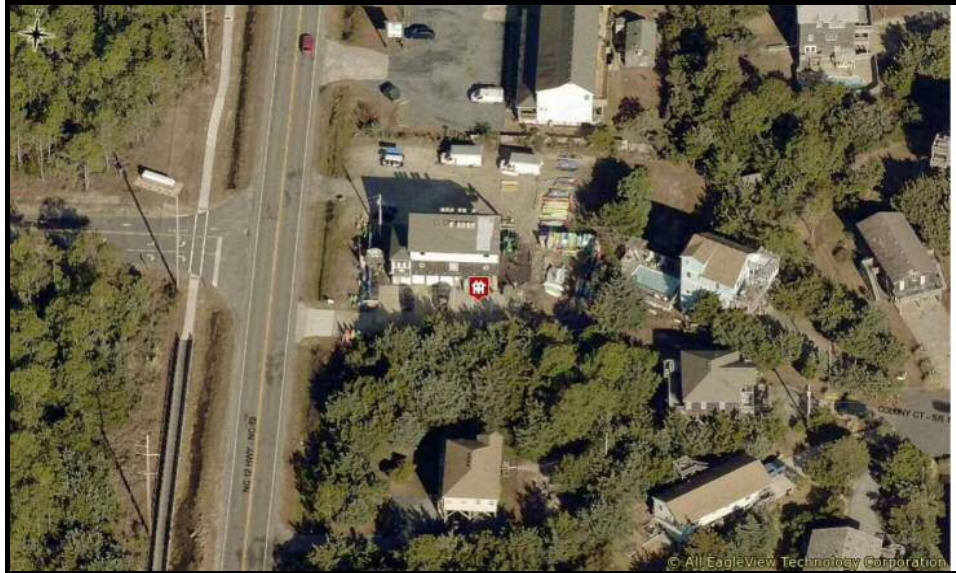


APPRAISAL REPORT

OF

***DUCK VILLAGE OUTFITTERS - SALVO  
A RETAIL/APARTMENT BUILDING AND COMMERCIAL LOT  
LOCATED AT 26673 AND 26689 HIGHWAY 12  
SALVO, HATTERAS ISLAND, DARE COUNTY, NORTH CAROLINA***



Prepared For:

Mr. Robert E. Hovey  
Duck Village Outfitters  
300 W. Eden Street  
Kill Devil Hills, North Carolina 27948

Prepared By:

Gregory L. Bourne, MAI  
Bourne Appraisal Service  
Post Office Box 1687  
Nags Head, North Carolina 27959

**Effective Date of Appraisal** (Date of Appraisal):

**March 5, 2026** (March 24, 2026)

# Bourne Appraisal Service

**Gregory L. Bourne, MAI**  
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Mr. Robert E. Hovey  
Duck Village Outfitters  
300 W. Eden Street  
Kill Devil Hills, North Carolina 27948

March 24, 2026

Re: Appraisal Report of ***Duck Village Outfitters - Salvo***, a 4,631 s.f. (GBA) retail/apartment building and adjacent commercial lot, located at 26673 and 26689 Highway 12, in Salvo, Hatteras Island, Dare County, North Carolina (Our File Number 26-6176).

Dear Mr. Hovey:

I have made an inspection of the above referenced property, reviewed the necessary documents and have collected market data indicative of the **“as is” market value of the fee simple estate** of same. This report has been prepared in accordance with sound appraisal practice and the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute, as amended, and The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP). This document reflects an Appraisal Report as defined in Standard 2: Real Property Appraisal, Reporting in USPAP and it meets or exceeds the reporting requirements contained therein. The intended use of this appraisal is for asset management purposes and the intended users of this report include the property owners and their accountant, financial advisor and other professionals.

I submit herewith the following report which sets forth a brief description of the property as well as the pertinent data, analysis and conclusions derived from my investigation.

Based on my analysis of the data collected, subject to the limiting conditions and definitions set forth in this report, I concluded that the **“as is” market value of the retail/apartment building, in fee simple** title and as of March 5, 2026, was:

**EIGHT HUNDRED TEN THOUSAND DOLLARS**

**(\$810,000)**

Also, the **commercial lot’s “as is” market value**, of the **fee simple estate** as of March 5, 2026, was:

**ONE HUNDRED FIFTY THOUSAND DOLLARS**

**(\$150,000)**

[continues]

Mr. Robert E. Hovey  
March 24, 2026  
Page Two (2)

At the appraised values, the marketing time is 12 months while the reasonable exposure time, which reflects the days on the market prior to a hypothetical sale on the effective date of appraisal, is also estimated at 12 months.

Thank you for this opportunity to be of service to you. If I can be of further assistance, please advise.

Respectfully submitted,

*Gregory L. Bourne, MAI*

Gregory L. Bourne, MAI



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### **Addenda**

State License Certificate  
Tax Abstracts

## CERTIFICATION

The undersigned does hereby certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved. **I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period IMMEDIATELY PRECEDING ACCEPTANCE OF THIS ASSIGNMENT.**
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. My 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 results, or the occurrence of a subsequent event directly related to the intended use of this appraisal. **The appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.**
6. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with, the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. No one other than the undersigned prepared that analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report. However, other members of the staff of Bourne Appraisal Service may have assisted in obtaining and processing portions of the data used. The undersigned has made a personal inspection of the property that is the subject of this report.
9. No one provided significant professional assistance to the person(s) signing this report.
10. As of the date of this report, the undersigned designated appraiser has completed the requirements under the continuing education program of the Appraisal Institute.
11. The appraiser last inspected the subject on March 5, 2026 and concluded that the “as is” market value estimates of the retail/residential building and commercial lot, **in fee simple title** and subject to the contingent and limiting conditions contained herein, as of March 5, 2026, were \$810,000 and \$150,000, respectively.

*Gregory L. Bourne, MAI*

Gregory L. Bourne, MAI  
State Certified General Appraiser # NC A215



## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Location:	The retail/apartment building is located at 26689 Highway 12 while the commercial lot is situated at 26673 Highway 12, both in Salvo, Hatteras Island, Dare County, North Carolina (Postal Zip Code: 27972).
Present Use:	On the date of inspection, the retail store was owner occupied while two (2) of the apartments were rented. Although the other apartment was unoccupied, it will likely be rented soon given the strong demand for employee housing on Hatteras Island.
Tax Identification:	<b>Retail/Apartment Building:</b> Parcel # 013064-000 and Pin # 0657.13 04 2410 <b>Adjacent Commercial Lot:</b> Parcel # 013063-000 and Pin # 0657.13 04 2408
Property Rights Appraised:	Fee Simple Estate
Hypothetical Conditions:	None
Extraordinary Assumptions:	None
Property Owners:	Robert E. Hovey and Tanya L. Hovey
Site Data:	The building is situated on a 10,000 square foot or 0.23 acre site that has 80.0 front feet on Highway 12. The parcel has a rectangular shape (80.0' x 125.0') and it is 125.0 feet deep. The adjacent commercial lot is identical to the site on which the retail/apartment building is located.
Zoning:	S1 - Special District

Assessments and Taxes (2025):

<b>Retail/Apartment Building</b>	
Land Assessment	\$168,000
Building Assessment	548,700
Other Improvements Assessment	11,100
Personal Property Assessment	0
Total Assessment	\$727,800
Tax Rate Per \$100 of Assessment	\$0.4314
Tax Liability	\$3,139.73
Delinquent Taxes	\$0.00

<b>Commercial Lot</b>	
Land Assessment	\$105,000
Building Assessment	0
Other Improvements Assessment	0
Personal Property Assessment	0
Total Assessment	\$105,000
Tax Rate Per \$100 of Assessment	\$0.4314
Tax Liability	\$452.97
Delinquent Taxes	\$0.00

Description of Improvements:

Based on my physical measurements, the retail/residential building contains a total gross building area of 4,631 square feet of which 1,222 s.f. reflects first floor commercial space that is mostly open store space, fitting room and a half bathroom. The 1,222 s.f. second floor is composed of two (2) apartments that contain approximately 374 s.f. (Unit A) and 634 s.f. (Unit C) while the entire 705 s.f. on the third floor is Apartment B. The structure is a three (3) story, wood frame building and it is constructed on a wood piling foundation. On the ground level, there is 1,482 s.f. of finished storage space with a full bathroom, break area and storage rooms and given its degree of finish and HVAC, this area is included in the subject's gross building area. The exterior walls are cedar shakes and board and batten while the roof cover is good grade composition asphalt shingles. HVAC is provided by heat pumps, mini-split systems and thru-wall HVAC units. Apartment A reflects an efficiency unit while Apartment C is an 1-bedroom, 1-bathroom dwelling with great room, kitchen and ample storage space. Unit B has 1-bedroom, 1-bathroom and great room with full kitchen, living and dining areas. The subject was originally built during 2009 although it sustained significant fire damage during August of 2022. The building obtained its CO during the Spring of 2024. Given the extensive improvements made after the fire, the subject has an effective age of 10 years and economic life of 50 years. The remaining economic life is 40 years. The subject is a good quality product in good condition for its age.

Highest and Best Use:

Land as Though Vacant:

A resort commercial use or mixed commercial/residential use.

As Improved:

Present usage

**Duck Village Outfitters - Salvo**

	"As Is" Market Value Estimate
Effective Date of Appraisal	March 5, 2026
Marketing Time	12 months
Property Rights Appraised	Fee Simple Estate
Land Value Estimate ( <b>Commercial Lot</b> )	\$150,000
Cost Approach	Omitted
Sale Comparison Approach	\$810,000
Income Approach	Omitted
Final Value Estimate	\$810,000

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

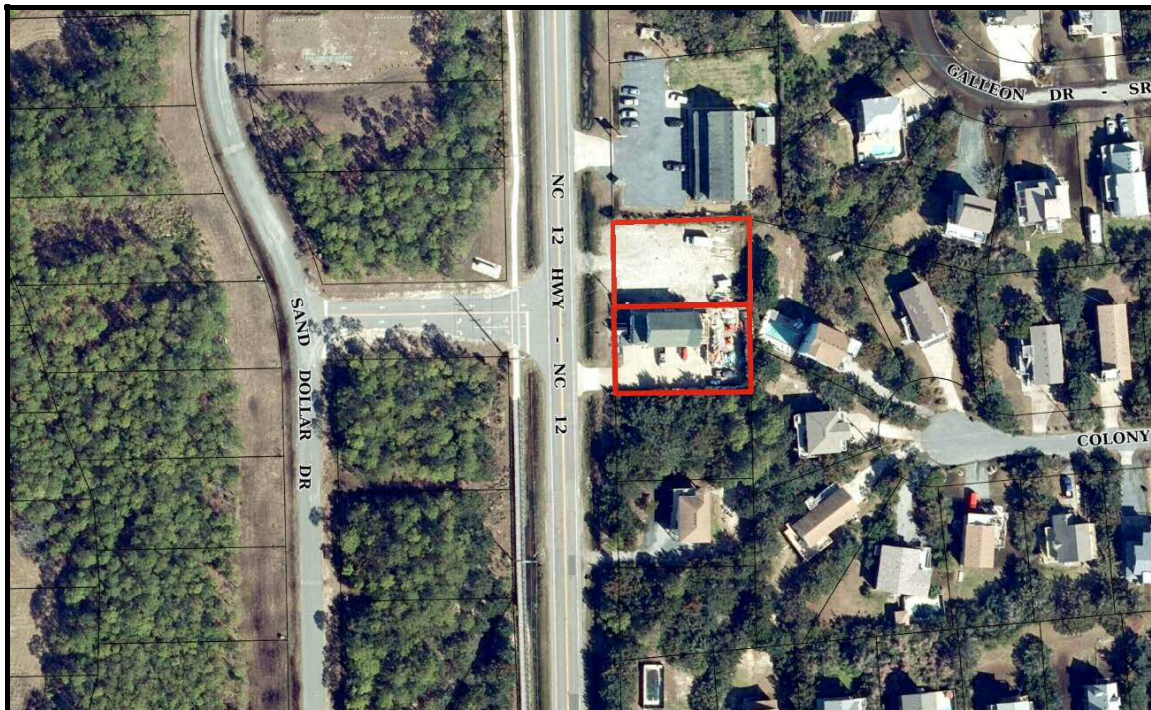
This appraisal report has been made with the following general assumptions and limiting conditions:

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 property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless 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 nonconformity 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.
11. **No survey was made especially for this appraisal. Property lines, area calculations, etc., of record, or otherwise provided, are assumed to be correct.**
12. 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.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication.

14. 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.
15. 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 appraiser.
16. The forecasts, projections or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes in the future.
17. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of any building, such as the presence of urea formaldehyde foam insulation and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. The client is urged to retain an expert in this field, if desired.
18. It is assumed that the subject has never been utilized as a waste disposal site for toxic or other hazardous waste materials as defined by the appropriate government agencies.
19. This appraisal report has been prepared for the exclusive benefit of the property owners who are the intended users of this appraisal report. It may not be used or relied upon by any other party and use by others is not intended by the appraiser. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk. Use by others is not intended by the appraiser..
20. The Americans with Disabilities Act ("ADA") became effective January 26, 1992, after the construction of the subject. Only a specific compliance survey and analysis of the subject can determine conformity with the requirements of the ADA. The appraiser is not qualified to determine ADA compliance. If the client is concerned about ADA issues, he is urged to obtain a specific compliance survey.
21. Appraiser is not a building inspector, contractor or engineer. Appraiser conducted a visual inspection of only the accessible areas. Appraiser makes no guarantees about the structural integrity of the property and assumes no adverse conditions exist. An expert should be consulted and further inspection conducted if there are any concerns about structural integrity.

## IDENTIFICATION OF THE PROPERTY

The subject is situated along the east side Highway 12, across from the southern entrance into Wind Over Waves Subdivision, in Salvo, Hatteras Island, Dare County, North Carolina (Postal Zip Code: 27972). The retail/apartment's legal description is Lot 23, Section B, Hatteras Colony At Salvo on a plat recorded at Plat Book 3, Slide 25 in the Dare County Registry while the commercial lot is known as Lot 22, Section B, Hatteras Colony At Salvo. The building is located at 26689 Highway 12 while the street address of the commercial lot is 26673 Highway 12. Furthermore, the subject is identified in the Dare County Tax Office by Parcel #s 013064-000 (retail/apartment building) and 013063-000 (commercial lot) and Pin #s 0657.13 04 2410 (retail/apartment building) and 0657.13 04 2408 (commercial lot).



