the Town and the successful bidder. The Town desires prepayment of principal at any time without penalty.
7. The Town's obligation under the installment financing agreement will be secured by a deed of trust or security interest in all or a portion of the project being financed as negotiated between the Town and the successful bidder. No deficiency judgement may be rendered against the Town for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the Town will not be pledged to secure repayment thereunder.
8. The Installment Financing Agreement must not contain a non-substitution clause and there must be a non-appropriation clause in the installment financing agreement.

C. *Submission of Proposal*

Two copies of your proposal must be received by 12:00 PM on September 18, 2018, at the office of Daisy Ivey, Finance Officer, Three West Third Street, Ocean Isle Beach, NC 28469. You may also submit your proposal via email transmission to Daisy Ivey (daisy@oibgov.com).

Proposals must specify at a minimum the following information.

1. The term of the financing.
2. The interest rate.
3. The terms of repayment. Please attach a sample debt service schedule.
4. Proposed terms for optional prepayment. Please also state whether you would allow a prepayment of principal without interest.

5. A list of all additional costs to be associated with this transaction, including origination fees, escrow fees, counsel fees, etc. State whether or not any of such fees or expenses will be capped.
6. A statement to the effect that the bank agrees to the contract specifications set forth in Part B of this Request for Proposal.
7. Proposed collateral to secure financing and the method for creating the lien or security interest in such collateral.
8. Bids should be based on gross funding of the Project (without consideration of investment earnings.)

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

If further information is needed or if you have any questions regarding this Request for Proposal, please contact Daisy Ivey at 910-579-2166 or by email at daisy@oibgov.com.

Thank you in advance for your consideration of this proposal.

TOWN OF OCEAN ISLE BEACH

Daisy L. Ivey
Town Administrator/Finance Officer



**BANKING DISTRIBUTION LIST
RFP DATED August 21, 2018
PROPERTY PURCHASE**

BB&T Governmental Finance
Allison W. Peeler
Post Office Box 710
Snow Camp, NC 27349
336-376-0254
APeeler@BBandT.com

CresCom Bank
Marshall Cooper
115 North Third St. Suite 101
Wilmington, NC 28401
910-520-1831
mcooper@haveanicebank.com

First Bank
Vickie Williamson
Post Office Box 6629
Ocean Isle Beach, NC 28469
910-575-5066
vwilliamson@localfirstbank.com

First Citizens
Allen Bryant
800 Sunset Blvd. North
Sunset Beach, NC 28468
910-575-9460
allen.bryant@firstcitizens.com

First National Bank
PO Box 3288
Shallotte, NC 28459
910-754-4371
formyduvala@fnb-corp.com

Casey Reeves

From: Daisy Ivey
Sent: Monday, August 27, 2018 5:17 PM
To: Betty S. Williamson; Bob Williams (oibbob@gmail.com); Carolyn Blythe; Dean Walters; Debbie Smith at Sloane Realty; Wayne Rowell (oibwayne@gmail.com)
Cc: Casey Reeves
Subject: FW: Contract for Purchase Property Beside Town Hall
Attachments: Town of OIB Offer to Purchase and Contract 8.24.2018 .pdf

The Mayor was successful in negotiating the offer to purchase for the property located adjacent to Town Hall. We will be officially adopting the resolution for filing of application for financing seeking LGC approval and advertise for banking proposals at our September meeting.

From: Debbie Sloane Smith [mailto:debbie@sloanerealty.com]
Sent: Sunday, August 26, 2018 7:24 PM
To: Daisy Ivey <daisy@oibgov.com>
Subject: Fwd: Contract for Purchase Property Beside Town Hall

Debbie Smith

Begin forwarded message:

From: "LaDane Williamson" <ladane@ladane.com>
Date: August 24, 2018 at 3:09:53 PM EDT
To: "Debbie Smith" <debbie@sloanerealty.com>
Cc: "DeCarol Williamson" <dwetheboss@gmail.com>, "Jordan Cline" <jordan@dwenterprises.net>, betty.lcoib@gmail.com
Subject: Contract for Purchase Property Beside Town Hall

Thank you.
Please let me know received.

LaDane

RESPONSE FROM THE TOWN OF OCEAN ISLE BEACH

OFFER TO PURCHASE AND CONTRACT - VACANT LOT/LAND

[Consult "Guidelines" (form 12G) for guidance in completing this form]

NOTE: This contract is intended for unimproved real property that Buyer will purchase only for personal use and does not have immediate plans to subdivide. It should not be used to sell property that is being subdivided unless the property has been platted, properly approved and recorded with the register of deeds as of the date of the contract. If Seller is Buyer's builder and the sale involves the construction of a new single family dwelling prior to closing, use the standard Offer to Purchase and Contract—New Construction (Form 800-T) or, if the construction is completed, use the Offer to Purchase and Contract (Form 2-T) with the New Construction Addendum (Form 2A3-T).

For valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Buyer offers to purchase and Seller upon acceptance agrees to sell and convey the Property on the terms and conditions of this Offer To Purchase and Contract and any addendum or modification made in accordance with its terms (together the "Contract").

1. **TERMS AND DEFINITIONS:** The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Seller": LW Legacy Assets LLC and, DW Legacy Assets LLC

(b) "Buyer": Town of Ocean Isle Beach

(c) "Property": The Property shall include all that real estate described below together with all appurtenances thereto including the improvements located thereon.

NOTE: If the Property will include a manufactured (mobile) home(s), Buyer and Seller should consider including the **Manufactured (Mobile) Home** provision in the Additional Provisions Addendum (Standard Form 2A11-T) with this offer.

Street Address: 5 W First St

City: Ocean Isle Beach

Zip: 28469

County: Brunswick, North Carolina

NOTE: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown.

Legal Description: (Complete ALL applicable)

Plat Reference: Lot/Unit _____, Block/Section _____, Subdivision/Condominium _____, as shown on Plat Book/Slide _____ at Page(s) _____

The PIN/PID or other identification number of the Property is: Part PIN 106520905746, Parcel 257DH00407

Other description: See EXHIBIT A

Some or all of the Property may be described in Deed Book 3352 at Page 0156

(d) "Purchase Price":

\$ 1,000,000.00

\$ _____

\$ 10,000.00

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ 990,000.00

paid in U.S. Dollars upon the following terms:

BY DUE DILIGENCE FEE made payable and delivered to Seller by the Effective Date.
BY INITIAL EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) by ☐ cash ☒ personal check ☐ official bank check ☐ wire transfer, ☐ electronic transfer, EITHER ☐ with this offer OR ☒ within five (5) days of the Effective Date of this Contract.

BY (ADDITIONAL) EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) by cash, official bank check, wire transfer or electronic transfer no later than 5 p.m. on _____, **TIME BEING OF THE ESSENCE.**

BY ASSUMPTION of the unpaid principal balance and all obligations of Seller on the existing loan(s) secured by a deed of trust on the Property in accordance with the attached Loan Assumption Addendum (Standard Form 2A6-T).

BY SELLER FINANCING in accordance with the attached Seller Financing Addendum (Standard Form 2A5-T).

BALANCE of the Purchase Price in cash at Settlement (some or all of which may be paid with the proceeds of a new loan).



This form jointly approved by:
North Carolina Bar Association
North Carolina Association of REALTORS®, Inc.

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Buyer initials JS

Seller initials JS

Coldwell Banker Slosson Realty, 16 Causeway Dr Ocean Isle Beach, NC 28469
Debbie Smith

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Phone: (910) 579-5217

Fax: (910) 579-5877

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Should Buyer fail to deliver either the Due Diligence Fee or any Initial Earnest Money Deposit by their due dates, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice to deliver cash, official bank check, wire transfer or electronic transfer to the payee. In the event Buyer does not timely deliver the required funds, Seller shall have the right to terminate this Contract upon written notice to Buyer.

(e) **"Earnest Money Deposit"**: The Initial Earnest Money Deposit, the Additional Earnest Money Deposit and any other earnest monies paid or required to be paid in connection with this transaction, collectively the "Earnest Money Deposit", shall be deposited and held in escrow by Escrow Agent until Closing, at which time it will be credited to Buyer, or until this Contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) a condition of any resulting contract is not satisfied, then the Earnest Money Deposit shall be refunded to Buyer. In the event of breach of this Contract by Seller, the Earnest Money Deposit shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Contract by Buyer, the Earnest Money Deposit shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Paragraphs 2(c) and 2(d) for damage to the Property or Seller's right to retain the Due Diligence Fee. It is acknowledged by the parties that payment of the Earnest Money Deposit to Seller in the event of a breach of this Contract by Buyer is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money Deposit to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach. If legal proceedings are brought by Buyer or Seller against the other to recover the Earnest Money Deposit, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

Michael Isenberg Atty

(f) **"Escrow Agent"** (insert name):

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money Deposit held in escrow, a licensed real estate broker ("Broker") is required by state law (and Escrow Agent, if not a Broker, hereby agrees) to retain the Earnest Money Deposit in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a Broker or an attorney licensed to practice law in North Carolina ("Attorney") is holding the Earnest Money Deposit, the Broker or Attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

THE PARTIES AGREE THAT A REAL ESTATE BROKERAGE FIRM ACTING AS ESCROW AGENT MAY PLACE THE EARNEST MONEY DEPOSIT IN AN INTEREST BEARING TRUST ACCOUNT AND THAT ANY INTEREST EARNED THEREON SHALL BE DISBURSED TO THE ESCROW AGENT MONTHLY IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

(g) **"Effective Date"**: The date that: (1) the last one of Buyer and Seller has signed or initialed this offer or the final counteroffer, if any, and (2) such signing or initialing is communicated to the party making the offer or counteroffer, as the case may be. The parties acknowledge and agree that the initials lines at the bottom of each page of this Contract are merely evidence of their having reviewed the terms of each page, and that the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement.

(h) **"Due Diligence"**: Buyer's opportunity to investigate the Property and the transaction contemplated by this Contract, including but not necessarily limited to the matters described in Paragraph 2 below, to decide whether Buyer, in Buyer's sole discretion, will proceed with or terminate the transaction.

(i) **"Due Diligence Fee"**: A negotiated amount, if any, paid by Buyer to Seller with this Contract for Buyer's right to terminate the Contract for any reason or no reason during the Due Diligence Period. It shall be the property of Seller upon the Effective Date and shall be a credit to Buyer at Closing. The Due Diligence Fee shall be non-refundable except in the event of a material breach of this Contract by Seller, or if this Contract is terminated under Paragraph 6(m) or Paragraph 9, or as otherwise provided in any addendum hereto. Buyer and Seller each expressly waive any right that they may have to deny the right to conduct Due Diligence or to assert any defense as to the enforceability of this Contract based on the absence or alleged insufficiency of any Due Diligence Fee, it being the intent of the parties to create a legally binding contract for the purchase and sale of the Property without regard to the existence or amount of any Due Diligence Fee.

(j) **"Due Diligence Period"**: The period beginning on the Effective Date and extending through 5:00 p.m. on December 5, 2018 **TIME BEING OF THE ESSENCE.**

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Buyer initials

DS

Seller initials

MSD

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(k) "Settlement": The proper execution and delivery to the closing attorney of all documents necessary to complete the transaction contemplated by this Contract, including the deed, settlement statement, deed of trust and other loan or conveyance documents, and the closing attorney's receipt of all funds necessary to complete such transaction.

(l) "Settlement Date": The parties agree that Settlement will take place on December 10, 2018 (the "Settlement Date"), unless otherwise agreed in writing, at a time and place designated by Buyer.

(m) "Closing": The completion of the legal process which results in the transfer of title to the Property from Seller to Buyer, which includes the following steps: (1) the Settlement (defined above); (2) the completion of a satisfactory title update to the Property following the Settlement; (3) the closing attorney's receipt of authorization to disburse all necessary funds; and (4) recordation in the appropriate county registry of the deed(s) and deed(s) of trust, if any, which shall take place as soon as reasonably possible for the closing attorney after Settlement. Upon Closing, the proceeds of sale shall be disbursed by the closing attorney in accordance with the settlement statement and the provisions of Chapter 45A of the North Carolina General Statutes. If the title update should reveal unexpected liens, encumbrances or other title defects, or if the closing attorney is not authorized to disburse all necessary funds, then the Closing shall be suspended and the Settlement deemed delayed under Paragraph 10 (Delay in Settlement/Closing).

WARNING: The North Carolina State Bar has determined that the performance of most acts and services required for a closing constitutes the practice of law and must be performed only by an attorney licensed to practice law in North Carolina. State law prohibits unlicensed individuals or firms from rendering legal services or advice. Although non-attorney settlement agents may perform limited services in connection with a closing, they may not perform all the acts and services required to complete a closing. A closing involves significant legal issues that should be handled by an attorney. Accordingly it is the position of the North Carolina Bar Association and the North Carolina Association of REALTORS® that all buyers should hire an attorney licensed in North Carolina to perform a closing.

(n) "Special Assessments": A charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property. A Special Assessment may be either proposed or confirmed.

"Proposed Special Assessment": A Special Assessment that is under formal consideration but which has not been approved prior to Settlement.

"Confirmed Special Assessment": A Special Assessment that has been approved prior to Settlement whether payable in a lump sum or future installments.

NOTE: Any Proposed and Confirmed Special Assessments must be identified by Seller in paragraph 5(b), and Buyer's and Seller's respective responsibilities for Proposed and Confirmed Special Assessments are addressed in paragraphs 4(a) and 6(k).

2. BUYER'S DUE DILIGENCE PROCESS:

WARNING: BUYER IS STRONGLY ENCOURAGED TO CONDUCT DUE DILIGENCE DURING THE DUE DILIGENCE PERIOD. If Buyer is not satisfied with the results or progress of Buyer's Due Diligence, Buyer should terminate this Contract, prior to the expiration of the Due Diligence Period, unless Buyer can obtain a written extension from Seller. SELLER IS NOT OBLIGATED TO GRANT AN EXTENSION. Although Buyer may continue to investigate the Property following the expiration of the Due Diligence Period, Buyer's failure to deliver a Termination Notice to Seller prior to the expiration of the Due Diligence Period will constitute a waiver by Buyer of any right to terminate this Contract based on any matter relating to Buyer's Due Diligence. Provided however, following the Due Diligence Period, Buyer may still exercise a right to terminate if Seller fails to materially comply with any of Seller's obligations under paragraph 6 of this Contract or for any other reason permitted under the terms of this Contract or North Carolina law.

(a) **Loan:** Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of the Loan if any.

NOTE: Buyer's obligation to purchase the Property is not contingent on obtaining a Loan. Therefore, Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Due Diligence Period allows sufficient time for the appraisal to be completed and for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction.

(b) **Property Investigation:** Buyer or Buyer's agents or representatives, at Buyer's expense, shall be entitled to conduct all desired tests, surveys, appraisals, investigations, examinations and inspections of the Property as Buyer deems appropriate, including but NOT limited to the following:

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Buyer initials

BS

Seller initials

BS

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- (i) **Soil And Environmental:** Reports to determine whether the soil is suitable for Buyer's intended use and whether there is any environmental contamination, law, rule or regulation that may prohibit, restrict or limit Buyer's intended use.
- (ii) **Septic/Sewer System:** Any applicable investigation(s) to determine: (1) the condition of an existing sewage system, (2) the costs and expenses to install a sewage system approved by an existing Improvement Permit, (3) the availability and expense to connect to a public or community sewer system, and/or (4) whether an Improvement Permit or written evaluation may be obtained from the County Health Department for a suitable ground absorption sewage system.
- (iii) **Water:** Any applicable investigation(s) to determine: (1) the condition of an existing private drinking water well, (2) the costs and expenses to install a private drinking water well approved by an existing Construction Permit, (3) the availability, costs and expenses to connect to a public or community water system, or a shared private well, and/or (4) whether a Construction Permit may be obtained from the County Health Department for a private drinking water well.
- (iv) **Review of Documents:** Review of the Declaration of Restrictive Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, and other governing documents of any applicable owners' association and/or subdivision. If the Property is subject to regulation by an owners' association, it is recommended that Buyer review the completed Owners' Association And Addendum (Standard Form 2A12-T) provided by Seller prior to signing this offer. It is also recommended that the Buyer determine if the owners' association or its management company charges fees for providing information required by Buyer's lender or confirming restrictive covenant compliance.
- (v) **Appraisals:** An appraisal of the Property.
- (vi) **Survey:** A survey to determine whether the property is suitable for Buyer's intended use and the location of easements, setbacks, property boundaries and other issues which may or may not constitute title defects.
- (vii) **Zoning and Governmental Regulation:** Investigation of current or proposed zoning or other governmental regulation that may affect Buyer's intended use of the Property, adjacent land uses, planned or proposed road construction, and school attendance zones.
- (viii) **Flood Hazard:** Investigation of potential flood hazards on the Property, and/or any requirement to purchase flood insurance in order to obtain the Loan.
- (ix) **Utilities and Access:** Availability, quality, and obligations for maintenance of utilities including electric, gas, communication services, stormwater management, and means of access to the Property and amenities.
- (x) **Streets/Roads:** Investigation of the status of the street/road upon which the Property fronts as well as any other street/road used to access the Property, including: (1) whether any street(s)/road(s) are public or private, (2) whether any street(s)/road(s) designated as public are accepted for maintenance by the State of NC or any municipality, or (3) if private or not accepted for public maintenance, the consequences and responsibility for maintenance and the existence, terms and funding of any maintenance agreements.

NOTE: NC General Statutes Section 136-102.6(f) (the "Statute") requires that under circumstances described in the Statute, a buyer must be provided a subdivision streets disclosure statement prior to entering into an agreement to buy subdivided property described in the Statute. If Buyer or Seller are uncertain whether the sale of the Property described in this Contract is subject to the Statute, consult a NC real estate attorney.

(c) **Buyer's Obligation to Repair Damage:** Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors, but Buyer shall not be responsible for any damage caused by accepted practices applicable to any N.C. licensed professional performing reasonable appraisals, tests, surveys, examinations and inspections of the Property. This repair obligation shall survive any termination of this Contract.

(d) **Indemnity:** Buyer will indemnify and hold Seller harmless from all loss, damage, claims, suits or costs, which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of pre-existing conditions of the Property and/or out of Seller's negligence or willful acts or omissions. This indemnity shall survive this Contract and any termination hereof.

(e) **Buyer's Right to Terminate:** Buyer shall have the right to terminate this Contract for any reason or no reason, by delivering to Seller written notice of termination (the "Termination Notice") during the Due Diligence Period (or any agreed-upon written extension of the Due Diligence Period), **TIME BEING OF THE ESSENCE**. If Buyer timely delivers the Termination Notice, this Contract shall be terminated and the Earnest Money Deposit shall be refunded to Buyer.

(f) **CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.**

3. **BUYER REPRESENTATIONS:**

(a) **Loan:** Buyer ☒ does ☐ does not intend to obtain a new loan in order to purchase the Property. If Buyer is obtaining a new loan, Buyer intends to obtain a loan as follows: ☒ Conventional ☐ Other: _____ loan at a _____

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Seller initials SPW

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☒ Fixed Rate ☐ Adjustable Rate in the principal amount of \$1,000,000.00 for a term of 10 year(s), at an initial interest rate not to exceed 4.500 % per annum (the "Loan").

NOTE: Buyer's obligations under this Contract are not conditioned upon obtaining or closing any loan.

NOTE: If Buyer does not intend to obtain a new loan, Seller is advised, prior to signing this offer, to obtain documentation from Buyer which demonstrates that Buyer will be able to close on the Property without the necessity of obtaining a new loan.

(b) **Other Property:** Buyer ☐ does ☒ does not have to sell or lease other real property in order to qualify for a new loan or to complete purchase.

NOTE: If Buyer does have to sell, Buyer and Seller should consider including a Contingent Sale Addendum (Standard Form 2A2-T) with this offer.

(c) **Performance of Buyer's Financial Obligations:** To the best of Buyer's knowledge, there are no other circumstances or conditions existing as of the date of this offer that would prohibit Buyer from performing Buyer's financial obligations in accordance with this Contract, except as may be specifically set forth herein.

4. **BUYER OBLIGATIONS:**

(a) **Responsibility for Proposed Special Assessments:** Buyer shall take title subject to all Proposed Special Assessments.

(b) **Responsibility for Certain Costs:** Buyer shall be responsible for all costs with respect to:

- (i) any loan obtained by Buyer, including charges by an owners association and/or management company as agent of an owners' association for providing information required by Buyer's lender;
- (ii) charges required by an owners' association declaration to be paid by Buyer for Buyer's future use and enjoyment of the Property, including, without limitation, working capital contributions, membership fees, or charges for Buyer's use of the common elements and/or services provided to Buyer, such as "move-in fees";
- (iii) determining restrictive covenant compliance;
- (iv) appraisal;
- (v) title search;
- (vi) title insurance;
- (vii) any fees charged by the closing attorney for the preparation of the Closing Disclosure, Seller Disclosure and any other settlement statement;
- (viii) recording the deed; and
- (ix) preparation and recording of all instruments required to secure the balance of the Purchase Price unpaid at Settlement.

(c) **Authorization to Disclose Information:** Buyer authorizes the Buyer's lender(s), the parties' real estate agent(s) and closing attorney: (1) to provide this Contract to any appraiser employed by Buyer or by Buyer's lender(s); and (2) to release and disclose any buyer's closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s) and Buyer's lender(s).

5. **SELLER REPRESENTATIONS:**

(a) **Ownership:** Seller represents that Seller:

- ☒ has owned the Property for at least one year.
- ☐ has owned the Property for less than one year.
- ☐ does not yet own the Property.

(b) **Assessments:** To the best of Seller's knowledge there ☐ are ☒ are not any Proposed Special Assessments. If any Proposed Special Assessments, identify: _____

Seller warrants that there ☐ are ☒ are not any Confirmed Special Assessments. If any Confirmed Special Assessments, identify: _____

NOTE: Buyer's and Seller's respective responsibilities for Proposed and Confirmed Special Assessments are addressed in paragraphs 4(a) and 6(k).

(c) **Owners' Association(s) and Dues:** To best of Seller's knowledge, ownership of the Property ☐ subjects ☒ does not subject Buyer to regulation by one or more owners' association(s) and governing documents, which impose various mandatory covenants, conditions and restrictions upon the Property and Buyer's enjoyment thereof, including but not limited to obligations to pay regular assessments (dues) and Special Assessments. If there is an owners' association, then an Owners' Association Disclosure and

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Buyer initials *PLS*

Seller initials *and Lee*

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Addendum For Properties Exempt from Residential Property Disclosure Statement (Standard Form 2A12-T) shall be completed by Seller, at Seller's expense, and must be attached as an addendum to this Contract.

(d) **Sewage System Permit:** (☐ Applicable ☒ Not Applicable) Seller warrants that the sewage system described in the Improvement Permit attached hereto has been installed, which representation survives Closing, but makes no further representations as to the system.

(e) **Private Drinking Water Well Permit:** (☐ Applicable ☒ Not Applicable) Seller warrants that a private drinking water well has been installed, which representation survives Closing, but makes no further representations as to the well. (If well installed after July 1, 2008, attach Improvement Permit hereto.)

6. **SELLER OBLIGATIONS:**

(a) **Evidence of Title, Payoff Statement(s) and Non Foreign Status:**

- (i) Seller agrees to use best efforts to provide to the closing attorney as soon as reasonably possible after the Effective Date, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust, leases, and easements relating to the Property.
- (ii) Seller shall provide to the closing attorney all information needed to obtain a written payoff statement from any lender(s) regarding any security interest in the Property as soon as reasonably possible after the Effective Date, and Seller designates the closing attorney as Seller's agent with express authority to request and obtain on Seller's behalf payoff statements and/or short-pay statements from any such lender(s).
- (iii) If Seller is not a foreign person as defined by the Foreign Investment in Real Property Tax Act, Seller shall also provide to the closing attorney a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act). In the event Seller shall not provide a non-foreign status affidavit, Seller acknowledges that there may be withholding as provided by the Internal Revenue Code.

(b) **Authorization to Disclose Information:** Seller authorizes: (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys, and (3) the closing attorney to release and disclose any seller's closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s) and Buyer's lender(s).

(c) **Access to Property:** Seller shall provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, including, but not limited to, allowing the Buyer and/or Buyer's agents or representatives an opportunity to (i) conduct Due Diligence, (ii) verify the satisfactory completion of negotiated repairs/improvements, and (iii) conduct a final walk-through inspection of the Property. To the extent applicable, Seller shall also be responsible for timely clearing that portion of the Property required by the County to perform tests, inspections and/or evaluations to determine the suitability of the Property for a sewage system and/or private drinking water well.

