June 14, 2019

Ashley Anderson
Real Estate Management
City of Charleston
2 George Street, Suite 2600
Charleston, South Carolina 29401

Re: Appraisal Report
134 Line Street
460-08-01-023, ± 0.48 Acre
Charleston, South Carolina 29403

Dear Ms. Anderson:

At your request, we have made an appraisal of the above referenced property. In conjunction with this appraisal, inspections have been made of the subject property and the sales used for comparison to the subject site. Since it is our opinion that the improvements on the site have no value, the only applicable approach to value the subject site in this appraisal is the Sales Comparison Approach. Descriptions of the subject site and the comparable sales appear later in this report. Your attention is invited to the following report which exhibits the factual data and reasoning used in forming our opinion of value.

This value estimate was made after a thorough study of available sales and data felt to be pertinent to this appraisal. Our value estimate is based upon the hypothetical conditional that the property is zoned Commercial Transitional (CT) as discussed later in this report. As a result of our investigation and analysis, it is our opinion that the fee simple market value of the subject site as of June 5, 2019 was:

ONE MILLION SEVEN HUNDRED NINETY FIVE THOUSAND TWO HUNDRED DOLLARS
($1,795,200)

Our value estimate assumes that the site contains 0.48 acre of highland per the Charleston County tax map. Our value estimate also assumes the soil is undisturbed and free of contaminants, groundwater contamination and the site and building are free of hazardous materials. We were provided with a Phase I Assessment on the subject site and an adjacent site (parcel 194) performed by Albrecht Environment of Mount Pleasant, South Carolina dated March 14, 2000. The results of this assessment are presented later in this report. We assume the site has no freshwater wetlands and that drainage and water retention requirements for the site can be met. Should any of the above assumptions be proven incorrect by subsequent studies, our value estimate could be affected.
We further certify that this appraisal was made in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation effective January 1, 2018 through December 31, 2019 as well as the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

We certify that to the best of our knowledge and belief, the statements and opinions contained in this report are full, true and correct. We certify that we have no interest in the subject site and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimate.

This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation or an amount which would result in approval of a loan.

This appraisal is intended to meet the requirements of Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, Public Law.

This appraisal was prepared for the exclusive use of the clients. The information and opinions contained in this appraisal set forth the appraiser's best judgment in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. Charleston Appraisal Service, Inc. accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.

Respectfully submitted,

CHARLESTON APPRAISAL SERVICE, INC.

Michael C. Robinson, MAI, SRA
President
State Certified General
Real Estate Appraiser SC No. CG 76

James L. Rogers Jr.
Associate
State Certified General
Real Estate Appraiser SC No. CG 5872

19-039
# TABLE OF CONTENTS

- Summary of Important Data .......................... 1
- Property Location .................................... 2
- Property Rights Appraised ............................ 2
- Legal Description ..................................... 2
- Date of Appraisal, Inspection & Report. ........... 3
- Statement of Ownership ................................ 3
- Purpose of the Appraisal .............................. 4
- Location Maps .......................................... 5
- Limiting Conditions ................................... 10
- Certificate of Appraisal ............................... 11
- Regional and City Data ................................. 13
- Neighborhood Data .................................... 23
- Site Data ................................................. 26
- Description of Improvements .......................... 31
- Highest and Best Use/Zoning ......................... 37
- Assessment/Property Taxes ............................ 41
- Marketing Time ......................................... 42
- The Appraisal Process ................................ 43
- Scope of the Appraisal ................................ 44
- The Cost Approach ..................................... 45
- Addenda ............................................... 55
### SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

| PROPERTY LOCATION          | 134 Line Street  
|                           | Charleston, South Carolina, 29403 |
| TAX MAP NUMBER            | 460-08-01-023 |
| OWNER                     | City of Charleston |
| PROPERTY SIZE             | ± 0.48 Acre - ± 21,120 Square Feet Total  
|                           | (Per Charleston County Records) |
| IMPROVEMENTS              | Garage/Storage Building  
|                           | containing ± 7,800 SF  
|                           | (Building is Currently Vacant)  
|                           | (No Value Assigned)  
|                           | Several Small Storage Sheds  
|                           | (No Value Assigned)  
|                           | Playground Equipment (No Value Assigned)  
| HIGHEST AND BEST USE      | Uses Allowed in the Commercial Transitional (CT) District |
| ZONING                    | Currently:  
|                           | Diverse Residential District (DR-2F)  
|                           | Short Term Rental Overlay, Old City Height District & Amusement & Recreation Overlay. city of Charleston  
|                           | Assume: Commercial Transitional District (CT) |
| TAXES                     | $0 (2018 - Exempt) |
| FLOOD ZONE                | Appears to be Zone AE, EL 13 |
| ESTIMATE OF FEE SIMPLE VALUE | $1,795,200 |
| DATE OF ESTIMATE          | June 5, 2019 |
| DATE OF INSPECTION        | June 5, 2019 |
| DATE OF REPORT            | June 14, 2019 |
PROPERTY LOCATION

The subject property is located at 134 Line Street in the city of Charleston, Charleston County, South Carolina. It is identified on the Charleston County Tax Assessors' map 460-08-01 as parcel 023. A reduced copy of the tax map with the subject property identified is included in this section of the report.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of fee simple ownership. Fee simple is the greatest possible estate in real property but subject to the limitations of eminent domain, escheat, police power and taxation. The subject property has no known easements or encroachments affecting value, and we assume it is available for sale or lease at economic figures. If any of the above is proven untrue by subsequent professional analyses, our value indication could be affected.

LEGAL DESCRIPTION

The legal description for the subject property is included in the most recent property card on the property which is located in the Charleston County Auditor's Office.
DATE OF THE APPRAISAL
June 5, 2019

DATE OF INSPECTION
June 5, 2019

DATE OF REPORT
June 14, 2019

STATEMENT OF OWNERSHIP

According to records at the Charleston County Auditor’s Office, the owner of the subject property is City of Charleston. The property card does not record any prior transactions. According to MLS, the subject property has not been listed for sale within the past three years. We assume it is available for sale or lease at economic figures.
PURPOSE OF THE APPRAISAL

The purpose of this appraisal is estimate the fee simple market value of the subject property as of June 5, 2019. Market value is defined in the following manner:

"the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus". 1

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(a) buyer and seller are typically motivated;

(b) both parties are well informed or well advised, and each acting in what they consider their own best interest;

(c) a reasonable time is allowed for exposure in the open market;

(d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The clients in this appraisal are the city of Charleston and its agents. This appraisal will be used by the clients for internal asset valuation and for potential sale purposes.