# Location Map



**SUBJECT PHOTOGRAPHS**



**Subject View Facing Southeast**



**Subject View Facing Northeast**



**Subject View Facing Northwest**



**Subject View Facing Southwest**



**Parking Lot Facing West**



**Commercial Lot Facing East**



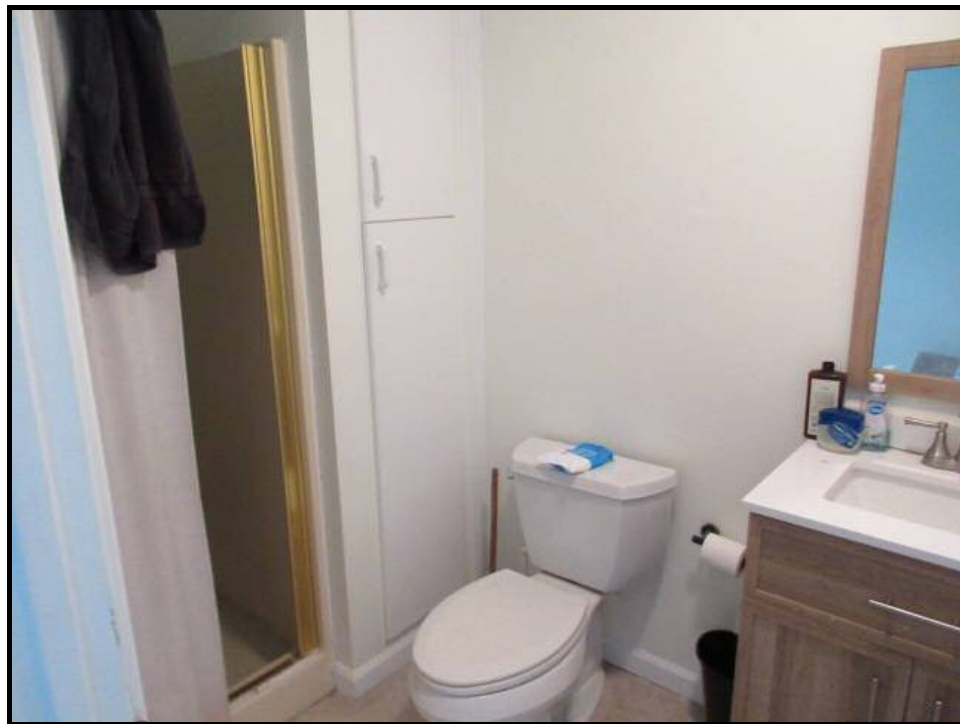
**Apartment A Living Area**



**Apartment A Bathroom**



**Apartment C Kitchen**



**Apartment C Bathroom**



**Apartment C Bedroom**



**Apartment C Great Room**



**Apartment B Kitchen**



**Apartment B Bathroom**



**Apartment B Bedroom**



**Shared Washer/Dryer in 2<sup>nd</sup> Floor Hallway**



**Ground Level Storage Room**



**Ground Level Break Area**



**Ground Level Bathroom**



**Ground Level Storage Room**



**Retail Store**



**Retail Store**



**Retail Store Bathroom**



**Retail Store Fitting Room**



**Highway 12 Facing South**



**Highway 12 Facing North**

## **PURPOSE, USE AND DATE OF THE APPRAISAL**

The purpose of this report is to determine the “as is” market values of the retail/apartment building and commercial lot. This document reflects an Appraisal Report as defined in Standard 2: Real Property Appraisal, Reporting in USPAP and it meets or exceeds the reporting requirements contained therein. The intended use of this appraisal is for asset management purposes and the intended users of this report include the owners and their accountant, financial planner and other professionals. The effective date of appraisal is March 5, 2026 which is the date of my inspection. The date of appraisal, which reflects the date on which the appraisal is transmitted to the client, is March 24, 2026.

## **DEFINITION OF MARKET VALUE**

Per the Comptroller of the Currency in 12 CFR34.42(g), market value is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what he considers his own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

In this appraisal assignment, your appraiser has assumed that the market value estimate is based on a cash sale or typical financing which could be secured through a commercial lending institution. Typical mortgage financing can be secured at a 6.25 to 6.75 percent annual interest rate with a 15 to 20 year amortization period and a three (3) to seven (7) year call. The typical loan to value ratio is 70 to 80 percent with an one (1) point loan fee. Please note that in the Outer Banks Market and in Currituck Mainland, many purchasers, especially owner occupants, will pay all cash or a considerable portion of the sales price in cash. To lessen the impact of high debt service payments, the amortization period may be extended to 25 or 30 years. Construction loan financing is typically based on a prime plus basis (usually 0.0 to 2.0 points). With the typical prime interest rate at 7.00 percent, construction loan financing ranges between 7.00 to 9.00 percent.

#### **MARKETING PERIOD AND EXPOSURE TIME**

From interviews with brokers and knowledgeable market participants and sales of Outer Banks commercial, residential and mixed use properties, it appears the typical marketing period is 12 months provided the property is offered at a reasonable asking price. The marketing period is a function of the asking price for the property. If an owner lists a property at an unrealistically high value, it will have an extended marketing period unless the asking price is adjusted to reflect current market return rates and expectations. The subject's "as is" market value estimate is based on a 12 month marketing period. The subject's reasonable exposure time, which reflects the days on the market prior to a hypothetical sale on the effective date of appraisal, is estimated at 12 months. Sales figures for 2025 provided by the Outer Banks MLS portray an average marketing time for commercial and industrial properties of 189 days (90 days median) and currently active listings show the average days on the market for these properties being 177 days (58 days median). The typical brokerage fee for a improved property similar to the subject is four (4)

to six (6) percent while the sales commission for a vacant commercial lot ranges from five (5) to eight (8) percent. Within Dare County, the seller pays a 1.00 percent land transfer tax which is based on the gross sales price.

### PROPERTY RIGHTS APPRAISED

The fee simple estate is considered in this report. The term fee simple estate can be defined as an "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, escheat, police power, and escheat."<sup>1</sup> Neither the value of the personal property (if any) nor potential going concern value have been considered in this appraisal assignment.

### STATEMENT OF OWNERSHIP

The subject is owned by Robert E. Hovey and Tanya Leigh Hovey.

### SCOPE OF WORK RULE

Under the Scope of Work Rule, "an appraiser must: 1. identify the problem to be solved; 2. determine and perform the scope of work necessary to develop credible assignment results; and 3. disclose the scope of work in the report."<sup>2</sup> In this assignment, the "as is" market values of the retail/apartment building and adjacent commercial lot have been estimated. Most of the elements of the Scope of Work Rule are discussed throughout this appraisal report while some issues are considered in this section. **In this appraisal, it is assumed the reader is familiar with most appraisal concepts as well as the subject's general market**

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<sup>1</sup>Appraisal Institute, The Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition, p. 73.

<sup>2</sup>Uniform Standards of Professional Appraisal Practice, 2024 Edition, Appraisal Standards Board, The Appraisal Foundation, page 15.

**area and as such, boiler-plated descriptions have been minimized while a detailed analysis is made in the valuations sections. Furthermore, minimal demographic data have been included while greatest emphasis has been placed on current economic trends and analysis.**

The scope of the appraisal defines how and where the data sources are collected and the extent that these data are applied to standard appraisal practices and procedures. In this appraisal assignment, area and neighborhood data are collected from the North Carolina Office of State Budget and Management, the North Carolina Department of Revenue, North Carolina Department of Transportation, North Carolina Power Company, Outer Banks Chamber of Commerce and a physical inspection of the neighborhood. Also, local government officials are interviewed about zoning and real property assessment issues.

Sales are collected from transfers of properties located on the Dare County Outer Banks which includes Hatteras Island and sales data are assembled by researching tax records, transfer data and the Outer Banks MLS. These sales are confirmed with either a real estate agent involved in the transaction, the grantee, the grantor or other knowledgeable market participant. Due to the age of the improvements, the cost approach is not deemed an appropriate or reliable measure of the subject's "as is" market value and it has been omitted. Outer Banks retail/apartment buildings are normally bought and sold by owner occupants and as such, they do not reflect true income producing properties. Although some apartments are leased, they are typically held for workforce housing. As such, the income approach has also been omitted in this appraisal assignment. The sales comparison approach will be utilized in this appraisal. The subject's business or going concern value has not been considered. **Please note that apartment appliances are typically conveyed with the real property and they contribute little, if any, value in the transaction.**

## AREA ANALYSIS - OUTER BANKS (SUMMARIZED)

The subject is located in a seasonal resort area known as the Outer Banks which includes Hatteras and Ocracoke Islands. In recent years, Dare and Currituck Counties had strong growth in all economic sectors. Building activity and real estate sales have increased significantly while the traditional measures of the tourist trade, including occupancy tax collections, retail sales and food/beverage sales, have risen dramatically. Overall, the Outer Banks economy had displayed consistent growth patterns. **Please refer to the Current Market Outlook on page 32.**

## NEIGHBORHOOD ANALYSIS (HATTERAS ISLAND)

The subject is situated in Salvo on Hatteras Island which is bordered by the Atlantic Ocean to the east and the Pamlico Sound to the west. Historic Avon Village is composed of single family dwellings, modular homes, mobile homes as well as a church. Hatteras Island is connected to the Upper Dare County Outer Banks by the Marc Basnight Bridge and it is linked to the Mainland and Ocracoke Island by ferries. The neighborhood is dominated by beach cottages which are situated near either the ocean or sound frontage while a number of commercial developments are situated along NC 12 which is the main north/south artery along Hatteras Island. Compared to high density oceanfront developments in Virginia Beach or Myrtle Beach, the neighborhood is a low density area that caters to family vacationers. The Outer Banks is known for its hunting, fishing and water sports activities.

In the past 20 years, Hatteras and Ocracoke Islands have been isolated several times by hurricanes and winter storms and both the real estate market and tourist trade have suffered after and/or during these occurrences. To protect NC 12, the NC Department of Transportation has been constructed a bridge to replace the temporary bridge located in Pea Island and at a cost of \$14.3 million, the bridge was completed

during December of 2017. Also, construction on the Bonner Bridge Replacement has been completed and this \$246 million structure has a projected life of 100 years. The new bridge has been renamed the Marc Basnight Bridge for longtime State Senator Basnight. Finally, to address frequent ocean over wash at the entrance to Rodanthe, the 2.4 mile NC 12 Rodanthe Bridge - a.k.a. “The Jug Handle” - was completed and it opened during the Summer of 2022. The total cost of this project was \$145.33 million. In the near term, NC DOT will continue its efforts to maintain a large oceanfront dune to protect NC 12. Also, a beach nourishment project has been finished along the “S Curve” located at the entrance to Rodanthe, a highly vulnerable section of NC 12, while a second beach nourishment project has been completed along the beach adjacent to NC 12 at the entrance to Buxton. Due to disruptions to the Hatteras/Ocracoke Ferry Service and to the advancing Atlantic Ocean shoreline and limited area to relocate NC 12, periods of inaccessibility to Hatteras and Ocracoke Islands will likely occur in future years and as such, the local economy will suffer during these events.

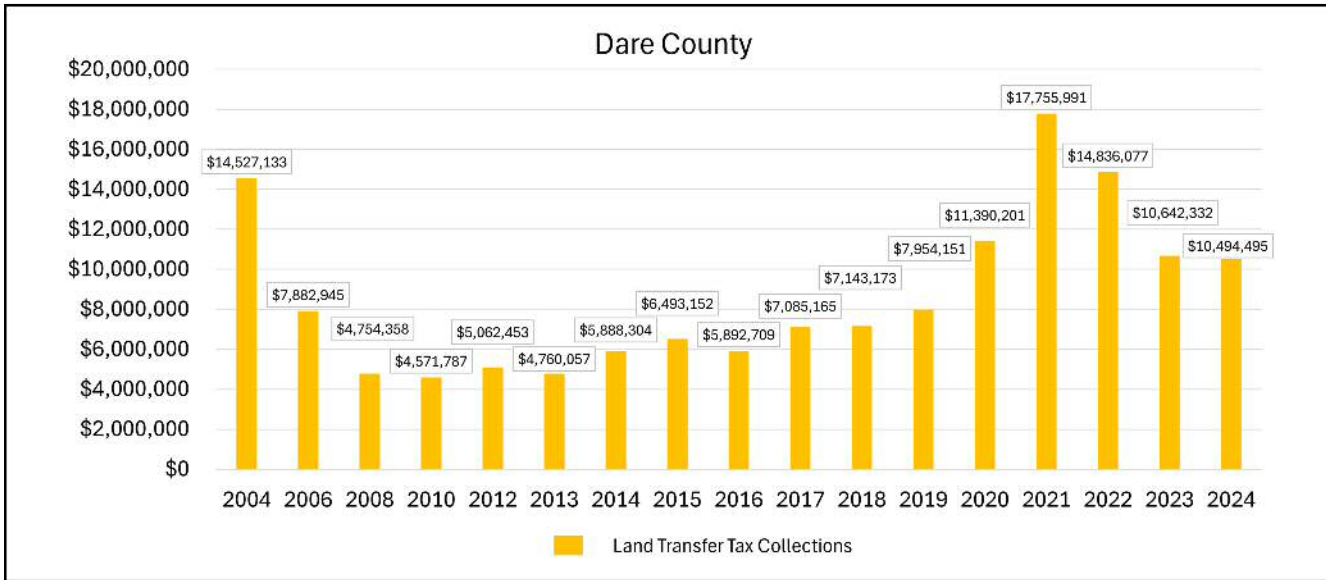
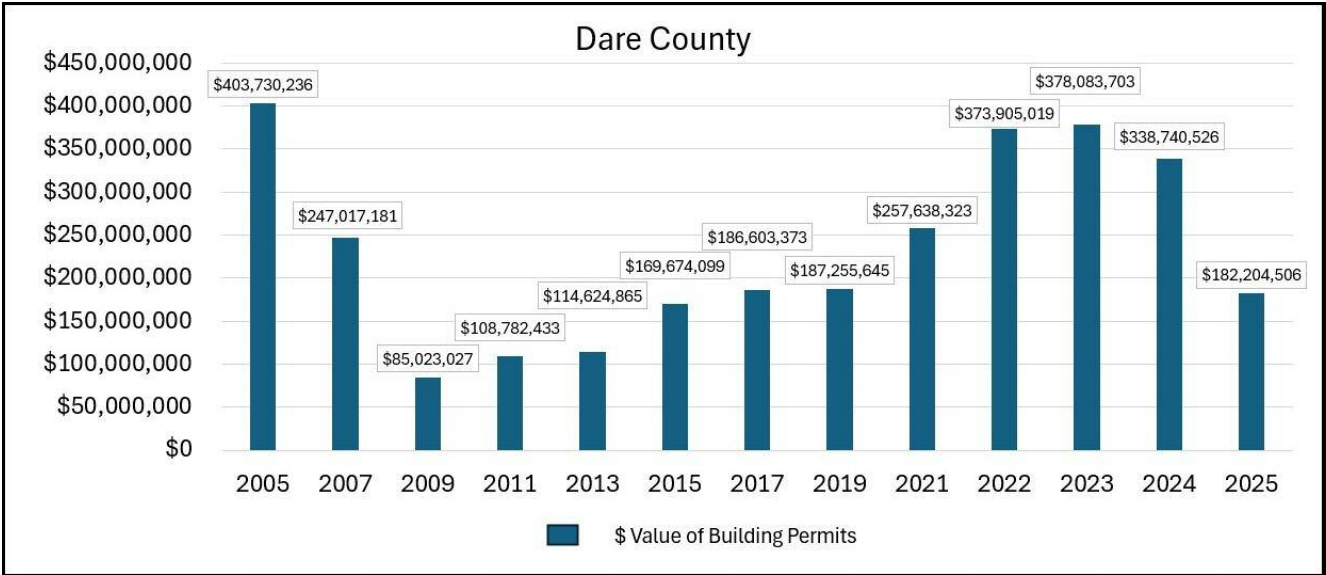
Located in the village of Frisco, North Carolina, Billy Mitchell Airstrip (HSE) is a 3,000-foot, unattended airstrip within Cape Hatteras National Seashore. The airstrip is operated by the North Carolina Department of Transportation Division of Aviation, through a special agreement with the National Park Service. There are minimal facilities at this airstrip consisting of two portable restrooms and a pilot operations room. No water or fuel is available. This airstrip is only available for daylight usage. According to James Capps, FAA Airport Inspector, there are plans to add a helicopter pad to the Airport and given the condition of its asphalt pavement, the runway will be resurfaced during 2025.