NOTE: See WARNING in paragraph 2 above for limitation on Buyer's right to terminate this Contract as a result of Buyer's continued investigation of the Property following the expiration of the Due Diligence Period.

(d) **Removal of Seller's Property:** Seller shall remove from the Property, by the date possession is delivered, (i) all personal property which is not a part of the purchase and (ii) unless otherwise agreed, all garbage and debris.

(e) **Affidavit and Indemnification Agreement:** Seller shall furnish at Settlement an affidavit(s) and indemnification agreement(s) in form satisfactory to Buyer and Buyer's title insurer, if any, executed by Seller and any person or entity who has performed or furnished labor, services, materials or rental equipment to the Property within 120 days prior to the date of Settlement and who may be entitled to claim a lien against the Property as described in N.C.G.S. §44A-8 verifying that each such person or entity has been paid in full and agreeing to indemnify Buyer, Buyer's lender(s) and Buyer's title insurer against all loss from any cause or claim arising therefrom.

(f) **Designation of Lien Agent, Payment and Satisfaction of Liens:** If required by N.C.G.S. §44A-11.1, Seller shall have designated a Lien Agent, and Seller shall deliver to Buyer as soon as reasonably possible a copy of the appointment of Lien Agent. All deeds of trust, deferred ad valorem taxes, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Settlement such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.

(g) **Good Title, Legal Access:** Seller shall execute and deliver a GENERAL WARRANTY DEED for the Property in recordable form no later than Settlement, which shall convey fee simple marketable and insurable title, without exception for mechanics' liens, and free of any other liens, encumbrances or defects, including those which would be revealed by a current and accurate survey of

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Buyer initials *DS*

Seller initials *DL*

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the Property, except: ad valorem taxes for the current year (prorated through the date of Settlement); utility easements and unviolated covenants, conditions or restrictions that do not materially affect the value of the Property; and such other liens, encumbrances or defects as may be assumed or specifically approved by Buyer in writing. The Property must have legal access to a public right of way.

NOTE: Buyer's failure to conduct a survey or examine title of the Property prior to the expiration of the Due Diligence Period does not relieve the Seller of their obligation to deliver good title under this paragraph.

NOTE: If any sale of the Property may be a "short sale," consideration should be given to attaching a Short Sale Addendum (Standard Form 2A14-T) as an addendum to this Contract.

(h) **Deed, Taxes, and Fees:** Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Contract, and for state and county excise taxes, and any deferred, discounted or rollback taxes, and local conveyance fees required by law. The deed is to be made to: Town of Ocean Isle Beach

(i) **Agreement to Pay Buyer Expenses:** Seller shall pay at Settlement \$ _____ toward any of Buyer's expenses associated with the purchase of the Property, at the discretion of Buyer and/or lender, if any, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay.

(j) **Owners' Association Fees/Charges:** Seller shall pay: (i) any fees required for conveying Seller's account payment information on owners' association dues or assessments for payment or proration; (ii) any fees imposed by an owners' association and/or a management company as agent of the owners' association in connection with the transaction contemplated by this Contract other than those fees required to be paid by Buyer under paragraph 4(b) above; and (iii) fees incurred by Seller in completing the Residential Property and Owners' Association Disclosure Statement, and resale or other certificates related to a proposed sale of the Property.

(k) **Payment of Confirmed Special Assessments:** Seller shall pay, in full at Settlement, all Confirmed Special Assessments, whether payable in a lump sum or future installments, provided that the amount thereof can be reasonably determined or estimated. The payment of such estimated amount shall be the final payment between the Parties.

(l) **Late Listing Penalties:** All property tax late listing penalties, if any, shall be paid by Seller.

(m) **Owners' Association Disclosure and Condominium Resale Statement Addendum** (Standard Form 2A12-T): If applicable, Seller shall provide the completed Owners' Association Disclosure and Condominium Resale Statement Addendum to Buyer on or before the Effective Date.

(n) **Seller's Failure to Comply or Breach:** If Seller fails to materially comply with any of Seller's obligations under this Paragraph 6 or Seller materially breaches this Contract, and Buyer elects to terminate this Contract as a result of such failure or breach, then the Earnest Money Deposit and the Due Diligence Fee shall be refunded to Buyer and Seller shall reimburse to Buyer the reasonable costs actually incurred by Buyer in connection with Buyer's Due Diligence without affecting any other remedies. If legal proceedings are brought by Buyer against the Seller to recover the Earnest Money Deposit, the Due Diligence Fee and/or the reasonable costs actually incurred by Buyer in connection with Buyer's Due Diligence, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

7. **PRORATIONS AND ADJUSTMENTS:** Unless otherwise provided, the following items shall be prorated through the date of Settlement and either adjusted between the parties or paid at Settlement:

- (a) **Taxes on Real Property:** Ad valorem taxes and recurring governmental service fees levied with such taxes on real property shall be prorated on a calendar year basis;
- (b) **Rents:** Rents, if any, for the Property;
- (c) **Dues:** Owners' association regular assessments (dues) and other like charges.

8. **CONDITION OF PROPERTY AT CLOSING:** Buyer's obligation to complete the transaction contemplated by this Contract shall be contingent upon the Property being in substantially the same or better condition at Closing as on the date of this offer, reasonable wear and tear excepted.

9. **RISK OF LOSS:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this Contract by written notice delivered to Seller or Seller's agent and the Earnest Money Deposit and any Due Diligence Fee shall be refunded to Buyer. In the event Buyer does

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STANDARD FORM 12-T

Revised 7/2018

© 7/2018

Buyer initials DS

Seller initials on Law

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NOT elect to terminate this Contract, Buyer shall be entitled to receive, in addition to the Property, any of Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased. Seller is advised not to cancel existing insurance on the Property until after confirming recordation of the deed.

10. DELAY IN SETTLEMENT/CLOSING: Absent agreement to the contrary in this Contract or any subsequent modification thereto, if a party is unable to complete Settlement by the Settlement Date but intends to complete the transaction and is acting in good faith and with reasonable diligence to proceed to Settlement ("Delaying Party"), and if the other party is ready, willing and able to complete Settlement on the Settlement Date ("Non-Delaying Party") then the Delaying Party shall give as much notice as possible to the Non-Delaying Party and closing attorney and shall be entitled to a delay in Settlement. If the parties fail to complete Settlement and Closing within fourteen (14) days of the Settlement Date (including any amended Settlement Date agreed to in writing by the parties) or to otherwise extend the Settlement Date by written agreement, then the Delaying Party shall be in breach and the Non-Delaying Party may terminate this Contract and shall be entitled to enforce any remedies available to such party under this Contract for the breach.

11. POSSESSION: Unless otherwise provided herein, possession, including all means of access to the Property (keys, codes, including security codes, gate openers, electronic devices, etc.) shall be delivered at Closing as defined in Paragraph 1(m). No alterations, excavations, tree or vegetation removal or other such activities may be done before possession is delivered.

12. ADDENDA: CHECK ALL STANDARD ADDENDA THAT MAY BE A PART OF THIS CONTRACT, IF ANY, AND ATTACH HERETO. ITEMIZE ALL OTHER ADDENDA TO THIS CONTRACT, IF ANY, AND ATTACH HERETO.

- | | |
|---|---|
| <input type="checkbox"/> Additional Provisions Addendum (Form 2A11-T) | <input type="checkbox"/> Owners' Association Disclosure And Addendum For Properties Exempt from Residential Property Disclosure Statement (Form 2A12-T) |
| <input type="checkbox"/> Additional Signatures Addendum (Form 3-T) | <input type="checkbox"/> Seller Financing Addendum (Form 2A5-T) |
| <input type="checkbox"/> Back-Up Contract Addendum (Form 2A1-T) | <input type="checkbox"/> Short Sale Addendum (Form 2A14-T) |
| <input type="checkbox"/> Contingent Sale Addendum (Form 2A2-T) | |
| <input type="checkbox"/> Loan Assumption Addendum (Form 2A6-T) | |

☒ Identify other attorney or party drafted addenda: Identifying description and parcel map

NOTE: UNDER NORTH CAROLINA LAW, REAL ESTATE BROKERS ARE NOT PERMITTED TO DRAFT ADDENDA TO THIS CONTRACT.

13. ASSIGNMENTS: This Contract may not be assigned without the written consent of all parties except in connection with a tax-deferred exchange, but if assigned by agreement, then this Contract shall be binding on the assignee and assignee's heirs and successors.

14. TAX-DEFERRED EXCHANGE: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Buyer and Seller shall execute such additional documents, including assignment of this Contract in connection therewith, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

15. PARTIES: This Contract shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

16. SURVIVAL: If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

17. ENTIRE AGREEMENT: This Contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

18. CONDUCT OF TRANSACTION: The parties agree that any action between them relating to the transaction contemplated by this Contract may be conducted by electronic means, including the signing of this Contract by one or more of them and any notice or

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Buyer initials DSS

Seller initials [Signature]

STANDARD FORM 12-T
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West Third

communication given in connection with this Contract. Any written notice or communication may be transmitted to any mailing address, e-mail address or fax number set forth in the "Notice Information" section below. Any notice or communication to be given to a party herein, any any fee, deposit of other payment to be delivered to a party herein, may be given to the party or to such party's agent. Seller and Buyer agree that the "Notice Information" and "Acknowledgment of Receipt of Monies" sections below shall not constitute a material part of this Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer.

19. **EXECUTION:** This Contract may be signed in multiple originals or counterparts, all of which together constitute one and the same instrument.

20. **COMPUTATION OF DAYS/TIME OF DAY:** Unless otherwise provided, for purposes of this Contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this Contract was required to be performed or made. Any reference to a date or time of day shall refer to the date and/or time of day in the State of North Carolina.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

This offer shall become a binding contract on the Effective Date. Unless specifically provided otherwise, Buyer's failure to timely deliver any fee, deposit or other payment provided for herein shall not prevent this offer from becoming a binding contract, provided that any such failure shall give Seller certain rights to terminate the contract as described herein or as otherwise permitted by law.

Date: August 22, 2018	Date: 8.24.2018
Buyer: <u>Debra L. Smith - Mayor</u>	Seller: <u>Lalase Williamson</u>
Town of Ocean Isle Beach	LM Legacy Assets LLC and
Date:	Date: 8/24/18
Buyer:	Seller: <u>Debra L. Smith</u>
Entity Buyer:	Entity Seller: <u>LM Legacy Assets LLC or Lalase Williamson Manager</u>
(Name of LLC/Corporation/Partnership/Trust/etc.)	(Name of LLC/Corporation/Partnership/Trust/etc.)
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

WIRE FRAUD WARNING

TO BUYERS: BEFORE SENDING ANY WIRE, YOU SHOULD CALL THE CLOSING ATTORNEY'S OFFICE TO VERIFY THE INSTRUCTIONS. IF YOU RECEIVE WIRING INSTRUCTIONS FOR A DIFFERENT BANK, BRANCH LOCATION, ACCOUNT NAME OR ACCOUNT NUMBER, THEY SHOULD BE PRESUMED FRAUDULENT. DO NOT SEND ANY FUNDS AND CONTACT THE CLOSING ATTORNEY'S OFFICE IMMEDIATELY.

TO SELLERS: IF YOUR PROCEEDS WILL BE WIRED, IT IS RECOMMENDED THAT YOU PROVIDE WIRING INSTRUCTIONS AT CLOSING IN WRITING IN THE PRESENCE OF THE ATTORNEY. IF YOU ARE UNABLE TO ATTEND CLOSING, YOU MAY BE REQUIRED TO SEND AN ORIGINAL NOTARIZED DIRECTIVE TO THE CLOSING ATTORNEY'S OFFICE CONTAINING THE WIRING INSTRUCTIONS. THIS MAY BE SENT WITH THE DEED, LIEN WAIVER AND TAX FORMS IF THOSE DOCUMENTS ARE BEING PREPARED FOR YOU BY THE CLOSING ATTORNEY. AT A MINIMUM, YOU SHOULD CALL THE CLOSING ATTORNEY'S OFFICE TO PROVIDE THE WIRE INSTRUCTIONS. THE WIRE INSTRUCTIONS SHOULD BE VERIFIED OVER THE TELEPHONE VIA A CALL TO YOU INITIATED BY THE CLOSING ATTORNEY'S OFFICE TO ENSURE THAT THEY ARE NOT FROM A FRAUDULENT SOURCE.

WHETHER YOU ARE A BUYER OR A SELLER, YOU SHOULD CALL THE CLOSING ATTORNEY'S OFFICE AT A NUMBER THAT IS INDEPENDENTLY OBTAINED. TO ENSURE THAT YOUR CONTACT IS LEGITIMATE, YOU SHOULD NOT RELY ON A PHONE NUMBER IN AN EMAIL FROM THE CLOSING ATTORNEY'S OFFICE, YOUR REAL ESTATE AGENT OR ANYONE ELSE.

NOTICE INFORMATION

NOTE: INSERT AT LEAST ONE ADDRESS AND/OR ELECTRONIC DELIVERY ADDRESS EACH PARTY AND AGENT APPROVES FOR THE RECEIPT OF ANY NOTICE CONTEMPLATED BY THIS CONTRACT. INSERT "N/A" FOR ANY WHICH ARE NOT APPROVED.

BUYER NOTICE ADDRESS:

Mailing Address: 3 W Third St, Ocean Isle Beach, NC
28469-7506

Buyer Fax#: (910) 579-8804

Buyer E-mail: mayor@oibgov.com

SELLER NOTICE ADDRESS:

Mailing Address: 11 Causeway Dr, Ocean Isle Beach,
NC 28469-7505

Seller Fax#: _____

Seller E-mail: ladane@ladane.com & dwetheboss@gmail.com

CONFIRMATION OF AGENCY/NOTICE ADDRESSES

Selling Firm Name: _____
Acting as ☐ Buyer's Agent ☐ Seller's (sub)Agent ☐ Dual Agent
Firm License #: _____
Mailing Address: _____

Individual Selling Agent: _____
☐ Acting as a Designated Dual Agent (check only if applicable)

Selling Agent License #: _____

Selling Agent Phone#: _____

Selling Agent Fax#: _____

Selling Agent E-mail: _____

Listing Firm Name: _____
Acting as ☐ Seller's Agent ☐ Dual Agent
Firm License #: _____
Mailing Address: _____

Individual Listing Agent: _____
☐ Acting as a Designated Dual Agent (check only if applicable)

Listing Agent License #: _____

Listing Agent Phone#: _____

Listing Agent Fax#: _____

Listing Agent E-mail: _____

ACKNOWLEDGMENT OF RECEIPT OF MONIES

Seller: LW Legacy Assets LLC and, DW Legacy Assets LLC ("Seller")
 Buyer: Town of Ocean Isle Beach ("Buyer")
 Property Address: 5 W First St, Ocean Isle Beach, NC 28469 ("Property")

☐ LISTING AGENT ACKNOWLEDGMENT OF RECEIPT OF DUE DILIGENCE FEE

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Due Diligence Fee in the amount of \$ _____, receipt of which Listing Agent hereby acknowledges.

Date: _____ Firm: _____
 By: _____
 (Signature)
 (Print name)

☐ SELLER ACKNOWLEDGMENT OF RECEIPT OF DUE DILIGENCE FEE

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Due Diligence Fee in the amount of \$ _____, receipt of which Seller hereby acknowledges.

Date: _____ Seller: _____
 (Signature)
 LW Legacy Assets LLC and
 Date: _____ Seller: _____
 (Signature)
 DW Legacy Assets LLC

☒ ESCROW AGENT ACKNOWLEDGMENT OF RECEIPT OF INITIAL EARNEST MONEY DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Escrow Agent of an Initial Earnest Money Deposit in the amount of \$ 10,000.00. Escrow Agent as identified in Paragraph 1(f) of the Offer to Purchase and Contract hereby acknowledges receipt of the Initial Earnest Money Deposit and agrees to hold and disburse the same in accordance with the terms of the Offer to Purchase and Contract.

Date: _____ Firm: Michael Isenberg Atty
 By: _____
 (Signature)
 (Print name)

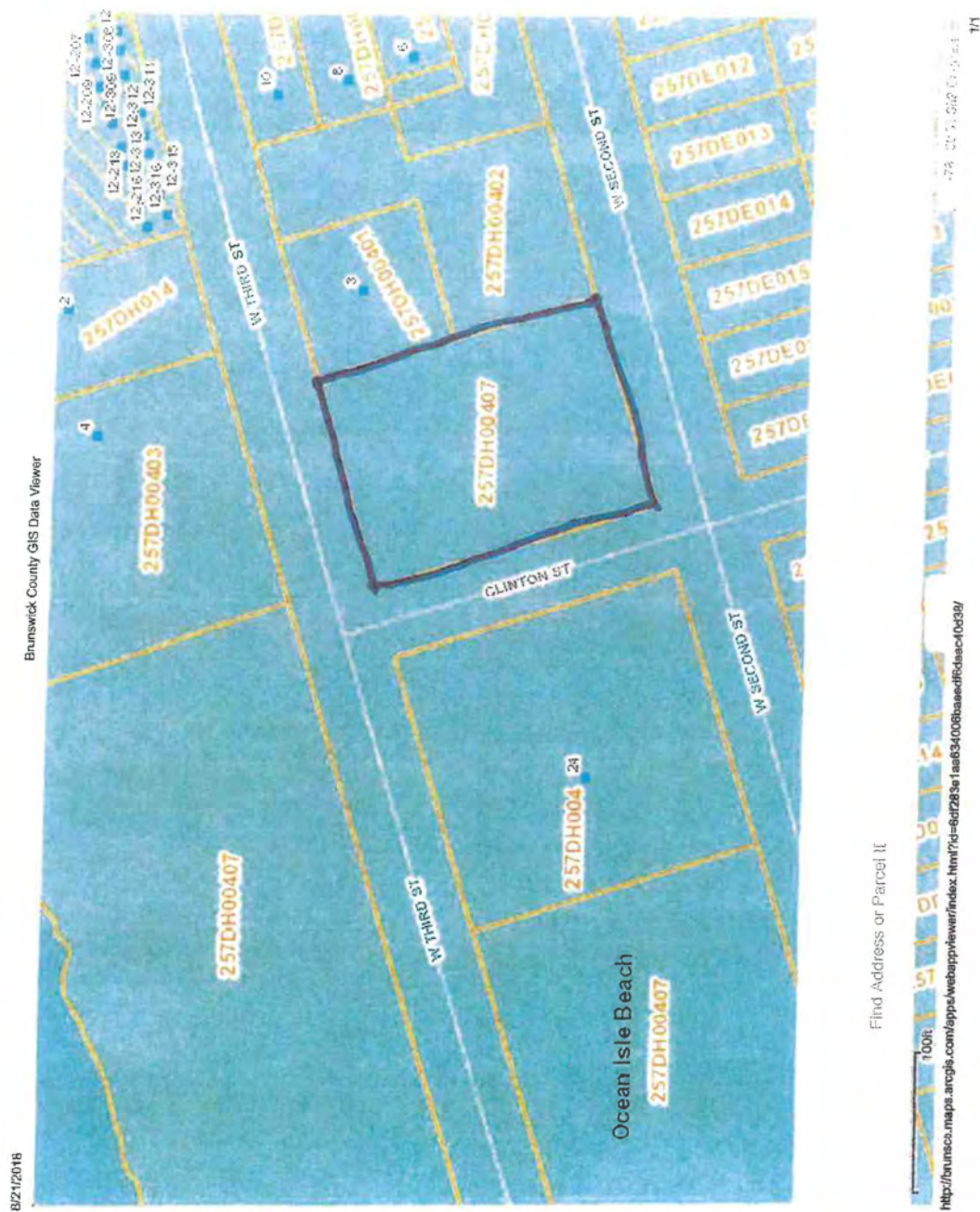
☐ ESCROW AGENT ACKNOWLEDGMENT OF RECEIPT OF (ADDITIONAL) EARNEST MONEY DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Escrow Agent of an (Additional) Earnest Money Deposit in the amount of \$ _____. Escrow Agent as identified in Paragraph 1(f) of the Offer to Purchase and Contract hereby acknowledges receipt of the (Additional) Earnest Money Deposit and agrees to hold and disburse the same in accordance with the terms of the Offer to Purchase and Contract.

Date: _____ Firm: Michael Isenberg Atty
 Time: _____ ☐ AM ☐ PM By: _____
 (Signature)
 (Print name)

Exhibit A

Lying in the Town of Ocean Isle Beach and being all of Tract 6, containing 0.68 acres, according to a Boundary Survey for Virginia Williamson and the Estate of Odell Williamson recorded in Book 3352 at Page 162 of the Brunswick County Registry, said tract being bounded on the west by the eastern line of Clinton Street, on the north by the southern line of West Third Street, on the east by the western line of property owned by the Town of Ocean Isle Beach, and on the south by the northern line of West Third Street.



**Town of Ocean Isle Beach
Action Agenda Item**

Meeting Date: September 11th, 2018
Action Number: New Business Item #5

Issue/Action Requested: _____ **Public Hearing:** ☐ yes ☐ no ☒ N/A
Discussion and Review of Offer to Purchase – 2 W. Third Street - OIBPD

Background/Purpose of Request:
Board will review and discuss acceptance of Offer to Purchase for Parcel #257DH014
(2 W. Third Street)

Items included for review:

- Appraisal
- Offer to Purchase

Fiscal Impact: N/A

Budget Amendment Required: ☐ yes ☐ no
Review by Finance Director: ☒ yes ☐ no
Total from Budget: \$ _____

Contracts/Agreements: _____
Reviewed by Town Attorney: ☒ yes ☐ no

Staff Action: _____

RESPONSE FROM THE TOWN OF OCEAN ISLE BEACH

OFFER TO PURCHASE AND CONTRACT

[Consult "Guidelines" (Form 2G) for guidance in completing this form]

For valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Buyer offers to purchase and Seller upon acceptance agrees to sell and convey the Property on the terms and conditions of this Offer To Purchase and Contract and any addendum or modification made in accordance with its terms (together the "Contract").

1. **TERMS AND DEFINITIONS:** The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Seller": Town of Ocean Isle Beach

(b) "Buyer": Sloane Realty of Ocean Isle Beach Inc

(c) "Property": The Property shall include all that real estate described below together with all appurtenances thereto including the improvements located thereon and the fixtures and personal property listed in Paragraphs 2 and 3 below.

NOTE: If the Property will include a manufactured (mobile) home(s), Buyer and Seller should consider including the Manufactured (Mobile) Home provision in the Additional Provisions Addendum (Standard Form 2A11-T) with this offer.

Street Address: 2 W Third St
City: Ocean Isle Beach Zip: 28469
County: Brunswick, North Carolina

NOTE: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown.

Legal Description: (Complete ALL applicable)

Plat Reference: Lot/Unit _____, Block/Section _____, Subdivision/Condominium _____, as shown on Plat Book/Slide _____ at Page(s) _____

The PIN/PID or other identification number of the Property is: 60712260

Other description: Tax Parcel 257DR014

Some or all of the Property may be described in Deed Book 816 at Page 736

(d) "Purchase Price":

\$ 460,670.00

\$ _____

\$ 5,000.00

\$ _____

\$ _____

\$ _____

\$ _____

\$ 455,670.00

paid in U.S. Dollars upon the following terms:

BY DUE DILIGENCE FEE made payable and delivered to Seller by the Effective Date.

BY INITIAL EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) by ☐ cash ☒ personal check ☐ official bank check ☐ wire transfer, ☐ electronic transfer, EITHER ☐ with this offer OR ☐ within five (5) days of the Effective Date of this Contract.

BY (ADDITIONAL) EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) by cash, official bank check, wire transfer or electronic transfer no later than 5 p.m. on _____, **TIME BEING OF THE ESSENCE.**

BY ASSUMPTION of the unpaid principal balance and all obligations of Seller on the existing loan(s) secured by a deed of trust on the Property in accordance with the attached Loan Assumption Addendum (Standard Form 2A6-T).

BY SELLER FINANCING in accordance with the attached Seller Financing Addendum (Standard Form 2A5-T).

BY BUILDING DEPOSIT in accordance with the attached New Construction Addendum (Standard Form 2A3-T).

BALANCE of the Purchase Price in cash at Settlement (some or all of which may be paid with the proceeds of a new loan).

Should Buyer fail to deliver either the Due Diligence Fee or any Initial Earnest Money Deposit by their due dates, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall

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This form jointly approved by:
North Carolina Bar Association
North Carolina Association of REALTORS®, Inc.