1. The Appraisal of Real Estate*, 13th Edition
   page 24, The Appraisal Institute
TAX MAP

Charleston County SC
Parcel ID: 4900401023
Jurisdiction: CITY OF CHARLESTON
OWNER1: CITY OF CHARLESTON CITY
AGRICULTURAL
ACREAGE: 0.46
PLAT BOOK PAGE: X00-NONE
DEED BOOK PAGE: X00-X00

Note: The Charleston County makes every effort possible to produce the most accurate information. The data contained in the map service are for information purposes only. The Charleston County makes no warranty, express or implied, nor any guarantee as to the correctness, sequence, accuracy, completeness or completeness of any of the information provided. The Charleston County expressly disclaims all representations and warranties. The reader agrees to hold harmless the Charleston County for any cause of action and costs associated with any cause of action which may arise as a consequence of the County providing this information.

Charleston Appraisal Service, Inc
LIMITING CONDITIONS

The appraisal is subject to the following conditions and to such other specific and limiting conditions as are set forth in the appraisal report.

1. The legal description furnished is assumed to be correct.

2. No responsibility is assumed for matters of a legal nature affecting the tract appraised or the title thereto, nor is any opinion rendered as to the title which is assumed to be good and marketable. All existing liens and encumbrances have been disregarded unless otherwise stated, and the tract is appraised as though free and clear. Management and ownership are assumed to be in competent hands. It is assumed that all national, state, county and city laws, ordinances and restrictions have been complied with.

3. The sketch in this report indicates approximate dimensions and is included to assist the reader in visualizing the tract. We have made no survey, engineering studies or soil and analysis of the tract and assume no responsibility in connection with such matters or for engineering which might be required to discover such factors.

4. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or restriction violations existing in the parent tract.

5. Information, estimates & opinions contained in this report are obtained from sources considered reliable and believed to be true and correct; however, no liability for them can be assumed by the appraiser.

6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, with reference to the tract in question, unless arrangements have been previously made.

7. The division of the land and improvements as valued herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

8. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. Except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report.
CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

- I have no present or prospective interest in the tract that is the subject of this report and no personal interest with respect to the parties involved.

- I have performed no services, as an appraiser or in any other capacity, regarding the tract that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

- I have no bias with respect to the tract that is the subject of this report or to the parties involved with this assignment.

- My engagement in this assignment was not contingent upon developing or reporting predetermined results.

- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

- I have not made a personal inspection of the tract that is the subject of this report.

- No one provided significant real tract appraisal assistance to the person signing this certification.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I, Michael C. Robinson, MAI, SRA, have completed the continuing education program of the Appraisal Institute.

Michael C. Robinson, MAI, SRA
State Certified General
Real Estate Appraiser SC #CG 76

Charleston Appraisal Service, Inc
CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

- I have no present or prospective interest in the tract that is the subject of this report and no personal interest with respect to the parties involved.

- I have performed no services, as an appraiser or in any other capacity, regarding the tract that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

- I have no bias with respect to the tract that is the subject of this report or to the parties involved with this assignment.

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- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

- I have made a personal inspection of the tract that is the subject of this report.

- No one provided significant real tract appraisal assistance to the person signing this certification.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I, James L. Rogers, Jr. have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

James L. Rogers Jr.
Associate
State Certified General
Real Estate Appraiser SC #CG 5872

Charleston Appraisal Service, Inc
REGIONAL AND CITY DATA

The subject property is located at 134 Line Street in the city of Charleston, South Carolina. Charleston is located approximately 100 miles north of Savannah, Georgia, 110 miles east of Columbia, South Carolina and 120 miles south of Wilmington, North Carolina.

Charleston is the financial and spiritual hub of what is known as the Trident Area (Charleston, Berkeley, and Dorchester Counties). The 2000 census indicated a population for the region of 549,033. The 2010 census indicated a population for the region of 664,607. This number reflects a 21% increase since the 2000 census figures were estimated. The following indicators prepared by the Charleston Council of Governments provide a more detailed account of population growth.

<table>
<thead>
<tr>
<th>Year</th>
<th>Charleston County</th>
<th>Growth No.</th>
<th>%</th>
<th>Trident Area</th>
<th>Growth No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>216,382</td>
<td>-</td>
<td>-</td>
<td>278,961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1970</td>
<td>247,650</td>
<td>31,268</td>
<td>14.4</td>
<td>336,125</td>
<td>57,164</td>
<td>20.5</td>
</tr>
<tr>
<td>1980</td>
<td>276,712</td>
<td>28,062</td>
<td>11.7</td>
<td>430,462</td>
<td>84,337</td>
<td>28.0</td>
</tr>
<tr>
<td>1990</td>
<td>295,039</td>
<td>18,327</td>
<td>6.6</td>
<td>506,875</td>
<td>76,413</td>
<td>17.8</td>
</tr>
<tr>
<td>2000</td>
<td>309,969</td>
<td>14,930</td>
<td>5.1</td>
<td>549,033</td>
<td>42,158</td>
<td>8.3</td>
</tr>
<tr>
<td>2010</td>
<td>350,209</td>
<td>40,240</td>
<td>2.9</td>
<td>664,607</td>
<td>115,574</td>
<td>21.0</td>
</tr>
</tbody>
</table>

The Metropolitan Statistical Area (Trident Area) contains 2,621 square miles and more than one-half million people. Charleston County contains 933 square miles and 91 miles are along the coastline of the Atlantic Ocean.