## CURRENT MARKET OUTLOOK

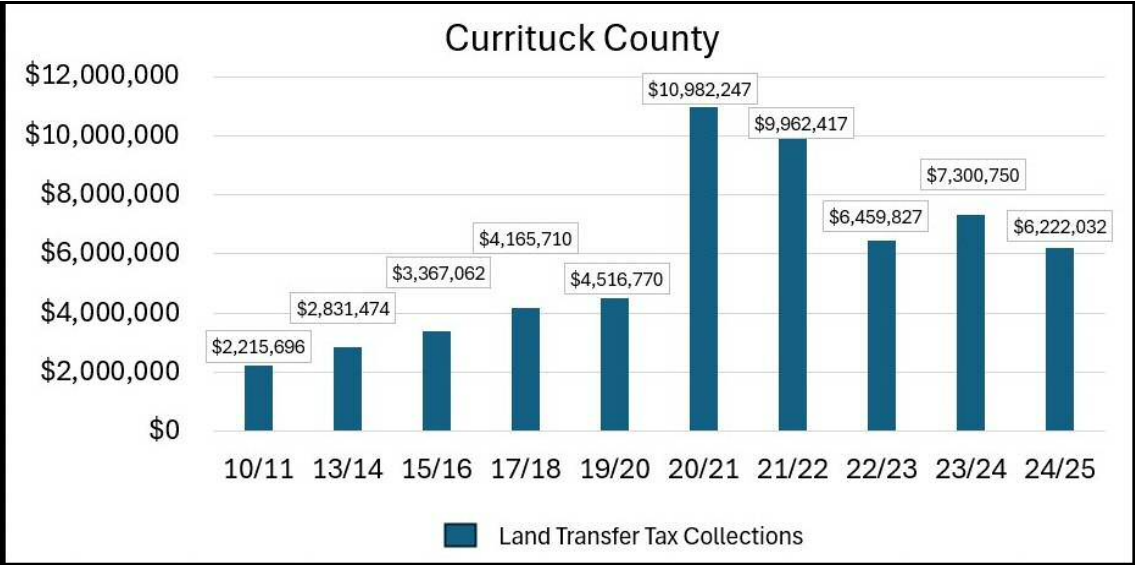
Over the years, Dare, Currituck and Hyde Counties have experienced tremendous growth and despite slowdowns during recessions, the upward trend continues. The Outer Banks and Northeastern North Carolina Markets are not immune to national economic cycles and certain sectors, especially real estate and construction, have a boom and bust character. In this section, we have focused on those factors that impact the health of the local economy and unless it has a direct effect on the local market, demographic statistics are not emphasized. In the following sections, we will describe the drivers of the subject's unique market.

### **Land Transfer Taxes and Building Permits**

Land transfer taxes are a good proxy for real estate sales while the dollar value of building permits portrays the health of the construction sector. Jobs in real estate and construction represent a large share of the local employment base. Despite a somewhat decrease in 2024, the overall dollar value of building permits increased steadily in 2021, 2022 and 2023. After the trough in 2009, they were still below the peak construction activity achieved in 2005 when they more than quadrupled since the depths of the Great Recession (2009). Reports for 2025 show a significant decrease in levels of building construction and real estate sales due in no small part to the rise in interest rates. Lower permit values often indicate increased development uncertainty, which typically aligns with a decline in new building construction and major renovation activity. According to an established local real estate firm, sellers have remained steady in keeping their sales prices up, although buyer's demand has been slower than previous years. During 2020 and 2021, both real estate sales and construction grew rapidly due to the unexpected good fortune the local market experienced from the coronavirus pandemic. However, increasing interest rates and uncertain market conditions have proven to greatly hinder sales in 2025.

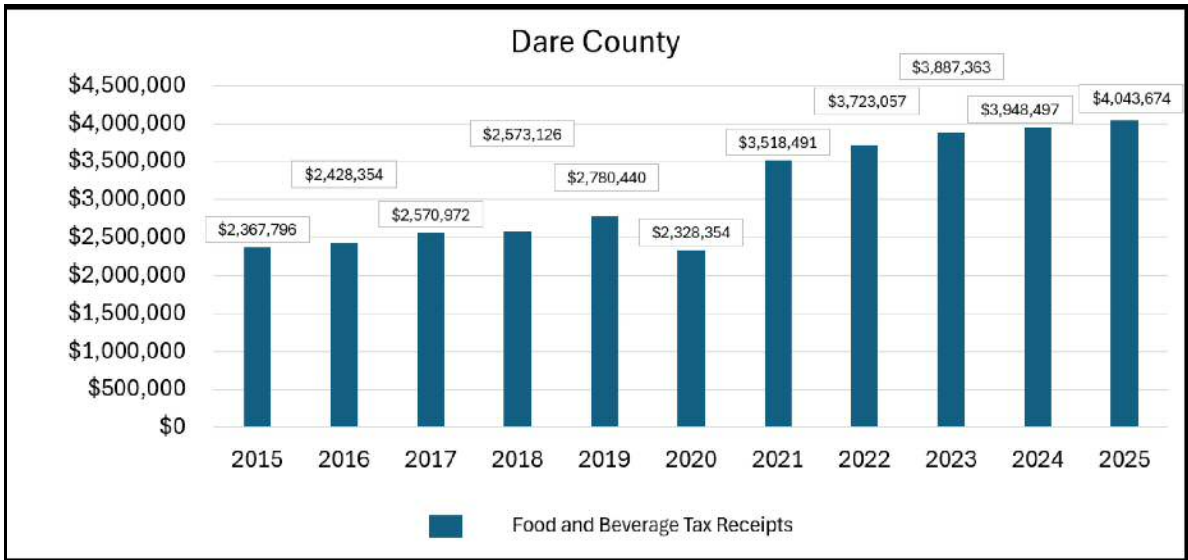
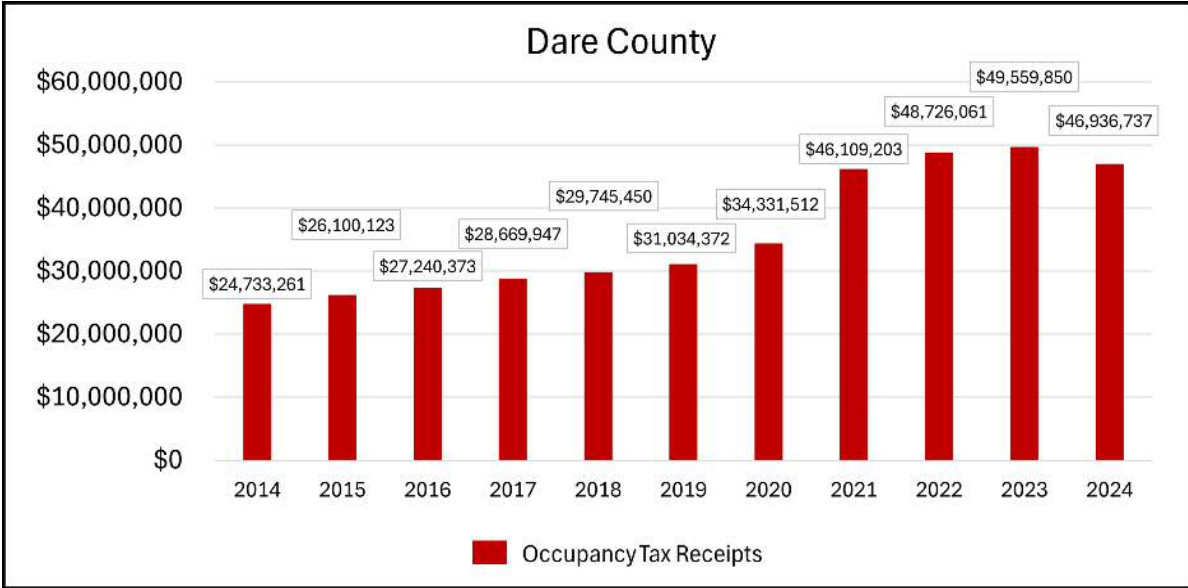


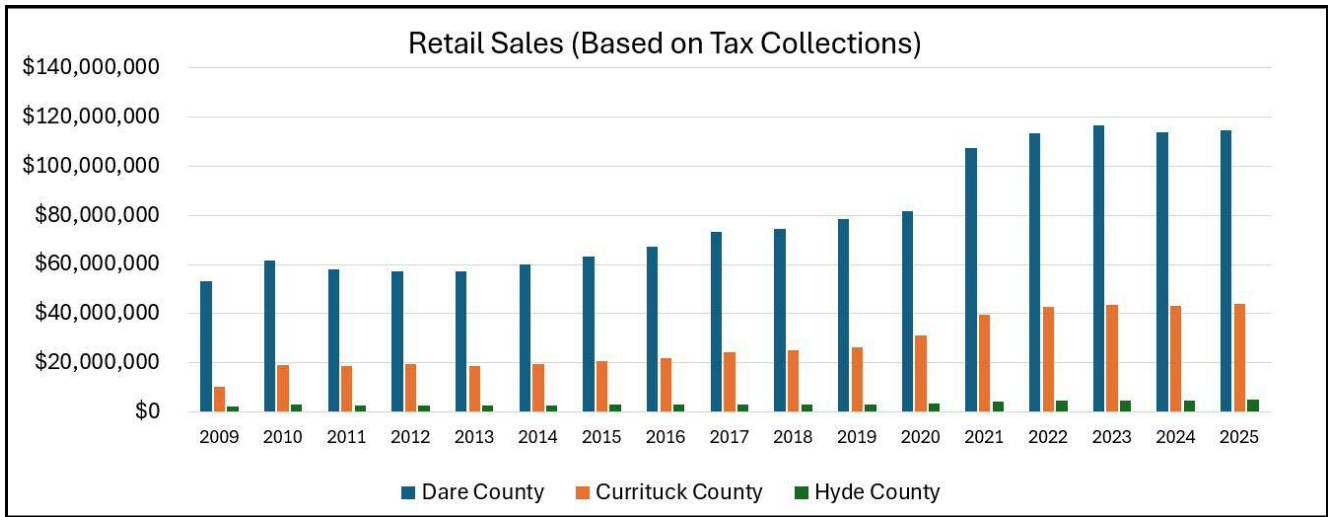
We were unable to obtain historic building permit values from Currituck County but land transfer data was available for a number of fiscal years ending on June 30<sup>th</sup> and the data are listed in the following table. Over the past decade, land transfers have increased steadily from the depths of the Great Recession. Land transfer volumes in Currituck County track closely with regional population growth. According to the 2025 Vintage Population estimates released by the U.S. Census Bureau, in just 5 years since the 2020 Census, North Carolina’s population grew by 1.3% to 11.2 million people as of July 1, 2025. Currituck County has outpaced even that trend, growing 10.4% between 2020 and 2022 according to state demographic data. Much of this pressure comes from the Hampton Roads area, where limited remaining developable land pushes buyers south into Moyock and the Currituck mainland. This migration pattern helps explain the surge in transfers during 2020 - 2022 and the subsequent stabilization as the market has cooled in subsequent years. **In the long-run**, the Outer Banks is anticipated to experience moderate growth along with increasing property values and rental rates.



## **Occupancy, Food and Beverage and Retail Sale Taxes**

Occupancy tax and food and beverage receipts from Dare County as well as retail sales from Dare, Currituck and Hyde Counties are summarized in the following charts. These measures of the local economy show the level of visitation to the Outer Banks and the tourist dollars spent in local restaurants and stores. Since the tax rate for the Dare County Occupancy Tax increased from 5.00% to 6.00% on January 1, 2014, only post 2013 annual figures are included in the table while Food & Beverage Tax Receipts reflect 1.00% of food and beverage sales. Figures for the past few years have been trending steadily upward and they are indicative of a healthy tourism market. Occupancy tax collections for 2021, 2022 and 2023 portray a dramatic increase in visitation to the Outer Banks while visitation in 2024 remained strong. Although Dare County's total occupancy tax receipts for 2025 have not yet been published, preliminary reporting shows a steady pace that aligns closely with 2024 performance. The rise in food and beverage tax receipts during 2021, 2022 and 2023 can be attributed to the lifting of all State Mandates during June of 2021 which opened the door to a surge in visitor activity and dining demand, while 2024 receipts reached a high not seen in nearly a decade due to the increase in food and beverage costs indicative of the current economy. Retail sales continued their historic march upward and in fact, 2021, 2022, 2023 and 2024 portray consistent consumer spending on the Outer Banks.





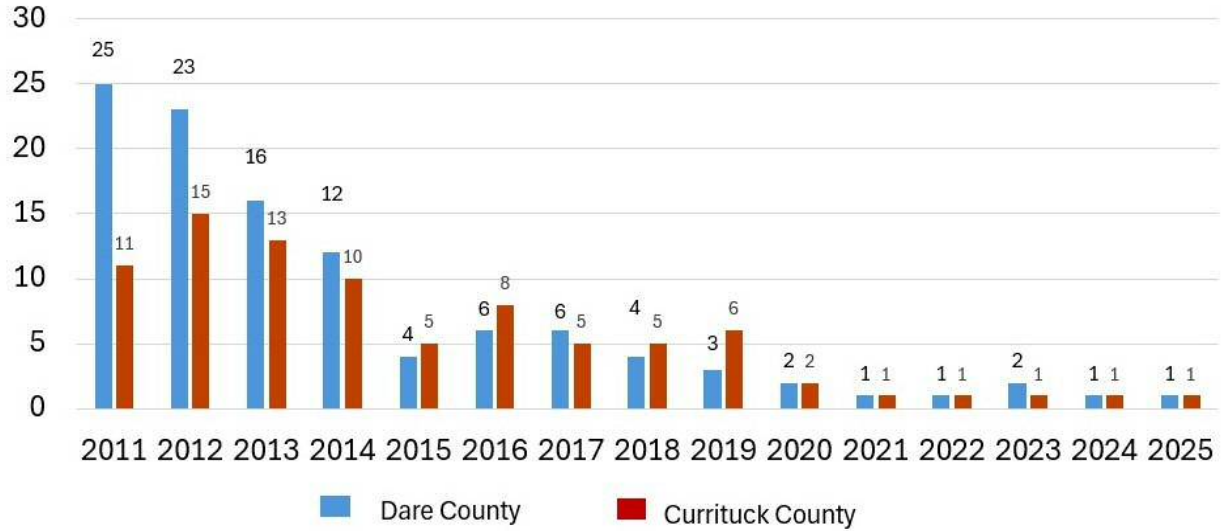
Tourists may curtail their purchases and dining-out but overall visitation to the Outer Banks does not drop dramatically even in the worst of economic times. The lack of major year-over-year change from years 2021 - 2025 suggests a retail environment that has normalized after the post-pandemic fluctuations. Retail sales in Currituck, Dare, and Hyde counties were essentially flat in 2025 compared with 2024, reflecting stable tourism driven spending and consistent local demand. Nationally, the U.S. Census Bureau reported that total retail and food services sales for 2025 increased 3.7% over 2024, showing steady but moderate consumer growth despite broader economic uncertainty. This contrast highlights that while the national market experienced modest expansion, the Outer Banks counties remained level because their retail base depends more on in person, seasonal tourism than on the faster growing nonstore retail sector. In fact, the overall trend portrays steady growth with only modest fluctuations due to national economic conditions.