STANDARD FORM 2-T
Revised 7/2018
© 7/2018

Buyer initials DS

Seller initials _____

Coldwell Banker Sloane Realty, 16 Causeway Dr Ocean Isle Beach NC 28469
Debbie Smith

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Phone: (910) 579-6217

Fax: (910) 579-5877

2 W Third St

have one (1) banking day after written notice to deliver cash, official bank check, wire transfer or electronic transfer to the payee. In the event Buyer does not timely deliver the required funds, Seller shall have the right to terminate this Contract upon written notice to Buyer.

(e) **"Earnest Money Deposit"**: The Initial Earnest Money Deposit, the Additional Earnest Money Deposit and any other earnest monies paid or required to be paid in connection with this transaction, collectively the "Earnest Money Deposit", shall be deposited and held in escrow by Escrow Agent until Closing, at which time it will be credited to Buyer, or until this Contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) a condition of any resulting contract is not satisfied, then the Earnest Money Deposit shall be refunded to Buyer. In the event of breach of this Contract by Seller, the Earnest Money Deposit shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Contract by Buyer, the Earnest Money Deposit shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Paragraphs 4(d) and 4(e) for damage to the Property or Seller's right to retain the Due Diligence Fee. It is acknowledged by the parties that payment of the Earnest Money Deposit to Seller in the event of a breach of this Contract by Buyer is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money Deposit to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach. If legal proceedings are brought by Buyer or Seller against the other to recover the Earnest Money Deposit, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

(f) **"Escrow Agent"** (insert name): Michael Isenberg, Atty

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money Deposit held in escrow, a licensed real estate broker ("Broker") is required by state law (and Escrow Agent, if not a Broker, hereby agrees) to retain the Earnest Money Deposit in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a Broker or an attorney licensed to practice law in North Carolina ("Attorney") is holding the Earnest Money Deposit, the Broker or Attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

THE PARTIES AGREE THAT A REAL ESTATE BROKERAGE FIRM ACTING AS ESCROW AGENT MAY PLACE THE EARNEST MONEY DEPOSIT IN AN INTEREST BEARING TRUST ACCOUNT AND THAT ANY INTEREST EARNED THEREON SHALL BE DISBURSED TO THE ESCROW AGENT MONTHLY IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

(g) **"Effective Date"**: The date that: (1) the last one of Buyer and Seller has signed or initialed this offer or the final counteroffer, if any, and (2) such signing or initialing is communicated to the party making the offer or counteroffer, as the case may be. The parties acknowledge and agree that the initials lines at the bottom of each page of this Contract are merely evidence of their having reviewed the terms of each page, and that the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement.

(h) **"Due Diligence"**: Buyer's opportunity to investigate the Property and the transaction contemplated by this Contract, including but not necessarily limited to the matters described in Paragraph 4 below, to decide whether Buyer, in Buyer's sole discretion, will proceed with or terminate the transaction.

(i) **"Due Diligence Fee"**: A negotiated amount, if any, paid by Buyer to Seller with this Contract for Buyer's right to terminate the Contract for any reason or no reason during the Due Diligence Period. It shall be the property of Seller upon the Effective Date and shall be a credit to Buyer at Closing. The Due Diligence Fee shall be non-refundable except in the event of a material breach of this Contract by Seller, or if this Contract is terminated under Paragraph 8(n) or Paragraph 12, or as otherwise provided in any addendum hereto. Buyer and Seller each expressly waive any right that they may have to deny the right to conduct Due Diligence or to assert any defense as to the enforceability of this Contract based on the absence or alleged insufficiency of any Due Diligence Fee, it being the intent of the parties to create a legally binding contract for the purchase and sale of the Property without regard to the existence or amount of any Due Diligence Fee.

(j) **"Due Diligence Period"**: The period beginning on the Effective Date and extending through 5:00 p.m. on November 16, 2018 **TIME BEING OF THE ESSENCE.**

(k) **"Settlement"**: The proper execution and delivery to the closing attorney of all documents necessary to complete the transaction contemplated by this Contract, including the deed, settlement statement, deed of trust and other loan or conveyance documents, and the closing attorney's receipt of all funds necessary to complete such transaction.

(l) **"Settlement Date"**: The parties agree that Settlement will take place on December 30, 2019 (the "Settlement Date"), unless otherwise agreed in writing, at a time and place designated by Buyer.

(m) **"Closing"**: The completion of the legal process which results in the transfer of title to the Property from Seller to Buyer, which includes the following steps: (1) the Settlement (defined above); (2) the completion of a satisfactory title update to the Property following the Settlement; (3) the closing attorney's receipt of authorization to disburse all necessary funds; and (4) recordation in the appropriate county registry of the deed(s) and deed(s) of trust, if any, which shall take place as soon as reasonably possible for the closing attorney after Settlement. Upon Closing, the proceeds of sale shall be disbursed by the closing attorney in accordance with the settlement statement and the provisions of Chapter 45A of the North Carolina General Statutes. If the title update should reveal unexpected liens, encumbrances or other title defects, or if the closing attorney is not authorized to disburse all necessary funds, then the Closing shall be suspended and the Settlement deemed delayed under Paragraph 13 (Delay in Settlement/Closing).

WARNING: The North Carolina State Bar has determined that the performance of most acts and services required for a closing constitutes the practice of law and must be performed only by an attorney licensed to practice law in North Carolina. State law prohibits unlicensed individuals or firms from rendering legal services or advice. Although non-attorney settlement agents may perform limited services in connection with a closing, they may not perform all the acts and services required to complete a closing. A closing involves significant legal issues that should be handled by an attorney. Accordingly it is the position of the North Carolina Bar Association and the North Carolina Association of REALTORS® that all buyers should hire an attorney licensed in North Carolina to perform a closing.

(n) **"Special Assessments"**: A charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property. A Special Assessment may be either proposed or confirmed.

"Proposed Special Assessment": A Special Assessment that is under formal consideration but which has not been approved prior to Settlement.

"Confirmed Special Assessment": A Special Assessment that has been approved prior to Settlement whether payable in a lump sum or future installments.

NOTE: Any Proposed and Confirmed Special Assessments must be identified by Seller in paragraph 7(c), and Buyer's and Seller's respective responsibilities for Proposed and Confirmed Special Assessments are addressed in paragraphs 6(a) and 8(k).

2. FIXTURES AND EXCLUSIONS.

(a) **Specified Items:** Unless identified in subparagraph (d) below, the following items, including all related equipment and remote control devices, if any, are deemed fixtures and shall convey, included in the Purchase Price free of liens:

- Alarm and security systems (attached) for security, fire, smoke, carbon monoxide or other toxins with all related access codes, sensors, cameras, dedicated monitors, hard drives, video recorders, power supplies and cables; doorbells/chimes
- All stoves/ranges/ovens; built-in appliances; attached microwave oven; vent hood
- Antennas; satellite dishes and receivers
- Basketball goals and play equipment (permanently attached or in-ground)
- Ceiling and wall-attached fans; light fixtures (including existing bulbs)
- Fireplace insert; gas logs or starters; attached fireplace screens; wood or coal stoves
- Floor coverings (attached)
- Fuel tank(s) whether attached or buried and including any contents that have not been used, removed or resold to the fuel provider as of Settlement. **NOTE:** Seller's use, removal or resale of fuel in any fuel tank is subject to Seller's obligation under Paragraph 8(c) to provide working, existing utilities through the earlier of Closing or possession by Buyer.
- Garage door openers with all controls
- Generators that are permanently wired
- Invisible fencing with power supply, controls and receivers
- Landscape and outdoor trees and plants (except in moveable containers); raised garden; landscape and foundation lighting; outdoor sound systems; permanent irrigation systems and controls; rain barrels; landscape water features; address markers
- Mailboxes; mounted package and newspaper receptacles
- Mirrors attached to walls, ceilings, cabinets or doors; all bathroom wall mirrors
- Storage shed; utility building
- Swimming pool (excluding inflatable); spa; hot tub
- Solar electric and solar water heating systems
- Sump-pumps, radon fans and crawlspace ventilators; de-humidifiers that are permanently wired
- Surface-mounting brackets for television and speakers; recess-mounted speakers; mounted intercom system
- Water supply equipment, including filters, conditioning and softener systems; re-circulating pumps; well pumps and tanks
- Window/Door blinds and shades, curtain and drapery rods and brackets, door and window screens and combination doors, awnings and storm windows

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(b) **Items Leased or Not Owned:** Any item which is leased or not owned by Seller, such as fuel tanks, antennas, satellite dishes and receivers, appliances, and alarm and security systems must be identified here and shall not convey:

None

(c) **Other Fixtures/Unspecified items:** Unless identified in subparagraph (d) below, any other item legally considered a fixture is included in the Purchase Price free of liens.

(d) **Other Items That Do Not Convey:** The following items shall not convey (*identify those items to be excluded under subparagraphs (a) and (c)*):

Seller shall repair any damage caused by removal of any items excepted above.

3. **PERSONAL PROPERTY:** The following personal property shall be transferred to Buyer at no value at Closing:

NOTE: Buyer is advised to consult with Buyer's lender to assure that the Personal Property items listed above can be included in this Contract.

4. **BUYER'S DUE DILIGENCE PROCESS:**

WARNING: BUYER IS STRONGLY ENCOURAGED TO CONDUCT DUE DILIGENCE DURING THE DUE DILIGENCE PERIOD. If Buyer is not satisfied with the results or progress of Buyer's Due Diligence, Buyer should terminate this Contract, PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD, unless Buyer can obtain a written extension from Seller. SELLER IS NOT OBLIGATED TO GRANT AN EXTENSION. Although Buyer may continue to investigate the Property following the expiration of the Due Diligence Period, Buyer's failure to deliver a Termination Notice to Seller prior to the expiration of the Due Diligence Period will constitute a waiver by Buyer of any right to terminate this Contract based on any matter relating to Buyer's Due Diligence. Provided however, following the Due Diligence Period, Buyer may still exercise a right to terminate if Seller fails to materially comply with any of Seller's obligations under Paragraph 8 of this Contract or for any other reason permitted under the terms of this Contract or North Carolina law.

(a) **Loan:** Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of the Loan if any.

NOTE: Buyer's obligation to purchase the Property is not contingent on obtaining a Loan. Therefore, Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Due Diligence Period allows sufficient time for the appraisal to be completed and for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction.

(b) **Property Investigation:** Buyer or Buyer's agents or representatives, at Buyer's expense, shall be entitled to conduct all desired tests, surveys, appraisals, investigations, examinations and inspections of the Property as Buyer deems appropriate, including but NOT limited to the following:

(i) **Inspections:** Inspections to determine the condition of any improvements on the Property, the presence of unusual drainage conditions or evidence of excessive moisture adversely affecting any improvements on the Property, the presence of asbestos or existing environmental contamination, evidence of wood-destroying insects or damage therefrom, and the presence and level of radon gas on the Property.

(ii) **Review of Documents:** Review of the Declaration of Restrictive Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, and other governing documents of any applicable owners' association and/or subdivision. If the Property is subject to regulation by an owners' association, it is recommended that Buyer review the completed Residential Property and Owners' Association Disclosure Statement provided by Seller prior to signing this offer. It is also recommended that the Buyer determine if the owners' association or its management company charges fees for providing information required by Buyer's lender or confirming restrictive covenant compliance.

(iii) **Insurance:** Investigation of the availability and cost of insurance for the Property.

(iv) **Appraisals:** An appraisal of the Property.

(v) **Survey:** A survey to determine whether the property is suitable for Buyer's intended use and the location of easements, setbacks, property boundaries and other issues which may or may not constitute title defects.

(vi) **Zoning and Governmental Regulation:** Investigation of current or proposed zoning or other governmental regulation that may affect Buyer's intended use of the Property, adjacent land uses, planned or proposed road construction, and school attendance zones.

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(vii) **Flood Hazard:** Investigation of potential flood hazards on the Property, and/or any requirement to purchase flood insurance in order to obtain the Loan.

(viii) **Utilities and Access:** Availability, quality, and obligations for maintenance of utilities including water, sewer, electric, gas, communication services, stormwater management, and means of access to the Property and amenities.

(ix) **Streets/Roads:** Investigation of the status of the street/road upon which the Property fronts as well as any other street/road used to access the Property, including: (1) whether any street(s)/road(s) are public or private, (2) whether any street(s)/road(s) designated as public are accepted for maintenance by the State of NC or any municipality, or (3) if private or not accepted for public maintenance, the consequences and responsibility for maintenance and the existence, terms and funding of any maintenance agreements.

(x) **Fuel Tank:** Inspections to determine the existence, type and ownership of any fuel tank located on the Property.

NOTE: Buyer is advised to consult with the owner of any leased fuel tank regarding the terms under which Buyer may lease the tank and obtain fuel.

(c) **Repair/Improvement Negotiations/Agreement:** Buyer acknowledges and understands that unless the parties agree otherwise, THE PROPERTY IS BEING SOLD IN ITS CURRENT CONDITION. Buyer and Seller acknowledge and understand that they may, but are not required to, engage in negotiations for repairs/improvements to the Property. Buyer is advised to make any repair/improvement requests in sufficient time to allow repair/improvement negotiations to be concluded prior to the expiration of the Due Diligence Period. Any agreement that the parties may reach with respect to repairs/improvements shall be considered an obligation of the parties and is an addition to this Contract and as such, must be in writing and signed by the parties in accordance with Paragraph 20.

NOTE: See Paragraph 8(c), Access to Property and Paragraph 8(m), Negotiated Repairs/Improvements.

(d) **Buyer's Obligation to Repair Damage:** Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors, but Buyer shall not be responsible for any damage caused by accepted practices either approved by the N.C. Home Inspector Licensure Board or applicable to any other N.C. licensed professional performing reasonable appraisals, tests, surveys, examinations and inspections of the Property. This repair obligation shall survive any termination of this Contract.

(e) **Indemnity:** Buyer will indemnify and hold Seller harmless from all loss, damage, claims, suits or costs, which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of pre-existing conditions of the Property and/or out of Seller's negligence or willful acts or omissions. This indemnity shall survive this Contract and any termination hereof.

(f) **Buyer's Right to Terminate:** Buyer shall have the right to terminate this Contract for any reason or no reason, by delivering to Seller written notice of termination (the "Termination Notice") during the Due Diligence Period (or any agreed-upon written extension of the Due Diligence Period), **TIME BEING OF THE ESSENCE**. If Buyer timely delivers the Termination Notice, this Contract shall be terminated and the Earnest Money Deposit shall be refunded to Buyer.

(g) **CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.**

5. **BUYER REPRESENTATIONS:**

(a) **Loan:** Buyer ☒ does ☐ does not intend to obtain a new loan in order to purchase the Property. If Buyer is obtaining a new loan, Buyer intends to obtain a loan as follows: ☐ FHA ☐ VA (attach FHA/VA Financing Addendum) ☒ Conventional ☐ Other: _____ loan at a ☐ Fixed Rate ☐ Adjustable Rate in the principal amount of _____ plus any financed VA Funding Fee or FHA MIP for a term of _____ year(s), at an initial interest rate not to exceed _____ % per annum (the "Loan").

NOTE: Buyer's obligations under this Contract are not conditioned upon obtaining or closing any loan.

NOTE: If Buyer does not intend to obtain a new loan, Seller is advised, prior to signing this offer, to obtain documentation from Buyer which demonstrates that Buyer will be able to close on the Property without the necessity of obtaining a new loan.

(b) **Other Property:** Buyer ☐ does ☒ does not have to sell or lease other real property in order to qualify for a new loan or to complete purchase.

NOTE: This Contract is not conditioned upon the sale of Buyer's property unless a contingent sale addendum such as Standard Form 2A2-T is made a part of this Contract.

(c) **Performance of Buyer's Financial Obligations:** To the best of Buyer's knowledge, there are no other circumstances or conditions existing as of the date of this offer that would prohibit Buyer from performing Buyer's financial obligations in accordance with this Contract, except as may be specifically set forth herein.

(d) **Residential Property and Owners' Association Property Disclosure Statement** (check only one):

- ☐ Buyer has received a signed copy of the N.C. Residential Property and Owners' Association Disclosure Statement prior to the signing of this offer.
- ☐ Buyer has NOT received a signed copy of the N.C. Residential Property and Owners' Association Disclosure Statement prior to the signing of this offer and shall have the right to terminate or withdraw this Contract without penalty (including a refund of any Due Diligence Fee) prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the Effective Date; or (3) Settlement or occupancy by Buyer in the case of a sale or exchange.
- ☒ Exempt from N.C. Residential Property and Owners' Association Disclosure Statement because (SEE GUIDELINES): _____

(e) **Mineral and Oil and Gas Rights Mandatory Disclosure Statement** (check only one):

- ☐ Buyer has received a signed copy of the N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement prior to the signing of this offer.
- ☐ Buyer has NOT received a signed copy of the N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement prior to the signing of this offer and shall have the right to terminate or withdraw this Contract without penalty (including a refund of any Due Diligence Fee) prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the Effective Date; or (3) Settlement or occupancy by Buyer in the case of a sale or exchange.
- ☒ Exempt from N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement because (SEE GUIDELINES): _____

commercial

Buyer's receipt of a Mineral and Oil and Gas Rights Mandatory Disclosure Statement does not modify or limit the obligations of Seller under Paragraph 8(g) of this Contract and shall not constitute the assumption or approval by Buyer of any severance of mineral and/or oil and gas rights, except as may be assumed or specifically approved by Buyer in writing.

NOTE: The parties are advised to consult with a NC attorney prior to signing this Contract if severance of mineral and/or oil and gas rights has occurred or is intended.

6. **BUYER OBLIGATIONS:**

- (a) **Responsibility for Proposed Special Assessments:** Buyer shall take title subject to all Proposed Special Assessments.
- (b) **Responsibility for Certain Costs:** Buyer shall be responsible for all costs with respect to:
- (i) any loan obtained by Buyer, including charges by an owners association and/or management company as agent of an owners' association for providing information required by Buyer's lender;
 - (ii) charges required by an owners' association declaration to be paid by Buyer for Buyer's future use and enjoyment of the Property, including, without limitation, working capital contributions, membership fees, or charges for Buyer's use of the common elements and/or services provided to Buyer, such as "move-in fees";
 - (iii) determining restrictive covenant compliance;
 - (iv) appraisal;
 - (v) title search;
 - (vi) title insurance;
 - (vii) any fees charged by the closing attorney for the preparation of the Closing Disclosure, Seller Disclosure and any other settlement statement;
 - (viii) recording the deed; and
 - (ix) preparation and recording of all instruments required to secure the balance of the Purchase Price unpaid at Settlement.
- (c) **Authorization to Disclose Information:** Buyer authorizes the Buyer's lender(s), the parties' real estate agent(s) and closing attorney: (1) to provide this Contract to any appraiser employed by Buyer or by Buyer's lender(s); and (2) to release and disclose any buyer's closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s) and Buyer's lender(s).

7. **SELLER REPRESENTATIONS:**

- (a) **Ownership:** Seller represents that Seller:
- ☒ has owned the Property for at least one year.
- ☐ has owned the Property for less than one year.
- ☐ does not yet own the Property.

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(b) **Lead-Based Paint** (check if applicable):

☐ The Property is residential and was built prior to 1978 (Attach Lead-Based Paint or Lead-Based Paint Hazards Disclosure Addendum (Standard Form 2A9-T)).

(c) **Assessments:** To the best of Seller's knowledge there ☐ are ☒ are not any Proposed Special Assessments. If any Proposed Special Assessments, identify: _____

Seller warrants that there ☐ are ☒ are not any Confirmed Special Assessments. If any Confirmed Special Assessments, identify: _____

NOTE: Buyer's and Seller's respective responsibilities for Proposed and Confirmed Special Assessments are addressed in paragraphs 6(a) and 8(k).

(d) **Owners' Association(s) and Dues:** Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the following items affecting the Property, including any amendments:

- Seller's statement of account
- master insurance policy showing the coverage provided and the deductible amount
- Declaration and Restrictive Covenants
- Rules and Regulations
- Articles of Incorporation
- Bylaws of the owners' association
- current financial statement and budget of the owners' association
- parking restrictions and information
- architectural guidelines

☐ (specify name of association): _____ whose regular assessments ("dues") are \$ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager is: _____

Owners' association website address, if any: _____

☐ (specify name of association): _____ whose regular assessments ("dues") are \$ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager is: _____

Owners' association website address, if any: _____

8. SELLER OBLIGATIONS:

(a) **Evidence of Title, Payoff Statement(s) and Non Foreign Status:**

- (i) Seller agrees to use best efforts to provide to the closing attorney as soon as reasonably possible after the Effective Date, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust, leases, and easements relating to the Property.
- (ii) Seller shall provide to the closing attorney all information needed to obtain a written payoff statement from any lender(s) regarding any security interest in the Property as soon as reasonably possible after the Effective Date, and Seller designates the closing attorney as Seller's agent with express authority to request and obtain on Seller's behalf payoff statements and/or short-pay statements from any such lender(s).
- (iii) If Seller is not a foreign person as defined by the Foreign Investment in Real Property Tax Act, Seller shall also provide to the closing attorney a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act). In the event Seller shall not provide a non-foreign status affidavit, Seller acknowledges that there may be withholding as provided by the Internal Revenue Code.

(b) **Authorization to Disclose Information:** Seller authorizes: (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys and (3) the closing attorney to release and disclose any seller's closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s) and Buyer's lender(s).

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(c) **Access to Property:** Seller shall provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, including, but not limited to, allowing Buyer and/or Buyer's agents or representatives, an opportunity to (i) conduct Due Diligence, (ii) verify the satisfactory completion of negotiated repairs/improvements, and (iii) conduct a final walk-through inspection of the Property.

NOTE: See WARNING in paragraph 4 above for limitation on Buyer's right to terminate this Contract as a result of Buyer's continued investigation of the Property following the expiration of the Due Diligence Period.

(d) **Removal of Seller's Property:** Seller shall remove, by the date possession is made available to Buyer, all personal property which is not a part of the purchase and all garbage and debris from the Property.

(e) **Affidavit and Indemnification Agreement:** Seller shall furnish at Settlement an affidavit(s) and indemnification agreement(s) in form satisfactory to Buyer and Buyer's title insurer, if any, executed by Seller and any person or entity who has performed or furnished labor, services, materials or rental equipment to the Property within 120 days prior to the date of Settlement and who may be entitled to claim a lien against the Property as described in N.C.G.S. §44A-8 verifying that each such person or entity has been paid in full and agreeing to indemnify Buyer, Buyer's lender(s) and Buyer's title insurer against all loss from any cause or claim arising therefrom.

(f) **Designation of Lien Agent, Payment and Satisfaction of Liens:** If required by N.C.G.S. §44A-11.1, Seller shall have designated a Lien Agent, and Seller shall deliver to Buyer as soon as reasonably possible a copy of the appointment of Lien Agent. All deeds of trust, deferred ad valorem taxes, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Settlement such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.

(g) **Good Title, Legal Access:** Seller shall execute and deliver a GENERAL WARRANTY DEED for the Property in recordable form no later than Settlement, which shall convey fee simple marketable and insurable title, without exception for mechanics' liens, and free of any other liens, encumbrances or defects, including those which would be revealed by a current and accurate survey of the Property, except: ad valorem taxes for the current year (prorated through the date of Settlement); utility easements and unviolated covenants, conditions or restrictions that do not materially affect the value of the Property; and such other liens, encumbrances or defects as may be assumed or specifically approved by Buyer in writing. The Property must have legal access to a public right of way.

NOTE: Buyer's failure to conduct a survey or examine title of the Property, prior to the expiration of the Due Diligence Period does not relieve the Seller of their obligation to deliver good title under this paragraph.

NOTE: If any sale of the Property may be a "short sale," consideration should be given to attaching a Short Sale Addendum Form 2A.14-T) as an addendum to this Contract.

(h) **Deed, Taxes and Fees:** Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Contract, and for state and county excise taxes, and any deferred, discounted or rollback taxes, and local conveyance fees required by law. The deed is to be made to: Sloane Realty of Ocean Isle Beach Inc

(i) **Agreement to Pay Buyer Expenses:** Seller shall pay at Settlement \$ _____ toward any of Buyer's expenses associated with the purchase of the Property, at the discretion of Buyer and/or lender, if any, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay.

NOTE: Parties should review the FHA/VA Addendum prior to entering an amount in Paragraph 8(i). Certain FHA/VA lender and inspection costs CANNOT be paid by Buyer at Settlement and the amount of these should be included in the blank above.