Charleston possesses a full complement of rail, highway, and airline services. The Seaboard Coastline and Southern Railroad both provide freight service, and Amtrak offers regularly scheduled passenger service heading both north and south.
Interstate 26 connects Charleston with the center and west side of the state. This interstate also intersects Interstate 95 approximately 50 miles west of Charleston. Interstate 95 is the major north-south, limited access highway between New England and Florida. Interstate 526, also known as the Mark Clark Expressway, now provides beltway access to all parts of the Metropolitan Charleston area.

The Charleston International Airport in North Charleston with fully modern facilities opened in April 1985. Its carriers include Continental Airlines, Delta Airlines, Southwest Airlines, JetBlue Airlines, Northwest Airlines, U.S. Airways, United Express and American Eagle. Southwest Airlines began providing service to the Charleston International Airport beginning in late 2010 and JetBlue Airlines in February 2013. In addition, the Trident Area is also served by numerous motor carriers and overnight mail and package carriers.

The Port of Charleston ranks 8th nationally in dollar value of international shipments with cargo valued at more than $62 billion annually. In 2011, the port of Charleston was one of the busiest container ports along the southeast and Gulf coasts. There are five terminals with service to over 150 countries via 40 carriers. It is recognized as one of the nation’s most efficient and productive ports. The port had a strong year of activity in 2009 handling 1.37 million TEUS for the year. More than 1,900 vessels and barges arrived at the South Carolina State Ports Authority's five Charleston area terminals in 2009. From July 2012 to March 2013, box volume was up 10% over the same period last year, with 1,160,999 20-foot TEUs handled at the SCPA’s two container terminals in Charleston. More tires are exported from South Carolina than any state in the United States. Michelin, Bridgestone and Continental employ some 12,000 workers in this industry. The State Ports Authority has several major projects underway to serve its customers and the state's business community. The $148 million Charleston harbor deepening project completed in May 2004 took the inner harbor channels to -45 feet at mean low water. In 2005, the Arthur Ravenel Bridge spanning the Cooper River was completed. It has 186 feet of vertical
clearance at mean high water which allows Charleston to handle larger vessels under any tidal conditions. The Port Authority's fiscal year 2010 capital improvement program called for $75 million in enhancements and equipment for new and existing facilities. A new terminal at the former Navy Base will boost total container capacity in the port by 50% is set to open in 2018. In addition to the Navy Base Terminal, the $1.3-billion capital plan includes extensive improvements to existing terminals.

Charleston's economic status is stable and has been experiencing steady growth. The labor force increased 17% from 236,960 in 1990 to 277,285 in 2000. In 2008, the civilian labor force numbered 316,707. Local unemployment has consistently been lower than the national figures.

The government labor force remains a dominant force in the local economy. The Charleston Air Force Base employs 5,600 active duty and civilian personnel. The Navy employs 16,200 personnel including contracted employees. The Air Force Base is home to 53 C-17 aircrafts, the nation's newest and most versatile transport planes.

Since 1995, the Coast Guard has doubled its number of personnel stationed in Charleston. As part of a reorganization campaign, nearly 400 people moved from New York's Governor's Island to the Charleston Naval Base.

Although the final closure of the Charleston Naval Base and Naval Shipyard occurred on April 1, 1996, other naval related businesses continue to thrive and grow in the area. The Naval Weapons Station in Goose Creek, just above North Charleston, is the largest Naval facility in the Tri-County area not slated to close. The high technology Naval Electronics & Engineering Center, NISE-East (Naval Command & Ocean Surveillance Center, In-Service East Coast Division, formerly NAVALEX) is expanding to absorb employees from three other national electronics centers which have been closed. A $26 million engineering and administration center which will become NISE-East's new headquarters at
the Naval Weapons Station. By 1999, NISE-East had nearly 1,500 military employees and could have as many as 7,500 private hire civilian contractors with a total payroll of $50 million annually and a direct economic impact in excess of $1.2 billion.

Also, Combat Equipment Base Afloat/Asia (formerly Army Preposition Forces) located at the Naval Station Annex was established in December 1993. This new military support system consists of 18 ships which are essentially floating warehouses. Each ship contains all the supplies needed for an Army beachhead landing and is designed to last for three years. Phase I, which began in 1993, consisted of the initial loading of provisions and equipment on the 18 vessels. Phase II was initiated in late 1996 when the first vessel returned to port for reloading. The vessels will return to Charleston for inventory and restocking on a continuous basis.

In 1998, the Navy transferred its Naval Nuclear Training Facility from Orlando, Florida to the Naval Weapons Station in Goose Creek. The new facility resulted in 500 additional jobs and an estimated 2,500 military trainees visiting annually.

The U.S. Border Patrol opened a school for new agents at the Charleston Naval Base in April 1996. Students attend classes and live in barracks there, and approximately $5 million was spent for construction of driving and firing ranges at the Naval Weapons Station in Goose Creek. As many as 1,500 agents were trained during the school's first full year of operation. In the summer of 2003, the U.S. Navy transferred 152 acres of the old Naval Base site to the U.S. Border Patrol. Additional plans are underway to develop alternate uses of the Naval Base facilities to strengthen the area economy. A number of Federal agencies have been relocating onto the base including the National Oceanographic and Atmospheric Administration (NOAA), National Civilian Conservation Corps (NCCC) and a State Department Administration Center. Also, the U.S. Postal Service opened a regional processing and distribution center on the Naval Base in October 1995.
In November 2009, the U.S. Department of Energy awarded a $45 million grant to Clemson University (combined with $53 million in matching funds) for wind energy research. This research will be performed at Clemson University's Restoration Institute's campus on the former Naval base in North Charleston.

An influential factor in attracting new businesses to the area is the state's Enterprise Zone Act. This legislation which was enacted in April 1995 permits the state to offer incentives to companies that plan to build or expand in rural counties or areas considered to be "economically depressed". The Charleston area gained enterprise zone status due to the shutdown of the Naval base and shipyard. In addition to the base redevelopments, several other major companies are experiencing growth, planning to expand or locating in the Charleston area.

In October 2009, the Boeing Corporation announced that it was moving its 787 Dreamliner assembly plant from the state of Washington to North Charleston. The Boeing plant, which is located adjacent to the Charleston International Airport, currently has ± 7,500 employees. Boeing also leases an adjoining ± 320 acres for future expansion.

