

## Flexible Purchasing Options

**Property:** 500 Arendell St., Morehead City, NC **Asking price:** \$1,750,000 **Approved Use:** Owner-occupied Bed & Breakfast and Private Event Space **Appraised Value (7/24):** \$1,983,000 **Amount Owed:** \$325,000 **Owner Equity:** \$1,658,000 **Earnest \$ Downpayment:** (20%) Nonrefundable: \$325,000

### Option 1: Investment Opportunity

- Invest in the property equity with an 8% payback when the property sells.

### Option 2: Property Management and Upgrades

- Continue living downstairs as the acting property manager.
- Continue renting the upstairs units.
- Act as construction manager for continued upgrades by the buyer's construction crew.
- Utilize on-site materials and purchase minimal additional materials to finish the building according to the buyer's requirements and specifications.
- Clear out the building for the new buyer.

### Upgrade Phases:

1. **Phase One:** Finish the two rental units currently under construction (about 90% complete).
  2. **Phase Two:** Complete the 3rd floor with four rental units and event space, providing the base floor structure for the fourth floor and Widow Walk deck.
  3. **Phase Three:** Finish the fourth-floor apartment and Widow Walk, including wind & solar power systems (3-floor outside elevator optional).
- Completing all three phases of Option 2 will create nine rental units (nine bedrooms, nine bathrooms, four kitchens) and a property manager's suite with two and a half bathrooms and a kitchen.
  - There will be two outdoor and two indoor spaces available for hosting events, increasing the building's revenue stream to a mid-six-figure income per year.
  - The additions of the 3rd and 4th floors will add nearly \$1 million to the market value of the building.
  - If retained to manage and complete the project, compensation of 4% of the new appraised value (TBD) will be required.

### Option 3: Purchase without Furnishings and Materials

- Purchase the building without furnishings and materials for the other phases of the buildout for \$1,750,000.
- Purchase the building with furnishings and on-site materials, TBD and negotiated.

- A minimum of 60 days is required to vacate the premises.