(j) **Owners' Association Fees/Charges:** Seller shall pay: (i) any fees required for confirming Seller's account payment information on owners' association dues or assessments for payment or proration; (ii) any fees imposed by an owners' association and/or a management company as agent of the owners' association in connection with the transaction contemplated by this Contract other than those fees required to be paid by Buyer under paragraph 6(b) above; and (iii) fees incurred by Seller in completing the Residential Property and Owners' Association Disclosure Statement, and resale or other certificates related to a proposed sale of the Property.

(k) **Payment of Confirmed Special Assessments:** Seller shall pay, in full at Settlement, all Confirmed Special Assessments, whether payable in a lump sum or future installments, provided that the amount thereof can be reasonably determined or estimated. The payment of such estimated amount shall be the final payment between the Parties.

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(l) **Late Listing Penalties:** All property tax late listing penalties, if any, shall be paid by Seller.

(m) **Negotiated Repairs/Improvements:** Negotiated repairs/improvements shall be made in a good and workmanlike manner and Buyer shall have the right to verify same prior to Settlement.

(n) **Seller's Failure to Comply or Breach:** If Seller fails to materially comply with any of Seller's obligations under this Paragraph 8 or Seller materially breaches this Contract, and Buyer elects to terminate this Contract as a result of such failure or breach, then the Earnest Money Deposit and the Due Diligence Fee shall be refunded to Buyer and Seller shall reimburse to Buyer the reasonable costs actually incurred by Buyer in connection with Buyer's Due Diligence without affecting any other remedies. If legal proceedings are brought by Buyer against Seller to recover the Earnest Money Deposit, the Due Diligence Fee and/or the reasonable costs actually incurred by Buyer in connection with Buyer's Due Diligence, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

9. **PRORATIONS AND ADJUSTMENTS:** Unless otherwise provided, the following items shall be prorated through the date of Settlement and either adjusted between the parties or paid at Settlement:

- (a) **Taxes on Real Property:** Ad valorem taxes and recurring governmental service fees levied with such taxes on real property shall be prorated on a calendar year basis;
- (b) **Taxes on Personal Property:** Ad valorem taxes on personal property for the entire year shall be paid by Seller unless the personal property is conveyed to Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis;
- (c) **Rents:** Rents, if any, for the Property;
- (d) **Dues:** Owners' association regular assessments (dues) and other like charges.

10. **HOME WARRANTY:** Select one of the following:

- ☐ No home warranty is to be provided by Seller.
- ☐ Buyer may obtain a one-year home warranty at a cost not to exceed \$ _____ which includes sales tax and Seller agrees to pay for it at Settlement.
- ☐ Seller has obtained and will provide a one-year home warranty from _____ at a cost of \$ _____ which includes sales tax and will pay for it at Settlement.

NOTE: Home warranties typically have limitations on and conditions to coverage. Refer specific questions to the home warranty company.

11. **CONDITION OF PROPERTY AT CLOSING:** Buyer's obligation to complete the transaction contemplated by this Contract shall be contingent upon the Property being in substantially the same or better condition at Closing as on the date of this offer, reasonable wear and tear excepted.

12. **RISK OF LOSS:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this Contract by written notice delivered to Seller or Seller's agent and the Earnest Money Deposit and any Due Diligence Fee shall be refunded to Buyer. In the event Buyer does NOT elect to terminate this Contract, Buyer shall be entitled to receive, in addition to the Property, any of Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased. Seller is advised not to cancel existing insurance on the Property until after confirming recordation of the deed.

13. **DELAY IN SETTLEMENT/CLOSING:** Absent agreement to the contrary in this Contract or any subsequent modification thereto, if a party is unable to complete Settlement by the Settlement Date but intends to complete the transaction and is acting in good faith and with reasonable diligence to proceed to Settlement ("Delaying Party"), and if the other party is ready, willing and able to complete Settlement on the Settlement Date ("Non-Delaying Party") then the Delaying Party shall give as much notice as possible to the Non-Delaying Party and closing attorney and shall be entitled to a delay in Settlement. If the parties fail to complete Settlement and Closing within fourteen (14) days of the Settlement Date (including any amended Settlement Date agreed to in writing by the parties) or to otherwise extend the Settlement Date by written agreement, then the Delaying Party shall be in breach and the Non-Delaying Party may terminate this Contract and shall be entitled to enforce any remedies available to such party under this Contract for the breach.

14. **POSSESSION:** Possession, including all means of access to the Property (keys, codes including security codes, garage door openers, electronic devices, etc.), shall be delivered upon Closing as defined in Paragraph 1(m) unless otherwise provided below:

- ☐ A Buyer Possession Before Closing Agreement is attached (Standard Form 2A7-T)
- ☐ A Seller Possession After Closing Agreement is attached (Standard Form 2A8-T)
- ☐ Possession is subject to rights of tenant(s)

NOTE: Consider attaching Additional Provisions Addendum (Form 2A11-T) or Vacation Rental Addendum (Form 2A13-T)

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15. **ADDENDA:** CHECK ALL STANDARD ADDENDA THAT MAY BE A PART OF THIS CONTRACT, IF ANY, AND ATTACH HERETO. ITEMIZE ALL OTHER ADDENDA TO THIS CONTRACT, IF ANY, AND ATTACH HERETO.

- | | |
|--|---|
| <input type="checkbox"/> Additional Provisions Addendum (Form 2A11-T) | <input type="checkbox"/> Loan Assumption Addendum (Form 2A6-T) |
| <input type="checkbox"/> Additional Signatures Addendum (Form 3-T) | <input type="checkbox"/> New Construction Addendum (Form 2A3-T) |
| <input type="checkbox"/> Back-Up Contract Addendum (Form 2A1-T) | <input type="checkbox"/> Owners' Association Disclosure And Condominium Resale Statement Addendum (Form 2A12-T) |
| <input type="checkbox"/> Contingent Sale Addendum (Form 2A2-T) | <input type="checkbox"/> Seller Financing Addendum (Form 2A5-T) |
| <input type="checkbox"/> FHA/VA Financing Addendum (Form 2A4-T) | <input type="checkbox"/> Short Sale Addendum (Form 2A14-T) |
| <input type="checkbox"/> Lead-Based Paint Or Lead-Based Paint Hazard Addendum (Form 2A9-T) | <input type="checkbox"/> Vacation Rental Addendum (Form 2A13-T) |
- ☐ Identify other attorney or party drafted addenda: _____

NOTE: UNDER NORTH CAROLINA LAW, REAL ESTATE BROKERS ARE NOT PERMITTED TO DRAFT ADDENDA TO THIS CONTRACT.

16. **ASSIGNMENTS:** This Contract may not be assigned without the written consent of all parties except in connection with a tax-deferred exchange, but if assigned by agreement, then this Contract shall be binding on the assignee and assignee's heirs and successors.

17. **TAX-DEFERRED EXCHANGE:** In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Buyer and Seller shall execute such additional documents, including assignment of this Contract in connection therewith, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

18. **PARTIES:** This Contract shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

19. **SURVIVAL:** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

20. **ENTIRE AGREEMENT:** This Contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

21. **CONDUCT OF TRANSACTION:** The parties agree that any action between them relating to the transaction contemplated by this Contract may be conducted by electronic means, including the signing of this Contract by one or more of them and any notice or communication given in connection with this Contract. Any written notice or communication may be transmitted to any mailing address, e-mail address or fax number set forth in the "Notice Information" section below. Any notice or communication to be given to a party herein, and any fee, deposit or other payment to be delivered to a party herein, may be given to the party or to such party's agent. Seller and Buyer agree that the "Notice Information" and "Acknowledgment of Receipt of Monies" sections below shall not constitute a material part of this Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer.

22. **EXECUTION:** This Contract may be signed in multiple originals or counterparts, all of which together constitute one and the same instrument.

23. **COMPUTATION OF DAYS/TIME OF DAY:** Unless otherwise provided, for purposes of this Contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this Contract was required to be performed or made. Any reference to a date or time of day shall refer to the date and/or time of day in the State of North Carolina.

Page 10 of 13

STANDARD FORM 2-T
Revised 7/2018
© 7/2018

Buyer initials DS Seller initials _____

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2 W Third St

RESPONSE FROM THE TOWN OF OCEAN ISLE BEACH

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

This offer shall become a binding contract on the Effective Date. Unless specifically provided otherwise, Buyer's failure to timely deliver any fee, deposit or other payment provided for herein shall not prevent this offer from becoming a binding contract, provided that any such failure shall give Seller certain rights to terminate the contract as described herein or as otherwise permitted by law.

Date: _____	Date: _____
Buyer: _____	Seller: _____
Date: _____	Date: _____
Buyer: _____	Seller: _____
Entity Buyer: <u>Sloane Realty of Ocean Isle Beach I</u> (Name of LLC/Corporation/Partnership/Trust/etc.)	Entity Seller: <u>Town of Ocean Isle Beach</u> (Name of LLC/Corporation/Partnership/Trust/etc.)
By: <u>Debbie S Smith</u>	By: _____
Name: <u>Debbie S Smith</u>	Name: <u>Dean Walters</u>
Title: <u>Sec/ Tres</u>	Title: <u>Mayor Pro Temp</u>
Date: <u>August 30, 2018</u>	Date: _____

WIRE FRAUD WARNING

TO BUYERS: BEFORE SENDING ANY WIRE, YOU SHOULD CALL THE CLOSING ATTORNEY'S OFFICE TO VERIFY THE INSTRUCTIONS. IF YOU RECEIVE WIRING INSTRUCTIONS FOR A DIFFERENT BANK, BRANCH LOCATION, ACCOUNT NAME OR ACCOUNT NUMBER, THEY SHOULD BE PRESUMED FRAUDULENT. DO NOT SEND ANY FUNDS AND CONTACT THE CLOSING ATTORNEY'S OFFICE IMMEDIATELY.

TO SELLERS: IF YOUR PROCEEDS WILL BE WIRED, IT IS RECOMMENDED THAT YOU PROVIDE WIRING INSTRUCTIONS AT CLOSING IN WRITING IN THE PRESENCE OF THE ATTORNEY. IF YOU ARE UNABLE TO ATTEND CLOSING, YOU MAY BE REQUIRED TO SEND AN ORIGINAL NOTARIZED DIRECTIVE TO THE CLOSING ATTORNEY'S OFFICE CONTAINING THE WIRING INSTRUCTIONS. THIS MAY BE SENT WITH THE DEED, LIEN WAIVER AND TAX FORMS IF THOSE DOCUMENTS ARE BEING PREPARED FOR YOU BY THE CLOSING ATTORNEY. AT A MINIMUM, YOU SHOULD CALL THE CLOSING ATTORNEY'S OFFICE TO PROVIDE THE WIRE INSTRUCTIONS. THE WIRE INSTRUCTIONS SHOULD BE VERIFIED OVER THE TELEPHONE VIA A CALL TO YOU INITIATED BY THE CLOSING ATTORNEY'S OFFICE TO ENSURE THAT THEY ARE NOT FROM A FRAUDULENT SOURCE.

WHETHER YOU ARE A BUYER OR A SELLER, YOU SHOULD CALL THE CLOSING ATTORNEY'S OFFICE AT A NUMBER THAT IS INDEPENDENTLY OBTAINED. TO ENSURE THAT YOUR CONTACT IS LEGITIMATE, YOU SHOULD NOT RELY ON A PHONE NUMBER IN AN EMAIL FROM THE CLOSING ATTORNEY'S OFFICE, YOUR REAL ESTATE AGENT OR ANYONE ELSE.

NOTICE INFORMATION

NOTE: INSERT AT LEAST ONE ADDRESS AND/OR ELECTRONIC DELIVERY ADDRESS EACH PARTY AND AGENT APPROVES FOR THE RECEIPT OF ANY NOTICE CONTEMPLATED BY THIS CONTRACT. INSERT "N/A" FOR ANY WHICH ARE NOT APPROVED.

BUYER NOTICE ADDRESS:

Mailing Address: 16 Causeway Dr., Ocean Isle Beach,
NC 28469-7504

Buyer Fax#: (910) 579-0443

Buyer E-mail: debbie@sloanerealty.com

SELLER NOTICE ADDRESS:

Mailing Address: 3 W Third St., Ocean Isle Beach, NC
28469-7506

Seller Fax#: _____

Seller E-mail: dbrown@naccdb.com

CONFIRMATION OF AGENCY/NOTICE ADDRESSES

Selling Firm Name: N/A
Acting as ☐ Buyer's Agent ☐ Seller's (sub)Agent ☐ Dual Agent
Firm License #: N/A

Mailing Address: _____

Individual Selling Agent: N/A
☐ Acting as a Designated Dual Agent (check only if applicable)

Selling Agent License #: N/A

Selling Agent Phone#: _____

Selling Agent Fax#: _____

Selling Agent E-mail: N/A

Listing Firm Name: N/A
Acting as ☐ Seller's Agent ☐ Dual Agent
Firm License #: N/A

Mailing Address: _____

Individual Listing Agent: N/A
☐ Acting as a Designated Dual Agent (check only if applicable)

Listing Agent License #: N/A

Listing Agent Phone#: _____

Listing Agent Fax#: _____

Listing Agent E-mail: N/A

[THIS SPACE INTENTIONALLY LEFT BLANK]

ACKNOWLEDGMENT OF RECEIPT OF MONIES

Seller: _____ ("Seller")

Buyer: _____ ("Buyer")

Property Address: 2 W Third St, Ocean Isle Beach, NC 28469 ("Property")

☐ LISTING AGENT ACKNOWLEDGMENT OF RECEIPT OF DUE DILIGENCE FEE

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Due Diligence Fee in the amount of \$ _____, receipt of which Listing Agent hereby acknowledges.

Date: _____ Firm: _____

By: _____
(Signature)

(Print name)

☐ SELLER ACKNOWLEDGMENT OF RECEIPT OF DUE DILIGENCE FEE

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Due Diligence Fee in the amount of \$ _____, receipt of which Seller hereby acknowledges.

Date _____ Seller: _____
(Signature)

Date _____ Seller: _____
(Signature)

☐ ESCROW AGENT ACKNOWLEDGMENT OF RECEIPT OF INITIAL EARNEST MONEY DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Escrow Agent of an Initial Earnest Money Deposit in the amount of \$ _____. Escrow Agent as identified in Paragraph 1(f) of the Offer to Purchase and Contract hereby acknowledges receipt of the Initial Earnest Money Deposit and agrees to hold and disburse the same in accordance with the terms of the Offer to Purchase and Contract.

Date _____ Firm: Michael Isenberg, Atty

By: _____
(Signature)

(Print name)

☐ ESCROW AGENT ACKNOWLEDGMENT OF RECEIPT OF (ADDITIONAL) EARNEST MONEY DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Escrow Agent of an (Additional) Earnest Money Deposit in the amount of \$ _____. Escrow Agent as identified in Paragraph 1(f) of the Offer to Purchase and Contract hereby acknowledges receipt of the (Additional) Earnest Money Deposit and agrees to hold and disburse the same in accordance with the terms of the Offer to Purchase and Contract.

Date _____ Firm: Michael Isenberg, Atty

Time: _____ ☐ AM ☐ PM By: _____
(Signature)

(Print name)

**REAL ESTATE
APPRAISAL**

Of

Ocean Isle Beach Police Station
2 W. Third Street
Ocean Isle Beach, Brunswick County, NC 28469

As of

March 15, 2018

Prepared For

Town of Ocean Isle Beach
3 West Third Street
Ocean Isle Beach, NC 28469

Prepared by

James W. McNeill, Jr. MAI, SRA
NC State-Certified General Real Estate Appraiser #A398
And
Michael D. Powell, II, SRA
NC State-Certified Residential Real Estate Appraiser #A779

File Name:

MP18-0002

MIKE POWELL APPRAISAL GROUP

1541 Seaside Road SW
Ocean Isle Beach, NC 28469

Phone: (910) 770-1791
Fax: (910) 202-6493
www.mikepowellappraisalgroup.com

April 2, 2018

Ms. Daisy Ivey, Town Administrator
Town of Ocean Isle Beach
3 W. Third Street,
Ocean Isle Beach, NC 28469

Re: Real Estate Appraisal
Ocean Isle Beach Police Station
2 W. Third Street
Ocean Isle Beach, Brunswick County, NC 28469

Dear Ms. Ivey:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

Bldg.	Tax Parcel	Sq. Ft.	Tax Value
1	257D-H-014	4,224	\$ 460,670
Total:		4,224	\$ 460,670

Please reference page 17 & 18 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection comments, opinion of highest & best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value.

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no extraordinary assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

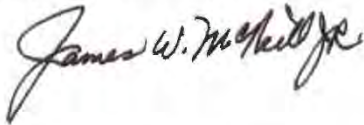
Current "As Is" Market Value:

The current market value of the fee simple estate of the office building, as of March 15, 2018 the date of our site inspection is...

Four Hundred Sixty Thousand Dollars
\$460,000.00

The market exposure time prior to the date of valuation on March 15, 2018 would have been 10 to 12 months at the value conclusion.

Respectfully submitted,




Signed: James W. McNeill, Jr. MAI, SRA
 NC State-Certified General Real Estate Appraiser #A-398

Date: April 2, 2018




Signed: Michael D. Powell, II, SRA
 NC State-Certified Residential Appraiser #A-779

Date: April 2, 2018

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Summary of Salient Facts and Conclusions



Property Location:	2 W. Third Street, Ocean Isle Beach, NC 28469
Owner of Record:	Town of Ocean Isle Beach
Tax Map Number:	257D-H-014
Date of Appraisal Report:	April 2, 2018
Effective Date of Appraisal:	March 15, 2018 (Date of Value Conclusion)
Date of Site Visit:	March 15, 2018
Purpose:	Estimate the Market Value of the Fee Simple Interest in the Subject Property As Is.
Total Land Area:	13,091 SF or 0.3005 Acres – 87.27' x 150' Project land to building ratio is 3.1 to 1.0.
Zoning:	C-2 (Commercial - Business Center), Ocean Isle Beach
Present Use:	Improved as Office
Highest and Best Use:	Continued Use as Office
Age / Condition:	1977/Average
Gross Building Area:	4,224 SF – per recorded plans and measurement

Summary:

Valuation: The valuation of the subject was completed using the *Sales Comparison Approach* with sales of similar office space compared to the subject. Adjustments were made for the respective dissimilarities with the subject. The appraisers analyzed the subject on a per SF basis. The *Income Approach* was briefly used as a test of the Sales Comparison Approach. The *Cost Approach* was not used.

Fee Simple Values:

Land Valuation:	\$380,000
Cost Approach:	Not Used
Sales Approach:	\$460,000
Income Approach:	\$390,000 (used as a test)
Reconciled Value:	\$460,000

Reporting Type: Appraisal Report

Certification Statement

I certify that, to the best of our 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 assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 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.
- James W. McNeill, Jr., MAI, SRA, has personally inspected the subject property (interior & exterior) and exterior of the comparable sales.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- I have performed no prior services, as an appraiser or in any other manner, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, James W. McNeill, Jr., MAI, SRA has completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute. James W. McNeill, Jr., MAI, SRA is a State Certified General Real Estate Appraiser #CG2220 by the State of South Carolina and a Certified General Real Estate Appraiser #A398 by the State of North Carolina.

James W. McNeill Jr.



Signed: James W. McNeill, Jr. MAI, SRA Date: April 2, 2018
NC State-Certified General Real Estate Appraiser #A398

Certification Statement

I certify that, to the best of our 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 assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 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.
- Michael D. Powell, SRA has inspected this property.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- I have performed no prior services, as an appraiser or in any other manner, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, Michael D. Powell, SRA has completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute. Michael D. Powell, SRA is State Certified Residential Appraiser #A779 by the State of North Carolina.




Signed: Michael D. Powell, II, SRA
NC State-Certified Residential Appraiser #A779

Date: April 2, 2018

Subject Property Photographs



Front Elevation



Rear Elevation

Subject Property Photographs



Front



Third Street



Rear View of other properties - West



Rear View of other properties – East



Rear



Interior



Interior



View of Interior



Toilet



Garage Area



View of Interior



View of Attic Area – walkup storage

Subject Location Map



Assumptions and Limiting Conditions

This *Appraisal Report* has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
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. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the properties.
6. It is assumed that there are no hidden or unapparent conditions of the properties, 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 noncompliance is stated, defined and considered in the appraisal 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 the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. 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 noted in the report.

This *Appraisal Report* has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies 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.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation,

testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraisers.
5. That the appraiser has personally inspected the subject property and finds no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes, can be assumed without provision of specific professional or governmental inspections.

Appraiser Comment: "The primary reason for inspection of a property is to gather information about the characteristics of the property that are relevant to its value.¹ While there are other ways to gather such information, in many cases the personal observations of the appraiser are the primary source of information regarding the property. An inspection conducted by the appraiser(s) is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, a licensed home inspector, a Renaissance art expert, and environmental engineer). This statement is made for the understanding of the reader.

6. That no termite inspection report was available, and the appraiser assumed the improvements to be free of infestation or damage caused by termites or other wood boring insects.
7. Hazardous Waste: Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraisers' inspection. The appraiser has no knowledge of the existence of such materials on or in the properties unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation or other hazardous substances or environmental conditions, may affect the value of the properties, the value estimated is predicated on the assumption that there is no such condition on or in the properties or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
8. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the properties. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the properties.

¹ Advisory Opinion 2 (AO-2) USPAP 2018-2019 Edition

9. Wetlands legislation is ever changing and interpretations of their whereabouts are beyond the appraiser's expertise. If wetlands exist and their impact on the value of the subject properties are not discussed in this report, the value estimate for the subject will need to be reconsidered by the appraiser and the value conclusions contained herein are not applicable.
10. We have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, mold existence, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. We obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that we believe to be true and correct.

Additional Specific Limiting Conditions:

1. Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.
2. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.
3. No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.
4. All files, work papers and documents developed in connection with this assignment are the property of Michael D. Powell Appraisal Group. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.
5. No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

6. Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
7. Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.
8. Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.
9. It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.
10. The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Extraordinary Assumptions

- There are no extraordinary assumptions for this appraisal.

Hypothetical Conditions

- There are no hypothetical conditions for this appraisal.

Comment: The aerial map with the tax map overlay appears to show the subject property lines off center. However, we have assumed that the property is adequately described by the survey map rather than the aerial view.

Appraisal Development and Reporting Option

Appraisal Report: This is the most detailed and complete reporting option. The length and descriptive detail in such a report should be based on the scope of work set forth by the appraisal problem which the client requested. This reporting type replaces two types of reporting (Summary and Self-Contained) that were replaced in the USPAP 2014/2015 Edition and carried forward into the USPAP 2018/2019 Edition.

Restricted Appraisal Report: Should contain a brief statement of information significant to the solution of the appraisal problem. Only the client intends it for use and everyone else is considered an unintended user.

Development Level and Reporting Option Used

This report is intended to be an **Appraisal Report**.

Appraisal Procedure, Format, and Use Restriction

The Cost, Sales Comparison, and Income Approaches to value were all considered in this report and it was determined that all three approaches to value are applicable to this analysis. However, the Sales Comparison Approach is the typical approach used by local appraiser for the vintage type office property. We did use a brief Income Approach to aid in a test of the Sale Comparison Approach.

This assignment is being reported as an Appraisal Report, which is intended to meet the minimal requirements of such, as specified under Standards Rule 2.2 of USPAP 2018-2019 Edition (effective January 1, 2018).

Competency Statement

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

Scope of Work

Scope of work is the amount and type of information researched and the analysis applied in the assignment. Scope of work includes, but is not limited to, the following:

- The degree to which the property was inspected or identified;
- The extent of research into physical or economic factors that could affect the property;
- The extent of data research; and
- The type and extent of analysis applied to arrive at opinions or conclusions.

Inspection of Property: The interior of the subject property was last personally inspected by the appraiser James W. McNeill, Jr., MAI, SRA on March 15, 2018. The subject photographs presented herein were also taken at this time. Mr. Michael D. Powell, II, SRA did inspect the property on same date and time.

Appraiser Comment: "The primary reason for inspection of a property is to gather information about the characteristics of the property that are relevant to its value.² While there are other ways to gather such information, in many cases the personal observations of the appraiser are the primary source of information regarding the property. An inspection conducted by the appraiser(s) is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, a licensed home inspector, a Renaissance art expert, and environmental engineer). This statement is made for the understanding of the reader."