**Foreclosure Rates and Short Sales**

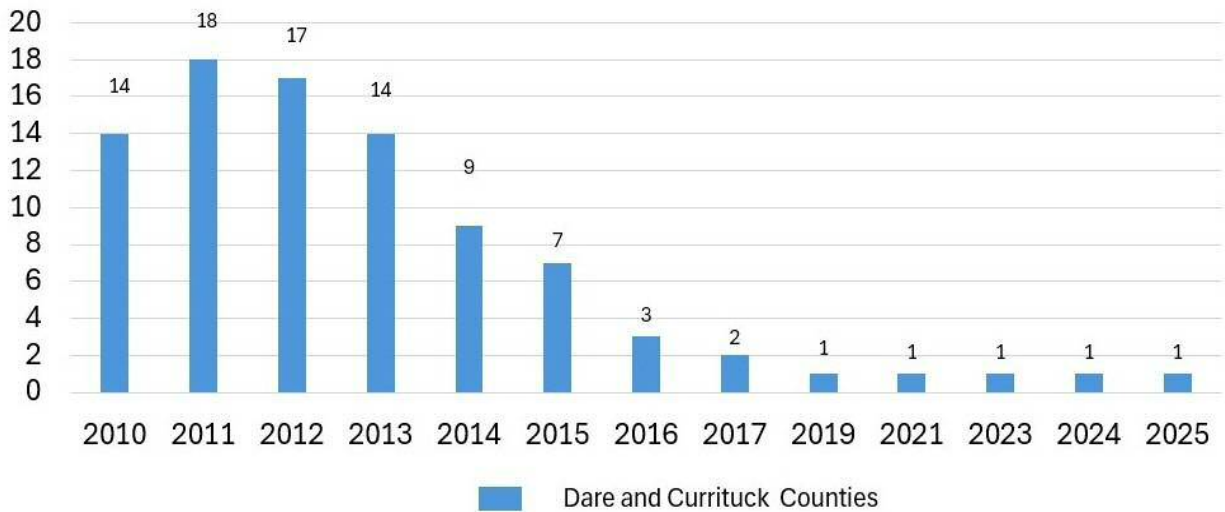
The following table and charts summarize foreclosures (including Deeds In Lieu) and short sales which are based on the average monthly rate (rounded to nearest whole number). As lenders liquidated their inventories of troubled properties after the Great Recession, distress property sales and foreclosures have steadily been falling and they have remained relatively stable for the past five (5) years. Consistent with these long-term trends on the Outer Banks distressed properties in 2025 were rare and absorbed quickly. In fact, short sales are becoming rarer in today’s healthy real estate market.

	Foreclosures (Per Month)		Short Sales (Per Month)
Year	Dare County	Currituck County	Dare and Currituck
2010	53	n/a	14
2011	25	11	18
2012	23	15	17
2013	16	13	14
2014	12	10	9
2015	4	5	7
2016	6	8	3
2017	6	5	2
2018	4	5	1
2019	3	6	1
2020	2	2	1
2021	1	1	1
2022	1	1	1
2023	1	2	1
2024	1	1	1
2025	1	1	1

### Foreclosures Per Month



### Short Sales Per Month



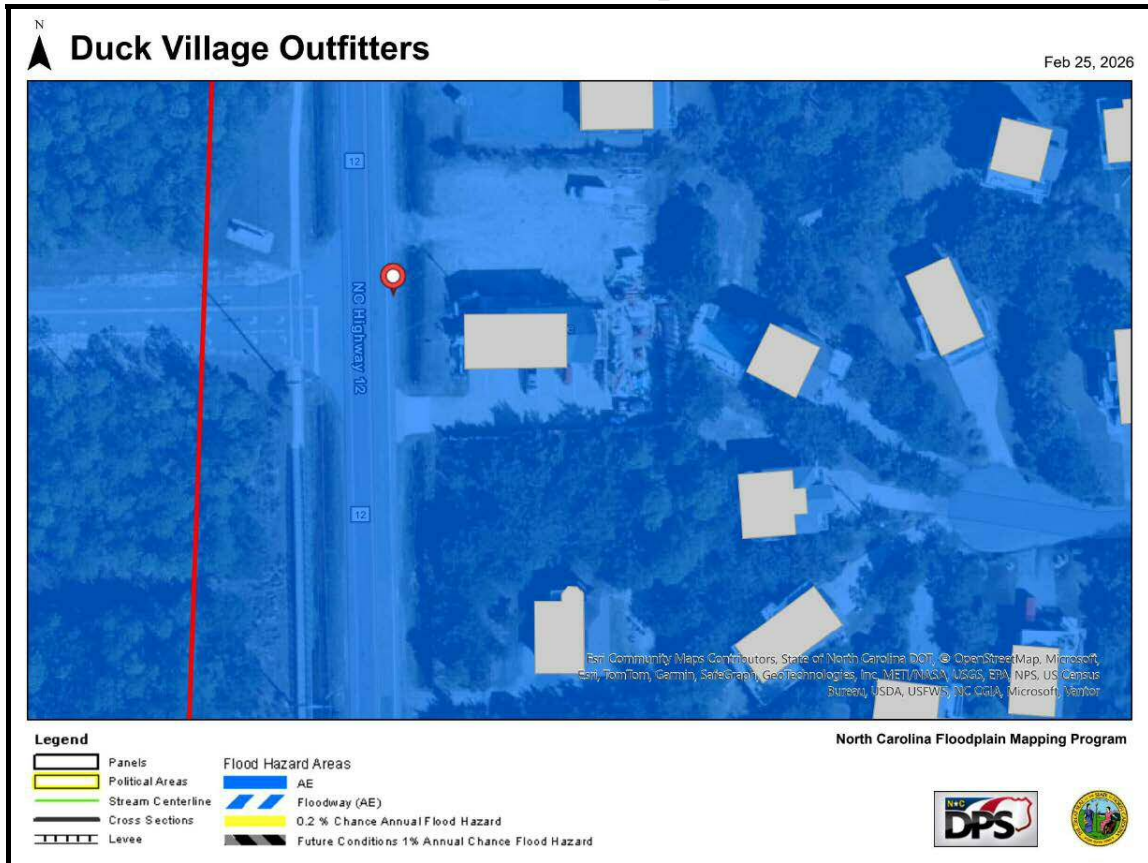
## MARKET PARTICIPANT INTERVIEWS

In addition to published sources which tend to have a two (2) to four (4) month lag time, we have interviewed market participants about current economic conditions. Individuals contacted during the first quarter of 2026 include owners of brokerage firms which have considerable commercial/industrial sales and rental experience, local investors, seasonal rental managers, building contractors, retail business owners, restaurateurs and lodging managers/owners. The 2026 Outer Banks tourism season is projected to be strong, mirroring 2025 trends in which larger vacation homes book well in advance and smaller homes experience comparatively softer demand. According to a local realtor reservations for vacation rentals are moderate, with large house rentals up from previous years and smaller house rentals down 5%-6%. Tourism continues to anchor the region's economy, with forecasts calling for strong visitor driven revenue and solid seasonal employment, underscoring the Outer Banks' resilience as a drive to coastal destination. Businesses across hospitality and retail report steady off-season performance and anticipate healthy in-season sales, even as elevated food and operating costs continue to influence pricing. Despite national economic uncertainty, local sentiment remains positive, supported by the long standing trend that visitors continue to vacation on the Outer Banks even during challenging economic cycles.

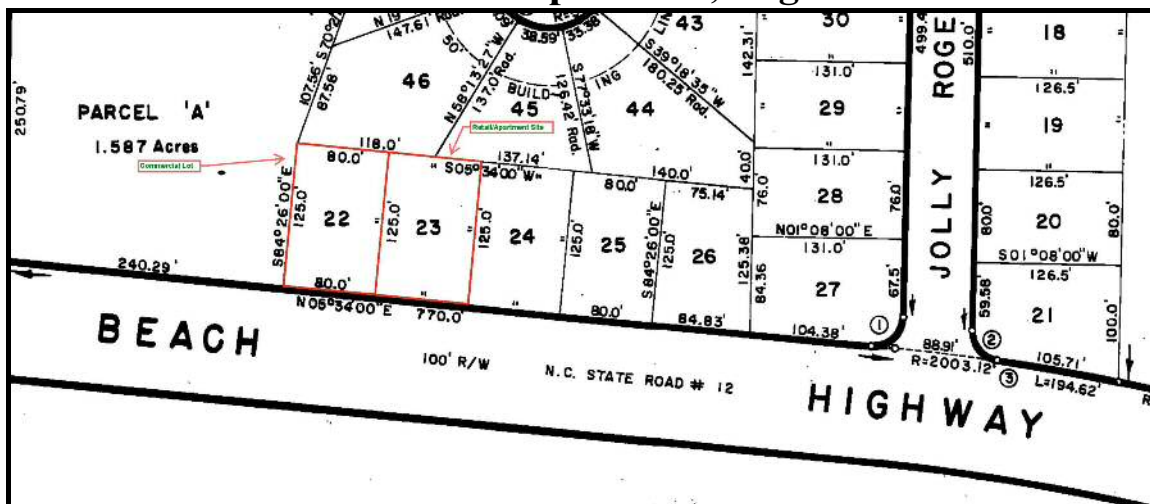
## SITE DATA

Size:	10,000 square feet or 0.23 acres. The land to building ratio is 2.16 to 1.
Frontage, Access and Shape:	The subject has a rectangular shape (80.0' x 125.0') and it has 80.0 front feet along Highway 12. The property has a single entrance from NC 12.
Drainage:	Adequate
Topography and Vegetation:	Level and cleared
Utilities:	Water: Dare County Sewer: On-site septic system Standard: Electric; telephone; cable TV Other: None
Site Improvements:	The site improvements include a septic system, a concrete parking lot with seven (7) spaces, additional concrete for 4-wheelers and rental surfboards, kayaks, etc., good landscaping, signage and other miscellaneous site improvements.
Excess Land:	The adjacent commercial lot also contains 10,000 s.f. and it has a rectangular shape (80.0' x 125.0') and 80.0 front feet on NC 12. The lot is used for additional parking and it has gravel and a single entrance from Highway 12.
Flood Hazard Zone:	The subject is situated in FIRM zone AE (EL 4) and it is located within the 100 year flood zone, as indicated on Flood Map 375348 0657 K, dated June 19, 2020.
Easements and Encroachments:	Besides typical utility easements, no other adverse encroachments or easements have been uncovered on the subject site. There are no known external nuisances, hazards or other negative factors affecting the property.
Comments:	The flood map and recorded plat can be found as follows.

# Flood Map



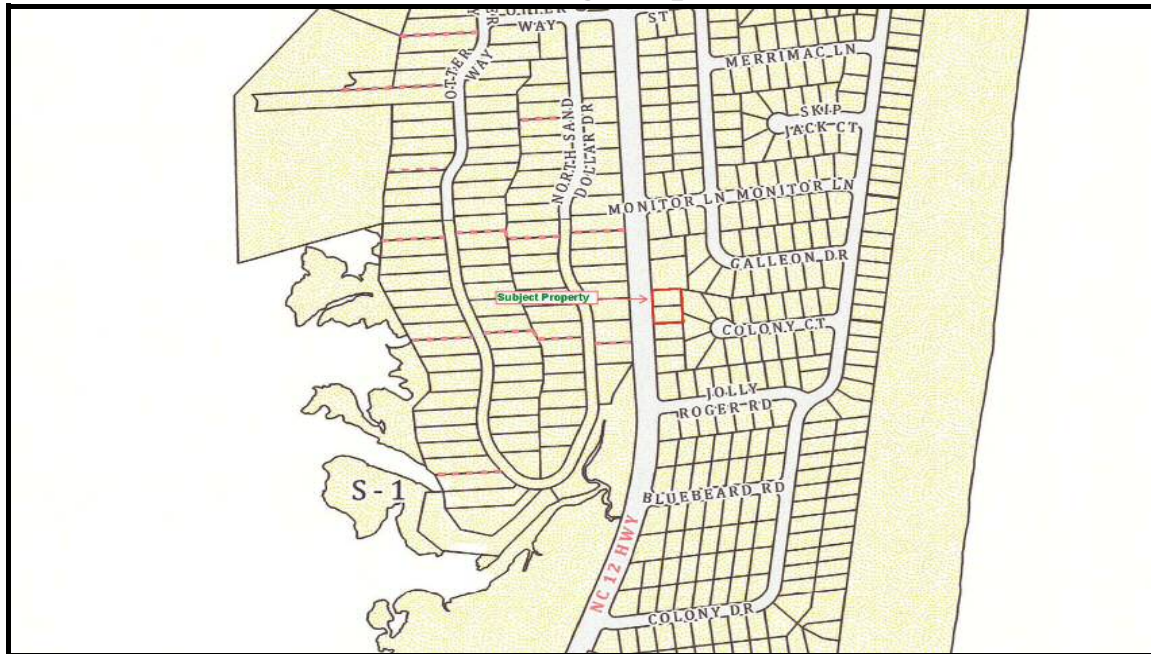
## Portion of Map Book 3, Page 25



## ZONING AND LEGAL RESTRICTIONS

The subject is zoned S1 - Special District which permits all property uses. The only significant zoning restrictions under this classification pertain to minimum lot sizes, dimensions and setbacks for residential and commercial developments. For commercial developments, the maximum building size is 20,000 square feet while the minimum front yard, side yard and rear yard setbacks are 15 feet, 10 feet (15 feet for corner lot) and 20 feet, respectively. The maximum allowable lot coverage is 60 percent while the building height is 52 feet to its highest point. The subject is a permitted and conforming property use. Dare County Health Department Regulations do not permit waste water drain fields to be located within 50 feet of bodies of water or Coastal Wetlands while drain fields can be five (5) feet from 404 Wetlands.

### Zoning Map



**ASSESSMENTS AND TAXES**

The subject is identified in the Dare County Tax Office as Parcel #s 013064-000 (retail/apartment building) and 013063-000 (commercial lot) and Pin #s 0657.13 04 2410 (retail/apartment building) and 0657.13 04 2408 (commercial lot) The historic assessments and tax liabilities are listed below.

<b>Duck Village Outfitters - Salvo Retail/Apartment Building</b>			
	Tax Year		
	2023	2024	2025
Land Assessment	\$108,000	\$108,000	\$168,000
Improvement Assessment	334,200	334,200	559,800
Total Assessment	\$442,200	\$442,200	\$727,800
Tax Rate per \$100	\$0.6128	\$0.6328	\$0.4314
Tax Liability	\$2,709.80	\$2,798.24	\$3,139.73

<b>Duck Village Outfitters - Commercial Lot</b>			
	Tax Year		
	2023	2024	2025
Land Assessment	\$85,000	\$85,000	\$105,000
Improvement Assessment	0	0	0
Total Assessment	\$85,000	\$85,000	\$105,000
Tax Rate per \$100	\$0.6128	\$0.6328	\$0.4314
Tax Liability	\$520.88	\$537.88	\$452.97

During 2019, Dare County underwent a complete tax reevaluation whereby assessments were updated to January 1, 2020 market values and after the recent reevaluation, the new assessments became effective on January 1, 2025. The tax assessment on the retail/apartment building increased from \$442,200 to \$727,800, a 64.59% increase, although due to a decrease in the tax rate, the tax burden only rose by 12.20%. Despite increasing by 23.53%, the tax liability on the commercial lot declined by 15.79% between 2024 and 2025. Given past trends in assessments and tax rates, real estate taxes should increase below the annual inflation rate during the foreseeable future - especially after reevaluations. Until recently, Dare County reassessed properties every eight (8) years although the current reevaluation was only five (5) years after the prior one. In the reevaluation, properties were assessed at 100% of their fair market value. Unless changes are made to the improvements (i.e. additions, renovations, etc.), the assessments remain unchanged until the next reevaluation. A change in ownership does not result in a property being reassessed. **Due to the Assessor's mass appraisal methodology, assessed values can sometimes be either significantly above or below prevailing market values and oftentimes, there is no consistency in assessments, especially for atypical properties. There are no back taxes due on the commercial lot while for the 2025 tax year, there are \$2,243.52 in back taxes and interest due on the retail/apartment building.**

## HISTORY

Research of the applicable public records, private data services and a interviews of knowledgeable parties (owners, brokers, etc.), revealed that neither the retail/apartment building nor commercial lot are under current agreement or option and are not offered for sale on the open market. Additionally, according to these sources, there have not been any transfers of the two (2) parcels in the past three (3) years.

