

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
WILLIAM F. LANE
General Counsel



TO: The Coastal Resources Commission

FROM: Christine A. Goebel, DEQ Assistant General Counsel

DATE: September 15, 2023 (for the September 21, 2023 Special CRC Meeting)

RE: Variance Request by North Pier Holdings, LLC (CRC-VR-23-04)

Petitioner is North Pier Holdings, LLC, which last summer purchased a two-building condominium complex at 1800 Canal Drive in Carolina Beach. After Petitioner started some work adding Total Floor Area to the existing building without a CAMA permit, Petitioner applied for a CAMA Minor Permit with the Town's Local Permit Officer to undertake some maintenance/repair and some new development on the two buildings. A portion of Building 1 is waterward of the 180-foot setback as measured from the pre-project vegetation line/static line. On June 28, 2023, the Town issued CAMA Minor Permit 12-23CB authorizing proposed development on Building 2 landward of the 180-foot setback but conditioned out development at Building 1 which was waterward of the setback line (within the setback area). This included enclosing three decks, adding three new decks outside the footprint, enclosing the laundry area, adding a 4th story Penthouse Unit, and a proposed paver pool area. The Petitioner now seeks a variance to develop Building 1 as proposed in their permit application.

The following additional information is attached to this memorandum:

Attachment A: Relevant Rules
Attachment B: Stipulated Facts
Attachment C: Petitioner's Positions and Staff's Responses to Variance Criteria
Attachment D: Petitioner's Variance Request Materials
Attachment E: Stipulated Exhibits including powerpoint

cc(w/enc.): Todd Roessler, Esq., Petitioner's Counsel, electronically
Mary Lucasse, Special Deputy AG and CRC Counsel, electronically
Jeremy Hardison and Haley Moccia, CB LPOs, electronically



RELEVANT STATUTES OR RULES**APPENDIX A****15A NCAC 07H .0301 OCEAN HAZARD CATEGORIES**

The Ocean Hazard categories of AECs encompass the natural hazard areas along the Atlantic Ocean shoreline where, because of their vulnerability to erosion or other adverse effects of sand, wind, and water, uncontrolled or incompatible development could endanger life or property. Ocean hazard areas include beaches, frontal dunes, inlet lands, and other areas in which geologic, vegetative and soil conditions indicate a substantial possibility of excessive erosion or flood damage.

15A NCAC 07H .0302 SIGNIFICANCE OF THE OCEAN HAZARD CATEGORY

(a) Hazards associated with ocean shorelines are due to the constant forces exerted by waves, winds, and currents upon the unstable sands that form the shore. During storms, these forces are intensified and can cause changes in the bordering landforms and to structures located on them. Ocean hazard area property is in the ownership of a large number of private individuals as well as several public agencies and is used by a vast number of visitors to the coast. Ocean hazard areas are critical due to both the severity of the hazards and the intensity of interest in the areas.

(b) The location and form of the various hazard area landforms, in particular the beaches, dunes, and inlets, are in a permanent state of flux, responding to meteorologically induced changes in the wave climate. For this reason, the siting of development on and near these landforms shall be subject to the provisions in this Section in order to avoid loss or damage. The flexible nature of these landforms presents hazard to development situation immediately on them and offers protection to the land, water, and structures located landward of them. The value of each landform lies in the particular role it plays in affording protection to life and property. Development shall not diminish the energy dissipation and sand storage capacities of the landforms essential to the maintenance of the landforms' protective function.

15A NCAC 07H .0303 MANAGEMENT OBJECTIVE OF OCEAN HAZARD AREAS

(a) The CRC recognizes that absolute safety from the destructive forces of the Atlantic shoreline is an impossibility for development located adjacent to the coast. The loss of life and property to these forces, however, can be greatly reduced by the proper location and design of structures and by care taken in prevention of damage to natural protective features particularly primary and frontal dunes. Therefore, it is the CRC's objective that development in ocean hazard areas shall be sited to minimize danger to life and property and achieve a balance between the financial, safety and social factors that are involved in hazard area development.

(b) The rules set forth in this Section shall further the goals set out in G.S. 113A-102(b), to minimize losses to life and property resulting from storms and long-term erosion, prevent encroachment of permanent structures on public beach areas, preserve the natural ecological conditions of the barrier dune and beach systems, and reducing the public costs of development within ocean hazard areas, and protect common-law and statutory public rights of access to and use of the lands and waters of the coastal area.

15A NCAC 07H .0304 AECS WITHIN OCEAN HAZARD AREAS

The ocean hazard AECs contain all of the following areas:

(1) Ocean Erodible Area. This is the area where there exists a substantial possibility of excessive erosion and significant shoreline fluctuation. The oceanward boundary of this area is the mean low water line. The landward extent of this area is the distance landward from the vegetation line as defined in 15A NCAC 07H .0305(a)(5) to the recession line established by multiplying the long term annual erosion rate times 90; provided that, where there has been no long term erosion or the rate is less than two feet per year, this distance shall be set at 180 feet landward from the vegetation line. For the purposes of this Rule, the erosion rates are the long-term average based on available historical data. The current long-term average erosion rate data for each segment of the North Carolina coast is depicted on maps entitled "North Carolina 2019 Oceanfront Setback Factors & Long-Term Average Annual Erosion Rate Update Study" and approved by the Coastal Resources Commission on February 28, 2019 (except as such rates may be varied in individual contested cases or in declaratory or interpretive rulings). In all cases, the rate of shoreline change shall be no less than two feet of erosion per year. The maps are available without cost from any Local Permit Officer or the Division of Coastal Management on the internet at <http://www.nccoastalmanagement.net>.

15A NCAC 07H .0305 DEFINITION AND DESCRIPTION OF LANDFORMS

This Rule describes natural and man-made features that are found within the ocean hazard area of environmental concern.

(1) Ocean Beaches. Ocean beaches are lands consisting of unconsolidated soil materials that extend from the mean low water line landward to a point where either:

(a) the growth of vegetation occurs; or

(b) a distinct change in slope or elevation alters the configuration of the landform, whichever is farther landward.

(6) Pre-project Vegetation Line. In areas within the boundaries of a large-scale beach fill project, the vegetation line that existed within one year prior to the onset of project construction shall be defined as the "pre-project vegetation line". The "onset of project construction" shall be defined as the date sediment placement begins, with the exception of projects completed prior to the original effective date of this Rule, in which case the award of the contract date will be considered the onset of construction. A pre-project vegetation line shall be established in coordination with the Division of Coastal Management using on-ground observation and survey or aerial imagery for all areas of oceanfront that undergo a large-scale beach fill project. Once a pre-project vegetation line is established, and after the onset of project construction, this line shall be used as the reference point for measuring oceanfront setbacks in all locations where it is landward of the vegetation line. In all locations where the vegetation line as defined in this Rule is landward of the pre-project vegetation line, the vegetation line shall be used as the reference point for measuring oceanfront setbacks. A pre-project vegetation line shall not be established where a pre-project vegetation line is already in place, including those established by the Division of Coastal Management prior to the effective date of this Rule. A record of all pre-project vegetation lines, including those established by the Division of Coastal Management prior to the effective date of this Rule, shall be maintained

by the Division of Coastal Management for determining development standards as set forth in Rule .0306 of this Section. (non-relevant section omitted).

15A NCAC 7H .0306 GENERAL USE STANDARDS FOR OCEAN HAZARD AREAS

(a) In order to protect life and property, all development not otherwise specifically exempted or allowed by law or elsewhere in the Coastal Resources Commission's rules shall be located according to whichever of the following is applicable:

(1) The ocean hazard setback for development is measured in a landward direction from the vegetation line, the pre-project line, or the measurement line, whichever is applicable.

(2) The ocean hazard setback shall be determined by both the size of development and the shoreline long term erosion rate as defined in Rule .0304 of this Section. "Development size" is defined by total floor area for structures and buildings or total area of footprint for development other than structures and buildings. Total floor area includes the following:

(A) The total square footage of heated or air-conditioned living space;

(B) The total square footage of parking elevated above ground level; and

(C) The total square footage of non-heated or non-air-conditioned areas elevated above ground level, excluding attic space that is not designed to be load-bearing.

Decks, roof-covered porches, and walkways shall not be included in the total floor area unless they are enclosed with material other than screen mesh or are being converted into an enclosed space with material other than screen mesh.

(3) With the exception of those types of development defined in 15A NCAC 07H .0309(a), no development, including any portion of a building or structure, shall extend oceanward of the ocean hazard setback. This includes roof overhangs and elevated structural components that are cantilevered, knee braced, or otherwise extended beyond the support of pilings or footings. The ocean hazard setback shall be established based on the following criteria:

(B) A building or other structure greater than or equal to 5,000 square feet but less than 10,000 square feet requires a minimum setback of 120 feet or 60 times the shoreline erosion rate, whichever is greater;

(6) Structural additions or increases in the footprint or total floor area of a building or structure represent expansions to the total floor area and shall meet the setback requirements established in this Rule and 15A NCAC 07H .0309(a). New development landward of the applicable setback may be cosmetically but not be structurally attached to an existing structure that does not conform with current setback requirements.

(8) Development setbacks in areas that have received large-scale beach fill as defined in 15A NCAC 07H .0305 shall be measured landward from the pre-project vegetation line as defined in this Section, unless an unexpired static line exception or Beach Management Plan approved by the Commission has been approved for the local jurisdiction by the Coastal Resources Commission in accordance with 15A NCAC 07J .1200.

15A NCAC 07H .0309 USE STANDARDS FOR OCEAN HAZARD AREAS: EXCEPTIONS

(a) The following types of development shall be permitted seaward of the oceanfront setback requirements of Rule .0306(a) of this Section if all other provisions of this Subchapter and other state and local regulations are met:

- (1) campsites;
- (2) driveways and parking areas with clay, packed sand, or gravel;
- (3) elevated decks not exceeding a footprint of 500 square feet. Existing decks exceeding a footprint of 500 square feet may be replaced with no enlargement beyond their original dimensions;
- (4) beach accessways consistent with Rule .0308(c) of this Section;
- (5) unenclosed, uninhabitable gazebos with a footprint of 200 square feet or less;
- (6) uninhabitable, single-story storage sheds with a foundation or floor consisting of wood, clay, packed sand or gravel, and a footprint of 200 square feet or less;
- (7) temporary amusement stands consistent with Section .1900 of this Subchapter;
- (8) sand fences;
- (9) swimming pools; and
- (10) fill not associated with dune creation that is obtained from an upland source and is of the same general characteristics as the sand in the area in which it is to be placed.

In all cases, this development shall be permitted only if it is landward of the vegetation line or pre-project vegetation line, whichever is applicable; involves no alteration or removal of primary or frontal dunes which would compromise the integrity of the dune as a protective landform or the dune vegetation; is not essential to the continued existence or use of an associated principal development; and meets all other non-setback requirements of this Subchapter.

STIPULATED FACTS**ATTACHMENT B**

1. The Petitioner is North Pier Holdings, LLC (“Petitioner”). Petitioner is a North Carolina Limited Liability Company, formed on May 3, 2022 as shown on the Articles of Organization, a copy of which is attached as a stipulated exhibit. The Registered Agent is Caleb Kratsa.
2. On July 27, 2022, Petitioner acquired a fee simple interest in all of the units (42 units) within North Pier Ocean Villas Condominiums (the “Property”) from North Pier Ocean Villas Homeowners Association, Inc. (the “HOA”) for a sales price of \$8.3 million following proceedings in bankruptcy court. The Property has a physical address of 1800 Canal Drive, Carolina Beach, New Hanover County, North Carolina. This transaction was recorded in Deed Book 6583 at Pages 618 and 795 of the New Hanover County Register of Deeds Office. The two deeds are attached as Stipulated Exhibits.
3. The Property, currently improved with condominium units, is an irregularly shaped area containing 33,541 gross square feet or approximately 0.8 acres. The Property is minimally landscaped and is level and clear, at roadway grade with the surrounding streets.
4. The Property is bounded by Carolina Beach Pier House, a rock revetment, the Carolina Beach Pier, and the Atlantic Ocean to the east, Canal Drive to the west, Island North condominium complex to the south, and the Pier’s private parking lot (which is leased to the Town for public parking) to the north.
5. According to the Flood Plain Map number 3720313000K, dated August 28, 2018, the Property is located within a special hazard flood zone (Zone AE).
6. Much of the Property is in the Ocean Erodible Area of Environmental Concern. Therefore, proposed development requires a permit pursuant to the Coastal Area Management Act, N.C. Gen. Stat. §§ 113A-100, *et seq.*
7. The Property is subject to the Coastal Resources Commission’s (the “Commission”) oceanfront setback rules applicable to ocean shorelines set forth at 15A NCAC 7H .0306(a).
8. The history of nourishment at Carolina Beach is summarized in the Town’s 2020 Static Line Exception Report, a copy of which is attached as a stipulated exhibit. That report notes that the Town’s federal storm damage was approved in 1962 and extends along 14,000 linear feet of ocean shoreline. The project was modified to include a 2,050-foot-long rock revetment at the north end of the project with an elevation at the revetment of 9.5 feet NAVD. The pre-project/static vegetation line where the rock revetment is present, is in the center of the revetment. A map from DCM’s map viewer showing the pre-project vegetation line in the vicinity of the Property is attached as a Stipulated Exhibit. Also attached as a Stipulated Exhibit is an image showing the historic shorelines in the vicinity of the Property.
9. On August 27, 2009, the Commission adopted a Static Line Exception for the Town of Carolina Beach (the “Town”). The Commission developed and adopted the exception rules in 2009 to provide relief from regulations to communities regularly maintaining large-scale renourishment projects with a commitment of financial and sand resources to continue to do so.

With a Commission-approved Static Line Exception, setbacks can be measured from the actual vegetation line, and not the more-restrictive pre-project vegetation/static line, and structures that are greater than 5,000 square feet only have to meet a minimum setback of 120 feet, or 60 times erosion rate. Since the effective date of the rule, the Static Line Exception for the Town has been reapproved (2009, 2014, 2020) by the Commission and is currently in effect.

10. The applicable erosion rate in the vicinity of the Property is 3-feet per year. The applicable setback for any structures located on the Property is 180-feet from the pre-project vegetation line/static vegetation line.

11. As part of the Inlet Hazard Area update proposal, the North Carolina Division of Coastal Management (“DCM”), the Commission and the Commission’s Science Panel updated the long-term erosion rates for the inlet areas. The proposed erosion rate for the Property is 2-feet per year. This proposed rate has not been adopted by the Commission. If the 2-feet per year erosion rate is adopted, Petitioner’s proposed development, including Building 1, the pool area, and the pervious paver area, would be located landward of the setback line. During their May 2023 meeting the Commission issued a specific set of tasks to its Science Panel in collaboration with DCM staff to include: 1) Updating the Inlet Hazard Area Boundaries and reevaluating erosion rate setback factors, incorporating data acquired since the 2018 study, and 2) Deliberating on various methodologies for calculating erosion rates along oceanfront areas. DCM Staff estimates that these studies will be ready for the Commission’s consideration in the first half of 2024. If approved by the Commission, the rulemaking process will resume at that time. If there are no delays in the rulemaking process following adoption by the Commission, new boundaries and erosion rates for IHAs could be in effect as early as the end of 2024.

12. Initially constructed by the Corps in approximately 1970, a rock revetment exists along the entire ocean shoreline seaward of the Property.

13. Since 1966, pursuant to a Federal Coastal Storm Risk Management Project, Carolina Beach, including the beach in the vicinity of the Property, has regularly been renourished. Most recently, in 2022, nearly 1 million cubic yards of sand was placed on the beaches of Carolina Beach. The federal project is authorized through 2036 and is scheduled to occur every three (3) years.

14. The condominium structures were constructed beginning in 1984 and 1985 and consist of two (2), cosmetically attached but structurally independent, three-level, piling-supported wood frame buildings containing 42 individual residential units: Building 1 consisting of 15 (3 floors x 5) individual residential units and Building 2 consisting of 27 (3 floors x 9) individual residential units. The pool area was constructed sometime between 1985 and 1992. Building 1 which is the more-waterward building, the pool area, and a proposed pervious paver area are the subject of this variance petition.

15. Following deferred maintenance by the prior HOA, during Hurricane Dorian in 2019, Building 1 experienced significant storm damage. Petitioner describes it as uninhabitable but was not condemned by the Town. The HOA chose not to make the necessary repairs for financial reasons and Building 1 remained in this state of disrepair for several years. Building 2, which is

not part of this variance petition, experienced minor damage from Hurricane Dorian and continued to be used as second homes and/or vacation rentals following the storm.

16. At the time that Petitioner acquired the Property, the buildings, in particular Building 1, were in significant disrepair, including mold and structural issues. The Town's building inspector at that time, Mr. Darrell Johnson, informed Petitioner that he had the authority to require either demolition to prevent the structures from becoming storm debris if a major hurricane neared the coast or to secure it. On July 28, 2020, the Town received an engineering report from Jason Wade, PE regarding the foundation and condition of Building 1, a copy of which is attached. Photos of the condition of Building 1 prior to any repair activities are attached as a Stipulated Exhibit.

17. Shortly after Petitioner purchased the Property on July 27, 2022, beginning in August 2022, Petitioner began maintenance and repair activities of Buildings 1 and 2. Attached as a stipulated exhibit is the Town's summary of the permits applied for and issued for the Property in a timeline. This included repairs to existing decks of Units 112, 212, and 312 and also enclosing these previously open decks which added Total Floor Area ("TFA") to Building 1.

18. In addition to these activities, in February 2023, the existing pool plumbing under the in-ground pool's surrounding deck was not functioning and Petitioner contends it needed to be replaced. The concrete pool deck was cracked and created dangerous conditions for the pool users. Due to these conditions Petitioner removed the pool deck and proposes to fix the plumbing, repair the retaining wall, and replace the pool deck.

19. On April 20, 2023, the Town's LPO issued a Notice of Violation to Petitioner for conducting minor development by the unauthorized expansion of the Total Floor Area of Building 1, a copy of which is attached as a stipulated exhibit. The NOV instructed Petitioner to stop work immediately and requested that Petitioner conduct certain restoration activities. Petitioner contends that there was a misunderstanding with the building inspector regarding the ability to enclose the decks.

20. On April 21, 2023, the Town notified Petitioner that subject to 15A NCAC 7K .0103 certain maintenance and repair activities were exempt from CAMA permit requirements. These exempted activities are not subject to this variance petition. The exempt maintenance and repair activities proposed by Petitioner amount to \$3,430,900 (\$1,048,400 for Building 1, and \$2,382,500 for Building 2). A copy of this letter is attached as a Stipulated Exhibit.

21. On or about May 31, 2023, DCM confirmed through a letter that the required restoration in the NOV had been resolved. A copy of this letter is attached as a Stipulated Exhibit.

22. As set forth in its Application for a CAMA Minor Development Permit submitted to the Town's LPO and dated May 22, 2023, Petitioner proposed the following additions and renovations of North Pier Ocean Villas Condominiums.

- The addition of four (4) new penthouse units on the top floor of Building 2 (6,023 sq ft with no expansion of footprint) (Not subject of the variance);
- Expansion of Building 2 with decks, breezeways, replace piles, stairwells, and elevators; (Not subject of the variance)
- The addition of one (1) new penthouse unit on the top floor of Building 1 (2,213 sq ft a vertical expansion within the existing Building 1 footprint); (Part of the variance request)
- Expansion of Building 1 with decks, breezeways, replace piles, stairwells, and elevators (enclosing three decks for a total of approximately 216 sq ft TFA; enclosing two, exposed laundry rooms for a total of approximately 266 sq ft TFA; adding three new decks for a total of approximately 663 sq ft TFA). (Part of the variance request)
- Install new pool and new 3,407 square foot pool deck, including new hot tub, removable sunshade cabanas, and grilling area on pool deck; and (Part of the variance request)
- Install a pervious paver drive area which is 8,735 sq. ft. (Part of the variance request)

A copy of Petitioner's CAMA Minor Development Permit application is attached as a Stipulated Exhibit.

23. The proposed expansion of Building 1 will not expand the footprint or foundation of Building 1. except for the new decks, which would be constructed within the northeastern corner of Building 1. The height of Building 1 will increase and add new TFA where a new penthouse level is proposed. Each of the three new decks which increase the footprint will be supported by two pilings with helical anchors driven to bedrock. Unlike the existing decks, which are proposed to be enclosed, each of the three (3) new decks would be handicap accessible in compliance with the American with Disabilities Act.

24. As shown in the Stipulated Exhibits, the footprint of the pool deck will be smaller and within the prior footprint of the pre-existing pool deck.

25. As part of the CAMA minor permit review process, notice of the proposed development was sent to adjacent riparian owners, CB Pier LLC, North Pier Associates LLC, and Island North HOA. At that time in May 2023, the LPO did not receive any objections to the proposed development. However, during the process for developing these stipulated facts, counsel for Staff tracked the notices sent in May of 2023 to the three adjacent riparian owners and discovered that none of the certified letters had been delivered where USPS tracking indicated that as of June 1, the letters were still "moving through the network" and not showing delivery. Copies of the notice letters and tracking information is attached as a stipulated exhibit.

26. On June 28, 2023, DCM issued CAMA Minor Permit 12-23 CB (the "Permit") authorizing the work proposed on Building 2, including the additional penthouse units and expansion with decks, breezeways, replace piles, stairwells, and elevators. These authorized activities are not

subject to this variance petition. A copy of CAMA Minor Permit 12-23 CB is attached as a Stipulated Exhibit.

27. A portion of the existing and proposed development of Building 1, the pool area, and the pervious paver driver area is located within the 180-foot setback. This can be seen on the attached Stipulated Exhibits. The Permit expressly conditioned out of the Permit the following proposed work:

(1) In accordance with 15A NCAC .0306(a)(6), this permit does not authorize any expansion (of the TFA for the penthouse, the enclosure of the corner decks and the footprint of the covered decks in the NE corner) of Building 1 as shown on work plat drawings 3, 6, 7, and 8 of 8 dated received on 05/24/2023 and proposed work listed under “Building 1 CAMA Minor Permit — Expansion or changes in footprint” on the work plan provided by the authorized agent, Kievit Construction dated received on 05/24/2023.

(2) In accordance with 15A NCAC .0306(a)(3)(b), this permit does not authorize any development of the proposed pool area as shown as “PROPOSED NEW POOL AND NEW CONCRETE POOL DECK TO MATCH PREVIOUS DECK FOOTPRINT” on work plat drawing 3 and 5 of 8 dated received 05/24/2023, “POOL AREA” on work plat drawing 8 of 8 dated received 05/24/2023, and proposed work listed under “Existing Ground floor Pool and Common area” on work plan provided by the authorized agent, Kievit Construction dated received on 05/24/2023.

(3) In accordance with 15A NCAC .0306(a)(3), this permit does not authorize the “PROPOSED PERVIOUS PAVER DRIVE AREA” that is waterward of the 180’ setback line as shown on work plat drawing 3 of 8 dated received on 5/24/2023 as a “pervious paver drive area” does not meet any of the setback exceptions in 15A NCAC .0309(a)(1-10). (7H.0309 requires parking areas within the setback to be clay/packed sand/gravel and not pavers/concrete).

28. Following DCM’s issuance of the Permit, the Town required additional parking for the new penthouse units. To accommodate the additional required parking, Petitioner has decreased the proposed size of the pool and pool deck. In addition, Petitioner is modifying the proposed paver area to seek either pervious pavers or concrete. An architectural drawing comparing the different plans is attached as a Stipulated Exhibit.

29. In a letter dated July 7, 2023, the Town confirmed that structures may be repaired in a similar manner, size and location as the original structures. The Town further notified Petitioner that no expansions or additions are permissible under CAMA, and the repairs are limited to 50% of the as-is market value of the existing structure and subject to certain conditions. A copy of this letter is attached as a Stipulated Exhibit.

30. The Commission’s rules require that “[b]efore filing a petition for a variance from a rule of the Commission, the person must seek relief from local requirements restricting use of the

Property.” 15A NCAC 7J .0701(a) Petitioner has not sought a variance from the Town’s applicable lot setbacks. The Property has preexisting development and proposed development on the Property meets all applicable Town setbacks and will not increase the footprint of existing development, and Petitioner contends that seeking a local variance will not eliminate or reduce the need for a variance from the Commission.

31. Petitioner’s counsel sent three rounds of notice letters giving notice of the Variance Petition to the three adjacent riparian property owners. The first round sent August 9, 2023 were mailed by certified mail to the same street addresses used by Petitioner in their permit application. Upon receiving two of the letters returned as undeliverable, Petitioner’s counsel sent a second round by certified mail on September 8, 2023 to the Registered Agents of the adjacent owners (as they are INC/LLC). The second round of letters does not yet show delivery as of September 13, 2023 on USPS tracking. On September 11, 2023, Petitioner’s counsel sent the letters by overnight Fed-Ex delivery. Two showed delivery to the receptionists at the Registered Agents of North Pier Associates, LLC and Island North HOA, Inc on September 12, 2023. The Fed-Ex to CB Pier, LLC was delivered on September 12, 2023 but the Fed Ex photo showed the package left at the door. Petitioner’s counsel then received email confirmation from the Registered Agent for CB Pier, LLC on September 14, 2023.

No comments from the adjacent riparian property owners have been received to date, but if any comments are received prior to the Commission Meeting, they will be provided to the Commission.

32. Petitioner stipulates, pursuant to 15A NCAC 7J .0701, that the Permit was properly conditioned as that proposed development was contrary to the Commission’s oceanfront setback rules as described in the denial letter.

33. Without a variance, Petitioner could move forward with the work authorized in the Permit, but without adding TFA for the Penthouse in Building 1, without enclosing three decks and laundry, and without adding three new decks, In the pool area, Petitioner would be limited to 500 square feet of wooden decking within the setback area (plus any required pool apron under health rules) per 7H .0309, and would be limited to clay, packed sand or gravel for the new parking area and pervious area.

34. The powerpoint is a Stipulated Exhibit which contains aerial and ground-level photographs of the Property and surrounding area.

Stipulated Exhibits:

- A. Articles of Incorporation for Petitioner
- B. 2 deeds to Petitioner at 6583/618 and 6583/795
- C. 2020 Town of Carolina Beach Static Line Exception Report
- D. DCM Map Viewer photos showing PPVL/Static Line and historic shorelines
- E. July 28, 2022 Report of John Wade PE
- F. Town's permitting timeline for the Property
- G. April 20, 2023 CAMA NOV from Town's LPO
- H. April 21, 2023 CAMA Exemption letter
- I. May 31, 2023 CAMA Restoration Close-out letter
- J. May 2023 CAMA Permit Application
- K. May 2023 CAMA Application notice documents and tracking
- L. CAMA Minor Permit 12-23CB, as conditioned
- M. Modified pool/parking proposal with new parking spaces
- N. July 7, 2023 Letter from Town to Petitioner
- O. Powerpoint

PETITIONERS' and STAFF'S POSITIONS**ATTACHMENT C****1. Will unnecessary hardships result from strict application of the rules, standards, or orders?****Petitioner's Position: Yes.**

The Petitioner will suffer unnecessary hardship from strict application of the Coastal Resources Commission's (the "Commission") setback rules applicable to coastal shorelines set forth at 15A NCAC 7H .0306(a) to the North Pier Ocean Villas Condominiums (the "Property"). Section 15A NCAC 7H .0306 establishes general use standards for ocean hazard areas and provides setbacks designed to protect life and property calculated on the total square footage of heated/air-conditioned living space. The ocean erosion setback rule is designed to ensure that development within the coastal shorelines is compatible with and cannot do harm to the biological and physical functions of the shoreline system. 15A NCAC 7H .0303(b) (The intent of the rules is to "minimize losses to life and property resulting from storms and long-term erosion, preventing encroachment of permanent structures on public beach areas, preserving the natural ecological conditions of the barrier dune and beach systems, and reducing the public costs of inappropriately sited development.").

Petitioner will suffer unnecessary hardship from strict application of 15A NCAC 7H .0306(a) as it applies to Petitioner's proposed expansion of Building 1, which includes: (i) an addition of a penthouse on the top floor of Building 1 (approximately 2,313 square feet); (b) new decks on units 112,212,312 (total of approximately 663 square feet); (c) enclosure of the three (3) existing decks in units 112, 212, 312 (total of approximately 216 square feet); and (d) enclosing the two interior outdoor laundry areas (total of approximately 266 square feet). First, a rock revetment exists along the entire ocean shoreline seaward of the Property, and since 1966, Carolina Beach, including the beach in the vicinity of the Property, has regularly been renourished pursuant to a federally-authorized project minimizing the risk of storm damage. This federal project is authorized through 2036 and is scheduled to occur every three (3) years. The Commission has adopted a static line exception for the Town, which has not expired. Further, the Carolina Beach Pier House is located directly seaward of Building 1. Second, the erosion rate in the vicinity of the Property is decreasing. Third, Building 1 straddles the 180-foot setback line; the majority of Building 1 is located landward of the 180-setback line. Fourth, Petitioner is making a significant investment of \$3,430,900 to repair Buildings 1 and 2. In addition to these repairs, enclosing the exposed laundry rooms will prevent further damage to Building 1 and make it structurally stronger. Fifth, the proposed expansion of Building 1 will not expand the roofline or foundation of Building 1. The only proposed expansion of the footprint of Building 1 would be the new decks, which would be constructed within the northeastern corner of Building 1. Each new deck will be supported by two pilings with helical anchors driven to bedrock minimizing the risk of storm damage.

Petitioner will suffer unnecessary hardship from strict application of 15A NCAC 7H .0306(a) as it applies to Petitioner's proposed pool and pool deck. Due to deteriorating conditions and safety concerns, Petitioner removed the concrete pool deck. If the pool deck was not removed, Petitioner

could have proceeded under the maintenance and repair exemption set forth in 15A NCAC 7K .0103. Petitioner is proposing to replace the existing pool deck with a new, concrete pool deck. Following submission of the CAMA permit application, the Town of Carolina Beach required additional parking spaces. As a result, Petitioner revised its pool area plan and is proposing eight new parking spaces. The new pool deck would be within and smaller than the preexisting footprint of the prior pool deck. Petitioner also plans to replace the existing pool and proposes a new, small 100 square foot hot tub.

Petitioner will suffer unnecessary hardship from strict application of 15A NCAC 7H .0306(a) as it applies to Petitioner's proposed pervious paver area. First, neither pavers nor concrete would pose a significant risk during storms. The rock revetment, federally-authorized beach renourishment project, and the Carolina Beach Pier House are located seaward of the proposed paver area minimizing risk during storms. Second, a significant portion of the proposed pervious paver area is located landward of the 180-foot setback line.

Staff's Position: No for decks/penthouse/paver parking, Yes for pool deck.

The strict application of the Commission's setback rules does not cause Petitioner unnecessary hardships. Petitioner correctly notes the purpose of the setback rules- to "minimize losses to life and property resulting from storms and long-term erosion, preventing encroachment of permanent structures on public beach areas, preserving the natural ecological conditions of the barrier dune and beach systems, and reducing the public costs of inappropriately sited development."

Petitioner first notes that the Property is located behind the rock revetment along a regularly nourished shoreline and that the Town has a Static Line Exception. However, in the location of the Property, the setback is measured from the static/pre-project vegetation line because, despite the rock revetment and regular nourishment, the vegetation line or a dune system has not survived waterward of the rock revetment which would allow setbacks to be measured from a more favorable vegetation line location.

Petitioner makes an economic argument, which Staff believe on its own does not support the finding of an unnecessary hardship. Any economic determinations by Petitioner should have been made in light of and with understanding of the applicable rules of the Commission.

With the possible exception of the enclosure of the three existing decks within the Building 1 footprint and the enclosure of the existing laundry area, which are both small in size and within the existing building footprint, Staff believes that the strict application of the setback rules to the Property are working to keep the proposed addition of over 2,000 square feet of Total Floor Area, which would be outside of the existing dimensions of Building 1, behind the setback line and farther away from ocean hazards.

As to the pervious paver parking areas, these are additional spots required by the Town for the additional penthouse units on Building 1 and Building 2. Staff believe the Commission's rules at 7H .0309 which allow parking areas in the setback made of clay/packed sand/gravel are sufficient

to allow these new parking spaces, and that the permit condition not allowing new pavers is not a hardship.

As to the pool deck, Petitioner apparently lacked an understanding of what would be allowed within the setback if they demolished the pre-existing deck instead of undertaking smaller-scale repairs (where the cost of the proposed work is less than 50% of the value of the existing deck), and that replacement of the concrete deck would not be allowed oceanward of the setback, even where the proposed replacement deck is smaller than the pre-existing deck area. Staff believe that, given the circumstances of this particular case, it would constitute an unnecessary hardship to limit the new pool deck to the maximum of 500 sf allowed as an exception to the setback in the Commission's rules.

2. Do such hardships result from conditions peculiar to Petitioner's property such as the location, size, or topography of the property?

Petitioner's Position: Yes.

Although the Property is located in the Ocean Erodible Area, the hardships of strictly applying the CRC's setback rules result from the peculiar location of the Property. Building 1 straddles the 180-foot setback, and a rock revetment located along the entire ocean shoreline seaward of the Property, a federally-authorized beach storm risk management project, and the Carolina Beach Pier House provide protection to the Property minimizing the risk to life and property resulting from storms and long-term erosion.

Staff's Position: Yes.

Staff agree that the Property's location behind the rock revetment on a beach which has been regularly nourished for over 50 years and has been approved for additional nourishment is somewhat unique. Staff acknowledge that it appears the placement of the rocks and regular nourishment cycles at the Property have resulted in a lower rate of erosion at 2-foot per year as measured in the Science Panel's pending/not yet approved Inlet Hazard Report compared to the existing 3-foot per year rate currently applicable for the Property. However this report has not been adopted by the Commission yet.

Staff disagree that straddling the 180-foot ocean erosion setback line as measured from the static/pre-project vegetation line is a peculiar condition which causes Petitioner a hardship, as many structures in Carolina Beach and the coast have setback lines bisecting structures.

Staff also disagree that being "second row" behind the Carolina Beach Pier House "provide(s) protection to the Property minimizing risk to life and property." In fact, being located behind the pier house and its parking lot may provide less protection than if the parking area were allowed to be planted and a dune were to form instead of use for parking.

3. Do the hardships result from actions taken by the Petitioner?**Petitioner's Position: No.**

The unnecessary hardship does not result from actions taken by the Petitioner. Building 1 and the pool area were constructed long before Petitioner acquired the Property in approximately the 1984 time period. Petitioner acquired the Property on July 27, 2022. Petitioner did not cause the erosion of the vegetation line and dune system oceanward of the Property, and the proposed development will not expand the roofline or foundation of Building 1. The only proposed expansion of the footprint of Building 1 would be the new decks, which would be constructed within the northeastern corner of Building 1. Each new deck will be supported by two pilings with helical anchors driven to bedrock minimizing the risk of storm damage. The footprint of the pool deck will be smaller and within the preexisting footprint of the pool area.

Staff's Position: Yes.

While the location of Building 1 and the 180-foot ocean erosion setback bisecting the building was something Petitioners inherited when they purchased the Property, Petitioners could have performed maintenance and repair (where the cost of the proposed work is less than 50% of the value of the existing deck), within the existing footprint without needing a variance. The Commission in the past has granted some variances for the *de minimis* expansion of TFA by the enclosure of small roof-covered porches within the existing footprint similar to the enclosure of these three existing decks and the laundry area. However, in this case, Petitioner goes further by proposing to add three new decks beyond the existing footprint and to add a new Penthouse on top of the existing units which is over 2,000 square feet of new TFA. These proposed additions, especially those outside the existing limits of Building 1, are beyond *de minimis* (for example, 2000 sf exceeds the 1,200 "small structure" exception the Commission defines for purposes of the 30' buffer rules at 15A NCAC 7H .0209(d)(10)(I).

4. Will the variance requested by the Petitioner (a) be consistent with the spirit, purpose and intent of the rules, standards, or orders issued by the Commission; (b) secure public safety and welfare; and (c) preserve substantial justice?**Petitioner's Position: Yes.**

The variance requested by Petitioner is consistent with the spirit, purpose and intent of the rules or orders of the Commission; will secure the public safety and welfare; and will preserve substantial justice. The proposed development would not impact any biological, social, economic or aesthetic values, based on the physical properties of the structures. The proposed expansion of Building 1 will not expand the roofline or foundation of Building 1. The only proposed expansion of the footprint of Building 1 would be the new decks, which would be constructed within the northeastern corner of Building 1. Each new deck will be supported by two pilings with helical anchors driven to bedrock minimizing the risk of storm damage. Unlike the existing decks, which are proposed to be enclosed, each of the three (3) new decks would be handicap accessible in compliance with the American with Disabilities Act. The footprint of the pool deck will be smaller

and within the preexisting footprint of the pool area. Allowing the pool and pool deck will also preserve substantial justice. If the pool deck was not previously removed, it could have been repaired without a CAMA Minor permit or variance.

Staff's Position: No for decks/penthouse/paver parking, Yes for pool deck.

The Commission's rules at 15A NCAC 7H .0303 describe the management objectives for the Ocean Hazard AEC as siting development "to minimize danger to life and property and achieve a balance between the financial, safety and social factors that are involved in hazard area development." This rule is based on "the goals set out in G.S. 113A-102(b), to minimize losses to life and property resulting from storms and long-term erosion, prevent encroachment of permanent structures on public beach areas, preserve the natural ecological conditions of the barrier dune and beach systems, and reducing the public costs of development within ocean hazard areas, and protect common-law and statutory public rights of access to and use of the lands and waters of the coastal area."

In this case, Staff agree that the small-scale enclosures of the three existing decks (216 sq.ft.) and the laundry rooms (266 sq.ft.) within the Building 1 dimensions are *de minimis* in nature and may meet the spirit, purpose and intent of the setback rules where there is not a significant increase in Total Floor Area. However, Staff disagree that a variance for the proposed three new decks (663 sq.ft.) and Penthouse (2,213 sq.ft.) would be appropriate. This large (+2,000 sf) increase in proposed TFA within the setback area is neither *de minimis* nor is it within the existing Building 1 dimensions. Likewise, Staff believe that the Commission's rules in 7H .0309 allowing parking areas in the setback of clay/packed sand/gravel allow Petitioner to develop the new parking spaces and that adding new pavers would not meet the spirit of the setback rules and the exceptions already allowed in 7H .0309.

Staff acknowledges that, with respect to the proposed pool deck area, Petitioners caused their own hardship by undertaking demolition of the existing pool deck without understanding that only 500 square feet total of decking could be in this setback area instead of simply undertaking repairs to the originally-existing concrete deck. The pool deck is smaller than the originally-existing pool deck area and is therefore in keeping with the spirit, purpose and intent of the Commission's rules.

While public safety and welfare may not be significantly impacted by the enclosure of the three existing decks and laundry area within the existing Building 1 dimensions, the proposed decks and Penthouse outside the Building 1 dimensions would not protect public safety and welfare where it would add over 2,000 square feet of new TFA within the setback area. In addition to enclosing a significant amount of new TFA, the addition of this new fourth story adds to the permanence of Building 1 and increases the difficulty of possible future attempts at relocation of Building 1 if the Property suffers long-term erosion and were to not benefit from future nourishment.

Substantial justice will not be served by allowing a variance from the ocean erosion setbacks in place in lieu of approving the Science Panel's Inlet Erosion Rate Report and adopting the associated rules. At such time when that report is adopted by the Commission, it may offer relief to Petitioners and others.

**ATTACHMENT D:
PETITIONER'S VARIANCE REQUEST MATERIALS**

CAMA VARIANCE REQUEST FORM**DCM FORM 11****DCM FILE No.:** _____

PETITIONER'S NAME: NORTH PIER HOLDINGS, LLC

COUNTY WHERE THE DEVELOPMENT IS PROPOSED: NEW HANOVER

Pursuant to N.C.G.S. § 113A-120.1 and 15A N.C.A.C. 07J .0700 *et seq.*, the above named Petitioner hereby applies to the Coastal Resources Commission (CRC) for a variance.

VARIANCE HEARING PROCEDURES

A variance petition will be considered by the CRC at a regularly scheduled meeting, heard in chronological order based upon the date of receipt of a complete petition. 15A N.C.A.C. 07J .0701(e). A complete variance petition, as described below, must be *received* by the Division of Coastal Management (DCM) a minimum of six (6) weeks in advance of the first day of a regularly scheduled CRC meeting to be eligible for consideration by the CRC at that meeting. 15A N.C.A.C. 07J .0701(e). The final set of stipulated facts must be agreed to at least four (4) weeks prior to the first day of a regularly scheduled meeting. 15A N.C.A.C. 07J .0701(e). The dates of CRC meetings can be found at DCM's website: **www.nccoastalmanagement.net**

If there are controverted facts that are significant in determining the propriety of a variance, or if the Commission determines that more facts are necessary, the facts will be determined in an administrative hearing. 15A N.C.A.C. 07J .0701(b).

VARIANCE CRITERIA

The petitioner has the burden of convincing the CRC that it meets the following criteria:

- (a) Will strict application of the applicable development rules, standards, or orders issued by the Commission cause the petitioner unnecessary hardships? Explain the hardships.
- (b) Do such hardships result from conditions peculiar to the petitioner's property such as the location, size, or topography of the property? Explain.
- (c) Do the hardships result from actions taken by the petitioner? Explain.
- (d) Will the variance requested by the petitioner (1) be consistent with the spirit, purpose, and intent of the rules, standards or orders issued by the Commission; (2) secure the public safety and welfare; and (3) preserve substantial justice? Explain.

Please make your written arguments that Petitioner meets these criteria on a separate piece of paper. The Commission notes that there are some opinions of the State Bar which indicate that non-attorneys may not represent others at quasi-judicial proceedings such as a variance hearing before the Commission. These opinions note that the practice of professionals, such as engineers, surveyors or contractors, representing others in quasi-judicial proceedings through written or oral argument, may be considered the practice of law. Before you proceed with this variance request, you may wish to seek the advice of counsel before having a non-lawyer represent your interests through preparation of this Petition.

DELIVERY OF THIS HEARING REQUEST

This variance petition must be **received by** the Division of Coastal Management at least six (6) weeks before the first day of the regularly scheduled Commission meeting at which it is heard. A copy of this request must also be sent to the Attorney General's Office, Environmental Division. 15A N.C.A.C. 07J .0701(e).

Contact Information for DCM:**By mail, express mail or hand delivery:**

Director
Division of Coastal Management
400 Commerce Avenue
Morehead City, NC 28557

By Fax:

(252) 247-3330

By Email:

Check DCM website for the email
address of the current DCM Director
www.nccoastalmanagement.net

Contact Information for Attorney General's Office:**By mail:**

Environmental Division
9001 Mail Service Center
Raleigh, NC 27699-9001

By express mail:

Environmental Division
114 W. Edenton Street
Raleigh, NC 27603

By Fax:

(919) 716-6767

Revised: July 2014

EXHIBIT C

Variance Petition
Description of Proposed Development

The proposed North Pier Ocean Villas Condominiums project is located at 1800 Canal Drive, Carolina Beach, North Carolina. The site consists of two, three-level, wood frame buildings containing 42 individual residential units with related site improvements. The following areas are subject to this variance petition: (1) Building 1 outlined in **red** below; (2) prior pool deck and existing pool outlined in **green** below; and (3) the proposed pervious paver driver area and parking spaces outlined in **yellow** below.



A more detailed description of this work is set forth in North Pier's Application for Minor CAMA Development Permit. Following DCM's issuance of the Permit, the Town of Carolina Beach (the "Town") required additional parking. To accommodate the additional required parking, Petitioner has decreased the size of the proposed pool deck.

On June 28, 2023, DCM issued CAMA Minor Permit 12-23 CB (the “Permit”) authorizing the work proposed on Building 2, including the additional penthouse and expansion with decks, breezeways, replace piles, stairwells, and elevators. These authorized activities are not subject to this variance petition.

The Permit expressly denied the following proposed work:

(1) In accordance with 15A NCAC .0306(a)(6), this permit does not authorize any expansion of Building 1 as shown on work plat drawings 3, 6, 7, and 8 of 8 dated received on 05/24/2023 and proposed work listed under “Building 1 CAMA Minor Permit — Expansion or changes in footprint” on the work plan provided by the authorized agent, Kievit Construction dated received on 05/24/2023.

- The proposed expansion includes a penthouse on the top floor of Building 1; new decks on units 112, 212, 312; enclosure of the three (3) existing decks in units 112, 212, 312; and enclosure of two interior, outdoor laundry areas.

(2) In accordance with 15A NCAC .0306(a)(3)(b), this permit does not authorize any development of the proposed pool area as shown as “PROPOSED NEW POOL AND NEW CONCRETE POOL DECK TO MATCH PREVIOUS DECK FOOTPRINT” on work plat drawing 3 and 5 of 8 dated received 05/24/2023, “POOL AREA” on work plat drawing 8 of 8 dated received 05/24/2023, and proposed work listed under “Existing Ground floor Pool and Common area” on work plan provided by the authorized agent, Kievit Construction dated received on 05/24/2023.

- The new pool deck would be smaller and within the preexisting footprint of the prior pool deck;
- The new pool deck would be constructed of decorative concrete.

(3) In accordance with 15A NCAC .0306(a)(3), this permit does not authorize the “PROPOSED PERVIOUS PAVER DRIVE AREA” that is waterward of the 180’ setback line as shown on work plat drawing 3 of 8 dated received on 5/24/2023 as a “pervious paver drive area” does not meet any of the setback exceptions in 15A NCAC .0309(a)(1-10).

- The proposed pervious paver driver area would be constructed of concrete pavers inlaid in decorative gravel or concrete.

Petitioner is seeking a variance from strict application of the Coastal Resources Commission’s (the “Commission”) General Use Standards for Ocean Hazard Areas as set forth in 15A NCAC 7H .0306. In addition to general use standards, this rule establishes setbacks designed to protect life and property calculated on the total square footage of heated/air-conditioned living space. The ocean erosion setback rule is designed to ensure that development within the coastal shorelines is

EXHIBIT D

North Pier Holdings, LLC Variance Petition
Stipulation

Petitioner, North Pier Holdings, LLC, through its attorney, Todd S. Roessler, stipulates that the proposed development that is the subject of this variance petition is inconsistent with Coastal Resource Commission Rules 15A NCAC 7H .0306.

EXHIBIT F

Variance Petition
Petitioner's Position on Variance Criteria**1. Will unnecessary hardships result from strict application of the rules, standards, or orders?**

Petitioner's Position: Yes.

Petitioner's Argument: The Petitioner will suffer unnecessary hardship from strict application of the Coastal Resources Commission's (the "Commission") setback rules applicable to coastal shorelines set forth at 15A NCAC 7H .0306(a) to the North Pier Ocean Villas Condominiums (the "Property"). Section 15A NCAC 7H .0306 establishes general use standards for ocean hazard areas and provides setbacks designed to protect life and property calculated on the total square footage of heated/air-conditioned living space. The ocean erosion setback rule is designed to ensure that development within the coastal shorelines is compatible with and cannot do harm to the biological and physical functions of the shoreline system. 15A NCAC 7H .0303(b) (The intent of the rules is to "minimize losses to life and property resulting from storms and long-term erosion, preventing encroachment of permanent structures on public beach areas, preserving the natural ecological conditions of the barrier dune and beach systems, and reducing the public costs of inappropriately sited development.").

Petitioner will suffer unnecessary hardship from strict application of 15A NCAC 7H .0306(a) as it applies to Petitioner's proposed expansion of Building 1, which includes: (i) an addition of a penthouse on the top floor of Building 1 (approximately 2,313 square feet); (b) new decks on units 112,212,312 (total of approximately 663 square feet); (c) enclosure of the three (3) existing decks in units 112, 212, 312 (total of approximately 216 square feet); and (d) enclosing the two interior outdoor laundry areas (total of approximately 266 square feet). First, a rock revetment exists along the entire ocean shoreline seaward of the Property, and since 1966, Carolina Beach, including the beach in the vicinity of the Property, has regularly been renourished pursuant to a federally-authorized project minimizing the risk of storm damage. This federal project is authorized through 2036 and is scheduled to occur every three (3) years. The Commission has adopted a static line exception for the Town, which has not expired. Further, the Carolina Beach Pier House is located directly seaward of Building 1. Second, the erosion rate in the vicinity of the Property is decreasing. Third, Building 1 straddles the 180-foot setback line; the majority of Building 1 is located landward of the 180-setback line. Fourth, Petitioner is making a significant investment of \$3,430,900 to repair Buildings 1 and 2. In addition to these repairs, enclosing the exposed laundry rooms will prevent further damage to Building 1 and make it structurally stronger. Fifth, the proposed expansion of Building 1 will not expand the roofline or foundation of Building 1. The only proposed expansion of the footprint of Building 1 would be the new decks, which would be constructed within the northeastern corner of Building 1. Each new deck will be supported by two pilings with helical anchors driven to bedrock minimizing the risk of storm damage.

Petitioner will suffer unnecessary hardship from strict application of 15A NCAC 7H .0306(a) as it applies to Petitioner's proposed pool and pool deck. Due to deteriorating conditions and safety concerns, Petitioner removed the concrete pool deck. If the pool deck was not removed, Petitioner could have proceeded under the maintenance and repair exemption set forth in 15A NCAC 7K .0103. Petitioner is proposing to replace the existing pool deck with a new, concrete pool deck. Following submission of the CAMA permit application, the Town of Carolina Beach required additional parking spaces. As a result, Petitioner revised its pool area plan and is proposing eight new parking spaces. The new pool deck would be within and smaller than the preexisting footprint of the prior pool deck. Petitioner also plans to replace the existing pool and proposes a new, small 100 square foot hot tub.

Petitioner will suffer unnecessary hardship from strict application of 15A NCAC 7H .0306(a) as it applies to Petitioner's proposed pervious paver area. First, neither pavers nor concrete would pose a significant risk during storms. The rock revetment, federally-authorized beach renourishment project, and the Carolina Beach Pier House are located seaward of the proposed paver area minimizing risk during storms. Second, a significant portion of the proposed pervious paver area is located landward of the 180-foot setback line.

2. Do such hardships result from conditions peculiar to Petitioner's property such as the location, size, or topography of the property?

Petitioner's Position: Yes.

Petitioner's Argument: Although the Property is located in the Ocean Erodible Area, the hardships of strictly applying the CRC's setback rules result from the peculiar location of the Property. Building 1 straddles the 180-foot setback, and a rock revetment located along the entire ocean shoreline seaward of the Property, a federally-authorized beach storm risk management project, and the Carolina Beach Pier House provide protection to the Property minimizing the risk to life and property resulting from storms and long-term erosion.

3. Do the hardships result from actions taken by the Petitioner?

Petitioner's Position: No.

Petitioner's Argument: The unnecessary hardship does not result from actions taken by the Petitioner. Building 1 and the pool area were constructed long before Petitioner acquired the Property in approximately the 1984 time period. Petitioner acquired the Property on July 27, 2022. Petitioner did not cause the erosion of the vegetation line and dune system oceanward of the Property, and the proposed development will not expand the roofline or foundation of Building 1. The only proposed expansion of the footprint of Building 1 would be the new decks, which would be constructed within the northeastern corner of Building 1. Each new deck will be supported by two pilings with helical anchors driven to bedrock minimizing the risk of storm damage. The footprint of the pool deck will be smaller and within the preexisting footprint of the pool area.

4. Will the variance requested by the Petitioner (a) be consistent with the spirit, purpose and intent of the rules, standards, or orders issued by the Commission; (b) secure public safety and welfare; and (c) preserve substantial justice?

Petitioner's Position: Yes.