In April 2015, Volvo announced it is opening a manufacturing facility on a large site just north of Summerville (Camp Hall Site). The company plans to employ 4,000 within ten years. Announced in March is the expansion of the Mercedes-Benz Sprinter Van plant in North Charleston. This expansion will create 1,300 new jobs. MeadWestvaco Specialty Chemicals division and 3PL Sunland Logistics will soon open a new 300,000 square foot chemical product distribution center near the Port of Charleston. Mead Westvaco Specialty Chemicals is a global supplier of premium specialty chemicals products and distinctive technologies with production capabilities on four continents—North America, South America, Asia and Europe. Sunland is a Southeast based 3PL with over 30 years of experience specializing in warehousing and value added services.
Berkeley County was selected by the Nucor Corporation as the site for a $500 million state-of-the-art steel mill. In the spring of 1997, a $150,000,000 expansion of the mill was announced. Operations at the new mill began in 1998. In 2010, the plant had more than 890 manufacturing jobs. Amoco Chemical Company chose to update its Berkeley County Cainhoy plant instead of a facility in Alabama with a $200-$300 million expansion. The project created an additional 90 new jobs, retained existing jobs and doubled the plant's output of purified terephthalic acid.

National Car Rental Systems, Inc. opened a centralized booking facility employing up to 500 workers. National invested $8 million in equipment and renovations.

BMW exports production of its Z-3 Roadster from its Greer, South Carolina manufacturing plant through Charleston's port facilities. Charleston's port facilities are also the port of entry for German built automobiles imported to the United States.

The types of companies which relocate and expand in the Charleston area are of particular importance to local business people. Companies which routinely bring in out-of-town trainers, consultants, etc. (such as Nucor, NISE-East and its contractors, and the proposed Navy Nuclear Training School at the Naval Weapons Station) can replace the revenues once generated by the Naval base and shipyard business.

Industrial development is becoming more and more important in the local economy with the location of national companies and business expansions in the Trident Area. MeadWestvaco, Alumax, South Carolina Electric and Gas Company (SCE&G), South Carolina Public Service Authority, E.I. DuPont and Robert Bosch are all large facilities in the area with more than 350 employees each.

Daniel Island, a 4,500 acre parcel of land centrally located in the Tri-County area, has been set aside for a development which will be
comprised of four million square feet of commercial space and 7,000 homes. Healthsource, the state's largest health maintenance organization, relocated its headquarters to a new $6 million building on the island in 1996 and plans to develop another office building on the island to handle future growth. Blackbaud, a computer software company, has also moved into new corporate headquarters on the island. Adjacent to this is a soccer field that is home to the Charleston Battery, a professional soccer team. Bishop England High School, a private Catholic school, sold its downtown Charleston campus and built a new facility on Daniel Island. The school opened for the 1998-1999 academic year. The new forty acre campus serves up to 1,000 students.

Tourism is a large income generating industry which is responsible for the influx of approximately five million visitors annually. To accommodate these visitors, Charleston has more than 15,000 hotel and motel rooms in the metropolitan area and also a wide assortment of restaurants offering the finest in seafood and lowcountry cuisine.

The Trident area attracts many visitors because of its history, architecture, plantations, beaches and natural beauty. Many also come for special events such as the Southeastern Wildlife Exposition, Christmas in Charleston, the Cooper River Bridge Run, the Worldfest Charleston International Film Festival and historic home tours.

According to a recent study compiled by the Center for Business Research and the Citadel's Center for International and Regional Development, the economic impact of the tourist industry was $5.7 billion in 2005. With an estimated four million visitors each year, the tourism industry generates an estimated 105,000 jobs in the local economy.

Since its origin, Charleston has always shown an appreciation for the arts, and many of its tourists are attracted to the art related institutions and activities that Charleston is reputed to offer. On an eleven acre site within the city limits stands the Gaillard Auditorium which has undergone a $142,000,000 renovation. It is a world class
performance and exhibition venue. The Gibbes Art Gallery displays numerous exhibitions including those of international artists. Also active in Charleston are a ballet company, a symphony orchestra, an opera company and a stage company.

In May 1976, Charleston was chosen as the location for the United States edition of the Spoleto Arts Festival which has been flourishing in Spoleto, Italy since 1956. It is a forum for new and young talent in the performing arts and has become a permanent event in Charleston for two weeks every spring.

In 1993, the North Charleston Coliseum opened. This 192,000 square foot facility seats approximately 14,000 people. It is located between Interstate 26 and the International airport. Athletic and entertainment events of national caliber are regularly scheduled. Also, North Charleston has erected a multi-million dollar convention center/exhibition hall on 50 acres of land it owns in the Centre Pointe development.

Education is also a strong focus of the area. The Trident Area has seven colleges, a fully accredited medical university, a technical college, a culinary arts college, a public school system and 34 private and parochial schools. In the school year 2007-2008, the number of public schools in the Tri-County area totaled 137 with an enrollment of over 93,150 and an overall pupil-teacher ratio of 21:1.

Charleston offers ample health care and medical training. It has ten major medical centers including the oldest medical university in the south, the Medical University of South Carolina (MUSC). MUSC possesses an international reputation, attracts researchers and patients worldwide and employs 11,000 people. The center of the health care industry is located in an eight block area in downtown Charleston. Five hospitals (Roper, Charleston Memorial, Kindred Hospital, the Ralph H. Johnson VA Medical Center and MUSC) form this medical center. Four additional hospitals serve the medical needs of the region. They include Roper-St.
Francis Hospital, Trident Medical Center, a HCA managed facility, Summerville Medical Center (also a HCA managed facility) and East Cooper Regional Medical Center. East Cooper Medical Center recently opened a new facility in Mount Pleasant and Roper-St. Francis opened a new facility in Mount Pleasant in the fall of 2010. Roper-St. Francis Hospital opened its new facility in the West Ashley section of Charleston in September 1996. Its downtown facilities were sold to MUSC. There are a total of approximately 2,151 beds in local hospitals. The combined facilities employ approximately 17,300 employees.