## DESCRIPTION OF THE IMPROVEMENTS

Size:	Based on my physical measurements, the retail/residential building contains a total gross building area of 4,631 square feet of which 1,222 s.f. reflects first floor commercial space that is mostly an open store with fitting room and a half bathroom. The 1,222 s.f. second floor is composed of two (2) apartments that contain approximately 374 s.f. (Unit A) and 634 s.f. (Unit C) while the entire 705 s.f. on the third level is Apartment B. On the ground level, there is 1,482 s.f. of finished storage space with a full bathroom, break area and storage rooms and given its degree of finish and HVAC, this area is included in the subject's gross building area. On the first, second and third floors, there are 197 s.f., 221 s.f. and 145 s.f. of wood decking, respectively, and in total, the subject has 563 s.f. of decks as well as a 328 s.f. ramp. At the front entrance to the store, there is a 260 s.f. enclosed porch
Foundation:	Wood pilings and concrete slab.
Structural Components:	The retail/apartment building has three (3) floors plus improved space on the ground level and the subject reflects wood frame construction.
Walls, Windows and Roof Cover:	The exterior walls are wood shakes and board and batten and the windows are good quality, wood frame. The roof cover is good quality asphalt shingles.
Mechanical Components:	HVAC: Heat pump; mini-split systems, thru-wall HVAC Electric: Typical of Grade Plumbing: Typical of Grade Other: None
Interior Floors, Walls and Ceilings:	In the apartments, the flooring is mostly laminate while the walls and ceilings are painted drywall and there is some ceramic tile in kitchens and bathrooms. The ground level has a mixture of finished concrete slab, laminate and vinyl flooring while the walls and ceilings are either painted wood board, FRP board or composite panels. The floors in the retail store include laminate, heavy vinyl and tile while the walls and ceilings are painted drywall.

Year Built: The subject was originally built during 2009 although it sustained significant fire damage during August of 2022. The building obtained its conditional occupancy during the Spring of 2024.

Effective Age and Economic Life: Given the extensive improvements made after the fire, the subject has an effective age of 10 years and economic life of 50 years. The remaining economic life is 40 years. The subject is a good quality product in good condition for its age.

Speciality Features: Apartment A is an efficiency unit and in the bathroom, it has a commode and standing fiberglass shower. There is a cabinet with granite top, shelving and sink in the living area. Apartment C has a full kitchen with electric range/oven, microwave oven/hood fan, refrigerator, dishwasher, double stainless steel sink and ample wood base and upper cabinetry with granite counter tops and its bathroom has a commode, sink with cabinet and standing fiberglass shower. In Apartment B's kitchen, there is a double stainless steel sink, built-in hot plate, microwave oven with hood fan, refrigerator and a modest amount of wood base and upper cabinetry with granite top. The bathroom has a fiberglass tub/shower, commode and sink with cabinet.

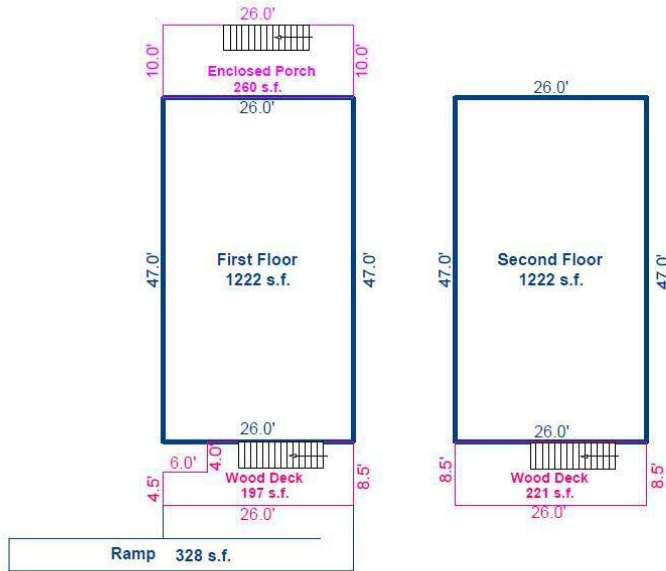
Comments: In addition to repairing the fire damage, substantial improvements were made to other portions of the building in recent years. To provide fire suppression, there are four (4) sheets of rated drywall between the retail store and apartments above. The shared laundry closet has stacked, full size washer and dryer and it is access via the exterior hallway on the second floor.

SKETCH

Duck Village Outfitters - Salvo

Not To Scale

Area Measurements Approximate

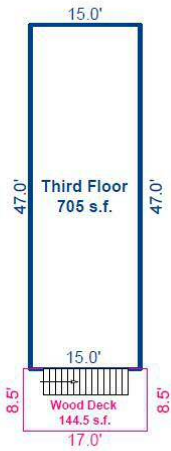


Gross Building Area

First Floor	1222 s.f.
Second Floor	1222 s.f.
Third Floor	705 s.f.
Ground Level	1,482 s.f.

**Total GBA** 4,631 s.f.

1st Wood Deck	197 s.f.
2nd Wood Deck	221 s.f.
3rd Wood Deck	145 s.f.
<b>Total Wood Deck</b>	<b>563 s.f.</b>



Sketch by ApexSketch

## HIGHEST AND BEST USE ANALYSIS

Highest and best use is the reasonably probable and legal use of vacant land or an improved property, which 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 profitability. In this appraisal assignment, the highest and best use of the property as if the land were vacant and the highest and best use of the property as improved are examined. Each of these scenarios will be analyzed in the following sections.

### **Highest and Best Use of Land as Though Vacant**

To determine the highest and best use as though vacant, the land is assumed to be vacant, or any improvements, which are located on the site, can be demolished and the site can be made ready for development. In order to be at its highest and best use, as if vacant, the proposed use must be physically possible, legally permissible, financially feasible and maximally productive. These four criteria will be examined sequentially so that the highest and best use can be selected from the array of potential uses.

The subject site is a level parcel which has adequate drainage, access to all available public utilities (water, electric, telephone, cable TV), ample street frontage and suitable surface and subsurface soil characteristics; consequently, the site's physical properties do not impede its development. Given the subject's site size (10,000 square feet), the property could be utilized for a number of small residential, commercial and industrial uses.

After determining physically possible uses, the proposed highest and best uses must be tested to determine if they are legally permissible. Building codes and private deed restrictions should have no effect on any of the potential developments; however, the Dare County Zoning Ordinance does affect potential uses of the subject property. The subject is zoned S1 - Special which allows most property uses and as such, there are few restrictions placed on potential uses.

The third step is to determine whether the uses are financially feasible. Those uses, which produce enough revenue to satisfy operating expenses, financial obligations, and capital amortization are regarded as financially feasible. Given the subject's location along Highway 12 in Salvo, potential uses include resort commercial projects, mixed commercial/residential uses and single family dwellings and these uses have been developed side by side over the years. Given its location, size, zoning and development trends within the immediate area, the highest and best use as though vacant is a commercial building such as a retail store, office building or a mixed commercial/residential use. These potential highest and best uses reflect the maximally productive uses of the unimproved site.

**Statement of Highest and Best Use of Land as Though Vacant**

The highest and best use as though vacant of the site is a commercial or mixed use building which would benefit from the subject's exposure and street frontage. The commercial lot has the same highest and best use as though vacant.

### **Highest and Best Use as Improved**

The highest and best use as improved is analyzed to identify the use of the property that can be expected to produce the highest overall return for each dollar of capital invested and to help identify comparable properties. At the present time, the subject has an estimated remaining economic life of approximately 40 years; subsequently, in future years, the improvements will contribute considerable value to the unimproved site. However, the improvements could be modified to increase the property's return during its remaining economic life. Similar to the highest and best use as though vacant analysis, all potential uses are studied to determine if they are physically possible, legally permissible, financially feasible and maximally productive.

The site is fully developed and therefore, physically possible uses of the improvements are limited to continuing the existing use as presently configured. Given the subject's design as a mixed use retail and apartment building, it is unlikely that any other use would be physically possible without extensive alterations to the improvements. In the present economic climate, it is unlikely that a major renovation would be financially feasible or warranted.

### **Statement of Highest and Best Use as Improved**

The highest and best use as improved of the existing improvements is a mixed commercial/residential building to primarily be used for owner occupancy. Apartments in this class of property are typically used to house the business's employees.

## METHOD OF VALUATION

The appraisal process typically involves three approaches in estimating value which consists of the cost approach, sales comparison approach and income capitalization approach. A brief description of each technique is as follows:

The **Cost Approach** - An appraisal procedure using depreciated replacement or reproduction costs of improvements plus land value as a basis for estimating market value. The underlying assumption is most reliable when the improvements are relatively new and are the highest and best use of the land.

The **Sales Comparison Approach** - An appraisal method which uses sales prices of whole properties similar to the subject property as a basis for estimating market value. The nature and condition of each sale are analyzed, making adjustments for dissimilar characteristics. This approach offers a good indication of value when a sufficient quantity and quality of sales exists in the marketplace.

The **Income Capitalization Approach** - An appraisal procedure using capitalization of expected future benefits as a basis for estimating market value. In this approach, there is a direct relationship between the amount of income a property earns and its value. The reconstructed net operating income is processed into value using a capitalization rate. Also, utilizing a discounted cash flow analysis, future benefits can be converted into a present estimate of value. Factors such as risk, time, interest on the capital investment, and recapture of the depreciating asset are considered in deriving an overall rate and a discount rate. The underlying assumption in this approach is that an informed purchaser will pay no more for the subject property than he would pay for another property with an income stream of comparable amount, duration, and quality.

The final step in the appraisal process is the reconciliation of value indications and the final estimate of value. The appraiser considers and weighs each approach according to its appropriateness in view of the peculiarities of the property being appraised and the quantity and quality of the information available. The result is a final indication of market value for the subject.

## LAND VALUE ANALYSIS - COMMERCIAL LOT

In order to determine the subject's land value (fee simple), the site must be appraised as if it is vacant and utilized at its highest and best use, which in this appraisal assignment, is either a small resort commercial or mixed commercial/residential use. In this analysis, your appraiser has utilized the sales comparison approach which has four distinct steps.

1. Sales of parcels which exhibit similar characteristics are analyzed and compared to the subject. Also, current listings, offers, and contracts must be researched to support the transfer data.
2. From the market data, an appropriate unit of comparison must be selected to facilitate the comparison process.
3. Utilizing the elements of comparison, the comparable sales are compared to the subject and, if necessary, adjustments are made. Elements of comparison are the characteristics of properties and transactions that cause the prices paid for real estate to vary. The most common elements of comparison are real property rights conveyed, financing terms, condition of sale, market conditions (date of sale), location, and physical characteristics.
4. Finally, after considering the market data and the adjustments made, the appraiser selects the value indication(s) which will most accurately reflect the subject's market value.

### Market Data

The following land sales offer a representative indication of land value in the subject's general area. The sales selected represent arms-length transactions of sites with similar utility and probable use as the subject site. **After reviewing recent sales data, researching the Outer Banks MLS for active listings, pending contracts, failed transactions, withdrawn or expired listings and interviewing market participants, I found no additional sales data in valuing the subject's unimproved land. The following data reflects the best information available as of the effective date of appraisal.**

***Land Sale Number 1***

Deed Date of Sale: February 6, 2023

Grantor: EWN Investments, Inc.

Grantee: Timothy J. Quigley

Location: This parcel is located along the east side of NC Highway 12, just south of Eagle Pass Road (SR 1241), in Hatteras, Hatteras Island, Dare County, North Carolina. The street address is 58551 Highway 12.

Deed Reference: Deed Book 2665, page 359

Condition of Sale: Arms-length

Confirmed Sales Price: \$225,000

Verification: Dan Johnson, Broker

Financing: Cash sale

Prior Sale: There have been no arms-length sales of this commercial site in the past three (3) years.

Tax Reference: Pin # 9584.07 68 0255 and Parcel # 015783-000

Size: 19,278 square feet (0.44 acres)

Shape: Irregular

Frontage and Access: This site has 252.95 front feet along Highway 12.

Drainage: Adequate

Topography: Level and cleared

Utilities: Water; Telephone; Electric; Cable TV

Zoning: C2H - General Commercial District

Improvements: None

Present Use: Vacant lot used for storage.

Highest and Best Use: Commercial uses

Price per Square Foot: \$11.67

Price per Front Foot (NC 12): \$890

Comments: The property had been on the market for an extended period of time with an original list price of \$200,000 in 2012 and on August 14, 2022, the asking price was increased to \$225,000. The site is located across from Teach's Lair Marina.

Land Sale No. 1 (continued)



## ***Land Sale Number 2***

Deed Date of Sale: December 5, 2024

Grantor: Lighthouse Service Center, Inc.

Grantee: Seacretbeach, LLC

Location: The parcel is located at the southwest corner of Highway 12 and Barley Lane intersection, in Buxton, Hatteras Island, Dare County, North Carolina. The street address is 48206 Barley Lane.

Deed Reference: Deed Book 2764, page 804

Condition of Sale: Arms-length

Confirmed Sales Price: \$275,000

Verification: Dan Johnson, Broker

Financing: Cash sale

Prior Sale: On July 25, 2023, Buxton Fire Prevention Association, Inc. sold this parcel to Lighthouse Service Center, Inc. for \$200,000 and this arms-length sale was financed by a commercial lending institution at market rates and terms. The sale is recorded in Deed Book 2692, page 109 in the Dare County Registry and the 2024 sale reflects a 37.50 percent increase in land value over the year and one half (1 ½) holding period.

Tax Reference: Pin number 0526.08 88 8933 and Parcel # 016877-000

Size: 30,000 square feet

Shape: Rectangular (199.07' x 150' x 199.91' x 150.23')

Frontage and Access: This parcel has 150.23 front feet along Highway 12 and 199.07 feet on Barley Lane.

Drainage: Adequate

Topography: Level with native grasses, shrubs and small trees

Utilities: Water; Electric; Telephone; Cable TV

Zoning: C3 - Commercial District

Improvements: None

Present Use: Vacant site

Highest and Best Use: Commercial and/or mixed uses

Price per Square Foot: \$9.17

Price per Front Foot (NC 12): \$1,831

Comments: The marketing time was six (6) days and the property was listed for sale at \$275,000. A small area of this site is encumbered by an access easement for Barley Lane.

Land Sale No. 2 (continued)



***Land Sale Number 3***

Deed Date of Sale: January 25, 2024

Grantor: Peter J. Conley et ux

Grantee: Chadwick S. Sullivan

Location: This parcel is located at the northeast corner of Highway 12 and Midgett Lane, in Waves, Hatteras Island, Dare County, North Carolina. The street address is 25206 E. Midgett Way.

Deed Reference: Deed Book 2717, page 900

Condition of Sale: Arms-length

Confirmed Sales Price: \$220,000

Verification: Dan Johnson, broker

Financing: Cash sale

Prior Sale: On July 21, 2021, Steve Midgett sold this site to Conley for \$150,000 and this arms-length, all cash sale is recorded in Deed Book 2528, page 754. Over the three and one half (3 ½) year holding period, the land value increased by 46.67%.