Petitioner's Argument: The variance requested by Petitioner is consistent with the spirit, purpose and intent of the rules or orders of the Commission; will secure the public safety and welfare; and will preserve substantial justice. The proposed development would not impact any biological, social, economic or aesthetic values, based on the physical properties of the structures. The proposed expansion of Building 1 will not expand the roofline or foundation of Building 1. The only proposed expansion of the footprint of Building 1 would be the new decks, which would be constructed within the northeastern corner of Building 1. Each new deck will be supported by two pilings with helical anchors driven to bedrock minimizing the risk of storm damage. Unlike the existing decks, which are proposed to be enclosed, each of the three (3) new decks would be handicap accessible in compliance with the American with Disabilities Act. The footprint of the pool deck will be smaller and within the preexisting footprint of the pool area. Allowing the pool and pool deck will also preserve substantial justice. If the pool deck was not previously removed, it could have been repaired without a CAMA Minor permit or variance.

**ATTACHMENT E:
STIPULATED EXHIBITS**

- A. Articles of Incorporation for Petitioner
- B. 2 deeds to Petitioner at 6583/618 and 6583/795
- C. 2020 Town of Carolina Beach Static Line Exception Report
- D. DCM Map Viewer photos showing PPVL/Static Line and historic shorelines
- E. July 28, 2022 Report of John Wade PE
- F. Town's permitting timeline for the Property
- G. April 20, 2023 CAMA NOV from Town's LPO
- H. April 21, 2023 CAMA Exemption letter
- I. May 31, 2023 CAMA Restoration Close-out letter
- J. May 2023 CAMA Permit Application
- K. May 2023 CAMA Application notice documents and tracking
- L. CAMA Minor Permit 12-23CB, as conditioned
- M. Modified pool/parking proposal with new parking spaces
- N. July 7, 2023 Letter from Town to Petitioner
- O. Powerpoint

030
State of North Carolina
Department of the Secretary of State

SOSID: 2406682
Date Filed: 5/3/2022 1:21:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C2022 123 02139

Limited Liability Company
ARTICLES OF ORGANIZATION

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: North Pier Holdings, LLC
(See Item 1 of the Instructions for appropriate entity designation)
2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both by checking all applicable boxes.) **Note: This document must be signed by all persons listed.**

Name	Business Address	Capacity
<u>Wilkerson Law, PLLC - 2030 Eastwood Rd, Unit 2 Wilmington NC, 28403-7225 United States</u>		<input type="checkbox"/> Member <input checked="" type="checkbox"/> Organizer
_____		<input type="checkbox"/> Member <input type="checkbox"/> Organizer
_____		<input type="checkbox"/> Member <input type="checkbox"/> Organizer

3. The name of the initial registered agent is: Caleb Kratsa

4. The street address and county of the initial registered agent office of the limited liability company is:

Number and Street 6316 Marywood Dr
City Wilmington State: NC Zip Code: 28409-2107 County: New Hanover

5. The mailing address, if different from the street address, of the initial registered agent office is:

Number and Street _____
City _____ State: NC Zip Code: _____ County: _____

6. Principal office information: (Select either a or b.)

a. The limited liability company has a principal office.

The principal office telephone number: _____

The street address and county of the principal office of the limited liability company is:

Number and Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

b. The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. **(Optional):** Listing of Company Officials (See instructions on the importance of listing the company officials in the creation document.

Name	Title	Business Address

9. **(Optional):** Please provide a business e-mail address: Privacy Redaction
The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

10. These articles will be effective upon filing, unless a future date is specified:

This is the 3rd day of May, 2022.

Wilkerson Law, PLLC -- its Organizer

Joseph Wilkerson, Attorney

Signature

Joseph Wilkerson, Attorney

Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

Signature

Type or Print Name and Title

Signature

Type or Print Name and Title

NOTE:

1. Filing fee is \$125. This document must be filed with the Secretary of State.

173
670
1050 names

BK: RB 6583

PG: 618-794

RECORDED:
07-27-2022

04:08:49 PM

BY: ANDREA CRESWELL

ASSISTANT



2022027662

NEW HANOVER COUNTY, NC

TAMMY THEUSCH PIVER

REGISTER OF DEEDS

NC FEE \$2730.00

Prepared by: Wilkerson Law, PLLC 2030, Eastwood Rd, Unit 2
Return to: Wilkerson Law, PLLC Wilmington NC, 28403
Parcel No. See Attached Exhibit D.
Revenue Stamps Exempt Sale

NORTH CAROLINA NEW

HANOVER COUNTY

SPECIAL WARRANTY DEED

This property does not contain Grantor's Principal Residence

THIS SPECIAL WARRANTY DEED, dated the 19th day of July, 2022, is made by and between North Pier Ocean Villas Homeowners Association, Inc., a North Carolina nonprofit corporation (Chapter 11 Debtor, conveying the fractional tenants in common ownership of all the owners of record, as shown on Schedule "A" attached hereto) (herein called the "Grantor"), whose address is P.O. Box 1628, Carolina Beach, NC 28428; and North Pier Holdings LLC, a North Carolina limited liability company (herein called the "Grantee") whose address is 6316 Marywood Dr, Wilmington, NC 28409.

The terms "Grantor" and "Grantee" as used herein shall mean and include the parties indicated, whether one or more, and their heirs, legal representatives, successors and assigns, and shall include singular, plural, masculine, feminine or neuter as required by the context.

WITNESSETH:

WHEREAS, the Grantor filed a Chapter 11 Bankruptcy Petition in the Eastern District of North Carolina on August 5, 2021; and

WHEREAS, an Order was entered authorizing the Grantor to sell the herein described property free and clear of liens of record and said liens will attach to the proceeds of sale, said Order

having been entered on February 10, 2022, by the Honorable David M. Warren, Bankruptcy Judge for the Eastern District of North Carolina, attached hereto as Exhibit "A;" and

WHEREAS, an Order was entered authorizing the Grantor to sell the herein described property free and clear of liens of record and said liens will attach to the proceeds of sale to CEKRA, Inc. or assigns, said Order having been entered on May 4, 2022, by the Honorable David M. Warren, Bankruptcy Judge for the Eastern District of North Carolina, attached hereto as Exhibit "B;" and

WHEREAS, an Order was entered authorizing the Grantor to sell the herein described property free and clear of timeshare ownership interests, including, but not limited to, any claim or interest of unit owners which arise out of the Timeshare Declaration for the former interval ownership regime, recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry and terminated on September 30, 2021 in accordance with an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry; and further that the surviving co-tenant interests of the Debtor, all named Defendants in the Adversary Proceedings and Consent Order Parties shall attach to the proceeds of sale, according to their priority under state and federal law and pursuant to the confirmed Chapter 11 Plan of Liquidation, having been entered on February 10, 2022, by the Honorable David M. Warren, Bankruptcy Judge for the Eastern District of North Carolina; and

WHEREAS, CEKRA, Inc. assigned all of its right, title, and interests to Grantee, pursuant to an Assignment and Assumption Agreement, attached hereto as Exhibit "C."

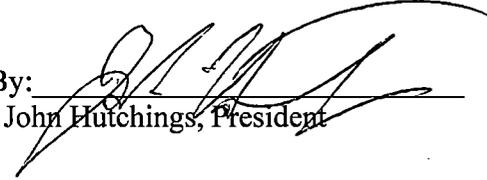
NOW, THEREFORE, by virtue of the Order of the Bankruptcy Court authorizing said sale and confirming the same and for other good and valuable consideration, the terms, amounts and conditions of which are more fully set out in the Orders, the receipt and sufficiency of which is hereby acknowledged, the Grantors do hereby give, grant, bargain, sell, set over and convey unto the Grantee, said Grantee's heirs and assigns, the following real property, to wit: Attached hereto as Exhibit "D".

TO HAVE AND TO HOLD, the aforesaid real property, and all privileges and appurtenances thereto belonging, to Grantee in fee simple.

And Grantor covenants with Grantee that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title to the same against the lawful claims of all persons claiming by, under or through Grantor.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed in such form as to be binding, the day and year first above written.

North Pier Ocean Villas Homeowners Association, Inc., a North Carolina nonprofit corporation

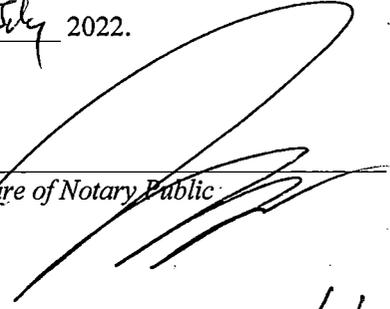
By: 
John Hutchings, President

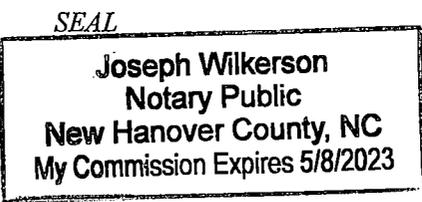
State of North Carolina

County of New Hanover

I, the undersigned Notary Public of the County and State aforesaid, certify that John Hutchings, personally came before me this day and acknowledged that he is the President of **North Pier Ocean Villas Homeowners Association, Inc.**, a North Carolina Nonprofit Corporation and by authority duly given and as the act of such entity he signed the foregoing instrument in its name and on its behalf as its act and deed.

Witness my hand and official seal this 17th day of July 2022.


Signature of Notary Public



My Commission Expires: 5/8/23

Exhibit A.



SO ORDERED.

SIGNED this 10 day of February, 2022.

David M. Warren
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WILMINGTON DIVISION

In the Matter of:
NORTH PIER OCEAN VILLAS
HOMEOWNERS ASSOCIATION, INC.,
Debtor.

Case No.:
21-01760-5-DMW
Chapter 11

ORDER APPROVING: (I) SALE OF REAL AND PERSONAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS; (II) BID PROCEDURES, SOLICITATION OF STALKING HORSE BIDDER AND AUCTION; AND (III) SCHEDULING HEARING FOR FINAL APPROVAL OF SALE OF ASSETS

THIS MATTER, coming before the Court upon the motion (the "Motion") of North Pier Ocean Villas Homeowners Association, Inc. (the "Debtor") seeking an order pursuant to 11 U.S.C. § 363(f) for the (i) approval of the sale of real and personal property free and clear of liens, claims, encumbrances, and interests with such liens, claims, encumbrances, and interests to attach to the proceeds of sale; (ii) approval of bid procedures, the solicitation of stalking horse bidder, and auction; and (iii) a hearing for final approval of sale of assets; and, it appearing to the Court that no response of objection to the Motion has been filed by any party-in-interest; and, it further appearing to the Court that the relief requested in the Motion is in the best interest of the Debtor's bankruptcy estate; and for other good cause shown, the Court hereby FINDS AS FOLLOWS:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and

1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The statutory predicates for the relief requested in this Motion are Bankruptcy Code Sections 105, 363, 503 and 507 and Bankruptcy Rules 2002, 4001, and 6004.

3. The Debtor filed a voluntary petition seeking relief under chapter 11 of the Bankruptcy Code on August 5, 2021 (the "Petition Date").

4. The Debtor is a not-for-profit corporation organized and existing under the laws of the State of North Carolina and doing business in New Hanover County, North Carolina.

5. The Debtor was incorporated in 1984 as a North Carolina non-profit corporation pursuant to Chapter 47A of the North Carolina General Statutes, the North Carolina "Unit Ownership Act." It serves as the homeowners' association for North Pier Ocean Villas, a condominium/timeshare development located in Carolina Beach, North Carolina. The Debtor is the governing body for the development and exists to manage, operate, and maintain the condominium units and common areas that comprise it. The Declaration of Condominium for North Pier Ocean Villas (the "Condominium Declaration") was recorded on May 4, 1984, in Book 1253, Page 687 of the New Hanover County, North Carolina Registry. The Timeshare Declaration, an overlay to the condominium regime (the "Timeshare Declaration"), was recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry and terminated on September 30, 2021 in accordance with an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry.

6. The Condominium Plan includes forty-two (42) condominium units. The Condominiums are comprised of two buildings at 1800 Canal Drive in Carolina Beach, North Carolina. Under the Timeshare Plan, each unit was assigned fifty-two (52) weekly intervals,

constituting 2,184 weekly timeshare intervals. The Condominiums were designated as units under the Timeshare Plan corresponding to their condominium numbers in the building and the week number assigned to the timeshare holder. When the Timeshare Declaration was terminated the owners of individual timeshare units reverted to owners of the condominium units as tenants in common.

7. The Debtor filed its Plan of Liquidation (the “Plan”) on December 2, 2021. The purpose of the Plan is to sell the North Pier development, including all Condominiums and related common areas, and allocate the proceeds of sale to creditors and owners as set forth in the Plan.

8. In furtherance of the Plan, the Debtor is preparing to file Adversary Proceedings in the United States Bankruptcy Court against the owners of fractional interests in the Subject Units in order to clear title to the Property pursuant to 11 U.S.C. § 363(h). In conjunction with certain consent orders (the “Consent Orders”) already executed by owners of fractional interests, the Debtor’s pursuit of judgments in those Adversary Proceedings will serve to grant the Debtor the authority to sell both its interests, those of its co-tenants in common, and the related common areas free and clear of all encumbrances and interests.

9. On October 13, 2021 the Debtor filed an Application for Approval of Employment and Compensation of Real Estate Broker [DE# 56] (the “Broker Application”), requesting that Great Neck Realty Company and its principal broker, Robert Tramantano (hereinafter “GNRC” or “Mr. Tramantano”) be approved as broker with respect to the sale of the Property and that GNRC and Mr. Tramantano be allowed compensation, commissions and partial expense reimbursement as outlined in the Broker Application. The Court entered an Order Authorizing Application to Employ and Compensate Real Estate Broker on November 12,

2021 [DE# 61] (“Order Authorizing Employment”).

10. GNRC is currently marketing the Property to interested parties, and both GNRC and the Debtor seek approval of a procedure for soliciting qualified bids, including a potential stalking horse bidder (the “Stalking Horse Bidder”), prior to conducting an auction among the holders of qualified bids, as set forth below.

11. The Debtor anticipates that qualified bidders will execute an Asset Purchase Agreement (the “Purchase Agreement”), which is expressly subject to Bankruptcy Court approval in all respects. A true and accurate copy of a proposed Purchase Agreement is attached to the Motion as Exhibit “A” and incorporated herein by reference, and can be summarized as follows:

Purchase Price	Minimum \$3,950,000.00
Earnest Money Deposit	5.0% of the Purchase Price, delivered upon full execution of the Purchase Agreement
Inspection Period / Due Diligence Contingency	None
Closing	Shall occur within ten (10) days after entry by the Bankruptcy Court of a non-appealable Order approving the sale of the Property to the Successful Bidder
Financing Contingency	None
Closing Costs Paid by Debtor	(i) prorated ad valorem taxes for current year; (ii) unpaid ad valorem taxes for prior years.
Closing Costs Paid by Purchaser	(i) recording fees; (ii) prorated ad valorem taxes for current year
Break-Up Fee (only in the event of an accepted Stalking Horse Bid)	One and one-half percent (1.5%) of the initial bid of the Stalking Horse Bidder

12. The Debtor and the purchaser shall each be responsible for its own attorneys’ fees incurred in connection with the Purchase Agreement, the Bankruptcy Case and the transactions or other matters contemplated hereby or thereby.

13. The Debtor's Motion seeks to (i) establish a procedure for the orderly sale of the Property in a manner that will maximize the recovery for the estate; and (ii) approve a conveyance of the Property free and clear of all liens, claims and encumbrances of record. Pursuant to this Motion, the Debtor wishes to allow for the sale of the Property on the terms set forth herein, and according to the Bidding Procedures set forth on Exhibit "B" to the Motion.

14. The Debtor represents the proposed Bidding Procedures allow maximum flexibility when evaluating potential competing offers or bids for the Property, thereby providing the greatest potential to maximize value to the estate.

15. In connection with the proposed Bidding Procedures, the Debtor seeks the Court's permission to designate, in its discretion and without additional approval of the Bankruptcy Court, a Qualified Bid as a Stalking Horse Bid. While the Debtor has proposed a minimum bid amount that it believes will attract maximum interest in the Property, the option to accept a potential Stalking Horse Bid may entice parties to submit an offer substantially in excess of the minimum sum. In exchange for the Debtor's acceptance of a Stalking Horse Bid, the Debtor has offered a break-up fee equal to one and one-half percent (1.5%) of the initial Stalking Horse Bid in the event the Stalking Horse Bidder is outbid during the Auction and is ultimately not the Successful Bidder.

16. In bankruptcy cases break-up fees are normal, appropriate and sometimes necessary components of sales outside the ordinary course of business as is proposed here. *See, e.g., In re Integrated Resources, Inc.*, 147 B.R. 650, 660 (S.D.N.Y. 1992) (explaining that break-up fee may be legitimately necessary to convince a single "white-knight" to enter the bidding by providing some form of compensation for the risk it is undertaking). Break-up fees encourage bidding by "establish[ing] a bid standard or minimum

for other bidders to follow...or attract[ing] additional bidders.” *Id.* at 662.

17. In considering whether to approve a break-up fee, courts generally consider the following three factors: (1) the relationship between the initial bidder and the seller; (2) whether the fee is designed to encourage bidding; and (3) the size of the fee in relation to the purchase price. *See Id.* at 657-63.

18. Here, the Debtor believes that retaining the option of designating a Qualified Bid as a Stalking Horse Bid will potentially raise the “floor” on the bid process in that Qualified Bidders will, at the Auction, have to exceed the Stalking Horse Bid by not less than three percent (3%), while the break-up fee is based only on the amount of the initial Stalking Horse Bid. Further, any party is able to submit a Qualified Bid, irrespective of the Debtor’s acceptance of a Stalking Horse Bid.

19. The Debtor therefore believes that the discretionary designation of a Qualified Bidder as the Stalking Horse Bidder on the terms set forth herein are beneficial to the sales process and will aid the Debtor in obtaining the maximum purchase price for the Property.

20. The proposed break-up fee of one and one-half percent (1.5%) of the initial Stalking Horse Bid would be paid from the sales proceeds shortly after closing in the event Stalking Horse Bidder is not the Successful Bidder, and given that a bid at the Auction must exceed the Stalking Horse Bid by not less than three percent (3%), it is a reasonable and appropriate amount in relation to the eventual Purchase Price. Such break-up fee would compensate the Stalking Horse Bidder for its time and professional fees and expenses incurred in the Stalking Horse Bid and conducting the necessary due diligence to serve as the stalking horse, as well as for its time and energy expended as a result of the attempted acquisition of the Property.

21. The Debtor has requested that the Court approve the proposed sale procedures, including the Debtor's authority to approve a Stalking Horse Bidder, for the proposed sale of the Property on the terms set forth herein.

22. The Debtor has requested approval of the procedures set forth in the Bidding Procedures for the proposed Auction, including an auction date of April 7, 2022.

23. The Debtor has requested approval of the proposed break-up fee of one and one-half percent (1.5%) of the initial Stalking Horse Bid to be paid to a Stalking Horse Bidder from the sales proceeds following closing, in the event a Stalking Horse Bidder is not the successful bidder.

24. The Debtor seeks approval of a bid period (the "Bid Period"), commencing the day of the Court's entry of an Order approving the Motion, and expiring April 4, 2022.

25. The Debtor requests that the Court require interested bidders to deliver the following items to Debtor's counsel before the expiration of the Bid Period to be deemed "Qualified Bidders" and participate in the auction of the Property:

- a. An executed copy of a standard purchase agreement in the form substantively identical to that attached to the Motion as Exhibit "A" (the "Purchase Agreement");
- b. Earnest money deposit in an amount equal to five percent (5%) of the bid amount, payable by wire transfer or official bank funds as required under the Purchase Agreement; and
- c. Financials and/or a loan commitment demonstrating the interested bidder's ability to close on the purchase of the Property on an all-cash basis with immediately available funds.

26. In the event that a Qualified Bidder is the winning bidder and fails to close on the sale of the Property, the next highest bidder shall be required to honor its next highest bid and close on the sale, and so on until a closing takes place.

27. Failure to close on the sale of the Property shall leave the nonperforming higher bidding parties with liability for breach of contract for the difference between the amount of the high bid and any future net sale proceeds received on the actual sale of the property, plus such other claims and causes of action as may be available under North Carolina and Federal law.

28. The Court will establish a Final Hearing Date, following the auction on April 7, 2022, for the Court to conduct a hearing to approve the proposed sale and enter a final sale Order.

29. The Debtor also requests that the sale made free and clear of any and all liens, encumbrances, claims, rights, and other interests, including, but not limited to, the following;

- A. Any and all post-petition liens and/or security interests in favor of Conversion Financial, LLC.
- B. Any and all real property taxes due and owing to any City, County or municipal corporation, and more particularly, to the New Hanover County Tax Collector.
- C. Any and all remaining interests, liens, encumbrances, rights and claims asserted against the Property, which relate to or arise as a result of a sale of the Property, or which may be asserted against the buyer of the Properties, including, but not limited to, those liens and claims, whether fixed and liquidated or contingent and unliquidated, that have or may be asserted against the Property by the North Carolina Department of Revenue, the Internal Revenue Service, and any and all other taxing and government authorities.

30. No creditor claiming a lien or interest in the above-described Properties has objected within the time allowed, and these creditors are deemed to have consented to the sale of the property free and clear of the creditors' interests.

31. Finally, the Debtor has requested authorization to pay the commission of GNRC pursuant to the Order Authorizing Employment from the sales proceeds at closing without separate application to the Court.

32. Upon completion of the sale of the Property, Debtor's counsel will file a subsequent Motion for authority to disburse the closing proceeds, except for the items specifically authorized herein or by prior orders of this Court.

Based on the foregoing, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Motion is GRANTED, as follows:

1. The Bidding Procedures attached as Exhibit "A" to this Order are hereby approved, and the Property shall be conveyed free and clear of all claims, liens and encumbrances that may be asserted against the Property, as follows:

- A. Any and all post-petition liens and/or security interests in favor of Conversion Financial, LLC.
- B. Any and all real property taxes due and owing to any City, County or municipal corporation, and more particularly, to the New Hanover County Tax Collector.
- C. Those liens and claims, whether fixed and liquidated or

contingent and unliquidated, that have or may be asserted against the Property by the North Carolina Department of Revenue, the Internal Revenue Service, and any and all other taxing and government authorities.

2. The liens against the Property shall be transferred to and automatically attach to the proceeds of sale in the order of their pre-sale priority and further orders of this Court.

3. The approved purchaser of the Property shall have no liability, including as a successor entity, for any debts and obligations of Debtor arising prior to the date of the closing of the purchase of the Property, except for Purchaser's obligation to pay real property taxes for the year of closing as set forth in the Purchase Sale Contract.

4. In accordance with the Bidding Procedures, the Property will be sold in an "AS IS" condition, and no warranties shall be made as to the condition, use or fitness of the Property for a particular purpose. The purchaser of the Property shall bear all costs associated with the transfer of the Property, including registration fees, local transfer fees and taxes, and North Carolina sales taxes, as applicable.

5. The Debtor is authorized to designate a Qualified Bid as a Stalking Horse Bid, and approving payment of a break-up fee to Stalking Horse Bidder in the amount of one and one-half percent (1.5%) of the initial Stalking Horse Bid to be paid to Stalking Horse Bidder from the sales proceeds at closing, in the event Stalking Horse Bidder is not the Successful Bidder;

6. The overbid procedures at the auction in the event of a Stalking Horse Bidder, whereby competing bids must exceed the Stalking Horse Bid by not less than three percent (3%) of the proposed Stalking Horse Bid, are approved;

7. The period within which bidders shall be able to submit Qualified Bids shall commence the date of this Order, and expire April 4, 2022;

8. The proposed qualifications for a Qualified Bidder as set forth herein and the authority of the Debtor to conduct an auction on April 7, 2022 in accordance with the Bidding Procedures are hereby approved;

9. If more than one Qualified Bidder submit a qualifying bid, the Property shall be auctioned at 10:00 a.m. EST on April 7, 2022 in the 3rd Floor Courtroom, United States Bankruptcy Court, 300 Fayetteville Street, Raleigh, North Carolina;

10. A final hearing to approve the sale to the Successful Bidder shall be held at 10:00 a.m. EST on April 12, 2022 in the 3rd Floor Courtroom, United States Bankruptcy Court, 300 Fayetteville Street, Raleigh, North Carolina.

END OF DOCUMENT

EXHIBIT B.



SO ORDERED.

SIGNED this 24 day of June, 2022:

David M. Warren
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WILMINGTON DIVISION**

In the Matter of:
**NORTH PIER OCEAN VILLAS
HOMEOWNERS ASSOCIATION, INC.,**
Debtor.

Case No.:
21-01760-5-DMW
Chapter 11

**ORDER IN AID OF EXECUTION OF CONFIRMED
CHAPTER 11 PLAN AND SALE OF ASSETS**

THIS MATTER, coming on to be heard before the Honorable David M. Warren upon the Debtor's Motion for Order in Aid of Execution of the Confirmed Plan and Sale of Assets ("Motion") [DE 154], seeking entry of an Order recognizing (i) the consolidation of the fractional ownership interests in the North Pier Ocean Villas condominiums and common areas in furtherance of the Debtor's confirmed Plan of Liquidation; as evidenced by (ii) the Court's judgments in the thirty-six (36) adversary proceedings arising from this case seeking relief under 11 U.S.C. § 363(h); and (iii) the executed consent orders of timeshare unit owners acknowledging the Debtor's ability to sell the fractionalized interests as a single transaction, all for the express purpose of consolidating these actions in a single document recordable in the New Hanover County, North Carolina land records as part of the conveyance of title to the purchaser of the Debtor's Property and that of the affiliated unit owners, and granting such other and further relief as is just and appropriate; and

Based upon the Motion, the record in this proceeding and all comments of counsel present and wishing to be heard on the Motion, no objections to the Motion either being filed or presented, this Court makes the following:

Findings of Fact and Conclusions of Law

1. The Debtor filed a voluntary petition seeking relief under chapter 11 of the Bankruptcy Code on August 5, 2021 (the "Petition Date").

2. The Debtor is a not-for-profit corporation organized and existing under the laws of the State of North Carolina and doing business in New Hanover County, North Carolina.

3. The Debtor was incorporated in 1984 as a North Carolina non-profit corporation pursuant to Chapter 47A of the North Carolina General Statutes, the North Carolina "Unit Ownership Act." It serves as the homeowners' association for North Pier Ocean Villas, a condominium/timeshare development located in Carolina Beach, North Carolina. The Debtor is the governing body for the development and exists to manage, operate, and maintain the condominium units and common areas that comprise it. The Declaration of Condominium for North Pier Ocean Villas (the "Condominium Declaration") was recorded on May 4, 1984, in Book 1253, Page 687 of the New Hanover County, North Carolina Registry. The Timeshare Declaration, an overlay to the condominium regime (the "Timeshare Declaration"), was recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry and terminated on September 30, 2021 in accordance with an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry.

4. When it was recorded, the Condominium Declaration related to fifteen (15) condominiums comprising "Phase I" of the North Pier Ocean Villas development, together with the Common Areas and Facilities (as defined in Article III, Section G of the Condominium Declaration, and hereafter designated the "Common Areas"). With the construction of Phases II, III, IV and V

of North Pier Ocean Villas, and the recordation of corresponding amendments to the Condominium Declaration, the Condominium Plan eventually included forty-two (42) condominium units (hereafter, the "Condominiums"). The Condominiums are contained within two buildings at 1800 Canal Drive in Carolina Beach, North Carolina. Under the Timeshare Plan, each Condominium was assigned fifty-two (52) weekly intervals, constituting 2,184 weekly timeshare intervals. The Condominiums were designated as units under the Timeshare Plan corresponding to their condominium numbers in the building and the week number assigned to the timeshare holder. When the Timeshare Declaration was terminated the owners of individual timeshare units reverted to owners of the condominium units as tenants in common (hereafter the "Unit Owners").

5. In accordance with the By-Laws of North Pier Ocean Villas Homeowners Association, Inc. (the "By-Laws," as recorded at Book 1253, Page 720 of the New Hanover County Registry), the Debtor is charged with the responsibility to administer the affairs of North Pier Ocean Villas, collect regular and special assessments, and manage the Common Areas. The Condominium Declaration and Timeshare Declaration, together with all recorded amendments thereto, are incorporated herein by reference and collectively referred to as the "Governing Documents."

6. Pursuant to Article IV of the Condominium Declaration, each Condominium shall be "conveyed and treated as a separate individual unit of real property capable of independent use and fee simple ownership, and the owner or owners of each dwelling shall own as an appurtenance to the ownership of said dwelling an undivided interest in the common areas and facilities of North Pier Ocean Villas and future phases, if any."

7. On April 4, 2022, certain real property (the "NPA Tract") was deeded to the Debtor from North Pier Associates, Limited Partnership, as reflected in that certain Deed recorded at Book 6553, Page 1563 of the New Hanover County Registry. Collectively, the real property and Condominiums subject to the Condominium Declaration and its amendments, together with the

NPA Tract, and the accompanying undivided interest in the Common Areas and Facilities associated with the Condominiums shall comprise and be referred to herein as the "Property." The legal description for the Property is attached hereto and incorporated herein as Exhibit A.

8. Pursuant to N.C. Gen. Stat. § 47A-16 and general principles of law, the Property is deemed to be owned as tenants in common by each Unit owner and member of the North Pier Ocean Villas Homeowners Association, and the interest of each Unit owner, as a tenant in common, shall be the percentage of undivided interest previously owned by such Unit owner in the common areas and facilities as such is defined and established in the Condominium Declaration originally creating the condominium regime.

9. As part of the bankruptcy proceeding, and in conjunction with the Debtor's confirmed Chapter 11 Plan of Liquidation (the "Plan"), all interval owners of Unit Weeks were served with notice of the Debtor's intent to file, as part of the Plan, a series of adversary proceedings (the "Adversary Proceedings") seeking relief under 11 U.S.C. § 363(h) for the purpose of securing orders from the Bankruptcy Court to sell the Property free and clear of claims and interests of co-tenants, including title interests in the condominium and interval ownership weeks, as well as claims and interests arising under the Governing Documents. Prior to confirmation of the Plan, all interval owners of Unit Weeks were given the opportunity to sign and return a Consent Order to be filed in the Adversary Proceeding corresponding to the Unit in which their particular interval ownership interest is incorporated, consenting to the relief sought by the Adversary Proceeding (hereafter the "Consent Order Parties").

10. As of the Petition Date, the Debtor, by virtue of receiving deeds from various owners, was the owner of approximately 992 of the 2184 Unit Weeks in the North Pier Ocean Villas Units.

11. The Debtor continues to operate and manage this bankruptcy as a Debtor-in-

Possession. The Debtor has marketed and intends to sell the Property pursuant to the confirmed Chapter 11 Plan under the authority of 11 U.S.C. § 363(h).

12. The Debtor, all named Defendants to the Adversary Proceedings, and the Consent Order Parties are the individuals and/or entities owning all of the condominium and interval ownership interests within the Condominium Property and are tenants in common within the meaning of 11 U.S.C. § 363(h) of the Bankruptcy Code. The proceeds of sale shall be distributed consistent with the requirements of § 363(h) and (j) of the Bankruptcy Code, subject to the provisions of the confirmed Chapter 11 Plan in the bankruptcy case.

13. Partition in kind of the Property among the Unit Owners, whether named Defendants in the Adversary Proceedings or Consent Order Parties, is impracticable.

14. The sale of the Debtor's interest in the Property would realize significantly less for the Bankruptcy Estate than the sale of the Property free and clear of the claims and interests of the Defendants to the Adversary Proceedings and the Consent Order Parties.

15. The benefit to the Bankruptcy Estate of a sale of the Property free and clear of the interests of the timeshare interests of all named Defendants to the Adversary Proceedings and the Consent Order Parties outweighs the detriment, if any, to the claims and interests of the Defendants in the Adversary Proceedings and the Consent Order Parties.

16. The Property is not used in the production, transmission or distribution, for sale, of electric energy or of natural or synthetic gas for heat, light or power.

17. The sale of all or substantially all of the Debtor's assets requires Bankruptcy Court approval and a debtor is treated as the trustee under 11 U.S.C. §§ 363(h) and 1107 for the purpose of securing an order of this Court in accordance with 11 U.S.C. §1141(c) and §363(h) and the terms of the Confirmed Plan of Liquidation to sell real property free and clear of claims and interests of co-tenants; now therefore,

It is ORDERED, ADJUDGED, and DECREED that:

1. The Motion is hereby ALLOWED; and
2. Pursuant to the confirmed Plan, 11 U.S.C. § 1141(c) and 11 U.S.C. §363(h), and as adjudged in thirty-six (36) Adversary Proceedings filed in this Cause, and as authorized by all Consent Order Parties, the Debtor is allowed and directed to sell the Property described on Exhibit A free and clear of timeshare ownership interests, including, but not limited to, any claim or interest of unit owners which arise out of the Timeshare Declaration for the former interval ownership regime, recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry and terminated on September 30, 2021 in accordance with an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry; and further that the surviving co-tenant interests of the Debtor, all named Defendants in the Adversary Proceedings and Consent Order Parties shall attach to the proceeds of sale, according to their priority under state and federal law and pursuant to the confirmed Chapter 11 Plan of Liquidation. To the extent the named Defendants and Consent Order Parties listed in the Adversary Proceedings in this cause are inconsistent with the claimants listed in Exhibit B to the Disclosure Statement, the parties named and served in the Adversary Proceedings shall control; and
3. After the confirmed sale of the Debtor Property, the proceeds of sale shall be distributed consistent with the requirements of 11 U.S.C. §§ 363(h) and (j), subject to the provisions of the confirmed Chapter 11 Plan and future Orders of this Court.

END OF DOCUMENT

Book 6553 Page 1565

EXHIBIT A

Beginning at the intersection of the Southeast right-of-way line of Canal Drive (40' public right-of-way) and Northeast right-of-way line of Salt Marsh Lane (25' public right-of-way), said point being the southwest corner of Phase II of North Pier Ocean Villas as shown on Condo Map 10 Page 31 of the New Hanover County Registry (all book and page references herein are to the New Hanover County Register of Deeds Office);

Running thence from the point of beginning northeastwardly with and along the Southeast right-of-way line of Canal Drive North $24^{\circ}17'22''$ East 192.60 feet to the Northwest corner of Phase V of North Pier Ocean Villas as shown on Condo Map 10 Pages 369-371 (a rebar set at that corner), the common corner with the southwestern corner of North Pier Associates, Limited Partnership's tract ("North Pier Associates") recorded in Book 1283 Page 1180;

Thence eastwardly with the common line of Phase V of North Pier Ocean Villas and North Pier Associates' line, S $65^{\circ}42'38''$ E 78.00' to a point at the rear corner (the easternmost corner) of Phase V North Pier Ocean Villas, thence continuing the same bearing an additional 47.79' for a total distance of 125.79' to a rebar set at a corner of North Pier Associates tract, said point being in the common line with Fishing Piers, Inc.'s property recorded in Book 2356 page 712;

Thence along and with said North Pier Associates common line with Fishing Piers, Inc. the following six (6) courses:

- S $24^{\circ}07'32''$ W 6.08' to an existing iron rod;
- S $60^{\circ}56'08''$ E 6.79' to an existing iron rod;
- S $24^{\circ}41'41''$ W 11.15' to an existing iron rod;
- S $62^{\circ}51'01''$ E 17.05' to an existing iron rod;
- S $03^{\circ}05'42''$ W 120.07' to an existing iron rod;
- S $24^{\circ}14'33''$ W 61.99' to an existing iron rod in the northern right-of-way line of Salt Marsh Lane a 25' public right-of-way;

Thence with the northern right-of-way line of Salt Marsh Lane N $65^{\circ}42'55''$ W 192.99' to the point of beginning.

This metes and bounds description includes (i) Phases I through V of North Pier Ocean Villas already titled in the name of the Grantee plus (ii) a portion of Grantor's tract lying south of the northernmost line of Grantee's Phase V as extended to a point in the Fishing Piers, Inc. line mentioned above.

Together with all Units as described hereafter:

BEING a unit ownership in real property, under and pursuant to Chapter 47A of the North Carolina General statutes entitled "Unit Ownership Act" and BEING ALL UNITS contained in Phase I, II, III, IV, V of North Pier Ocean Villas Condominium, a condominium project situated upon real property located within town of Carolina Beach, State of North Carolina, as said real property is described in the "Declaration Creating Unit Ownership of Property Under the Provisions of Chapter 47A of the General Statutes of the State of North Carolina" referred to herein below; said Units specifically described by reference to and shown as sets of plans which are attached as Exhibits to the original Declarations and each amendment thereto, which are recorded in the office of the Register of Deeds of New Hanover County, North Carolina, reference to which is hereby made for a more complete description thereof, said plans are recorded as follows:

Phase I

All of Units 101-105, 201-205, 301-305, Phase I of North Pier Ocean Villas Condominium, recorded in Condo Book 6 at Page 121-124 of NHC Registry.

Phase II

All of Units 100,106-107 200, 206-207, 300, 306-307, Phase II of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 31-36 of NHC Registry.

Phase III

All of Units, 108-109, 208-209, 308-309, Phase III of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 156-158 of NHC Registry.

Phase IV

All of Units 110-111, 210-211, 310-311, Phase IV of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 278-281 of NHC Registry.

Phase V

All of Units 112-113, 212-213, 312-313, Phase V of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 369-371 of NHC Registry.

Each of said Units being more specifically defined in said declaration together with all appurtenances thereto belonging, including but not limited to the undivided interest in the common areas and facilities of North Pier Ocean Villas, appurtenant to each of said Units as the same is established in said Declarations or the Supplements thereto.

EXHIBIT C**ASSIGNMENT AND ASSUMPTION AGREEMENT**

This Assignment and Assumption Agreement, dated as of June 6, 2021, between CEKRA Inc. (the "Assignor"), and North Pier Holdings, LLC. (the "Assignee"), provides:

WHEREAS, Assignor is the Purchaser of real Property as defined under the terms of that certain Asset Purchase Agreement, executed April 7, 2022 (the "APA"), attached hereto and fully incorporate herein as Exhibit A.

WHEREAS, Assignor has the right under the APA to assign the contract to a third party. Assignor wishes to assign their rights and obligations under the APA to Assignee, under the following terms and conditions.

NOW THEREFORE,

1. Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the APA, defined below.
2. Recitals. All recitals in the APA shall be fully set forth herein for reference.
3. Assignment. The Assignor hereby assigns to the Assignee all of its right, title and interest in the APA (Exhibit A) (the "Assigned Agreement").
4. Earnest Money. Assignor has complied with Section 3.3 of the Assigned Agreement and has tendered the Earnest Money to Ayers & Haidt, P.A. If Assignor would be entitled to a return of the Earnest Money under the terms of the Assigned Agreement, Assignee shall promptly take any and all actions to facilitate the return of the Earnest Money to Assignor.
5. Assignee's Assumption. The Assignee hereby accepts the foregoing assignment of the Assigned Agreement. The Assignee does not assume, and expressly disclaims, any liability or obligation with respect to the Assignor's performance or non-performance or breach of the Assigned Agreement prior to the date hereof.
6. Assignor's Assumption. The Assignor hereby does not assume and expressly disclaims, any liability or obligation with respect to the Assignee's performance or non-performance or breach of the Assigned Agreement after the date hereof.
7. Assurances. Each party hereby agrees to execute and deliver to the other party, from time to time, such further instruments, acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to effect the assignment and assumption evidenced hereby. Assignor agrees to cooperate as reasonably requested by Assignee in

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

8. Counterparts. This Assignment and Assumption Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. Governing Law. The provisions hereof shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to the conflicts of law rules thereof.

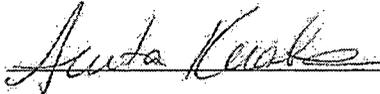
10. Conflicts. In the event of any conflict between the provisions of this Assignment and Assumption Agreement and the provisions of the APA, the provisions of the APA shall control.

11. Independent Representation. Both parties are assumed to have fully read the terms of the Assigned Agreement and this Assignment, was represented by counsel or waived such right. No consideration or benefit shall be given to the non drafting party of this Agreement.

In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.



By: Anita Kratsa
Title: President

ASSIGNEE:

North Pier Holdings, LLC



By: Perry Caleb Kratsa
Title: Member

By: Daniel Price
Title: Member

By: Aaron Crain
Title: Member



Jeffrey O'Brien,
Title: Manager

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

8. Counterparts. This Assignment and Assumption Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. Governing Law. The provisions hereof shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to the conflicts of law rules thereof.

10. Conflicts. In the event of any conflict between the provisions of this Assignment and Assumption Agreement and the provisions of the APA, the provisions of the APA shall control.

11. Independent Representation. Both parties are assumed to have fully read the terms of the Assigned Agreement and this Assignment, was represented by counsel or waived such right. No consideration or benefit shall be given to the non drafting party of this Agreement.

In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.

Anita Kratsa

By: Anita Kratsa
Title: President

ASSIGNEE:

North Pier Holdings, LLC

[Signature]

By: Perry Caleb Krasta
Title: Member

D. Price
By: Daniel Price
Title: Member

Jeffrey O'Brien,
Title: Manager

Aaron Crain
By: Aaron Crain
Title: Member

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

8. Counterparts. This Assignment and Assumption Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

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10. Conflicts. In the event of any conflict between the provisions of this Assignment and Assumption Agreement and the provisions of the APA, the provisions of the APA shall control.

11. Independent Representation. Both parties are assumed to have fully read the terms of the Assigned Agreement and this Assignment, was represented by counsel or waived such right. No consideration or benefit shall be given to the non drafting party of this Agreement.

In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.

Anita Kratsa

By: Anita Kratsa

Title: President

ASSIGNEE:

North Pier Holdings, LLC

[Signature]

By: Perry Caleb Kratsa

Title: Member

Jeffrey O'Brien,
Title: Manager

By: Daniel Price

Title: Member

Aaron Crain

By: Aaron Crain

Title: Member

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

8. Counterparts. This Assignment and Assumption Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. Governing Law. The provisions hereof shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to the conflicts of law rules thereof.

10. Conflicts. In the event of any conflict between the provisions of this Assignment and Assumption Agreement and the provisions of the APA, the provisions of the APA shall control.

11. Independent Representation. Both parties are assumed to have fully read the terms of the Assigned Agreement and this Assignment, was represented by counsel or waived such right. No consideration or benefit shall be given to the non drafting party of this Agreement.

In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.

Anda Kratsa

By: *Anda Kratsa*

Title: *President*

ASSIGNEE:

North Pier Holdings, LLC

[Signature]

By: *Perry Caleb Kratsa*

Title: *Member*

Jeffrey O'Brien,
Title: Manager

By: Daniel Price

Title: Member

By: Aaron Crain

Title: Member

EXHIBIT A

40 AMENDED ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (together with the exhibits and schedules hereto, this "Agreement"), is made as of the 7th day of April, 2022 (the "Effective Date"), by and between North Pier Ocean Villas Homeowners Association, Inc., a North Carolina nonprofit corporation ("Seller") and CEKRA Inc. and/or assigns ("Purchaser").

RECITALS

WHEREAS, Seller is an Interval Ownership Association organized under the provisions of Article 4 of Chapter 93A of the North Carolina General Statutes (the North Carolina Timeshare Act) and Chapter 47A of the North Carolina General Statutes (the North Carolina Unit Ownership Act);

WHEREAS, Seller serves as the homeowners' association for North Pier Ocean Villas, a condominium/timeshare development located in Carolina Beach, North Carolina and is the governing body for the development and exists to manage, operate, and maintain the forty-two (42) condominium units (the "Subject Units") and common areas that comprise it;

WHEREAS, each of the Subject Units was divided into individually or corporately owned deeded timeshare weeks, together with an undivided percentage interest in the common areas of North Pier Ocean Villas in accordance with that certain Timeshare Declaration, recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry, which has since been terminated on September 30, 2021 pursuant to an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry;

WHEREAS, each of the Subject Units remains subject to the Declaration of Condominium for North Pier Ocean Villas (the "Condominium Declaration") was recorded on May 4, 1984, in Book 1253, Page 687 of the New Hanover County, North Carolina Registry, while;

WHEREAS, all of the separate and distinct ownership week interests and undivided common area interests in the Subject Units, common areas, and the related personalty are referred to herein collectively as the "Property";

WHEREAS, Seller owns certain fractional timeshare interests in common with other unit owners in the Subject Units;

WHEREAS, Seller's fractional timeshare interests, together with the accompanying undivided interest in the common areas, may be referred to herein collectively as the "Seller's Fractional Interests";

WHEREAS, on August 5, 2021 (the "Petition Date") Seller filed a voluntary petition with the United States Bankruptcy Court for the Eastern District of North Carolina (the

“Bankruptcy Court”) for relief under Chapter 11, Title 11, of the United States Code (11 U.S.C. §§ 101, *et seq.*, the “Bankruptcy Code”), Case No. 21-01760-5-DMW (the “Bankruptcy Case”);

WHEREAS, on January 15, 2022 the Bankruptcy Court entered an Order Confirming Plan in the Bankruptcy Case [DE 70] (the “Confirmation Order”);

WHEREAS, pursuant to the terms of the Confirmation Order and the confirmed Chapter 11 plan (the “Plan”), Seller is authorized to market the Property for private sale, subject to Bankruptcy Court approval;

WHEREAS, the purchase of the Property contemplated by this Agreement is subject to the approval of the Bankruptcy Court in all respects and will be consummated pursuant to the Confirmation Order together with any future Sale Procedures Order and Section 363(h) Orders entered by the Bankruptcy Court following appropriately noticed hearings requesting such orders;

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, the Property as more fully described herein, free and clear of all liens, claims and encumbrances, other than the Permitted Encumbrances, upon the terms and conditions set forth herein and pursuant to an order of the Bankruptcy Court approving such sale under Section 363 of the Bankruptcy Code (the “Sale Order”), such Sale Order to include the assignment and assumption of certain executory contracts, if any, as provided herein pursuant to Section 365 of the Bankruptcy Code.

AGREEMENT

NOW, THEREFORE, for and in consideration of the representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows.

ARTICLE 1

DEFINITIONS

1.1 Definitions.

As used herein, the following terms shall have the following meanings:

“*Acquired Assets*” has the meaning assigned to that term in Section 2.1 hereof.

“*Affiliate*” means as to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person. For such purposes “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or

otherwise, and shall be deemed to exist with respect to each Person as to which the Person in question acts as an officer, director, member, manager, partner, trustee or in a similar capacity. For purposes of this definition only, any individual Person shall be deemed to include any relative (by blood, marriage or adoption) of such individual Person, such that in any circumstance where such relative controls a Person, such controlled Person shall be deemed an Affiliate of such first individual.

"Agreement" has the meaning assigned to that term in the preamble hereto.

"Bankruptcy Case" has the meaning assigned to that term in the preamble hereto.

"Bankruptcy Code" has the meaning assigned to that term in the preamble hereto.

"Bankruptcy Court" has the meaning assigned to that term in the preamble hereto.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are required or authorized by law to be closed in New York, New York.

"Closing" means the closing of the transactions contemplated by this Agreement.

"Closing Date" has the meaning assigned to that term in Section 4.1.

"Closing Payment" has the meaning assigned to that term in Section 3.1.

"Confirmation Order" has the meaning assigned to that term in the preamble hereto.

"Deed" has the meaning assigned to that term in Section 5.1(a).

"Earnest Money" has the meaning assigned to that term in Section 3.3(a).

"Effective Date" has the meaning assigned to that term in the preamble hereto.

"Effective Time" has the meaning assigned to that term in Section 4.1.

"Escrow Agent" has the meaning assigned to that term in Section 3.3(a).

"Escrow Deposit" has the meaning assigned to that term in Section 3.3(a).

"Estate" shall mean property of the Seller's estate as determined in the Bankruptcy Case.

"GAAP" means United States generally accepted accounting principles as in effect from time to time, consistently applied.

"Knowledge" of an individual means the actual knowledge of such individual. With respect to a Person (other than an individual), *"Knowledge"* means the actual knowledge of any individual who is serving as a director or officer (or in any similar capacity) of such Person.

"Lien" means any lien, security interest, pledge, hypothecation, encumbrance or other interest or claim, including, but not limited to, any options or rights to purchase and any

mechanics' or tax liens, whether arising by agreement, by statute or otherwise and whenever arising; excluding, however, the Permitted Encumbrances.

"Material Adverse Effect" means the occurrence or failure of an event that could reasonably be expected to have a material adverse effect on the value of the Acquired Assets, taken as a whole.

"Monetary Defect" has the meaning assigned to that term in Section 9.9(b).

"Organizational Documents" means (a) the articles or certificate of incorporation and the bylaws or code of regulations of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) the certificate of organization and limited liability company agreement of a limited liability company; (e) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (f) any amendment to any of the foregoing.

"Permitted Encumbrances" means (a) statutory liens for current taxes, special assessments or other governmental charges not yet due and payable; (b) restrictions, reservations, agreements, easements or rights of way as may appear as a matter of public record or as may be evidenced by possession, use or survey; and (c) zoning, entitlement, building and other land use by-laws, ordinances or regulations imposed by governmental authorities having jurisdiction over the Property which are not violated in any material respect by the current occupancy, use and operation of the Property.

"Person" means any individual, corporation, partnership, joint venture, trust, association, limited liability company, unincorporated organization, other entity, or governmental body or subdivision, agency, commission or authority thereof.

"Petition Date" has the meaning assigned to that term in the preamble hereto.

"Property" has the meaning assigned to that term in the preamble hereto, provided, however, that the metes-and-bounds descriptions attached hereto as **Exhibit A** are subject to change following Purchaser's inspection of title to the Property. For the avoidance of doubt, the parties intend that the real property conveyed to Purchaser at closing shall include all parcels listed on Exhibit A-1.

"Purchaser" has the meaning assigned to that term in the preamble hereto.

"Purchase Price" has the meaning assigned to that term in Section 3.1.

"Real Property" has the meaning assigned to that term in Section 2.1(a).

"Sale Order" has the meaning assigned to that term in the preamble hereto.

"Sale Procedures Order" means an Order (A) Authorizing and Scheduling an Auction for the Sale of Substantially All of Debtor's Assets (B) Approving Bidding Procedures, (C) Approving Procedures for the Assumption and Assignment of Contracts and Leases, (D)

Authorizing the Debtor to Designate a Stalking Horse Bidder and Approving a Break-Up Fee, (E) Approving the Form and Manner of Certain Notices, and (F) Setting a Date for the Sale Hearing, in form and substance acceptable to Purchaser.

"*Section 363(h) Orders*" means any orders entered by the Bankruptcy Court authorizing Seller to sell the Property pursuant to 11 U.S.C. § 363(h) as contemplated in the Plan.

"*Seller*" has the meaning assigned to that term in the preamble hereto.

"*Seller's Fractional Interests*" has the meaning assigned to that term in the preamble hereto.

"*Subject Units*" has the meaning assigned to that term in the preamble hereto.

"*Tax*" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under former Section 59A of the Tax Code or any similar or analogous type of tax), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not. Any variation of, or terms of similar import to, "*Tax*" (e.g., "*Taxable*" or "*Taxing*") shall refer to or mean with respect to Taxes.

"*Tax Code*" means the Internal Revenue Code of 1986, as amended.

"*Title Commitments*" has the meaning assigned to that term in Section 9.9(a).

"*Title Company*" has the meaning assigned to that term in Section 9.9(a).

"*Title Policy*" has the meaning assigned to that term in Section 9.9(a).