Numerous banks and mortgage banking firms are available in the area and are open to offering mortgage financing on properties such as the subject. A total of some 30 banks and 15 credit unions help to serve the needs of the community. There are some 210 bank branches in the Greater Charleston area.

In Charleston County's diversified economic base, agriculture still plays an important role in the county's economy just as it did in 1800. This is particularly true of the sea islands which form the barrier between the mainland and the Atlantic Ocean. Their chief crops include soybeans, corn and tomatoes.

With its deep social roots, apparent economic soundness and historically principled politics, Charleston is destined to retain its leadership role in the lowcountry and state. Over the past years, awareness of the quality of life that exists in Charleston has been increasing as evidenced by the massive influx of tourists as well as permanent residents. The population of the Trident Area has increased roughly 17.8% over the past ten years, and the U.S. Census Bureau estimated the population at 506,875 in 1990 and 549,033 in 2000.

In late 2007, there was a turndown in the national and local economy as well. Job losses occurred, and real estate offered for sale stayed on the market for longer periods of time than in the past. All of this impacted prices and the volume of retail sales. In the past five
years, the real estate market and economy have strengthened and sales and leasing activity have increased.
NEIGHBORHOOD DATA

A neighborhood is a portion of a larger community in which there is a homogenous group of populations, buildings or land uses. Natural or man-made boundaries many times will define a neighborhood. The primary purpose of a neighborhood analysis is to identify and consider relative existing and potential influences that may have an impact on the value of the subject property.

The larger neighborhood where the subject property is located is a 6.2 square mile tract of land situated between the Cooper River and the Ashley River. The peninsula is the center of tourism in the Charleston area drawing hundreds of thousands of tourists each year. It contains scores of historic 18th century homes and churches, hundreds of upscale boutiques and antique shops, a famous open air market, restaurants (many world-class) and numerous hotels, inns and bed and breakfast establishments. The relative poverty of the post Civil War era led to Charleston's 20th century revitalization. Older homes and buildings were adapted to modern use sparing the city from the onslaught of skyscrapers in the 20th century. By 1929, Charleston had adopted zoning ordinances to protect the City's historic area. As a result, Charleston stands as the model for historic preservation in the United States.

West of the immediate neighborhood just north of Calhoun Street is the U.S. Veteran's Administration Hospital (VA) Hospital, Roper Hospital and MUSC. Development and redevelopment by the various hospitals continues at a steady pace. With continuing and increasing needs for various types of health care provided by these facilities, it seems reasonable that immediate areas north of Calhoun Street will continue to be substantially owned by the major hospital entities.

Colleges located in the downtown area near the subject property include the College of Charleston, the Medical University of South Carolina and Trident Technical College's Palmer Campus. The College of Charleston, located southwest of the subject, was founded in 1770. This four year,
state assisted, liberal arts institution is the oldest college in South Carolina and the 13th oldest in the nation. It is located several blocks southwest of the subject neighborhood. In July 1992, the College was elevated to University status. Trident Technical College offers associate degrees and certificates in a variety of business and industrial disciplines.

The subject property's immediate neighborhood is known as Cannonborough/Elliottborough neighborhood. The neighborhood is generally residential in character with some neighborhood commercial uses and municipal uses. Neighborhoods to the south of the subject neighborhood tend to be mainly residential in character with commercial uses located on the main thoroughfares. As the local economy has improved over the past five years, significant redevelopment as moved northward on the Peninsula. As a result, renovations and additions to the existing residential structures have become prevalent in the immediate neighborhood. The College of Charleston and MUSC campuses are nearby. Neighborhood is in close proximity to educational, retail, recreational and employment centers. Access to the subject neighborhood is considered to be excellent.

In late 2007, there was a turndown in the national and local economy as well. Job losses occurred, and real estate offered for sale stayed on the market for longer periods of time than in the past. All of this impacted prices and the volume of retail sales. In the past five years, the real estate market and economy have strengthened and sales and leasing activity have increased. Based upon the close location of the subject neighborhood to the amenities of downtown Charleston and its general overall appeal, it is expected that it will continue to prosper as the recovery continues.
SITE DATA

According to the Charleston County tax map, the subject site contains a total of ± 0.48 acre (21,120 square feet). We have not been provided with a plat delineating highland or wetland acreage on the subject site. Our inspection, as well as an infrared image of the subject site found on http://www.proptools.net, suggests the subject is comprised of 100% upland highland. If a subsequent survey of the subject site or any other professional analysis presented shows a different acreage or the definitive presence of upland wetlands, our value estimate could be affected.

The subject site is mostly rectangular in shape with approximately ± 96 linear feet of frontage on Line Street on its south side. The north boundary runs a linear course for approximately ± 96 feet adjacent south of U.S. Highway 17 North (crosstown). The subject site, aside from the existing footprints of a former garage building operated by the city of Charleston and several very small gardening sheds located along the north boundary, is largely comprised of the existing Eliottborough Park and Community Garden. Beginning at Line Street heading north, the park and garden contain a small grass lawn, a raised wood deck, a playground with a modular playset, swings and other minor equipment and a portion of a garden which is adjacent south of U.S. Highway 17 North. There are several small trees throughout the park and playground. There is an approximately six foot tall chain link fence which runs between the site’s north boundary and the sidewalk which fronts U.S. Highway 17 North. There is no designated parking for the site; however, off-site parking is available on Line Street.

The site appears relatively level to the sidewalk in most areas and is a bit larger than typical for the neighborhood. We assume that the site has no unusual flooding problems other than what is typical for this area of Cannonborough/Eliottborough. If there is concern with the potential of flooding on the subject site, we recommend that an engineer be retained.

We were provided a dated Phase I Assessment on the subject site and the
adjacent site (parcel 194) performed by Albrecht Environment of Mount Pleasant, South Carolina dated March 14, 2000. A copy of this report has been retained in our file. According to the report, a review of the Sanborn Fire Insurance Maps dated 1944 through 1955 revealed the existence of two portholes, labeled “G.T.”, on the subject site. The initials G. T. were later confirmed by the city to stand for “gas tank.” During Albrecht’s inspection, one porthole was discovered near the “north end of the subject site.” A subsequent inspection of this porthole revealed a “liquid of some sort through a hole in the top of the porthole covering.” The inspection did not uncover the location of the second porthole. Other findings and/or concerns include: pigeon droppings inside the former garage building; concern about the possible existence of lead paint due primarily to the age of the former garage; potential issue with general refuse that was spread over the site at that time. As a result of these findings, Albrecht recommended “further investigation” for the two portholes identified as G.T.