Research of Market Data: We investigated appropriate market data for utilization in the Cost, Sales Comparison and Income Approaches for the subject. Due to the nature of the property to be offered for sales, we have concluded that the most reasonable approach to use is the Sales Comparison Approach. Our investigations included research of public records through the use of commercial sources of data such as printed comparable data services, computerized databases, etc. Search parameters such as dates of sale, locations, sizes, types of properties and distances from the subject started with relatively narrow constraints, and have been expanded until we retrieved sufficient data to estimate market value, or until we reasonably exhausted the available pool of data. We reviewed and researched for sales and listing data and, if deemed appropriate, verified the data with people directly involved in the transactions such as buyers, seller, brokers, or agents. We may have used at our discretion some data that we were unable to verify, but in our opinion appeared to be correct.

Research of Easements or Restrictions: We investigated and analyzed pertinent easements or restrictions on the subject property. A title report was not available to us; therefore, we relied on a visual inspection to identify any readily apparent easements or restrictions.

Analysis of Data: We analyzed the data that we found and arrived at conclusions regarding the market value, as defined in the report, of the subject property as of the date of value using appropriate valuation approaches identified above.

Compliance with Appraisal Standards: We completed the appraisal report in compliance with appraiser's interpretation of the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation and the Code of Professional Ethics and Certification Standard of the Appraisal Institute.

² Advisory Opinion 2 (AO-2) USPAP 2018-2019 Edition

Responsibility for Contamination: We were not responsible for ascertaining the existence of any toxic waste or other contamination present on or off the site. We reported any indications of toxic waste or contaminants that may affect value if they were readily apparent to us during our investigations. We caution the user of the report that we are not expert in such matters and that we may have overlooked contamination that might have been readily apparent to others.

Preparation of Appraisal Report: We prepared a report, including photographs of the subject property, a brief description of the subject neighborhood, the site, a brief description of the zoning, a highest and best use analysis, a grid of the most important sales comparable properties used in our valuation, reconciliation and conclusion and other data that we deemed relevant to the report. Pertinent data and analyses not included in the report are retained in our files.

Intended Use and Intended User: This report was developed for the exclusive use by Town of Ocean Isle Beach for internal use.

Property Interest Appraised: The interest being appraised is the *market value* of the *fee simple* interest *as is* and as of the effective date valuation expressed herein.

Effective Date: The effective date of this appraisal valuation is March 15, 2018; which is the date of inspection of the property by the appraisers.

Definitions:

Market Value³

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 sellers, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 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.

Fee Simple Estate⁴

"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."

As Is Market Value⁵

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

³ As defined by *The Federal Register*, vol. 55, no. 163, August 22, 1990, pages 34228 and 34229, and found in *The Appraisal of Real Estate, Fourteenth Edition*.

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

Identification of the Subject Property

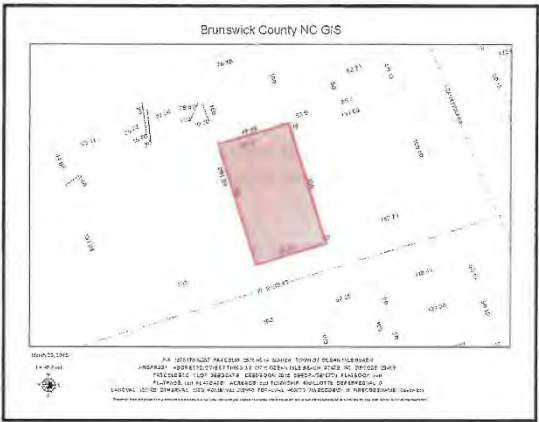


Tax Map Parcel – 257D-H-014 – Aerial View

The subject property is located on the north side of W. Third Street in the Town of Ocean Isle Beach, NC. The subject property is identified by the Brunswick County tax map #257D-H-014. The street address of property is 2 W. Third Street, Ocean Isle Beach, North Carolina 28469. The subject is located within the jurisdiction of Ocean Isle Beach and is zoned by the Town of Ocean Isle Beach.

Legal Description

A portion of the legal description for the subject property can be found in Deed Book 816, Page 736 in Brunswick County Registry of Deeds Office in Bolivia, NC. The original portion of this tract appears to have been by deed filed in Book 347, Page 478.



History and Ownership of the Subject Property

The *Uniform Standards of Professional Appraisal Practice* requires a three (3) year sales history for any portion of the subject property. The fee simple interest in the subject property is owned by Town of Ocean Isle Beach. The original portion of the property purchased February 26, 1976 and second portion purchased December 16th, 1988.

The deeds are recorded in Deed Book 347, Page 479 and Deed Book 816, Page 736 at the Registry of Deeds office in Bolivia, NC. Both parcels were obtained from Odell Williamson and wife Virginia Williamson.

Assessments and Taxes: The fair market value for the subject property, according to the Brunswick County assessor, is \$460,670. The bill for the Ocean Isle Beach Fire Department is \$250. The tax bill is paid through 2017. Since this is a governing body the town does not pay town or county taxes. However, if sold to a private owner the tax rate would be \$0.485 per hundred for Brunswick County and \$0.1875 per hundred plus the fire department tax of \$250.

Neighborhood Analysis



Aerial Photograph of the Neighborhood – Island View of Ocean Isle Beach

Neighborhoods in a small town similar to the Town of Ocean Isle Beach often do not have recognizable differences between neighborhoods, especially the commercial districts. The commercial properties in the subject area are located along Causeway Drive (NC Hwy. 904) and Beach Drive. The subject property is located within the town limits of Ocean Isle Beach.

A neighborhood is defined as a group of complementary land uses; a congruous grouping of inhabitants, buildings or business enterprises. Neighborhood analysis is defined as the objective analysis of observed and/or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors as defined in The Dictionary of Real Estate Appraisal, Fifth Edition, page 242, published by the Appraisal Institute.

The Lowe's Food Store is a fairly new shopping center with small shops, and office units. A convenience store is operating at the stoplight at Causeway Drive and Beach Drive. Several banks have opened new offices on Beach Drive and Causeway Drive. A new Publix Super Market is being constructed on Beach Drive near the same intersection at Causeway Drive and Beach Drive.

Ocean Isle Beach is a beach resort town that has a very high population in the summer months. The year round population in 2010 was 550 people up from the 426 people in 2000 Census. The median income for a household in the town was \$67,639 in the last census.

Conclusion:

The demographics of the area (Ocean Isle Beach) support a good place for residential and commercial development. This is a stable growth area with continued population growth anticipated as well as a beach resort community. With the coming of people and new housing units comes the need for commercial services. Currently, the economy is possibly the best that it has been in the last ten years, which does indicate a recovery from the economy turndown in the late 2000's.

Site Data



Subject Site – TMS 257D-H-014

Size: The subject site contains approximately 13,091 SF or 0.3005 acres according to survey. The site is 87.27' x 150'.

Easements and Encroachments: We are unaware of any adverse easements or encroachments on the site that would negatively affect the marketability of the subject property. A 12-foot wide drive easement transitions the eastern portion of the subject site.

Comment: The aerial map above is used to mark the subject location; however, for some reason the legal survey and the aerial map are not aligning correctly. The outlined area should be slightly north east of its actual indication above. We assume that the legal boundary of the subject property and the adjoining properties are legally aligned with no encroachments.



Site Dimensions – Brunswick GIS – 12-foot drive is actually shown on the motel property

Topography: The site is at the grade of the surrounding roadways. Drainage appears adequate and typical of surrounding neighborhood based on our observation.

Utilities: The subject property has access to municipal utilities including water, sewer, electric, and telephone service.

Location and Access: The subject site is located on the north side of W. Third Street. The subject site has approximately 87' of frontage along W. Third Street. The single entrance to Ocean Isle Beach Island is located a short distance to the east at Causeway Drive and West Third Street intersection.

Visibility: Average from West Third Street. The view is of marshland and low water level at low tide. However, there is no waterfront since the tract between water/marsh is owned by Virginia Alma Williamson Trustee & OIB Holding, LLC

Property Use: Government office (police station)

Shape: Rectangular Shop

Soil Condition: The soil types are listed as Newhan (NeE) and Corolla (Co). The Newhan soil type is excessively drained and the Corolla soil type is moderately well drained. The Newhan soil type is severely limited for small commercial buildings due to slope and the Corolla soil type is severely limited due to flooding. Both soil types for the subject property have been modified for the present use and typical for those properties located on the Island of Ocean Isle Beach.

Wetlands/Watershed: No wetland areas observed during our site visit. However, site is situated on a barrier island in close proximity to the Intra-Coastal Waterway and CAMA regulations will impact development.

Site Comments: The site appears to be suitable for development. It has adequate frontage and depth for ingress and egress, access to all public utilities, and suitable topography. The site should lend itself to a myriad of development options. The size of the site is the major limiting factor.

Site Improvements: Site improvements include concrete paving for parking and driveway. The site is landscaped typical of other office properties located in the area.



Survey Map – Site Dimensions

Flood Plain: According to the recorded site map the property is located within a flood area.

The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). Interflood, a flood map service provider indicates the subject is located in FEMA flood zone VE.

FEMA Map Number: 37019C1075J

FEMA Map Date: June 2, 2006

The entire subject appears to be located in a flood zone. This is common for island properties in the area.





Flood Map taken from the Brunswick County GIS – Flood Zone VE

Zoning: The subject site is zoned Commercial Highway District (C-2) by Ocean Isle Beach.



Town of Ocean Isle Beach - Zoning Map

LAND USE CONTROLS

Zoning Code	OI-C-2
Zoning Description	Commercial

The C-2 district is intended primarily to serve as a business center for provision of retailing and office service usually associated with a beach resort community. The standards established for this district are designed to promote sound, permanent business development and to protect abutting or surrounding residential areas from commercial development.

(1) Permitted uses. Retail businesses providing low-bulk commodities such as groceries, drugs, apparel, variety and convenience merchandise and gifts. Offices, service stations, amusements, restaurants, marinas, fishing piers, churches and all uses in R-1, R-2 and C-1 are also permitted.

(2) [Special entertainment uses.] The following uses shall be permitted if approved by the board of adjustment as a special use for special entertainment uses: adult and sexually oriented businesses (see section §6-91).

(3) [Minimum requirements.] Minimum lot area, width and yard requirements are as follows:

	Minimum Lot Area (sq. ft.)	Minimum Lot Width (ft.)	Minimum Front Yard Setback (ft.)	Minimum Side Yard Setback (ft.)	Minimum Rear Yard Setback (ft.)	Minimum Height (ft.)
Commercial	1,000	40	5	5	5	10
Office	1,000	40	5	5	5	10
Restaurant	1,000	40	5	5	5	10
Hotel	1,000	40	5	5	5	10
Gas Station	1,000	40	5	5	5	10
Car Wash	1,000	40	5	5	5	10
Laundromat	1,000	40	5	5	5	10

(a) The maximum height of structures for other than utility purposes shall be measured such as to allow for the construction of two floors, limited to 31 feet measured from the bottom of the lowest horizontal structural member to the highest point of structure.

(b) The respective flood zone shall determine the lower floor joist height of the structure which must be three feet above the base flood elevation line with a maximum piling height allowed of nine feet unless a greater height is required by the FEMA base flood elevation.

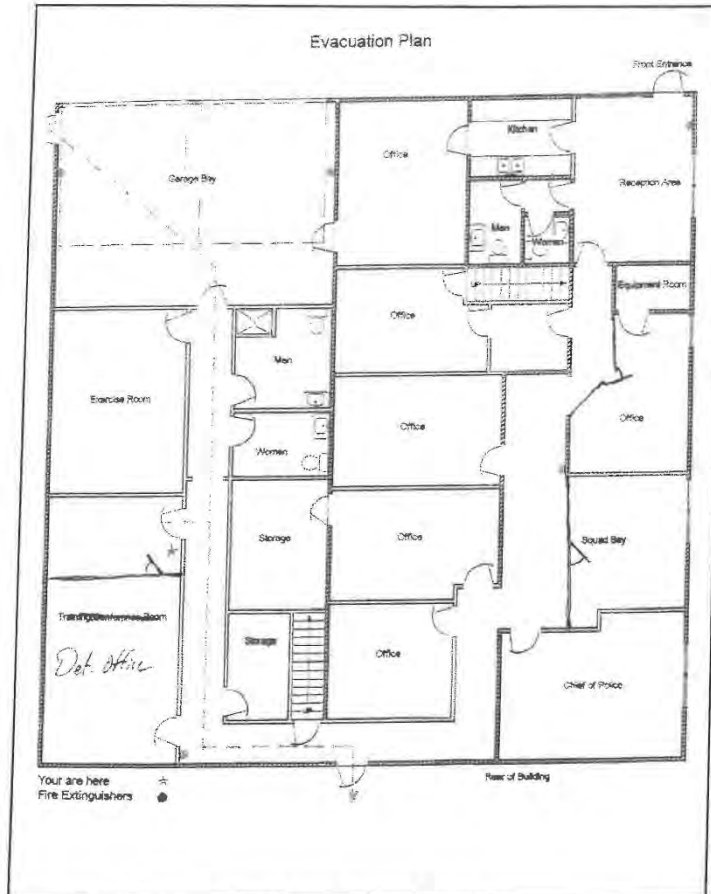
(c) All new or substantially improved structures shall comply with the National Flood Insurance Program (NFIP) requirements, flood insurance rate maps (FIRM) and any subsequent regulations contained in chapter 30 of the Ocean Isle Beach Code of Ordinances.

(4) [Calculating square footage of lot.] For purposes of calculating the square footage of a lot, the dimensions of the lot shall be controlled by the dimensions on the original subdivision plat or the original metes and bounds description contained within the deed, if there was not a recorded plat of said property and provided said deed was recorded prior to November 9, 2004. If a property owner is conveyed additional property contiguous to his original lot, the additional area may not be included for purposes of determining the square footage of the lots unless:

- A deed of recombination is prepared and filed; and
 - The additional property is entirely outside landward of the mean high water, the 404 line, any designated wetlands and the first line of stable natural vegetation as defined by CAMA.
- (5) Rear yard setback for lots adjacent to water bodies shall be subject to current CAMA requirements affecting such lots.

Description of Improvements

IMPROVEMENTS DESCRIPTION (As Is)	
Overview:	A 4,224 +/- SF Office Building on an SF x 150 lot
GENERAL (As Is)	
Construction:	Masonry Frame
Construction Quality:	Average
Year Built:	1977
Renovations:	None
Effective Age:	20 years
Remaining Useful Life:	25 years
Condition:	Average
Appeal/Appearance:	Average
Areas, Ratios & Numbers:	Number of Stories: 1.00 Gross Building Area: 4,224 SF Number of Units: 1
	Building Efficiency Ratio: 100.0%
FOUNDATION, FRAME & EXTERIOR (As Is)	
Foundation:	Poured concrete slab
Structural Frame:	Masonry Frame
Exterior:	Textured block
Windows:	Casement
Roof Cover:	Hip / Composite Shingle
INTERIOR (As Is)	
Floor Cover:	VCT, carpet, bare slab
Walls:	drywall
Ceilings & Ceiling:	acoustical tile 8'-0" feet
Height:	
Lighting:	Fluorescent
Restrooms:	Two men's and two women's -- each single stall. Shower stall in one of the men's restrooms
MECHANICAL SYSTEMS (As Is)	
Heating & Cooling:	Forced air
Electrical:	Average
Plumbing Condition:	Average
Sprinkler:	None
Elevators/Escalators:	None / None
PARKING (As Is)	
Parking Type and Number of Spaces:	Type: Paved open surface parking Spaces: 15 +/- Condition: Average
Parking Ratio:	3.55 spaces per 1,000 square feet.
PROPERTY ANALYSIS (As Is)	
Design & Functional Utility:	The building design and functional utility is average and generally similar to other office buildings in the area. It is currently utilized as a police station but could easily be utilized for general office space.
Deferred Maintenance:	The property is generally well-maintained and no obvious indications of deferred maintenance were noted.
Comments:	Overall, the property is well-maintained and is well-suited for office use.



Floor Plan & Room Layout

Size: The subject property is comprised of a free-standing building with 4,224 SF based on the appraiser's calculation.

Age and Condition: The existing building was constructed in 1977 and is in Average condition with an overall effective age of 20 years. The building reported to have been remodeled in 2000 and a new roof installed at that time. The condition of the mechanical systems is unknown; however, they are assumed to be functional.

Quality of Construction: The building is of Average construction with masonry frame and concrete block & stucco exterior walls and architect shingle roof covering. In terms of building construction, we assume no responsibility for hidden or unapparent conditions, **including any problems due to hazardous waste**, beyond our expertise as appraisers. We are not experts in construction techniques and it is assumed that the improvements are, and will be, structurally adequate and in conformance with all applicable building codes.

Building Materials

Foundation	Poured Concrete Slab
Exterior Walls	Concrete Block, architectural block
Windows	Casement & Fixed Casement
Roof Cover	Asphalt Shingles - Architect type
Walls	Painted Drywall
Ceilings	Drywall
Interior Lighting	A mix of Fluorescent and Incandescent
Heating/Cooling	Central Heating and Cooling

Site Improvements: Site improvements include a concrete parking area with 15 lined parking spaces. The property is landscaped. The land to building ratio is 3.10 to 1.0.

Assessment and Taxes

Taxing Authority Brunswick County & Town of OIB

Valuation Year 2015

The 2015 assessed value is \$460,670.

Comments

The subject is a government owned property and is not subject to taxation. If the property was not tax exempt, the total tax burden for 2017 including \$250 in OIB fire fees, etc. is estimated to be \$3,348.00 for a private owner.

Highest and Best Use

The theory of highest and best use is one of the basic fundamentals that affect the value of all real property. According to *The 14th Edition of the Appraisal of Real Estate*, highest and best use is defined as: *"The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*

In order to value a property at its Highest and Best Use, it is analyzed on its legal, physical and economic aspects. The Highest and Best Use of a property, both as vacant and as improved, must meet four criteria. The Highest and Best Use must be legally permissible, physically possible, financially feasible, and maximally productive.

Highest and Best Use-As Vacant

Physically Possible: In determining what physical uses are possible for the subject property, the factors that were considered included the subject's location, adjoining and neighboring properties and other relative physical characteristics that were discussed under the Site Data section earlier in the report. The subject is a government office building with a site area that consists of a 13,091 SF parcel of land with approximately 87' of frontage along Beach Drive. The site has average ingress/egress to the surrounding major roadways and is located in a destination type location. Similar sites are developed with small shop/retail, service uses and office buildings. Other than size and access, the subject has few physical characteristics that would limit destination type development.

Legally Permissible: As stated earlier, the subject parcel is located within a Commercial - Business Center zoning district of the Ocean Isle Beach. C-2 is a desirable commercial zoning classification that permits a variety of retail, personal service, office, and other mixed uses.

Financially Feasible: The commercial property market has been improving due to economic factors such as a strong residential market that has been improving demand in the area due to population growth. Feasibility for new construction on the subject site is limited at this time to owners whose businesses do not conform to the existing supply of commercial properties already on the market.

Maximally Productive: The subject site is located in a good location on Ocean Isle Beach where destination retail service and office uses are the primary feasible development for owner users. Due to the subject's location along a town street and among the surrounding development, a destination commercial use, such as destination retail, office, or service is considered the Highest and Best Use of the site.

Note: This location is just off Causeway Drive, which is the only entrance to the Island of Ocean Isle Beach.

Highest and Best Use - As Improved

Physically Possible: The subject site consists of a 13,091 SF site. The site is currently improved with a 4,224 SF office building. The land and building size equates to a land to building ratio of 3.1 to 1 which is lower than the average of the sales utilized in the sales grid. The site has good roadway ingress/egress and is located in a destination type location. Similar sites are developed with destination retail and office buildings. The newest of those developments is destination retail uses. The subject improvement is a physically possible use of the site as a destination commercial use such as destination office. However, the current building would be less desirable for a retail type building due to the low land to building ratio and limited parking.

Legally Permissible: As stated in the As If Vacant section, the property is zoned Commercial - Business Center (C-2) district by the Town of Ocean Isle Beach. This zoning district allows for the subject's office use. The site improvements include adequate parking, landscaping and roadside signage. The parking ratio is 282 SF of office area per parking space, which is typical for an office use. However, a retail use would require more parking on-site. The subject improvement is a legally permissible use of the site. However, the existing construction is legally non-conforming since the floor elevation is not above the published flood elevation.

Financially Feasible: The subject is owner occupied. Offices in the area are typically in destination office locations and are leasing in the range of \$12 to \$16 per SF based on the appraiser's survey. With vacancy rates of less than 7% for office space in southwest Brunswick County and an estimated expense ratio of less than 30%, the subject property is feasible as an office unit for owner/occupied buildings; however, new office buildings for lease are considered to be unfeasible. One restricting consideration is that the cost of the flood insurance renders the development of the building less feasible for the owner user and/or the investor landlord. The total expense ratio is increased to more than 40% of the effective gross income.

Maximally Productive: According to my data sources the typical office OAR is considered to be in the 8% to 10% range for most standard offices in good locations. The building is limited for use as a real estate office due to limited parking. The subject's current use reflects a use that typically sells for a favorable capitalization rate of less than 9% to 11%. However, subject's current use is the maximally productive use of the subject property considering its design and location.

If the existing building is considered removed from the property, then a new building would require that the first floor level of the building be raised above the elevation required by FEMA. This would require an elevator, but it would in most cases allow some parking under the building.

Conclusion: As no use will justify razing or materially altering the improvements at this time, the subject's current use is considered the Highest and Best Use of the site. The likely purchaser would be an owner occupant with use for an office similar to the current use.

Valuation Process

There are three commonly accepted approaches used in valuing real estate: The Cost Approach, the Sales Comparison Approach, and the Income Approach. The fifth edition of *The Dictionary of Real Estate Appraisal* describes these methods as follows:

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

Sales Comparison Approach

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale process of the comparable based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

Income Approach

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Consideration was given to the Sales Comparison Approach as being the most applicable in valuing the subject property. We have used the Sales Comparison Approach; however, this does not limit support for the value conclusion in any way. The Cost Approach is not typically used by commercial appraisers when appraising a vintage building. If we considered the Cost Approach we would be looking at a raised building due to the flood plain zone; therefore, this would not be the same for the "as is" market value with building built on the ground level.

We do not believe that the Income Approach would be usable since the subject building would not be typically purchased by an investor for rental purposes. However, we have used this approach as a test of the Sales Comparison Approach based on a "what if situation".

Cost Approach

In the Cost Approach, the indication of value derived by the following steps:

- Step 1 Estimate the value of the site (Land) as if vacant and available to be put to its highest and best use;
- Step 2 Estimate the reproduction cost of all the improvements;
- Step 3 Estimate and deduct total accrued depreciation from all causes;
- Step 4 Add the site (land) value to the depreciated value of the improvements to arrive at a market value.

The Cost Approach is not used for this property valuation that is developed.

Land Valuation:

We have developed a value by use of the land approach using the Sales Comparison method for land sales.

Market Grid - Land Sales					
(34) Area W Third Street, Ocean Isle Beach, SC					
Source	Deed Bk 2342, Pg 1201	Deed Bk 2351, Page 24 & 36, 5	Deed Bk 3107, Pg 1351 - correct	Deed Bk 3017, Pg 1117	
Buyer	W. Tied Co.	Edward Brown	John Tiedfield	John Tiedfield	
Location	2370-44-414	2nd Blm. East Ocean Bl	Coastway Drive	Turn of Ocean Isle Beach	3634 John Tiedfield, LLC
Tax Parcel Number & (Acres)	2370-44-414	2370-F-015, 216, 917	2370-4-004	2370-4-003	2370-4-003
Subject		Sub 1	Sub 2	Sub 3	Sub 4
State Price	\$	\$773,000	\$330,000	\$1,600,000	\$2,000,000
Adjusted or Bid Amount	\$	\$0	\$0	\$0	\$0
Adj. Sales Price	\$	\$773,000	\$330,000	\$1,600,000	\$2,000,000
Date of Sale	3/1/2018	February-13	December-11	March-14	February-18
Size (SF)	13,091	15,000	4,117	13,178	78,344
Zoning	C-2 Ocean Isle Beach	C-2, OIB	C-2, OIB	C-2, OIB	C-2, OIB
R & B Use	Commercial	Site with Parking Spaces	Commercial - for parking	Commercial	Commercial
Acres	0.304	0.14	0.14	1.000	1.000
Frontage - Feet	37.3	150.0	50	372	670
Front Depth Ratio	0.582	1.100	0.400	1.360	1.110
SP/SF	\$58.89	\$51.53	\$79.93	\$120.83	\$25.67
SP/SF	\$58.89	\$51.53	\$79.93	\$120.83	\$25.67
Transactional Elements:					
Property Right Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustments		0%	0%	0%	0%
Financing & Condition of Sale	Market	Market	Market	Market	Market
Adjustment		0%	0%	0%	0%
Market Condition	2/1/2013	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%
Adjusted Price		\$51.53	\$79.93	\$120.83	\$25.67
Property Related Elements:					
Location	W Tied Co.	0%	-20%	0%	-10%
View	Marshall View - 87	0%	-10%	0%	-10%
Zoning	C-2 - Ocean Isle Beach	0%	0%	0%	0%
Frontage / Depth Ratio	0.582	-15%	0%	-15%	-10%
Parking Spaces - Improved	Considered as None	-20%	0%	0%	0%
Shape	Rectangular	0%	0%	0%	0%
Size (Acres)	0.304	0%	-10%	10%	10%
Net Adjustment		-35%	-40%	3%	-15%
Indicated Value/SF =		\$33.58	\$32.27	\$36.76	\$21.16
Mean:		\$29.52			
Size (SF)	x	Value/SF	=	Indicated Value	
13,091	x	\$29.52	=	\$379,639	
Concluded Value of Subject					
					\$380,000

Conclusion:

Based on the four (4) sales considered, we conclude that a current market value of the subject land considered as vacant would be approximately \$29 per SF.