1.2 Singular/Plural; Gender. Where the context so requires or permits, the use of the singular form includes the plural, the use of the plural form includes the singular, and the reference to either gender includes either and both genders.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Sale and Purchase of Assets. On the Closing Date and subject to the terms and conditions set forth in this Agreement and the Sale Order, Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, good and marketable title to the Property in accordance with future Section 363(h) Orders entered by the Bankruptcy Court, free and clear of any Lien, and all right, title and interest in and to the other personal, tangible and intangible assets described herein, free and clear of any Lien. Purchaser may, on or prior to Closing, assign its rights to purchase some or all of the Acquired Assets to one or more Affiliates of Purchaser. The assets, properties, rights and interests of whatever kind or nature, tangible, intangible or personal,

to be sold or assigned hereunder (collectively, the "Acquired Assets") shall include, but are not limited to, all of Seller's right, title and interest in and to the following:

- (a) Property. Good and marketable fee simple absolute title to certain real property as more fully described and set forth in the attached **Exhibit A** (the "Real Property"), and all easements, rights-of-way, leases, rights, privileges, tenements, hereditaments, and uses appurtenant to the Real Property. The preceding shall include, but not be limited to, the entire right, title and interest in and to any land lying in the bed of any and all public and private streets, roads, avenues, rights-of-way, highways, or passage-ways, open or proposed, in front of or abutting the Real Property, and shall also include, but not be limited to, an undivided percentage interest in the common areas of North Pier Ocean Villas; and
- (b) Fixtures; Other Personal Property. All fixtures, including any items that are permanently attached to or affixed to the Real Property, together with all personal property and other items located within but not affixed to the Real Property.

2.2 Excluded Assets. The Acquired Assets will not include, as of the Closing (i) cash held by, in transit to or on deposit in Seller's bank accounts, (ii) accounts receivable owed to Seller, or (iii) the right to pursue any claims or causes of action pursuant to Chapter 5 of the Bankruptcy Code (the "Excluded Assets").

2.3 Assumed Liabilities. Purchaser shall not assume any liabilities of Seller as part of this Agreement.

ARTICLE 3

PURCHASE PRICE; PRORATIONS; EARNEST MONEY

(\$ 8,300,000.00)

*Eight Million
Three Hundred
Thousand and no/100
Four Million*

3.1 Purchase Price; Payment Terms. The "Purchase Price" shall be equal to _____ Dollars (*\$4,000,000*) (the "Closing Payment"). The Closing Payment (as adjusted for any prorations or other adjustments set forth herein) shall be paid by wire transfer of immediately available funds to Seller's account at Closing.

3.2 Proration of Taxes, Expenses, etc. The Parties shall prorate and apportion, on a calendar year basis, as of the Effective Time, the real property Taxes and assessments, both general and special, for the Property, based upon the last available Tax statements. If the actual real property Taxes paid by Purchaser in respect of the period of the proration exceed the credit given Purchaser at Closing for such Taxes, Seller shall, upon presentation of appropriate paid Tax bills, reimburse Purchaser for any amounts incurred by Purchaser for such Taxes in excess of the prorated credit. Alternatively, if the actual real estate Taxes paid by Purchaser in respect of the period of the proration are less than the credit given Purchaser at Closing for such Taxes, Purchaser shall reimburse Seller for the amount by which the prorated credit was in excess of the actual amount of the Taxes paid. Liability for personal property and other ad valorem Taxes and assessments, both general and special, as well as utilities, stormwater fees and other expenses customarily prorated by buyers and sellers of assets will be allocated and prorated between

Purchaser and Seller through the Effective Time such that each party is responsible for such Taxes and expenses only during its period of ownership (as if ownership transferred as of the Effective Time); provided, that to the extent utilities and similar expense items are not transferred to Purchaser until a later date, allocations and prorations of such items will be made at such later date as of the Effective Time. If any prorated amounts pursuant to this Section are not known as of the Closing Date, adjustments shall be made post-Closing at such time as they are known to the parties, and any party owing another party a net amount of prorations will promptly pay such amount owed.

3.3 Earnest Money.

(a) Deposit and Investment of Earnest Money. Purchaser shall deposit with Ayers & Haidt, P.A. ("Escrow Agent") an amount equal to five percent (5.00%) of the Purchase Price upon full execution of this Agreement by all parties (the "Escrow Deposit"). Any Escrow Deposits delivered hereunder shall hereinafter be sometimes collectively referred to as the "Earnest Money." *Amended*

(b) Form; Failure to Deposit. The Earnest Money shall be in the form of a certified or cashier's check or wire transfer to Escrow Agent of immediately available U.S. federal funds. If Purchaser fails to timely deposit any portion of the Earnest Money within the time periods required, Seller may terminate this Agreement by written notice to Purchaser at any time prior to the date on which Purchaser deposits such portion of the Earnest Money, in which event the parties hereto shall have no further rights or obligations hereunder, except for rights and obligations which, by their terms, survive the termination hereof.

(c) Disposition of Earnest Money. Escrow Agent shall deposit the Earnest Money in a non-interest bearing account for the benefit of the party entitled thereto pursuant to this Agreement and, except as otherwise set forth herein, the Earnest Money shall be applied as a credit to the Purchase Price at Closing.

In the event that (i) any condition hereto is not satisfied, (ii) the Seller terminates the Agreement for any reason other than Purchaser's breach of this Agreement, then the Earnest Money shall be refunded to Purchaser. If Purchaser terminates this Agreement as permitted under this Agreement and as a result Purchaser is entitled to a return of the Earnest Money, then Escrow Agent shall pay the entire Earnest Money to Purchaser on the third business day following the termination of this Agreement as permitted under this Agreement and written notice to the Seller and Escrow Agent by the Purchaser of the termination and request for refund of the Earnest Money, unless the Seller timely notifies Escrow Agent that it disputes the right of Purchaser to receive the Earnest Money.

In the event of a termination of this Agreement by Seller as permitted under the Agreement due to Purchaser's alleged breach, Escrow Agent shall maintain the Earnest Money on behalf of Seller and shall be deemed to have delivered such funds to Seller on the third business day following receipt by Escrow Agent and Purchaser of written notice of such termination from the Seller, unless the Purchaser notifies Escrow Agent that it disputes the right of Seller to receive the Earnest Money.

ARTICLE 4**CLOSING**

4.1 Closing. The closing of the transaction contemplated hereby will take place on or about the date that is ten (10) days following the later of (a) entry of the Sale Order, provided that the Sale Order is not subject to a stay, or (b) satisfaction of all of the conditions to Closing set forth in this Agreement in Articles 9 and 10, or such other date as may be mutually acceptable to Seller and Purchaser (the "Closing" or "Closing Date"). The Closing will take place at a location to be mutually agreed upon by Purchaser and Seller. The Closing shall be deemed effective for all purposes as of 11:59 p.m. on the Closing Date (the "Effective Time").

4.2 Court Approval Required. Seller and Purchaser acknowledge and agree that the Bankruptcy Court's entry of a Sale Order, which has not been stayed, is required in order for Seller and Purchaser to consummate the transactions contemplated hereby and that the requirement that the final Sale Order be entered is a condition that cannot be waived by either party.

ARTICLE 5**DELIVERIES AT CLOSING**

5.1 Deliveries by Seller. At the Closing, Seller shall put Purchaser in actual possession and operating control of the Acquired Assets by delivery thereof to Purchaser and by providing Purchaser with any keys relating to the Property and arranging for all of the Acquired Assets to be located at the Property. Seller shall deliver or cause to be delivered to Purchaser the following (each in form and substance reasonably satisfactory to Purchaser):

(a) a special warranty deed, ~~with appropriate warranty of title~~ (subject only to Permitted Encumbrances), executed by Seller in recordable form and conveying to Purchaser good and marketable fee simple absolute title to the Real Property (the "Deed"), and all other documents, certificates or affidavits that may be required to convey to Purchaser good and marketable fee simple title to the Acquired Assets and/or to obtain title insurance satisfactory to Purchaser;

(b) one or more typical title company affidavits for purposes of Purchaser's title insurance regarding absence of materialmen's and laborers' liens, absence of tenants in possession, that there are no unrecorded easements by, through or under Seller, and otherwise sufficient to delete the standard exceptions Purchaser's ALTA extended coverage title insurance policies, as well as any other instruments needed to clear title to the standard required by this Agreement;

(c) any other assignments, bills of sale or certificates of title dated as of the Closing Date, transferring to Purchaser all right, title and interest in and to the Acquired Assets free and clear of all Liens;

(d) a certificate from a duly elected officer of Seller certifying as to the resolutions of the board of trustees of Seller approving and authorizing the execution of this

Agreement and the transactions contemplated hereby and the taking of any and all actions deemed necessary or advisable to consummate the transactions contemplated herein; and

(e) such other instruments or documents as Purchaser may reasonably request to fully effect the transfer of the Acquired Assets and to confer upon Purchaser the benefits contemplated by this Agreement.

5.2 Deliveries by Purchaser. At the Closing, Purchaser shall deliver, or cause to be delivered (in addition to any other instruments required by this Agreement to be delivered by Purchaser at the Closing), the following:

(a) the payment of the Closing Payment to Seller by wire transfer to an account designated by Seller; and

(b) such other instruments or documents as Seller may reasonably request to fully effect the transfer of the Acquired Assets and to otherwise consummate the transactions contemplated by this Agreement.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows:

6.1 Organization, Good Standing and Power. Purchaser is a Limited Liability Company duly organized and validly existing under the laws of the State of North Carolina. Purchaser has all requisite power and authority to own, use and operate its properties and to carry on its business as now being conducted.

6.2 Authority Relative to this Agreement; Execution and Binding Effect. The execution, delivery and performance of this Agreement by Purchaser and the consummation of the transactions contemplated hereby have been duly authorized in accordance with all applicable corporate/limited liability company governance provisions and other action(s) on the part of Purchaser, such that no other act or proceeding on the part of Purchaser is necessary to approve the execution and delivery of this Agreement, the performance by Purchaser of its obligations hereunder or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, subject to approval by the Bankruptcy Court.

6.3 No Breach. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby will not: (a) with or without the giving of notice or the lapse of time, or both, conflict with, or result in the breach of or constitute a default under, or result in the modification, cancellation, lapse or termination of, or limitation, or curtailment under, or violate any (i) provision of law, or (ii) any agreement, contract, lease, power of attorney, commitment, instrument, insurance policy, arrangement, undertaking, order, decree, ruling or injunction to which Purchaser is subject or a party or by which it is bound (or with respect to which its properties or assets are subject or bound); or (b)

violate the Organizational Documents of Purchaser.

6.4 **Governmental and Other Consents**. No consent, notice, authorization or approval of, or exemption by, any governmental or public body or authority or by any other Person, whether pursuant to contract or otherwise, is required to be obtained by Purchaser in connection with the execution, delivery and performance of this Agreement or any of the instruments or agreements herein referred to or the taking of any action herein or therein contemplated.

6.5 **Broker**. Seller has employed a broker through the Bankruptcy Court who will be compensated pursuant to terms approved by the Bankruptcy Court at no cost to Purchaser.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser as follows:

7.1 **Organization, Good Standing and Power**. Seller is a non-profit corporation duly organized and validly existing under the laws of the State of North Carolina. Seller has all requisite corporate power and authority to own, use and operate its properties and to carry on its business as now being conducted.

7.2 **Authority Relative to this Agreement; Execution and Binding Effect**. The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of Seller and, subject to the Sale Order, no other act or proceeding on the part of Seller is necessary to approve the execution and delivery of this Agreement, and the performance by Seller of its obligations hereunder or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and, subject to the Sale Order, constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms, subject to approval by the Bankruptcy Court.

7.3 **Title to and Condition of Assets**. Subject to the Sale Order and the Section 363(h) Orders to be entered in the future, Seller shall at the Closing convey to Purchaser, good, valid (and marketable in the case of the Real Property and improvements thereon) title to the Acquired Assets, free and clear of all Liens.

7.4 **Environmental Concerns**. Seller is not in violation of or default under any environmental laws, or any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality having jurisdiction over Seller.

7.5 **Real Property**.

(a) After the Closing Purchaser will have good and marketable title to the Property in fee simple, free and clear of all Liens, other than the Permitted Encumbrances, and

Seller has done nothing to impair such title as Seller received, other than the Permitted Encumbrances.

(b) Seller has received no notice of noncompliance of the Property with any restrictive covenants and deed restrictions affecting the Property or with any zoning, subdivision, watershed, building, health, traffic, flood control, fire safety or other applicable rules, regulations, ordinances and statutes of any local, state, and federal authorities or any other governmental entities having jurisdiction over the Property.

(c) Seller has attached hereto as Exhibit "B" the Owners' Association Disclosure and Addendum, the information provided on same being incorporated herein by reference.

7.6 Absence of Certain Changes. Since the Petition Date:

(a) Seller has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, related to the Acquired Assets;

(b) Seller has not entered into any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) that relates to the Acquired Assets and which reasonably could be expected to have a Material Adverse Effect with respect to the Acquired Assets;

(c) No party (including Seller) has accelerated, terminated, modified, or cancelled any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) relating to the Acquired Assets which reasonably could be expected to have a Material Adverse Effect with respect to the Acquired Assets;

(d) Seller has not imposed or consented to the imposition of any Lien upon any of its assets, tangible or intangible, which reasonably could be expected to have a Material Adverse Effect with respect to the Acquired Assets;

(e) Seller has not experienced any damage, destruction, or loss (whether or not covered by insurance) relating to the Acquired Assets; and

(f) There has not been any other occurrence, event, incident, action, failure to act, or transaction outside the ordinary course of business involving any of Seller or the Acquired Assets.

7.7 Compliance With Laws. Except as identified in the Seller's bankruptcy schedules, Seller is not in violation of or the subject of any investigation for violation of, any laws, regulations, or administrative orders. Except as identified in the Seller's bankruptcy schedules, there is no judgment, writ, decree, injunction, rule, or order of any court, governmental department, commission, agency, instrumentality, or arbitrator outstanding against Seller, its properties or assets, or that would prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement. Seller has complied with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), and no

action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been received or filed or commenced against Seller alleging any failure so to comply.

7.8 Litigation. Except for the proceedings identified in the voluntary petition before the Bankruptcy Court, no suit, action or other proceeding is pending or, to the best of Seller's Knowledge, threatened before or by any court or governmental agency against Seller which would impair or prevent the sale and transfer of the Acquired Assets free and clear of any Lien.

7.9 No Breach. The execution, delivery and performance by Seller of this Agreement as approved by the Bankruptcy Court and the consummation of the transactions contemplated hereby will not: (a) with or without the giving of notice or the lapse of time, or both, conflict with, or result in the breach of or constitute a default under, or result in the modification, cancellation, lapse or termination of, or limitation, or curtailment under, or violate (i) any provision of law, or (ii) any agreement, contract, lease, power of attorney, commitment, instrument, insurance policy, arrangement, undertaking, order, decree, ruling or injunction to which Seller is subject or a party or by which it is bound (or with respect to which the Acquired Assets are subject or bound); or (b) violate the Organizational Documents of Seller.

7.10 Governmental and Other Consents. Subject to approval by the Bankruptcy Court, no consent, notice, authorization or approval of, or exemption by, any governmental or public body or authority, or by any other Person, whether pursuant to contract or otherwise, is required in connection with the execution, delivery and performance of this Agreement or any of the instruments or agreements herein referred to or the taking of any action herein or therein contemplated.

7.11 Taxes. There is no claim, audit, action, suit, proceeding, or investigation now pending or, to the Knowledge of Seller, threatened against or with respect to Seller in respect of any Tax or assessment. No notice of deficiency or similar document of any Tax authority has been received by Seller, and there are no liabilities for Taxes (including liabilities for interest, additions to Tax, penalties thereon and related expenses) with respect to the issues that have been raised (and are currently pending) by any Taxing authority with Seller that could, if determined adversely to Seller, have a Material Adverse Effect.

7.12 Brokers. Seller has not taken any action that would cause Purchaser or its Affiliates to have any obligation or liability to any third-party for finders' fees, brokerage fees, agents' commissions or like payments in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. Seller shall indemnify and hold Purchaser harmless from any claim, loss or expenses, including reasonable attorneys' fees and costs, arising from any claim by any person employed by Seller for finders' fees, brokerage fees, agents' commissions or like payments in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

7.13 Disclosure. No representation, warranty or other statement made by Seller herein or in any of the other agreements or documents executed or delivered to Purchaser pursuant to or in connection with this transaction contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein or therein not

misleading.

ARTICLE 8

COVENANTS AND AGREEMENTS

8.1 Governmental Approvals. Each party hereto shall, as promptly as possible, (a) make, or cause or be made, all filings and submissions required under any law applicable to such party or any of its Affiliates; and (b) use reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all governmental authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the transactions contemplated hereby. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto will not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

8.2 Transaction Expenses. Except as expressly provided for herein, each party shall pay all fees, costs and expenses incurred by it with respect to this Agreement, whether or not the transactions contemplated hereby are consummated.

8.3 Access. Purchaser and its representatives will have full access to Seller's premises, books and records maintained by Seller with respect to the Acquired Assets during normal business hours until the Closing.

8.4 Sale Procedures Order. Seller shall promptly seek approval of the Sale Procedures Order, which shall be acceptable to Purchaser in form and substance.

8.5 Sale Order. Seller shall permit Purchaser with a reasonable opportunity to review and comment on the Sale Order prior to its submission to the Bankruptcy Court.

8.6 Notification of Creditors. Seller shall notify all creditors and parties of interest in the Bankruptcy Case of the existence of this Agreement, the transactions contemplated hereby, and the Sale Procedures Order.

8.7 Notifications. From the date of this Agreement until the Closing, Seller shall give Purchaser prompt written notice of the occurrence of any of the following events occurring after the date of this Agreement:

- (a) any loss, taking, condemnation, damage or destruction of or to any of the Acquired Assets;
- (b) the commencement of any proceeding or litigation at law or in equity or any other commission, agency or administrative or regulatory body or authority against Seller affecting the Acquired Assets;
- (c) any labor grievance, controversy, strike, or dispute affecting the Acquired Assets;

(d) any material violation by Seller of any federal, state or local law, statute, ordinance, rule or regulation;

(e) any other materially adverse developments with respect to the Acquired Assets; or

(f) any event, occurrence or fact that causes any of the representations or warranties contained in Article 7 to be untrue at any time in any material respect; provided, that no disclosure by Seller pursuant to this Section shall be deemed to amend or supplement any provision of this Agreement or to prevent or cure any misrepresentation, breach of warranty or breach of covenant.

8.8 Risk of Loss. The risk of loss with respect to any Acquired Asset will remain with Seller unless and until the Closing has been consummated in accordance with the terms of this Agreement.

8.9 Further Assurances. Purchaser and Seller shall, from time to time after the Closing, without further consideration, execute and deliver such instruments and take such further actions as may be reasonably necessary or desirable to carry out the provisions hereof and the transactions contemplated hereby.

8.10 Approval of Transaction. Seller will provide a resolution duly approved by its board of directors in accordance and compliance with the provisions of the North Carolina Nonprofit Corporation Act and Seller's Organizational Documents for the purpose of approving and adopting the sale of the Acquired Assets in accordance with the material terms of this Agreement as promptly as practical following the date hereof.

8.11 Jurisdiction. The parties agree that the Bankruptcy Court shall have and retain the exclusive and sole jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement or the implementation or the breach hereof. The parties hereby consent to the core jurisdiction of the Bankruptcy Court, consent to the constitutional authority of the Bankruptcy Court to enter a final judgment, and waive any right to a jury trial in connection with any disputes related to or arising out of this Agreement.

ARTICLE 9

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASER

The obligation of Purchaser to consummate the transactions contemplated herein is subject to the satisfaction, at or before the Closing, of each of the following conditions (any of which conditions may be waived by Purchaser in its sole discretion):

9.1 Representations, Warranties and Covenants. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects

(except for such representations and warranties which are qualified by their terms by a reference to materiality, which representations and warranties as so qualified will be true in all respects) on and as of the Closing Date with the same force and effect as though made on the Closing Date. Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller on or prior to the Closing Date (except for such covenants and agreements which are qualified by their terms by a reference to materiality, which covenants and agreements as so qualified will have been performed or complied with in all respects).

9.2 Deliveries at Closing. Purchaser shall have received all documents and other items to be delivered by Seller pursuant to Section 5.1.

9.3 Proceedings and Instruments Satisfactory. All proceedings, corporate or otherwise, required to be taken by Seller prior to or at Closing in connection with the performance of this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Purchaser and its counsel.

9.4 Board of Directors Approval. The board of directors of Seller shall have duly adopted and approved this Agreement and approved the sale of the Acquired Assets pursuant to its terms in accordance with the North Carolina Nonprofit Corporation Act and Seller's Organizational Documents.

9.5 No Material Adverse Change. Between the date hereof and the Closing Date, there shall have been no material adverse change (or event that could reasonably be expected to result in a material adverse change) related to the Acquired Assets.

9.6 Absence of Proceedings. Except for the voluntary petition before the Bankruptcy Court, no action, proceeding or investigation (including, without limitation, actions, proceedings or investigations commenced or threatened by a governmental authority) has been commenced or threatened which would prevent or impair the ability of Seller to consummate any of the transactions contemplated herein.

9.7 Sale Order. The Bankruptcy Court shall have entered the Sale Order and Section 363(h) Orders in form and substance reasonably satisfactory to Purchaser, and such Sale Order shall not be subject to a stay.

9.8 Schedules. To the extent not delivered and approved by Purchaser prior to the date hereof, Seller will have delivered the Schedules required hereunder along with any updates thereto requested by Purchaser prior to Closing, and such Schedules will be acceptable to Purchaser in its sole discretion.

9.9 Title Insurance.

(a) Purchaser, at its election, will have ordered and received title commitments ("Title Commitments") issued by a title company licensed to insure title in the state where the Property is located ("Title Company"), whereby the Title Company agrees to issue at the Closing an ALTA Form 2006 Owners Policy of Title Insurance ("Title Policies") for the Real Property in an amount acceptable to Title Company. The Title Policies shall be in an

amount reasonably determined by Purchaser, showing fee simple title to the Real Property vested in Purchaser at the Closing Date subject only to Permitted Encumbrances. The cost of any endorsements requested by Purchaser shall be paid by Purchaser. Title Policies to be issued by the Title Company pursuant to the Title Commitments shall have all "Standard Exceptions" deleted so as to afford full "extended form coverage" and may contain the following endorsements: an ALTA Zoning Endorsement 3.1, ALTA 8.1 Environmental Protection Lien, ALTA 9.2 Owners Comprehensive, ALTA 17 Access, ALTA 19 Contiguity (where appropriate), survey, and such other endorsements as may be reasonably requested by Purchaser.

(b) Seller shall provide to Purchaser and/or its Title Company all documents, indemnity agreements, affidavits and other documents reasonably and customarily required by the Title Company to issue the Title Policies, to delete "Standard Exceptions" and to provide the special endorsements described in Section 10.11(a), and Seller shall comply with any reasonable and customary requirements set forth in Schedule B – Section One of each Title Commitment, all of which shall have been approved by the Title Company, and including, without limitation, delivery of a fully executed instrument in recordable form with respect to each Lien or other defect of a definite ascertainable amount which can be paid, discharged and released at Closing (a "Monetary Defect"), which unconditionally releases and discharges such Monetary Defect with respect to the Property.

(c) Any surveys, if ordered, shall be ordered and paid for by and certified to Purchaser, its title company and such other entities as Purchaser may elect, and conforming to current ALTA/ACSM Minimum Detail Requirements for Land Title Surveys, sufficient to cause the Title Company to delete the standard printed survey exception and which disclose no state of facts inconsistent with the representations and warranties of the Seller as set forth herein.

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER

The obligation of Seller to consummate the transactions contemplated herein is subject to the satisfaction, at or before the Closing, of each of the following conditions (any of which conditions may be waived by Seller in its sole discretion):

10.1 Representations, Warranties and Covenants. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects (except for such representations and warranties which are qualified by their terms by a reference to materiality, which representations and warranties as so qualified will be true in all respects) on and as of the Closing Date with the same force and effect as though made on the Closing Date. Purchaser shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Purchaser on or before the Closing Date (except for such covenants and agreements which are qualified by their terms by a reference to materiality, which covenants and agreements as so qualified will have been performed or complied with in all respects).

10.2 Deliveries at Closing. Seller shall have received all documents and other items to be delivered by Purchaser pursuant to Section 5.2.

10.3 Sale Order. The Bankruptcy Court shall have entered the Sale Order and Section 363(h) Orders, and such Orders shall not be subject to a stay.

ARTICLE 11

TERMINATION

11.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

- (a) By mutual written consent of Purchaser and Seller;
- (b) By either Purchaser or Seller:
 - (i) If the Bankruptcy Court refuses to enter the Sale Procedures Order, in form and content consistent with the terms of this Agreement;
 - (ii) If the Bankruptcy Court refuses to enter the Sale Order, materially revises the terms of the proposed Sale Order, or orders the sale of the Acquired Assets to a third party;
 - (iii) If the Bankruptcy Court refuses to enter the Section 363(h) Orders authorizing the sale of the Real Property free and of all Liens; or
 - (iv) If the Closing shall not have occurred on or before May 15, 2022 despite the good faith efforts to consummate the Closing by such date by the terminating party;
- (c) By Purchaser (provided Purchaser is not otherwise in material breach), if there has been a breach by Seller of any representation, warranty, covenant, or agreement set forth in this Agreement on the part of Seller that is material and that Seller fails to cure within 10 business days after notice thereof is given by Purchaser (except that no cure period will be provided for a breach by Seller that by its nature cannot be cured) or there occurs a failure of a condition precedent set forth in Article 9, which failure is not due to an act or omission of Purchaser, that by its nature cannot be cured, or if Purchaser elects not to proceed with this transaction as a result of its due diligence review; or
- (d) By Seller (provided Seller is not otherwise in material breach) if there has been a breach by Purchaser of any representation, warranty, covenant, or agreement set forth in this Agreement on the part of Purchaser that is material and that Purchaser fails to cure within 10 business days after notice thereof is given by Seller (except that no cure period will be provided for a breach by Purchaser that by its nature cannot be cured) or there occurs a failure of a condition precedent set forth in Article 10, which failure is not due to an act or omission of Seller, that by its nature cannot be cured;

11.2 Effect of Termination. In the event of termination of this Agreement by either Seller or Purchaser as provided in Section 11.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Seller or Purchaser (except for breach of this Agreement).

ARTICLE 12**MISCELLANEOUS**

12.1 Termination of Representations and Warranties. The representations and warranties of the parties set forth in this Agreement shall terminate and be of no further force or effect as of the Closing Date, except for those representations and warranties contained in the Sale Order which survive indefinitely.

12.2 Notices. All notices, consents or other communications required or permitted hereunder shall be given in writing and hand delivered or addressed and sent by Federal Express or other recognized overnight courier, or by certified or registered mail, postage prepaid, and return receipt requested, as follows:

If to Seller: North Pier Ocean Villas Homeowners Association, Inc.
c/o John Hutchings
P.O. Box 1628
Carolina Beach, NC 28428

With a copy to: David J. Haidt
Ayers & Haidt, P.A.
307 Metcalf Street
New Bern, North Carolina 28563

If to Purchaser: *Celkra Inc*
6316 Marywood Dr
Wilmington NC 28409

With a copy to: _____

or to such other address as may hereafter be designated by any party by the giving of notices in accordance with this Section. All notices, consents or other communications shall be deemed given when actually delivered (in the case of hand delivery by Federal Express or other recognized overnight courier) or received by fax or five (5) days after mailing in accordance with this Section.

12.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without giving effect to rules governing the conflict of laws.

12.4 Waiver. The waiver by a party of a breach of any covenant, agreement or undertaking contained herein shall be made only by a written waiver in each case. No waiver of any breach of any covenant, agreement or undertaking contained herein shall operate as a waiver of any prior or subsequent breach of the same covenant, agreement or undertaking or as a waiver of any breach of any other covenant, agreement or undertaking.

12.5 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, in whole or in part, the validity, legality, and enforceability of the remaining

part of such provision, and the validity, legality and enforceability of all other provisions hereof or thereof, shall not be affected thereby.

12.6 Counterparts. This Agreement may be executed in one or more counterparts (whether manually signed or by facsimile), each such counterpart shall be deemed an original, and all such counterparts shall constitute one and the same agreement.

12.7 Captions; References. The headings, titles or captions of the Articles and Sections of this Agreement are inserted only to facilitate reference, and they shall not define, limit, extend or describe the scope or intent of this Agreement or any provision hereof, and they shall not constitute a part hereof or affect the meaning or interpretation of this Agreement or any part hereof.

12.8 Entire Agreement; Amendments. This Agreement (including the exhibits and schedules hereto) and the documents delivered pursuant hereto constitute the entire agreement and understanding among Seller and Purchaser and supersede any prior agreement and understanding relating to the subject matter of this Agreement. This Agreement may not be amended, changed, modified, altered or terminated unless the parties hereto agree in writing to such amendment, change, modification, alternation or termination.

12.9 Remedies Cumulative; Specific Performance. No remedy herein conferred is exclusive of any other available remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given by agreement or now or hereafter existing at law or in equity or by statute. In addition to any and all other remedies that may be available at law, in the event of any breach of this Agreement, each party shall be entitled to seek specific performance of the agreements and obligations hereunder and to such other injunctive or equitable relief as may be granted by a court of competent jurisdiction.

12.10 Binding Nature; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interest or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other parties. Notwithstanding, Purchaser may assign certain rights and interests and delegate certain obligations hereunder to an Affiliate of Purchaser without the written consent of Seller.

12.11 No Third-Party Beneficiaries. This Agreement is a contract solely between Purchaser and Seller. No third-party beneficiaries are intended hereunder and none shall be inferred herein; and no parties other than Purchaser or Seller (and their permitted assigns) may assert any right, make any claim or otherwise attempt to enforce any provision of or under this Agreement.

12.12 Public Announcements. Neither Purchaser nor Seller will make any public disclosure of this Agreement or the transactions contemplated hereby without prior consultation with the other party hereto, except for such disclosure as may be required by applicable laws, including the Bankruptcy Code.

12.13 Mutual Cooperation. The parties hereto shall work together in good faith to the extent reasonably necessary to facilitate the consummation of the transactions contemplated

by this Agreement, subject to the requirements of the Bankruptcy Court. Subsequent to the Closing, Purchaser and Seller, at the request of another, shall execute, deliver and acknowledge such further documents or instruments, and perform such further acts or deeds, as may be reasonably necessary to consummate the transactions contemplated by this Agreement and carry out the purposes and intent of this Agreement.

12.14 Cooperation as to Taxes. After the Closing, upon reasonable written notice, Purchaser and Seller shall furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance (to the extent within the control of such party) relating to the Acquired Assets (including access to books and records) as is reasonably necessary for the filing of 2021 tax returns.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have caused their duly authorized officers to execute this Asset Purchase Agreement as of the day and year first above written.

PURCHASER:

Cekra Inc and/or Assigns

By: [Signature]
Name: Arita Nagy Kratoch
Its: President

SELLER:

**NORTH PIER OCEAN VILLAS
HOMEOWNERS ASSOCIATION, INC.**

By: [Signature]
Name: John Hutchings
Its: President

Amended Agreement

Purchaser

Cekra, Inc and/or Assigns

By: [Signature]
Name: Jeff O'Brien
Its: Authorized Agent
4/7/2022

Seller

*North Pier Ocean Villas
Homeowners Association, Inc*

By: [Signature]
Name: John Hutchings
Its: President
4/7/22

EXHIBIT A

Beginning at the intersection of the Southeast right-of-way line of Canal Drive (40' public right-of-way) and Northeast right-of-way line of Salt Marsh Lane (25' public right-of-way), said point being the southwest corner of Phase II of North Pier Ocean Villas as shown on Condo Map 10 Page 31 of the New Hanover County Registry (all book and page references herein are to the New Hanover County Register of Deeds Office);

Running thence from the point of beginning northeastwardly with and along the Southeast right-of-way line of Canal Drive North $24^{\circ}17'22''$ East 192.60 feet to the Northwest corner of Phase V of North Pier Ocean Villas as shown on Condo Map 10 Pages 369-371 (a rebar set at that corner), the common corner with the southwestern corner of North Pier Associates, Limited Partnership's tract ("North Pier Associates") recorded in Book 1283 Page 1180;

Thence eastwardly with the common line of Phase V of North Pier Ocean Villas and North Pier Associates' line, S $65^{\circ}42'38''$ E 78.00' to a point at the rear corner (the easternmost corner) of Phase V North Pier Ocean Villas, thence continuing the same bearing an additional 47.79' for a total distance of 125.79' to a rebar set at a corner of North Pier Associates tract, said point being in the common line with Fishing Piers, Inc.'s property recorded in Book 2356 page 712;

Thence along and with said North Pier Associates common line with Fishing Piers, Inc. the following six (6) courses:

- S $24^{\circ}07'32''$ W 6.08' to an existing iron rod;
- S $60^{\circ}56'08''$ E 6.79' to an existing iron rod;
- S $24^{\circ}41'41''$ W 11.15' to an existing iron rod;
- S $62^{\circ}51'01''$ E 17.05' to an existing iron rod;
- S $03^{\circ}05'42''$ W 120.07' to an existing iron rod;
- S $24^{\circ}14'33''$ W 61.99' to an existing iron rod in the northern right-of-way line of Salt Marsh Lane a 25' public right-of-way;

Thence with the northern right-of-way line of Salt Marsh Lane N $65^{\circ}42'55''$ W 192.99' to the point of beginning.

This metes and bounds description includes (i) Phases I through V of North Pier Ocean Villas already titled in the name of the Grantee plus (ii) a portion of Grantor's tract lying south of the northernmost line of Grantee's Phase V as extended to a point in the Fishing Piers, Inc. line mentioned above.

BEING a unit ownership in real property, under and pursuant to Chapter 47A of the North Carolina General statutes entitled "Unit Ownership Act" and BEING ALL UNITS contained in Phase I, II, III, IV, V of North Pier Ocean Villas Condominium, a condominium project situated upon real property located within town of Carolina Beach, State of North Carolina, as said real property is described in the "Declaration Creating Unit Ownership of Property Under the Provisions of Chapter 47A of the General Statutes of the State of North Carolina" referred to herein below; said Units specifically described by reference to and shown as sets of plans which are attached as Exhibits to the original Declarations and each amendment thereto, which are recorded in the office of the Register of Deeds of New Hanover County, North Carolina, reference to which is hereby made for a more complete description thereof, said plans are recorded as follows:

Phase I

All of Units 101-105, 201-205, 301-305, Phase I of North Pier Ocean Villas Condominium, recorded in Condo Book 6 at Page 121-124 of NHC Registry.

Phase II

All of Units 100,106-107 200, 206-207, 300, 306-307, Phase II of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 31-36 of NHC Registry.

Phase III

All of Units, 108-109, 208-209, 308-309, Phase III of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 156-158 of NHC Registry.

Phase IV

All of Units 110-111, 210-211, 310-311, Phase IV of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 278-281 of NHC Registry.

Phase V

All of Units 112-113, 212-213, 312-313, Phase V of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 369-371 of NHC Registry.

Each of said Units being more specifically defined in said declaration together with all appurtenances thereto belonging, including but not limited to the undivided interest in the common areas and facilities of North Pier Ocean Villas, appurtenant to each of said Units as the same is established in said Declarations or the Supplements thereto.

EXHIBIT D.

BEING a unit ownership in real property, under and pursuant to Chapter 47A of the North Carolina General statutes entitled "Unit Ownership Act" and BEING ALL UNITS contained in Phase I, II, III, IV, V of North Pier Ocean Villas Condominium, a condominium project situated upon real property located within town of Carolina Beach, State of North Carolina, as said real property is described in the "Declaration Creating Unit Ownership of Property Under the Provisions of Chapter 47A of the General Statutes of the State of North Carolina" referred to herein below; said Units specifically described by reference to and shown as sets of plans which are attached as Exhibits to the original Declarations and each amendment thereto, which are recorded in, Book 1253 at Page 687 (as amended), of the office of the Register of Deeds of New Hanover County, North Carolina, reference to which is hereby made for a more complete description thereof, said plans are recorded as follows:

Phase I

All of Units 101-105, 201-205, 301-305, Phase I of North Pier Ocean Villas Condominium, recorded in Condo Book 6 at Page 121-124 of NHC Registry.

Phase II

All of Units 100,106-107 200, 206-207, 300, 306-307, Phase II of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 31-36 of NHC Registry.

Phase III

All of Units, 108-109, 208-209, 308-309, Phase III of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 156-158 of NHC Registry.

Phase IV

All of Units 110-111, 210-211, 310-311, Phase IV of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 278-281 of NHC Registry.

Phase V

All of Units 112-113, 212-213, 312-313, Phase V of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 369-371 of NHC Registry.

Each of said Units being more specifically defined in said declaration together with all appurtenances thereto belonging, including but not limited to the undivided interest in the common areas and facilities of North Pier Ocean Villas, as described in page two of this Exhibit E. appurtenant to each of said Units as the same is established in said Declarations or the Supplements thereto.

EXHIBIT D
(Continued)

Phase I

All of Units 101-105, 201-205, 301-305, Phase I of North Pier Ocean Villas
Condominium, recorded in Condo Book 6 at Page 121-124 of NHC Registry.

UNIT 101 - R08807-013-005-101 -
UNIT 102 - R08807-013-005-102 -
UNIT 103 - R08807-013-005-103 -
UNIT 104 - R08807-013-005-104 -
UNIT 105 - R08807-013-005-105 -
UNIT 201 - R08807-013-005-201 -
UNIT 202 - R08807-013-005-202 -
UNIT 203 - R08807-013-005-203 -
UNIT 204 - R08807-013-005-204 -
UNIT 205 - R08807-013-005-205 -
UNIT 301 - R08807-013-005-301 -
UNIT 302 - R08807-013-005-302 -
UNIT 303 - R08807-013-005-303 -
UNIT 304 - R08807-013-005-304 -
UNIT 305 - R08807-013-005-305 -

Phase II

All of Units 100,106-107 200, 206-207, 300, 306-307, Phase II of North Pier Ocean Villas
Condominium, recorded in Condo Book 10 at Page 31-36 of NHC Registry.

UNIT 100 - R08807-013-005-002 -
UNIT 106 - R08807-013-005-003 -
UNIT 107 - R08807-013-005-004 -
UNIT 200 - R08807-013-005-005 -
2021 UNIT 206 - R08807-013-005-006 -
2021 UNIT 207 - R08807-013-005-007 -
2021 UNIT 300 - R08807-013-005-008 -

UNIT 306 - R08807-013-005-009 -

UNIT 307 - R08807-013-005-010 -

Phase III

All of Units, 108-109, 208-209, 308-309, Phase III of North Pier Ocean Villas
Condominium, recorded in Condo Book 10 at Page 156-158 of NHC Registry.

UNIT 108 - R08807-013-005-011 -

UNIT 109 - R08807-013-005-012 -

UNIT 208 - R08807-013-005-013 -

UNIT 209 - R08807-013-005-014 -

UNIT 308 - R08807-013-005-015 -

UNIT 309 - R08807-013-005-016 -

Phase IV

All of Units 110-111, 210-211, 310-311, Phase IV of North Pier Ocean Villas
Condominium, recorded in Condo Book 10 at Page 278-281 of NHC Registry.

UNIT 110 - R08807-013-005-017 -

UNIT 111 - R08807-013-005-018 -

UNIT 210 - R08807-013-005-019 -

UNIT 211 - R08807-013-005-020 -

UNIT 310 - R08807-013-005-021 -

UNIT 311 - R08807-013-005-022 -

Phase V

All of Units 112-113, 212-213, 312-313, Phase V of North Pier Ocean Villas Condominium,
recorded in Condo Book 10 at Page 369-371 of NHC Registry.

UNIT 112 - R08807-013-005-023 -

UNIT 113 - R08807-013-005-024 -

UNIT 212 - R08807-013-005-025 -

UNIT 213 - R08807-013-005-026 -

UNIT 312 - R08807-013-005-027 -

UNIT 313 - R08807-013-005-028 -

Common Area - R08807-013-005-001 - NO TAX BILLS FOR COMMON AREA

Document number 2022027662

was recorded as 176 pages.

It should have been recorded as 173 pages.

Andrea Ciswell

Deputy ~~Assistant~~ Register of Deeds

TAMMY THEUSCH
PIVER
Register of Deeds

New Hanover County Register of Deeds

320 CHESTNUT ST SUITE 102 • WILMINGTON, NORTH CAROLINA 28401
Telephone 910-798-4530 • Fax 910-798-7716



State of North Carolina, County of NEW HANOVER
Filed For Registration: 07/27/2022 04:08:49 PM
Book: RB 6583 Page: 618-794
177 PGS \$2,730.00
Real Property \$2,730.00
Recorder: ANDREA CRESWELL
Document No: 2022027662

DO NOT REMOVE!

This certification sheet is a vital part of your recorded document. Please retain with original document and submit when re-recording.

088

40
126
8

BK: RB 6583
PG: 795-835
 RECORDED: **202207663**
 07-27-2022 **NEW HANOVER COUNTY, NC** NC FEE \$126.00
 04:08:50 PM **TAMMY THEUSCH PIVER**
 BY: ANDREA CRESWELL **REGISTER OF DEEDS**
 ASSISTANT



Instrument Prepared By:

Wilkerson Law, PLLC 2030 Eastwood Rd, Unit 2, Wilmington, NC 28403

Mail After Recording To:

Wilkerson Law, PLLC 2030 Eastwood Rd, Unit 2, Wilmington, NC 28403

TITLE NOT EXAMINED-TITLE NOT CERTIFIED

Excise Tax:

\$None

Tax ID No.: Combination of southern part of parcel # R08807-013-005-000 with R08807-013-005-001

QUITCLAIM DEED

North Carolina
New Hanover County

THIS DEED, made this 19th day of July, 2022, by and between North Pier Ocean Villas Homeowners Association, Inc., a North Carolina nonprofit corporation and Chapter 11 debtor **Grantor(s)**, and North Pier Holdings, LLC, a North Carolina limited liability company **Grantee(s)**; whose mailing address is: 6316 Marywood Dr, Wilmington, NC 28409.

WITNESSETH:

WHEREAS, the Grantor filed a Chapter 11 Bankruptcy Petition in the Eastern District of North Carolina on August 5, 2021; and

WHEREAS, an Order was entered authorizing the Grantor to sell the herein described property free and clear of liens of record and said liens will attach to the proceeds of sale to CEKRA, Inc. or assigns, said Order having been entered on May 4, 2022, by the Honorable David M. Warren, Bankruptcy Judge for the Eastern District of North Carolina, and attached as "Exhibit B" to that Deed, recorded in Book 6583 at Page 618, of the New Hanover County Registry (hereinafter, "Special Warranty Deed"); and

WHEREAS, CEKRA, Inc. assigned all of its right, title, and interests to Grantee, pursuant to an Assignment and Assumption Agreement, attached hereto as Exhibit B.

WHEREAS, this parcel being the same property deeded to Grantor by North Pier Associates, Limited Partnership, as reflected in that certain Deed recorded at Book 6553, Page 1563 of the New Hanover County Registry and the Order in Aid of Execution of Confirmed Chapter 11 Plan and Sale of Assets, attached hereto as Exhibit C.,

NOW THEREFORE, that said Grantor(s), by virtue of the Order of the Bankruptcy Court authorizing said sale and confirming the same and for other good and valuable consideration, the terms, amounts and conditions of which are more fully set out in the Orders, the receipt and sufficiency of which is hereby acknowledged, have remised and by these presents do remise, release, and forever quitclaim unto the Grantee(s) and heirs and assigns all right, title, claim, and interest of the said Grantor(s) in and to a certain tract or parcel of land lying and being in the County of New Hanover, and State of North Carolina, in Carolina Beach Township, and more particularly described as follows:

See attached Exhibit A.

TO HAVE AND TO HOLD the aforesaid tract or parcel of land and all privileges thereunto belonging to the Grantee(s) and heirs and assigns, free and discharged of all right, title, claim, or interest of the Grantor(s) or anyone claiming by, through, or under them.

Signature Page to Follow

IN TESTIMONY WHEREOF, said Grantor(s) have hereunto set their hands and seals the day and year first above written.

North Pier Ocean Villas Homeowners Association, Inc., a North Carolina nonprofit corporation.

By: [Signature] (Seal)
John Hutchings, President

State of North Carolina
County of New Hanover

I, Joseph Wilkerson, a Notary Public, do hereby certify that John Hutchings, personally came before me this day and acknowledged that he is the President of North Pier Villas Homeowners Association, Inc., a North Carolina nonprofit corporation and by authority duly given and as the act of such entity he signed the foregoing instrument in its name and on its behalf as its act and deed.

Witness my hand and seal this 19th day of July 2022.

My commission expires: 5/8/23

State of North Carolina
County of New Hanover

[Signature] (Seal)
Notary Public

Joseph Wilkerson
Notary Public
New Hanover County, NC
My Commission Expires 5/8/2023

Exhibit A.

Beginning at the intersection of the Southeast right-of-way line of Canal Drive (40' public right-of-way) and Northeast right-of-way line of Salt Marsh Lane (25' public right-of-way), said point being the southwest corner of Phase II of North Pier Ocean Villas as shown on Condo Map 10, Page 31 of the New Hanover County Registry (all book and page references herein are to the New Hanover County Register of Deeds Office);

Running thence from the point of beginning northeastwardly with and along the Southeast right-of-way line of Canal Drive North $24^{\circ}17'22''$ East 192.60 feet to the Northwest corner of Phase V of North Pier Ocean Villas as shown on Condo Map 10, Page 369-371 (a rebar set at that corner), the common corner with the southwestern corner of North Pier Associates, Limited Partnership's tract ("North Pier Associates") recorded in Book 1283 Page 1180;

Thence eastwardly with the common line of Phase V of North Pier Ocean Villas and North Pier Associates' line, S $65^{\circ}42'38''$ E 78.00' to a point at the rear corner (the easternmost corner of Phase V North Pier Ocean Villas, thence continuing the same bearing an additional 47.79' for a total distance of 125.79' to a rebar set at a corner of North Pier Associates tract, said point being in the common line with Fishing Piers, Inc.'s property recorded in Book 2356, Page 712;

Thence along and with North Pier Associates common line with Fishing Piers, Inc. the following six (6) courses:

- S $24^{\circ}07'32''$ W 6.08' to an existing iron rod;
- S $60^{\circ}56'08''$ E 6.79' to an existing iron rod;
- S $24^{\circ}41'41''$ W 11.15' to an existing iron rod;
- S $62^{\circ}51'01''$ E 17.05' to an existing iron rod;
- S $03^{\circ}05'42''$ W 120.07' to an existing iron rod;
- S $24^{\circ}14'33''$ W 61.99' to an existing iron rod in the northern right-of-way line of Salt Marsh Lane a 25' public right-of-way;

Thence with the northern right-of-way line of Salt Marsh Lane N $65^{\circ}42'55''$ W 192.99' to the point of beginning.

EXHIBIT B**ASSIGNMENT AND ASSUMPTION AGREEMENT**

This Assignment and Assumption Agreement, dated as of June 6, 2021, between CEKRA Inc. (the "Assignor"), and North Pier Holdings, LLC. (the "Assignee"), provides:

WHEREAS, Assignor is the Purchaser of real Property as defined under the terms of that certain Asset Purchase Agreement, executed April 7, 2022 (the "APA"), attached hereto and fully incorporate herein as Exhibit A.

WHEREAS, Assignor has the right under the APA to assign the contract to a third party. Assignor wishes to assign their rights and obligations under the APA to Assignee, under the following terms and conditions.

NOW THEREFORE,

1. Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the APA, defined below.
2. Recitals. All recitals in the APA shall be fully set forth herein for reference.
3. Assignment. The Assignor hereby assigns to the Assignee all of its right, title and interest in the APA (Exhibit A.) (the "Assigned Agreement").
4. Earnest Money. Assignor has complied with Section 3.3 of the Assigned Agreement and has tendered the Earnest Money to Ayers & Haidt, P.A. If Assignor would be entitled to a return of the Earnest Money under the terms of the Assigned Agreement, Assignee shall promptly take any and all actions to facilitate the return of the Earnest Money to Assignor.
5. Assignee's Assumption. The Assignee hereby accepts the foregoing assignment of the Assigned Agreement. The Assignee does not assume, and expressly disclaims, any liability or obligation with respect to the Assignor's performance or non-performance or breach of the Assigned Agreement prior to the date hereof.
6. Assignor's Assumption. The Assignor hereby does not assume and expressly disclaims, any liability or obligation with respect to the Assignee's performance or non-performance or breach of the Assigned Agreement after the date hereof.
7. Assurances. Each party hereby agrees to execute and deliver to the other party, from time to time, such further instruments, acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to effect the assignment and assumption evidenced hereby. Assignor agrees to cooperate as reasonably requested by Assignee in

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

8. Counterparts. This Assignment and Assumption Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. Governing Law. The provisions hereof shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to the conflicts of law rules thereof.

10. Conflicts. In the event of any conflict between the provisions of this Assignment and Assumption Agreement and the provisions of the APA, the provisions of the APA shall control.

11. Independent Representation. Both parties are assumed to have fully read the terms of the Assigned Agreement and this Assignment, was represented by counsel or waived such right. No consideration or benefit shall be given to the non drafting party of this Agreement.

In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.



By: Anita Kratsa
Title: President

ASSIGNEE:

North Pier Holdings, LLC



By: Perry Caleb Krasta
Title: Member

By: Daniel Price
Title: Member

By: Aaron Crain
Title: Member



Jeffrey O'Brien,
Title: Manager

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

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In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.

Anita Kratsa

By: Anita Kratsa
Title: President

ASSIGNEE:

North Pier Holdings, LLC

[Signature]

By: Perry Caleb Kratsa
Title: Member

[Signature]

By: Daniel Price
Title: Member

Jeffrey O'Brien,
Title: Manager

Aaron Crain
Title: Member

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

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10. Conflicts. In the event of any conflict between the provisions of this Assignment and Assumption Agreement and the provisions of the APA, the provisions of the APA shall control.

11. Independent Representation. Both parties are assumed to have fully read the terms of the Assigned Agreement and this Assignment, was represented by counsel or waived such right. No consideration or benefit shall be given to the non drafting party of this Agreement.

In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.

Anita Kratsa

By: Anita Kratsa
Title: President

ASSIGNEE:

North Pier Holdings, LLC

[Signature]

By: Perry Caleb Kratsa
Title: Member

Jeffrey O'Brien,
Title: Manager

By: Daniel Price
Title: Member

Aaron Crain

By: Aaron Crain
Title: Member

connection with any consents that may be required in connection with the assignment of the Assigned Agreements.

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10. Conflicts. In the event of any conflict between the provisions of this Assignment and Assumption Agreement and the provisions of the APA, the provisions of the APA shall control.

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In Witness Whereof, the undersigned have duly executed this Assignment and Assumption Agreement as of the date and year first written above.

ASSIGNOR:

CEKRA Inc.

Anita Kratsa

By: Anita Kratsa

Title: President

ASSIGNEE:

North Pier Holdings, LLC

Perry Caleb Kratsa

By: Perry Caleb Kratsa

Title: Member

Jeffrey O'Brien,
Title: Manager

By: Daniel Price

Title: Member

By: Aaron Crain

Title: Member

EXHIBIT A**40 AMENDED ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (together with the exhibits and schedules hereto, this "Agreement"), is made as of the 7th day of April, 2022 (the "Effective Date"), by and between North Pier Ocean Villas Homeowners Association, Inc., a North Carolina nonprofit corporation ("Seller") and CEKRA Inc. on/for assigns ("Purchaser").