According to a city representative, no other environmental audit has been performed since the Albrecht report. We have been instructed by the client to make an extraordinary assumption that the subject site has no environmental issues and that it is free of all hazardous materials, soil contamination and groundwater contamination. We also assume that the site is similar to others in the neighborhood, and requirements for soil preparation or piling would also be similar. We assume the foundation for the existing building was properly constructed. Should any of our assumptions above be proved incorrect by subsequent professional analyses, our value indication could be affected.

Our visual inspection of the subject site did not indicate any adverse easements or encroachments. If this assumption is proven incorrect by subsequent professional evidence, our value estimate could be affected. According to the Federal Emergency Management Agency’s Flood Maps, the subject site appears to be located in Zone AE, EL 13. Due to the ambiguity and age of the flood map, we recommend a state certified surveyor be retained if the client has concerns. The property is served by the city of

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Charleston with police and fire protection services. Garbage collection service is by the city of Charleston. Electric and telephone services, as well as municipal gas, water and sewer services, are also available.
DESCRIPTION OF IMPROVEMENTS

The subject site is improved with a ± 7,800 square foot one-story painted brick and concrete block (rear/north wall only) building which was originally used as a garage and operations maintenance facility for the city of Charleston. According to the Phase I report prepared by Albrecht Environmental of Mount Pleasant, South Carolina, the building was converted to a storage facility in the late 1970s. On the date of our inspection, it appeared the building had been vacant for some time and was in fair-/poor condition with significant physical deterioration. There were various discarded wood products, tools and fencing primarily in the north portion of the building.

The building has a concrete floor, wood rafters and ceilings and an eave height of approximately 12-14 feet. There appeared to be several areas of the ceiling which had significant damage. The building's metal roll-up doors, some covered by wood, had significant crack/holes which exposed the interior to the outside elements. In the south side of the building adjacent to Line Street, there appears to be the remnant of office space that is in very poor condition. According to a representative with the city of Charleston, the building has no electrical, heating & air or water service functioning at this time.

Our exterior inspection revealed many small holes/cracks in the exterior brick wall. There were many areas of wood rot in the exterior eaves. Several of the former spaces where roll-up doors or windows were previously are covered by plywood. The painted standing seam metal roof has several skylights and appears to be in poor condition.

We have been told that the building is classified as historic and cannot be demolished. While its re-use is possible, due to its poor condition and special use design, the cost to adopt it to a feasible use will be a challenge and obviously very costly. For this reason, it is our opinion that is has no value.

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Adjacent to the building is a park and garden which contains a raised wooded
deck, a playground with a modular playset, swings and other minor equipment. All these appeared to be in good condition.

Based on our inspection, and discussion later in this report, it is our opinion that neither the building, nor the park/garden playground equipment contribute to the value of the property. Photographs of the buildings, exterior improvements and the subject site appear on the following page.
ELLIOTTBOROUGH PARK AND COMMUNITY GARDEN

PLAYGROUND EQUIPMENT
HIGHEST AND BEST USE/ZONING

The highest and best use of the land is defined as:

"The reasonably probable and legal use of vacant land or improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."

An analysis of highest and best use is firmly based on marketability issues and market driven conclusions. The highest and best use analyses for vacant land and improved sites should consider four criteria. They are listed below:

1) Legally Permissible
2) Physically Possible
3) Financially Feasible
4) Maximally Productive

"The analysis of land as though vacant focuses on alternative uses, with the appraiser testing each reasonably probable use for legal permissibility, physical possibility, financial feasibility and maximum productivity. In contrast, the appraiser applies the four tests in the analysis of the property as improved, but the focus is not on alternative uses but on three possibilities: continuation of the existing use, modification of the existing use or demolition and redevelopment of the land."

1 The Appraisal of Real Estate
   Appraisal Institute, 13th Edition, page 277

2 The Appraisal of Real Estate
   Appraisal Institute, 13th Edition, page 281

Charleston Appraisal Service, Inc
ZONING

According to the city of Charleston Planning and Zoning Department, the subject property is zoned Diverse Residential (DR-2F). However, according to Jacob Lindsey, Director of the Department of Planning, Preservation and Sustainability for the city of Charleston, his department could support a rezoning of the property to Commercial Transitional (CT). As a result, we have been instructed by the client to make an extraordinary assumption that the subject property is zoned CT. If subsequent information is presented that shows the subject property cannot be rezoned to CT, our value indication could be affected.

According to the city of Charleston's zoning ordinance, the CT District is "intended to protect, preserve and enhance residential areas while allowing commercial uses which are compatible with the adjacent residential areas. In addition to allowing a limited number of commercial uses, the size and hours of operation of certain uses are restricted."

According to the zoning ordinance, there are no setbacks and no minimum lot sizes for this district. The property is located in the Short Term Rental Overlay, the Old City Height District and the Amusement & Recreation Overlay.

HIGHEST AND BEST USE AS IMPROVED

The subject site has a mostly rectangular shape which would accommodate development of any type. It is restricted only by its size. Its terrain is level and adaptable to any development typical for the area. Water and sewer services are available to the site. As previously mentioned in this report, we have made the extraordinary assumption that no environmental or unusual soil problems are known to exist on the subject site. For these reasons, it would be physically possible to develop the subject site with any number of uses relative to size.

Legally permissible uses are those that are allowed in the above assumed Commercial Transitional District. Those uses were briefly described above. According to the client, the garage building is considered
"historic" and cannot be torn down. In addition, the client stated there are no restrictions in removing the existing playground and garden. As a result, we have made the extraordinary assumption that this is accurate. If subsequent information is presented that disproves either assumption, our value indication could be affected. We are aware of no existing adverse easements, encroachments or other legal restrictions on the subject site.