Tax Reference: Pin # 0657.05 08 0917 and Parcel # 014267-000

Size: 24,196 square feet or 0.56 acres

Shape: Irregular

Frontage and Access: This site has 90.37 front feet along Highway 12 and 298.49 feet on Midgett Lane.

Drainage: Adequate

Topography: Level and cleared with a few trees and shrubs.

Utilities: Water; Telephone; Electric; Cable TV

Zoning: S1 - Special District

Improvements: None

Present Use: Vacant site

Highest and Best Use: Commercial and/or mixed uses

Price per Square Foot: \$9.09

Price per Front Foot (NC 12): \$2,434

Comments: The marketing time was 131 days and the asking price was \$288,000 which was reduced to \$233,333 prior to selling. A small cemetery is located in the eastern portion of this site and it has little or no impact on the property's value or utility.

Land Sale No. 3 (continued)



### ***Land Sale Number 4***

Deed Date of Sale: June 21, 2024

Grantor: Bryan H. Scott

Grantee: Scott C. Miller et ux

Location: This property is located at the southeast corner of Highway 12 and Sea Oat Drive, in Rodanthe, Hatteras Island, Dare County, North Carolina. The street address is 23202 Sea Oat Drive.

Deed Reference: Deed Book 2740, page 544

Condition of Sale: Arms-length

Confirmed Sales Price: \$75,000

Verification: Trisha Midgett, Broker

Financing: Cash sale

Prior Sale: There have been no arms-length sales of this property in the past three (3) years.

Tax Reference: Pin # 0659.17 01 2024 and Parcel # 012481-000

Size: 6,000 square feet (0.138 acres)

Shape: Irregular (75.34' x 70' x 95.20' x 72.76')

Frontage and Access: This site has 72.76 front feet along Highway 12, 75.34 feet on Sea Oat Drive and 70 feet on Seaside Drive.

Drainage: Adequate

Topography: Level and cleared

Utilities: Water; Telephone; Electric; Cable TV

Zoning: S1 - Special District

Improvements: None

Present Use: Vacant site

Highest and Best Use: Commercial and/or mixed uses

Price per Square Foot: \$12.50

Price per Front Foot (NC 12): \$1,031

Comments: The marketing time was 110 days and the original asking price was \$99,000 which was reduced to \$89,000 prior to selling.

**Land Sale No. 4 (continued)**



## Units of Comparison

In this appraisal assignment, price per square foot is considered the most appropriate and reliable unit of comparison.

## Adjustments

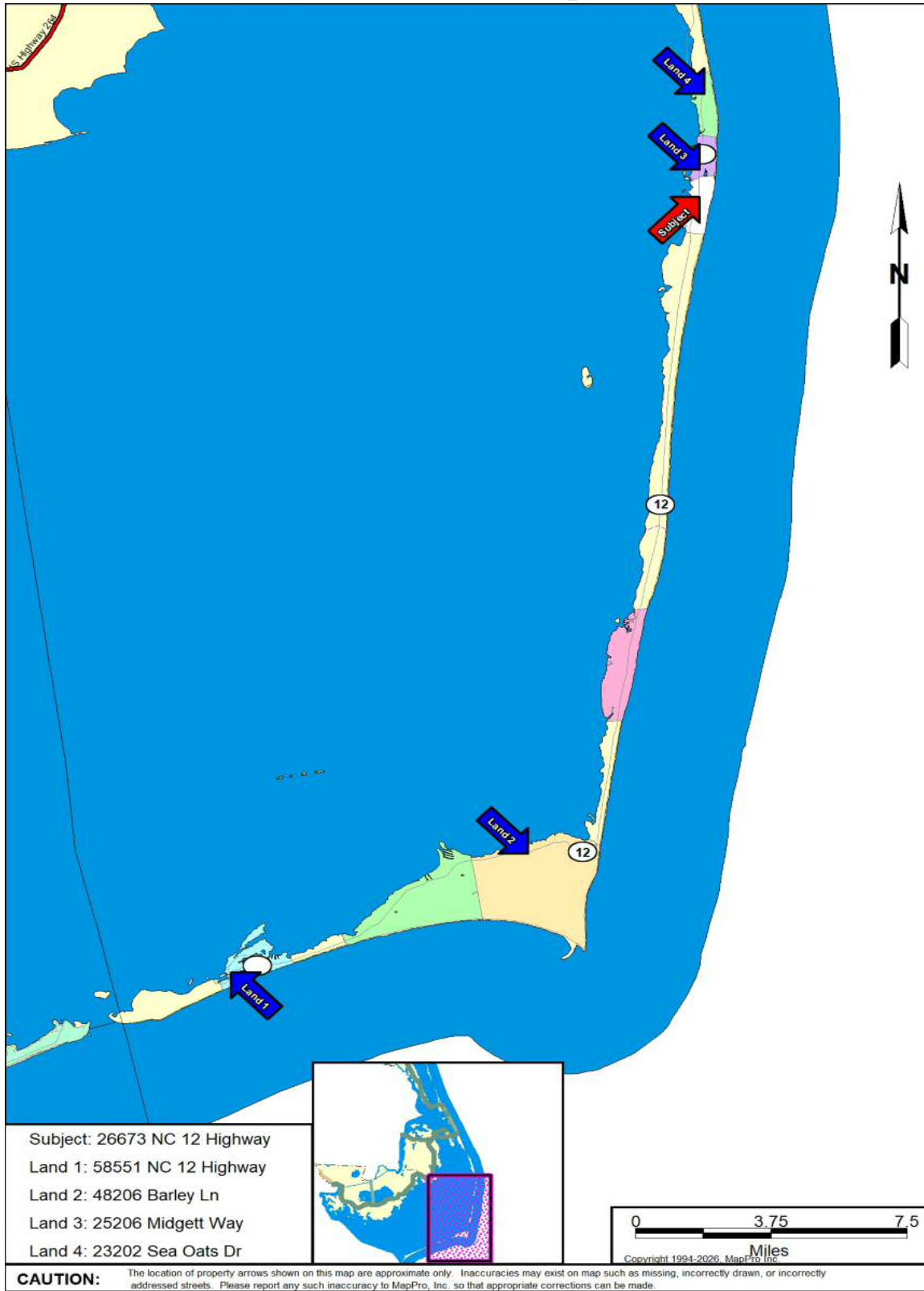
Similar to the subject, all of the comparable sales have their fee simple property rights conveyed and they are arms-length transactions with typical market financing terms. As portrayed by Land Sale Nos. 2 and 3, Hatteras Island land values have been increasing for the past few years and based on the sales data as well as a current listing, all of the land sales are adjusted upward by 20 percent due to changes in market conditions. **Please note that on the Outer Bank, market values usually increase or decrease in steps as opposed to a continuous change in value. Typically, values rise or fall and then remain stable for a period of time.** The land sales and subject have average locations within their respective areas.

Typically, a larger parcel will sell for less on a per unit basis than an otherwise similar smaller site (i.e. a quantity discount). Since the subject site contains 10,000 square feet, Land Sale Nos. 1, 2 and 3, at 19,278 s.f., 30,000 s.f. and 24,196 s.f., respectively, are significantly larger than the subject and based on the relative size differences between the subject and these sales, positive adjustments are applied. Land Sale No. 4 is a 6,000 s.f. lot that is deemed similar to the subject in size. The following grid lists all of the adjustments that are explored.

**MARKET DATA GRID: LAND VALUE ANALYSIS**

	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Sales price		\$225,000	\$275,000	\$220,000	\$75,000
Real property rights conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Condition of sale	Arms-length	Arms-length	Arms-length	Arms-length	Arms-length
Financing terms	Market	Market	Market	Market	Market
Adjusted price		\$225,000	\$275,000	\$220,000	\$75,000
Date of sale	Mar 5, 2026	Feb 6, 2023	Dec 5, 2024	Jan 25, 2024	Jun 21, 2024
Adjustment		20.00%	20.00%	20.00%	20.00%
Adjusted price		\$270,000	\$330,000	\$264,000	\$90,000
Square feet	10,000	19,278	30,000	24,196	6,000
Front feet (NC 12)	80.00	252.95	150.23	90.37	72.76
Adjusted price per:					
Square foot		\$14.01	\$11.00	\$10.91	\$15.00
Front foot		\$1,067	\$2,197	\$2,921	\$1,237
Location	Average	Average	Average	Average	Average
Location adjustment		0.00%	0.00%	0.00%	0.00%
Size (square feet)	10,000	19,278	30,000	24,196	6,000
Size adjustment		10.00%	20.00%	15.00%	0.00%
Traffic light	No	No	No	No	No
Traffic light adjustment		0.00%	0.00%	0.00%	0.00%
Site visibility	Typical	Typical	Typical	Typical	Typical
Site visibility adjustment		0.00%	0.00%	0.00%	0.00%
Indications of value:					
Price per s.f.		\$15.41	\$13.20	\$12.55	\$15.00
Price per front foot		\$1,174	\$2,636	\$3,360	\$1,237

# Land Sales Map



The statistical characteristics of the adjusted sales data, which reflect a sample of a total population, are listed in the following table.

<b>Statistical Analysis of Adjusted Sales Data</b>		
Mean	\$14.04	
Standard Deviation	\$1.38	
	Minimum	Maximum
Data Range	\$12.55	\$15.41
68% Probability Range	\$12.66	\$15.42
95% Probability Range	\$11.28	\$16.80

In addition to the statistical analysis, each sale is compared to the subject on an individual basis. In this analysis, the value of the subject, as vacant and utilized to its highest and best use, is estimated at \$15.00 per square foot. Land Sale No. 4 is weighted most heavily since it is similar to the subject in size, location and street frontage.

<b>Land Value Estimate - Commercial Lot</b>							
10,000	SF	@	\$15.00	=	\$150,000	Rounded to:	\$150,000

## **COST APPROACH**

The cost approach is based on the principle of substitution such that no prudent investor would pay more for a property than the cost to acquire the site and construct improvements of equal desirability and utility without undue delay. This approach provides a useful indication of value when the site value can be measured accurately, the improvements represent the highest and best use and the improvements are new or relatively new. Also, the cost approach is useful in valuing proposed or new construction, special-purpose properties and other properties that are not frequently exchanged [or leased] in the market. Given the subject's effective age (10 years), it contains modest accrued depreciation which is difficult to measure and as such, the cost approach along with the land valuation have been omitted in this appraisal assignment.

## **SALES COMPARISON APPROACH**

The sales comparison approach is usually a reliable indicator of market value when an ample supply of sales data are available. After the market data are confirmed and analyzed, the resulting estimate of value reflects the actions and reactions of buyers and sellers in the market. The market value estimate is based on the principle of substitution that states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution. At any point in time, the market value estimate is influence by the supply of and demand for similar improved properties and external economic conditions.

## **Market Data**

The following sales represent improved properties which are **somewhat** similar to the subject in location, date of sale, utility, construction quality, condition and highest and best use. **After reviewing recent sales data, researching the Outer Banks MLS for active listings, pending contracts, failed transactions, withdrawn or expired listings and interviewing market participants, I found no additional comparable sales data. The following data reflects the best information available as of the effective date of appraisal. Please note that on Hatteras Island, commercial and mixed commercial and residential properties have similar value levels.**

### ***Improved Sale Number 1***

Property:	Ocean Gourmet & Sea Treasures Retail/Apartment Building
Location:	24753 Highway 12, in Rodanthe, Hatteras Island, Dare County, North Carolina.
Deed Date of Sale:	January 15, 2026
Grantor:	Tina Marie Insley
Grantee:	Ofira Cohen et al
Deed Reference:	Deed Book 2831, page 487
Condition of Sale:	Arms-length
Confirmed Sales Price:	\$600,000
Verification:	Trisha Midgett, Broker
Financing:	Cash sale
Prior Sale:	There have been no arms-length sales of this property in the past three (3) years.
Tax Reference:	Pin # 0658.13 04 3561 and Parcel # 014234-002
Land Area:	35,078 square feet; Land to building ratio: 7.61 to 1
Building Description:	
Gross Building Area:	4,608 s.f.; 2,304 sf 1 <sup>st</sup> floor retail.; 2 <sup>nd</sup> floor 2,304 sf residential.
Foundation:	Wood pilings
Structural Members:	Two (2) story, wood frame
Exterior Walls:	Hardi-Plank
Year Built:	1983; Effective age: 30 years
Quality:	Average
Condition:	Average
Gross Income:	N/A
Vacancy/Collection Losses:	N/A
Effective Gross Income:	N/A
Operating Expenses:	N/A
Net Operating Income:	N/A
Price per S.F. of GBA:	\$130.21 (GLA = GBA)
Effective Gross Income Multiplier:	N/A
Overall Capitalization Rate:	N/A
Comments:	

The property was listed for sale at \$750,000 on January 16, 2026 and it was placed under contract on the date it was listed. The first floor is a retail store. The second level has two (2) apartments and the larger one has 3-bedrooms, 2-bathrooms, great room with kitchen, dining and living areas and utility area while the second apartment has 2-bedrooms, 1-bathroom and great room with kitchen, dining and living areas.

**Improved Sale No. 1 (continued)**



## ***Improved Sale Number 2***

Property: Hatteras Island Board Sports Retail/Apartment Building  
Location: 41056 Highway 12, Avon, Hatteras Island, Dare County, NC.  
Deed Date of Sale: November 20, 2025  
Grantor: Dos Frijoles, LLC  
Grantee: Kenneth A. Kellar  
Deed Reference: Deed Book 2822, page 409  
Condition of Sale: Arms-length  
Confirmed Contract Price: \$895,650  
Verification: Dan Johnson/Trisha Midgett, Brokers  
Financing: The purchaser paid \$795,650 down and the balance, \$100,000, was financed by the seller via a Purchase Money Deed of Trust and short-term Note that will be paid off on or before May 21, 2026.  
Prior Sale: There have been no arms-length sales of this property in the past three (3) years.  
Tax Reference: Pin # 0549.05 29 1338 and Parcel # 014723-001  
Land Area: 21,519 square feet; Land to building ratio: 4.08 to 1  
Building Description:  
    Gross Building Area: 5,275; 4,375 s.f. 1<sup>st</sup> floor commercial; 900 s.f. 2<sup>nd</sup> floor apartment  
    Foundation: Wood pilings  
    Structural Members: One (1) and two (2) story wood frame  
    Exterior Walls: Vinyl shake siding  
    Year Built: 2012; The effective age is 13 years.  
    Quality: Average  
    Condition: Average  
Gross Income: N/A  
Vacancy/Collection Losses: N/A  
Effective Gross Income: N/A  
Operating Expenses: N/A  
Net Operating Income: N/A  
Price per S.F. of GBA/GLA: \$169.79  
Effective Gross Income Multiplier: N/A  
Overall Capitalization Rate: N/A  
Comments:

The property was listed for sale at \$999,000 on November 21, 2025 and its marketing time was one (1) day. On the back of the surf shop, there is a 2-bedroom, 2-bathroom, second level apartment with its own entrance.