RECITALS

WHEREAS, Seller is an Interval Ownership Association organized under the provisions of Article 4 of Chapter 93A of the North Carolina General Statutes (the North Carolina Timeshare Act) and Chapter 47A of the North Carolina General Statutes (the North Carolina Unit Ownership Act);

WHEREAS, Seller serves as the homeowners' association for North Pier Ocean Villas, a condominium/timeshare development located in Carolina Beach, North Carolina and is the governing body for the development and exists to manage, operate, and maintain the forty-two (42) condominium units (the "Subject Units") and common areas that comprise it;

WHEREAS, each of the Subject Units was divided into individually or corporately owned deeded timeshare weeks, together with an undivided percentage interest in the common areas of North Pier Ocean Villas in accordance with that certain Timeshare Declaration, recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry, which has since been terminated on September 30, 2021 pursuant to an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry;

WHEREAS, each of the Subject Units remains subject to the Declaration of Condominium for North Pier Ocean Villas (the "Condominium Declaration") was recorded on May 4, 1984, in Book 1253, Page 687 of the New Hanover County, North Carolina Registry, while;

WHEREAS, all of the separate and distinct ownership week interests and undivided common area interests in the Subject Units, common areas, and the related personalty are referred to herein collectively as the "Property";

WHEREAS, Seller owns certain fractional timeshare interests in common with other unit owners in the Subject Units;

WHEREAS, Seller's fractional timeshare interests, together with the accompanying undivided interest in the common areas, may be referred to herein collectively as the "Seller's Fractional Interests";

WHEREAS, on August 5, 2021 (the "Petition Date") Seller filed a voluntary petition with the United States Bankruptcy Court for the Eastern District of North Carolina (the

“Bankruptcy Court”) for relief under Chapter 11, Title 11, of the United States Code (11 U.S.C. §§ 101, *et seq.*, the “Bankruptcy Code”), Case No. 21-01760-5-DMW (the “Bankruptcy Case”);

WHEREAS, on January 15, 2022 the Bankruptcy Court entered an Order Confirming Plan in the Bankruptcy Case [DE 70] (the “Confirmation Order”);

WHEREAS, pursuant to the terms of the Confirmation Order and the confirmed Chapter 11 plan (the “Plan”), Seller is authorized to market the Property for private sale, subject to Bankruptcy Court approval;

WHEREAS, the purchase of the Property contemplated by this Agreement is subject to the approval of the Bankruptcy Court in all respects and will be consummated pursuant to the Confirmation Order together with any future Sale Procedures Order and Section 363(h) Orders entered by the Bankruptcy Court following appropriately noticed hearings requesting such orders;

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, the Property as more fully described herein, free and clear of all liens, claims and encumbrances, other than the Permitted Encumbrances, upon the terms and conditions set forth herein and pursuant to an order of the Bankruptcy Court approving such sale under Section 363 of the Bankruptcy Code (the “Sale Order”), such Sale Order to include the assignment and assumption of certain executory contracts, if any, as provided herein pursuant to Section 365 of the Bankruptcy Code.

AGREEMENT

NOW, THEREFORE, for and in consideration of the representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows.

ARTICLE 1

DEFINITIONS

1.1 Definitions.

As used herein, the following terms shall have the following meanings:

“*Acquired Assets*” has the meaning assigned to that term in Section 2.1 hereof.

“*Affiliate*” means as to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person. For such purposes “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or

otherwise, and shall be deemed to exist with respect to each Person as to which the Person in question acts as an officer, director, member, manager, partner, trustee or in a similar capacity. For purposes of this definition only, any individual Person shall be deemed to include any relative (by blood, marriage or adoption) of such individual Person, such that in any circumstance where such relative controls a Person, such controlled Person shall be deemed an Affiliate of such first individual.

"Agreement" has the meaning assigned to that term in the preamble hereto.

"Bankruptcy Case" has the meaning assigned to that term in the preamble hereto.

"Bankruptcy Code" has the meaning assigned to that term in the preamble hereto.

"Bankruptcy Court" has the meaning assigned to that term in the preamble hereto.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are required or authorized by law to be closed in New York, New York.

"Closing" means the closing of the transactions contemplated by this Agreement.

"Closing Date" has the meaning assigned to that term in Section 4.1.

"Closing Payment" has the meaning assigned to that term in Section 3.1.

"Confirmation Order" has the meaning assigned to that term in the preamble hereto.

"Deed" has the meaning assigned to that term in Section 5.1(a).

"Earnest Money" has the meaning assigned to that term in Section 3.3(a).

"Effective Date" has the meaning assigned to that term in the preamble hereto.

"Effective Time" has the meaning assigned to that term in Section 4.1.

"Escrow Agent" has the meaning assigned to that term in Section 3.3(a).

"Escrow Deposit" has the meaning assigned to that term in Section 3.3(a).

"Estate" shall mean property of the Seller's estate as determined in the Bankruptcy Case.

"GAAP" means United States generally accepted accounting principles as in effect from time to time, consistently applied.

"Knowledge" of an individual means the actual knowledge of such individual. With respect to a Person (other than an individual), *"Knowledge"* means the actual knowledge of any individual who is serving as a director or officer (or in any similar capacity) of such Person.

"Lien" means any lien, security interest, pledge, hypothecation, encumbrance or other interest or claim, including, but not limited to, any options or rights to purchase and any

mechanics' or tax liens, whether arising by agreement, by statute or otherwise and whenever arising; excluding, however, the Permitted Encumbrances.

"*Material Adverse Effect*" means the occurrence or failure of an event that could reasonably be expected to have a material adverse effect on the value of the Acquired Assets, taken as a whole.

"*Monetary Defect*" has the meaning assigned to that term in Section 9.9(b).

"*Organizational Documents*" means (a) the articles or certificate of incorporation and the bylaws or code of regulations of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) the certificate of organization and limited liability company agreement of a limited liability company; (e) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (f) any amendment to any of the foregoing.

"*Permitted Encumbrances*" means (a) statutory liens for current taxes, special assessments or other governmental charges not yet due and payable; (b) restrictions, reservations, agreements, easements or rights of way as may appear as a matter of public record or as may be evidenced by possession, use or survey; and (c) zoning, entitlement, building and other land use by-laws, ordinances or regulations imposed by governmental authorities having jurisdiction over the Property which are not violated in any material respect by the current occupancy, use and operation of the Property.

"*Person*" means any individual, corporation, partnership, joint venture, trust, association, limited liability company, unincorporated organization, other entity, or governmental body or subdivision, agency, commission or authority thereof.

"*Petition Date*" has the meaning assigned to that term in the preamble hereto.

"*Property*" has the meaning assigned to that term in the preamble hereto, provided, however, that the metes-and-bounds descriptions attached hereto as **Exhibit A** are subject to change following Purchaser's inspection of title to the Property. For the avoidance of doubt, the parties intend that the real property conveyed to Purchaser at closing shall include all parcels listed on Exhibit A-1.

"*Purchaser*" has the meaning assigned to that term in the preamble hereto.

"*Purchase Price*" has the meaning assigned to that term in Section 3.1.

"*Real Property*" has the meaning assigned to that term in Section 2.1(a).

"*Sale Order*" has the meaning assigned to that term in the preamble hereto.

"*Sale Procedures Order*" means an Order (A) Authorizing and Scheduling an Auction for the Sale of Substantially All of Debtor's Assets (B) Approving Bidding Procedures, (C) Approving Procedures for the Assumption and Assignment of Contracts and Leases, (D)

Authorizing the Debtor to Designate a Stalking Horse Bidder and Approving a Break-Up Fee, (E) Approving the Form and Manner of Certain Notices, and (F) Setting a Date for the Sale Hearing, in form and substance acceptable to Purchaser.

"*Section 363(h) Orders*" means any orders entered by the Bankruptcy Court authorizing Seller to sell the Property pursuant to 11 U.S.C. § 363(h) as contemplated in the Plan.

"*Seller*" has the meaning assigned to that term in the preamble hereto.

"*Seller's Fractional Interests*" has the meaning assigned to that term in the preamble hereto.

"*Subject Units*" has the meaning assigned to that term in the preamble hereto.

"*Tax*" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under former Section 59A of the Tax Code or any similar or analogous type of tax), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not. Any variation of, or terms of similar import to, "*Tax*" (e.g., "*Taxable*" or "*Taxing*") shall refer to or mean with respect to Taxes.

"*Tax Code*" means the Internal Revenue Code of 1986, as amended.

"*Title Commitments*" has the meaning assigned to that term in Section 9.9(a).

"*Title Company*" has the meaning assigned to that term in Section 9.9(a).

"*Title Policy*" has the meaning assigned to that term in Section 9.9(a).

1.2 Singular/Plural: Gender. Where the context so requires or permits, the use of the singular form includes the plural, the use of the plural form includes the singular, and the reference to either gender includes either and both genders.

ARTICLE 2

SALE AND PURCHASE OF ASSETS

2.1 Sale and Purchase of Assets. On the Closing Date and subject to the terms and conditions set forth in this Agreement and the Sale Order, Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, good and marketable title to the Property in accordance with future Section 363(h) Orders entered by the Bankruptcy Court, free and clear of any Lien, and all right, title and interest in and to the other personal, tangible and intangible assets described herein, free and clear of any Lien. Purchaser may, on or prior to Closing, assign its rights to purchase some or all of the Acquired Assets to one or more Affiliates of Purchaser. The assets, properties, rights and interests of whatever kind or nature, tangible, intangible or personal,

to be sold or assigned hereunder (collectively, the "Acquired Assets") shall include, but are not limited to, all of Seller's right, title and interest in and to the following:

- (a) Property. Good and marketable fee simple absolute title to certain real property as more fully described and set forth in the attached **Exhibit A** (the "Real Property"), and all easements, rights-of-way, leases, rights, privileges, tenements, hereditaments, and uses appurtenant to the Real Property. The preceding shall include, but not be limited to, the entire right, title and interest in and to any land lying in the bed of any and all public and private streets, roads, avenues, rights-of-way, highways, or passage-ways, open or proposed, in front of or abutting the Real Property, and shall also include, but not be limited to, an undivided percentage interest in the common areas of North Pier Ocean Villas; and
- (b) Fixtures; Other Personal Property. All fixtures, including any items that are permanently attached to or affixed to the Real Property, together with all personal property and other items located within but not affixed to the Real Property.

2.2 Excluded Assets. The Acquired Assets will not include, as of the Closing (i) cash held by, in transit to or on deposit in Seller's bank accounts, (ii) accounts receivable owed to Seller, or (iii) the right to pursue any claims or causes of action pursuant to Chapter 5 of the Bankruptcy Code (the "Excluded Assets").

2.3 Assumed Liabilities. Purchaser shall not assume any liabilities of Seller as part of this Agreement.

ARTICLE 3

PURCHASE PRICE; PRORATIONS; EARNEST MONEY

(\$ 8,300,000.00)

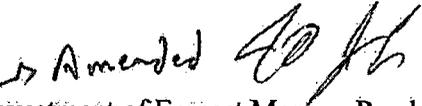
*Eight Million
Three Hundred
Thousand and no/100
Four Million*

3.1 Purchase Price; Payment Terms. The "Purchase Price" shall be equal to _____ Dollars (~~\$4,000,000~~) (the "Closing Payment"). The Closing Payment (as adjusted for any prorations or other adjustments set forth herein) shall be paid by wire transfer of immediately available funds to Seller's account at Closing.

3.2 Proration of Taxes, Expenses, etc. The Parties shall prorate and apportion, on a calendar year basis, as of the Effective Time, the real property Taxes and assessments, both general and special, for the Property, based upon the last available Tax statements. If the actual real property Taxes paid by Purchaser in respect of the period of the proration exceed the credit given Purchaser at Closing for such Taxes, Seller shall, upon presentation of appropriate paid Tax bills, reimburse Purchaser for any amounts incurred by Purchaser for such Taxes in excess of the prorated credit. Alternatively, if the actual real estate Taxes paid by Purchaser in respect of the period of the proration are less than the credit given Purchaser at Closing for such Taxes, Purchaser shall reimburse Seller for the amount by which the prorated credit was in excess of the actual amount of the Taxes paid. Liability for personal property and other ad valorem Taxes and assessments, both general and special, as well as utilities, stormwater fees and other expenses customarily prorated by buyers and sellers of assets will be allocated and prorated between

Purchaser and Seller through the Effective Time such that each party is responsible for such Taxes and expenses only during its period of ownership (as if ownership transferred as of the Effective Time); provided, that to the extent utilities and similar expense items are not transferred to Purchaser until a later date, allocations and prorations of such items will be made at such later date as of the Effective Time. If any prorated amounts pursuant to this Section are not known as of the Closing Date, adjustments shall be made post-Closing at such time as they are known to the parties, and any party owing another party a net amount of prorations will promptly pay such amount owed.

3.3 Earnest Money.

Amended 

(a) **Deposit and Investment of Earnest Money.** Purchaser shall deposit with Ayers & Haidt, P.A. ("Escrow Agent") an amount equal to five percent (5.00%) of the Purchase Price upon full execution of this Agreement by all parties (the "Escrow Deposit"). Any Escrow Deposits delivered hereunder shall hereinafter be sometimes collectively referred to as the "Earnest Money."

(b) **Form; Failure to Deposit.** The Earnest Money shall be in the form of a certified or cashier's check or wire transfer to Escrow Agent of immediately available U.S. federal funds. If Purchaser fails to timely deposit any portion of the Earnest Money within the time periods required, Seller may terminate this Agreement by written notice to Purchaser at any time prior to the date on which Purchaser deposits such portion of the Earnest Money, in which event the parties hereto shall have no further rights or obligations hereunder, except for rights and obligations which, by their terms, survive the termination hereof.

(c) **Disposition of Earnest Money.** Escrow Agent shall deposit the Earnest Money in a non-interest bearing account for the benefit of the party entitled thereto pursuant to this Agreement and, except as otherwise set forth herein, the Earnest Money shall be applied as a credit to the Purchase Price at Closing.

In the event that (i) any condition hereto is not satisfied, (ii) the Seller terminates the Agreement for any reason other than Purchaser's breach of this Agreement, then the Earnest Money shall be refunded to Purchaser. If Purchaser terminates this Agreement as permitted under this Agreement and as a result Purchaser is entitled to a return of the Earnest Money, then Escrow Agent shall pay the entire Earnest Money to Purchaser on the third business day following the termination of this Agreement as permitted under this Agreement and written notice to the Seller and Escrow Agent by the Purchaser of the termination and request for refund of the Earnest Money, unless the Seller timely notifies Escrow Agent that it disputes the right of Purchaser to receive the Earnest Money.

In the event of a termination of this Agreement by Seller as permitted under the Agreement due to Purchaser's alleged breach, Escrow Agent shall maintain the Earnest Money on behalf of Seller and shall be deemed to have delivered such funds to Seller on the third business day following receipt by Escrow Agent and Purchaser of written notice of such termination from the Seller, unless the Purchaser notifies Escrow Agent that it disputes the right of Seller to receive the Earnest Money.

ARTICLE 4**CLOSING**

4.1 **Closing**. The closing of the transaction contemplated hereby will take place on or about the date that is ten (10) days following the later of (a) entry of the Sale Order, provided that the Sale Order is not subject to a stay, or (b) satisfaction of all of the conditions to Closing set forth in this Agreement in Articles 9 and 10, or such other date as may be mutually acceptable to Seller and Purchaser (the "Closing" or "Closing Date"). The Closing will take place at a location to be mutually agreed upon by Purchaser and Seller. The Closing shall be deemed effective for all purposes as of 11:59 p.m. on the Closing Date (the "Effective Time").

4.2 **Court Approval Required**. Seller and Purchaser acknowledge and agree that the Bankruptcy Court's entry of a Sale Order, which has not been stayed, is required in order for Seller and Purchaser to consummate the transactions contemplated hereby and that the requirement that the final Sale Order be entered is a condition that cannot be waived by either party.

ARTICLE 5**DELIVERIES AT CLOSING**

5.1 **Deliveries by Seller**. At the Closing, Seller shall put Purchaser in actual possession and operating control of the Acquired Assets by delivery thereof to Purchaser and by providing Purchaser with any keys relating to the Property and arranging for all of the Acquired Assets to be located at the Property. Seller shall deliver or cause to be delivered to Purchaser the following (each in form and substance reasonably satisfactory to Purchaser):

(a) a special warranty deed, ~~with appropriate warranty of title~~ (subject only to Permitted Encumbrances), executed by Seller in recordable form and conveying to Purchaser good and marketable fee simple absolute title to the Real Property (the "Deed"), and all other documents, certificates or affidavits that may be required to convey to Purchaser good and marketable fee simple title to the Acquired Assets and/or to obtain title insurance satisfactory to Purchaser;

(b) one or more typical title company affidavits for purposes of Purchaser's title insurance regarding absence of materialmen's and laborers' liens, absence of tenants in possession, that there are no unrecorded easements by, through or under Seller, and otherwise sufficient to delete the standard exceptions Purchaser's ALTA extended coverage title insurance policies, as well as any other instruments needed to clear title to the standard required by this Agreement;

(c) any other assignments, bills of sale or certificates of title dated as of the Closing Date, transferring to Purchaser all right, title and interest in and to the Acquired Assets free and clear of all Liens;

(d) a certificate from a duly elected officer of Seller certifying as to the resolutions of the board of trustees of Seller approving and authorizing the execution of this

Agreement and the transactions contemplated hereby and the taking of any and all actions deemed necessary or advisable to consummate the transactions contemplated herein; and

(e) such other instruments or documents as Purchaser may reasonably request to fully effect the transfer of the Acquired Assets and to confer upon Purchaser the benefits contemplated by this Agreement.

5.2 Deliveries by Purchaser. At the Closing, Purchaser shall deliver, or cause to be delivered (in addition to any other instruments required by this Agreement to be delivered by Purchaser at the Closing), the following:

(a) the payment of the Closing Payment to Seller by wire transfer to an account designated by Seller; and

(b) such other instruments or documents as Seller may reasonably request to fully effect the transfer of the Acquired Assets and to otherwise consummate the transactions contemplated by this Agreement.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows:

6.1 Organization, Good Standing and Power. Purchaser is a Limited Liability Company duly organized and validly existing under the laws of the State of North Carolina. Purchaser has all requisite power and authority to own, use and operate its properties and to carry on its business as now being conducted.

6.2 Authority Relative to this Agreement; Execution and Binding Effect. The execution, delivery and performance of this Agreement by Purchaser and the consummation of the transactions contemplated hereby have been duly authorized in accordance with all applicable corporate/limited liability company governance provisions and other action(s) on the part of Purchaser, such that no other act or proceeding on the part of Purchaser is necessary to approve the execution and delivery of this Agreement, the performance by Purchaser of its obligations hereunder or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, subject to approval by the Bankruptcy Court.

6.3 No Breach. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby will not: (a) with or without the giving of notice or the lapse of time, or both, conflict with, or result in the breach of or constitute a default under, or result in the modification, cancellation, lapse or termination of, or limitation, or curtailment under, or violate any (i) provision of law, or (ii) any agreement, contract, lease, power of attorney, commitment, instrument, insurance policy, arrangement, undertaking, order, decree, ruling or injunction to which Purchaser is subject or a party or by which it is bound (or with respect to which its properties or assets are subject or bound); or (b)

violate the Organizational Documents of Purchaser.

6.4 Governmental and Other Consents. No consent, notice, authorization or approval of, or exemption by, any governmental or public body or authority or by any other Person, whether pursuant to contract or otherwise, is required to be obtained by Purchaser in connection with the execution, delivery and performance of this Agreement or any of the instruments or agreements herein referred to or the taking of any action herein or therein contemplated.

6.5 Broker. Seller has employed a broker through the Bankruptcy Court who will be compensated pursuant to terms approved by the Bankruptcy Court at no cost to Purchaser.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser as follows:

7.1 Organization, Good Standing and Power. Seller is a non-profit corporation duly organized and validly existing under the laws of the State of North Carolina. Seller has all requisite corporate power and authority to own, use and operate its properties and to carry on its business as now being conducted.

7.2 Authority Relative to this Agreement; Execution and Binding Effect. The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of Seller and, subject to the Sale Order, no other act or proceeding on the part of Seller is necessary to approve the execution and delivery of this Agreement, and the performance by Seller of its obligations hereunder or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and, subject to the Sale Order, constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms, subject to approval by the Bankruptcy Court.

7.3 Title to and Condition of Assets. Subject to the Sale Order and the Section 363(h) Orders to be entered in the future, Seller shall at the Closing convey to Purchaser, good, valid (and marketable in the case of the Real Property and improvements thereon) title to the Acquired Assets, free and clear of all Liens.

7.4 Environmental Concerns. Seller is not in violation of or default under any environmental laws, or any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality having jurisdiction over Seller.

7.5 Real Property.

(a) After the Closing Purchaser will have good and marketable title to the Property in fee simple, free and clear of all Liens, other than the Permitted Encumbrances, and

Seller has done nothing to impair such title as Seller received, other than the Permitted Encumbrances.

(b) Seller has received no notice of noncompliance of the Property with any restrictive covenants and deed restrictions affecting the Property or with any zoning, subdivision, watershed, building, health, traffic, flood control, fire safety or other applicable rules, regulations, ordinances and statutes of any local, state, and federal authorities or any other governmental entities having jurisdiction over the Property.

(c) Seller has attached hereto as Exhibit "B" the Owners' Association Disclosure and Addendum, the information provided on same being incorporated herein by reference.

7.6 Absence of Certain Changes. Since the Petition Date:

(a) Seller has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, related to the Acquired Assets;

(b) Seller has not entered into any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) that relates to the Acquired Assets and which reasonably could be expected to have a Material Adverse Effect with respect to the Acquired Assets;

(c) No party (including Seller) has accelerated, terminated, modified, or cancelled any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) relating to the Acquired Assets which reasonably could be expected to have a Material Adverse Effect with respect to the Acquired Assets;

(d) Seller has not imposed or consented to the imposition of any Lien upon any of its assets, tangible or intangible, which reasonably could be expected to have a Material Adverse Effect with respect to the Acquired Assets;

(e) Seller has not experienced any damage, destruction, or loss (whether or not covered by insurance) relating to the Acquired Assets; and

(f) There has not been any other occurrence, event, incident, action, failure to act, or transaction outside the ordinary course of business involving any of Seller or the Acquired Assets.

7.7 Compliance With Laws. Except as identified in the Seller's bankruptcy schedules, Seller is not in violation of or the subject of any investigation for violation of, any laws, regulations, or administrative orders. Except as identified in the Seller's bankruptcy schedules, there is no judgment, writ, decree, injunction, rule, or order of any court, governmental department, commission, agency, instrumentality, or arbitrator outstanding against Seller, its properties or assets, or that would prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement. Seller has complied with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), and no

action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been received or filed or commenced against Seller alleging any failure so to comply.

7.8 Litigation. Except for the proceedings identified in the voluntary petition before the Bankruptcy Court, no suit, action or other proceeding is pending or, to the best of Seller's Knowledge, threatened before or by any court or governmental agency against Seller which would impair or prevent the sale and transfer of the Acquired Assets free and clear of any Lien.

7.9 No Breach. The execution, delivery and performance by Seller of this Agreement as approved by the Bankruptcy Court and the consummation of the transactions contemplated hereby will not: (a) with or without the giving of notice or the lapse of time, or both, conflict with, or result in the breach of or constitute a default under, or result in the modification, cancellation, lapse or termination of, or limitation, or curtailment under, or violate (i) any provision of law, or (ii) any agreement, contract, lease, power of attorney, commitment, instrument, insurance policy, arrangement, undertaking, order, decree, ruling or injunction to which Seller is subject or a party or by which it is bound (or with respect to which the Acquired Assets are subject or bound); or (b) violate the Organizational Documents of Seller.

7.10 Governmental and Other Consents. Subject to approval by the Bankruptcy Court, no consent, notice, authorization or approval of, or exemption by, any governmental or public body or authority, or by any other Person, whether pursuant to contract or otherwise, is required in connection with the execution, delivery and performance of this Agreement or any of the instruments or agreements herein referred to or the taking of any action herein or therein contemplated.

7.11 Taxes. There is no claim, audit, action, suit, proceeding, or investigation now pending or, to the Knowledge of Seller, threatened against or with respect to Seller in respect of any Tax or assessment. No notice of deficiency or similar document of any Tax authority has been received by Seller, and there are no liabilities for Taxes (including liabilities for interest, additions to Tax, penalties thereon and related expenses) with respect to the issues that have been raised (and are currently pending) by any Taxing authority with Seller that could, if determined adversely to Seller, have a Material Adverse Effect.

7.12 Brokers. Seller has not taken any action that would cause Purchaser or its Affiliates to have any obligation or liability to any third-party for finders' fees, brokerage fees, agents' commissions or like payments in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. Seller shall indemnify and hold Purchaser harmless from any claim, loss or expenses, including reasonable attorneys' fees and costs, arising from any claim by any person employed by Seller for finders' fees, brokerage fees, agents' commissions or like payments in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

7.13 Disclosure. No representation, warranty or other statement made by Seller herein or in any of the other agreements or documents executed or delivered to Purchaser pursuant to or in connection with this transaction contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein or therein not

misleading.

ARTICLE 8

COVENANTS AND AGREEMENTS

8.1 Governmental Approvals. Each party hereto shall, as promptly as possible, (a) make, or cause or be made, all filings and submissions required under any law applicable to such party or any of its Affiliates; and (b) use reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all governmental authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the transactions contemplated hereby. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto will not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

8.2 Transaction Expenses. Except as expressly provided for herein, each party shall pay all fees, costs and expenses incurred by it with respect to this Agreement, whether or not the transactions contemplated hereby are consummated.

8.3 Access. Purchaser and its representatives will have full access to Seller's premises, books and records maintained by Seller with respect to the Acquired Assets during normal business hours until the Closing.

8.4 Sale Procedures Order. Seller shall promptly seek approval of the Sale Procedures Order, which shall be acceptable to Purchaser in form and substance.

8.5 Sale Order. Seller shall permit Purchaser with a reasonable opportunity to review and comment on the Sale Order prior to its submission to the Bankruptcy Court.

8.6 Notification of Creditors. Seller shall notify all creditors and parties of interest in the Bankruptcy Case of the existence of this Agreement, the transactions contemplated hereby, and the Sale Procedures Order.

8.7 Notifications. From the date of this Agreement until the Closing, Seller shall give Purchaser prompt written notice of the occurrence of any of the following events occurring after the date of this Agreement:

- (a) any loss, taking, condemnation, damage or destruction of or to any of the Acquired Assets;
- (b) the commencement of any proceeding or litigation at law or in equity or any other commission, agency or administrative or regulatory body or authority against Seller affecting the Acquired Assets;
- (c) any labor grievance, controversy, strike, or dispute affecting the Acquired Assets;

(d) any material violation by Seller of any federal, state or local law, statute, ordinance, rule or regulation;

(e) any other materially adverse developments with respect to the Acquired Assets; or

(f) any event, occurrence or fact that causes any of the representations or warranties contained in Article 7 to be untrue at any time in any material respect; provided, that no disclosure by Seller pursuant to this Section shall be deemed to amend or supplement any provision of this Agreement or to prevent or cure any misrepresentation, breach of warranty or breach of covenant.

8.8 Risk of Loss. The risk of loss with respect to any Acquired Asset will remain with Seller unless and until the Closing has been consummated in accordance with the terms of this Agreement.

8.9 Further Assurances. Purchaser and Seller shall, from time to time after the Closing, without further consideration, execute and deliver such instruments and take such further actions as may be reasonably necessary or desirable to carry out the provisions hereof and the transactions contemplated hereby.

8.10 Approval of Transaction. Seller will provide a resolution duly approved by its board of directors in accordance and compliance with the provisions of the North Carolina Nonprofit Corporation Act and Seller's Organizational Documents for the purpose of approving and adopting the sale of the Acquired Assets in accordance with the material terms of this Agreement as promptly as practical following the date hereof.

8.11 Jurisdiction. The parties agree that the Bankruptcy Court shall have and retain the exclusive and sole jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement or the implementation or the breach hereof. The parties hereby consent to the core jurisdiction of the Bankruptcy Court, consent to the constitutional authority of the Bankruptcy Court to enter a final judgment, and waive any right to a jury trial in connection with any disputes related to or arising out of this Agreement.

ARTICLE 9

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASER

The obligation of Purchaser to consummate the transactions contemplated herein is subject to the satisfaction, at or before the Closing, of each of the following conditions (any of which conditions may be waived by Purchaser in its sole discretion):

9.1 Representations, Warranties and Covenants. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects

(except for such representations and warranties which are qualified by their terms by a reference to materiality, which representations and warranties as so qualified will be true in all respects) on and as of the Closing Date with the same force and effect as though made on the Closing Date. Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller on or prior to the Closing Date (except for such covenants and agreements which are qualified by their terms by a reference to materiality, which covenants and agreements as so qualified will have been performed or complied with in all respects).

9.2 Deliveries at Closing. Purchaser shall have received all documents and other items to be delivered by Seller pursuant to Section 5.1.

9.3 Proceedings and Instruments Satisfactory. All proceedings, corporate or otherwise, required to be taken by Seller prior to or at Closing in connection with the performance of this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Purchaser and its counsel.

9.4 Board of Directors Approval. The board of directors of Seller shall have duly adopted and approved this Agreement and approved the sale of the Acquired Assets pursuant to its terms in accordance with the North Carolina Nonprofit Corporation Act and Seller's Organizational Documents.

9.5 No Material Adverse Change. Between the date hereof and the Closing Date, there shall have been no material adverse change (or event that could reasonably be expected to result in a material adverse change) related to the Acquired Assets.

9.6 Absence of Proceedings. Except for the voluntary petition before the Bankruptcy Court, no action, proceeding or investigation (including, without limitation, actions, proceedings or investigations commenced or threatened by a governmental authority) has been commenced or threatened which would prevent or impair the ability of Seller to consummate any of the transactions contemplated herein.

9.7 Sale Order. The Bankruptcy Court shall have entered the Sale Order and Section 363(h) Orders in form and substance reasonably satisfactory to Purchaser, and such Sale Order shall not be subject to a stay.

9.8 Schedules. To the extent not delivered and approved by Purchaser prior to the date hereof, Seller will have delivered the Schedules required hereunder along with any updates thereto requested by Purchaser prior to Closing, and such Schedules will be acceptable to Purchaser in its sole discretion.

9.9 Title Insurance.

(a) Purchaser, at its election, will have ordered and received title commitments ("Title Commitments") issued by a title company licensed to insure title in the state where the Property is located ("Title Company"), whereby the Title Company agrees to issue at the Closing an ALTA Form 2006 Owners Policy of Title Insurance ("Title Policies") for the Real Property in an amount acceptable to Title Company. The Title Policies shall be in an

amount reasonably determined by Purchaser, showing fee simple title to the Real Property vested in Purchaser at the Closing Date subject only to Permitted Encumbrances. The cost of any endorsements requested by Purchaser shall be paid by Purchaser. Title Policies to be issued by the Title Company pursuant to the Title Commitments shall have all "Standard Exceptions" deleted so as to afford full "extended form coverage" and may contain the following endorsements: an ALTA Zoning Endorsement 3.1, ALTA 8.1 Environmental Protection Lien, ALTA 9.2 Owners Comprehensive, ALTA 17 Access, ALTA 19 Contiguity (where appropriate), survey, and such other endorsements as may be reasonably requested by Purchaser.

(b) Seller shall provide to Purchaser and/or its Title Company all documents, indemnity agreements, affidavits and other documents reasonably and customarily required by the Title Company to issue the Title Policies, to delete "Standard Exceptions" and to provide the special endorsements described in Section 10.11(a), and Seller shall comply with any reasonable and customary requirements set forth in Schedule B – Section One of each Title Commitment, all of which shall have been approved by the Title Company, and including, without limitation, delivery of a fully executed instrument in recordable form with respect to each Lien or other defect of a definite ascertainable amount which can be paid, discharged and released at Closing (a "Monetary Defect"), which unconditionally releases and discharges such Monetary Defect with respect to the Property.

(c) Any surveys, if ordered, shall be ordered and paid for by and certified to Purchaser, its title company and such other entities as Purchaser may elect, and conforming to current ALTA/ACSM Minimum Detail Requirements for Land Title Surveys, sufficient to cause the Title Company to delete the standard printed survey exception and which disclose no state of facts inconsistent with the representations and warranties of the Seller as set forth herein.

ARTICLE 10

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER

The obligation of Seller to consummate the transactions contemplated herein is subject to the satisfaction, at or before the Closing, of each of the following conditions (any of which conditions may be waived by Seller in its sole discretion):

10.1 Representations, Warranties and Covenants. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects (except for such representations and warranties which are qualified by their terms by a reference to materiality, which representations and warranties as so qualified will be true in all respects) on and as of the Closing Date with the same force and effect as though made on the Closing Date. Purchaser shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Purchaser on or before the Closing Date (except for such covenants and agreements which are qualified by their terms by a reference to materiality, which covenants and agreements as so qualified will have been performed or complied with in all respects).

10.2 Deliveries at Closing. Seller shall have received all documents and other items to be delivered by Purchaser pursuant to Section 5.2.

10.3 Sale Order. The Bankruptcy Court shall have entered the Sale Order and Section 363(h) Orders, and such Orders shall not be subject to a stay.

ARTICLE 11

TERMINATION

11.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

- (a) By mutual written consent of Purchaser and Seller;
- (b) By either Purchaser or Seller:
 - (i) If the Bankruptcy Court refuses to enter the Sale Procedures Order, in form and content consistent with the terms of this Agreement;
 - (ii) If the Bankruptcy Court refuses to enter the Sale Order, materially revises the terms of the proposed Sale Order, or orders the sale of the Acquired Assets to a third party;
 - (iii) If the Bankruptcy Court refuses to enter the Section 363(h) Orders authorizing the sale of the Real Property free and of all Liens; or
 - (iv) If the Closing shall not have occurred on or before May 15, 2022 despite the good faith efforts to consummate the Closing by such date by the terminating party;
- (c) By Purchaser (provided Purchaser is not otherwise in material breach), if there has been a breach by Seller of any representation, warranty, covenant, or agreement set forth in this Agreement on the part of Seller that is material and that Seller fails to cure within 10 business days after notice thereof is given by Purchaser (except that no cure period will be provided for a breach by Seller that by its nature cannot be cured) or there occurs a failure of a condition precedent set forth in Article 9, which failure is not due to an act or omission of Purchaser, that by its nature cannot be cured, or if Purchaser elects not to proceed with this transaction as a result of its due diligence review; or
- (d) By Seller (provided Seller is not otherwise in material breach) if there has been a breach by Purchaser of any representation, warranty, covenant, or agreement set forth in this Agreement on the part of Purchaser that is material and that Purchaser fails to cure within 10 business days after notice thereof is given by Seller (except that no cure period will be provided for a breach by Purchaser that by its nature cannot be cured) or there occurs a failure of a condition precedent set forth in Article 10, which failure is not due to an act or omission of Seller, that by its nature cannot be cured;

11.2 Effect of Termination. In the event of termination of this Agreement by either Seller or Purchaser as provided in Section 11.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Seller or Purchaser (except for breach of this Agreement).

ARTICLE 12**MISCELLANEOUS**

12.1 Termination of Representations and Warranties. The representations and warranties of the parties set forth in this Agreement shall terminate and be of no further force or effect as of the Closing Date, except for those representations and warranties contained in the Sale Order which survive indefinitely.

12.2 Notices. All notices, consents or other communications required or permitted hereunder shall be given in writing and hand delivered or addressed and sent by Federal Express or other recognized overnight courier, or by certified or registered mail, postage prepaid, and return receipt requested, as follows:

If to Seller: North Pier Ocean Villas Homeowners Association, Inc.
c/o John Hutchings
P.O. Box 1628
Carolina Beach, NC 28428

With a copy to: David J. Haidt
Ayers & Haidt, P.A.
307 Metcalf Street
New Bern, North Carolina 28563

If to Purchaser:

Celtra Inc
6316 Marywood Dr
Wilmington NC 28409

With a copy to: _____

or to such other address as may hereafter be designated by any party by the giving of notices in accordance with this Section. All notices, consents or other communications shall be deemed given when actually delivered (in the case of hand delivery by Federal Express or other recognized overnight courier) or received by fax or five (5) days after mailing in accordance with this Section.

12.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without giving effect to rules governing the conflict of laws.

12.4 Waiver. The waiver by a party of a breach of any covenant, agreement or undertaking contained herein shall be made only by a written waiver in each case. No waiver of any breach of any covenant, agreement or undertaking contained herein shall operate as a waiver of any prior or subsequent breach of the same covenant, agreement or undertaking or as a waiver of any breach of any other covenant, agreement or undertaking.

12.5 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, in whole or in part, the validity, legality, and enforceability of the remaining

part of such provision, and the validity, legality and enforceability of all other provisions hereof or thereof, shall not be affected thereby.

12.6 Counterparts. This Agreement may be executed in one or more counterparts (whether manually signed or by facsimile), each such counterpart shall be deemed an original, and all such counterparts shall constitute one and the same agreement.

12.7 Captions; References. The headings, titles or captions of the Articles and Sections of this Agreement are inserted only to facilitate reference, and they shall not define, limit, extend or describe the scope or intent of this Agreement or any provision hereof, and they shall not constitute a part hereof or affect the meaning or interpretation of this Agreement or any part hereof.

12.8 Entire Agreement; Amendments. This Agreement (including the exhibits and schedules hereto) and the documents delivered pursuant hereto constitute the entire agreement and understanding among Seller and Purchaser and supersede any prior agreement and understanding relating to the subject matter of this Agreement. This Agreement may not be amended, changed, modified, altered or terminated unless the parties hereto agree in writing to such amendment, change, modification, alternation or termination.

12.9 Remedies Cumulative; Specific Performance. No remedy herein conferred is exclusive of any other available remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given by agreement or now or hereafter existing at law or in equity or by statute. In addition to any and all other remedies that may be available at law, in the event of any breach of this Agreement, each party shall be entitled to seek specific performance of the agreements and obligations hereunder and to such other injunctive or equitable relief as may be granted by a court of competent jurisdiction.

12.10 Binding Nature; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interest or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other parties. Notwithstanding, Purchaser may assign certain rights and interests and delegate certain obligations hereunder to an Affiliate of Purchaser without the written consent of Seller.

12.11 No Third-Party Beneficiaries. This Agreement is a contract solely between Purchaser and Seller. No third-party beneficiaries are intended hereunder and none shall be inferred herein; and no parties other than Purchaser or Seller (and their permitted assigns) may assert any right, make any claim or otherwise attempt to enforce any provision of or under this Agreement.

12.12 Public Announcements. Neither Purchaser nor Seller will make any public disclosure of this Agreement or the transactions contemplated hereby without prior consultation with the other party hereto, except for such disclosure as may be required by applicable laws, including the Bankruptcy Code.

12.13 Mutual Cooperation. The parties hereto shall work together in good faith to the extent reasonably necessary to facilitate the consummation of the transactions contemplated

by this Agreement, subject to the requirements of the Bankruptcy Court. Subsequent to the Closing, Purchaser and Seller, at the request of another, shall execute, deliver and acknowledge such further documents or instruments, and perform such further acts or deeds, as may be reasonably necessary to consummate the transactions contemplated by this Agreement and carry out the purposes and intent of this Agreement.

12.14 Cooperation as to Taxes. After the Closing, upon reasonable written notice, Purchaser and Seller shall furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance (to the extent within the control of such party) relating to the Acquired Assets (including access to books and records) as is reasonably necessary for the filing of 2021 tax returns.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have caused their duly authorized officers to execute this Asset Purchase Agreement as of the day and year first above written.

PURCHASER:

Cekra Inc and/or Assigns

By: [Signature]
Name: Anita Nagy Kratsa
Its: President

SELLER:

**NORTH PIER OCEAN VILLAS
HOMEOWNERS ASSOCIATION, INC.**

By: [Signature]
Name: John Hutchings
Its: President

Amended Agreement

Purchaser

Cekra, Inc. and/or Assigns

By: [Signature]
Name: Jeff O'Brien
Its: Authorized Agent
4/7/2022

Seller

*North Pier Ocean Villas
Homeowners Association, Inc*

By: [Signature]
Name: John Hutchings
Its: President
4/7/22

EXHIBIT A

Beginning at the intersection of the Southeast right-of-way line of Canal Drive (40' public right-of-way) and Northeast right-of-way line of Salt Marsh Lane (25' public right-of-way), said point being the southwest corner of Phase II of North Pier Ocean Villas as shown on Condo Map 10 Page 31 of the New Hanover County Registry (all book and page references herein are to the New Hanover County Register of Deeds Office);

Running thence from the point of beginning northeastwardly with and along the Southeast right-of-way line of Canal Drive North $24^{\circ}17'22''$ East 192.60 feet to the Northwest corner of Phase V of North Pier Ocean Villas as shown on Condo Map 10 Pages 369-371 (a rebar set at that corner), the common corner with the southwestern corner of North Pier Associates, Limited Partnership's tract ("North Pier Associates") recorded in Book 1283 Page 1180;

Thence eastwardly with the common line of Phase V of North Pier Ocean Villas and North Pier Associates' line, S $65^{\circ}42'38''$ E 78.00' to a point at the rear corner (the easternmost corner) of Phase V North Pier Ocean Villas, thence continuing the same bearing an additional 47.79' for a total distance of 125.79' to a rebar set at a corner of North Pier Associates tract, said point being in the common line with Fishing Piers, Inc.'s property recorded in Book 2356 page 712;

Thence along and with said North Pier Associates common line with Fishing Piers, Inc. the following six (6) courses:

- S $24^{\circ}07'32''$ W 6.08' to an existing iron rod;
- S $60^{\circ}56'08''$ E 6.79' to an existing iron rod;
- S $24^{\circ}41'41''$ W 11.15' to an existing iron rod;
- S $62^{\circ}51'01''$ E 17.05' to an existing iron rod;
- S $03^{\circ}05'42''$ W 120.07' to an existing iron rod;
- S $24^{\circ}14'33''$ W 61.99' to an existing iron rod in the northern right-of-way line of Salt Marsh Lane a 25' public right-of-way;

Thence with the northern right-of-way line of Salt Marsh Lane N $65^{\circ}42'55''$ W 192.99' to the point of beginning.

This metes and bounds description includes (i) Phases I through V of North Pier Ocean Villas already titled in the name of the Grantee plus (ii) a portion of Grantor's tract lying south of the northernmost line of Grantee's Phase V as extended to a point in the Fishing Piers, Inc. line mentioned above.

BEING a unit ownership in real property, under and pursuant to Chapter 47A of the North Carolina General statutes entitled "Unit Ownership Act" and BEING ALL UNITS contained in Phase I, II, III, IV, V of North Pier Ocean Villas Condominium, a condominium project situated upon real property located within town of Carolina Beach, State of North Carolina, as said real property is described in the "Declaration Creating Unit Ownership of Property Under the Provisions of Chapter 47A of the General Statutes of the State of North Carolina" referred to herein below; said Units specifically described by reference to and shown as sets of plans which are attached as Exhibits to the original Declarations and each amendment thereto, which are recorded in the office of the Register of Deeds of New Hanover County, North Carolina, reference to which is hereby made for a more complete description thereof, said plans are recorded as follows:

Phase I

All of Units 101-105, 201-205, 301-305, Phase I of North Pier Ocean Villas Condominium, recorded in Condo Book 6 at Page 121-124 of NHC Registry.

Phase II

All of Units 100,106-107 200, 206-207, 300, 306-307, Phase II of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 31-36 of NHC Registry.

Phase III

All of Units, 108-109, 208-209, 308-309, Phase III of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 156-158 of NHC Registry.

Phase IV

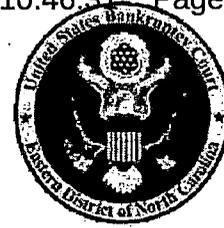
All of Units 110-111, 210-211, 310-311, Phase IV of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 278-281 of NHC Registry.

Phase V

All of Units 112-113, 212-213, 312-313, Phase V of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 369-371 of NHC Registry.

Each of said Units being more specifically defined in said declaration together with all appurtenances thereto belonging, including but not limited to the undivided interest in the common areas and facilities of North Pier Ocean Villas, appurtenant to each of said Units as the same is established in said Declarations or the Supplements thereto.

EXHIBIT **6**.



SO ORDERED.

SIGNED this 24 day of June, 2022.

David M. Warren
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WILMINGTON DIVISION**

In the Matter of:
**NORTH PIER OCEAN VILLAS
HOMEOWNERS ASSOCIATION, INC.,**
Debtor.

Case No.:
21-01760-5-DMW
Chapter 11

**ORDER IN AID OF EXECUTION OF CONFIRMED
CHAPTER 11 PLAN AND SALE OF ASSETS**

THIS MATTER, coming on to be heard before the Honorable David M. Warren upon the Debtor's Motion for Order in Aid of Execution of the Confirmed Plan and Sale of Assets ("Motion") [DE 154], seeking entry of an Order recognizing (i) the consolidation of the fractional ownership interests in the North Pier Ocean Villas condominiums and common areas in furtherance of the Debtor's confirmed Plan of Liquidation; as evidenced by (ii) the Court's judgments in the thirty-six (36) adversary proceedings arising from this case seeking relief under 11 U.S.C. § 363(h); and (iii) the executed consent orders of timeshare unit owners acknowledging the Debtor's ability to sell the fractionalized interests as a single transaction, all for the express purpose of consolidating these actions in a single document recordable in the New Hanover County, North Carolina land records as part of the conveyance of title to the purchaser of the Debtor's Property and that of the affiliated unit owners, and granting such other and further relief as is just and appropriate; and

Based upon the Motion, the record in this proceeding and all comments of counsel present and wishing to be heard on the Motion, no objections to the Motion either being filed or presented, this Court makes the following:

Findings of Fact and Conclusions of Law

1. The Debtor filed a voluntary petition seeking relief under chapter 11 of the Bankruptcy Code on August 5, 2021 (the "Petition Date").

2. The Debtor is a not-for-profit corporation organized and existing under the laws of the State of North Carolina and doing business in New Hanover County, North Carolina.

3. The Debtor was incorporated in 1984 as a North Carolina non-profit corporation pursuant to Chapter 47A of the North Carolina General Statutes, the North Carolina "Unit Ownership Act." It serves as the homeowners' association for North Pier Ocean Villas, a condominium/timeshare development located in Carolina Beach, North Carolina. The Debtor is the governing body for the development and exists to manage, operate, and maintain the condominium units and common areas that comprise it. The Declaration of Condominium for North Pier Ocean Villas (the "Condominium Declaration") was recorded on May 4, 1984, in Book 1253, Page 687 of the New Hanover County, North Carolina Registry. The Timeshare Declaration, an overlay to the condominium regime (the "Timeshare Declaration"), was recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry and terminated on September 30, 2021 in accordance with an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry.

4. When it was recorded, the Condominium Declaration related to fifteen (15) condominiums comprising "Phase I" of the North Pier Ocean Villas development, together with the Common Areas and Facilities (as defined in Article III, Section G of the Condominium Declaration, and hereafter designated the "Common Areas"). With the construction of Phases II, III, IV and V

of North Pier Ocean Villas, and the recordation of corresponding amendments to the Condominium Declaration, the Condominium Plan eventually included forty-two (42) condominium units (hereafter, the "Condominiums"). The Condominiums are contained within two buildings at 1800 Canal Drive in Carolina Beach, North Carolina. Under the Timeshare Plan, each Condominium was assigned fifty-two (52) weekly intervals, constituting 2,184 weekly timeshare intervals. The Condominiums were designated as units under the Timeshare Plan corresponding to their condominium numbers in the building and the week number assigned to the timeshare holder. When the Timeshare Declaration was terminated the owners of individual timeshare units reverted to owners of the condominium units as tenants in common (hereafter the "Unit Owners").

5. In accordance with the By-Laws of North Pier Ocean Villas Homeowners Association, Inc. (the "By-Laws," as recorded at Book 1253, Page 720 of the New Hanover County Registry), the Debtor is charged with the responsibility to administer the affairs of North Pier Ocean Villas, collect regular and special assessments, and manage the Common Areas. The Condominium Declaration and Timeshare Declaration, together with all recorded amendments thereto, are incorporated herein by reference and collectively referred to as the "Governing Documents."

6. Pursuant to Article IV of the Condominium Declaration, each Condominium shall be "conveyed and treated as a separate individual unit of real property capable of independent use and fee simple ownership, and the owner or owners of each dwelling shall own as an appurtenance to the ownership of said dwelling an undivided interest in the common areas and facilities of North Pier Ocean Villas and future phases, if any."

7. On April 4, 2022, certain real property (the "NPA Tract") was deeded to the Debtor from North Pier Associates, Limited Partnership, as reflected in that certain Deed recorded at Book 6553, Page 1563 of the New Hanover County Registry. Collectively, the real property and Condominiums subject to the Condominium Declaration and its amendments, together with the

NPA Tract, and the accompanying undivided interest in the Common Areas and Facilities associated with the Condominiums shall comprise and be referred to herein as the "Property." The legal description for the Property is attached hereto and incorporated herein as Exhibit A.

8. Pursuant to N.C. Gen. Stat. § 47A-16 and general principles of law, the Property is deemed to be owned as tenants in common by each Unit owner and member of the North Pier Ocean Villas Homeowners Association, and the interest of each Unit owner, as a tenant in common, shall be the percentage of undivided interest previously owned by such Unit owner in the common areas and facilities as such is defined and established in the Condominium Declaration originally creating the condominium regime.

9. As part of the bankruptcy proceeding, and in conjunction with the Debtor's confirmed Chapter 11 Plan of Liquidation (the "Plan"), all interval owners of Unit Weeks were served with notice of the Debtor's intent to file, as part of the Plan, a series of adversary proceedings (the "Adversary Proceedings") seeking relief under 11 U.S.C. § 363(h) for the purpose of securing orders from the Bankruptcy Court to sell the Property free and clear of claims and interests of co-tenants, including title interests in the condominium and interval ownership weeks, as well as claims and interests arising under the Governing Documents. Prior to confirmation of the Plan, all interval owners of Unit Weeks were given the opportunity to sign and return a Consent Order to be filed in the Adversary Proceeding corresponding to the Unit in which their particular interval ownership interest is incorporated, consenting to the relief sought by the Adversary Proceeding (hereafter the "Consent Order Parties").

10. As of the Petition Date, the Debtor, by virtue of receiving deeds from various owners, was the owner of approximately 992 of the 2184 Unit Weeks in the North Pier Ocean Villas Units.

11. The Debtor continues to operate and manage this bankruptcy as a Debtor-in-

Possession. The Debtor has marketed and intends to sell the Property pursuant to the confirmed Chapter 11 Plan under the authority of 11 U.S.C. § 363(h).

12. The Debtor, all named Defendants to the Adversary Proceedings, and the Consent Order Parties are the individuals and/or entities owning all of the condominium and interval ownership interests within the Condominium Property and are tenants in common within the meaning of 11 U.S.C. § 363(h) of the Bankruptcy Code. The proceeds of sale shall be distributed consistent with the requirements of § 363(h) and (j) of the Bankruptcy Code, subject to the provisions of the confirmed Chapter 11 Plan in the bankruptcy case.

13. Partition in kind of the Property among the Unit Owners, whether named Defendants in the Adversary Proceedings or Consent Order Parties, is impracticable.

14. The sale of the Debtor's interest in the Property would realize significantly less for the Bankruptcy Estate than the sale of the Property free and clear of the claims and interests of the Defendants to the Adversary Proceedings and the Consent Order Parties.

15. The benefit to the Bankruptcy Estate of a sale of the Property free and clear of the interests of the timeshare interests of all named Defendants to the Adversary Proceedings and the Consent Order Parties outweighs the detriment, if any, to the claims and interests of the Defendants in the Adversary Proceedings and the Consent Order Parties.

16. The Property is not used in the production, transmission or distribution, for sale, of electric energy or of natural or synthetic gas for heat, light or power.