The value indicated: \$29.00 per SF x 13,091 SF = \$379,639 Rounded to \$380,000

Land Value \$380,000

Sales Comparison Approach

Technique of the Approach

The Sales Comparison Approach is used to estimate a value for a property through the comparison to sales of similar properties. This approach is based on the principle of substitution and assumes that no prudent purchaser will pay more for a particular property than a similar substitute property. When using the Sales Comparison Approach, a sufficient number of sales are needed in order to establish a market pattern. When this pattern is established, the subject property can be analyzed to determine how the subject relates to this pattern. Typically, the most reliable unit of comparison is the "sales price per SF." For this reason, this unit of comparison will be utilized in analyzing the subject property.

Data Search

Several comparable sales were located and researched. To find these sales, local multiple listing service information, the public records, national data services and our appraisal files are reviewed. The sales used in this analysis are summarized below.

Sale #	Address	Sale Price	Sales Date	Size (Sq. Ft.)	Price/Sq. Ft.
1	59 Causeway Dr	\$672,000	12/21/2017	3,575	\$187.97
2	20 E. 2nd Street	\$450,000	7/20/2016	2,894	\$155.49
3	113 Causeway Dr	\$525,000	6/25/2014	3,398	\$154.50
4	24 Causeway Dr	\$1,000,000	12/5/2012	3,517	\$284.33
					\$195.58

Sale 1 is a free-standing building former used for the ABC Store and is a (Retail Sale) that is a good indication of the subject property. This sale is superior due to the waterfront location on Causeway Drive. This sale has a pier and floating dock. This sale was used for retail; however, the buyer is a restaurant operator and the adjoining owner.

Sale 2 is a free-standing retail building that is a raised building. There are three (3) units and at least some of the units are rental units.


Sale 3 is a free-standing office building formerly used for a small bank and now converted to another use. The location on Causeway Drive is typically considered superior to the subject location. This sale has a higher land to building ratio, which allows for good parking. The location is within the town limits; however, it is located on the mainland.

Sale 4 is an older closed sale of a real estate office building.

All of the sales are located within the Town Limits of Ocean Isle Beach.



Map of Improved Sales

Market Grid - Improved Commercial Sales						
Town of Ocean Isle Beach						
						
Subject		Sale 1	Sale 2	Sale 3	Sale 4	
Property Description	ID	2 W. Third Street	39 Causeway Dr.	MLS 100002850 20 E. 2nd Street	112 Causeway Dr.	24 Causeway Dr.
	Address	Ocean Isle Beach Police Station	ABC Store - OIB	Beckley Shops	Office Building	Real Estate Sales
	Property Name	Ocean Isle Beach	Ocean Isle Beach	Ocean Isle Beach	Ocean Isle Beach	Ocean Isle Beach
	City	257D-H-014	257D-H-002	257D-F-010-01	249F-C-010	257D-H-026-06
	Tax Map Number	Price	\$672,000	\$450,000	\$525,000	\$1,000,000
	Price	Date	3/15/2018	12/21/2017	7/20/2016	6/25/2014
	Date	Deed Book and Page	4060 / 131	3791 / 1024	3539 / 1253	3343 / 1065
	Deed Book and Page	Year Built	1977	1989	1991	2000
	Year Built	Effective Age	20 Years	20 Years	20 Years	14 Years
	Effective Age	GBA	4,224	3,575	2,894	3,398
Transactional Elements	GBA	Land SF	13,091	11,761	10,000	18,962
	Land SF	Land to Building Ratio	3.10 to 1	3.29 to 1	3.45 to 1	5.58 to 1
	Land to Building Ratio	Quality Construction	Average - Class C	Average - Class C	Class D	Class D
	Quality Construction	Sale Price per Sq. Ft.	\$187.97	\$155.49	\$154.50	\$284.33
	Sale Price per Sq. Ft.	Property Rights	fee simple	fee simple	leased fee	fee simple
	Property Rights	- Adjustment	0%	0%	0%	0%
	- Adjustment	Conditions of Sale	Market	Market	Market	Market - REO Bank Sale
	Conditions of Sale	- Adjustment	0%	0%	0%	0%
	- Adjustment	After Sale Expenditures	None	None	None	None
	After Sale Expenditures	- Adjustment	0%	0%	0%	0%
Property Elements	Market Conditions	3/15/2018	Similar	Similar	Similar	Similar
	Market Conditions	- Adjustment	0%	0%	0%	0%
	- Adjustment	Adjusted Sale Price	n/a	\$672,000	\$450,000	\$525,000
	Adjusted Sale Price	Adjusted Sale Price per Sq. Ft.	\$187.97	\$155.49	\$154.50	\$284.33
	Adjusted Sale Price per Sq. Ft.	Location	W. Third Street	-30%	-20%	-30%
	Location	Gross Building Area	4,224	-5%	-10%	-5%
	Gross Building Area	Land to Building Ratio	3.10 to 1	0%	0%	-10%
	Land to Building Ratio	Age/Condition	20 yrs/ Average	0%	0%	-15%
	Age/Condition	Quality/Style	Class C	-5%	0%	-20%
	Quality/Style	Net Adjustments		-40%	-30%	-25%
Summary	Final Adjusted Price per Sq. Ft.		\$112.78	\$108.88	\$115.88	\$117.95
	Estimated Value per Sq. Ft.		\$110.00	Average = \$116.36		
	Indicated Value	\$464,640	Final Indicated Value (Rounded to)		\$460,000	

Explanation of Adjustments

The sales included are the most recent, similar and verifiable sales found in the limited sales inventory of the Grand Strand.

Property Rights Conveyed: All of the comparable sales conveyed on a fee simple basis or similar to a fee simple interest and no adjustment is needed.

Financing and Conditions of Sale: Sales were considered as arm's length market sales so no adjustment is needed. Sale 4 was sold by a bank as an REO Bank Sale; however, we are of the opinion that no adjustment is needed. The sale was adequately exposed to the market and sold without a major discount of the sales price.

After Sale Expenditures: No after sale expenditures are known that would be necessary to carry on use of the property.

Market Conditions: "Market conditions" is an adjustment required when analyzing comparable sales dates to the date of the subject appraisal date. Three sales closed within the 2014-2017 period and only Sale 4 was closed in 2012. We conclude no adjustments are necessary.

Location: The subject is located on the island with a view of the marshland. However, Sale 1 and Sale 4 has waterfrontage with an access. We have used a minus 30% for Sale 1 and Sale 4. Sale 2 is a 3rd row location near the oceanfront so we have used a minus 20%. Sale 3 has a mainland location. Typically we find that properties on the island sell for a slightly high price due to the limited number of commercial properties on the island. We have used a +20% for a location adjustment for Sale 3.

Size: Larger properties typically sell for less per SF than smaller properties. Various adjustments are required for the difference between the sales and the subject. The sales are smaller than the subject in size. We have used a modest nominal adjustment of -5% to -10% for the size adjustment.

LTB Ratio: The subject has a near average LTB ratio allowing for adequate traffic flow and parking. The comparable sales support a range for the LTB Ratio of 3.29:1.0 to 5.58:1.0 and the norm for an office property is typically 5 to 1 or higher. Various adjustments are necessary for the differences in LTB ratio as compared to the subject. We used a nominal -10%% for the adjustment for Sale 3. Sale 1, 2, and 4 are considered to be similar to the subject even though the subject ratio is the lowest of all properties considered. The LTB Ratio does influence the parking.

Age/Condition: The sales range in age and overall condition. The Age Life Method is most appropriate to calculate and adjust each comparable. The adjustment is based on a total economic life of approximately 60 years and is applied to only the improvements. The sales require adjustments of about 1% per year for the difference in effective age as compared to the subject.

Quality/Style: All sales are essentially Class C or Class D type buildings. We considered Sale 1 to be slightly superior and used a minus 5% adjustment. Sale 2 is considered similar. Sale 3 and Sale 4 are adjusted downward by minus 15% and minus 20% respectively.

Analysis: Adjusted unit prices are from \$108.85 per SF to \$127.95 per SF, averaging \$116.36 per SF. Sale 1 and Sale 2 are the most recently closed sales. Sale 3 has the lowest net adjustment.

With weight placed on Sale 1, 2, & 3, we estimate the price per SF to be \$110.00 per SF. Accordingly: $4,224 \text{ SF} \times \$110.00 = \$464,640$ or **\$460,000 (rounded)**.

Based on the foregoing analysis, it is our conclusion that the *current market value* of the *fee simple* interest in the subject property *as is*, on March 15, 2018 via the **Sales Comparison Approach**, was:







**Four Hundred Sixty Thousand Dollars
(\$460,000)**

Income Approach

Technique of the Approach

The Income Approach is used to estimate a value for a property through the analysis of its ability to generate income (rent) and then converting said income stream into an indication of value (direct capitalization).

The Town of Ocean Isle Beach owns the fee simple interest in the subject property.

Rental Comparable						
Subject Property – 2 Third Street, Ocean Isle Beach						
						
COMPONENT & FEATURES	Subject	Rental 1	Rental 2	Rental 3	Rental 4	Rental 5
Address	2 W Third Street	4770 Shalotte Ave	4911 Bridger Rd.	5435 Main Street	120 Causeway - Unit #1	10 Doctors Circle #
Location	Ocean Isle Beach	Shallotte, NC	Shallotte, NC	Shallotte, NC	Ocean Isle Beach, NC	Supply, NC
Tax Map Number	257D-H-014	1970-0-045	197D-C-011 05	1970-0-066	243L-E-018	167L-A-009
Yearly Rent	\$0	\$124,083	\$39,600	\$18,000	\$21,600	\$28,008
Adjustments (Concessions)		\$0		\$0	\$0	\$0
Effective Rent	\$0	\$124,083	\$39,600	\$18,000	\$21,600	\$28,008
Date of Commencement		5/31/2016	10/10/2016	5/23/2017	9/15/2017	3/31/2015
Date of Expiration		N/A	10/31/2023	5/30/2020	9/31/2020	3/31/2018
Gross Building Area (Sq. Ft.)	4,224	7,857	2,520	1,484	1,800	2,000
Type	Government Office	Medical	Professional	Medical	Professional Office	Medical
Terms	N/A	NNN	Gross Rent	NNN	NNN	NNN
Expense Reimbursements SF/Yr	N/A	\$0.00	N/A	\$0.00	\$0.00	\$0.00
Status (Contract/Listing)	N/A	Contract	N/A	Contract	Contract	Contract
% Vacancy	0%	0%	0%	0%	0%	0%
		\$15.79	\$15.71	\$12.13	\$12.00	\$14.00
Location & Bldg. Quality Adj.	Island, Average	-20%	-20%	0%	0%	-15%
Yearly Rent per SF	\$0.00	\$13.63	\$12.57	\$12.13	\$12.00	\$11.90
Reconciled Market Rent (NNN)	\$ 12.00		Average = \$12.25			
Subject Property Gross Rent:	\$ 15.00					

Test of Subject Sales Comparison Approach:

At \$15.00 per SF or \$5,280 per month for the unit the total income would be \$63,360 annually.

Income:	\$63,360
Less Vacancy: @5%	- 3,168
Effective Gross Income:	\$60,192

Expenses: @41.5% or \$5.92/SF	\$25,000
Net Operating Income:	\$35,192

At the indicated value of \$460,000 we can estimate if this results in a good return.

$$\text{NOI } \$35,192 / \$460,000 = 7.65\%$$

Typically the investor buyer would desire at least a 8% to 11% return on this type of investment.

So from this standpoint the income approach would suggest that the income would support a lower value. However, in Brunswick County office units are most often owner/occupied and are not investor owned. So the Sales Comparison Approach drives the market prices.

$$\$35,192 \text{ NOI} / 9.0\% \text{ OAR} = \$391,022 \text{ Rounded } \$390,000$$

This discussion is simply used to **test** the feasibility of the Sales Comparison Approach and reliance for the final value is not given to the income approach. Typically the Sale Approach is the one used in Brunswick County.

Reconciliation of Value

The Sales Comparison Approach produced an indicated value of \$460,000. The sales in the grid are the most similar, verifiable sales available and bracket the subject in all line items. The adjustments used in the adjustment grid are reasonable. The subject property is owner occupied but could also be rented. The Sales Comparison Approach best reflects purchases in owner occupied situations. Therefore, the most weight is placed on the Sales Comparison Approach.

The test by use of the Income Approach supports a value of \$390,000. This conclusion supports the Highest & Best Conclusion that the property is feasible for an owner occupant but unfeasible for the purchase for investor landlord.

After gathering and analyzing all the pertinent facts and data, and applying the methods and techniques prescribed by the Appraisal Institute, the *current market value* of the *fee simple* interest in subject property *as is* and as of March 15, 2018 is:

**Four Hundred Sixty Thousand Dollars
(\$460,000)**

Exposure Time

According to USPAP, exposure time is the "estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

The estimate of the time period for reasonable exposure is not intended to be a prediction of a date of sale or a one - line statement. The estimate may be expressed as a range, and be based on statistical information about days on market, information gathered through sales verification and interviews with market participants. It is estimated that the subject, "as is" would have required a 12 month exposure period to sell at its estimated value. However, some properties have sold within a few months as indicated by the sales used in this report.

QUALIFICATIONS

JAMES W. McNEILL, JR., MAI, SRA

Education:

- B. S. Degree in Agricultural Education from N. C. State, 1965.
- Successful completion of the following Appraisal Institute or SREA courses:
 - Contract or Effective Rent: Finding the Real Rent – Seminar, 11/3/2017
 - Commercial Real Estate Finance – Seminar, 11/3/2017
 - Online Comparative Analysis – Seminar, April 14, 2017
 - Online Appraising Convenience Stores – Seminar, April 14, 2017
 - 7-Hour National USPAP Update Course, January 2016
 - AI - "Litigation Skills for the Appraiser", 2015
 - AI - "Introduction to Green Buildings: Principles & Concepts", 2014
 - AI Webinar – "Golf Course Property Valuation: Know Your Handicap", 2014
 - 2014-2015 7-Hour National USPAP Update Course – 2014
 - Marketability Studies: Advanced Considerations & Applications - 2013
 - Business Practices and Ethics, Appraisal Institute - 2012
 - Marketability Studies: Six-Step Process & Basic Applications - 2012
 - 7-Hour National USPAP Update Course – 2012
 - Fundamentals of Separating Real, Personal Property, and Intangible Business Assets - 2012
 - Appraising the Appraisal: Appraisal Review-General - 2012
 - Advanced Spreadsheet Modeling for Valuation Applications - 2010
 - 7-Hour National USPAP Update Course - 2010
 - Discounted Cash Flow Model: Concepts, Issues, and Applications - 2010
 - Introduction to Valuation for Financial Reporting - 2009
 - Appraising Distressed Commercial Real Estate: Here We Go Again - 2009
 - Course 1661, Small Hotel/Motel Valuation – 1999 & 2008
 - Course 2921, Subdivision Valuation – 2008
 - Office Building Valuation: A Contemporary Perspective – 2008
 - Course 11420N, Business Practices and Ethics -- 2007
 - Course 1400, National USPAP Update Course – 2004 & 2006 & 2007
 - Making Sense of the Changing Landscape of Values: Cool Tools – 2007
 - The Real Estate Economy, What's in Store for 2008 – 2007
 - Rates and Ratios: Making Sense of GIMs, OARs, and DCFs – 2007 & 2011
 - A Professional's Guide to Conservation Easements – 2007
 - Condominiums, Co-Ops, and PUDs – 2007
 - Highest and Best Use Applications – 2006
 - Appraisal Consulting: A Solutions Approach for Professionals – 2006
 - What Client's Would Like Their Appraisers to Know – 2006
 - Real Estate Finance, Value and Investment Performance – 2005
 - How to Increase Profits Using Your Appraisal Skills – 2005
 - Market Analysis & Using the Site to Do Business – 2005
 - Evaluating Residential Construction – 2004
 - Land Valuation Adjustment Procedures – 2004
 - Scope of Work: Expanding Your Range of Services – 2004
 - Online Valuation of Detrimental Conditions in Real Estate – 2003
 - Standards of Professional Practice, Part C – 2002
 - Separating Real & Personal Property from Intangible Business Assets – 2002
 - Partial Interest Valuation – Divided – 2002
 - Intro to App. and Analysis of Proposed Subdivisions & Condos – 2002
 - Analyzing Commercial Lease Clauses – 2002
 - Feasibility Analysis, Market Value & Investment Timing – 2002
 - Regression Analysis in Appraisal Practice: Concepts & Apps. – 2001
 - Appraisal of Nonconforming Uses – 2000
 - Appraisal of Local Retail Properties – 1999
 - Course 102, Applied Residential Property Valuation, SREA, 1988
 - Course 202, Applied Income Property Valuation, SREA, 1985
 - Real Estate License Courses: Principles, Law, Finance, & Brokerage Operations, Forville Morisey Real Estate School and Wake Technical College, 1985



Education (continued):

Course 301, Real Estate Investment Analysis, SREA, 1983
Course 201, Income Property Appraising, SREA, 1980
Course 101, An Introduction to Appraising, SREA, 1979
Multi-family Residential Appraisal, FmHA Tng. School, 1979
Farm Appraisal, Farmers Home Administration Training School, 1976
Appraisal & Valuation, NC State University, 1964
Introduction to Valuation for Financial Reporting – 2009
Discounted Cash Flow Model: Concepts, Issues & Apps – 2010
National Uniform Standards of Professional Practice (USPAP) – 2010
Land, Condos & Subdivisions – Solutions to Hard Value Assets – 2010
Appraising the Appraisal: The Art of Appraisal Review – 2011

Various Appraisal Seminars: Depreciation Analysis; DCF; Rates & Ratios; Lease Interest; Highest and Best Use; Sales Comparison Analysis; Rural Property Valuation and Professional Practice. Numerous seminars over the years to maintain and meet the continuing education requirements for both Appraisal Institute and the appraiser licensing requirements of North Carolina and South Carolina. (Full list on request)

I received a Certificate of Completion for the Valuation of Conservation Easements certificate program, 8/8/2008, as offered by the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers and the Appraisal Institute and endorsed by the Land Trust Alliance. This certificate indicates that I have completed the Valuation of Conservation Easements educational requirements and passed the examination.

I received a Certificate of Completion for the Fundamentals of Separating Real, Personal Property, and Intangible Business Assets certificate program, 3/1/2012-3/2/2012, as offered by the Appraisal Institute and accepted by the SBA, Small Business Administration. This certificate indicates that I have completed the Fundamentals of Separating Real, Personal Property, and Intangible Business Assets educational requirements and passed the examination.

Experience:

- Have appraised farm, residential, and rural properties for 38 years.
- Have appraised commercial properties for 20+ years
- Employed by USDA, Farmers Home Administration for 20 years as an appraiser, loan officer, multi-family housing loan specialist & N.C. State Appraiser-Trainer-multi-family & single-family housing 1965-1986.
- Owned & managed an appraisal office, 1986 to present (McNeill Appraisal Group, Inc.) - From 2000 to present, associated with E.F. Hucks & Associates Inc. - Myrtle Beach, SC as commercial real estate appraiser.
- Have appraised apartment properties for HUD – NC & SC.
- Completed apartment market studies for Rural Development, HUD and LIHTC in NC & SC.
- Have completed apartment Rent Comparability Studies for HUD – NC & SC.
- Have taught appraisal courses for the Society of Real Estate Appraisers (SREA) and the Appraisal Institute (AI), approved by State of NC for appraisal courses.
- Have appraised convenience stores, retail stores, small shopping centers, restaurant, and other retail properties.
- Have appraised hotels, motels, & resort residential properties such as condominium development and sell out.
- Have appraised residential subdivision development and lot sell out properties.
- Have appraised residential land, commercial land, and other types of land uses.
- Have appraised a winery and vineyard operation.
- Have appraised numerous specialty properties such as marinas, churches, recreational facilities, mini-golf facilities, and golf courses (including fee courses, private courses, and semi-private courses – NC & SC).

Professional Memberships/Designations:

- NORTH CAROLINA-STATE CERTIFIED GENERAL REAL ESTATE APPRAISER #A-398
- SOUTH CAROLINA-STATE CERTIFIED REAL ESTATE APPRAISER, #CG-2220
- APPRAISAL INSTITUTE, MEMBER APPRAISAL INSTITUTE (MAI) & SENIOR RESIDENTIAL APPRAISER (SRA) designations. Meets continuing education requirement through December 31, 2022.
- North Carolina Real Estate Broker, License - Number 91604
- Past Member of the Brunswick County Board of Realtors

Addenda

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (Dictionary, 5th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
 - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.