Any use that is projected to produce a positive return on an investment is regarded as a financially feasible use for a particular site. A financially feasible use must also be physically possible and legally permissible. Financially feasible uses are typically those which are compatible with nearby uses. Most of the land in the subject neighborhood is developed with single family or multi-family housing. There are a few light commercial uses, namely restaurants, offices and neighborhood convenience stores. More intense commercial applications are seen on busier thoroughfares such as King Street. Due to the very poor condition of the garage building, it is our opinion that it could not currently be leased for any amount that would come close to supporting the site's land value estimated later in this report. Therefore, it is our opinion that the garage adds nothing to the value of the property. In addition, it is also our opinion that the use of approximately half the site as a playground and garden does not contribute to the highest and best use of the site assuming CT zoning. Assuming a future use for the garage building as allowed by CT zoning, the city zoning ordinance would require off street parking which could only be placed where the existing playground and garden are located.

There have been few recent sales of vacant commercial sites near the subject site due to the lack of vacant land in the neighborhood and the lack of parcels with a commercial zoning designation. The few commercial sales that have occurred nearby are located on, or near, King Street and are zoned General Business (GB) which allows for more intense commercial uses. Due to the assumed CT zoning, and, because the subject site is located within a largely long-established residential area, we do not
believe that intense commercial, industrial or retail uses would be feasible for the subject site even if they were legally permissible. Those uses typically require locations with greater volumes of traffic. For these reasons, it is our opinion that the only financially feasible uses for the subject site are those that are allowed under the assumed zoning.

The maximally productive use for a subject site is that use which returns the greatest financial benefit to the landowner. In considering the highest and best/maximally productive use for the subject site, we had discussions with local county and city officials as well as real estate agents active in this market. In addition, we analyzed traffic and growth patterns in the neighborhood as well as land uses of similar sites. Based on this analysis, we feel that the maximally productive use for the subject site as vacant would be to develop it with uses as allowed by CT zoning (assumed). As mentioned earlier in this report, the garage building suffers from significant physical ceterioration, and currently is poorly suited for any use. Any future use would require significant repairs and renovations. In addition, on-site parking would be required for any use.
Real Estate in Charleston County is appraised at 100% of its market value. Property other than owner occupied, single family residences are assessed at 6%. The previous countywide reassessment was scheduled to be implemented in 2010, but by Charleston County ordinance, implementation was delayed until 2011, as allowed by state law. New appraisals were released by Charleston County for 2015. Since the subject property is owned by a public entity, it is not taxable. If it were privately owned, the assessment would be at 6% of appraised value.

The subject property is located in Tax District 7-1 of Charleston County. In 2018, the combined tax millage in this district is 294.6 In November 1990, Charleston County voted in favor of a 1% local option sales tax. By law, most of the proceeds from the tax must be used to reduce real and personal property taxes in the County. The 2018 tax credit factor is 0.00175.

It is important to note that if a transfer of ownership or sale occurs to a non-public entity, the Charleston County Assessor will deem it an assessable transfer of interest and will appraise the subject property. This will cause taxes to be levied against the subject. If such a transfer is being contemplated, we recommend the Assessor’s office be contacted.
MARKETING TIME

Estimating a marketing period is a very subjective exercise due to the forces operating in the market. The rise and fall in interest rates, general state of the economy, size of a property, changes in land uses and marketing expertise all impact a marketing period. All the above plus several additional factors would play a role in the time it would take to sell the subject property. Since many of these forces are unpredictable, we feel it is necessary to qualify any marketing estimate.

Since the subject property’s highest and best use is for various uses as allowed by CT zoning, its purchaser would most likely be an owner-occupant or a developer. It is our opinion, that if properly priced for current conditions and professionally marketed, the subject property could sell within one year.

EXPOSURE TIME

Exposure time is “to estimate the length of time the property interest being appraised would have been offered on the market prior to a hypothetical consummation of the sale and market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.” An exposure period is a function of price, time and use. It is our opinion that a reasonable exposure time on the subject property properly priced would have been one year.
THE APPRAISAL PROCESS

In the foregoing sections of this report, we have examined and discussed the subject property. To arrive at an estimate of market value, it is necessary to collect and analyze all data in the market which might tend to indicate the value of the subject property. The subject property must be compared to comparable properties which can be constructed, purchased or from which a similar monetary return may be received.

Each of the three approaches to value requires data collection from the market, and each is governed equally by the principle of substitution. This principal holds that "when two or more commodities or services with substantially the same utility are available, the one with the lowest price receives the greatest demand and widest distribution".

In the Cost Approach; "no man is justified in paying more for a property than that amount by which he can obtain, by purchase of a site and construction of a building, without undue delay, a property of equal desirability and utility".

In the Income Capitalization Approach; "value tends to be set by the investment necessary to acquire, again without undue delay, a comparable substitute income property offering an equally desirable net income return".

As applied to the Sales Comparison Approach, the principle may be stated: "when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution".
SCOPE OF THE APPRAISAL

All three approaches (Cost, Income Capitalization, Sales Comparison) were considered for use in this report. In an improved commercial property, these are the traditional approaches to value that are made independently and reconciled into a final estimate of value. In conducting these approaches, it is necessary to collect general, specific and economic data about the region, neighborhood and property. It is also necessary to collect sales, cost, rental and expense data of a comparable nature. This data is typically obtained from office files, commercial MLS, local realtors, other property owners and courthouse records.

In the Income Capitalization Approach to value, gross rental income is estimated for a property, and expenses normally associated with properties of this type are deducted. The net operating income is then capitalized at an appropriate overall rate, and this yields an estimate of market value. The Income Capitalization Approach was not used in this report since the garage building, in its current fair-/poor condition, is not currently contributing to the value of the subject property and cannot support the site's land value. It was not possible to perform the Cost Approach to value since the site has no improvements which contribute to value.