17. The sale of all or substantially all of the Debtor's assets requires Bankruptcy Court approval and a debtor is treated as the trustee under 11 U.S.C. §§ 363(h) and 1107 for the purpose of securing an order of this Court in accordance with 11 U.S.C. §1141(c) and §363(h) and the terms of the Confirmed Plan of Liquidation to sell real property free and clear of claims and interests of co-tenants; now therefore,

It is ORDERED, ADJUDGED, and DECREED that:

1. The Motion is hereby ALLOWED; and
2. Pursuant to the confirmed Plan, 11 U.S.C. § 1141(c) and 11 U.S.C. §363(h), and as adjudged in thirty-six (36) Adversary Proceedings filed in this Cause, and as authorized by all Consent Order Parties, the Debtor is allowed and directed to sell the Property described on Exhibit A free and clear of timeshare ownership interests, including, but not limited to, any claim or interest of unit owners which arise out of the Timeshare Declaration for the former interval ownership regime, recorded on May 9, 1984, in Book 1253, Page 733 of the New Hanover County Registry and terminated on September 30, 2021 in accordance with an amendment to the Timeshare Declaration recorded on September 16, 2021 in Book 6492, Page 1066 of the New Hanover County Registry; and further that the surviving co-tenant interests of the Debtor, all named Defendants in the Adversary Proceedings and Consent Order Parties shall attach to the proceeds of sale, according to their priority under state and federal law and pursuant to the confirmed Chapter 11 Plan of Liquidation. To the extent the named Defendants and Consent Order Parties listed in the Adversary Proceedings in this cause are inconsistent with the claimants listed in Exhibit B to the Disclosure Statement, the parties named and served in the Adversary Proceedings shall control; and
3. After the confirmed sale of the Debtor Property, the proceeds of sale shall be distributed consistent with the requirements of 11 U.S.C. §§ 363(h) and (j), subject to the provisions of the confirmed Chapter 11 Plan and future Orders of this Court.

END OF DOCUMENT

Book 6553 Page 1565

EXHIBIT A

Beginning at the intersection of the Southeast right-of-way line of Canal Drive (40' public right-of-way) and Northeast right-of-way line of Salt Marsh Lane (25' public right-of-way), said point being the southwest corner of Phase II of North Pier Ocean Villas as shown on Condo Map 10 Page 31 of the New Hanover County Registry (all book and page references herein are to the New Hanover County Register of Deeds Office);

Running thence from the point of beginning northeastwardly with and along the Southeast right-of-way line of Canal Drive North $24^{\circ}17'22''$ East 192.60 feet to the Northwest corner of Phase V of North Pier Ocean Villas as shown on Condo Map 10 Pages 369-371 (a rebar set at that corner), the common corner with the southwestern corner of North Pier Associates, Limited Partnership's tract ("North Pier Associates") recorded in Book 1283 Page 1180;

Thence eastwardly with the common line of Phase V of North Pier Ocean Villas and North Pier Associates' line, S $65^{\circ}42'38''$ E 78.00' to a point at the rear corner (the easternmost corner) of Phase V North Pier Ocean Villas, thence continuing the same bearing an additional 47.79' for a total distance of 125.79' to a rebar set at a corner of North Pier Associates tract, said point being in the common line with Fishing Piers, Inc.'s property recorded in Book 2356 page 712;

Thence along and with said North Pier Associates common line with Fishing Piers, Inc. the following six (6) courses:

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- S $60^{\circ}56'08''$ E 6.79' to an existing iron rod;
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- S $24^{\circ}14'33''$ W 61.99' to an existing iron rod in the northern right-of-way line of Salt Marsh Lane a 25' public right-of-way;

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This metes and bounds description includes (i) Phases I through V of North Pier Ocean Villas already titled in the name of the Grantee plus (ii) a portion of Grantor's tract lying south of the northernmost line of Grantee's Phase V as extended to a point in the Fishing Piers, Inc. line mentioned above.

Together with all Units as described hereafter:

BEING a unit ownership in real property, under and pursuant to Chapter 47A of the North Carolina General statutes entitled "Unit Ownership Act" and BEING ALL UNITS contained in Phase I, II, III, IV, V of North Pier Ocean Villas Condominium, a condominium project situated upon real property located within town of Carolina Beach, State of North Carolina, as said real property is described in the "Declaration Creating Unit Ownership of Property Under the Provisions of Chapter 47A of the General Statutes of the State of North Carolina" referred to herein below; said Units specifically described by reference to and shown as sets of plans which are attached as Exhibits to the original Declarations and each amendment thereto, which are recorded in the office of the Register of Deeds of New Hanover County, North Carolina, reference to which is hereby made for a more complete description thereof, said plans are recorded as follows:

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All of Units 100,106-107 200, 206-207, 300, 306-307, Phase II of North Pier Ocean Villas Condominium, recorded in Condo Book 10 at Page 31-36 of NHC Registry.

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Each of said Units being more specifically defined in said declaration together with all appurtenances thereto belonging, including but not limited to the undivided interest in the common areas and facilities of North Pier Ocean Villas, appurtenant to each of said Units as the same is established in said Declarations or the Supplements thereto.

TAMMY THEUSCH
PIVER
Register of Deeds

New Hanover County

Register of Deeds

320 CHESTNUT ST SUITE 102 • WILMINGTON, NORTH CAROLINA 28401
Telephone 910-798-4530 • Fax 910-798-7716



State of North Carolina, County of NEW HANOVER
Filed For Registration: 07/27/2022 04:08:50 PM
Book: RB 6583 Page: 795-835
41 PGS \$126.00
Real Property \$126.00
Recorder: ANDREA CRESWELL
Document No: 2022027663

DO NOT REMOVE!

This certification sheet is a vital part of your recorded document. Please retain with original document and submit when re-recording.

ATTACHMENT G: Town of Carolina Beach Static Line Re-Authorization Report



Town of Carolina Beach Static Line Exception Progress Report.

**Prepared By:
The Town of Carolina Beach**

January 2020

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8. Purpose

The federal storm damage reduction project has served the Town well over the last 50 years and continued nourishment of the project will continue to provide storm damage reduction to the Town’s infrastructure and development within the Town. Also, in order to retain its Static Vegetation Line Exception granted by the NC Coastal Resources Commission (CRC) on September 9, 2009 and reauthorized on May 14, 2014, the Town must provide a progress report to the CRC every 5 years describing the condition of the project and an update of the requirements outlined in the Static Vegetation Line Exception rule (15A NCAC 07J).

9. Project Description

The Carolina Beach federal storm damage reduction project was authorized by Congress in 1962 (House Document Number 418, 87th Congress, 2nd Session). The project extends along 14,000 lineal feet of ocean shoreline as shown in Figure 1. As originally authorized, the project consisted of a beach fill shaped in the form a 25-foot wide dune with a crest elevation of 12.5 feet above North American Vertical Datum (NAVD) fronted by a 50-foot wide storm berm at elevation 9.5 feet above NAVD. The project was later modified to include a 2,075-foot long rock revetment at the extreme north end of the project which is fronted by a 130-foot wide berm at elevation 5.5 feet above NAVD. The crest elevation of the revetment is at 9.5 feet NAVD. The authorization also included periodic nourishment

of the project with the nourishment interval estimated to be approximately every three years. Maintenance of the rock revetment is a non-federal responsibility. The plan layout of the project is shown in Figure 2 with typical profiles of the beach fill and revetment sections shown in Figures 3 and 4, respectively. The Carolina Beach portion of the authorized project was re-evaluated in February 1993 under authority provided by Section 934 of the Water Resources Development Act of 1986 (PL 99-662) and found to be eligible for continued Federal participation in beach nourishment for the remaining economic life of the project (USACE 1993). Construction of the Carolina Beach portion of the project was initiated in 1964; therefore, federal cost-sharing for storm damage reduction was authorized to continue through the year 2014. The federal participation in periodic nourishment expired in 2014 and the U.S. Army Corps of Engineers - Wilmington District (USACE) was authorized a 6-year extension through the Water Resources Reform and Development Act (WRRDA) of 2014 and 2016 which allowed the project to successfully compete for its 3-year maintenance cycles in FY2016 and FY2019. The last renourishment interval was completed in 2019 and federal participation would end after 2020. With a determination of continued Federal interest, obtaining authorization in the Water Resources Development Act (WRDA) of 2020 would facilitate the uninterrupted continuation of cost-shared periodic renourishment cycles scheduled for construction initiation in fall 2021. Continuation of this project allows the opportunity for Federal participation in periodic renourishment through 2036.

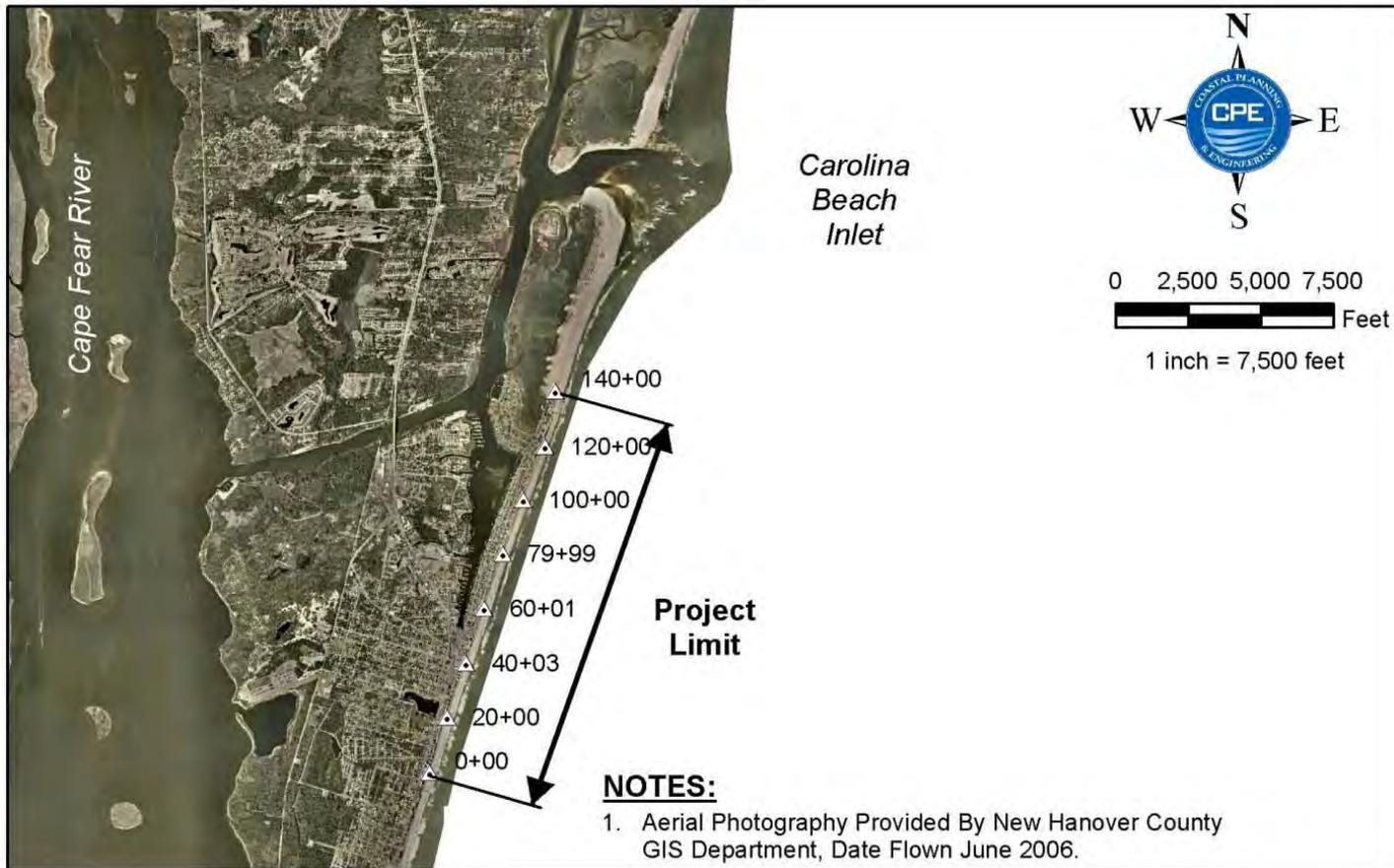


Figure 1. Carolina Beach project limits and baseline stations.

The Area South portion of the Carolina Beach and Vicinity CSRM is immediately adjacent on the south side of the Carolina Beach portion of the project. The Area South portion was authorized along with the entirety of the Carolina Beach and Vicinity CSRM by the Flood Control Act of 1962. The Area South Portion called for protecting 18,000 feet of shoreline within the town limits of Kure Beach and a very small portion of the southern part of Carolina Beach. Initial construction was completed in 1998. Since initial construction, Area South has shared the same three-year renourishment intervals with Carolina Beach. The sand source that Area South utilizes, referred to as Borrow Area B, has also been evaluated as an alternative borrow source in the Carolina Beach Renourishment Evaluation Report (BRER) analysis.

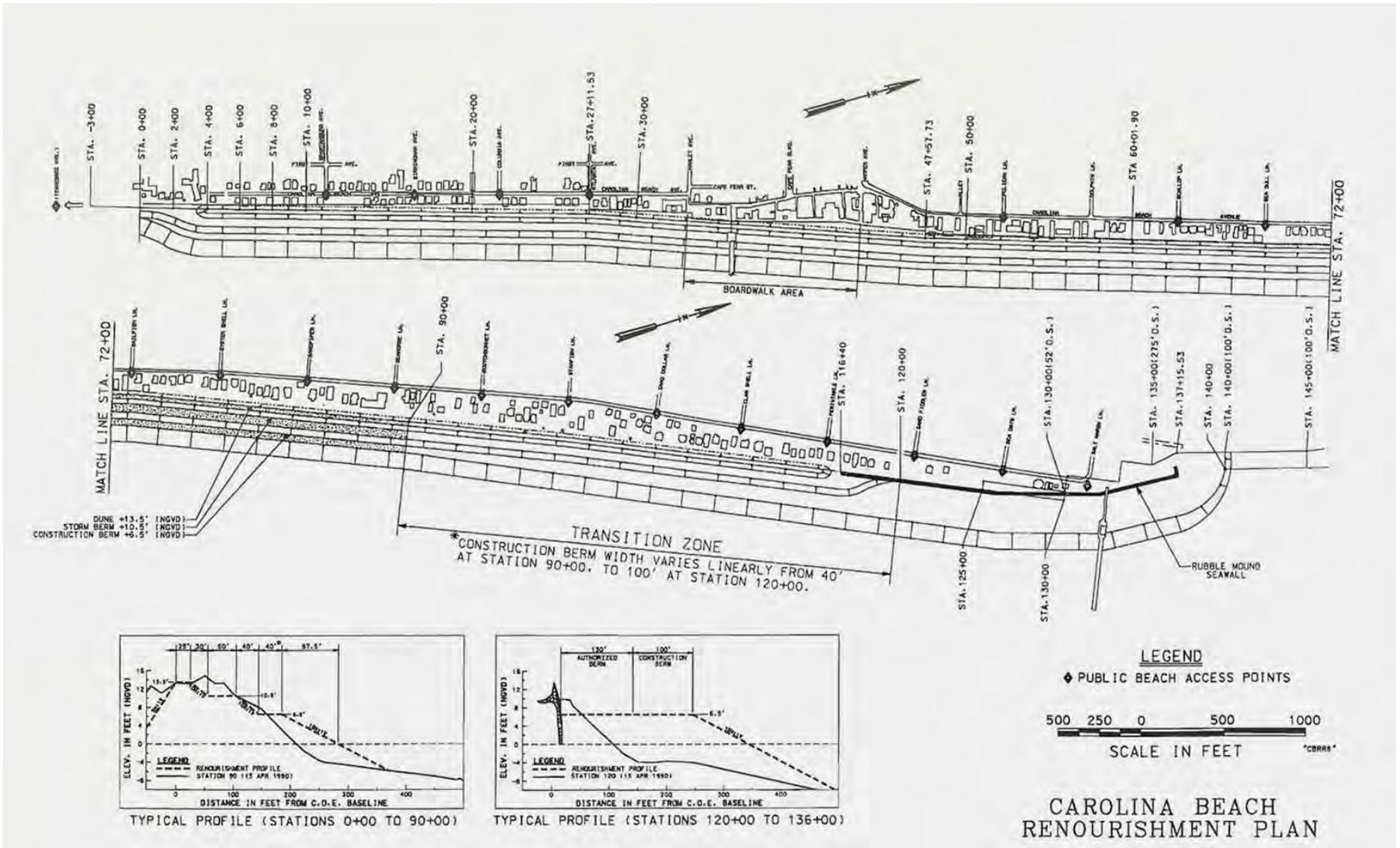


Figure 2. Carolina Beach – Beach Fill Plan.

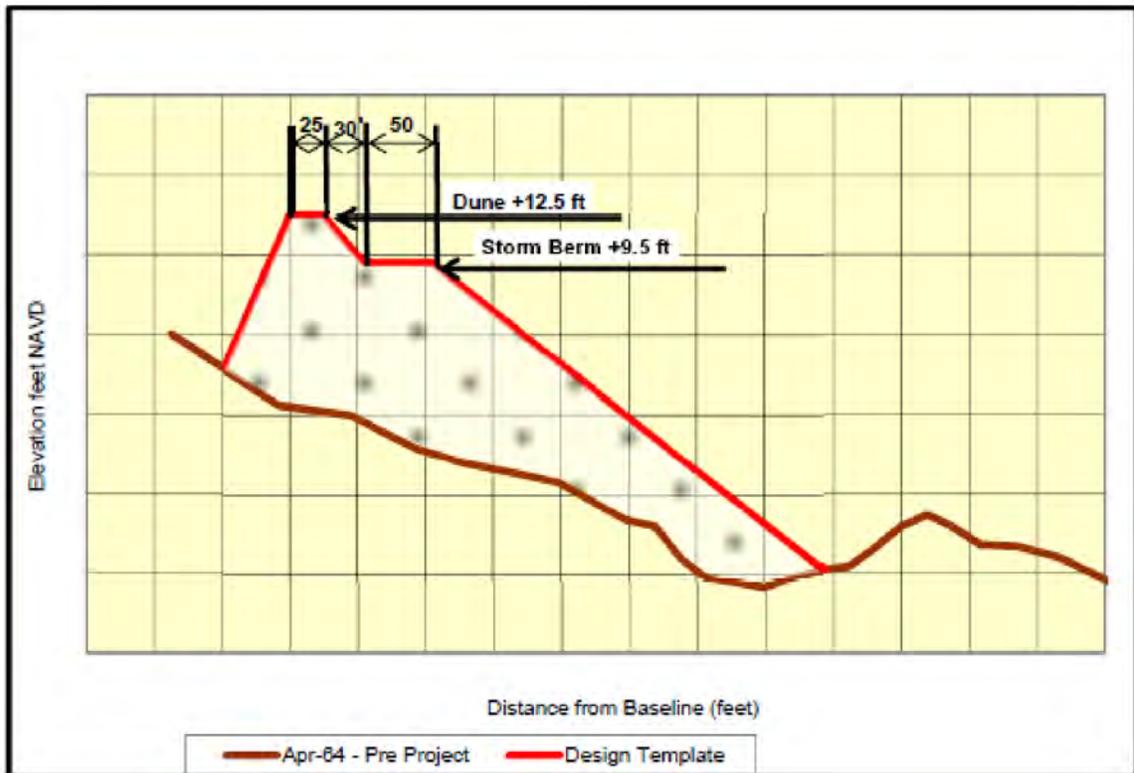


Figure 3. Authorized beach fill cross-section (stations 0+00 to 116+40)

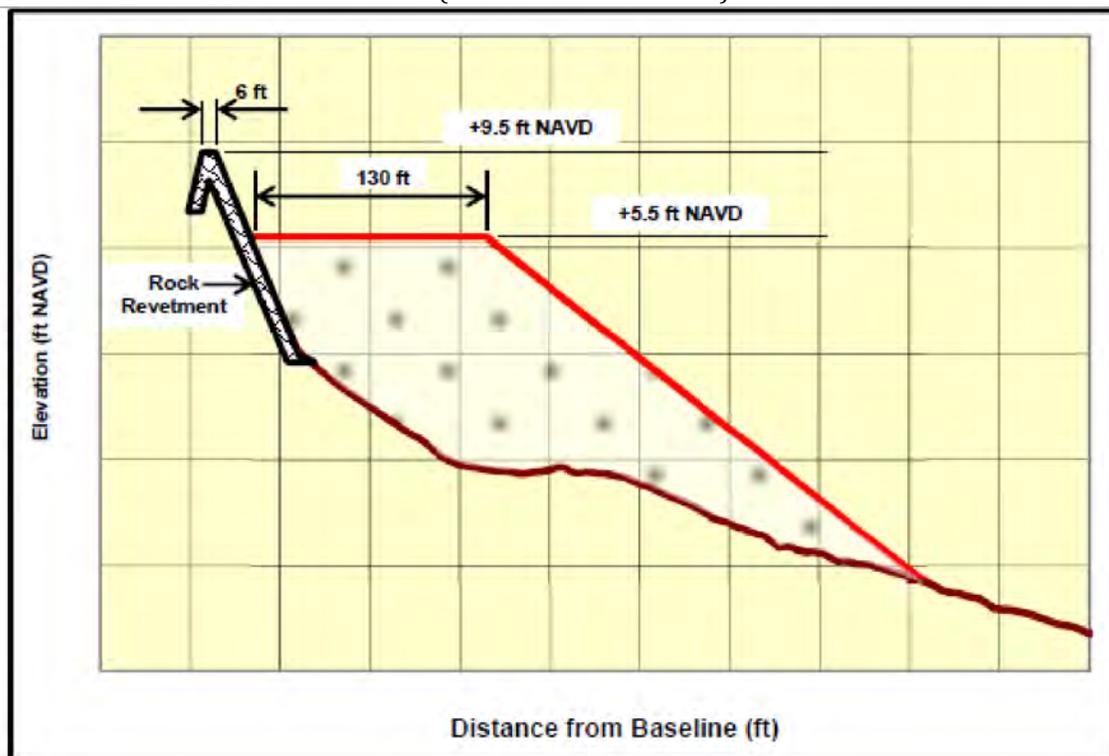


Figure 4. Rock revetment cross-section (stations 116+40 to 137+20)

10. Storm Damage Reduction Projects

The federal projects covering Carolina Beach and Kure Beach were most recently nourished in 2019. The two projects were successful in securing federal funding. A breakdown of the nourishment volumes and cost contributions for the two projects from 2019 to 2010 is as follows:

2019 Nourishment

Carolina Beach Portion:

Nourishment Volume = 1,255,981 cy

Initial Construction:

\$7,325,000 (Federal – 65%)
 \$3,944,000 (Non-Federal – 35%)
 (\$3,936,000) (Non-Federal Cash Contribution)
(\$8,000) (Non-Federal Lands and Damages)
 \$11,269,000

Periodic Nourishment:

\$32,454,000 (Federal – 65%)
\$17,476,000 (Non-Federal – 35%)
 \$49,930,000

Total Estimated Project Cost:

\$39,779,000 Federal
\$21,420,000 Non-Federal
 \$61,199,000 Total

Area South Portion:

Nourishment Volume = 625,502 cy

Initial Construction:

\$9,603,000 (Federal – 65%)
 \$5,171,000 (Non-Federal – 35%)
 (\$4,770,000) (Non-Federal Cash Contribution)
(\$401,000) (Non-Federal Lands and Damages)
 \$14,774,000

Periodic Nourishment:

\$99,353,000 (Federal – 65%)
\$53,498,000 (Non-Federal – 35%)
 \$152,851,000

Total Estimated Project Cost:

\$108,956,000 Federal
\$58,669,000 Non-Federal
 \$167,625,000 Total

Attachment 2 provided by the Army Corps of Engineers shows the before and after results of the 2019 Periodic Nourishment Event.

2016 Nourishment

Carolina Beach Project:

Nourishment Volume: 890,000 cy

Total Cost = \$12,300,000

Federal (65%) = \$7,995,000

Non-Federal (35%) = \$4,305,000

2013 Nourishment

Carolina Beach Project:

Nourishment Volume = 989,200 cy

Total Cost = \$6,500,000

Federal = \$4,200,000

State = \$ 0

County = \$2,300,000

Area South Project:

Nourishment Volume = 557,702 cy

Total Cost = \$5,900,000

Federal = \$3,900,000

State = \$1,180,000

County = \$ 900,000

2010 Nourishment

Nourishment Volume = 440,00 cy

Total Cost = \$5,809,718

Federal: \$3,776,317

State: \$1,016,701

New Hanover County: \$1,016,701

2019 Sand Placement Event

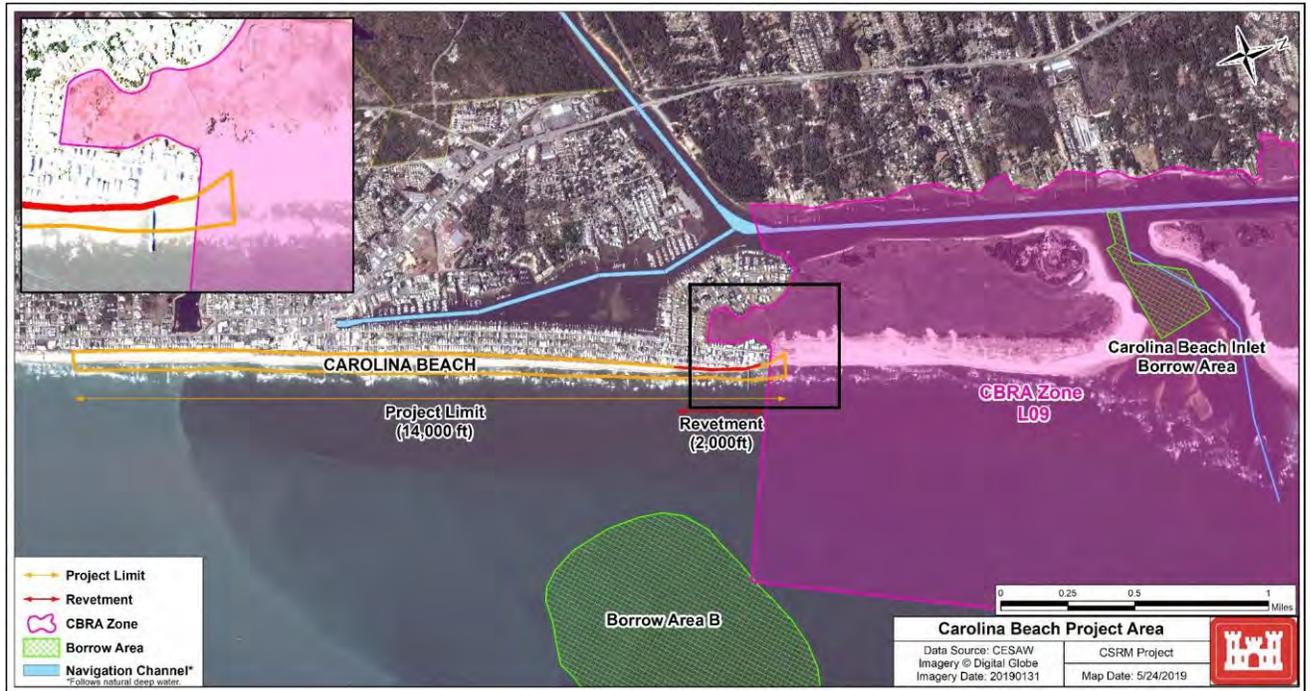


Figure 5. 2019 Carolina Beach Project Area (USACE)

In 2019, a USACE CSDR project was completed on Carolina Beach and Kure Beach along three reaches of shoreline: 1) Transect 1 to Transect 20 in Carolina Beach, 2) Transect 20 in Carolina Beach to halfway between Transects 6 and 7 in Kure Beach, and 3) Transect 10 to Transect 20 in Kure Beach. USACE records indicate that approximately 1,057,267 cy of material was placed on Carolina Beach (dredged from Carolina Beach Inlet) and 824,216 cy of material was placed on Kure Beach (dredged from an offshore borrow area). However, the USACE defines the boundary between Carolina Beach and Kure Beach to be at Transect CB20. The NHCSMP defines the boundary between Carolina Beach and Kure Beach as the municipal bounds, located between Transect CB23 and Transect KB01. Therefore, if these boundaries are taken into account, a portion of the Kure Beach placement was actually placed in Carolina Beach. Taking this into consideration, Figure 8 shows the approximate placement areas and volumes within Carolina Beach and Kure Beach municipal bounds for the 2019 CSDR project. (NHC Shoreline Mapping Program, 2019)



Figure 6. 2019 Carolina Beach and Kure Beach CDSR Project

Project Funding:

The authorization in the Water Resources Development Act (WRDA) of 2020 would facilitate the uninterrupted continuation of cost-shared periodic renourishment cycles scheduled for construction initiation in fall 2021. Continuation of Federal Participation in the project would be anticipated to be cost-shared 50 percent Federal and 50 percent non-Federal. Cost sharing for periodic renourishments is based on Section 215 of the Water Resources Development Act of 1999. Operations and maintenances costs between scheduled periodic renourishment cycles are estimated at \$95,000 a year and would be a 100 percent non-Federal responsibility.

Inter-local Agreement

The primary funding mechanism (Federal Project Cooperation Agreement) remains current for the Carolina Beach Coastal Storm Damage Reduction Project. A second federal funding mechanism is now in place in the form of contributing authority approved by Congress in 2012. The contributing authority option allows the nonfederal sponsor the option of augmenting federal funding shortfalls.

A key element of the New Hanover County contingency plan was the adoption of an inter-local agreement (attached), signed by all three beach towns and New Hanover County, that specifies how funds from the New Hanover County beach nourishment fund would be used to support continued periodic nourishment of all three projects in the absence of federal and/or state funding. Under this agreement, if no federal or state funding is provided, the three beach towns would provide 17.5% of the funds needed for periodic nourishment of their respective projects and the County would contribute 82.5%. If some federal and state funding is provided but the combined amount is less than 17.5%, the towns agreed to make-up the difference. For example, if the state provided 10% of the nourishment cost, the towns would provide 7.5%. The remaining balance of 82.5% would be covered by New Hanover County. Considering only funding at current intervals and historical placement volumes, ample funding should be available for the Carolina Beach Coastal Storm Damage Reduction Project for the foreseeable future (greater than 25 years).

In FY 2019, New Hanover County had approximately \$42.1M in room occupancy tax reserve funding for future local match or local participation in beach projects. Annual collections totaled

an estimated \$4M in FY 2019 for CSDR projects and, historically, the fund has grown by approximately 3% per year since 1984. The Town of Carolina Beach has placed an additional \$350,000 in the General Fund for FY 2019-2020 for Beach Maintenance and Storm Damage Prevention (Line Item 10-630-018) to augment Room Occupancy Tax funds and is committed to setting aside additional funds in future budgets.

Future Storm Damage Reduction Cost

Funding Scenario 1. Under Funding Scenario 1, the federal government and the State of North Carolina would continue to fund periodic nourishment of the Carolina Beach project in accordance with past cost sharing agreements. Under this scenario, all of the periodic nourishment costs would be covered by contributions from the federal government (50%), the State of North Carolina (25%) and New Hanover County (25%). This scenario carries a positive New Hanover County ROT balance beyond 2054.

Table 1. Carolina Beach Funding Scenario 1⁽¹⁾: 1.3%/year and 2.0%/year increase in dredging costs.

Year	1.3%/year Increase in Dredging Cost				2.0%/year Increase in Dredging Cost			
	Total Cost	Fed Share	State Share	County Share	Total Cost	Fed Share	State Share	County Share
2016	\$6,435,000	\$4,182,750	\$1,126,125	\$1,126,125	\$6,569,000	\$4,269,850	\$1,149,575	\$1,149,575
2019	\$6,689,000	\$4,347,850	\$1,170,575	\$1,170,575	\$6,972,000	\$4,531,800	\$1,220,100	\$1,220,100
2022	\$6,954,000	\$4,520,100	\$1,216,950	\$1,216,950	\$7,398,000	\$4,808,700	\$1,294,650	\$1,294,650
2025	\$7,228,000	\$4,698,200	\$1,264,900	\$1,264,900	\$7,851,000	\$5,103,150	\$1,373,925	\$1,373,925
2028	\$7,514,000	\$4,884,100	\$1,314,950	\$1,314,950	\$8,332,000	\$5,415,800	\$1,458,100	\$1,458,100
2031	\$7,811,000	\$5,077,150	\$1,366,925	\$1,366,925	\$8,842,000	\$5,747,300	\$1,547,350	\$1,547,350
2034	\$8,119,000	\$5,277,350	\$1,420,825	\$1,420,825	\$9,383,000	\$6,098,950	\$1,642,025	\$1,642,025
2037	\$8,440,000	\$5,486,000	\$1,477,000	\$1,477,000	\$9,957,000	\$6,472,050	\$1,742,475	\$1,742,475
2040	\$8,774,000	\$5,703,100	\$1,535,450	\$1,535,450	\$10,566,000	\$6,867,900	\$1,849,050	\$1,849,050
2043	\$9,120,000	\$5,928,000	\$1,596,000	\$1,596,000	\$11,213,000	\$7,288,450	\$1,962,275	\$1,962,275
2046	\$9,481,000	\$6,162,650	\$1,659,175	\$1,659,175	\$11,900,000	\$7,735,000	\$2,082,500	\$2,082,500
2049	\$9,855,000	\$6,405,750	\$1,724,625	\$1,724,625	\$12,628,000	\$8,208,200	\$2,209,900	\$2,209,900
2052	\$10,245,000	\$6,659,250	\$1,792,875	\$1,792,875	\$13,401,000	\$8,710,650	\$2,345,175	\$2,345,175
Totals	\$106,665,000	\$69,332,250	\$18,666,375	\$18,666,375	\$125,012,000	\$81,257,800	\$21,877,100	\$21,877,100

⁽¹⁾Funding by Town not required under Scenario 1.

Funding Scenario 2. Following the nourishment of Carolina Beach and the Area South Project, Funding Scenario 2 assumes if federal and state funding would not be provided for future nourishment Carolina Beach operations. This represents a “worst-case” with regard to county and town funding requirements. Even without future federal funding, there is still a possibility the State of North Carolina would provide some limited funding for future nourishment operations but at this time future state funding remains an uncertainty. Under Funding Scenario 2, the Town of Carolina Beach would be responsible for 17.5% of the periodic nourishment costs with New Hanover County contributing 82.5% of the nourishment costs. This scenario continues to carry a positive New Hanover County ROT balance beyond 2054.

Table 2. Carolina Beach Funding Scenario 2 for 1.3%/year and 2.0%/year increase in dredging costs.

Year	1.3%/year Increase in Dredging Cost			2%/year Increase in Dredging Cost		
	Total Cost	County Share	Town Share	Total Cost	County Share	Town Share
2016	\$6,435,000	\$5,308,875	\$1,126,125	\$6,569,000	\$5,419,425	\$1,149,575
2019	\$6,689,000	\$5,518,425	\$1,170,575	\$6,972,000	\$5,751,900	\$1,220,100
2022	\$6,954,000	\$5,737,050	\$1,216,950	\$7,398,000	\$6,103,350	\$1,294,650
2025	\$7,228,000	\$5,963,100	\$1,264,900	\$7,851,000	\$6,477,075	\$1,373,925
2028	\$7,514,000	\$6,199,050	\$1,314,950	\$8,332,000	\$6,873,900	\$1,458,100
2031	\$7,811,000	\$6,444,075	\$1,366,925	\$8,842,000	\$7,294,650	\$1,547,350
2034	\$8,119,000	\$6,698,175	\$1,420,825	\$9,383,000	\$7,740,975	\$1,642,025
2037	\$8,440,000	\$6,963,000	\$1,477,000	\$9,957,000	\$8,214,525	\$1,742,475
2040	\$8,774,000	\$7,238,550	\$1,535,450	\$10,566,000	\$8,716,950	\$1,849,050
2043	\$9,120,000	\$7,524,000	\$1,596,000	\$11,213,000	\$9,250,725	\$1,962,275
2046	\$9,481,000	\$7,821,825	\$1,659,175	\$11,900,000	\$9,817,500	\$2,082,500
2049	\$9,855,000	\$8,130,375	\$1,724,625	\$12,628,000	\$10,418,100	\$2,209,900
2052	\$10,245,000	\$8,452,125	\$1,792,875	\$13,401,000	\$11,055,825	\$2,345,175
Totals⁽¹⁾	\$106,665,000	\$87,998,625	\$18,666,375	\$125,012,000	\$103,134,900	\$21,877,100

⁽¹⁾Totals include costs for the 2013 operation.

For funding Scenario 2 in which the Town of Carolina Beach and New Hanover County assume responsibility for storm damage reduction projects. New Hanover County annually allocates a portion of ROT funds to cover costs while the Town of Carolina Beach has implemented a strategy to allocate a portion of the revenue from Freeman Park to cover costs.

11. Carolina Beach Inlet Sediment Trap/Borrow Area

The sediment trap/borrow area located is shown in Figure 9. The volume of material collected in the Carolina Beach Inlet sediment trap/borrow area has been sufficient to maintain the Carolina Beach project over the past 35 years. For the periodic nourishment operations conducted for Carolina Beach since 1985, the average volume of material removed from the sediment trap/borrow area has been approximately 880,000 cubic yards. Based on the past performance of the sediment trap/borrow area, the material collected in Carolina Beach Inlet and bypassed to Carolina Beach is sufficient to satisfy future nourishment needs of Carolina Beach.

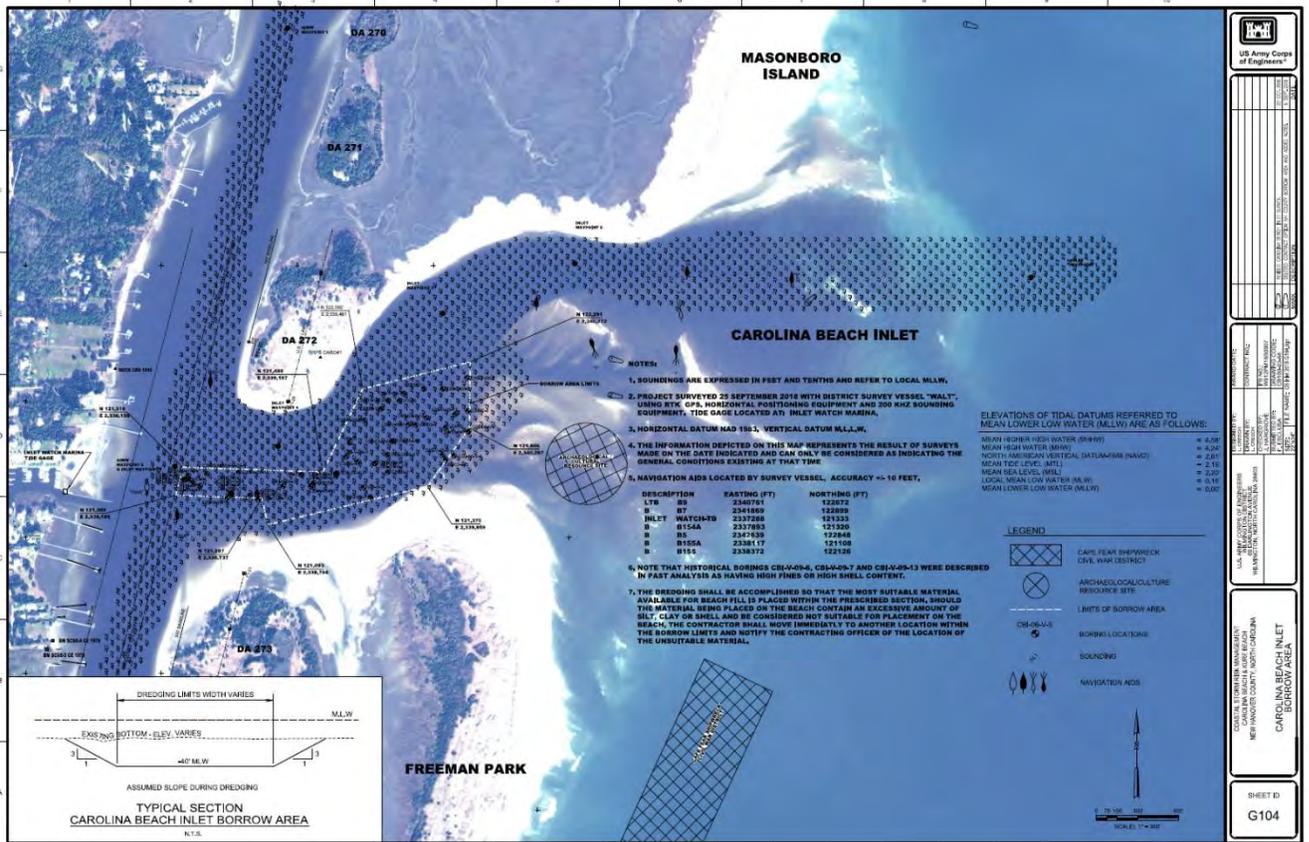


Figure 7. Carolina Beach Inlet Sediment Trap/Borrow Area

Due to the importance of the Carolina Beach Inlet as a borrow source for CDSR projects, shown in Figure 8, it is essential to track the natural morphology of the inlet, specifically the borrow area, on an annual basis between CDSR projects. Therefore, for New Hanover County’s comprehensive mapping program, select USACE hydrographic surveys were downloaded for 2018 and 2019 to determine the changes that have occurred over the past year. Based on the comparison of a March 2018 survey and a January 2019 condition survey (pre-dredge), the Carolina Beach Inlet borrow area gained approximately 230,747 cy of material between March 2018 and January 2019, after which it was dredged for the 2019 Carolina Beach CDSR project. 2019 was the sixth year of New Hanover County’s comprehensive mapping program. With annual monitoring and analysis, these yearly reports will become a useful tool in determining shoreline and volume change trends to help optimize future shoreline management strategies by tracking losses in between CDSR projects.

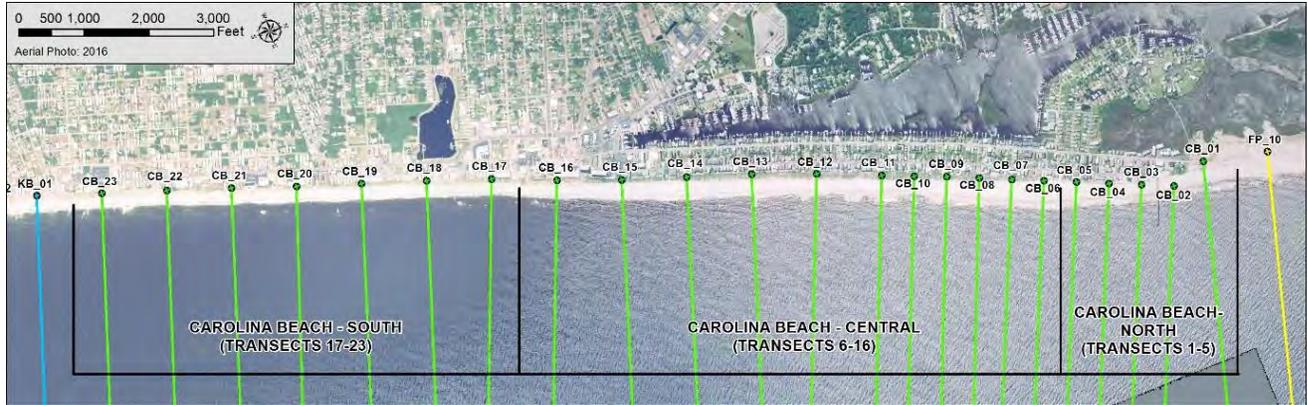


Figure 8. Carolina Beach Survey Reach and Sub-Reaches

12. Project Performance

The Carolina Beach shoreline changes at the recreational berm elevation and at MHW show significant seaward advancement along all of the sub-reaches due to the recent 2019 CSDR project which placed approximately 1.2 Mcy of material in Carolina Beach. The largest seaward advancement occurred in portions of Carolina Beach - North and Carolina Beach - Central due to larger quantities of material being placed in this area to combat elevated erosion rates. Volumetrically, Carolina Beach experienced a significant gain material, totaling 774,716 cy (42.8 cy/ft) above -14 ft NAVD88 over the past year. Since it is estimated that approximately 1,225,981 cy of material was placed within the municipal bounds of Carolina Beach, this indicates that approximately -451,265 cy (-25 cy/ft) of erosion likely took place between the 2018 survey and the beginning of the 2019 CSDR construction. Much of this erosion is likely due to the impacts of Hurricane Florence, making it significantly higher than the background erosion rate of -16.2 cy/ft/yr (-292,855 cy/yr). As with shoreline change, the largest volume accretion occurred in portions of Carolina Beach - North and Carolina Beach - Central due to larger quantities of material being placed in this area to combat elevated erosion rates.

Carolina Beach has a weighted erosion rate of -16.2 cy/ft/yr which indicates significant erosion in the absence of any CSDR projects. (NHC Shoreline Mapping Program, 2019)

13. Review of Approved Static Line Exceptions

The North Carolina Coastal Resources Commission is to review the status of Large-Scale Beach Fill Projects and approved Static Line Exceptions at least every 5 years pursuant to 15A NCAC 07J .1204.

Summary of Findings

15A NCAC 07J .1204 REVIEW OF THE LARGE-SCALE BEACH-FILL PROJECT AND APPROVED STATIC LINE EXCEPTIONS - 2009

(b) The Coastal Resources Commission shall review a static line exception authorized under 15A NCAC 07J .1203 at intervals no greater than every five years from the initial authorization in order to renew its findings for the conditions defined in 15A NCAC 07 1201 (d)(2) through (d)(4). The Coastal Resources Commission shall also consider the following conditions:

- (1) Design changes to the initial large-scale beach fill project defined in 15A NCAC 07J .1201 (d)(2) provided that the changes are designed and prepared by the U.S. Army Corps of Engineers or persons meeting applicable State occupational licensing requirements for the work;

There have been no design changes following the granting of the static line exception in 2009 by the Coastal Resource Commission. New Hanover County, on behalf of Carolina Beach, have received a local permit for the project using the same design as the US Army Corps of Engineers Project. The purpose of a locally held authorization would be if Federal funding is not available.

- (2) Design changes to the location and volume of compatible sediment, as defined by 15A NCAC 07 H .0312, necessary to construct and maintain the large-scale beach fill project defined in 15A NCAC 07J .1201 (d)(2), including design changes defined in this Rule provided that the changes have been designed and prepared by the U.S. Army Corps of Engineers or persons meeting applicable State occupational licensing requirements for the work; and

There have been no design changes to the location and volume of compatible sediment following the granting of the static line exception in 2009. New Hanover County received a local permit for the project using the same design as the US Army Corps of Engineers Project.

- (3) Changes in the financial resources or funding sources necessary to fund the largescale beach fill project(s) defined in 15A NCAC 07J .1201 If the project has been amended to include design changes defined in this Rule, then the Coastal Resources

Commission shall consider the financial resources or funding sources necessary to fund the changes.

The primary funding mechanism (Federal Project Cooperation Agreement) remains current for the Carolina Beach Coastal Storm Damage Reduction Project. A second federal funding mechanism is now in place in the form of contributing authority approved by Congress in 2012. The contributing authority option allows the nonfederal sponsor the option of augmenting federal funding shortfalls.

As a local funding strategy, an Inter-local agreement has been approved between New Hanover County and each beach community. The agreement sets percentages of financial participation (attached) in the event shortfalls occur within federal and state budgets. Considering only funding at current intervals and historical placement volumes, ample funding should be available for the Wrightsville Beach Coastal Storm Damage Reduction Project for the foreseeable future (greater than 25 years).

New Hanover County currently has approximately \$37.5M in room occupancy tax reserve funding for future the local match or local participation in beach projects. Annual collections total an estimated \$3.4M in 2017 for CSDR projects and, historically, the fund has grown by approximately 3% per year since 1984. The Town of Carolina Beach has placed an additional \$350,000 in the General Fund for Beach Maintenance and Storm Damage Prevention (Line Item 10-630-018) to augment Room Occupancy Tax funds and is committed to setting aside additional funds in future budgets.

15A NCAC 07J .1204 REVIEW OF THE LARGE-SCALE BEACH-FILL PROJECT AND APPROVED STATIC LINE EXCEPTIONS - 2014

(b) The Coastal Resources Commission shall review a static line exception authorized under 15A NCAC 07J .1203 at intervals no greater than every five years from the initial authorization in order to renew its findings for the conditions defined in 15A NCAC 07 1201 (d)(2) through (d)(4). The Coastal Resources Commission shall also consider the following conditions:

- (1) Design changes to the initial large-scale beach fill project defined in 15A NCAC 07J .1201 (d)(2) provided that the changes are designed and prepared by the U.S. Army Corps of Engineers or persons meeting applicable State occupational licensing requirements for the work;

There have been no design changes following the reauthorization of the static line exception in 2014 by the Coastal Resource Commission. New Hanover County, on behalf of Carolina Beach, have received a local permit for the project using the same design as the US Army Corps of Engineers Project. The purpose of a locally held authorization would be if Federal funding is not available.

(2) Design changes to the location and volume of compatible sediment, as defined by 15A NCAC 07 H .0312, necessary to construct and maintain the large-scale beach fill project defined in 15A NCAC 07J .1201 (d)(2), including design changes defined in this Rule provided that the changes have been designed and prepared by the U.S. Army Corps of Engineers or persons meeting applicable State occupational licensing requirements for the work; and

There have been no design changes to the location and volume of compatible sediment following the granting of the static line exception in 2014. New Hanover County received a local permit for the project using the same design as the US Army Corps of Engineers Project.

(3) Changes in the financial resources or funding sources necessary to fund the largescale beach fill project(s) defined in 15A NCAC 07J .1201 If the project has been amended to include design changes defined in this Rule, then the Coastal Resources Commission shall consider the financial resources or funding sources necessary to fund the changes.

The primary funding mechanism (Federal Project Cooperation Agreement) remains current for the Carolina Beach Coastal Storm Damage Reduction Project. A second federal funding mechanism is now in place in the form of contributing authority approved by Congress in 2012. The contributing authority option allows the nonfederal sponsor the option of augmenting federal funding shortfalls.

As a local funding strategy, an Inter-local agreement has been approved between New Hanover County and each beach community. The agreement sets percentages of financial participation (attached) in the event shortfalls occur within federal and state budgets. Considering only funding at current intervals and historical placement volumes, ample funding should be available for the Wrightsville Beach Coastal Storm Damage Reduction Project for the foreseeable future (greater than 25 years).

New Hanover County currently has approximately \$37.5M in room occupancy tax reserve funding for future the local match or local participation in beach projects. Annual collections total an estimated \$3.4M in 2017 for CSDR projects and, historically, the fund has grown by approximately 3% per year since 1984. The Town of Carolina Beach has placed an additional \$350,000 in the General Fund for Beach Maintenance and Storm Damage Prevention (Line Item 10-630-018) to augment Room Occupancy Tax funds and is committed to setting aside additional funds in future budgets.

Summary

The Carolina Beach project satisfies all of the requirements for the static line exception as stipulated in 15A NCAC 07J .1201. By virtue of this updated report, the Town of Carolina Beach has demonstrated the project has been maintained for well over the 5-year minimum, it has an identified source of beach compatible borrow material that will sustain the project for more than the minimum 25 years, and funding strategies are in place continuing to support the project beyond 25 years.