**Improved Sale No. 2 (continued)**



### ***Improved Sale Number 3***

Property: Former Surfside Casuals  
Location: 53321 Highway 12, Frisco, Hatteras Island, Dare County, North Carolina.  
Deed Date of Sale: April 10, 2024  
Grantor: Jeffrey L. Nicholson et ux  
Grantee: Outer Banks Hotline, Inc.  
Deed Reference: Deed Book 2728, page 627  
Condition of Sale: Arms-length  
Confirmed Sales Price: \$477,000; **Seller paid \$2,000 towards buyer's closing costs so the effective sales price was \$475,000.**  
Verification: Trisha Midgett, broker  
Financing: Purchaser paid \$96,000 down and the balance, \$381,000, was financed by a commercial lender at market rates and terms.  
Prior Sale: Prior to being upgraded, the property sold for \$355,000 on June 16, 2021 and this arms-length, all cash sale is recorded in Deed Book 2517, page 460.  
Tax Reference: Pin # 0505.08 88 5214 and Parcel # 015107-000  
Land Area: 26,863 square feet; Land to building ratio: 10.97 to 1  
Building Description:  
    Gross Building Area: 2,449; GLA=GBA  
    Foundation: Stub wood pilings  
    Structural Members: One (1) story, wood frame  
    Exterior Walls: Hardi-Plank and Hardi-Board/Batten siding  
    Year Built: 2001; Effective age: 20 years  
    Quality: Average/Good  
    Condition: Good  
Gross Income: \$33,062 (retail estimated @ \$13.50 per s.f., N-N-N)  
Vacancy/Collection Losses: \$ 1,653 (estimated at 5%)  
Effective Gross Income: \$31,409  
Operating Expenses: \$ 628 (estimated at 2%)  
Net Operating Income: \$30,781  
Price per S.F. of GBA: \$193.96; Price per S.F. of GLA: \$193.96  
Effective Gross Income Multiplier: 15.12 times effective gross income  
Overall Capitalization Rate: 6.48 percent  
Comments:

The property was originally listed for sale at \$549,000 which was reduced to \$519,000 prior to selling and the cumulative marketing time was 535 days. During 2021, the property use was changed from retail to residential although the building has an open floor plan best conducive to a store rather than a dwelling. The purchaser runs a number of thrift stores and under its S-1 zoning, the building's use could be changed back to commercial.

**Improved Sale No. 3 (continued)**



### ***Improved Sale Number 4***

Property:	Buxton Seafood with a 3-bedroom, 2-bathroom apartment.
Location:	49799 Highway 12, in Buxton, Hatteras Island, Dare County, NC.
Deed Date of Sale:	February 29, 2024
Grantor:	Linda Wolosuk
Grantee:	BuxSfd, LLC
Deed Reference:	Deed Book 2729, page 136
Condition of Sale:	Arms-length
Confirmed Contract Price:	\$515,000 <b>for real property</b> ; Total sales price was \$575,000 which included the business and FF & E that were valued at \$60,000.
Verification:	Trafton Reynolds, broker
Financing:	Cash sale
Prior Sale:	There have been no arms-length sales in the past three (3) years.
Tax Reference:	Pin # 0526.06 37 2769 and Parcel # 026581-000
Land Area:	11,226 square feet; Land to building ratio: 4.75 to 1
Building Description:	
Gross Building Area:	2,643 square feet; 1,278 s.f. seafood market; 1,365 s.f. apartment.
Foundation:	Concrete block and slab
Structural Members:	Two (2) story; First level masonry; Second level wood frame.
Exterior Walls:	Painted block (first level) and wood shakes (second level).
Year Built:	1984; The effective age is 25 years after recent upgrades.
Quality:	Average
Condition:	Good
Gross Income:	\$34,170 (\$1,250 apartment; \$15/s.f., modified gross seafood market)
Vacancy/Collection Losses:	\$ 1,709 (estimated at 5%)
Effective Gross Income:	\$32,461
Operating Expenses:	\$ 6,492 (20.00% estimated)
Net Operating Income:	\$25,969
Price per S.F. of GBA:	\$194.85
Effective Gross Income Multiplier:	15.87 times effective gross income
Overall Capitalization Rate:	5.04 percent
Comments:	

The property was listed for sale at \$625,000, inclusive of the business and FF & E, and the marketing time was nine (9) days. The seafood market is situated on the ground level and above the market, the apartment has 3-bedrooms, 2-bathrooms, utility room and great room with living, dining and kitchen areas. The apartment and store are separately metered for electric service and they have their own HVAC, water heaters and propane tanks. The residence was recently updated.

**Improved Sale No. 4 (continued)**



### ***Improved Sale Number 5***

Property: Avon Retail Shop and Residence  
Location: 39197 Weakfish Drive, in Avon, Hatteras Island, Dare County, NC.  
Deed Date of Sale: March 7, 2023  
Grantor: 39197 Weakfish Drive, LLC  
Grantee: Zaki Properties, LLC  
Deed Reference: Deed Book 2669, page 804  
Condition of Sale: Arms-length  
Confirmed Contract Price: \$352,990  
Verification: Trafton Reynolds, broker  
Financing: Cash sale  
Prior Sale: On January 21, 2021, Tomlex, LLC sold this property to 39197 Weakfish Drive, LLC for \$214,500 and this arms-length, all cash sale is recorded in Deed Book 2462, page 849. Although commercial values have increased in the past couple years, the seller made considerable improvements to the structure which impact the sales price.  
Tax Reference: Pin # 0640.10 37 3133 and Parcel # 013883-000  
Land Area: 8,378 square feet; Land to building ratio: 4.71 to 1  
Building Description:  
    Gross Building Area: 1,452 square feet  
    Foundation: Wood pilings  
    Structural Members: One (1) story wood frame  
    Exterior Walls: Cedar shakes and wood sheet siding  
    Year Built: 1970 as a single family dwelling; The effective age is 15 years.  
    Quality: Average  
    Condition: Average/Good  
Gross Income: \$21,780 (estimated at \$15.00 per s.f., triple net)  
Vacancy/Collection Losses: \$ 1,307 (estimated at 6%)  
Effective Gross Income: \$20,473  
Operating Expenses: \$ 409 (2.00% estimated)  
Net Operating Income: \$20,064  
Price per S.F. of GBA: \$243.11  
Effective Gross Income Multiplier: 17.24 times effective gross income  
Overall Capitalization Rate: 5.68 percent  
Comments:

The property was listed for sale at \$364,990 on January 31, 2023 and the marketing time was two (2) days. The seller made many upgrades and converted a portion of the retail store into a living quarters. The building has a small retail store. On the ground level, there is a 1,216 s.f. minimally finished storage room which is subject to occasional flooding.

**Improved Sale No. 5 (continued)**



## Units of Comparison

Price per square foot of gross building area (GBA) is considered in this analysis.

## Adjustments

In the sales comparison approach, several potential adjustments are examined. All of the improved sales are arms-length transactions which transferred either the fee simple or leased fee interest. Also, the sales are financed at typical market terms and rates; consequently, adjustments for rights conveyed and financing are not required.

Commercial property values on Hatteras Island have rebounded in the last few of years. Selling during 2023, 2024, 2025 or 2026, the market data indicate that the improved sales are reflective of prevailing market values. **Please note that on the Outer Bank, market values usually increase or decrease in steps as opposed to a continuous change in value. Typically, values rise or fall and then remain stable for a period of time.** The subject and comparable sales have similar locations on Hatteras Island.

The subject is a good quality product and given the recent rebuilding of many components after the 2022 fire, it is superior to the comparable sales. Improved Sale No. 1 is deemed below average and it is adjusted upward by 20 percent while 10 percent quality/condition adjustments are applied to Improved Sale Nos. 2, 3, 4 and 5 which are average to average/good quality/condition buildings.

Due to the economies of scale associated with constructing a bigger structure, larger commercial and mixed use structures usually sell for less per square foot than an otherwise similar smaller building. Also, a larger building with more rental space entails greater leasing risk. At 4,631 s.f., the subject is considered comparable to Improved Sale Nos. 1 and 2 which contain 4,608 s.f. and 5,275 s.f., respectively. On the other hand, Improved Sale Nos. 3, 4 and 5 are 2,449 s.f., 2,643 s.f. and 1,452 s.f. buildings and the subject is significantly larger than these structures. Based on the relative size variation between the subject and each sale, positive or negative adjustments are made.

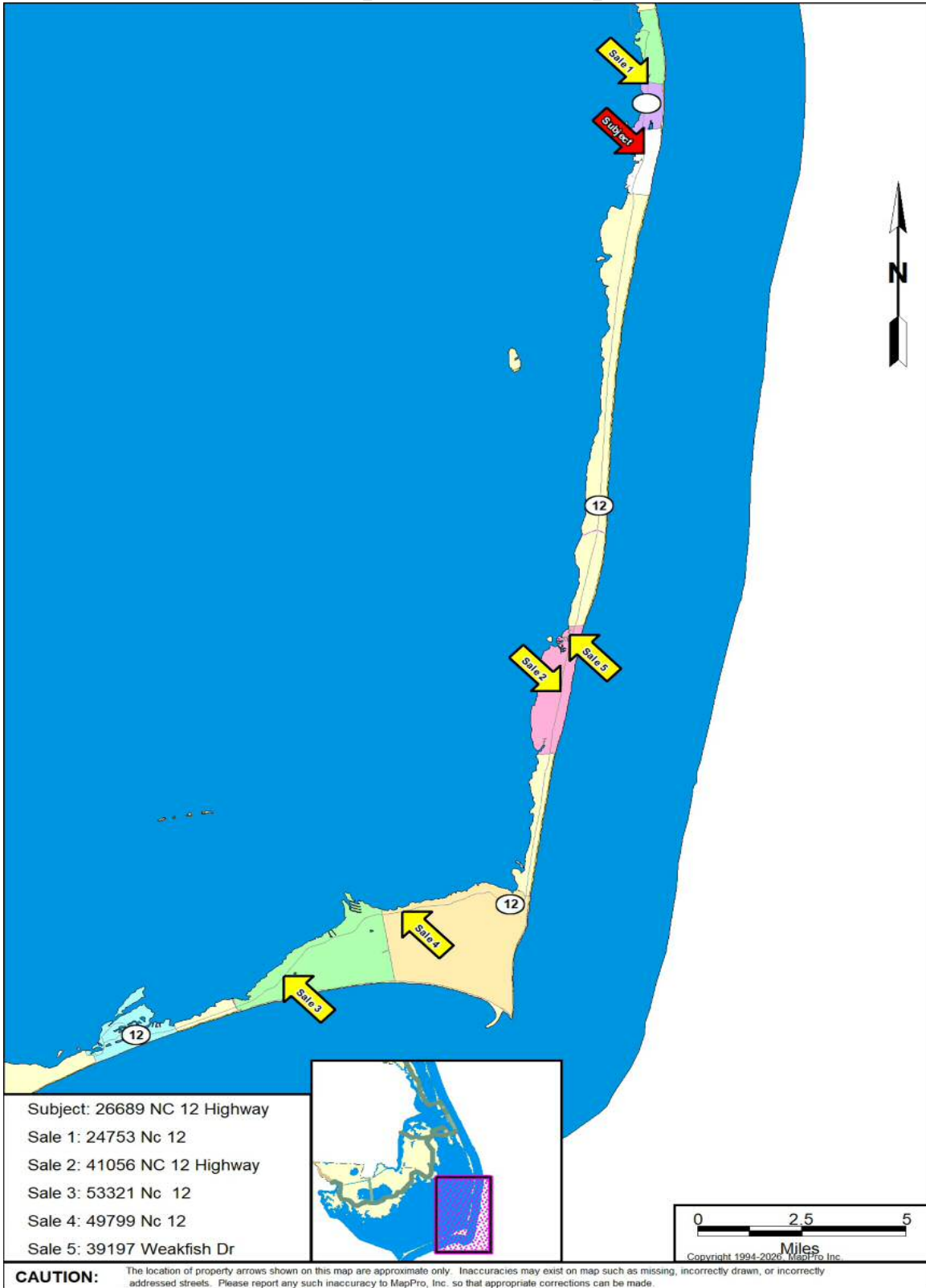
Adjustments are applied for variations in building effective age. A one percent positive adjustment is made for each year that the subject's effective age is less than that of a comparable sale while a one percent negative adjustment is made for each year that the subject's age is greater than a comparable sale.

The subject contains 4,631 square feet and given its 10,000 square foot site, the land to building ratio is 2.16 to 1. Typically, properties with small buildings relative to their site sizes have large land to building ratios and their prices per square foot of gross building area are skewed upward. The improved sales have land to building ratios of 4.08 to 1 to 10.97 to 1 and as compared to the subject, they have additional land that can support more parking and other site improvements. The subject is inferior to all the comparable sales which are adjusted downward by 10 percent. The adjustments are summarized in the market data grid which follows.

**MARKET DATA GRID: SALES COMPARISON APPROACH**

	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4	Sale No. 5
Sales price		\$600,000	\$895,650	\$475,000	\$515,000	\$352,990
Real property rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjusted price		\$600,000	\$895,650	\$475,000	\$515,000	\$352,990
Condition of sale	Arms-length	Arms-length	Arms-length	Arms-length	Arms-length	Arms-length
Financing terms	Market	Market	Market	Market	Market	Market
Adjustment		\$0	\$0	\$0	\$0	\$0
Adjusted price		\$600,000	\$895,650	\$475,000	\$515,000	\$352,990
Date of sale	Mar 5, 2026	Jan 15, 2026	Nov 20, 2025	Apr 10, 2024	Feb 29, 2024	Mar 7, 2023
Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted price		\$600,000	\$895,650	\$475,000	\$515,000	\$352,990
Gross building area	4,631	4,608	5,275	2,449	2,643	1,452
Price per sq. ft. of GBA		\$130.21	\$169.79	\$193.96	\$194.85	\$243.11
Location/visibility	Average	Average	Average	Average	Average	Average
Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Quality and condition	Good	Average -	Average	Avg./Good	Avg./Good	Avg./Good
Adjustment		20.00%	10.00%	10.00%	10.00%	10.00%
Gross building area	4,631	4,608	5,275	2,449	2,643	1,452
Adjustment (size)		0.00%	0.00%	-10.00%	-10.00%	-25.00%
Building effective age	10 years	30 years	13 years	20 years	25 years	15 years
Adjustment		20.00%	3.00%	10.00%	15.00%	5.00%
Land to building ratio	2.16 to 1	7.61 to 1	4.08 to 1	10.97 to 1	4.75 to 1	4.71 to 1
Adjustment		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Functional utility	Typical	Typical	Typical	Typical	Typical	Typical
Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted price per:						
SF gross building area		\$169.27	\$174.89	\$193.96	\$204.60	\$194.48

# Improved Sale Map



The statistical characteristics of the adjusted sales data, which reflect a sample of a total population, are listed in the following table.

<b>Statistical Analysis of Adjusted Sales Data</b>		
Mean	\$187.44	
Standard Deviation	\$14.78	
	Minimum	Maximum
Data Range	\$169.27	\$204.60
68% Probability Range	\$172.66	\$202.22
95% Probability Range	\$157.87	\$217.01

In addition to the statistical analysis, each sale is compared to the subject on an individual basis. Given its size, age, condition, quality, product type and location, the subject’s market value is estimated at \$174.89 per square foot - greatest weight is given to Improved Sale No. 2 which is a recent transaction that is similar to the subject in size and effective age.

<b>Sales Comparison Approach Value Estimate</b>							
4,631	SF	@	\$174.89	=	\$809,916	Rounded to:	\$810,000
<b>Adjustments</b>							
None							\$0
							\$810,000
<b>Rounded</b>							\$810,000

## **INCOME APPROACH**

The income capitalization approach is based on the premise that the value of a property is the present worth of anticipated benefits during the projected holding period. Typically, investors will pay no more for a property than the cost of purchasing a substitute property with similar risk and income characteristics. Along with the general economic climate, the local supply of and demand for similar properties has a direct influence on the amount of income generated, and ultimately, the property's value. Outer Banks commercial/residential buildings such as the subject are normally bought and sold by owner occupants and as such, they do not reflect income producing properties. Typically, the owner will operate the business and live in the apartment or hold it for workforce housing.