- CAM can refer to all operating expenses.
- CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative

load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 5th Edition)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

Discount Rate

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

Effective Date

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events

assuming a competitive and open market. (Dictionary, 5th Edition)

External Obsolescence

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant. (Dictionary, 5th Edition)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 5th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 5th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of

rooms. (The Appraisal of Real Estate, 13th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

Highest & Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

Market Area

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Rent

The most probable rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 5th Edition)

Market Value

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
 - Identification of the specific property rights to be appraised.
 - Statement of the effective date of the value opinion.
 - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
 - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
 - Buyer and seller are typically motivated;
 - Both parties are well informed or well advised, and acting in what they consider their best interests;
 - A reasonable time is allowed for exposure in the open market;
 - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (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)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)
5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6,

"Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 5th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

Rentable Area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 5th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

Scope of Work

The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

Stabilized Occupancy

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)

HCA Asset Management, LLC
Interlocal Risk Financing Fund of NC 2017
Insurance Detail Report

As of date: 12/14/2017

ENTITY:	63091	Town of Ocean Isle Beach	ISO CONSTRUCTION CLASS:	JOISTED MASONRY
SITE:	002	Police Dept.	FRAMING:	JOISTED MASONRY
BUILDING:	001	Police Dept.	DATE OF CONSTRUCTION:	1975
ADDRESS:	2 W 3RD STREET		ADDITIONS (YES-YR. OR NO):	0
	OCEAN ISLE BEACH, NC 28469		RENOVATIONS (YES-YR OR NO):	2000
OCCUPANCY:	NCLM-OFFICE/POLICE/FIRE/OTHER		NUMBER OF STORIES:	1
FIRE PROTECTION AND SAFETY:	EMERGENCY LIGHTING EXIT LIGHTING FIRE EXTINGUISHERS		GROSS/BASEMENT SF:	4,096 / NO
			ELEVATION (FT):	13
			DIST TO COAST (MI):	0.02
			BUILDING ID:	7185
			LATITUDE/LONGITUDE:	33.889055°N 78.437982°W
SPRINKLERED (YES-% OR NO):	NO			
FOUNDATION:	CONCRETE FOOTING			
EXTERIOR WALLS:	STUCCO ON MASONRY			
ROOFING:	ASPHALT SHINGLE			
PARTITION WALLS:	DRYWALL ON STUD			
CEILING:	DRYWALL			
BUILDING SERVICES:	ELECTRIC HEATING / AC-HEAT PUMP PLUMBING			
FLOORING:	VINYL TILE			
BUILDING FEATURES:	BUILT-IN CABINETS & SHELVING BUILT-IN LOCKERS COVERED ENTRANCE WAY			
BUILDING NOTES: POLICE DEPARTMENT INCLUDES A RECEPTION AREA, SQUAD ROOM, SERGEANT'S OFFICE, RECORDS ROOM, CHIEF'S OFFICE, DETECTIVE OFFICE, GARAGE, UNFINISHED ATTIC AND BREAK ROOM. CONTENTS INCLUDE OFFICE DESKS AND OTHER FURNISHINGS, BREAK ROOM APPLIANCES, BUSINESS EQUIPMENT AND STORAGE. EDP INCLUDES COMPUTERS AND RELATED TECHNOLOGY.			BUILDING: ACTUAL CASH VALUE: \$475,200 REPLACEMENT COST NEW (RC): \$751,800 PROCESS EQUIPMENT: \$0 EXCLUSION AMOUNT: \$0,300 RC MINUS EXCLUSIONS: \$742,500 PROPERTY IN THE OPEN: \$0 PERSONAL PROPERTY: CONTENT VALUE: \$165,000 EDP: \$15,300 PERSONAL PROPERTY TOTAL: \$180,300	
AVG STY HT: 14 EFF AGE: 1981 CONDITION: AVERAGE ROOF FRAME: WOOD PURLINS ROOF AGE: 2000				



Appraisal Card

Page 1 of 1

BRUNSWICK COUNTY
TOWN OF OCEAN ISLE BEACH
2 W. THIRD ST OJ
50712260

Return/Appraisal Notes: Parcel: 257DH014
PLAT. / UNIQ ID
137013
ID NO: 107517016007

BRUNSWICK COUNTY (100), OCEAN ISLE BEACH (100), OIB FIRE (250)

Reval Year: 2015 Tax Year: 1 LOT
2018

Appraised by on 06/20/2008 C619 OIB ISLAND

CARD NO. 1 of 1
1.000 LT
TW-06 CI- FR- EX-B AT-
12 11 LAST ACTION
20141120

3/26/2018 1:19:52 PM

CONSTRUCTION DETAIL		MARKET VALUE		DEPRECIATION		CORRELATION OF VALUE	
Foundation - 5	5.00	USE MOD	5.00	BASE RATE	RCN	EYB	AYB
Spread Footing	5.00	93	04	3,851	121	90.75	349478
Sub Floor System - 2	5.00	93	04	3,851	121	90.75	349478
Slab On Grade	5.00	93	04	3,851	121	90.75	349478
Exterior Walls - 13	19.00	93	04	3,851	121	90.75	349478
Stucco on Concrete Block	19.00	93	04	3,851	121	90.75	349478
Roofing Structure - 09	9.00	93	04	3,851	121	90.75	349478
Bar Joist	9.00	93	04	3,851	121	90.75	349478
Roofing Cover - 06	6.00	93	04	3,851	121	90.75	349478
Arch Shingle	6.00	93	04	3,851	121	90.75	349478
Interior Wall Construction - 5	32.00	93	04	3,851	121	90.75	349478
Drywall/Sheetrock	32.00	93	04	3,851	121	90.75	349478
Interior Wall Construction - 8	0.00	93	04	3,851	121	90.75	349478
Custom Interior	0.00	93	04	3,851	121	90.75	349478
Interior Floor Cover - 08	9.00	93	04	3,851	121	90.75	349478
Vinyl	9.00	93	04	3,851	121	90.75	349478
Heating Fuel - 04	1.00	93	04	3,851	121	90.75	349478
Electric	1.00	93	04	3,851	121	90.75	349478
Heating Type - 04	5.00	93	04	3,851	121	90.75	349478
Forced Air - Ducted	5.00	93	04	3,851	121	90.75	349478
Air Conditioning Type - 01	0.00	93	04	3,851	121	90.75	349478
None	0.00	93	04	3,851	121	90.75	349478
Structural Frame - 03	16.00	93	04	3,851	121	90.75	349478
Masonry	16.00	93	04	3,851	121	90.75	349478
Ceiling & Insulation - 06	4.00	93	04	3,851	121	90.75	349478
Not Suspended - Ceiling & Walls	4.00	93	04	3,851	121	90.75	349478
Insulated	4.00	93	04	3,851	121	90.75	349478
Average Rooms Per Floor - 2	0.00	93	04	3,851	121	90.75	349478
Average Rooms Per Floor	0.00	93	04	3,851	121	90.75	349478
Half-Bathrooms	0.00	93	04	3,851	121	90.75	349478
BAS - 0 FUS - 0 LL - 0	0.00	93	04	3,851	121	90.75	349478
Office	0.00	93	04	3,851	121	90.75	349478
BAS - 0 FUS - 0 LL - 0	0.00	93	04	3,851	121	90.75	349478
TOTAL POINT VALUE	812,000	93	04	3,851	121	90.75	349478
BUILDING ADJUSTMENTS	1.02	93	04	3,851	121	90.75	349478
Market/Design	1.02	93	04	3,851	121	90.75	349478
Quality	1.0000	93	04	3,851	121	90.75	349478
Size	1.0800	93	04	3,851	121	90.75	349478
TOTAL ADJUSTMENT FACTOR	1.080	93	04	3,851	121	90.75	349478
TOTAL QUALITY INDEX	121	93	04	3,851	121	90.75	349478

STYLE: 1 - 1.0 Story

TYPE: POLICE STATION/MAIL

OFFICE CONST.

DEPR. BUILDING VALUE - CARD 338,990

DEPR. OB/XF VALUE - CARD 1,680

MARKET LAND VALUE - CARD 120,000

TOTAL MARKET VALUE - CARD 460,670

TOTAL APPRAISED VALUE - CARD 460,670

TOTAL APPRAISED VALUE - PARCEL 460,670

TOTAL PRESENT USE VALUE - PARCEL 0

TOTAL VALUE DEFERRED - PARCEL 0

TOTAL TAXABLE VALUE - PARCEL \$ 460,670

PRIOR

BUILDING VALUE 311,750

OBXF VALUE 2,598

LAND VALUE 635,200

PRESENT USE VALUE 0

DEFERRED VALUE 0

TOTAL VALUE 1,149,148

PERMIT

CODE DATE NOTE NUMBER AMOUNT

ROUT: WTRSHD:

SALES DATA

OFF. RECORD DATE DEED TYPE Q/UV/I INDICATE

BOOK PAGE MOYR TYPE Q/UV/I SALES PRICE

00816 0736 18 11990 WD U I 1 4000

BUILDING AREA 3,504

NOTES

OCEAN ISLE POLICE STATION

SEE NOTES

07ST#46804

SUBAREA	GS	AREA	% RPL CS	CODE	DESCRIPTION	COUNT	LT	WT	UNITS	UNIT PRICE	ORIG % COND	BLOG#	AYB	EYB	ANN DEP RATE	OVR	% COND	OB/XF DEPR VALUE
BAS	3,504	100	31.7988	22	CONCRETE PAVING	52	42	2,184	3.50	0	1	1989	1989	S3			22	1682
FGR	720	151	29.403															
FIREPLACE	1	None	0															
TOTALS	4,302		345,478															

BUILDING DIMENSIONS BAS=W66564FOP=S6E13NGW136E42FGR=N30E2453OW244N30E24N345

LAND INFORMATION

HIGHEST AND BEST USE	USE CODE	LOCAL ZONING	FRONTAGE	DEPTH	DEPTH / SIZE	LND MOD	COND FACT	OTHER ADJUSTMENTS AND NOTES	RF AC LC TO	ROAD TYPE	LAND UNIT PRICE	TOTAL LAND UNITS	UNIT TYP	TOTAL ADJUST	ADJUSTED UNIT PRICE	LAND VALUE	OVERRIDE VALUE	LAND NOTES
COMMERCIAL	0700	C2	87	150	1.0000	0	0.5000	SIZE		PS	200,000.00	1.000	LT	0.600	120,000.00	120,000		0
TOTAL MARKET LAND DATA																		120,000
TOTAL PRESENT USE DATA																		

BOOK 347 PAGE 478

WARRANTY DEED—Printed and for sale by The News Reporter Co., Whiteville, N. C.

State Of North Carolina _____ Brunswick _____ County

THIS DEED, Made this _____ 25th _____ day of _____ February _____ A.D. 19__28__

by _____ COELL WILLIAMSON and wife, VIRGINIA A. WILLIAMSON _____

of _____ Brunswick _____ County and State of North Carolina, hereinafter, whether one or more persons, referred to as parties of the first part, to _____

THE TOWN OF OCEAN ISLE BEACH

of _____ Brunswick _____ County and State of North Carolina, hereinafter, whether one or more persons, referred to as parties of the second part.

WITNESSETH, That said parties of the first part, in consideration of _____

Ten Dollars and Other Valuable Considerations

DOLLARS, to them paid by said parties of the second part, the receipt of which is hereby acknowledged, have bargained and sold, and by these presents do hereby grant, bargain, sell and convey to said parties of the second part, their heirs and assigns, a certain tract or parcel of land in _____ Charlotte _____ Township, _____ Brunswick _____ County, State of North Carolina, adjoining the lands of _____

and others, and bounded as follows, viz:

BEGINNING at an iron pipe that is located 180 feet South 76 deg 13 min west of a stake that is located in the west right-a-way line of N. C. 904 and also is located in the northwest corner where Third Street intersects N. C. 904. Thence, North 13 deg 45 min West 150 feet to a iron pipe, thence, South 76 deg 13 min West 30 feet to an iron pipe, thence, South 13 deg 45 min East 150 feet to an iron pipe. Thence, North 76 deg 13 min East with the northern edge of Third Street for a distance of 30 feet to the point of BEGINNING.

TRANSFERRED,
TRANSFER RECORD

MAR 22 1976

BRUNSWICK COUNTY, N. C.

TAX SUPERVISOR

BY _____

24

018.00
RM.

FOR 523 FEB 28

BOOK 347 PAGE 479

TO HAVE AND TO HOLD the aforesaid tract or parcel of land, and all privileges and appurtenances thereto belonging to said parties of the second part, their heirs and assigns, to their only use and behoof forever.

And the said parties of the first part, for themselves and their heirs, executors and administrators, covenant with said parties of the second part and their heirs and assigns, that they are seized of said premises in fee and have the right to convey in fee simple; that the same are free and clear from all encumbrances, and that they do hereby forever warrant and will forever defend the said title to the same against the claims of all persons whomsoever.

IN TESTIMONY WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.

Oliver Williamson (SEAL)
Virginia A. Williamson (SEAL)
____ (SEAL)
____ (SEAL)

BOOK 347 PAGE 480

State of North Carolina _____ County:

I, _____, Clerk of Superior Court of County and State aforesaid, do hereby certify that _____

personally appeared before me this day and acknowledged the due execution of the aforesaid Deed of Conveyance. Let the instrument, with this certificate, be registered.

Witness my hand, this _____ day of _____, 19____.

Clerk of Superior Court.

State of North Carolina Brunswick County:

I, Patricia P. Hicks, a Notary Public in and for said county, do hereby certify that _____

Odell Williamson and wife, Virginia A. Williamson

personally appeared before me this day and acknowledged the due execution of the aforesaid Deed of Conveyance.

Witness my hand and seal, this 26th day of FEBRUARY, 1975.

My Commission Expires October 17, 1980.

Notary Public

State of North Carolina _____ County:

The foregoing certificate of _____

STATE OF NORTH CAROLINA, Brunswick County PATRICIA P. HICKS, NOTARY PUBLIC

The foregoing Certificate(s) of _____

(s/he) certified to be correct.

Recorded this 22nd day of MARCH, 1975 at 3:27 o'clock P.M.,

Arthur W. Kyles, Register of Deeds

Arthur W. Kyles

3816 0736

90 AUG 21 PM 3:53

STATE OF NORTH CAROLINA Real Estate Excise Tax

027802

04.00

3-21-90

RECORDING TIME, BOOK AND PAGE

Tax Lot No. Parcel Identifier No. 257DH004

Validated by County on the day of 19

by

Mail after recording to Town of Ocean Isle Beach, Ocean Isle Beach, N. C. 28459

(Three West Third Street)

This instrument was prepared by Odell Williamson

Brief description for the Index

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 10th day of December, 1988, by and between

GRANTOR

Odell Williamson and wife,
Virginia Williamson
#2 Causeway
Ocean Isle Beach, N. C. 28459

GRANTEE

Town of Ocean Isle Beach
Ocean Isle Beach, N. C. 28459

TR	INT	EST	CR	RE	DA	BY
60	257D	H	014	0		

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Ocean Isle Beach, Charlotte Township, Brunswick County, North Carolina and more particularly described as follows:

Beginning at an iron stake that is located south 76 degrees and 15 minutes west 142.73 feet from the west right-of-way line of H.C. 904 as measures along the northern edge of Third Street. Thence, from the beginning stake north 13 degrees and 45 minutes west for a distance of 150 feet to a stake. Thence, south 76 degrees and 15 minutes west for a distance of 37.27 feet to a stake. Thence, south 13 degrees and 45 minutes east for a distance of 150 feet to a stake which is the southeast corner of a lot now owned by the Town of Ocean Isle Beach. Thence, north 76 degrees and 15 minutes east for a distance of 37.27 feet to the beginning corner. There is, however, a 12 feet wide road easement on the east side of the said tract.

Town of Ocean Isle Beach
257D H 014 0
18.06 399
5224

Book 816 Page 1737
816 1737

The property hereinabove described was acquired by Grantor by instrument recorded in Book 115, Page 178.

A map showing the above described property is recorded in Plat Book _____ page _____.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

BY WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in his corporate name by its duly authorized officers and he seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

(Corporate Name) _____
 By: _____
 President
 Attest: _____
 Secretary (Corporate Seal)

USE BLACK INK ONLY

Odell Williamson (SEAL)
 ODELL WILLIAMSON
Virginia Williamson (SEAL)
 VIRGINIA WILLIAMSON

SEARCHED INDEXED
 NOTARY PUBLIC
 JUDITH B. FRIEDMAN
 BRUNSWICK COUNTY, N.C.

NORTH CAROLINA, Brunswick County, _____
 I, a Notary Public of the County and State aforesaid, certify that _____
 and wife, Virginia Williamson _____
 personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal this 16th day of August, 1990.
 My commission expires: 12-22-90 *Judi B. Friedman* Notary Public

SEAL-STAMP NORTH CAROLINA, _____ County.
 I, a Notary Public of the County and State aforesaid, certify that _____
 personally came before me this day and acknowledged that _____ he is _____ Secretary of
 _____ a North Carolina corporation, and that by authority duly
 given and as the act of the corporation, the foregoing instrument was signed in his name by its _____
 President, attested with the corporate seal and attested by _____ Secretary.
 Witness my hand and official stamp or seal, this _____ day of _____, 19____.
 My commission expires: _____ Notary Public

The foregoing Certificate(s) of Judi B. Friedman, Notary Public
 is/are returned to be _____
 Recorded this 21 day of August, 1990 at 3:53 P.M.
 By *Anita F. Smith* REGISTER OF DEEDS FOR BRUNSWICK COUNTY
 Anita F. Smith Deputy/Assistant - Register of Deeds

**Town of Ocean Isle Beach
Action Agenda Item**

Meeting Date: September 11th, 2018

Action Number: Executive Session

Issue/Action Requested: Public Hearing: ☐ yes ☐ no ☒ N/A

1. Approval of Minutes of August 14th, 2018 Executive Sessions as per G.S. 143-318.11(1)
2. To consult with the Town Attorney regarding pending legal issue (Terminal Groin/Southern Environmental Law Center) as per GS 143-318.11(3)
3. To discuss acquisition of real property per G.S. 143.318.11 (5).

Background/Purpose of Request:

Fiscal Impact: N/A

Budget Amendment Required: ☐ yes ☐ no

Review by Finance Director: ☐ yes ☐ no

Total from Budget: \$ _____

Contracts/Agreements:

Reviewed by Town Attorney: ☐ yes ☐ no ☐ N/A

Advisory Board Recommendation: N/A

Staff Action:



SEPTEMBER 2018 - OCTOBER 2018
 MEETINGS

Monday	September 10	Open Forum	6:00pm
Tuesday	September 11	Public Hearing	8:45am
Tuesday	September 11	Board of Commissioners	9:00am
Tuesday	September 18	Planning Board*	9:00am
Tuesday	September 25	Board of Adjustments*	9:00am
Tuesday	October 9	Board of Commissioners	9:00am
Tuesday	October 16	Planning Board*	9:00am
Tuesday	October 23	Board of Adjustments*	9:00am

*As Needed

Office will be **CLOSED** on **September 3rd, 2018** in observance of Labor Day

NOTES

1.

2.

3.

4.

5.

6.



SEPTEMBER 2018 ACTIVITIES

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3  HAPPY LABOR DAY	4 Market 9-2pm Bridge - 12:30-2:30pm Pot-Luck 6pm 	5 Walking Group 9am	6 Medicare Workshop 10-12pm 	7 <u>Concert</u> Continental Divide	8
9	10 Walking Group 9am	11 Succulent Planting Party! 3pm 	12 Walking Group 9am	13	14	15
16	17 Walking Group 9am	18 Bridge - 12:30-2:30pm Pot-Luck 6pm 	19 Walking Group 9am	20 Tai Chi 8:30am Bingo 2pm 	21	22 Trash Bash 9a-12pm 
23 30	24 Walking Group 9am Shell Talk 2pm 	25 Bridge - 12:30-2:30pm	26 Walking Group 9am OIPOA Luncheon 12pm OCEAN ISLE PROPERTY OWNERS ASSOCIATION	27 Tai Chi 8:30am Recipe Swap 6pm 	28	29



OCTOBER 2018 ACTIVITIES

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 Walking Group 9am	2 Bridge - 12:30-2:30pm Pot-Luck 6pm 	3 Walking Group 9am	4 First Responder Breakfast 9am 	5	6
7	8	9	10	11	12	13
14	15 Walking Group 9am	16 Bridge - 12:30-2:30pm Pot-Luck 6pm 	17 Walking Group 9am	18 Tai Chi 8:30am Movie In Park 7:30pm Finding Dory 	19	20
21	22 Walking Group 9am	23 Bridge - 12:30-2:30pm	24	25	26	27
28	29 Walking Group 9am	30 Bridge - 12:30-2:30pm Pumpkin Decorating 6pm 	31 Halloween Walking Group 9am Trunk-or-Treat 5-6:30pm 			

**TOWN OF OCEAN ISLE BEACH
THREE WEST THIRD STREET
OCEAN ISLE BEACH, NC 28469**

**BOARD OF COMMISSIONERS MEETING
September 11th, 2018
MINUTES**

MEMBERS PRESENT:

Mayor Debbie Smith	Mayor Pro Tem Dean Walters
Commissioner Wayne Rowell	Commissioner Carolyn Blythe
Commissioner Betty Williamson	Keith Dycus, Planning/Zoning Director
Daisy L. Ivey, Town Administrator	Casey E. Reeves, Town Clerk
Ken Bellamy, Chief of Police Dept.	Chuck Rash, Chief of Fire Dept.
Mike Isenberg, Town Attorney	Bobby Hardy, Public Utilities Director
Justin Whiteside, Asst. Administrator	

MEMBERS ABSENT

Commissioner Bob Williams

OTHERS PRESENT:

Approximately 75 Property Owners and Guests
Brian Slattery – Brunswick Beacon

MEETING CALLED TO ORDER

Mayor Smith called the meeting to order with everyone repeating the Lord's Prayer and pledging allegiance to the flag.

CONSENT AGENDA

The consent agenda included approval of:

- August 14th, 2018 Board of Commissioners Meeting Minutes
- Approval of ABC Board Travel Policy
- Approval of Adoption of Resolution 2018-22 in Support of Domestic Violence Awareness Month – October 2018 – Hope Harbor Home

The consent agenda was approved upon a motion of Commissioner Williamson with a second by Commissioner Rowell. The vote was unanimous.

ADOPTION OF AGENDA

The agenda was amended to insert Discussion Regarding Relocation of Beach Worship Service – Driftwood Access as New Business Item #2. The amended agenda was approved upon a motion of Commissioner Blythe with a second by Commissioner Rowell. The vote was unanimous.

Exhibit 6 Sept. 11, 2018 Meeting Minutes

Board of Commissioners Meeting (Cont.)

September 11th, 2018

Page 2

MAYOR REPORTS

Mayor Smith presented an Employee Recognition Award to Accounting Specialist, Tara Frazier (5 years), and thanked her for her dedication to the Town of Ocean Isle Beach. The Mayor, Board of Commissioners and Town Administrator, Daisy Ivey, extended words of gratitude to the 2018 Summer Scavenger Hunt Vendors and Volunteers. Recreation Director, Hayley Burgess, presented Certificates of Appreciation to those in attendance. Mayor Smith also extended her gratitude to Boy Scout Troop 201 and Cub Scout Pack 201 for their hard work during the Beach Trash and Rock Sweep on the East end of the island. Mayor Smith noted the community volunteer project was conducted in conjunction with the Ocean Isle Beach Fire Department. Mayor Smith proudly announced that the non-profit group OIB Second Helping collected over 15,000 lbs of food from Ocean Isle Beach residents and visitors over the summer to help feed the hungry in our community. Mayor Pro Tem Walters shared that donations from the Summer Concert Series totaled upwards of \$21,000 for 2018 and noted that all proceeds go to benefit the local Food Pantry.

DEPARTMENTAL REPORTS

1. Administration – Mrs. Ivey presented the financial dashboard as information and noted an increase in cash and investments. Mrs. Ivey stated there was an overall decrease of 5.47% in Accommodation Taxes over the same time period last year and a 5.73% decrease in VRBOs. Mrs. Ivey stated 2018 Property Tax bills had been mailed and noted a 97.47% collection rate for 2017 Property Taxes (\$79,792.68 outstanding), a 98.94% collection rate for 2016 Property Taxes (\$33,049.71 outstanding), and reported outstanding taxes for 2013-2015 were \$891.63. Mrs. Ivey provided an update regarding a recent Shallow Draft Meeting she and Mayor Smith attended with the Army Corps of Engineers. Mrs. Ivey reported the Corps notes it was their policy to not allow spoil islands to be used as locations to deposit dredged materials. Mrs. Ivey stated she and the Mayor spoke with a Corps representative after the meeting and noted the Town will be sending a formal letter requesting consideration to use one of the spoil islands located within the Town limits to deposit dredged material from the next canal dredging project under the conditions that the Town agree to restore the area to its prior state post project completion. Mrs. Ivey stated the Board had received packets which included Corps surveys of the Shallotte Inlet Crossing project and that notable improvements were made to the area. Mrs. Ivey stated the Town continues to work on preparations for the next canal dredging project in conjunction with the spoil area issue. Mrs. Ivey commented the Town is proceeding with the new Town Hall project which was temporarily delayed due to failure of a flow test. Mrs. Ivey noted that engineers are currently drafting necessary design modifications to resolve the issue. Mrs. Ivey announced receipt of notification from the North Carolina Department of Aviation that the Town was awarded 2018 Non-Primary Entitlement Grant Funds in the amount of \$150,000.
2. Police Department – Chief Bellamy noted that overall incidents were down 72% and arrests were down 77%. Chief Bellamy stated that traffic citations were down 31% and

Board of Commissioners Meeting (Cont.)

September 11th, 2018

Page 3

- warning citations were up 50%. Chief Bellamy stated the department is currently focused on preparing for the arrival of Hurricane Florence.
3. Public Utilities Department – Mr. Hardy stated all divisions of the Public Utilities Department are busy preparing for Hurricane Florence and reminded the public that water service for the entire island will be shut-off once the 5pm deadline for Mandatory Evacuation of the island on September 12th has occurred. Mr. Hardy noted that power will be disconnected from all sewer lift stations to prevent damage to facilities in the event of a storm surge.
 4. Fire Department – Chief Rash reported during the month of August the Department responded to 36 fire calls for service in the Town (6 in the County), 37 medical calls for service in the Town (33 in the County), 5 water rescues and 3 Mutual Aid responses (2 in Sunset Beach and 1 in Shallotte Point). Chief Rash reported 125 total calls for service in August and noted 355 hours of training were conducted. Chief Rash offered his congratulations and stated Josh Smith earned his Fire Officer II and Instructor I certificates, Jimmy Causey and John Wells earned their Fire Officer I certificates, and Josh Lilly earned his Instructor I certificate.
 5. Planning/Zoning/CAMA – Mr. Whiteside announced the Town received the PARTF grant for construction of the new Town Park in the amount of \$498,000.
 6. Building Inspections – Mr. Dycus reported permits had been issued for seven (7) new single-family residential homes in the Town limits, four (4) new single-family residential homes in the ETJ, and one (1) Zoning permit during the month of August. Mr. Dycus reported a total of 95 permits were issued with a construction valuation of \$7,250,195. Mr. Dycus stated 216 total inspections were performed and permit fees were collected in the amount of \$47,192.40. Mr. Dycus announced the new FEMA Flood Maps were put into effect on August 28, 2018 and noted detailed information can be obtained at <http://fris.nc.gov/fris/> or by contacting the Planning and Inspections Department.