Attachment 1: Interlocal agreement for Contingency plan beach nourishment

New Hanover County Contract #12-0190

**STATE OF NORTH CAROLINA
NEW HANOVER COUNTY**



INTERLOCAL AGREEMENT FOR CONTINGENCY PLAN BEACH NOURISHMENT

This Interlocal Agreement ("Agreement") is made Dec 8, 2011 by and between the County of New Hanover, North Carolina, a body corporate and politic (hereinafter referred to as the "County") and the Municipalities of Wrightsville Beach, Carolina Beach, and Kure Beach, bodies politic and corporate (hereinafter referred to as the "Towns").

PURPOSE

WHEREAS, the ocean beaches located within the corporate boundaries of Wrightsville Beach, Carolina Beach and Kure Beach (herein collectively the "Town Beaches") are a valuable resource bringing economic, environmental, cultural and recreational benefits to people of the United States, including those in the State of North Carolina; and

WHEREAS, the financing and maintenance of the Town Beaches has been and remains an appropriate function of the Federal and State governments; and

WHEREAS, maintenance of the Town Beaches through United States Army Corps of Engineers nourishment projects funded primarily by the Federal and State governments has accordingly been successfully performed for many decades; and

WHEREAS, the maintenance of Town Beaches is vital to continued economic, environmental and cultural well-being of the County and Town; and

WHEREAS, critical to the Municipalities of Wrightsville Beach, Carolina Beach, and Kure Beach is demonstrating the long-term feasibility of financing plans for the maintenance of their ocean beaches, in order to preserve their status as or to establish eligibility for designation as a Static Vegetation Line Exception community under regulations promulgated by the State's Coastal Area Management Act; and

New Hanover County Contract #12-0190

WHEREAS, the ongoing availability of Federal and State funding for Corps of Engineers managed beach nourishment projects remains uncertain; and

WHEREAS, County and Towns accordingly seek to establish contingency plans to address various scenarios wherein Federal or State monies may not be available for beach nourishment; and

WHEREAS, County and Towns also seek to provide for the potential use of sixty percent (60%) of the first three percent (3%) of the Room Occupancy Tax available for beach nourishment (subsequent references to the "use of Room Occupancy Tax" shall mean use of the portion of the Room Occupancy Tax available for beach nourishment as defined hereinabove) and local general revenues, as necessary, for funding of either a portion of Corps managed beach nourishment or County managed beach nourishment projects if Federal or State funds are unavailable or insufficient for such purposes; and

WHEREAS, County and Towns are jointly seeking approval by State and Federal Agencies of a contingent Nourishment Plan for the Town Beaches, and the State, in anticipation of such a plan, is prepared to complete/review any necessary environmental studies, and State and Federal Agencies involved in the funding have indicated that they strongly prefer and require that units of local government work on and submit one mutual plan for beach nourishment without individual towns seeking separate funding or individual beach nourishment projects except in emergencies. Provided that nothing contained in this Agreement shall be construed to limit or restrict the authority of Wrightsville Beach, Carolina Beach, and Kure Beach to continue to participate in and seek funding for their existing Corps managed beach nourishment programs; and

WHEREAS, it is within the contemplation of the Parties hereto and State agencies involved in the approval process that the U.S. Army Corps of Engineers and other Federal approval agencies will issue one permit for the Town Beaches. Use of said permit is contingent upon Federal and/or State funding being unavailable or insufficient for Corps managed projects; and

New Hanover County Contract #12-0190

WHEREAS, County and Towns now desire to enter into an agreement that provides a planning mechanism, plan, and compact among the parties for a contingent beach nourishment program for the Town Beaches (hereinafter referred to as the "Master Nourishment Plan", "Master Plan" or "Plan"), which utilizes available funds from the County's Room Occupancy Tax together with the general revenue of the respective locality and any State and Federal funding secured for the Master Nourishment Plan; and

WHEREAS, County and Towns now desire to enter into an agreement addressing local funding sources should Federal and State monies be unavailable or insufficient to finance nourishment projects for the Town Beaches; and

WHEREAS, under this Agreement it is contemplated that the County as the lead sponsor, with the assistance of its Wilmington/New Hanover County Port, Waterway and Beach Commission, and consultants hired by the County, in consultation with the Towns, will prepare the Master Nourishment Plan for approval by the Towns. Upon written approval by all of the Towns of such Plan, the Plan will then be implemented under this Agreement with the County being the designated permittee for beach nourishment; and

WHEREAS, notwithstanding this Agreement or any provisions therein, the Parties agree to support and continue efforts to procure Federal and State funding for beach nourishment projects.

NOW THEREFORE, County and Towns pursuant to NCGS 160A-17 and Part 1 of Article 20 of Chapter 160A of the North Carolina General Statutes, hereby contract and agree as follows:

1. **Purpose.** This agreement seeks to address the following different potential scenarios:
 - a. Those situations in which Federal or State funding for beach nourishment for Corps managed projects for Town Beaches is reduced.
 - b. Those situations in which no Federal or State funding for beach nourishment for Town Beaches is available. In such event the County and Towns would proceed under the contingent plan and permit process set-forth herein.

County and Towns enter into this Agreement in order to prepare, approve and carry out the Master Nourishment Plan providing for acquisition of one permit for

New Hanover County Contract #12-0190
 nourishment of the Town Beaches and identification of the source of tax funds and other revenues to be used to implement such plan. The Master Nourishment Plan shall not include navigational or harbor dredging where the dredged materials is not used for beach nourishment.

2. Development of Master Nourishment Plan. The County, using available Room Occupancy Tax revenues, will over the next 18 to 36 months develop the Master Plan in consultation with State and Federal Agencies, the Towns, consulting engineers, and the Wilmington/New Hanover County Port, Waterway and Beach Commission, and submit the same to the Towns for consideration and approval by all of the Towns. Concurrently the County will submit for a State and Federal permit to carry out and complete the Plan. The Master Plan shall not be effective until approved by all of the Towns in writing. The final approved plan will contain the following principles and encompass and cover the following subjects, goals and objectives:

- a. Easements and Rights-of-Way. Each Town shall be responsible for providing the staging areas, sites or necessary lands, easements, and rights-of-way required for the development, construction, and maintenance of those elements of the Master Nourishment Plan to be implemented within the Town. No Town will be obligated to provide sites, staging areas or facilities for nourishment that will take place in another party's jurisdiction. However, the plan will provide that Towns may cooperate in providing staging areas and access to the beach for beach construction equipment regardless of where the beach construction activity is taking place when joint nourishment projects are undertaken.
- b. Public Beach Access and Parking. The Towns shall be responsible for securing, constructing, and maintaining any and all access/parking facilities stipulated as a condition of receiving State or Federal funding. All public beach accesses and parking facilities must be secured prior to issuing a notice to proceed for each construction event.
- c. Funding Contingency. Each party's participation in a nourishment project associated with the Master Nourishment Plan will be contingent on such party, in its sole discretion, being able to fund its portion of the project. Each

New Hanover County Contract #12-0190

Town is required to anticipate the need for the local funding share and to either budget for the same over a period of years, provide for and conduct elections to approve of bonds or borrowing pursuant to State law , or put in place tax districts or similar means of funding the local share. Failure to meet local funding needs by one or more Towns could result in the County passing over a project of the Town due to lack of funding.

- d. Construction Administration. The County may serve in the role as lead administrator for any nourishment event associated with the Master Nourishment Plan.
3. Cost-sharing for Corps-Managed Projects or Projects Implemented Under the Master Nourishment Plan. In the event Federal and State funding is insufficient to pay the costs of any beach nourishment project, the Room Occupancy Tax will pay any shortfall in funding for such project up to a maximum of 82.5% of the total project costs. If after payment of Room Occupancy Tax funds in an amount equal to 82.5% of the total project costs a shortfall remains, such shortfall shall be paid by the Town in which such project is located up to a maximum of 17.5% of the total project costs.
 4. Ownership and Use of Nourished Beaches. The ownership and use of beaches nourished under this Agreement are subject to the State Lands Act.
 5. Withdrawal, Termination, Modifications, Amendments, and Binding Effects. The commitment of each Town to provide public beach access, parking or any other lands or rights-of way, or any rules or regulations with respect to use of the same, as a party to this agreement, is expressly conditioned on Federal and State laws, regulations, or interpretations thereof, as of the date of approval of this agreement by signatories herewith. If there are amendments, changes or interpretations to Federal or State law or regulations, which are adopted after this Agreement is approved which affect a party's rights and obligations in this Agreement, any party that chooses not to meet the requirements shall have a right to withdraw from this Agreement at any time.

New Hanover County Contract #12-0190

Once approved by the County and all of the Towns, this Agreement shall remain in effect until June 30, 2015 and be binding on the Parties regardless of changes in the composition of boards of the respective units of local government that are parties hereto. This Agreement shall automatically renew for subsequent periods of four years unless any party gives notice in writing to all other parties at least 180 days before the expiration of the then current term of its desire that the Agreement not renew at its termination. In such event, the Agreement shall terminate at the end of its then current term.

Once approved, no party may withdraw except that a Town upon twelve (12) months written notice to the County and other Towns may withdraw. Withdrawal of a party as provided in this paragraph shall not cause the Agreement to terminate. The Agreement shall only be terminated as provided in the preceding paragraph.

- 6. Any amendment or modification to this Agreement shall require the written consent of all Parties.

IN WITNESS WHEREOF, the parties have executed this Agreement.



COUNTY OF NEW HANOVER

ATTEST:

Shirley L. Sabert
Clerk to the Board

By: *Ted Davis*
Chairman of the Board



TOWN OF WRIGHTSVILLE BEACH

ATTEST:

Sylvia J. Holliman
Town Clerk

R. J. Givette
Mayor

Approved as to form/County Attorney
Kenj Meyer

ORIGINAL

New Hanover County Contract #12-0190



TOWN OF CAROLINA BEACH

ATTEST:

Melinda
Town Clerk

[Signature]
Mayor



TOWN OF KURE BEACH

ATTEST:

[Signature]
Town Clerk

[Signature]
Mayor

NORTH CAROLINA

NEW HANOVER COUNTY

I, **Teresa P. Elmore**, a Notary Public of the State and County aforesaid certify that Sheila L. Schult acknowledged that she is Clerk to the Board of Commissioners of New Hanover County and that by authority duly given and as the act of the Board the foregoing instrument was signed in its name by its Chairman, sealed with its corporate seal and attested by herself as its Clerk.

WITNESS my hand and official seal this 8 day of Dec, 2011.

Teresa P Elmore
Notary Public

My commission expires:



ORIGINAL

New Hanover County Contract #12-0190

NORTH CAROLINA

NEW HANOVER COUNTY

I, Virginia A. Houser, a Notary Public of the State and County aforesaid certify that Sylvia J. Holleman acknowledged that she is Clerk to the Board of Alderman of Wrightsville Beach and that by authority duly given and as the act of the Board the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by herself as its Clerk.

WITNESS my hand and official seal this 17th day of November, 2011.

Virginia A. Houser
Notary Public



My commission expires: 5/3/12

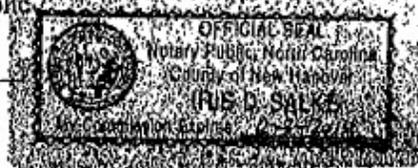
NORTH CAROLINA

NEW HANOVER COUNTY

I, Iris D. Salko, a Notary Public of the State and County aforesaid certify that Melinda A. Prusa acknowledged that she is Clerk to the Town Council of Carolina Beach and that by authority duly given and as the act of the Council the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by herself as its Clerk.

WITNESS my hand and official seal this 15 day of November, 2011.

Iris D. Salko
Notary Public



My commission expires: 2-3-2014

New Hanover County Contract #12-0190

NORTH CAROLINA

NEW HANOVER COUNTY

I, Sheila L. Schult, a Notary Public of the State and County aforesaid certify that Nancy Avery acknowledged that she is Clerk to the Town Council of Kure Beach and that by authority duly given and as the act of the Council the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by herself as its Clerk.

WITNESS my hand and official seal this 18th day of November, 2011.

Sheila L. Schult
Notary Public



My commission expires: 3/17/2013

Attachment 2: Results of 2019 Periodic Nourishment Event – Before and After Nourishment

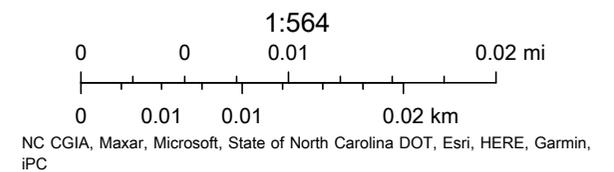


Division of Coastal Management



9/15/2023, 12:08:04 AM

- Pre-Project Vegetation Lines (points)
- Pre-Project Vegetation Lines

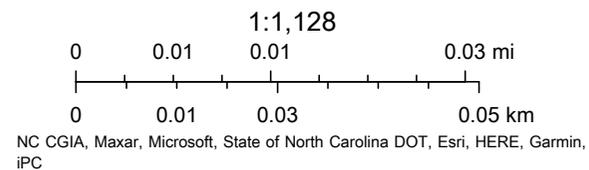


Division of Coastal Management



9/15/2023, 12:09:18 AM

Shorelines - Oceanfront & Inlet (1849-2020)



A STRUCTURAL GUY

Firm #: F-1238

(919) 451-0974

Jason Wade, PE206B Greenville Ave
Carolina Beach, NC 28428
JasonRWade@yahoo.com

Tim Canady

Email: taanady@hotmail.com

July 28, 2020

Project No.: 20-1800

Subject: Foundation evaluation
1800 Carolina Beach Avenue N
Carolina Beach, North Carolina

Dear All:

At your request, A Structural Guy is pleased to provide the following summary engineering letter concerning our review of the recently completed framing and foundation components in direct correlation to the recent "Stop Work Order". The Contractor informed me that the stop work order was issued due to the concrete column/piling conditions. Our findings from our July 25, 2020 site visit are as follows.

FINDINGS

We observed the following relevant information in respect to the recently completed master bedroom load bearing wall removal:

- The majority of the wood framing components, members, and connections were exposed
- Interior wall coverings and exterior sheathing was removed in its entirety or deteriorated due to long term moisture exposure
- Numerous wood members supporting elevated framing were deflected, deteriorated, and or structurally inadequate in their current state.
- Concrete piling/post to beam connections were not entirely visible, but positive and adequate connections capable of resisting uplift and lateral forces did not appear to be present (based on our non-invasive inspections)
- The foundation system was comprised of concrete pilings/posts that were only visible above grade level
- Many concrete columns showed signs of surface cracking and spalling.
- Several concrete columns were severely deteriorated due to spalling and reinforcement corrosion.
- Most concrete columns that had the spalling area chipped/removed, showed evidence of inadequate rebar edge distance / concrete coverage. This lack of coverage/protection from the environment has allowed the moisture to reach the reinforcement and reduce their capacities.

Reference Framing Pictures:

Reference Concrete Foundation / Column Pictures:



CONCLUSIONS

Based on our visual inspection we find the overall structure to have many structural deficiencies that are in need of repair to withstand either lateral or vertical forces. We find the concrete columns/pilings to not be the weak point in the structure at this current time, but will require future remediation. In the building's overall current state, we strongly urge the wood framing repairs and sheathing to be remediated/reinstalled/shored in the near term to protect the public and better safeguard against potential failures. Once stabilized above, the foundations can be strengthened / reinforced as required to restore their integrity. If you have any questions or if I can be of further assistance to you on this project please contact myself at (919) 451-0974.

Respectfully submitted,

Jason Wade, PE
Professional Engineer





Timeline of Permits for 1800 Canal

Prepared: 9/12/2023

Between 2018 – 2020 hurricanes Florence (2018) and Dorain (2019) damaged the buildings at 1800 Canal spurring the following permits:

2020

- Reno/Repair Permit COM20-143 - Remove damaged flat roof & replace with new modified Bitumen Roofing System. (Figure 1)
 - Applied: 3/9/20
 - Permit Issued: 3/9/20
- Demo Permit COM20-144 - Remove drywall (Figure 2)
 - Applied: 3/9/20
 - Issued: 3/12/20
- Revision to COM20-143 – Change in Contractor – COM20-526 (Figure 3)
 - Applied: 9/11/20
 - Issued: 10.2.20

2022

- Received Reno/Repair Application– COM22-584: Repair & renovate both bldgs. - Foundation, exterior, interior & pool, repairs & renovations. (Figure 4)
 - Applied: 7/20/22
 - Never issued – Canceled 8/25/22 due to applicant needing to provide construction plans and an appraisal, as well as plans needing to be revised to meet state building code, town ordinance, and CAMA requirements.
- Reno/Repair Permit COM22-669 – Repair foundation pilings. Demo exterior siding, damaged staircases, breezeways & decks. Demo interior cabinetry, flooring & bathrooms. (Figure 5)
 - Applied: 8/19/22
 - Issued: 9/9/22
- Revision to COM22-699 – Change in Contractor COM22-819 (Figure 6)
 - Applied: 10/26/22
 - Issued: 12/8/22 (Permit was ready to be picked up on 10/31/22, but contractor did not pay for permit until 12/8/22)

2023

- Reno/Repair Permits – Building 1 (COM23-043) and Building 2 (COM23-044) – CANCELED – Phase 1- Building 1- Remove and replace interior finishes, repair and replace rotten exterior sheathing, structural members, remove and replace PME new windows and stucco exterior. (Figures 7 & 8)
 - Canceled due to plan inconsistencies to meet state building code, town ordinance, and CAMA requirements. Applicants were not able to submit plans which could be approved by the town building inspector before the inspector left 2/8/23. Since the building inspector could not sign off on the applications before leaving, the applicant was told they would need to apply for a building permit through New Hanover County, since the County took over building permit issuance.
 - Applied: 1/26/23
 - Canceled: 2/9/23

- Alteration/Up-Fit/Addition COM23-045 – Penthouse additions on Building 2 (Figure 9)
 - Canceled because Building inspector did not sign off on plans before leaving. Told to reapply at the County for building permit.
 - Applied: 1/26/23
 - Canceled: 2/9/23
- Reno/Repair COM23-186 (NHC23-00174) – Interior renovation of 36 condo units. Renovation includes insulation, PME, Drywall, cabinets, flooring, interior doors, trim and paint (Figure 10).
 - Permit was approved with the stipulation: INTERIOR AND EXTERIOR RENO ONLY OF EXISTING STRUCTURES, EXCLUDING UNITS 112,212,& 312 in Building 1. NO RENOVATION WORK CAN OCCUR IN OR ON THE EXTERIOR OF UNITS 112,212,& 312 in Building 1. They are combining a few units, moving interior walls, replacing and fortifying roof, replacing siding, decking, and windows.
 - Applied: 3/21/23
 - Town Approved: 4/24/23
 - NHC Issued Building Permit: 4/28/23
 - Town wrote CAMA exemption for reno work (13-23 EX CB) on 4/21/23 – It was amended 4/24/23: “Additionally, work to be included under this amended exemption includes all work outlined in the “Proposed Work to be Completed with Exemption” sections of the attached scope of work and cost estimate document for buildings 1 & 2, received 4/24/2023. These renovations will not occur on the interior or exterior of units 112, 212, and 312 on building 1.”
- Alteration/Up-Fit/Addition COM23-281 (NHC23-00293) - Addition of new penthouses on building 2, Breezeways on building 1, elevators on building 2, decks and storage on building 2 (Figure11).
 - Town issued a conditioned-out CAMA permit 6/28/23 (12-23 CB).
 - Applied 5/4/23
 - Town Approved: 8/4/23
 - NHC Issued Building Permit: 8/10/23

Attachments

Figure 1: COM20-143



RECEIVED
MAR 09 2020
 BY: *[Signature]*

TOWN OF CAROLINA BEACH
 1121 N. Lake Park Blvd., Carolina Beach, NC 28428
 Tel (910)458-2978 or Fax (910)458-2997

Permit # COM20-143
 Received _____

COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
 (Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application as well as water/sewer application (if applicable). Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations.

PROJECT LOCATION: 1800 CANAL Drive Carolina Beach NC

SECTION 1 - PROJECT INFORMATION

1) **Property Owner's Information:**
 Name Jay Hutchings Phone # 910-443-1697
 Address 1800 CANAL Dr. Carolina Beach NC

2) **Contractor's Information:**
 Name Double L Construction LLC Phone # 919-369-4664
 Address 5000 HUNTINGCREEK Dr. Wake Forest NC 27587
 Email Address tbwillsontr@gmail.com
 Contractor's License # 69380 Classification Limited

3) **Contact Person for the Project:**
 Name Tim Canady Phone # 910 767 7663
 Email Tcanady@hotmail.com

4) **Proposed Construction: (Check All That Apply)**
 Single-Tenant Multi-Tenant Mixed Use Multi-Family
 New Construction Renovation/Repair Alteration/Up-Fit/Addition Fence Demolition Accessory Structure
 Pier Retaining Wall Bulkhead Fill/Grade/Clear Swimming Pool Crossover/Walkway

5) Will proposed work create a change of occupancy? Yes No N/A

6) **Description of proposed work:** Remove Damaged Flat Roof and Replace with new modified Bitumen Roofing system

Type of Construction: IA IB IIA IIB IIIA IIIB IV VA VB

Occupancy: A-1 A-2 A-3 A-4 A-5 B E F-1 F2
 H-1 H-2 H-3 H-4 H-5 I1 I2 I-3 I-4
 M R-1 R-2 R-3 R-4 S-1 S-2 U

Building Height: 4 stories 42 ft.

Building Area: Total _____ Per floor _____ Heated _____ Unheated (including decks/porches) _____

TOTAL PROJECT COST: \$ 65,000
 Including Plumbing, Electrical, and Mechanical
 NO MECH.

7.11.19

Figure 2: COM20-144

RECEIVED



Permit #: Com 20-144

Received: _____

DEMOLITION PERMIT

*Please fill out this application completely. Read and sign the attached regulations before proceeding.
Your signature acknowledges that you understand all the requirements.*

PROJECT ADDRESS: 1800 CANAL DR. NORTH PIER OCEAN VILLAS

OWNER INFORMATION

Owner's Name: NORTH PIER OCEAN VILLAS

Address: 1800 CANAL DR. CAROLINA BEACH Phone #: 910-443-1697

Name on Water Bill: NORTH PIER OCEAN VILLAS

CONTRACTOR INFORMATION

Contractor's Name: KEN STEARNS

Contractor's Address: 406 BRADFORD RD. WILMINGTON Phone: 910-798-8800

Contractor's License #: _____

CONTACT INFORMATION

Name: KEN STEARNS

Phone #: 910-616-4189 E-Mail: NO EMAIL - CALL TO NOTIFY

Cost of Demolition: \$ 25,000.-

Complete Demo? YES NO Demo Interior Only: YES NO

Is there Asbestos? YES NO (REMOVE DRYWALL)

If asbestos is found, please notify the State Health and Hazard Control Unit at (919) 707-5970, before demolition.

List of all structures on site: NONE

Area (ft²) of all impervious surfaces (Driveways, house foot print, sheds, etc.) NONE

I hereby certify that I have examined this complete application and the statements contained herein are true and correct and that all work shall be done in accordance with the NC State Building Codes and all other applicable Local, State, and Federal Laws. The Building Inspector and/or the Zoning Administrator shall receive all prior notification of any changes in the plans and specifications for this project.

Signature of legally responsible owner or contractor: [Signature]

Printed Name: KEN STEARNS Date: 3/9/20

Fees:

Residential Demolition - \$50.00

Commercial Demolition - \$200.00

COST: \$25,000.00

11-8-18

Figure 3: COM20-526 – Change in Contractor Revision

✓ REVISION

Permit # COM20-526

Received COM20-143



RECEIVED
SEP 29 2020

TOWN OF CAROLINA BEACH
121 N. Lake Park Blvd., Carolina Beach, NC 28428
Tel (910)458-2978 or Fax (910)458-2997

COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
(Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application as well as water/sewer application (if applicable). Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations.

PROJECT LOCATION: 1800 Canal Dr.

SECTION 1 – PROJECT INFORMATION

1) **Property Owner's Information:**
 Name: JAY HUTCHINGS Phone # _____
 Address: _____

2) **Contractor's Information:**
 Name: ATSI Ventures Dba New Answer Paving Phone # 910-795-7847
 Address: 837 Sunnyvale Dr Wilmington NC 28412
 Email Address: cbtingley@gmail.com
 Contractor's License # 65916 Classification unclassified

3) **Contact Person for the Project:**
 Name: TIM CANADY Phone # 910-762-7663
 Email: TA CANADY@hotmail.com

4) **Proposed Construction: (Check All That Apply)**
 Single-Tenant Multi-Tenant Mixed Use Multi-Family
 New Construction Renovation/Repair Alteration/Up-Fit/Addition Fence Demolition Accessory Structure
 Pier Retaining Wall Bulkhead Fill/Grade/Clear Swimming Pool Crossover/Walkway

5) **Will proposed work create a change of occupancy?** Yes No N/A

6) **Description of proposed work:** _____

Type of Construction: IA IB IIA IIB IIIA IIIB IV VA VB

Occupancy: A-1 A-2 A-3 A-4 A-5 B E F-1 F2
 H-1 H-2 H-3 H-4 H-5 I1 I2 I-3 I-4
 M R-1 R-2 R-3 R-4 S-1 S-2 U

Building Height: _____ stories _____ ft.

Building Area: Total _____ Per floor _____ Heated _____ Unheated (including decks/porches) _____

TOTAL PROJECT COST: \$ 78,000.00
Including Plumbing, Electrical, and Mechanical

7.11.19

Figure 4: COM22-584 – CANCELED

1121 N. Lake Park Blvd.
 Carolina Beach, NC 28428
 Phone (910) 458-2999
 Fax (910) 458-2997



Permit # _____

TOWN OF CAROLINA BEACH
COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
 (Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application). Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations.

PROJECT LOCATION: 1800 Canal Drive, Carolina Beach, NC 28428

SECTION 1 – PROJECT INFORMATION

1) Property Owner's Information:

Name North Pier Holdings LLC Phone # 732-925-3846

Address 1800 Canal Drive, Carolina Beach, NC 28428

2) Contractor's Information:

Name Cekra Inc. Phone # 910-338-3643

Address 6316 Marywood Drive, Wilmington, NC 28409

Email Address caleb@cekra.com

Contractor's License # 70274 Classification Unlimited

3) Contact Person for the Project:

Name Jeff O'Brien Phone # 732-925-3846

Email Address jobrienproperties@gmail.com

4) Proposed Construction (mark ALL that apply):

❖ **Type:** Single-Tenant ___ Multi-Tenant ___ Mixed Use ___ Multi-Family X

❖ **Sub-Type:** New Construction ___ Renovation/Repair X Alteration/Up Fit/Addition ___ Fence ___

Demolition ___ Accessory Structure ___ Pier ___ Retaining Wall ___ Bulkhead ___ Fill/Grade/Clear ___

Swimming Pool ___ Crossover/Walkway ___

5) **Will proposed work create a change of occupancy?** Yes ___ No X N/A ___

6) Description of Proposed Construction:

Repair and renovate both buildings. Foundation, exterior, interior and pool, repairs and renovations.

Type of Construction: ___ IA ___ IB ___ IIA ___ IIB ___ IIIA ___ IIIB ___ IV X VA ___ VB

Occupancy: ___ A-1 ___ A-2 ___ A-3 ___ A-4 ___ A-5 ___ B ___ E ___ F-1 ___ F2

___ H-1 ___ H-2 ___ H-3 ___ H-4 ___ H-5 ___ I1 ___ I2 ___ I-3 ___ I-4

___ M X R-1 ___ R-2 ___ R-3 ___ R-4 ___ S-1 ___ S-2 ___ U

Figure 5: COM22-669

1121 N. Lake Park Blvd.
 Carolina Beach, NC 28428
 Phone (910) 458-2999
 Fax (910) 458-2997



Permit # _____

TOWN OF CAROLINA BEACH
COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
 (Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application. Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations.

PROJECT LOCATION: 1800 Canal Drive, Carolina Beach NC 28428

SECTION 1 – PROJECT INFORMATION

1) Property Owner's Information:

Name North Pier Holdings LLC Phone # 732-925-3846
 Address 1800 Canal Drive, Carolina Beach NC 28428

2) Contractor's Information:

Name Cekra Inc. Phone # 910-338-3643
 Address 6316 Marywood Drive, Wilmington, NC 28409
 Email Address caleb@cekra.com
 Contractor's License # 70274 Classification Unlimited

3) Contact Person for the Project:

Name Jeff O'Brien Phone # 732-925-3846
 Email Address jobrienproperties@gmail.com

4) Proposed Construction (mark ALL that apply):

- ❖ **Type:** Single-Tenant ___ Multi-Tenant ___ Mixed Use ___ Multi-Family
- ❖ **Sub-Type:** New Construction ___ Renovation/Repair Alteration/Up Fit/Addition ___ Fence ___
 Demolition Accessory Structure ___ Pier ___ Retaining Wall ___ Bulkhead ___ Fill/Grade/Clear ___
 Swimming Pool ___ Crossover/Walkway ___

5) Will proposed work create a change of occupancy? Yes ___ No N/A ___

6) Description of Proposed Construction:

Repair foundation pilings. Demo exterior siding, damaged staircases, damaged breezeways and decks,
demo interior cabinetry, flooring, and bathrooms

Type of Construction: ___ IA ___ IB ___ IIA ___ IIB ___ IIIA ___ IIIB ___ IV ___ VA ___ VB

Occupancy: ___ A-1 ___ A-2 ___ A-3 ___ A-4 ___ A-5 ___ B ___ E ___ F-1 ___ F2
 ___ H-1 ___ H-2 ___ H-3 ___ H-4 ___ H-5 ___ I1 ___ I2 ___ I-3 ___ I-4
 ___ M ___ R-1 ___ R-2 ___ R-3 ___ R-4 ___ S-1 ___ S-2 ___ U

Figure 6: COM22-819 – Change in Contractor Revision

1121 N. Lake Park Blvd,
Carolina Beach, NC 28428
Phone (910) 458-2999
Fax (910) 458-2997



Update Contractor REVISION - Change COM22-819

PERMIT Permit # 22 469

TOWN OF CAROLINA BEACH
COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
(Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application. Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations:

PROJECT LOCATION: 1810 Canal Drive

SECTION 1 – PROJECT INFORMATION

1) Property Owner's Information:

Name NORTH PIER Holdings LLC / Phone # 732-925-3844
Address _____

2) Contractor's Information:

Name Griffin Kievit Phone # 910-262-5481
Address 2845 Carolina Beach Rd Wilmington NC 28412
Email Address gkievit@kievitconstruction.com
Contractor's License # 85228 Classification Neget walmnt

3) Contact Person for the Project:

Name Jeff O'Brien Phone # _____
Email Address _____

4) Proposed Construction (mark ALL that apply):

- ❖ Type: Single-Tenant Multi-Tenant Mixed Use Multi-Family
- ❖ Sub-Type: New Construction Renovation/Repair Alteration/Up Fit/Addition Fence
- Demolition Accessory Structure Pier Retaining Wall Bulkhead Fill/Grade/Clear
- Swimming Pool Crossover/Walkway

5) Will proposed work create a change of occupancy? Yes No N/A

6) Description of Proposed Construction: _____

Type of Construction: IA IB IIA IIB IIIA IIIB IV VA VB

Occupancy: A-1 A-2 A-3 A-4 A-5 B E F-1 F2
 H-1 H-2 H-3 H-4 H-5 I1 I2 I-3 I-4
 M R-1 R-2 R-3 R-4 S-1 S-2 U

Figure 7: COM23-043

1121 N. Lake Park Blvd.
Carolina Beach, NC 28428
Phone (910) 458-2999
Fax (910) 458-2997



Permit # _____

TOWN OF CAROLINA BEACH
COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
(Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application. Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations.

PROJECT LOCATION: 1800 Canal Dr - Building 1

SECTION 1 - PROJECT INFORMATION

1) Property Owner's Information:

Name North Pier holding LLC Phone # 732-925-3846

Address 6316 Maywood Dr

2) Contractor's Information:

Name Kiewit Construction Services Phone # 910 547 1549

Address 2845 Carolina Beach Rd

Email Address kiewitconstruction@gmail.com

Contractor's License # 85228 Classification Validated

3) Contact Person for the Project:

Name Griffin Kiewit Phone # 910 242 5481

Email Address GKiewit@kiewitconstruction.com

4) Proposed Construction (mark ALL that apply):

❖ Type: Single-Tenant Multi-Tenant Mixed Use Multi-Family

❖ Sub-Type: New Construction Renovation/Repair Alteration/Up-Fit/Addition Fence

Demolition Accessory Structure Pier Retaining Wall Bulkhead Fill/Grade/Clear

Swimming Pool Crossover/Walkway

5) Will proposed work create a change of occupancy? Yes No N/A

6) Description of Proposed Construction: *Phase I - Building 1 - Remove & Replace interior finishes, Repair & Replace Roofs exterior sheathing, structural members, Repair & Replace PMS New windows, Stucco exterior

Type of Construction: IA IB IIA IIB IIIA IIIB IV VA VB

Occupancy: A-1 A-2 A-3 A-4 A-5 B E F-1 F2
 H-1 H-2 H-3 H-4 H-5 I1 I2 I-3 I-4
 M R-1 R-2 R-3 R-4 S-1 S-2 U

Figure 8: COM23-044

1121 N. Lake Park Blvd.
Carolina Beach, NC 28428
Phone (910) 458-2899
Fax (910) 458-2957



Permit # COM23-044



TOWN OF CAROLINA BEACH
COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
(Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application. Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations.

PROJECT LOCATION: 1800 Canal Dr Building 2

SECTION 1 - PROJECT INFORMATION

1) Property Owner's Information:

Name North Pier Holding LLC Phone # 732-925-3846
Address 6316 Marywood Dr.

2) Contractor's Information:

Name Kievit Construction Services Phone # 910 542 1549
Address 2845 Carolina Beach Rd
Email Address Kievit Construction@gmail.com
Contractor's License # BB228 Classification Unlimited

3) Contact Person for the Project:

Name Cynthia Kievit Phone # 910 262 5481
Email Address ckievit@kievitconstruction.com

4) Proposed Construction (mark ALL that apply):

- ❖ Type: Single-Tenant Multi-Tenant Mixed Use Multi-Family
- ❖ Sub-Type: New Construction Renovation/Repair Alteration/Up-Fit/Addition Fence
Demolition Accessory Structure Pier Retaining Wall Bulkhead Fill/Grade/Clear
Swimming Pool Crossover/Walkway

5) Will proposed work create a change of occupancy? Yes No N/A

6) Description of Proposed Construction: Phase 2 - Remove & Replace interior finishes
Remove & Replace P.M.E., New Windows, Doors, Stairs exterior, elevator
Phase 3-5 - Remove & Replace interior finishes, Replace Mech

Type of Construction: IA IB IIA IIB IIIA IIIB IV VA VB

Occupancy: A-1 A-2 A-3 A-4 A-5 B E F-1 F2
 H-1 H-2 H-3 H-4 H-5 I1 I2 I-3 I-4
 M R-1 R-2 R-3 R-4 S-1 S-2 U

Figure 9: COM23-045

1121 N. Lake Park Blvd.
 Carolina Beach, NC 28428
 Phone (910) 458-2999
 Fax (910) 458-2997



Permit # COM23-045

TOWN OF CAROLINA BEACH
COMMERCIAL BUILDING/ZONING PERMIT APPLICATION
 (Condos, Apartments, Commercial Structures & Associated Accessory Uses)

Applications must be printed or typewritten and have all information answered. A "to-scale" plot plan must accompany this application. Incomplete or illegible applications will not be accepted or processed.

APPLICATION is hereby made for a permit to perform the following work which will be done in accordance with the description, survey and plans submitted pursuant to the Town of Carolina Beach Zoning Ordinance, North Carolina State Building Code and all other applicable Local, State and Federal laws and regulations.

PROJECT LOCATION: 1800 Canal Dr

SECTION 1 – PROJECT INFORMATION

1) Property Owner's Information:

Name North Pier Holdings LLC Phone # 732-925-3846
 Address 6316 Marywood Dr

2) Contractor's Information:

Name Kievit Construction Services Phone # 910 547 1549
 Address 2845 Carolina Beach Rd
 Email Address kievitconstruction@gmail.com
 Contractor's License # 85228 Classification unlimited

3) Contact Person for the Project:

Name Griffin Kievit Phone # 9102625481
 Email Address gkievit@kievitconstruction.com

4) Proposed Construction (mark ALL that apply):

- ❖ Type: Single-Tenant Multi-Tenant Mixed Use Multi-Family
- ❖ Sub-Type: New Construction Renovation/Repair Alteration/Up Fit/Addition Fence
 Demolition Accessory Structure Pier Retaining Wall Bulkhead Fill/Grade/Clear
 Swimming Pool Crossover/Walkway

5) Will proposed work create a change of occupancy? Yes No N/A

6) Description of Proposed Construction: New construction of 4 Penthouse units added to existing structure

Type of Construction: IA IB IIA IIB IIIA IIIB IV VA VB

Occupancy: A-1 A-2 A-3 A-4 A-5 B E F-1 F2
 H-1 H-2 H-3 H-4 H-5 I1 I2 I-3 I-4
 M R-1 R-2 R-3 R-4 S-1 S-2 U

Figure 10: COM23-186

Permit #: COM23-186



TOWN OF CAROLINA BEACH
 1121 N. Lake Park Blvd., Carolina Beach, NC 28428
 Tel (910) 458-2978 or Fax (910) 458-2997

UTILITIES/ZONING/STORMWATER PERMIT

Project Location: 1806 CANAL DR

Contact
 Name: Griffin Kievit Phone #: 910.262.5481
 Address: 8245 Carolina Beach Rd
 City, State, Zip: Wilmington, NC 28412
 Email Address: gkievit@kievitconstruction.com
 License #: 85228 NCgCI Un

Contractor
 Name: Kievit Construction Services LLC Phone #: 910.547.1549
 Address: 1506 MARBLEHEAD CT
 City, State, Zip: Wilmington, NC 28412
 Email Address: gkievit@kievitconstruction.com

Permit Type: Commercial Multi-Family Renovation/Repair

Type of Work: Commercial Multi-Family Renovation/Repair * Interior renovation of 36 condo units. Renovation includes insulation, PME, Drywall, cabinets, flooring, interior doors, trim and paint.

Parking Spaces Required: N/A Parking Spaces Provided: N/A Driveway Width (Feet): 36' Max

Zoning:

Zone	CAMA	Lot Coverage (%)	Height (ft)	Front Setback (ft)	Rear Setback (ft)	Left Side Setback (ft)	Right Side Setback (ft)	Cantilever per Side (%)
Residential District - R-1	Exemption	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Flood:

Flood Zone	Base Flood Elevation	Community Panel
Coastal A	12.00	3131

Planning Director: _____ Date: April 21, 2023

Fee Breakdown

Permit Fee Description	Amount	Category
Plan Review -Commercial Reno/Rep	\$50.00	Plan Review
Credit/Debit Card Surcharge	\$1.00	
Total	\$50.00	Waived

**Building Permits are applied for and obtained via New Hanover County Building Safety.
THIS IS NOT A BUILDING PERMIT**

All inspections must be requested via New Hanover County COAST. In addition, please email or call Town staff to schedule a time for inspection.

For additional information or questions, contact the following:

Stormwater/Utilities: Eion Dockery | 910-386-2543 | eion.dockery@carolinabeach.org
 Zoning: Haley Moccia | 910-707-2042 | haley.moccia@carolinabeach.org
 Water Billing (to request meter installation): info@carolinabeach.org | 910-458-2983

Additional Comments:
 Operations Comments:

Zoning Comments: INTERIOR AND EXTERIOR RENO ONLY OF EXISTING STRUCTURES, EXCLUDING UNITS 112,212,& 312 in Building 1. NO RENOVATION WORK CAN OCCUR IN OR ON THE EXTERIOR OF UNITS 112,212,& 312 in Building 1.

Silt fence is required for duration of project. Contractor is responsible for any sediment leaving job site and/or entering Town right of way.

A copy of the Utility/Zoning Permit is required to be kept on site for the duration of the project

Figure 11: COM23-281

Permit #: COM23-281



TOWN OF CAROLINA BEACH
 1121 N. Lake Park Blvd., Carolina Beach, NC 28428
 Tel (910) 458-2978 or Fax (910) 458-2997

UTILITIES/ZONING/STORMWATER PERMIT

Project Location: 1800 CANAL DR

Contact
 Name: Griffin Kievit Phone #: 910.262.5481
 Address: 8245 Carolina Beach Rd
 City, State, Zip: Wilmington, NC 28412
 Email Address: gkievit@kievitconstruction.com
 License #: 85228 NCgCI Un

Contractor
 Name: Kievit Construction Services LLC Phone #: 910.547.1549
 Address: 1506 MARBLEHEAD CT
 City, State, Zip: Wilmington, NC 28412
 Email Address: gkievit@kievitconstruction.com

Permit Type: Commercial Multi-Family Alteration/Up-Fit/Addition
Type of Work: Commercial Multi-Family Alteration/Up-Fit/Addition * Addition of new penthouses on building 2, breezeways on building 1, elevators on building 2, decks and storage on building 2

Parking Spaces Required: N/A **Parking Spaces Provided:** N/A **Driveway Width (Feet):** 36' Max

Zoning:

Zone	CAMA	Lot Coverage (%)	Height (ft)	Front Setback (ft)	Rear Setback (ft)	Left Side Setback (ft)	Right Side Setback (ft)	Cantilever per Side (%)
Residential District - R-1	Minor	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Flood:

Flood Zone	Base Flood Elevation	Community Panel
Coastal A	12.00	3131

Planning Director: _____ **Date:** August 04, 2023

Fee Breakdown

Permit Fee Description	Amount	Category
Credit/Debit Card Surcharge	\$3.00	Waived
Plan Review - Commercial Reno/Rep	\$300.00	Plan Review
Credit/Debit Card Surcharge	\$3.00	
Credit/Debit Card Surcharge	\$3.00	
Total	\$306.00	

**Building Permits are applied for and obtained via New Hanover County Building Safety.
THIS IS NOT A BUILDING PERMIT**

All inspections must be requested via New Hanover County COAST. In addition, please email or call Town staff to schedule a time for inspection.

For additional information or questions, contact the following:

Stormwater/Utilities: Eion Dockery | 910-386-2543 | eion.dockery@carolinabeach.org

Zoning: Haley Moccia | 910-707-2042 | haley.moccia@carolinabeach.org

Water Billing (to request meter installation): info@carolinabeach.org | 910-458-2983

Additional Comments:

Operations Comments:

Zoning Comments:

Silt fence is required for duration of project. Contractor is responsible for any sediment leaving job site and/or entering Town right of way.

A copy of the Utility/Zoning Permit is required to be kept on site for the duration of the project

Lynn Barbee
Mayor
Joe Benson
Council Member

Deb LeCompte
Council Member



Jay Healy
Mayor Pro Tem

Mike Hoffer
Council Member

Bruce Oakley
Town Manager

Town of Carolina Beach
1121 N. Lake Park Blvd.
Carolina Beach, NC 28428
Tel: (910) 458-2999
Fax: (910) 458-2997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NOTICE OF VIOLATION

4/20/2023

NORTH PIER HOLDINGS, LLC and SENT VIA EMAIL to pckratsa@gmail.com
c/o Caleb Kratsa, Registered Agent
6316 MARYWOOD DR
WILMINGTON, NC 28409

**RE: STOP WORK ORDER, AND NOTICE OF FAILURE TO APPLY FOR A CAMA PERMIT
CAMA MINOR VIOLATION #NOV 23-11**

Dear Mr. Kratsa:

This letter confirms that on 4/4/2023, Jeremy Hardison, Town Planning and Development Director and Haley Moccia, Town CAMA Local Permitting Officer, were onsite at a property located at 1800 Canal Drive owned by North Pier Holdings, LLC (the "Site"). The Site is adjacent to the Atlantic Ocean located in the Town of Carolina Beach in New Hanover County, North Carolina. The purpose of the visit was to investigate unauthorized development of Total Floor Area expansion within the existing condo buildings located within the Ocean Hazard Area of Environmental Concern (AEC). This letter also confirms our phone call with Mr. Jeff O'Brien (agent for North Pier Holdings, LLC), who was contacted by the Town about the unpermitted enclosures and expansion of Total Floor Area on April 4, 2023. On April 5, 2023, Mr. Griffin Kievit (Kievit Construction Services, LLC) met with town staff to discuss steps to address the unpermitted enclosures.

Information gathered by the Town shows that North Pier Holdings, LLC has undertaken minor development without CAMA permit authorization in violation of the Coastal Area Management Act (CAMA). No entity or person or entity may undertake minor development in a designated AEC without first obtaining a permit from the North Carolina Department of Environmental Quality, North Carolina General Statutes per N.C.G.S. § 113A-118.

The Town has information that North Pier Holdings, LLC has undertaken, or is legally responsible, for minor

North Pier Holdings, LLC

4/20/2023

development by the unauthorized expansion of Total Floor Area in condo buildings 1 and 2 on the Site. This activity took place in the Ocean Hazard AEC that is contiguous with the Atlantic Ocean, partially within the applicable Ocean Hazard Setback. No permit was issued to North Pier Holdings, LLC for expansion of Total Floor Area. Based on these findings, I am initiating an enforcement action by issuing this **Notice of Violation** for violation of the Coastal Area Management Act.

North Pier Holdings, LLC is ordered to **STOP WORK IMMEDIATELY** and file the necessary application with this office for a CAMA Minor Development Permit for any future work by May 4, 2023. **NO WORK (New development) MAY PROCEED UNLESS A PERMIT IS ISSUED.** Failure to file an application or continuation of work after receipt of this Notice may also constitute a violation of the Act and North Pier Holdings, LLC may be subject to civil and/or criminal penalties as provided by N.C.G.S. -§ 113A-126. Each day the development continues, or is repeated after receipt of this Notice, may constitute a separate violation and could result in further penalties or imprisonment for not more than sixty (60) days or both (N.C.G.S. § 113A-118).

It is the policy of the Coastal Resources Commission to levy a civil penalty assessment not to exceed \$1,000 plus investigative costs against all violations. This is done to recoup some of the costs of investigating the violation and to compensate the public for any damage to its natural resources. Whether a higher amount will be assessed will depend on several factors, including the nature and area of the resources affected and the extent of the damage to them. If restoration of the affected resources is requested, but is not undertaken or completed satisfactorily, a substantially higher civil penalty will be assessed and a court injunction will be sought ordering restoration.

Based upon the Rules of the Commission in 15A NCAC 7H State Guidelines for Areas of Environmental Concern, the activity North Pier Holdings, LLC has undertaken, unauthorized expansion of total floor area in Building 1 within the Ocean Hazard Setback AEC(s), is not consistent with Section 15A NCAC 07H .0306(a)(3)(K), which will only allow for new development with a minimum setback of 120 ft. or 60 times the Shoreline Erosion Rate (180 ft.) due to the Town of Carolina Beach Static Line Exception (15A NCAC 07J .1200). Therefore, the Town is requesting the following Restoration:

1. Remove all windows and doors associated with the unauthorized expansion of Total Floor Area in Building 1, which is partially located oceanward of the 180 ft. Ocean Hazard Setback within the setback area landward of the vegetation line. Openings can be covered for weather protection with temporary materials.
2. Provide documentation of the Total Floor Area for both original footprints and for the proposed enclosed/expanded sections for both Building 1 and Building 2.
3. Cease all additional work outside of what was approved by CAMA Minor Permit #CBE 22-20, which was issued to North Pier Holdings, LLC on September 6, 2022. Any additional work will require further authorization from the Town of Carolina Beach's CAMA LPO.
4. Submit a CAMA Minor Permit Application to the Town of Carolina Beach's CAMA LPO and include all expansions in Total Floor Area, including unauthorized and proposed work for both Buildings by May , 2023.

North Pier Holdings, LLC

4/20/2023

5. The Town understands that North Pier Holdings, LLC intends to seek a variance from the Coastal Resources Commission for any proposed expansion of Total Floor Area which may be denied through the permit review process.

Please refer to the enclosed Restoration Agreement.

If you intend to cooperate with my request, on behalf of North Pier Holdings, LLC, please sign one of the attached Restoration Agreements and return it to me in the enclosed, self-addressed envelope within ten (10) days of receipt of this letter. Failure to comply with this request or respond back to this office prior to the requested deadline with an acceptable schedule for compliance will be interpreted as a refusal to cooperate and will result in a Notice of Continuing Violation, as well as a court injunction being sought ordering compliance.

The relevant statutes and regulations are available from this office, and I am willing to assist you in complying with the requirements of these laws. A site inspection will be made in the immediate future to determine whether this **REQUEST TO CEASE AND DESIST** has been complied with. I request that you contact me immediately.

Thank you for your time and cooperation in resolving this important matter. Upon completion of the restoration as requested in the Restoration Plan Agreement to the satisfaction of the Local Permit Officer, North Pier Holdings, LLC will be notified as to the amount of a civil assessment for undertaking development without first obtaining the proper permit(s).

Sincerely,



Haley Moccia
Local Permit Officer

Cc: Tara MacPherson, District Manager, DCM
Bryan Hall, DCM Field Representative
Robb Mairs, DCM Minor Permit Coordinator
Griffin Kievit, Kievit Construction Services, LLC

North Pier Holdings, LLC

4/20/2023

RESTORATION PLAN

For

North Pier Holdings, LLC

CASE NUMBER: NOV 23-11 D

Property located at 1800 Canal Drive, New Hanover County

1. Remove all windows and doors associated with the unauthorized expansion of total floor area in Building 1, which is partially located within the 180 ft. Ocean Hazard Setback. Openings can be covered for weather protection with temporary materials.
2. Provide total floor area for both original footprints and enclosed/expanded sections for both Building 1 and Building 2. Based on 15A NCAC 07H .0306(a)(2): which states that total floor area includes the following:
 - (A) The total square footage of heated or air-conditioned living space;
 - (B) The total square footage of parking elevated above ground level; and
 - (C) The total square footage of non-heated or non-air-conditioned areas elevated above ground level, excluding attic space that is not designed to be load-bearing.

Decks, roof-covered porches, and walkways shall not be included in the total floor area unless they are enclosed with material other than screen mesh or are being converted into an enclosed space with material other than screen mesh.
3. Cease all additional work outside of what was approved by CBE 22-20, which was issued to North Pier Holdings, LLC on September 6, 2022. Any additional work will require further authorization from the Town of Carolina Beach.
4. Submit a Minor Permit Application to include all expansions in total floor area, including unauthorized and proposed work for both buildings by May 4, 2023.

I, Caleb Kratsa, on behalf of North Pier Holdings, LLC, agree to complete this restoration to the satisfaction of the Local Permit Officer by May 4, 2023, or provide an explanation for non-compliance and a reasonable request for time extension. When corrective actions are complete, I will notify the Local Permit Officer so the work can be inspected.

SIGNATURE: _____

DATE: _____

It is the policy of the Coastal Resources Commission to assess a civil penalty plus investigative costs against all violations. The amount assessed will depend upon several factors, including the nature and area of the resources that were affected and the extent of the damage to them. If restoration is not undertaken or satisfactorily completed, a substantially higher civil assessment will be levied and an injunction sought to require restoration.