## RECONCILIATION OF VALUE AND FINAL VALUE ESTIMATE

A résumé of the foregoing indications of value are as follows:

<b>Duck Village Outfitters - Salvo</b>	
	“As Is” Market Value Estimate
Effective Date of Appraisal	March 5, 2026
Marketing Time	12 months
Property Rights Appraised	Fee Simple Estate
Land Value Estimate ( <b>Commercial Lot</b> )	\$150,000
Cost Approach	Omitted
Sale Comparison Approach	\$810,000
Income Approach	Omitted
Final Value Estimate	\$810,000

The final step in the appraisal process is the reconciliation of the data and indicated values resulting from the application of the three approaches. This step correlates the facts and involves the careful reviewing and evaluation of each estimate of value. Upon analysis, a conclusion of final value is formed.

### **Cost Approach**

The cost approach is usually a good indicator of value for new or proposed projects since they have little or no accumulated depreciation. Due to the age of the improvements and the difficulty in measuring

accrued depreciation from its three (3) components, physical deterioration, functional obsolescence and economic or external obsolescence, the cost approach **is not** deemed a reliable or appropriate measure of current market value and along with the land value analysis, it has been omitted in this appraisal assignment.

**Sales Comparison Approach**

The sales comparison approach is considered a reliable indicator when there is an ample supply of market data. The sales data included in this report reflect multi-tenant properties that are held as investment property. Given the quality of the sales data, the sales comparison is a reasonable measure of market value.

**Income Capitalization Approach**

The income capitalization approach is typically an appropriate measure of market value for properties that are held for income generation. Similar mixed commercial and residential properties are typically owner occupied and as such, they are not income producing properties (i.e. based on the real estate). The income approach has been omitted in this appraisal assignment.

Based on the sales comparison approach, it is my opinion that retail/apartment building's "as is" market value, as defined herein, in fee simple title and as of March 5, 2026, was:

**EIGHT HUNDRED TEN THOUSAND DOLLARS** **(\$810,000)**

Also, the **commercial lot's "as is" market value**, of the **fee simple estate** as of March 5, 2026, was:

**ONE HUNDRED FIFTY THOUSAND DOLLARS** **(\$150,000)**

At the appraised values, the marketing time is 12 months while the reasonable exposure time, which reflects the days on the market prior to a hypothetical sale on the effective date of appraisal, is also estimated at 12 months.

# QUALIFICATIONS OF GREGORY L. BOURNE, MAI

Post Office Drawer 1687  
Nags Head, North Carolina 27959

## PROFESSIONAL DESIGNATIONS AND CERTIFICATIONS

Member Appraisal Institute (MAI) - The Appraisal Institute, Certificate Number 8805, 1991

State-Certified General Real Estate Appraiser - NC License Number A215, VA License Number 4001 001251 (inactive), SC License Number CG 2447 (inactive)

## PROFESSIONAL EXPERIENCE

Bourne Appraisal Service, 1996 - Present  
Real Estate Appraisers and Consultants

Bourne & Culpepper Appraisals, 1990 - 1995  
Real Estate Appraisers and Consultants

Sauter, Phelan & Associates, 1987 - 1989  
Real Estate Appraisers and Consultants

Robert B. Miller & Associates, 1986  
Real Estate Appraisers and Consultants

## EDUCATIONAL BACKGROUND AND TRAINING

B.S. Degree in Finance, Virginia Polytechnic Institute and State University, Blacksburg, Virginia, 1984

Real Estate Appraisal Principles,  
Exam 1A-1/8-1, 1986  
Basic Valuation Procedures, Exam 1A-2, 1986  
Capitalization Theory & Technique, Part A,  
Exam 1B-A, 1986  
Capitalization Theory & Technique, Part B,  
Exam 1B-B, 1986  
Standards of Professional Practice, 1987  
Case Studies in Real Estate Valuation,  
Exam 2-1, 1986  
Residential Valuation, Exam 8-2, 1987  
Market Analysis, Examination 10, 1987  
Report Writing and Valuation Analysis, Exam 2-2, 1990

## BUSINESS AND PROFESSIONAL AFFILIATIONS

Appraisal Institute - Member  
Alpha Kappa Psi, Professional Business Fraternity  
Dare County Board of Realtors - Broker Member

## TYPES OF PROPERTIES APPRAISED

Multi-Family Residential, Residential Condominium Developments, Commercial Condominium Developments, Office Properties, Retail Properties, Feasibility Studies, Convenience Stores, Gas Stations, Acreage, Residential Subdivision Analyses, Highest and Best Use Studies, Shopping Centers, Commercial Condominium Conversions, Restaurants, Special Purpose Buildings, Trailer Parks, Day Care Centers, Apartments, Motels, Cottage Courts, Marinas, Warehouse Properties, Resort Developments and Ocean Beach Properties, Highway Right-of-way Acquisitions, State Park Acquisitions, Timberland, Wetland, Conservation Land, Residential Subdivision Lots, and Planned Communities

## INSTITUTIONAL CLIENTS

North Carolina State Property Office  
North Carolina Department of Transportation  
North Carolina Nature Conservancy  
North Carolina Rural Rehabilitation Corporation  
North Carolina Department of Commerce  
Religious Institutions  
County of Currituck and Dare  
U.S. Fish & Wildlife Service  
General Administration Services (GSA)

## FINANCIAL CLIENTS

Bank America  
United Bank  
PNC Bank  
Southern Bank  
Wells Fargo Bank  
First Bank  
Nomura, New York, New York  
BB & T  
Southern Community Bank  
Capital Bank  
the little bank  
Chesapeake Bank  
North State Bank  
Royal Bank America  
First Citizens Bank  
TowneBank  
Atlantic Union Bank  
Bank of Kansas  
Four Oaks Bank  
First National Bank

## APPRAISAL EXPERIENCE - NORTH CAROLINA

Dare County, Currituck County, Pasquotank County, Hyde County, Chowan County, Gates County, Camden County, Tyrrell County, Perquimans County

## COURT EXPERIENCE - EXPERT WITNESS

United States Bankruptcy Court - Wilson, New Bern, Greenville, Raleigh, NC  
Tax Appeal Hearings - Dare and Currituck County, North Carolina  
Superior Court - Dare, Currituck, Perquimans and Pasquotank Counties

## CONTINUING EDUCATION COURSES (Past 5 Years)

National USPAP Update (3/2026)  
Business Practices and Ethics (5/2025)  
Case Law 7 (1/2019)  
Appraisal FAQ's 2019 (1/2019)  
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets (4/2019)  
Case Law 8 (1/2020)  
The DCF Model: Concepts, Issues and Applications (4/2021)  
Data Verification Methods (4/2021)  
Appraisal of Medical Office Buildings (2023)  
Excel Applications for Valuation (2023)  
Fundamentals of Apartment Appraising (2023)  
Impact of Short-term Rentals (2025)  
Artificial Intelligence, Blockchain, and the Metaverse (2025)  
Understanding and Appraising Residential REOs (2025)

## **ADDENDA**

- A. State License Certificate
- B. Tax Abstracts



**NORTH CAROLINA  
APPRAISAL BOARD**

**APPRAISER QUALIFICATION CARD**

REGISTRATION / LICENSE / CERTIFICATE HOLDER

**GREGORY L BOURNE**

25

26

A215  
APPRAISER NUMBER

G  
TYPE

Y  
NATIONAL REGISTRY

*Gregory L. Bourne, MAI*

Appraiser's Signature

A handwritten signature in black ink, appearing to read "D. M. H.", written over a horizontal line.

Executive Director

**EXPIRES JUNE 30, 2026**



# Dare County - Property Records

## Dare County - Property Records

013063000  
26673 NC 12 HWY, SALVO, NC, 27972

HOVEY, ROBERT E  
HOVEY, TANYA L  
300 W EDEN ST  
KILL DEVIL HILLS, NC,27948, USA

Assessed Value  
\$105,000

### PARCEL INFORMATION

Parcel ID	013063000	PIN	065713042408
Land Use Code	0010	Land Use Description	VACANT LAND (PRIVATE)
District	SALVO	Neighborhood	18080002
Zoning Code	S-1	Zoning Desc.	SPECIAL DISTRICT
Subdivision Code	H290	Subdivision	HATTERAS COLONY SEC B
Legal Desc.	LOT: 22 BLK: SEC: B		
Plat Cab Slide	PL: 3 SL: 25		
Last Recorded Document	06/11/2021	Book / Page	<a href="#">2516 / 141</a>
Tax Status	Taxable		

### SECONDARY OWNERS

No data to display

### ASSESSMENT DETAILS

#### REAL ESTATE ASSESSED VALUE

Land Value	\$105,000
Building Value	\$0
Other Improvements	\$0
Total Assessed	\$105,000

#### BILLING VALUE

Land Value	\$105,000
Building Value	\$0
Other Improvements	\$0
Total Value	\$105,000

### LAND

LAND DESCRIPTION	SQFT	ACRES
1 R08-18-Ocean Influence F	10,000	0.2296
Total	10,000	0.2296

### BUILDINGS

No data to display

### OTHER IMPROVEMENTS

No data to display

### RECENT SALES HISTORY

The sales history includes only qualified sales made since January 1, 2016. A sale is qualified when it has been verified, by the appraiser, as an arm's length transaction for fair market value. Only qualified sales are considered in the appraisal process.

No data to display

## VALUE CHANGES

The value change history shows only changes in appraised value; it does not show exemptions, exclusions or deferrals that could reduce a property's taxable value. If any of these are in effect for a particular tax year, it will be shown on the property tax bill for that year. It is also possible that some previous value changes might be missing from this list or listed in the wrong order.

REVALUATION EFFECTIVE DATE	ASSESSED VALUE
01/01/2025	\$105,000
01/01/2020	\$85,000
01/01/2013	\$56,600
01/01/2005	\$134,600

## PERMITS

Permits issued in the past 6 years. All information deemed reliable but not guaranteed. For more information, please visit Dare County's [searchable permit site](#).

No data to display



Data last updated: 02/25/2026



# Dare County - Property Records

## Dare County - Property Records

013064000  
26689 NC 12 HWY, SALVO, NC, 27972

HOVEY, ROBERT E  
HOVEY, TANYA LEIGH  
300 WEST EDEN ST  
KILL DEVIL HILLS, NC,27948, USA

Assessed Value  
\$727,800

### PARCEL INFORMATION

Parcel ID	013064000	PIN	065713042410
Land Use Code	1900	Land Use Description	MULTI-USE
District	SALVO	Neighborhood	18520099
Zoning Code	S-1	Zoning Desc.	SPECIAL DISTRICT
Subdivision Code	H290	Subdivision	HATTERAS COLONY SEC B
Legal Desc.	LOT: 23 BLK: SEC: B		
Plat Cab Slide	PL: 3 SL: 25		
Last Recorded Document	08/13/2008	Book / Page	<a href="#">1776 / 271</a>
Tax Status	Taxable		

### SECONDARY OWNERS

No data to display

### ASSESSMENT DETAILS

#### REAL ESTATE ASSESSED VALUE

Land Value	\$168,000
Building Value	\$548,700
Other Improvements	\$11,100
Total Assessed	\$727,800

### BILLING VALUE

Land Value	\$168,000
Building Value	\$548,700
Other Improvements	\$11,100
Total Value	\$727,800

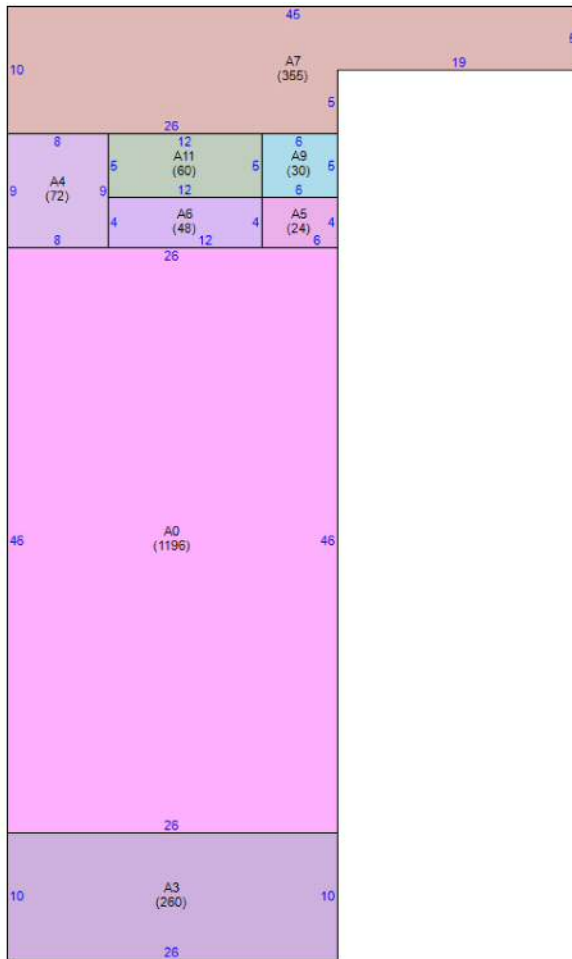
### LAND

LAND DESCRIPTION	SQFT	ACRES
1 R52-18-Commercial Highway Primary	10,000	0.2296
Total	10,000	0.2296

### BUILDINGS

BUILDING #: 1

Year Built	2009
Finished Area	3,848 SqFt
Stories	2
Style	RETAIL MULTI OCCUP
Exterior Wall	FRAME
Heating / Cooling	CENTRAL - HOT AIR
Fuel Type	N/A
Bedroom(s)	N/A
Full Bath(s)	N/A
Half Bath(s)	N/A
Fireplace(s)	N/A
Attached Garage	N/A
Units	N/A



	AREA INDEX	AREA
+	1	260
PR2 - PORCH, ENCLOSED		
+	2	72
WD1 - WOOD DECK		
+	3	24

AREA INDEX	AREA
WD1 - WOOD DECK	
+ 4	48
WD1 - WOOD DECK	
+ 5	355
WR1 - WHEELCHAIR RAMP	
+ 6	30
WR1 - WHEELCHAIR RAMP	
+ 7	30
WD1 - WOOD DECK	
+ 8	60
WD1 - WOOD DECK	
+ 9	60
WR1 - WHEELCHAIR RAMP	

## OTHER IMPROVEMENTS

BUILDING #	DESCRIPTION	YEAR BUILT	QTY	SIZE / COUNT
1	PC1 - PAVING CONCRETE AVERAGE	2009	1.0	4500

## RECENT SALES HISTORY

The sales history includes only qualified sales made since January 1, 2016. A sale is qualified when it has been verified, by the appraiser, as an arm's length transaction for fair market value. Only qualified sales are considered in the appraisal process.

No data to display

## VALUE CHANGES

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REVALUATION EFFECTIVE DATE	ASSESSED VALUE
01/01/2025	\$727,800
01/01/2020	\$368,200
01/01/2013	\$317,600
01/01/2005	\$134,600

## PERMITS

Permits issued in the past 6 years. All information deemed reliable but not guaranteed. For more information, please visit Dare County's [searchable permit site](#).

DATE	PERMIT #	PURPOSE	PERMIT AMOUNT
03/28/2023	REMD-17091	COMM REMODELING	\$200,000
12/02/2022	REPAIR-14781	COMM REMODELING	\$90,000
08/26/2022	DEMO-12809	COMM BLDG DEMO	\$35,000



Data last updated: 02/25/2026