COMMENTS

Mayor Smith opened the floor for Public Comments.

Cherri Cheek – 27 Craven Street – Mrs. Cheek restated her concerns from the Open Forum meeting (9/10/18) regarding the sale of the Police Department and asked if a formal appraisal of the property had been conducted. Mayor Smith stated that a formal appraisal had been conducted and is available for public inspection.

Cindy Vanaman-Setzer – 220 W. First Street – Mrs. Vanaman-Setzer asked if Town officials are required to disclose their identity to the public if they are offering to purchase Town property. Mayor Pro Tem Walters replied, “Absolutely”.

Toni Tatone – E. Third Street – Ms. Tatone inquired if trash collection would occur again prior to the arrival of Hurricane Florence. Mayor Smith stated that Waste Industries informed the Town that they would not be conducting any additional pick-ups prior to the

Board of Commissioners Meeting (Cont.)

September 11th, 2018

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storm. Ms. Tatone then stated she thought it was outrageous that the complaints of a single individual (resident) could potentially cause the beach worship service at Driftwood access to be moved or discontinued.

Cindy Vanaman-Setzer – 220 W. First Street – Mrs. Vanaman-Setzer asked to go on record that she was one (1) of seven (7) Driftwood Drive residents who are requesting that the beach worship service be moved to an alternative location. Mrs. Vanaman-Setzer stated it was her opinion that the beach worship service has grown too large and should be moved to Beaufort Access.

Mr. Earl Shoaf – 20 Driftwood Drive – Mr. Shoaf asked for the names of the 7 Driftwood Drive residents Mrs. Vanaman-Setzer keeps referring to that are in opposition of the beach worship service. Mrs. Vanaman-Setzer responded with a list of names noting that some of the individuals she was referring to have since sold their property and moved. Mr. Shoaf commented that many of the people Mrs. Vanaman-Setzer named do not live on Driftwood Drive.

Judy Horne – 132 E. Second Street – Mrs. Horne inquired as to why there are sidewalks on both sides of Second Street, but only one side of First Street. Mayor Smith noted that the primary reason was the cost factor.

Walter Sauciuc – 234 W. First Street – Mr. Sauciuc commented that he is opposed to the sale of the Police Department property.

David Martin – 248 E. First Street – Mr. Martin requested for the Town to change the frequency of Accommodation Tax filing to “quarterly” instead of monthly. Mrs. Ivey thanked Mr. Martin for his suggestion and commented that she does not feel confident the State would approve the modification to the payment schedule.

Frances Mayhew – 24 Dare Street – Mrs. Mayhew restated her request from the Open Forum Meeting (9-10-18) to have a handicapped parking space installed at the gazebo at Ferry Landing Park on Shallotte Boulevard.

David Little – Visiting Youth Pastor – Mr. Little stated his opposition to any alterations regarding the beach worship service and noted the importance of the location remaining the same for the vacationing community.

Cindy Vanaman-Setzer – 220 W. First Street – Mrs. Vanaman-Setzer re-stated her request from the Open Forum Meeting (9-10-18) that the beach worship service should be required to have a permit and should be relocated to the Beaufort Street Access. Mayor Smith stated the Town typically does not require permits for public activities on the strand including weddings, picnics, church services, etc.

Board of Commissioners Meeting (Cont.)

September 11th, 2018

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Being no further comment was heard, Mayor Smith declared the Public Comments Section closed.

OLD BUSINESS

1. Mayor Smith stated the first item of old business was Discussion and Review of Text Amendment Application – OIB Development, LLC. Mr. Whiteside summarized the Planning Board Recommendations for the Text Amendment Application submitted by OIB Development, LLC regarding modifications to Section 49-33 – Stormwater Requirements and stated the Board will need to consider the scheduling of a Public Hearing on October 9th, 2018. Brief discussion was held and a motion was made by Commissioner Blythe to send the item to Public Hearing. The motion received a second from Commissioner Rowell and the vote was unanimous.

NEW BUSINESS

1. Mayor Smith stated the first item of new business was the Discussion and Review of Request to Install No Parking Signs – Driftwood Drive. Mrs. Ivey stated the Town received a request from Jeannie Steward for “No Parking” signs to be installed along Driftwood Drive on the West End of the island. Mayor Pro Tem Walters stated it is the policy of the Town to install “No Parking” signs in locations where safety concerns exist for pedestrians or motorists. Mayor Pro Tem Walters noted that these conditions are not present on Driftwood Drive and therefore signage is not necessary. Mayor Pro Tem Walters noted that signage is typically installed near crosswalks, intersections, or in areas of unstable sand/soil. Mayor Pro Tem Walters made a motion to deny the request. The motion received a second from Commissioner Williamson and the vote was unanimous.
2. Mayor Smith stated the next item of new business was Discussion Regarding Relocation of the Beach Worship Service – Driftwood Access. Mayor Smith stated the Town has received written correspondence from 56 property owners, 25 visitors, and the Columbus County Board of Commissioners, all of which were opposed to moving the beach worship service from its current location at Driftwood Access. Mayor Pro Tem Walters made a motion (which he noted was based on public input) to allow the beach worship service to continue at the Driftwood Access as it has for the past fifty-two years. Commissioner Williamson seconded the motion and the vote was unanimous.
3. Mayor Smith stated the next item of new business was Discussion and Review of Request for Group Activity – 2nd Helping OIB Fall Fun Day (Fundraiser). Mrs. Ivey stated Brunswick Family Assistance is requesting approval of a Group Activity Application to conduct the 2nd Helping OIB Fall Fun Day (Fundraiser) on November 10th, 2018 from 8:00am-7:00pm at Pelican’s Perch. Mrs. Ivey stated the fundraiser proceeds will benefit the BFA “Summer Back Pack” program for children who have limited access to food when school is out for summer vacation. Mrs. Ivey noted the Applicant has requested use of Town Property beside museum for parking and Staff is awaiting confirmation from the

Board of Commissioners Meeting (Cont.)

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- Applicant regarding the location of overflow parking. Mrs. Ivey noted the Applicant has requested waiver of fee due to non-profit status (\$250). Commissioner Rowell made a motion to approve the activity and waiver of fee which received a second from Commissioner Blythe. The vote was unanimous.
4. Mayor Smith stated the next item of new business was Discussion and Review of Amendment to Town Ordinance – Sec. 54-72. – Beach Vehicular Traffic. Mrs. Ivey stated Staff is recommending an amendment to the Town Code of Ordinances – Sec. 54-72 regarding permissible times for bicycles on the beach strand. Mrs. Ivey explained the current ordinance states bicycles are prohibited on the beach strand from April 30th - October 1st of each calendar year and the proposed amendment would reduce the window of time bicycles are prohibited to Memorial Day – Labor Day. Commissioner Rowell made a motion to approve the amendment which received a second from Commissioner Blythe. The vote was unanimous.
 5. Mayor Smith stated the next item of new business was Discussion and Review of Public Hearing Issue - Adoption of a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement - Tract 6 of Parcel #257DH00407. Mrs. Ivey stated Town Staff is seeking approval to submit an application for approval of a financing agreement to purchase property at 5 W. Third Street (vacant lot beside Town Hall) for use as Town Parking/Open Space Area. Mrs. Ivey stated that an appraisal of the property is in progress. Mrs. Ivey stated that the application and appraisal must receive approval from the Local Government Commission and noted that RFPs have been sent to multiple banks (Crestcom, First Citizens, First Bank, BB&T, and First National). Commissioner Rowell made a motion to approve the Resolution which received a second from Commissioner Williamson. The vote was unanimous.
 6. Mayor Smith stated the final item of new business was the Discussion and Review of Offer to Purchase – 2 W. Third Street - OIBPD. Mayor Pro Tem Walters stated an Offer to Purchase has been submitted by Sloane Realty for the Ocean Isle Beach Police Department noting Mayor Smith as a principal owner of the company. Mayor Pro Tem noted the Offer to Purchase and appraisal are available for public inspection at Town Hall. Mayor Pro Tem Walters stated that over the past few years the Board has discussed the sale of certain Town properties (OIBPD and ABC Store) to help offset the costs associated with the construction of the new Town Hall. Mayor Pro Tem Walters noted the police department will always have a presence on the island regardless of the sale of the current OIBPD property. Town Attorney, Mike Isenberg, explained the three of the options a municipality may employ to sell real estate which include: (1) Advertisement for sealed bids, (2) Public auction, and (3) Negotiated offer, advertisement and upset bid period (N.C.G.S. 160A-269). Mr. Isenberg noted that, pending Board approval, a notice of the offer would be published and a 10-day period to receive upset bids would subsequently commence. Mr. Isenberg noted that if any qualifying offer (not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the

Board of Commissioners Meeting (Cont.)

September 11th, 2018

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remainder) is received during the 10-day period, the procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. Mr. Isenberg also noted the Board may at any time reject any and all offers. Mrs. Ivey stated that a recent appraisal was conducted for the property in March of 2018. A motion was made by Commissioner Williamson, seconded by Commissioner Rowell, to direct the Town to proceed pursuant to N.C.G.S. 160A-269 to publish a notice of the offer received from Sloane Realty of Ocean Isle Beach, Inc. to purchase the property of the Town located at 2 W. Third Street for \$460,670 and to receive upset bids in accordance with said statute. The vote was unanimous.

EXECUTIVE SESSION

The Board recessed to executive session upon approval of a motion by Commissioner Williamson, seconded by Mayor Pro Tem Walters. The vote was unanimous. Mayor Smith stated an Executive Session was necessary in order to approve minutes of the August 14th, 2018 Executive Session as per G.S. 143-318.11 (1), to consult with the Town Attorney regarding pending legal issues (Terminal Groin/Southern Environmental Law Center) as per GS 143-318.11 (3), and to discuss acquisition of real property per G.S. 143.318.11 (5)

The Board returned to regular session upon a motion of Commissioner Williamson with a second by Commissioner Blythe. The vote was unanimous. Mayor Smith stated during executive session the Board unanimously adopted the minutes of the August 14th, 2018 Executive Session upon a motion of Mayor Pro Tem Walters with a second by Commissioner Blythe. Mayor Smith stated during Executive Session the Board discussed legal matters with the Town's Attorney involving Terminal Groin/Southern Environmental Law Center and the acquisition of real property.

ADJOURN

Being no additional business was heard, the meeting was adjourned upon a motion of Commissioner Rowell with a second by Commissioner Williams. The vote was unanimous.

DATED: 10/9/18

SIGNED: 
Debbie S. Smith, Mayor

(SEAL)

ATTEST: 
Casey E. Reeves, Town Clerk



**TOWN OF OCEAN ISLE BEACH
THREE WEST THIRD STREET
OCEAN ISLE BEACH, NC 28469**

**BOARD OF COMMISSIONERS MEETING
October 9th, 2018
MINUTES**

MEMBERS PRESENT:

Mayor Debbie Smith	Mayor Pro Tem Dean Walters
Commissioner Wayne Rowell	Commissioner Carolyn Blythe
Commissioner Betty Williamson	Commissioner Bob Williams
Daisy L. Ivey, Town Administrator	Casey E. Reeves, Town Clerk
Ken Bellamy, Chief of Police Dept.	Chuck Rash, Chief of Fire Dept.
Mike Isenberg, Town Attorney	Bobby Hardy, Public Utilities Director
Justin Whiteside, Asst. Administrator	Keith Dycus, Planning/Zoning Director

OTHERS PRESENT:

Approximately 30 Property Owners and Guests
K. Boyette - First Bank Representative
Stephanie McMullan – Union Elementary PTO
Paramounte Engineering Representatives
OIB Development Representative
Michael Norton – McGill Associates Engineering
Brian Slattery – Brunswick Beacon

MEETING CALLED TO ORDER

Mayor Smith called the meeting to order with everyone repeating the Lord's Prayer and pledging allegiance to the flag.

CONSENT AGENDA

The consent agenda included approval of:

- September 10th, 2018 Emergency Meeting Minutes
- September 10th, 2018 Open Forum Minutes
- September 11th, 2018 Public Hearing Minutes
- September 11th, 2018 Board of Commissioners Meeting Minutes
- Approval of Waiver of Utility Late Fees – Hurricane Florence
- Approval of Amendment to Group Activity Application – Paws-Ability

The consent agenda was amended to move Item #3 - *Approval of Request for Parking Lot Fundraiser for Students* to New Business #4. The amended consent agenda was approved upon a motion of Commissioner Williamson with a second by Commissioner Blythe. The vote was unanimous.

Exhibit 7 Oct. 9, 2018 Minutes

Board of Commissioners Meeting (Cont.)

October 9th, 2018

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ADOPTION OF AGENDA

The agenda was amended to add Discussion and Review of Offer to Purchase – 2 W. Third Street - OIBPD as New Business Item #5 and to modify Section (J) to read – *Recess to Reconvene on Monday, October 22, 2018 at 9:00am*. The amended agenda was approved upon a motion of Commissioner Rowell with a second by Commissioner Williamson. The vote was unanimous.

MAYOR REPORTS

Mayor Smith presented an Employee Recognition Award to Ocean Isle Beach Police Officer, Nathan Brown (5 years), and thanked him for his dedication to the Town of Ocean Isle Beach. The Mayor, Board of Commissioners and Town Administrator, Daisy Ivey, extended words of gratitude to Officer Brown for “going the extra mile”.

DEPARTMENTAL REPORTS

1. Administration – Mrs. Ivey presented the financial dashboard as information and stated there was an overall increase of 5% in Accommodation Taxes over the same time period last year and a 10% increase in VRBOs. Mrs. Ivey noted a 16.98% collection rate for 2018 Property Taxes, a 97.47% collection rate for 2017 Property Taxes, a 98.56% collection rate for 2016 Property Taxes, and reported outstanding taxes for 2013-2015 were \$897.26. Mrs. Ivey provided an update regarding Hurricane Michael noting that potential impacts from wind, rain, and erosion were predicted to arrive by Thursday and encouraged everyone to secure any outdoor furniture and polycarts as a precaution. Mrs. Ivey stated the Town sent a letter to the Army Corps of Engineers seeking rehabilitation assistance for Coastal Storm Damage Reduction (CSDR) project for sand lost during Hurricane Florence. Mrs. Ivey noted the Town is still awaiting data from the Corps regarding volume losses. Mrs. Ivey stated she was happy to report a Notice of Dismissal without Prejudice has been filed in conjunction with the Jackson/Hill Aviation legal issue. Mrs. Ivey commented that NCDOT has completed their review of the new Town Hall plans and noted the architect is revising and addressing their concerns and that there is no change to the anticipated construction schedule due to the revisions. Mrs. Ivey stated the Town hopes to receive bids in November and then present to the LGC for financing approval later in the year. Mrs. Ivey stated Town staff plans to meet with Waste Industries during the upcoming week to discuss next year’s sanitation and recycling schedule. Mrs. Ivey noted some of the topics for discussion include returning to three (3) pick-ups per week during the Summer season and hiring individuals to assist with returning polycarts back to homes. Mrs. Ivey announced that construction of the new Town park would not be scheduled to begin until after the N.C. Oyster Festival has taken place on Oct 20-21, 2018. Mrs. Ivey congratulated Mayor Smith on her nomination for the Chamber of Commerce Woman of the Year award and stated the winner would be announced on November 5, 2018.

Board of Commissioners Meeting (Cont.)

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2. Police Department – Chief Bellamy noted that overall incidents were down 25% and arrests and accidents (2) remained the same. Chief Bellamy stated that overall citations were down 51% and calls were down 9.7% (297 total calls). Chief Bellamy stated the department conducted 220 hours of training and are currently preparing for the upcoming N.C. Oyster Festival.
3. Public Utilities Department – Mr. Hardy stated the Department completed a repair to a water main break at Sheffield's after Hurricane Florence and installed 4 new sewer taps and 4 water taps. Mr. Hardy reported that only one lift station (E-1) received damage during the storm and noted repairs were underway. Mr. Hardy stated the Street department has been spraying for mosquitos on Monday's and Thursdays and has removed numerous trees from the beach strand that washed up during the storm. Mr. Hardy expressed appreciation to his department for their hard work collecting vegetative and construction debris from Hurricane Florence. Mr. Hardy noted that 5 – 30yd roll-off containers were filled and removed as well as 42 garbage truckloads.
4. Fire Department – Chief Rash reported during the month of September the Department responded to 21 fire calls for service in the Town (13 in the County), 30 medical calls for service in the Town (20 in the County), and 4 Mutual Aid responses (2 in Sunset Beach and 2 in Shallotte Point). Chief Rash reported 88 total calls for service in September (24 of which were during Hurricane Florence) and noted 105 hours of training were conducted. Mrs. Ivey and the Board of Commissioners thanked all Town Staff and First Responders for their round-the-clock service and tireless efforts throughout Hurricane Florence.
5. Planning/Zoning/CAMA – Mr. Whiteside stated the Town was declared a disaster area by FEMA for categories A and B (Debris Removal and Emergency Protective Measures). Mr. Whiteside stated the Town has applied for public assistance and reimbursements. Mr. Whiteside announced the new drop-off location for the N.C. Oyster Festival will be on East Second street (near Laurinburg St.) which should improve traffic flow and reduce manpower requirements (OIBPD).
6. Building Inspections – Mr. Dycus reported permits had been issued for two (2) new single-family residential homes in the Town limits, and reported a total of 38 permits were issued with a construction valuation of \$1,543,589.00. Mr. Dycus stated 92 total inspections were performed and permit fees were collected in the amount of \$12,707.85. Mr. Dycus announced *Salt Gear and Service* received zoning approval to open a new business at 6855 Beach Drive.

COMMENTS

Mayor Smith opened the floor for Public Comments.

Terry Bryant – Museum of Coastal Carolina, Director – Ms. Bryant expressed her gratitude to the Town of OIB Fire Department for their assistance in saving the fish in the Museum during the storm. Ms. Bryant explained that Museum Staff was unable to access

Board of Commissioners Meeting (Cont.)

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the island to feed them due to the mandatory evacuation and the fish would not have survived without the kind efforts of the OIBFD.

Bob Setzer – 220 W. First Street – Mr. Setzer stated he did not agree with the way the Board handled the issue regarding the beach worship service at Driftwood Drive (September 11, 2018 meeting) and commented that it was a conflict of interest.

Being no further comment was heard, Mayor Smith declared the Public Comments Section closed.

OLD BUSINESS

1. Mayor Smith stated the first item of old business was Discussion and Review of Public Hearing Issue regarding a Text Amendment Application – OIB Development, LLC. Mr. Whiteside summarized the Text Amendment Application submitted by OIB Development, LLC regarding modifications to Section 49-33 – Stormwater Requirements for Subdivisions and Planned Unit Developments within the Town's jurisdiction on the mainland. Mr. Whiteside noted these developments are still required to meet all state mandated Stormwater requirements. Brief discussion was held and a motion to approve the amendment was made by Mayor Pro Tem Walters which received a second from Commissioner Rowell. The vote was unanimous.

NEW BUSINESS

1. Mayor Smith stated the first item of new business was the Discussion and Approval of PARTF Grant Project Agreement – New Town Park. Mrs. Ivey stated Town Staff is seeking Board approval of PARTF Grant Project Agreement between the Town of Ocean Isle Beach and N.C. Department of Cultural Resources for construction of the new Town Park – 11 E. Second Street. Mrs. Ivey stated approval of the grant would allow the Town to move forward with construction of the park and noted the amount of the grant was \$498,000 and requires a funding match of \$592,836 from the Town. Commissioner Rowell made a motion to approve the agreement. The motion received a second from Commissioner Williamson and the vote was unanimous.
2. Mayor Smith stated the next item of new business was the Discussion and Approval of Memorandum of Agreement – Hurricane Florence Debris Removal within NCDOT Right-of-Way. Mr. Whiteside explained NCDOT has been authorized to conduct and arrange for Hurricane Related Debris removal from the public right-of-way of state maintained roads. Mr. Whiteside noted that with approval from NCDOT, the Town would be allowed to remove debris from within NCDOT right-of-way and seek reimbursement from the N.C. Department of Public Safety, Division of Emergency management, and/or FEMA for such eligible functions. Mr. Whiteside commented that this was a “one-time” agreement and only applied to Hurricane Florence related debris removal. Commissioner Blythe made a motion to approve the agreement. Commissioner Rowell seconded the motion and the vote was unanimous.

Board of Commissioners Meeting (Cont.)

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3. Mayor Smith stated the next item of new business was the Discussion and Approval of Request for Group Activity – Beer & Brats Fundraiser. Mrs. Ivey stated Ocean Isle Museum Foundation, Inc. is requesting approval of Group Activity Application to conduct the Beer & Brats Fundraiser on November 23rd, 2018 from 5:00pm-8:00pm at the Museum of Coastal Carolina. Mrs. Ivey noted the Applicant has requested use of Town Property adjacent to museum for parking and waiver of fee due to non-profit status (\$250). Mayor Pro Tem Walters made a motion to approve the activity and waiver of fee which received a second from Commissioner Rowell. The vote was unanimous.
4. Mayor Smith stated the next item of new business was Discussion and Approval of Request for Parking Lot Fundraiser for Students. Mrs. Ivey stated Stephanie McMullen is requesting approval to conduct a paid parking lot fundraiser on private property (43 Causeway Drive) for Union Elementary students during the 2018 N.C. Oyster Festival (October 20th & 21st). Mrs. McMullen stated 100% of proceeds will go to benefit a student field trip to Washington D.C. Mayor Pro Tem Walters recommended Mrs. McMullen erect signage to alert festival patrons that there would be a fee to park in the aforementioned area, noting that free-parking had been permitted in previous years. Mayor Pro Tem Walters made a motion to approve the fundraiser which received a second from Commissioner Rowell. The vote was unanimous.
5. Mayor Pro Tem Walters stated the final item of new business was the Discussion and Review of Offer to Purchase – 2 W. Third Street - OIBPD. Mayor Pro Tem Walters stated an Offer to Purchase has been submitted by Sloane Realty for the Ocean Isle Beach Police Department. Mayor Pro Tem Walters noted Mayor Smith was a principal owner of the company and commented that the item had been previously discussed during the September 11th, 2018 Board of Commissioner's Meeting. Mrs. Ivey explained the upset bid period process (per N.C.G.S. 160A-269 guidelines) was properly advertised with a deadline to receive bids as October 1st, 2018. Mrs. Ivey stated that no bids were received. Mrs. Ivey noted the Board may now accept or reject the Offer to Purchase in the amount of \$460,670 submitted by Sloane Realty. A motion was made by Commissioner Rowell to accept the offer which received a second from Commissioner Williams. The vote was unanimous.

EXECUTIVE SESSION

The Board recessed to executive session upon approval of a motion by Commissioner Williamson, seconded by Mayor Pro Tem Walters. The vote was unanimous. Mayor Smith stated an Executive Session was necessary in order to approve minutes of the September 11th, 2018 Executive Session as per G.S. 143-318.11 (1), to consult with the Town Attorney regarding pending legal issues (Terminal Groin/Southern Environmental Law Center) as per GS 143-318.11 (3), and to discuss acquisition of real property per G.S. 143.318.11 (5)

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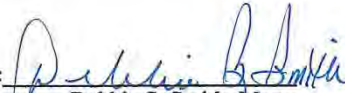
The Board returned to regular session upon a motion of Commissioner Williamson with a second by Commissioner Blythe. The vote was unanimous. Mayor Smith stated during executive session the Board unanimously adopted the minutes of the September 11th, 2018 Executive Session upon a motion of Mayor Pro Tem Walters with a second by Commissioner Blythe. Mayor Smith stated during Executive Session the Board discussed legal matters with the Town's Attorney involving Terminal Groin/Southern Environmental Law Center and the acquisition of real property.

RECESS TO RECONVENE

Being no additional business was heard, the meeting was Recessed to Reconvene for a Special Meeting on Monday, October 22, 2018 at 9:00am upon a motion of Commissioner Rowell with a second by Commissioner Williams. The vote was unanimous.

DATED: 11-13-18

SIGNED:


Debbie S. Smith, Mayor

(SEAL)

ATTEST:


Casey E. Reeves, Town Clerk



ORDERING INFORMATION

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