TOWN OF CAROLINA BEACH
1121 N. LAKE PARK BLVD.
CAROLINA BEACH, NC 28428

CERTIFIED MAIL®



7016 0910 0001 1904 0421

Caleb Kratsa
6316 Marywood Dr.
Wilmington, NC 28409



PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Caleb Kratsa
6316 Marywood Dr.
Wilmington, NC 28409



9590 9402 5697 9346 4004 47

2. Article Number (Transfer from service label)

7016 0910 0001 1904 0421

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

Adult Signature Restricted Delivery
 Adult Signature Restricted Delivery
 Certified Mail®
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Insured Mail
 Insured Mail Restricted Delivery (over \$500)

Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

7016 0910 0001 1904 0421

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee	\$	4.75
Extra Services & Fees (check box, add fee as appropriate)		
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	

Postmark
Here

Postage	\$	
Total Postage and Fees	\$	

Sent To	Caleb Kratsa
Street and Apt. No., or PO Box No.	6316 Marywood Dr
City, State, ZIP+4®	Wilmington NC 28409

Lynn Barbee
Mayor

Joe Benson
Council Member

Deb LeCompte
Council Member



Jay Healy
Mayor Pro Tem

Mike Hoffer
Council Member

Bruce Oakley
Town Manager

Town of Carolina Beach
1121 N. Lake Park Blvd.
Carolina Beach, NC 28428
Tel: (910) 458-2999
Fax: (910) 458-2997

4/21/2023

Exemption Number – **13-23-EX CB**

Caleb Kratsa
6316 MARYWOOD DR.
WILMINGTON, NC 28409

RE: EXEMPTED PROJECT (MINOR) - MAINTENANCE AND REPAIR (15A NCAC 07K .0103)

PROJECT ADDRESS – 1800 Canal, Building 1 & 2
AREA OF ENVIRONMENTAL CONCERN – Ocean Erodeable

Dear Caleb Kratsa:

I have reviewed the information submitted to this office in your inquiry concerning the necessary filing of an application for a minor development permit under the Coastal Area Management Act. After making a site inspection on 4/20/2023, I have determined that the activity you propose is exempt from needing a minor development permit as long as it remains consistent with your site drawing and materials list submitted on 4/17/2023, and meets the conditions specified below. If your plans should change and your project will no longer meet these conditions, please contact me before proceeding.

MAINTENANCE AND REPAIR - (G.S. 113-103(5)(B)(5) and 7K.0209) - Structures may be repaired in a similar manner, size and location as the original structure. No expansions or additions are permissible. The repairs are limited to 50% of the physical value of the existing structure and the following specific conditions.

1. The project consists of the repair of the interior units of building 1 and 2, except for the units containing the enclosed decks on the NE corner of building 1. Those 3 units (112, 212, and 312) are excluded from this renovation. It does not include any expansions or include any of the areas of Building 1 which would require a variance. This authorizes the exempt work for the interior ONLY, as shown on the attached drawing and materials list. Drawings and cost estimates were provided 4/17/2023.
2. The proposed repairs shall be consistent with all other applicable local ordinances and North Carolina Building Code standards.

This exemption to CAMA permit requirements does not alleviate the necessity of your obtaining any other State, Federal or Local authorization and N.C. Building Permits. This exemption expires 90 days from the date of the letter.

Sincerely,

Haley Moccia, LPO – Town of Carolina Beach
1121 N Lake Park Blvd.
Carolina Beach, NC 28428

Cc: Bryan Hall

BUILDING 2

SEE A110

NEW ELEVATOR/STAIR TOWER ONE

BUILDING 2

SEE A108

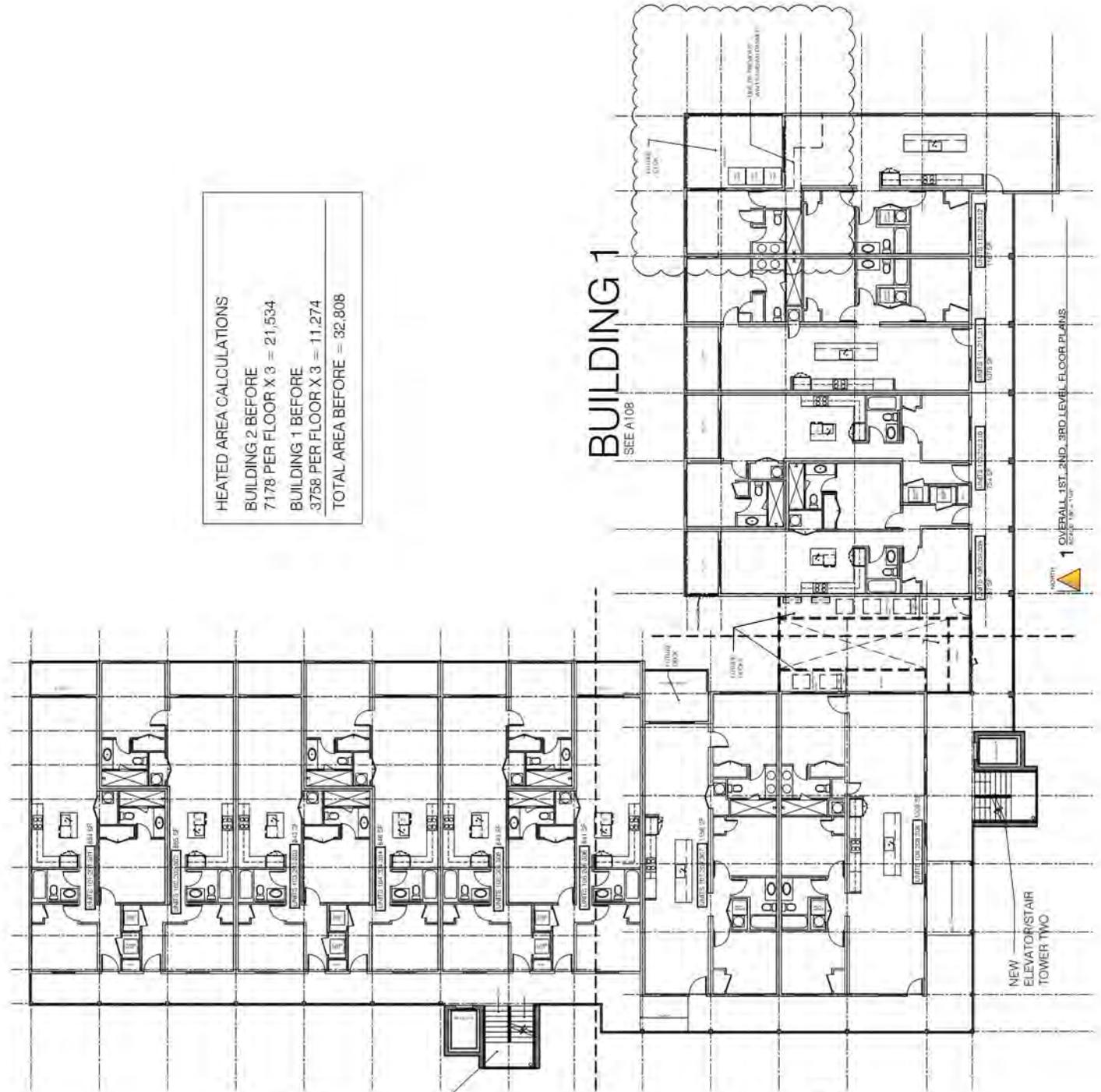
NEW ELEVATOR/STAIR TOWER TWO

HEATED AREA CALCULATIONS	
BUILDING 2 BEFORE	7178 PER FLOOR X 3 = 21,534
BUILDING 1 BEFORE	3758 PER FLOOR X 3 = 11,274
TOTAL AREA BEFORE	= 32,808

BUILDING 1

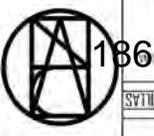
SEE A108

1 OVERALL 1ST, 2ND, 3RD LEVEL FLOOR PLANS



103 OVERALL 1ST, 2ND, 3RD FLOOR PLANS

01.000 OVERALL 1ST, 2ND, 3RD FLOOR PLANS
 02.000 FLOOR FINISHES
 03.000 FLOOR FINISHES
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 100.000 FLOOR FINISHES



ROMERO ARCHITECTURE
 210 GREENBIRD STREET, #273
 WASHINGTON, NORTH CAROLINA 27601
 WWW.ROMEROARCHITECTURE.COM
 919.286.8178



ARCHITECT



March 30, 2023

Kievit Construction services LLC

2845 Carolina Beach Rd

Wilmington, NC, 28412

NCGCL 85228

CAMA exemption/CAMA Minor Permit/CAMA Variance Detail
Construction Plan Detail for 42 Unit Condo Complex Renovation
1800 Canal Dr, Carolina Beach, NC, 28428

Owner: North Pier Holdings LLC

Architect: Romero Architecture

Structural Engineer: Chris Holmes PE & Associates, Inc.

PM&E Engineer: Tim Hines, PE

Summary of costs. Full detail below

Building 1	
Renovate existing structure	\$ 1,048,400.00
NE corner decks	\$ 26,600.00
	\$
Building 1 Total	\$ 1,075,000.00
Building 2	
Renovate existing Structure	\$ 2,382,500.00
New Penthouses and deck between buildings	\$ 1,175,000.00
Building 2 Total	\$ 3,557,500.00
Pool and Common	\$ 225,000.00

Building One - Facing Salt Marsh Dr.



- Structurally independent from Building 2
- 15 independent units
 - 12 -2-bedroom units
 - 3 - 1-bedroom units
 - Exterior breezeways, balconies and two stairwells.

Work Already Completed – Building 1

Exterior:

- Patched multiple leaks on existing improperly installed **existing** roof. Roof continues to have significant leaks due to rotted sheathing, covered drains, multiple penetrations from HVAC and plumbing.
 - Roof leaks are causing new mold and additional deterioration of interior and exterior.
 - This roof will fail during any significant weather event.
- Removed and replaced 9 **existing** rotted exterior rear covered decks.
- Removed **existing** front rotted covered breezeway.
 - Installed 6 new Helical anchors to attach new pilings to build back existing covered breezeway.
 - These pilings will also support the roof replacement of existing roof.
 - Current supports are 4 2x8 attached to insufficient concrete footer with rusted and failing clips. This is not allowed in Coastal AE. We must go back with Helical as engineered.
- Removed 2 **existing** rotted stairwells.
- Replaced **existing** windows & doorways.
- Removed **existing** damaged siding.
- Replaced damaged and rotted **existing** framing & sheathing.
- Removed all **existing** railings.
- Covered all sheathing with fluid applied air and water resistive membrane.
- Remove all **existing** plumbing, electric, and HVAC.
- Removed **existing** Electric Meter panel at ground level in flood zone.
- Repaired **existing** damaged concrete pilings and foundation.
- Installed 2 new pilings with helical anchors on NE corner to support proposed decks and roof.

Interior:

- Removed all interior sheetrock, flooring, cabinetry, appliances and finishes.
- Removed all electric, plumbing and HVAC.
- Removed and replaced all rotted and damaged framing and subfloors.
- Enclosed existing roofed deck on the NE corner of building 1



Proposed Work to be completed with Exemption.

Exterior

- Replace existing Roof.
 - New roof will consist of new LVL girders above pilings, new joists, new sheathing.
 - New roof covering will be TPO and sloped to drain properly.
 - New roof construction removes all current load on the below 3 floors and transfers the load directly to the pilings.
 - This further stabilizes and strengthens the 3 floors below.
 - New roof will be significantly stronger and resistant to severe weather events.
 - New roof can additionally support proposed penthouse if approved.
 - New roof covering will not need to be removed and replaced at later date.
 - No additional framing will need to be added for support at a later date.
- Replace all existing exterior plumbing, electric, and HVAC.
- Replace **existing** breezeways with 6 new pilings and helicals and proper framing per engineering.
- Fire protection added to parking underneath and breezeways.
- Install new EIFS Siding
- Install new handrails and decking on existing repaired decks and breezeways.

Interior:

- Additional Partition framing to match architect plans.
- Combine 3- One Bedroom/ 6 two Bedroom Units
- Total units after merger 12 Units- 6 two Bedroom, 6 three Bedroom
- New Plumbing, Electric, HVAC
- Updated and/or new fire walls, Insulation, Drywall, cabinets, interior doors, flooring, and fixtures.
- New fire protection to be added with approval of penthouse to all floors.

Building 1 Completed and Proposed Work to be completed with Exemption.

\$ 1,048,400.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 6,300.00	\$ 4,200.00	\$ 10,500.00
Carpentry material (rough) including decks & porches		\$ 94,500.00	\$ 94,500.00



Carpentry Labor (rough)	\$ 94,500.00		\$ 94,500.00
Roofing	\$ 17,900.00	\$ 12,000.00	\$ 31,500.00
Insulation and weather stripping	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Exterior Finish	\$ 37,800.00	\$ 25,200.00	\$ 63,000.00
Doors, windows and shutters	\$ 21,000.00	\$ 84,000.00	\$ 105,000.00
Lumber finish	\$ 33,600.00	\$ 50,400.00	\$ 84,000.00
Carpentry Labor (finish)	\$ 15,750.00	\$ 15,750.00	\$ 31,500.00
Hardware (rough)	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Hardware (finish)	\$ 12,600.00	\$ 18,900.00	\$ 31,500.00
Cabinets	\$ 10,500.00	\$ 42,000.00	\$ 52,500.00
Floor covering (tile, Carpet, etc)	\$ 25,200.00	\$ 37,800.00	\$ 63,000.00
Plumbing	\$ 22,050.00	\$ 9,450.00	\$ 31,500.00
Shower, tub, toilets, and other plumbing fixtures		\$ 21,000.00	\$ 21,000.00
Electrical	\$ 22,050.00	\$ 9,450.00	\$ 31,500.00
Lighting fixtures		\$ 10,500.00	\$ 10,500.00
Built in appliances		\$ 21,000.00	\$ 21,000.00
HVAC	\$ 10,500.00	\$ 10,500.00	\$ 21,000.00
paint	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Overhead and profit	\$ 157,500.00		\$ 157,500.00
Totals	\$ 543,950.00	\$ 500,250.00	\$ 1,048,400.00



Building 1 CAMA Minor Permit - Expansion or changes in footprint

- Install New NE corner decks. 3rd floor deck will be covered by expansion of roof.
 - This includes the 2 pilings already mentioned.
 - Enclose previously open/existing exterior decks

\$ 26,600.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 2,250.00	\$ 1,500.00	\$ 3,750.00
Carpentry material (rough) including decks & porches		\$ 6,250.00	\$ 6,250.00
Carpentry Labor (rough)	\$ 6,250.00		\$ 6,250.00
Roofing	\$ 1000	\$ 600	\$ 1600
Insulation and weather stripping	\$ -	\$ -	\$ -
Exterior Finish	\$ -	\$ -	\$ -
Doors, windows and shutters	\$ -	\$ -	\$ -
Lumber finish	\$ 500.00	\$ 750.00	\$ 1,250.00
Carpentry Labor (finish)	\$ 625.00	\$ 625.00	\$ 1,250.00
Hardware (rough)	\$ 750.00	\$ 500.00	\$ 1,250.00
Hardware (finish)	\$ 500.00	\$ 750.00	\$ 1,250.00
Cabinets	\$ -	\$ -	\$ -
Floor covering (tile, Carpet, etc)	\$ -	\$ -	\$ -
Plumbing	\$ -	\$ -	\$ -
Shower, tub, toilets, and other plumbing fixtures		\$ -	\$ -
Electrical	\$ -	\$ -	\$ -
Lighting fixtures		\$ -	\$ -



Built in appliances		\$ -	\$ -
HVAC	\$ -	\$ -	\$ -
paint	\$ -	\$ -	\$ -
Overhead and profit	\$ 3,750.00		\$ 3,750.00
Totals	\$ 15,625.00	\$ 9,350.00	\$ 26,600.00



Building Two – Facing Canal Drive

- Structurally independent from Building 1
- 27 independent units
 - 24 -2-bedroom units
 - 3 - 1-bedroom units
 - Exterior breezeways, balconies, two stairwells and 1 elevator

Work Already Completed – Building 2

Exterior:

- Patched multiple leaks on existing improperly installed **existing** roof. Roof continues to have significant leaks due to rotted sheathing, covered drains, multiple penetrations from HVAC and plumbing.
 - Roof leaks are causing new mold and additional deterioration of interior and exterior.
 - This roof will fail during any significant weather event.
- Repaired 21 **existing** rotted exterior rear covered decks.
- Repaired **existing** front covered breezeways.
- Removed 1 **existing** rotted stairwells.
- Replaced **existing** windows & doorways.
- Removed **existing** damaged siding.
- Replaced damaged and rotted **existing** framing & sheathing.
- Removed all **existing** railings.
- Covered all sheathing with fluid applied air and water resistive membrane.



- Remove all **existing** plumbing, electric, and HVAC.
- Repaired any structurally deficient framing in carport.

Interior:

- Removed all interior sheetrock, flooring, cabinetry, appliances and finishes.
- Removed all electric, plumbing and HVAC.
- Removed and replaced all rotted and damaged framing and subfloors.

Proposed Work to be completed with Exemption.

Exterior

- Replace existing Roof.
 - New roof will consist of new LVL girders above pilings, new joists, new roof decking.
 - New roof covering will be TPO and sloped to drain properly.
 - New roof construction removes all current load on the below 3 floors and transfers the load directly to the pilings.
 - This further stabilizes and strengthens the 3 floors below.
 - New roof will be significantly stronger and resistant to severe weather events.
 - New roof can additionally support proposed penthouse if approved.
 - New roof covering will not need to be removed and replaced at later date.
 - No additional framing will need to be added for support at a later date.
- Replace all existing exterior plumbing, electric, and HVAC.
- New decking to **existing** breezeways.
- Install new EIFS Siding
- Install new handrails and decking on existing repaired decks and breezeways.
-

Interior:

- Additional framing to match architect plans.
- Combined existing 6 Office/Storage units and 3 Two Bedroom
- Total units after merger 18 Two Bedroom and 6 Three Bedroom
- New Plumbing, Electric, HVAC



- Updated and/or new fire walls, Insulation, Drywall, cabinets, interior doors, flooring, and fixtures.

Cost Building 2 Completed and Proposed to be Completed with Exemption

\$ 2,382,500.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 14,295.00	\$ 9,530.00	\$ 23,825.00
Carpentry material (rough) including decks & porches		\$ 142,950.00	\$ 142,950.00
Carpentry Labor (rough)	\$ 214,425.00		\$ 214,425.00
Roofing	\$ 42,885.00	\$ 28,590.00	\$ 71,475.00
Insulation and weather stripping	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Exterior Finish	\$ 71,475.00	\$ 47,650.00	\$ 119,125.00
Doors, windows and shutters	\$ 28,590.00	\$ 114,360.00	\$ 142,950.00
Lumber finish	\$ 190,600.00	\$ 285,900.00	\$ 476,500.00
Carpentry Labor (finish)	\$ 35,737.50	\$ 35,737.50	\$ 71,475.00
Hardware (rough)	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Hardware (finish)	\$ 9,530.00	\$ 14,295.00	\$ 23,825.00
Cabinets	\$ 23,825.00	\$ 95,300.00	\$ 119,125.00
Floor covering (tile, Carpet, etc)	\$ 47,650.00	\$ 71,475.00	\$ 119,125.00
Plumbing	\$ 33,355.00	\$ 14,295.00	\$ 47,650.00
Shower, tub, toilets, and other plumbing fixtures		\$ 23,825.00	\$ 23,825.00
Electrical	\$ 50,032.50	\$ 21,442.50	\$ 71,475.00
Lighting fixtures		\$ 11,912.50	\$ 11,912.50



Built in appliances		\$ 71,475.00	\$ 71,475.00
HVAC	\$ 59,562.50	\$ 59,562.50	\$ 119,125.00
paint	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Overhead and profit	\$ 357,375.00		\$ 357,375.00
Totals	\$ 1,265,107.50	\$ 1,095,950.00	\$ 2,382,500.00

CAMA Minor Permit - Expansion or changes in footprint

- **Install New HVAC platform above flood area** – In between Building 1 & Building 2.
 - relocate existing HVAC and meter packs out of flood zone
 - This platform requires NO new pilings with this design.
- **New 4th Floor Penthouse Units** – 4 units - Each 2 bedroom and 2 bathrooms
 - New construction of 4 1494 sq. ft 2 bedroom 2 bathroom penthouse units.
 - New construction finishes throughout the penthouse.
 - New decking and drain system.
- **New Elevator/Stairwell**
 - Retrofit existing Elevator
 - New elevator and stairwell to reach penthouse level

Building 2 – Cost New Penthouse units and HVAC platform

\$ 1,175,000.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 6,450.00	\$ 4,300.00	\$ 10,750.00
Carpentry (rough) including decks & porches	\$ 96,750.00	\$ 96,750.00	\$ 193,500.00
Elevator			\$ 100,000.00
Roofing	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Insulation and weather stripping	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Exterior Finish	\$ 38,700.00	\$ 25,800.00	\$ 64,500.00



Doors, windows and shutters	\$ 21,500.00	\$ 86,000.00	\$ 107,500.00
Lumber finish	\$ 34,400.00	\$ 51,600.00	\$ 86,000.00
Carpentry Labor (finish)	\$ 16,125.00	\$ 16,125.00	\$ 32,250.00
Hardware (rough)	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Hardware (finish)	\$ 12,900.00	\$ 19,350.00	\$ 32,250.00
Cabinets	\$ 10,750.00	\$ 43,000.00	\$ 53,750.00
Floor covering (tile, Carpet, etc)	\$ 25,800.00	\$ 38,700.00	\$ 64,500.00
Plumbing	\$ 22,575.00	\$ 9,675.00	\$ 32,250.00
Shower, tub, toilets, and other plumbing fixtures		\$ 21,500.00	\$ 21,500.00
Electrical	\$ 22,575.00	\$ 9,675.00	\$ 32,250.00
Lighting fixtures		\$ 10,750.00	\$ 10,750.00
Built in appliances		\$ 21,500.00	\$ 21,500.00
HVAC	\$ 10,750.00	\$ 10,750.00	\$ 21,500.00
paint	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Overhead and profit	\$ 161,250.00		\$ 161,250.00
Totals	\$ 657,925.00	\$ 512,775.00	\$ 1,175,000.00

Existing Ground floor Pool and Common area

Cost \$225,000

CAMA Minor Permit

- Completed
 - Remove existing pool deck, pump house and surrounding planter.
 - reduced existing footprint 350 sqft



- Work to be completed
 - Remove existing pool shell
 - Replace pool deck with decorative concrete Approx 4000 Sqft
 - Add new hot tub, removable sunshade cabanas and grilling area on pool deck.
 - Install new pool equipment out of flood zone
 - Grills will be removable
 - Install new fencing around pool deck.
 - Install pervious surface between buildings and pool.
 - Install pervious surface between buildings.
 - Install pervious surface on the East side building 1 for driveway to Saltmarsh Dr.
 - Proposed pervious surface will be concrete pavers inlayed in decorative gravel
 - Repair existing concrete and asphalt driveways between buildings and street

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Lynn Barbee
Mayor

Joe Benson
Council Member

Deb LeCompte
Council Member

Jay Healy
Mayor Pro Tem

Mike Hoffer
Council Member

Bruce Oakley
Town Manager

Town of Carolina Beach
1121 N. Lake Park Blvd.
Carolina Beach, NC 28428
Tel: (910) 458-2999
Fax: (910) 458-2997

NORTH PIER HOLDINGS, LLC and SENT VIA EMAIL to pckratsa@gmail.com
c/o Caleb Kratsa, Registered Agent
6316 MARYWOOD DR
WILMINGTON, NC 28409

RE: RESTORATION ACCEPTANCE – CAMA VIOLATION #NOV 23-11

Dear Mr. Kratsa:

This letter is in reference to the Notice of Violation # NOV 23-11 sent to you dated 4/20/2023 for the unauthorized development of Total Floor Area expansion within the existing condo buildings located within the Ocean Hazard Area of Environmental Concern (AEC) near Atlantic Ocean. The violation took place on property located at 1800 Canal Drive, Carolina Beach in New Hanover County, North Carolina. This unauthorized activity constituted development and you were requested to:

1. Remove all windows and doors associated with the unauthorized expansion of Total Floor Area in Building 1, which is partially located oceanward of the 180 ft. Ocean Hazard Setback within the setback area landward of the vegetation line. Openings can be covered for weather protection with temporary materials.
2. Provide documentation of the Total Floor Area for both original footprints and for the proposed enclosed/expanded sections for both Building 1 and Building 2.
3. Cease all additional work outside of what was approved by CAMA Minor Permit #CBE 22-20, which was issued to North Pier Holdings, LLC on September 6, 2022. Any additional work will require further authorization from the Town of Carolina Beach's CAMA LPO.
4. Submit a CAMA Minor Permit Application to the Town of Carolina Beach's CAMA LPO and include all expansions in Total Floor Area, including unauthorized and proposed work for both Buildings by May 4, 2023.
5. The Town understands that North Pier Holdings, LLC intends to seek a variance from the Coastal Resources Commission for any proposed expansion of Total Floor Area which may be denied through the permit review process.

In accordance with the North Carolina Administrative Code, Title 15A, Subchapter 7J.0410, any violation involving development which is inconsistent with guidelines for development with Areas of Environmental Concern (AEC) must be corrected by restoring the project site to pre-development conditions to recover lost resources or to prevent further resource damage.

I conducted a site visit at the aforementioned property on 5/4/2023 to inspect the restoration of the unauthorized activity addressed in the Notice of Violation #NOV 23-11. Based on this inspection, receipt of the requested documents on 5/4/2023, and receipt of the CAMA Minor Permit application submitted on 5/24/2023, it has been determined that the restoration appears to have been accomplished to the satisfaction of the Local Permit Officer. Upon my submission of an enforcement report to the Division of Coastal Management, you will be notified by the Division as to the amount of the civil penalty for undertaking this unauthorized activity within an Area of Environmental Concern.

Thank you for your attention and cooperation in this matter. If you have any questions pertaining to this matter, please feel free to call me at 910-707-2042.

Sincerely,

A handwritten signature in black ink that reads "Haley Moccia". The signature is written in a cursive, flowing style.

Haley Moccia
Local Permit Officer, Town of Carolina Beach

Cc: Tara MacPherson, District Manager, DCM
Robb Mairs, LPO Minor Permit Coordinator, DCM
Bryan Hall, District Field Specialist, DCM
Griffin Kievit, Kievit Construction
Jeff O'Brian, Manager, North Pier Holdings, LLC
Jeremy Hardison, Director of Planning & Development, Town of Carolina Beach

SITE DRAWING/APPLICATION CHECKLIST

Please make sure your site drawing includes the following information required for a CAMA minor development permit. The Local Permit Officer will help you, if requested.

PHYSICAL DIMENSIONS

- Label roads
- Label highways right-of-ways
- Label local setback lines
- Label any and all structures and driveways currently existing on property
- Label adjacent waterbody

PHYSICAL CHARACTERISTICS

- Draw and label normal high water line (contact LPO for assistance)
- Draw location of on-site wastewater system

If you will be working in the ocean hazard area:

- Draw and label dune ridges (include spot elevations)
- Draw and label toe of dunes
- Identify and locate first line of stable vegetation (contact LPO for assistance)
- Draw and label erosion setback line (contact LPO for assistance)
- Draw and label topographical features (optional)

If you will be working in a coastal shoreline area:

- Show the roof overhang as a dotted line around the structure
- Draw and label landward limit of AEC
- Draw and label all wetland lines (contact LPO for assistance)
- Draw and label the 30-foot buffer line

DEVELOPMENT PLANS

- Draw and label all proposed structures
- Draw and label areas that will be disturbed and/or landscaped
- Note size of piling and depth to be placed in ground
- Draw and label all areas to be paved or graveled
- Show all areas to be disturbed
- Show landscaping

NOTE TO APPLICANT

Have you:

- completed all blanks and/or indicated if not applicable?
- notified and listed adjacent property owners?
- included your site drawing?
- signed and dated the application?
- enclosed the \$100.00 fee?



Coastal Management
ENVIRONMENTAL QUALITY

In 1974, the North Carolina General Assembly (CAMA) and set the state's coastal border the state's sound. To build and develop, the Coastal Resources Council (CRC) to implement cl

This application for a minor development permit is the Commission's effort to ensure that the application is designed to be straightforward and easy to understand for the applicant. Please go to the locality in which you plan to develop or she needs before you

Under CAMA regulations, a complete application is required. The process generally takes 30 days. It is certain that your application meets the specifications given in the

Other permits are sometimes required. Some are not CAMA-related. Please check with the locality which of these you may need.

We appreciate your cooperation and your willingness to help us protect our productive coast.

Locality Town of Carolina Beach Permit Number 202 12-23 CB
Ocean Hazard Estuarine Shoreline _____ ORW Shoreline _____ Public Trust Shoreline _____ Other _____
(For official use only)

GENERAL INFORMATION

LAND OWNER - MAILING ADDRESS

Name Perry Caleb Kr...
Address 6316 Marywood...
City Wilming... State N... Zip 284... Phone 910-279-3...
Email caleb@cekra....

AUTHORIZED AGENT

Name Kievit Construction/ Griffin...
Address 2845 Carolina bea...
City Wilminqt... State N... Zip 284... Phone 910 262 5...
Email qkievit@kievitconstructio...

LOCATION OF PROJECT: (Address, street name and/or directions to site; name of the adjacent waterbody.)

1800 Canal Dr. Carolina Beach NC 28428- Bul...

DESCRIPTION OF PROJECT: (List all proposed construction and land disturbance.) Addition Penthouses B...

Elevators, Decks, Breezeways, Unit Entrances, replace piles, Stairwells. See attached plans f...

SIZE OF LOT/PARCEL: 335... square feet .8 acres

PROPOSED USE: Residential (Single-family Multi-family) Commercial/Industrial Other

COMPLETE EITHER (1) OR (2) BELOW (Contact your Local Permit Officer if you are not sure which AEC applies to your property):

(1) OCEAN HAZARD AECs: TOTAL FLOOR AREA OF PROPOSED STRUCTURE: _____ square feet (includes

OTHER PERMITS MAY BE REQUIRED
minor development permit, including, but not limited to (e.g., water treatment system), Building, Electrical, Plumbing, Mechanical, Fire Certification, Sand Dune, Sediment Control, etc. Check with your Local Permit Office.

STATEMENT OF OWNERSHIP:

I, the undersigned, an applicant for a CAM... person authorized to act as an agent for purposes listed as landowner on this application has described as: (check one)

an owner or record title, Title is vested in me, see Deed Book 65...

_____ an owner by virtue of inheritance. App...

_____ if other interest, such as written contract...

NOTIFICATION OF ADJACENT RIPARIAN OWNERS:

I furthermore certify that the following persons were given ACTUAL NOTICE to each of them concerning this application:

- (Name)
(1) CB Pier L...
(2) North Pier associ...
(3) Island North...
(4) _____

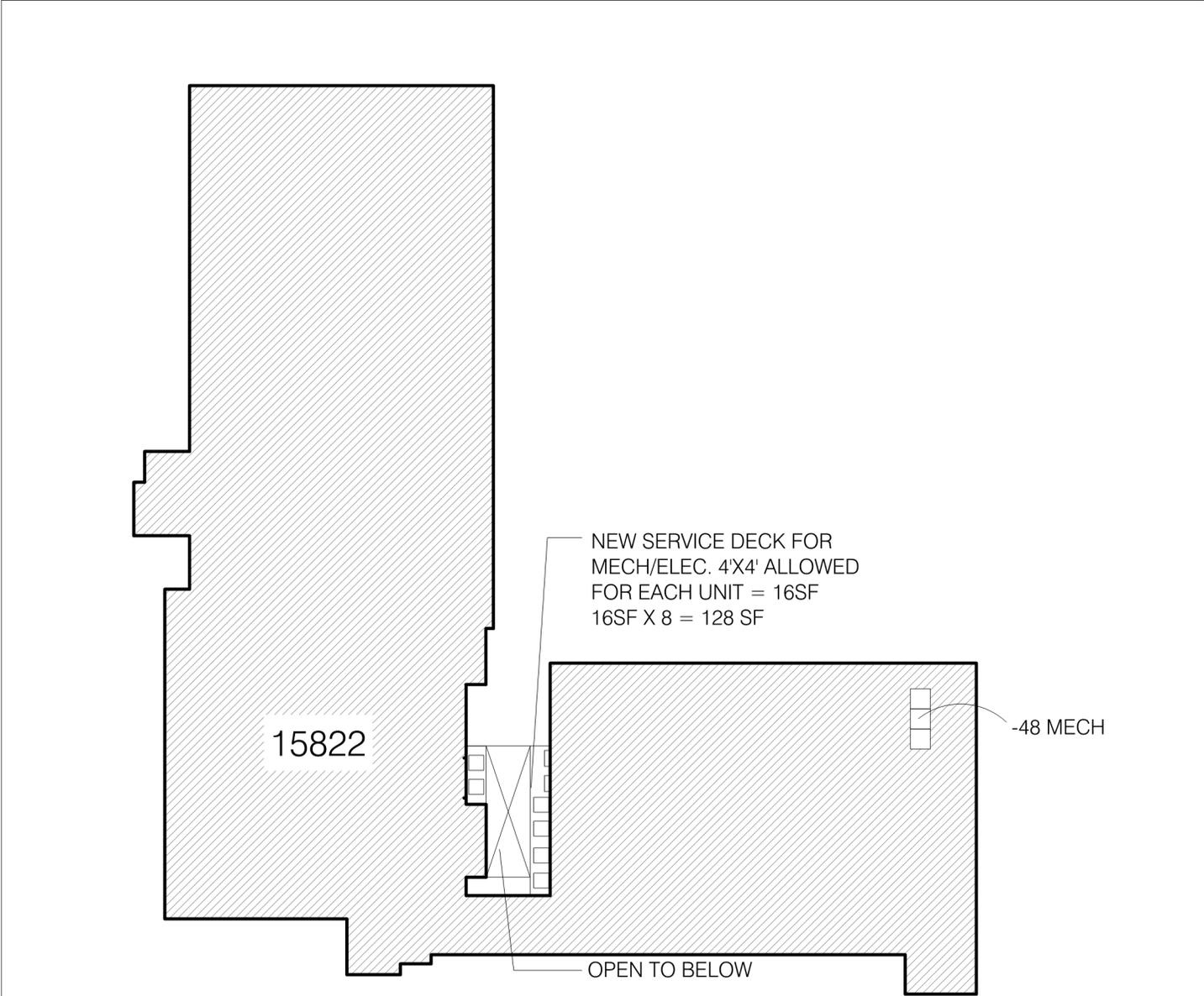
ACKNOWLEDGEMENTS:

I, the undersigned, acknowledge that the land may be susceptible to erosion and/or flood damage and other natural hazard problems associated with this location and floodproofing techniques.

I furthermore certify that I am authorized to sign this application, and I have discussed the application with the Local Permit Officer and their agents to the extent related to this permit application.

OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.

OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.



15822

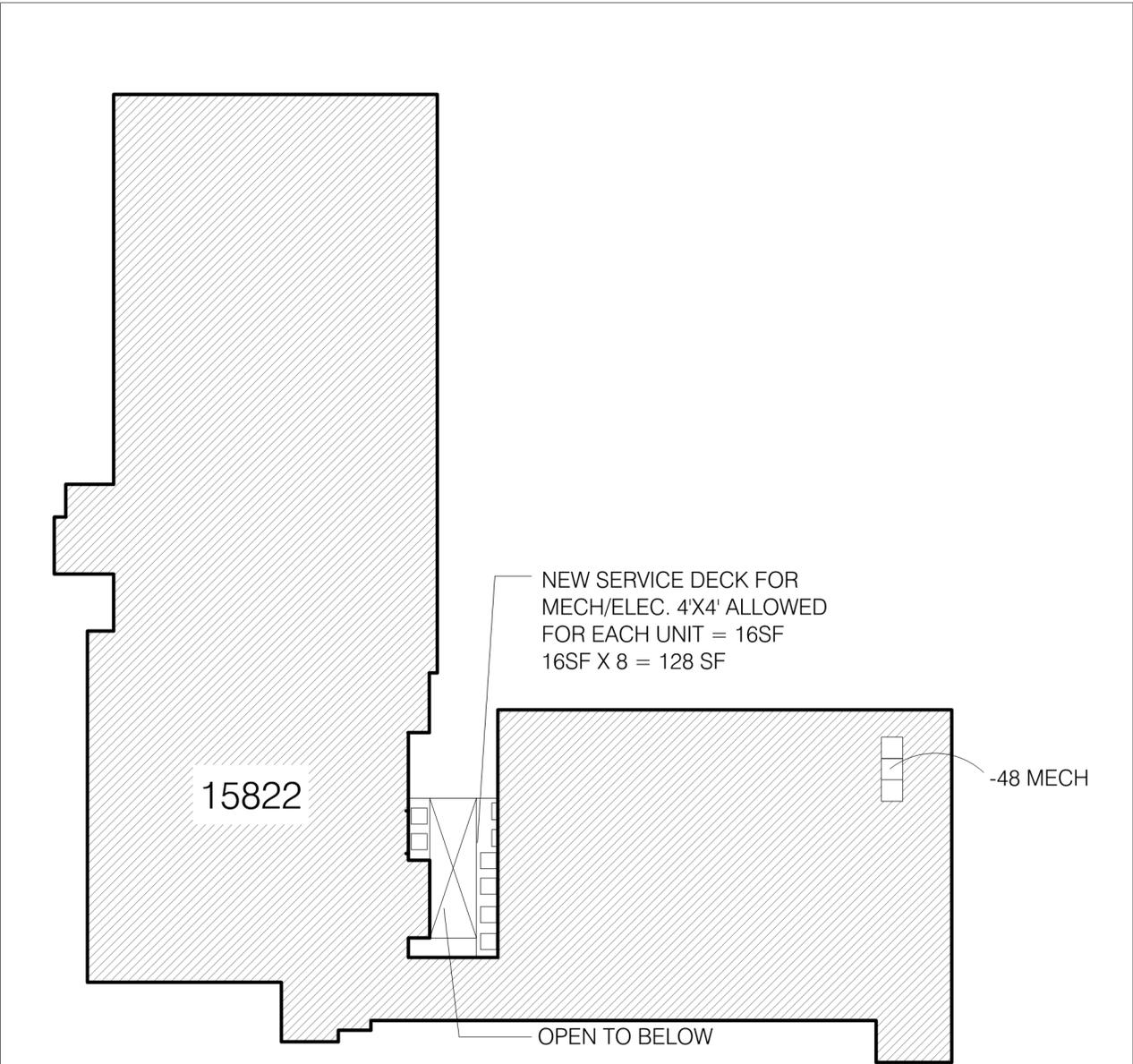
NEW SERVICE DECK FOR MECH/ELEC. 4'X4' ALLOWED FOR EACH UNIT = 16SF 16SF X 8 = 128 SF

-48 MECH

OPEN TO BELOW

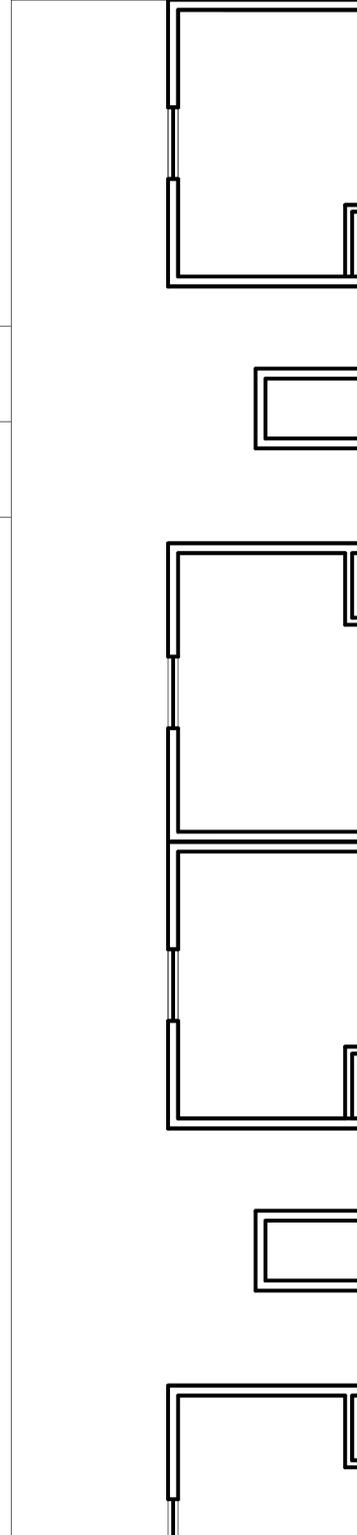
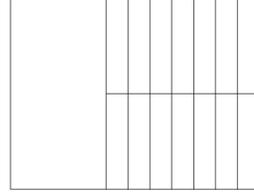
15822 (-) 48 MECH DECK = 15,774 SF
NEW FOOTPRINT
15,774 SF

OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.



15822 (-) 48 MECH DECK = 15,774 SF
 NEW FOOTPRINT
 15,774 SF

OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.



OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.

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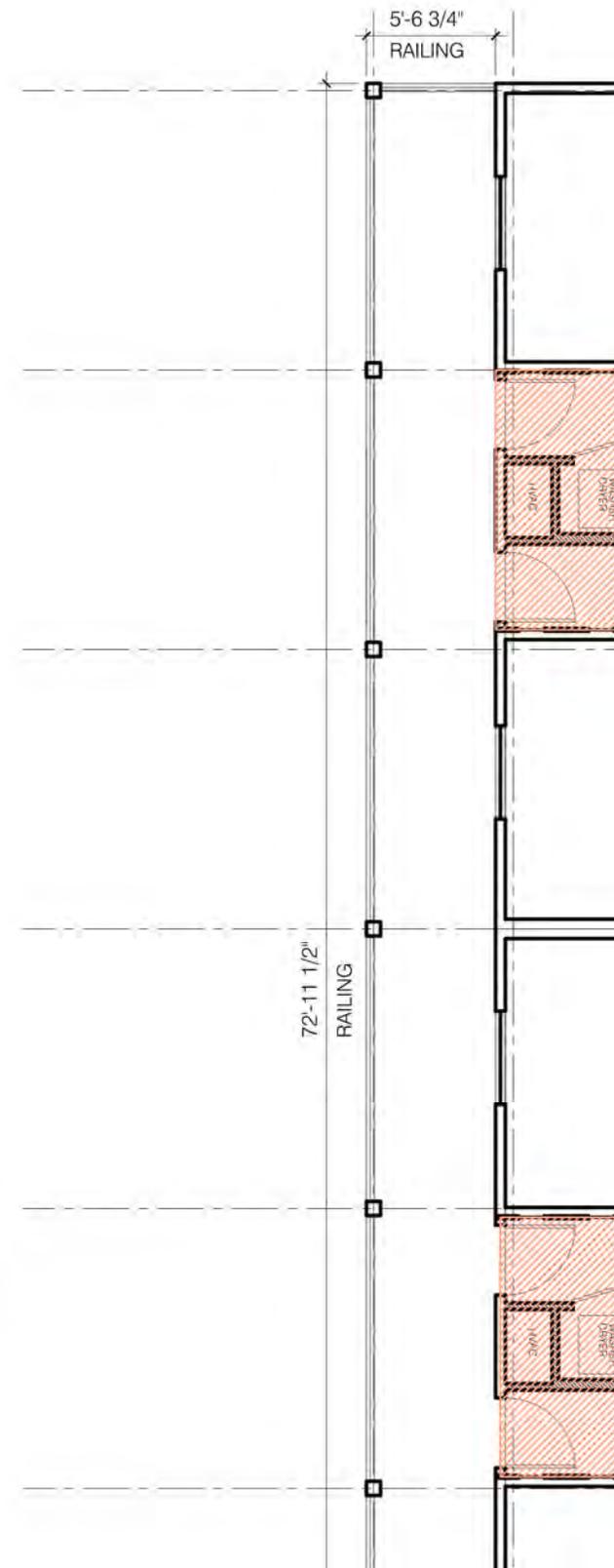
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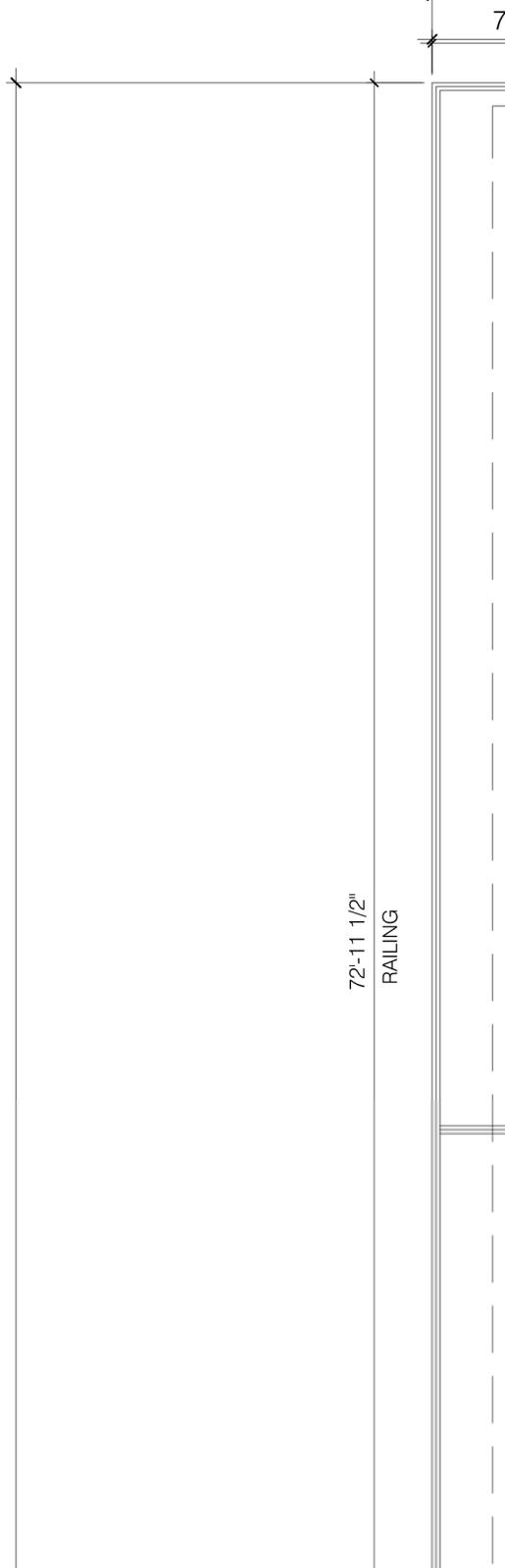
OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.

BUILDING 2

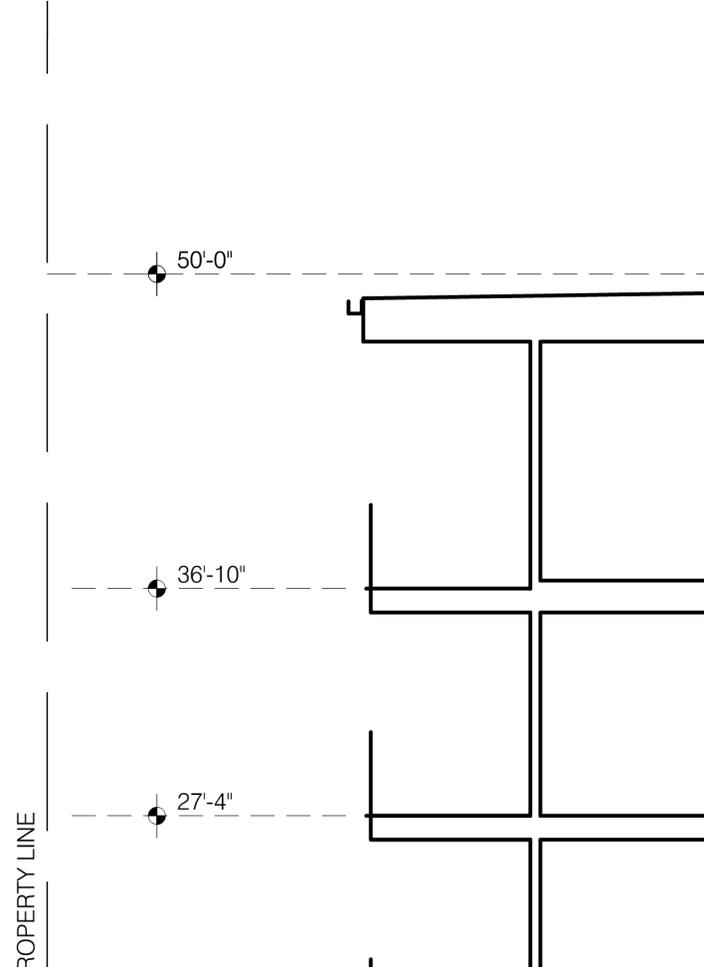
SEE A110



OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.



OR REPRODUCED WITHOUT THE EXPRESS WRITTEN CONSENT OF ROMERO ARCHITECTURE PLLC.





March 30, 2023

Kievit Construction services LLC

2845 Carolina Beach Rd

Wilmington, NC, 28412

NCGCL 85228

CAMA exemption/CAMA Minor Permit/CAMA Variance Detail
Construction Plan Detail for 42 Unit Condo Complex Renovation
1800 Canal Dr, Carolina Beach, NC, 28428

Owner: North Pier Holdings LLC

Architect: Romero Architecture

Structural Engineer: Chris Holmes PE & Associates, Inc.

PM&E Engineer: Tim Hines, PE

Summary of costs. Full detail below

Building 1	
Renovate existing structure	\$ 1,048,400.00
NE corner decks	\$ 26,600.00
	\$
Building 1 Total	\$ 1,075,000.00
Building 2	
Renovate existing Structure	\$ 2,382,500.00
New Penthouses and deck between buildings	\$ 1,175,000.00
Building 2 Total	\$ 3,557,500.00
Pool and Common	\$ 225,000.00

Building One - Facing Salt Marsh Dr.



- Structurally independent from Building 2
- 15 independent units
 - 12 -2-bedroom units
 - 3 - 1-bedroom units
 - Exterior breezeways, balconies and two stairwells.

Work Already Completed – Building 1

Exterior:

- Patched multiple leaks on existing improperly installed **existing** roof. Roof continues to have significant leaks due to rotted sheathing, covered drains, multiple penetrations from HVAC and plumbing.
 - Roof leaks are causing new mold and additional deterioration of interior and exterior.
 - This roof will fail during any significant weather event.
- Removed and replaced 9 **existing** rotted exterior rear covered decks.
- Removed **existing** front rotted covered breezeway.
 - Installed 6 new Helical anchors to attach new pilings to build back existing covered breezeway.
 - These pilings will also support the roof replacement of existing roof.
 - Current supports are 4 2x8 attached to insufficient concrete footer with rusted and failing clips. This is not allowed in Coastal AE. We must go back with Helical as engineered.
- Removed 2 **existing** rotted stairwells.
- Replaced **existing** windows & doorways.
- Removed **existing** damaged siding.
- Replaced damaged and rotted **existing** framing & sheathing.
- Removed all **existing** railings.
- Covered all sheathing with fluid applied air and water resistive membrane.
- Remove all **existing** plumbing, electric, and HVAC.
- Removed **existing** Electric Meter panel at ground level in flood zone.
- Repaired **existing** damaged concrete pilings and foundation.
- Installed 2 new pilings with helical anchors on NE corner to support proposed decks and roof.

Interior:

- Removed all interior sheetrock, flooring, cabinetry, appliances and finishes.
- Removed all electric, plumbing and HVAC.
- Removed and replaced all rotted and damaged framing and subfloors.
- Enclosed existing roofed deck on the NE corner of building 1



Proposed Work to be completed with Exemption.

Exterior

- Replace existing Roof.
 - New roof will consist of new LVL girders above pilings, new joists, new sheathing.
 - New roof covering will be TPO and sloped to drain properly.
 - New roof construction removes all current load on the below 3 floors and transfers the load directly to the pilings.
 - This further stabilizes and strengthens the 3 floors below.
 - New roof will be significantly stronger and resistant to severe weather events.
 - New roof can additionally support proposed penthouse if approved.
 - New roof covering will not need to be removed and replaced at later date.
 - No additional framing will need to be added for support at a later date.
- Replace all existing exterior plumbing, electric, and HVAC.
- Replace **existing** breezeways with 6 new pilings and helicals and proper framing per engineering.
- Fire protection added to parking underneath and breezeways.
- Install new EIFS Siding
- Install new handrails and decking on existing repaired decks and breezeways.

