

## Sea Trail – Sunset Beach, North Carolina



In March 2012, the Court-Appointed Receiver of the Sea Trail Resort, situated in North Myrtle Beach in the town of Sunset Beach, North Carolina approached Steven Ekovich, Managing National Director, Vice President of Investments of the Leisure Investment Properties Group regarding the sale or auction of the resort. Upon the initial tour of the property, Mr. Ekovich realized the tremendous disrepair of the property and the substantial need of capital expenditure to restore this once preeminent resort and adjacent property back to its formal nationally renowned prominence.

The resort consisted of three golf courses, two club houses, a 40,000 square foot convention center, timeshare condos, single family stay'n'play residences, 46 residential home lots, 200+ acres of developable land and an HOA concerned with disenfranchisement. Mr. Ekovich estimated the property would sell between \$8,000,000 and \$8,500,000. As time was of the essence, Mr. Ekovich suggested the best way to maximize the seller's proceeds was a 363 stalking horse sale. The stalking horse price, as set by the stalking horse buyer, was \$6,000,000. With competing agendas, a deteriorating asset and the complexities of a resort this size; the banks mutually agreed to dump the property at the \$6,000,000 price. However, Mr. Ekovich counseled the sellers that the property would command a much higher price at auction. Subsequently, through the 363 bid process, the winning bidder was a Chinese national who came in with a cash offer of \$8,500,000. The lenders received \$2,500,000 over the bid price, as previously predicted by Mr. Ekovich.