Interior:

- Additional Partition framing to match architect plans.
- Combine 3- One Bedroom/ 6 two Bedroom Units
- Total units after merger 12 Units- 6 two Bedroom, 6 three Bedroom
- New Plumbing, Electric, HVAC
- Updated and/or new fire walls, Insulation, Drywall, cabinets, interior doors, flooring, and fixtures.
- New fire protection to be added with approval of penthouse to all floors.

Building 1 Completed and Proposed Work to be completed with Exemption.

\$ 1,048,400.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 6,300.00	\$ 4,200.00	\$ 10,500.00
Carpentry material (rough) including decks & porches		\$ 94,500.00	\$ 94,500.00



Carpentry Labor (rough)	\$ 94,500.00		\$ 94,500.00
Roofing	\$ 17,900.00	\$ 12,000.00	\$ 31,500.00
Insulation and weather stripping	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Exterior Finish	\$ 37,800.00	\$ 25,200.00	\$ 63,000.00
Doors, windows and shutters	\$ 21,000.00	\$ 84,000.00	\$ 105,000.00
Lumber finish	\$ 33,600.00	\$ 50,400.00	\$ 84,000.00
Carpentry Labor (finish)	\$ 15,750.00	\$ 15,750.00	\$ 31,500.00
Hardware (rough)	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Hardware (finish)	\$ 12,600.00	\$ 18,900.00	\$ 31,500.00
Cabinets	\$ 10,500.00	\$ 42,000.00	\$ 52,500.00
Floor covering (tile, Carpet, etc)	\$ 25,200.00	\$ 37,800.00	\$ 63,000.00
Plumbing	\$ 22,050.00	\$ 9,450.00	\$ 31,500.00
Shower, tub, toilets, and other plumbing fixtures		\$ 21,000.00	\$ 21,000.00
Electrical	\$ 22,050.00	\$ 9,450.00	\$ 31,500.00
Lighting fixtures		\$ 10,500.00	\$ 10,500.00
Built in appliances		\$ 21,000.00	\$ 21,000.00
HVAC	\$ 10,500.00	\$ 10,500.00	\$ 21,000.00
paint	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Overhead and profit	\$ 157,500.00		\$ 157,500.00
Totals	\$ 543,950.00	\$ 500,250.00	\$ 1,048,400.00



Building 1 CAMA Minor Permit - Expansion or changes in footprint

- Install New NE corner decks. 3rd floor deck will be covered by expansion of roof.
 - This includes the 2 pilings already mentioned.
 - Enclose previously open/existing exterior decks

\$ 26,600.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 2,250.00	\$ 1,500.00	\$ 3,750.00
Carpentry material (rough) including decks & porches		\$ 6,250.00	\$ 6,250.00
Carpentry Labor (rough)	\$ 6,250.00		\$ 6,250.00
Roofing	\$ 1000	\$ 600	\$ 1600
Insulation and weather stripping	\$ -	\$ -	\$ -
Exterior Finish	\$ -	\$ -	\$ -
Doors, windows and shutters	\$ -	\$ -	\$ -
Lumber finish	\$ 500.00	\$ 750.00	\$ 1,250.00
Carpentry Labor (finish)	\$ 625.00	\$ 625.00	\$ 1,250.00
Hardware (rough)	\$ 750.00	\$ 500.00	\$ 1,250.00
Hardware (finish)	\$ 500.00	\$ 750.00	\$ 1,250.00
Cabinets	\$ -	\$ -	\$ -
Floor covering (tile, Carpet, etc)	\$ -	\$ -	\$ -
Plumbing	\$ -	\$ -	\$ -
Shower, tub, toilets, and other plumbing fixtures		\$ -	\$ -
Electrical	\$ -	\$ -	\$ -
Lighting fixtures		\$ -	\$ -



Built in appliances		\$ -	\$ -
HVAC	\$ -	\$ -	\$ -
paint	\$ -	\$ -	\$ -
Overhead and profit	\$ 3,750.00		\$ 3,750.00
Totals	\$ 15,625.00	\$ 9,350.00	\$ 26,600.00



Building Two – Facing Canal Drive

- Structurally independent from Building 1
- 27 independent units
 - 24 -2-bedroom units
 - 3 - 1-bedroom units
 - Exterior breezeways, balconies, two stairwells and 1 elevator

Work Already Completed – Building 2

Exterior:

- Patched multiple leaks on existing improperly installed **existing** roof. Roof continues to have significant leaks due to rotted sheathing, covered drains, multiple penetrations from HVAC and plumbing.
 - Roof leaks are causing new mold and additional deterioration of interior and exterior.
 - This roof will fail during any significant weather event.
- Repaired 21 **existing** rotted exterior rear covered decks.
- Repaired **existing** front covered breezeways.
- Removed 1 **existing** rotted stairwells.
- Replaced **existing** windows & doorways.
- Removed **existing** damaged siding.
- Replaced damaged and rotted **existing** framing & sheathing.
- Removed all **existing** railings.
- Covered all sheathing with fluid applied air and water resistive membrane.



- Remove all **existing** plumbing, electric, and HVAC.
- Repaired any structurally deficient framing in carport.

Interior:

- Removed all interior sheetrock, flooring, cabinetry, appliances and finishes.
- Removed all electric, plumbing and HVAC.
- Removed and replaced all rotted and damaged framing and subfloors.

Proposed Work to be completed with Exemption.

Exterior

- Replace existing Roof.
 - New roof will consist of new LVL girders above pilings, new joists, new roof decking.
 - New roof covering will be TPO and sloped to drain properly.
 - New roof construction removes all current load on the below 3 floors and transfers the load directly to the pilings.
 - This further stabilizes and strengthens the 3 floors below.
 - New roof will be significantly stronger and resistant to severe weather events.
 - New roof can additionally support proposed penthouse if approved.
 - New roof covering will not need to be removed and replaced at later date.
 - No additional framing will need to be added for support at a later date.
- Replace all existing exterior plumbing, electric, and HVAC.
- New decking to **existing** breezeways.
- Install new EIFS Siding
- Install new handrails and decking on existing repaired decks and breezeways.
-

Interior:

- Additional framing to match architect plans.
- Combined existing 6 Office/Storage units and 3 Two Bedroom
- Total units after merger 18 Two Bedroom and 6 Three Bedroom
- New Plumbing, Electric, HVAC



- Updated and/or new fire walls, Insulation, Drywall, cabinets, interior doors, flooring, and fixtures.

Cost Building 2 Completed and Proposed to be Completed with Exemption

\$ 2,382,500.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 14,295.00	\$ 9,530.00	\$ 23,825.00
Carpentry material (rough) including decks & porches		\$ 142,950.00	\$ 142,950.00
Carpentry Labor (rough)	\$ 214,425.00		\$ 214,425.00
Roofing	\$ 42,885.00	\$ 28,590.00	\$ 71,475.00
Insulation and weather stripping	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Exterior Finish	\$ 71,475.00	\$ 47,650.00	\$ 119,125.00
Doors, windows and shutters	\$ 28,590.00	\$ 114,360.00	\$ 142,950.00
Lumber finish	\$ 190,600.00	\$ 285,900.00	\$ 476,500.00
Carpentry Labor (finish)	\$ 35,737.50	\$ 35,737.50	\$ 71,475.00
Hardware (rough)	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Hardware (finish)	\$ 9,530.00	\$ 14,295.00	\$ 23,825.00
Cabinets	\$ 23,825.00	\$ 95,300.00	\$ 119,125.00
Floor covering (tile, Carpet, etc)	\$ 47,650.00	\$ 71,475.00	\$ 119,125.00
Plumbing	\$ 33,355.00	\$ 14,295.00	\$ 47,650.00
Shower, tub, toilets, and other plumbing fixtures		\$ 23,825.00	\$ 23,825.00
Electrical	\$ 50,032.50	\$ 21,442.50	\$ 71,475.00
Lighting fixtures		\$ 11,912.50	\$ 11,912.50



Built in appliances		\$ 71,475.00	\$ 71,475.00
HVAC	\$ 59,562.50	\$ 59,562.50	\$ 119,125.00
paint	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Overhead and profit	\$ 357,375.00		\$ 357,375.00
Totals	\$ 1,265,107.50	\$ 1,095,950.00	\$ 2,382,500.00

CAMA Minor Permit - Expansion or changes in footprint

- **Install New HVAC platform above flood area** – In between Building 1 & Building 2.
 - relocate existing HVAC and meter packs out of flood zone
 - This platform requires NO new pilings with this design.
- **New 4th Floor Penthouse Units** – 4 units - Each 2 bedroom and 2 bathrooms
 - New construction of 4 1494 sq. ft 2 bedroom 2 bathroom penthouse units.
 - New construction finishes throughout the penthouse.
 - New decking and drain system.
- **New Elevator/Stairwell**
 - Retrofit existing Elevator
 - New elevator and stairwell to reach penthouse level

Building 2 – Cost New Penthouse units and HVAC platform

\$ 1,175,000.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 6,450.00	\$ 4,300.00	\$ 10,750.00
Carpentry (rough) including decks & porches	\$ 96,750.00	\$ 96,750.00	\$ 193,500.00
Elevator			\$ 100,000.00
Roofing	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Insulation and weather stripping	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Exterior Finish	\$ 38,700.00	\$ 25,800.00	\$ 64,500.00



Doors, windows and shutters	\$ 21,500.00	\$ 86,000.00	\$ 107,500.00
Lumber finish	\$ 34,400.00	\$ 51,600.00	\$ 86,000.00
Carpentry Labor (finish)	\$ 16,125.00	\$ 16,125.00	\$ 32,250.00
Hardware (rough)	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Hardware (finish)	\$ 12,900.00	\$ 19,350.00	\$ 32,250.00
Cabinets	\$ 10,750.00	\$ 43,000.00	\$ 53,750.00
Floor covering (tile, Carpet, etc)	\$ 25,800.00	\$ 38,700.00	\$ 64,500.00
Plumbing	\$ 22,575.00	\$ 9,675.00	\$ 32,250.00
Shower, tub, toilets, and other plumbing fixtures		\$ 21,500.00	\$ 21,500.00
Electrical	\$ 22,575.00	\$ 9,675.00	\$ 32,250.00
Lighting fixtures		\$ 10,750.00	\$ 10,750.00
Built in appliances		\$ 21,500.00	\$ 21,500.00
HVAC	\$ 10,750.00	\$ 10,750.00	\$ 21,500.00
paint	\$ 19,350.00	\$ 12,900.00	\$ 32,250.00
Overhead and profit	\$ 161,250.00		\$ 161,250.00
Totals	\$ 657,925.00	\$ 512,775.00	\$ 1,175,000.00

Existing Ground floor Pool and Common area

Cost \$225,000

CAMA Minor Permit

- Completed
 - Remove existing pool deck, pump house and surrounding planter.
 - reduced existing footprint 350 sqft



- Work to be completed
 - Remove existing pool shell
 - Replace pool deck with decorative concrete Approx 4000 Sqft
 - Add new hot tub, removable sunshade cabanas and grilling area on pool deck.
 - Install new pool equipment out of flood zone
 - Grills will be removable
 - Install new fencing around pool deck.
 - Install pervious surface between buildings and pool.
 - Install pervious surface between buildings.
 - Install pervious surface on the East side building 1 for driveway to Saltmarsh Dr.
 - Proposed pervious surface will be concrete pavers inlaid in decorative gravel
 - Repair existing concrete and asphalt driveways between buildings and street

AGENT AUTHORIZATION FOR CAMA PERMIT APPLICATION

Name of Property Owner Requesting Permit: North Pier Holdings LLC

Mailing Address: 6316 Marywood Drive
Wilmington, NC 28409

Phone Number: 910-279-3365

Email Address: caleb@cekra.com

I certify that I have authorized Kievit Construction/Griffin Kievit,
Agent / Contractor

to act on my behalf, for the purpose of applying for and obtaining all CAMA permits
necessary for the following proposed development: Renovation of the existing 42
condo units and the proposed addition of 5 new units to the 4th floor.

at my property located at 1800 Canal Drive, Carolina Beach, NC 28428,
in New Hanover County.

*I furthermore certify that I am authorized to grant, and do in fact grant permission to
Division of Coastal Management staff, the Local Permit Officer and their agents to enter
on the aforementioned lands in connection with evaluating information related to this
permit application.*

Property Owner Information:


Signature

Perry Caleb Kratsa
Print or Type Name

Manager

5.5.23
Date

This certification is valid through 12 / 31 / 2023

AGENT AUTHORIZATION FOR CAMA PERMIT APPLICATION

Name of Property Owner Requesting Permit: North Pier Holdings LLC

Mailing Address: 6316 Marywood Drive
Wilmington, NC 28409

Phone Number: 910-279-3365

Email Address: caleb@cekra.com

I certify that I have authorized Jeff O'Brien,
Agent / Contractor

to act on my behalf, for the purpose of applying for and obtaining all CAMA permits
necessary for the following proposed development: Renovation of the existing 42
condo units and the proposed addition of 5 new units to the 4th floor.

at my property located at 1800 Canal Drive, Carolina Beach, NC 28428,
in New Hanover County.

*I furthermore certify that I am authorized to grant, and do in fact grant permission to
Division of Coastal Management staff, the Local Permit Officer and their agents to enter
on the aforementioned lands in connection with evaluating information related to this
permit application.*

Property Owner Information:


Signature

Perry Caleb Kratsa
Print or Type Name

Manager
Title

5, 5, 23
Date

This certification is valid through 12 / 31 / 2023

N.C. DIVISION OF COASTAL MANAGEMENT
ADJACENT RIPARIAN PROPERTY OWNER NOTIFICATION (MINOR PERMIT)
CERTIFIED MAIL, RETURN RECEIPT REQUESTED or HAND DELIVERED

5/15/2023

Date

CB PIER LLC

Name of Adjacent Riparian Property Owner
1800 CAROLINA BEACH AVE N,

Address
CAROLINA BEACH, NC 28428

City, State Zip

To Whom It May Concern:

This correspondence is to notify you as a riparian property owner that I am applying for a CAMA Minor permit to

Addition of 5 penthouses, enclose decks, elevators, remodel pool, reconstruct breezeway

on my property at 1800 canal dr. Carolina beach NC 28428,

in New Hanover County, which is adjacent to your property. **A copy of the application and project drawing is attached/enclosed for your review.**

If you have no objections to the proposed activity, please mark the appropriate statement below and return to me as soon as possible. If no comments are received within 10 days of receipt of this notice, it will be considered that you have no comments or objections regarding this project.

If you have objections or comments, please mark the appropriate statement below and send your correspondence to: (Gloria Abbotts, Town of Carolina Beach, 1121 N Lake Park Blvd, Town of Carolina Beach, NC, 28428)

If you have any questions about the project, please do not hesitate to contact me at my address/number listed below, or contact (Gloria Abbotts) at (910-458-8380), or by email at: (gloria.abbotts@carolinabeach.org).

Sincerely,

North Pier Holdings LLC
Property Owner's Name

732 925 3846
Telephone Number

Address City State Zip

I have no objection to the project described in this correspondence.
 I have objection(s) to the project described in this correspondence.

Adjacent Riparian Signature

Date

Print or Type Name

Telephone Number

Address City State Zip

N.C. DIVISION OF COASTAL MANAGEMENT
ADJACENT RIPARIAN PROPERTY OWNER NOTIFICATION (MINOR PERMIT)
CERTIFIED MAIL, RETURN RECEIPT REQUESTED or HAND DELIVERED

5/15/2023

Date

North Pier associates
Name of Adjacent Riparian Property Owner
1808 CANAL Dr.
Address
CAROLINA BEACH, NC 28428
City, State Zip

To Whom It May Concern:

This correspondence is to notify you as a riparian property owner that I am applying for a CAMA Minor permit to Addition of 5 penthouses, enclose decks, elevators, remodel pool, reconstruct breezeway on my property at 1800 canal dr. Carolina beach NC 28428, in New Hanover County, which is adjacent to your property. **A copy of the application and project drawing is attached/enclosed for your review.**

If you have no objections to the proposed activity, please mark the appropriate statement below and return to me as soon as possible. If no comments are received within 10 days of receipt of this notice, it will be considered that you have no comments or objections regarding this project.

If you have objections or comments, please mark the appropriate statement below and send your correspondence to: (Gloria Abbotts, Town of Carolina Beach, 1121 N Lake Park Blvd, Town of Carolina Beach, NC, 28428)

If you have any questions about the project, please do not hesitate to contact me at my address/number listed below, or contact (Gloria Abbotts) at (910-458-8380), or by email at: (gloria.abbotts@carolinabeach.org).

Sincerely,

North Pier Holdings LLC
Property Owner's Name

732 925 3846
Telephone Number

Address City State Zip

I have no objection to the project described in this correspondence.

I have objection(s) to the project described in this correspondence.

Adjacent Riparian Signature

Date

Print or Type Name

Telephone Number

Address City State Zip

N.C. DIVISION OF COASTAL MANAGEMENT
ADJACENT RIPARIAN PROPERTY OWNER NOTIFICATION (MINOR PERMIT)
CERTIFIED MAIL, RETURN RECEIPT REQUESTED or HAND DELIVERED

5/15/2023

Date

Island North HOA

Name of Adjacent Riparian Property Owner
1717 CAROLINA BEACH AVE N,
Address
CAROLINA BEACH, NC 28428
City, State Zip

To Whom It May Concern:

This correspondence is to notify you as a riparian property owner that I am applying for a CAMA Minor permit to
Addition of 5 penthouses, enclose decks, elevators, remodel pool, reconstruct breezeway
on my property at 1800 canal dr. Carolina beach NC 28428,
in New Hanover County, which is adjacent to your property. A copy of the application and project
drawing is attached/enclosed for your review.

If you have no objections to the proposed activity, please mark the appropriate statement below and return to me as soon as possible. If no comments are received within 10 days of receipt of this notice, it will be considered that you have no comments or objections regarding this project.

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If you have any questions about the project, please do not hesitate to contact me at my address/number listed below, or contact (Gloria Abbotts) at (910-458-8380), or by email at: (gloria.abbotts@carolinabeach.org).

Sincerely,

North Pier Holdings LLC
Property Owner's Name

732 925 3846
Telephone Number

Address City State Zip

I have no objection to the project described in this correspondence.
I have objection(s) to the project described in this correspondence.

Adjacent Riparian Signature

Date

Print or Type Name

Telephone Number

Address City State Zip

U.S. Postal Service
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com

Carolina Beach, NC 28428

OFFICIAL USE

Certified Mail Fee \$4.15

\$ 0.00

Extra Services & Fees (check box, add fee if appropriate)

Return Receipt (hardcopy) \$ 0.00

Return Receipt (electronic) \$ 0.00

Certified Mail Restricted Delivery \$ 0.00

Adult Signature Required \$ 0.00

Adult Signature Restricted Delivery \$

Postage \$0.63

Total Postage and Fees \$4.78

\$

Sent To C/B Pier LLC

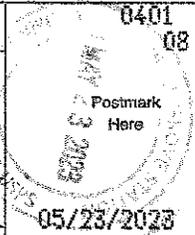
Street and Apt. No., or PO Box No.

1800 Carolina Beach Ave W

City, State, ZIP+4®

Carolina Beach NC 28428

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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Carolina Beach, NC 28428

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Adult Signature Required \$ 0.00

Adult Signature Restricted Delivery \$

Postage \$0.63

Total Postage and Fees \$4.78

\$

Sent To Island North HOA

Street and Apt. No., or PO Box No.

1717 Carolina Beach Ave N

City, State, ZIP+4®

Carolina Beach NC 28428

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



7022 0420 0000 4298 3341

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Carolina Beach, NC 28428

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Adult Signature Required \$ 0.00

Adult Signature Restricted Delivery \$

Postage \$0.63

Total Postage and Fees \$4.78

\$

Sent To North Pier Associates

Street and Apt. No., or PO Box No.

1802 Canal Dr

City, State, ZIP+4®

Carolina Beach NC 28428

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions





MYRTLE GROVE
5637 CAROLINA BEACH RD
WILMINGTON, NC 28412-2609
(800) 275-8777

05/23/2023 09:40 AM

Product	Qty	Unit Price	Price
US Flag #10 Env	3	\$0.80	\$2.40
First-Class Mail® Letter	1		\$0.63
Carolina Beach, NC 28428			
Weight: 0 lb 1.00 oz			
Estimated Delivery Date Thu 05/25/2023			
Certified Mail®			\$4.15
Tracking #: 70220410000042983341			
Affixed Postage			-\$0.63
Affixed Amount: \$0.63			
Total			\$4.15
First-Class Mail® Letter	1		\$0.63
Carolina Beach, NC 28428			
Weight: 0 lb 1.00 oz			
Estimated Delivery Date Thu 05/25/2023			
Certified Mail®			\$4.15
Tracking #: 70220410000042983334			
Affixed Postage			-\$0.63
Affixed Amount: \$0.63			
Total			\$4.15
First-Class Mail® Letter	1		\$0.63
Carolina Beach, NC 28428			
Weight: 0 lb 1.00 oz			
Estimated Delivery Date Thu 05/25/2023			
Certified Mail®			\$4.15
Tracking #: 70220410000042983358			
Affixed Postage			-\$0.63
Affixed Amount: \$0.63			
Total			\$4.15
Grand Total:			\$14.85
Debit Card Remit			\$14.85
Card Name: MasterCard			
Account #: XXXXXXXXXXXX9021			
Approval #			
Transaction #: 536			
Receipt #: 042542			
Debit Card Purchase: \$14.85			
AID: A0000000042203 Chip			
AL: Debit			
PIN: Verified			

Tracking Number:

Remove X

70220410000042983341

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Latest Update

Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

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USPS Tracking Plus[®]

Feedback

Moving Through Network

In Transit to Next Facility, Arriving Late

June 1, 2023

Arrived at USPS Regional Facility

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 28, 2023, 2:50 am

Departed USPS Regional Origin Facility

RALEIGH NC DISTRIBUTION CENTER
May 27, 2023, 6:16 am

Arrived at USPS Regional Origin Facility

RALEIGH NC DISTRIBUTION CENTER
May 26, 2023, 8:59 am

Forward Expired

CAROLINA BEACH, NC 28428
May 25, 2023, 2:32 pm

Departed USPS Regional Facility

238

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 25, 2023, 3:47 am

Arrived at USPS Regional Facility

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 24, 2023, 8:31 am

Arrived at USPS Regional Facility

CHARLOTTE NC DISTRIBUTION CENTER
May 23, 2023, 11:49 pm

Departed Post Office

WILMINGTON, NC 28412
May 23, 2023, 1:05 pm

USPS in possession of item

WILMINGTON, NC 28412
May 23, 2023, 9:36 am

Hide Tracking History

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

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Product Information



See Less

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

Tracking Number:

Remove X

70220410000042983334

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Feedback

Moving Through Network

In Transit to Next Facility, Arriving Late

June 1, 2023

Departed USPS Regional Origin Facility

RALEIGH NC DISTRIBUTION CENTER
May 28, 2023, 5:56 am

Arrived at USPS Regional Origin Facility

RALEIGH NC DISTRIBUTION CENTER
May 26, 2023, 8:59 am

Forward Expired

CAROLINA BEACH, NC 28428
May 25, 2023, 2:32 pm

Departed USPS Regional Facility

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 25, 2023, 3:47 am

Arrived at USPS Regional Facility

240

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 24, 2023, 8:32 am

Arrived at USPS Regional Facility

CHARLOTTE NC DISTRIBUTION CENTER
May 23, 2023, 11:49 pm

Departed Post Office

WILMINGTON, NC 28412
May 23, 2023, 1:05 pm

USPS in possession of item

WILMINGTON, NC 28412
May 23, 2023, 9:37 am

Hide Tracking History

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FAQs

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Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

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Feedback

Moving Through Network

In Transit to Next Facility, Arriving Late

June 2, 2023

Departed USPS Regional Facility

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 29, 2023, 1:59 pm

Arrived at USPS Regional Facility

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 28, 2023, 2:50 am

Departed USPS Regional Origin Facility

RALEIGH NC DISTRIBUTION CENTER
May 27, 2023, 6:16 am

Arrived at USPS Regional Origin Facility

RALEIGH NC DISTRIBUTION CENTER
May 26, 2023, 8:59 am

Forward Expired

CAROLINA BEACH, NC 28428
May 25, 2023, 8:08 am

Out for Delivery

CAROLINA BEACH, NC 28428
May 25, 2023, 7:13 am

Arrived at Post Office

CAROLINA BEACH, NC 28428
May 25, 2023, 7:02 am

Departed USPS Regional Facility

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 25, 2023, 3:47 am

Arrived at USPS Regional Facility

FAYETTEVILLE NC DISTRIBUTION CENTER ANNEX
May 24, 2023, 8:31 am

Arrived at USPS Regional Facility

CHARLOTTE NC DISTRIBUTION CENTER
May 23, 2023, 11:49 pm

Departed Post Office

WILMINGTON, NC 28412
May 23, 2023, 1:05 pm

USPS in possession of item

WILMINGTON, NC 28412
May 23, 2023, 9:39 am

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Town of Carolina Beach
Local Government

12-23 CB
Permit Number

CAMA MINOR DEVELOPMENT PERMIT



as authorized by the State of North Carolina, Department of Environmental Quality and the Coastal Resources Commission for development in an area of environment concern pursuant to Section 113A-118 of the General Statutes, "Coastal Area Management"

Issued to North Pier Holdings, LLC c/o Perry Caleb Kratsa, Registered Agent, authorizing development in the Ocean Hazard AEC at 1800 Canal Dr, in Carolina Beach, NC 28428, **as requested in the permittee's** application, dated 05/22/2023 and received on 05/24/2023. North Pier Holdings, LLC c/o Perry Caleb Kratsa was issued a Stop Work Order for unauthorized expansion of two existing buildings on 04/04/2023. A formal letter was issued on 04/20/2023 with conditions to restore enclosed areas on Building 1 located within the 180 ft. Ocean Hazard setback, and to apply for any additional proposed work through this CAMA application. This permit, issued on 06/28/2023, is subject to compliance with the application and site drawing (where consistent with the permit), all applicable regulations and special conditions and notes set forth below. Any violation of these terms may subject the permittee to a fine, imprisonment or civil action, or may cause the permit to be null and void.

This permit authorizes: Expansion of existing condo building "Building 2" with decks, breezeways, stairwells and elevators. The following proposed development is conditioned out of this permit in the conditions #1 through #3 below:

- (1) In accordance with 15A NCAC .0306(a)(6), this permit does not authorize any expansion of Building 1 as shown on work plat drawings 3, 6, 7, and 8 of 8 dated received on 05/24/2023 and proposed work listed under "Building 1 CAMA Minor Permit – Expansion or changes in footprint" on the work plan provided by the authorized agent, Kievit Construction dated received on 05/24/2023.
- (2) In accordance with 15A NCAC .0306(a)(3)(b), this permit does not authorize any development of the proposed pool area as shown as "PROPOSED NEW POOL AND NEW CONCRETE POOL DECK TO MATCH PREVIOUS DECK FOOTPRINT" on work plat drawing 3 and 5 of 8 dated received 05/24/2023, "POOL AREA" on work plat drawing 8 of 8 dated received 05/24/2023, and proposed work listed under "Existing Ground floor Pool and Common area" on work plan provided by the authorized agent, Kievit Construction dated received on 05/24/2023.
- (3) In accordance with 15A NCAC .0306(a)(3), this permit does not authorize the "PROPOSED PERVIOUS PAVER DRIVE AREA" that is waterward of the 180' setback line as shown on work plat drawing 3 of 8 dated received on 5/24/2023 as a "pervious paver drive area" does not meet any of the setback exceptions in 15A NCAC .0309(a)(1-10).

(Additional Permit Conditions on Page 2)

This permit action may be appealed by the permittee or other qualified persons within twenty (20) days of the issuing date. From the date of an appeal, any work conducted under this permit must cease until the appeal is resolved. This permit must be on the project site and accessible to the permit officer when the project is inspected for compliance. Any maintenance work or project modification not covered under this permit, require further written permit approval. All work must cease when this permit expires on:

DECEMBER 31, 2026

In issuing this permit it is agreed that this project is consistent with the local Land Use Plan and all applicable ordinances. This permit may not be transferred to another party without the written approval of the Division of Coastal Management.

Haley Moccia
Haley Moccia
CAMA LOCAL PERMIT OFFICIAL
1121 N. Lake Park Blvd.
Carolina Beach, NC 28428

PERMITTEE
(Signature required if conditions above apply to permit)

Name: North Pier Holdings, LLC c/o
 Perry Caleb Kratsa, Registered Agent
 Minor Permit # 12-23 CB
 Date: 06/28/2023
 Page 2

- (4) Unless specifically altered herein in Conditions 1-3 above, all proposed development and associated construction must be done in accordance with the permitted work plat drawings(s) dated received on 05/24/2023.
- (5) All construction must conform to the N.C. Building Code requirements and all other local, State and Federal regulations, applicable local ordinances and FEMA Flood Regulations.
- (6) Any change or changes in the plans for development, construction, or land use activities will require a re-evaluation and modification of this permit.
- (7) A copy of this permit shall be posted or available on site. Contact this office at 910-458-8218 for a final inspection at completion of work.
- (8) The structure must set back a minimum of 180 feet from the pre-project vegetation line (aka static vegetation line), nor extend farther seaward than the local CB Development Line, as determined by the DCM, the LPO, or other assigned agent of the DCM.
- (9) The permittee is required to contact the Local Permit Officer 910-707-2042, shortly before he/she plans to begin construction to arrange a setback measurement that will be effective for sixty (60) days barring a major shoreline change. Construction must begin within sixty (60) days of the determination or the measurement is void and must be redone.
- (10) All buildings constructed within the ocean hazard area shall comply with the NC Building Code, including the Coastal and Flood Plain Construction Standards of the N. C. Building Code, and the Local Flood Damage Prevention Ordinance as required by the National Flood Insurance Program. If any provisions of the building code or a flood damage prevention ordinance are inconsistent with any of the following AEC standards, the more restrictive provision shall control.
- (11) All buildings must be elevated on pilings with a diameter of at least 8 inches in diameter if round, or 8 inches to a side if square; and the first-floor level of the sills and joists must meet the 100-year flood level elevation.
- (12) All pilings shall have a tip penetration greater than eight feet below the lowest ground elevation under the structure.
- (13) Dune disturbances will be allowed only to the extent necessary for development and if the dune's protective value is not weakened or reduced. Disturbed dune areas will be immediately stabilized.
- (14) All unconsolidated material resulting from associated grading and landscaping shall be retained on site by effective sedimentation and erosion control measures. Disturbed areas shall be vegetatively stabilized (planted and mulched) within 14 days of construction completion.
- (15) Any structure authorized by this permit shall be relocated or dismantled when it becomes imminently threatened by changes in shoreline configuration. The structure(s) shall be relocated or dismantled within two years of the time when it becomes imminently threatened, and in any case upon its collapse or subsidence. However, if natural shoreline recovery or beach renourishment takes place within two years of the time the structure becomes imminently threatened, so that the structure is no longer imminently threatened, then it need not be relocated or dismantled at that time. This condition shall not affect the permit holder's right to seek authorization of temporary protective measures allowed under CRC rules.

SIGNATURE: _____

PERMITTEE

DATE: _____

Lynn Barbee
Mayor

Joe Benson
Council Member

Deb LeCompte
Council Member



Jay Healy
Mayor Pro Tem

Mike Hoffer
Council Member

Bruce Oakley
Town Manager

Town of Carolina Beach
1121 N. Lake Park Blvd.
Carolina Beach, NC 28428
Tel: (910) 458-2999
Fax: (910) 458-2997

7/7/2023

Exemption Number – **16-23-EX CB**

North Pier Holdings, LLC
c/o Caleb Kratsa
6316 MARYWOOD DR.
WILMINGTON, NC 28409

RE: EXEMPTED PROJECT (MINOR) - MAINTENANCE AND REPAIR (15A NCAC 07K .0103)

PROJECT ADDRESS - 1800 Canal, Building 1 & 2
AREA OF ENVIRONMENTAL CONCERN - Ocean Erodible

Dear Caleb Kratsa:

I have reviewed the information submitted to this office in your inquiry concerning the necessary filing of an application for a minor development permit under the Coastal Area Management Act. After making a site inspection on 7/6/2023, I have determined that the activity you propose is exempt from needing a minor development permit as long as it remains consistent with your site drawing and materials list submitted on 7/6/2023, and meets the conditions specified below. If your plans should change and your project will no longer meet these conditions, please contact me before proceeding.

MAINTENANCE AND REPAIR - (G.S. 113-103(5)(B)(5) and 7K.0209) - Structures may be repaired in a similar manner, size and location as the original structure. No expansions or additions are permissible. The repairs are limited to 50% of the physical value of the existing structure and the following specific conditions.

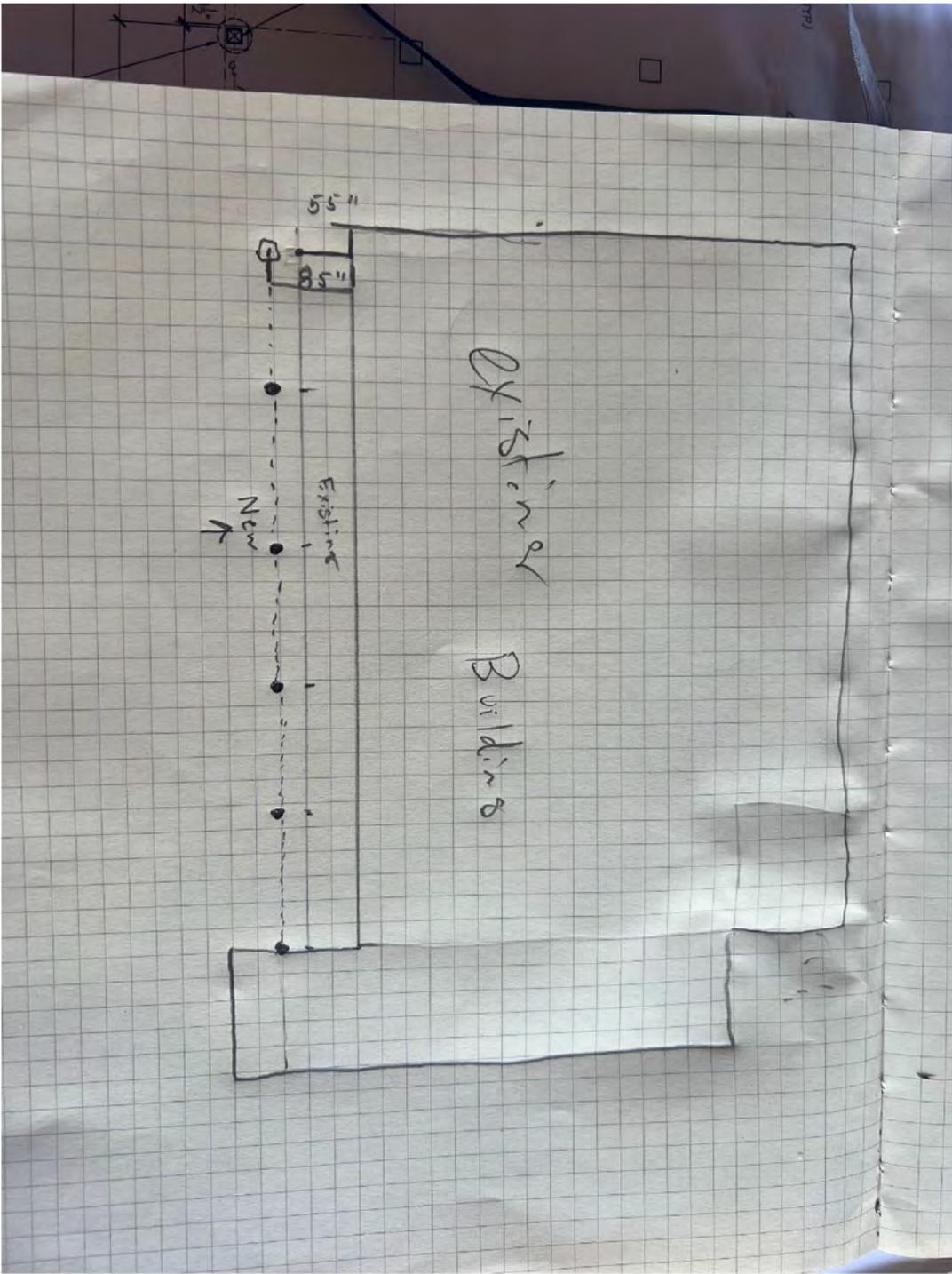
1. As of 7/6/2023, this exemption specifically allows the pilings on Building 1 to be relocated in front of the existing pilings along Salt Marsh Ln., as shown on the attached site plan. Also see updated scope of work document for work completed to date under previous exemption #12-23-EX CB. This exemption is in addition to exemption #12-23-EX CB, which authorized the following: The project consists of the repair of the interior units of building 1 and 2, except for the units containing the unauthorized enclosed decks on the NE corner of building 1. Those 3 units of Building 1 (112, 212, and 312) are excluded from this authorization. This exemption does not include any expansions of either building or include any of the areas of Building 1 which would require a variance. This authorizes the exempt work for the interior ONLY, as shown on the attached drawing and materials list. Drawings and cost estimates were provided 4/17/2023. Additionally, work to be included under this amended exemption includes all work outlined in the "Proposed Work to be Completed with Exemption" sections of the attached scope of work and cost estimate document for buildings 1 & 2, received 4/24/2023. These renovations will not occur on the interior or exterior of units 112, 212, and 312 on building 1.
2. The proposed repairs shall be consistent with all other applicable local ordinances and North Carolina Building Code standards.

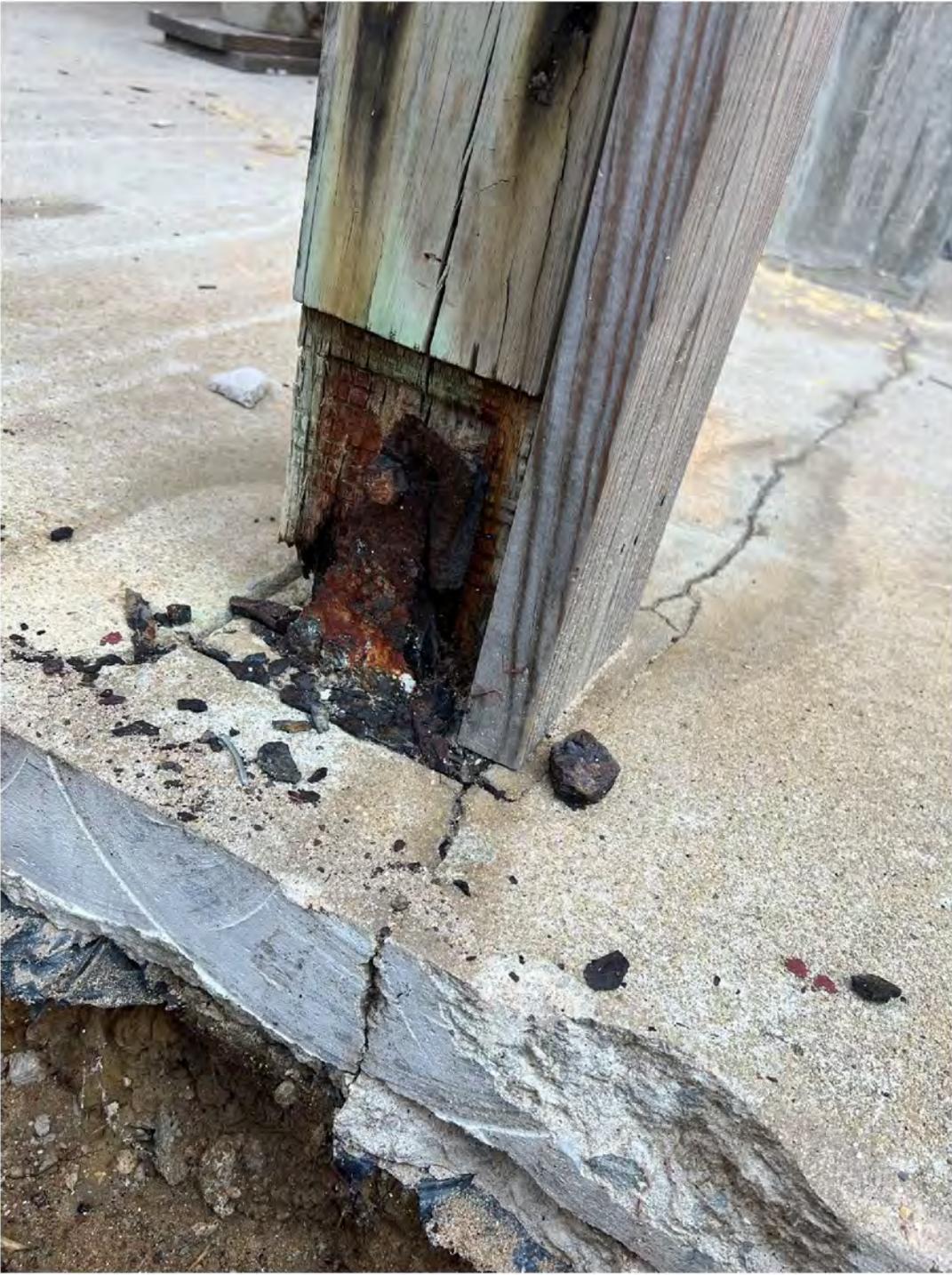
This exemption to CAMA permit requirements does not alleviate the necessity of your obtaining any other State, Federal or Local authorization and N.C. Building Permits. This exemption expires 90 days from the date of the letter.

Sincerely,

Haley Moccia, LPO – Town of Carolina Beach
1121 N Lake Park Blvd.
Carolina Beach, NC 28428

Cc: Bryan Hall











July 6, 2023,

Kievit Construction services LLC

2845 Carolina Beach Rd

Wilmington, NC, 28412

NCGCL 85228

**CAMA exemption Construction Plan Detail for 42 Unit Condo
Complex Renovation 1800 Canal Dr, Carolina Beach, NC, 28428**

Owner: North Pier Holdings LLC

Architect: Romero Architecture

Structural Engineer: Chris Holmes PE & Associates, Inc.

PM&E Engineer: Tim Hines, PE

Summary of costs. Full detail below

Building 1	
Renovate existing structure	\$ 1,048,400.00
	\$
Building 1 Total	\$ 1,048,400.00
Building 2	
Renovate existing Structure	\$ 2,382,500.00
New Penthouses and deck between buildings	\$ 1,175,000.00
Building 2 Total	\$ 3,557,500.00

Building One - Facing Salt Marsh Dr.



- Structurally independent from Building 2
- 15 independent units
 - 12 -2-bedroom units
 - 3 - 1-bedroom units
 - Exterior breezeways, balconies and two stairwells.

Work Completed under current exemption—

Building 1 Exterior:

- Patched multiple leaks on existing improperly installed **existing** roof. Roof continues to have significant leaks due to rotted sheathing, covered drains, multiple penetrations from HVAC and plumbing.
 - Roof leaks are causing new mold and additional deterioration of interior and exterior.
 - This roof will fail during any significant weather event.
- Removed and replaced 9 **existing** rotted exterior rear covered decks.
- Removed **existing** front rotted covered breezeway.
- Removed 2 **existing** rotted stairwells.
- Replaced **existing** windows & doorways.
- Removed **existing** damaged siding.
- Replaced damaged and rotted **existing** framing & sheathing.
- Removed all **existing** railings.
- Covered all sheathing with fluid applied air and water resistive membrane.
- Remove all **existing** plumbing, electric, and HVAC.
- Removed **existing** Electric Meter panel at ground level in flood zone.
- Repaired **existing** damaged concrete pilings and foundation.

Interior:

- Removed all interior sheetrock, flooring, cabinetry, appliances and finishes.
- Removed all electric, plumbing and HVAC.
- Removed and replaced all rotted and damaged framing and subfloors.
- Enclosed existing roofed deck on the NE corner of building 1



To be completed with Updated or Newly Issued Exemption

- New roof covering will be TPO and sloped to drain properly.
- New roof construction removes all current load on the below 3 floors and transfers the load directly to the pilings.
- This further stabilizes and strengthens the 3 floors below.
- New roof will be significantly stronger and resistant to severe weather events.
- New roof can additionally support proposed penthouse if approved.
- New roof covering will not need to be removed and replaced at later date.
- No additional framing will need to be added for support at a later date.
- Replace all existing exterior plumbing, electric, and HVAC.
- Replace existing breezeways with 6 new pilings and helical and proper framing per engineering.
 - New pilings will be placed in front of the old pilings on footers. The current piles located 5'5" away from the existing building, the proposed new location is directly in front of the existing 7'5" inches.
- Fire protection added to parking underneath and breezeways.
- Install new EIFS Siding
- Install new handrails and decking on existing repaired decks and breezeways.

Interior:

- Additional Partition framing to match architect plans.
- Combine 3- One Bedroom/ 6 two Bedroom Units
- Total units after merger 12 Units- 6 two Bedroom, 6 three Bedroom
- New Plumbing, Electric, HVAC
- Updated and/or new fire walls, Insulation, Drywall, cabinets, interior doors, flooring, and fixtures.
- New fire protection to be added with approval of penthouse to all floors.

Building 1 Completed and Proposed Work to be completed with Exemption.

\$ 1,048,400.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 6,300.00	\$ 4,200.00	\$ 10,500.00
Carpentry material (rough) including decks & porches		\$ 94,500.00	\$ 94,500.00



Carpentry Labor (rough)	\$ 94,500.00		\$ 94,500.00
Roofing	\$ 17,900.00	\$ 12,000.00	\$ 31,500.00
Insulation and weather stripping	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Exterior Finish	\$ 37,800.00	\$ 25,200.00	\$ 63,000.00
Doors, windows and shutters	\$ 21,000.00	\$ 84,000.00	\$ 105,000.00
Lumber finish	\$ 33,600.00	\$ 50,400.00	\$ 84,000.00
Carpentry Labor (finish)	\$ 15,750.00	\$ 15,750.00	\$ 31,500.00
Hardware (rough)	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Hardware (finish)	\$ 12,600.00	\$ 18,900.00	\$ 31,500.00
Cabinets	\$ 10,500.00	\$ 42,000.00	\$ 52,500.00
Floor covering (tile, Carpet, etc)	\$ 25,200.00	\$ 37,800.00	\$ 63,000.00
Plumbing	\$ 22,050.00	\$ 9,450.00	\$ 31,500.00
Shower, tub, toilets, and other plumbing fixtures		\$ 21,000.00	\$ 21,000.00
Electrical	\$ 22,050.00	\$ 9,450.00	\$ 31,500.00
Lighting fixtures		\$ 10,500.00	\$ 10,500.00
Built in appliances		\$ 21,000.00	\$ 21,000.00
HVAC	\$ 10,500.00	\$ 10,500.00	\$ 21,000.00
paint	\$ 18,900.00	\$ 12,600.00	\$ 31,500.00
Overhead and profit	\$ 157,500.00		\$ 157,500.00
Totals	\$ 543,950.00	\$ 500,250.00	\$ 1,048,400.00



Building Two – Facing Canal Drive

- Structurally independent from Building 1
- 27 independent units
 - 24 -2-bedroom units
 - 3 - 1-bedroom units
 - Exterior breezeways, balconies, two stairwells and 1 elevator

Work Completed under current

exemption – Building 2 Exterior:

- Patched multiple leaks on existing improperly installed **existing** roof. Roof continues to have significant leaks due to rotted sheathing, covered drains, multiple penetrations from HVAC and plumbing.
 - Roof leaks are causing new mold and additional deterioration of interior and exterior.
 - This roof will fail during any significant weather event.
- Replace existing Roof.
 - New roof will consist of new LVL girders above pilings, new joists, new roof decking.
 - New roof construction removes all current load on the below 3 floors and transfers the load directly to the pilings.
 - This further stabilizes and strengthens the 3 floors below.
 - New roof will be significantly stronger and resistant to severe weather events.
 - New roof can additionally support proposed penthouse if approved.
 - New roof covering will not need to be removed and replaced at later date.
 - No additional framing will need to be added for support at a later date.
- Replace all existing exterior plumbing, electric, and HVAC.
- Repaired 21 **existing** rotted exterior rear covered decks.
- Repaired **existing** front covered breezeways.
- Removed 1 **existing** rotted stairwells.
- Replaced **existing** windows & doorways.
- Removed **existing** damaged siding.
- Replaced damaged and rotted **existing** framing & sheathing.
- Removed all **existing** railings.
- Covered all sheathing with fluid applied air and water resistive membrane



Remove all **existing** plumbing, electric, and HVAC.

- Repaired any structurally deficient framing in carport.

Interior:

- Removed all interior sheetrock, flooring, cabinetry, appliances and finishes.
- Removed all electric, plumbing and HVAC.
- Removed and replaced all rotted and damaged framing and subfloors.
- Framed units per architectural specifications
- Installed and passed Rough Inspection PME

To be completed with Updated or Newly issued Exemption

Exterior

- New decking to **existing** breezeways.
- Install new EIFS Siding
- Install new handrails and decking on existing repaired decks and breezeways.
- Exterior paint
- Exterior electrical fixture replacement
- Fire barrier per fire engineer requirements



Cost Building 2 Completed and Proposed to be Completed with Exemption

\$ 2,382,500.00

	Labor Cost	Materials Cost	Total Cost
Total Relocation Costs			
Foundations	\$ 14,295.00	\$ 9,530.00	\$ 23,825.00
Carpentry material (rough) including decks & porches		\$ 142,950.00	\$ 142,950.00
Carpentry Labor (rough)	\$ 214,425.00		\$ 214,425.00
Roofing	\$ 42,885.00	\$ 28,590.00	\$ 71,475.00
Insulation and weather stripping	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Exterior Finish	\$ 71,475.00	\$ 47,650.00	\$ 119,125.00
Doors, windows and shutters	\$ 28,590.00	\$ 114,360.00	\$ 142,950.00
Lumber finish	\$ 190,600.00	\$ 285,900.00	\$ 476,500.00
Carpentry Labor (finish)	\$ 35,737.50	\$ 35,737.50	\$ 71,475.00
Hardware (rough)	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Hardware (finish)	\$ 9,530.00	\$ 14,295.00	\$ 23,825.00
Cabinets	\$ 23,825.00	\$ 95,300.00	\$ 119,125.00
Floor covering (tile, Carpet, etc)	\$ 47,650.00	\$ 71,475.00	\$ 119,125.00
Plumbing	\$ 33,355.00	\$ 14,295.00	\$ 47,650.00
Shower, tub, toilets, and other plumbing fixtures		\$ 23,825.00	\$ 23,825.00
Electrical	\$ 50,032.50	\$ 21,442.50	\$ 71,475.00
Lighting fixtures		\$ 11,912.50	\$ 11,912.50



Built in appliances		\$ 71,475.00	\$ 71,475.00
HVAC	\$ 59,562.50	\$ 59,562.50	\$ 119,125.00
paint	\$ 28,590.00	\$ 19,060.00	\$ 47,650.00
Overhead and profit	\$ 357,375.00		\$ 357,375.00
Totals	\$ 1,265,107.50	\$ 1,095,950.00	\$ 2,382,500.00

Photos of Existing Condition of Building 1 Prior to Petitioner's Acquisition



Building 1 - Exterior



Building 1 – Exterior



Parking



Building 1



Building 1 Unit



Building 1 Unit



Building 1 Unit



Building 1 Unit



Building 1



Building 1



Pool/View