The Site Valuation was performed using techniques of the Sales Comparison Approach. In this approach, it was necessary to collect sales and other pertinent data on similar vacant sites in the general market area. This data was obtained from the sources listed above. Adjustments between the sales and the subject site were made for reasons to be discussed later in this appraisal. The indications from the comparable sales were then correlated into a final opinion of fee simple market value.
SITE VALUATION

We have searched the peninsula Charleston market for sales of sites similar in size and character to the subject site. We have also attempted to locate any sites that are under contract of sale or option as well as those currently listed for sale. Recent sales of vacant commercial sites that are zoned for light commercial uses are very rare in the subject neighborhood due to the lack of vacant sites and the lack of light commercial zoning in the subject's immediate neighborhood. As a result, we were forced to use recent sales of nearby vacant sites whose General Business (GB) zoning designations allow much more intense commercial uses. Details on those chosen for comparison to the subject are contained on individual sheets following this discussion.

The units of comparison most commonly used when appraising vacant land are price per front foot, price per square foot and price per acre. All methods received consideration in this report; however, only the price per square foot was felt pertinent in estimating the value of the subject site.

The market generally indicates that smaller acreage sites sell for a greater price per acre when all other factors are constant. Obviously, amenities, location, desirability, views and development potential all impact this indication. We have considered all these features when comparing the comparable sales to the subject site.

Sales cited in this report were analyzed for changes in value due to the passing of time. Market condition indicators show increases in sale prices in recent years. For this reason, all sales were each given 8% annual adjustments through the date of this report to account for improving market conditions. On the following page is a chart summarizing each sale used for comparison to the subject site. Following the summary chart is a location map followed by individual analysis sheets on each of the comparable sales.
<table>
<thead>
<tr>
<th>SALE</th>
<th>DATE</th>
<th>LOCATION</th>
<th>SALE PRICE</th>
<th>TOTAL SQUARE FEET</th>
<th>$/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>03/17</td>
<td>540 King Street</td>
<td>$900,000</td>
<td>3,102</td>
<td>$290.14</td>
</tr>
<tr>
<td>2</td>
<td>06/17</td>
<td>80 Line Street</td>
<td>$700,000</td>
<td>4,807</td>
<td>$145.62</td>
</tr>
<tr>
<td>3</td>
<td>06/17</td>
<td>156 &amp; 166 St. Philip Street</td>
<td>$4,450,000</td>
<td>18,320</td>
<td>$242.90</td>
</tr>
</tbody>
</table>
SALES MAP

Google Maps

Imagery ©2019 Google, Map data ©2019 Google  200 ft
LOCATION : 540 King Street, Charleston, SC
SALE PRICE : $900,000
DATE OF SALE : March 23, 2017
GRANTOR : Robinson Family Associates, LLC
GRANTEE : Vanderking 540, LLC
SIZE : 3,102 Square Feet
DEED BOOK & PAGE : 0625 - 644
TAX MAP NUMBER : 460-08-04-062
UNIT OF COMPARISON AND AMOUNT : $290.14/SF

This sale is a vacant site located on the east side of King Street just north of Woolfe Street. It is approximately 28 feet wide (King Street) and 115 feet deep. It is currently used for surface parking. It is zoned General Business (GB) by the city of Charleston in the Accommodations and Old City Height-8 district. The broker was uncertain of the buyer's plans for the site. It was listed for sale for $865,000. The broker stated that there was interest at that level, but that the buyer and the seller were acquainted, and the buyer agreed to pay the seller slightly more than the listing price. All utilities are available.
LAND SALE NO. 2

LOCATION : 80 Line Street, Charleston, SC
SALE PRICE : $700,000
DATE OF SALE : June 23, 2017
GRANTOR : Coastal 80 Line, LLC
GRANTEE : 80 Line, LLC
SIZE : 4,807 Square Feet
DEED BOOK & PAGE : 0647 - 409
TAX MAP NUMBER : 460-04-04-016
UNIT OF COMPARISON AND AMOUNT : $145.62/SF

This is the sale of a site located on the northeast corner of St. Philip and Line streets. It is zoned General Business (GB). Existing building on site had no value and was recently demolished. It sold for $400,000 on May 6, 2016.
LAND SALE NO. 3

LOCATION : 156 & 156 St. Philip Street, Charleston, SC
SALE PRICE : $4,450,000
DATE OF SALE : June 5, 2017
GRANTOR : New Sky, LLC
GRANTEE : Vanderking 535, LLC
SIZE : 18,320 Square Feet
DEED BOOK AND PAGE : 0642 - 540
TAX MAP NUMBER : 460-12-02-057 and 460-12-02-053
UNIT OF COMPARISON AND AMOUNT : $242.90/SF

This sale is the purchase of two vacant, nearby but non-contiguous sites on St. Philip Street. One site is located on the northeast corner f St. Philip and Morris streets (2,117 SF), and the other site is located two lots north on St. Philip Street (16,203 SF). The site is zoned General Business (GB). It sold for $800,000 on 1/14/05, listed for $1.35 million on 7/8/13 and sold for $1.2 million on 12/3/13. The 2017 sale was part of an assemblage with the purchase of 535 King Street that occurred on the same day from the same seller ($2.7 million on 6/5/17
DISCUSSION OF COMPARISON PROCESS
All the comparable sales are sites located close to the subject site, and all are considered to be somewhat similar in highest and best use to the subject site. All sales have zoning or allowed uses that are somewhat similar to that of the subject site. All sales, being located in the same market area, are under similar economic influences. Adjustments have been made where necessary due to differences. In relating these sales to the subject, it is necessary to make adjustments to them with the subject as a base.

When all other factors are constant, the market generally indicates that larger sites sell for a smaller per unit price than smaller sites. Other adjustments are necessary to the comparable sales in comparison to the subject site for reasons previously cited. Prior to making comparisons, it is necessary to recognize changes in prices due to market conditions. As mentioned earlier in this report, all sales received 8% annual adjustments through June 2019 (date of valuation) to account for improving market conditions.

<table>
<thead>
<tr>
<th>SALE</th>
<th>TIME/MARKET CONDITION ADJUSTMENT $/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$ 342.36</td>
</tr>
<tr>
<td>2</td>
<td>$ 168.92</td>
</tr>
<tr>
<td>3</td>
<td>$ 281.77</td>
</tr>
</tbody>
</table>

The sales chosen for comparison to the subject site are all somewhat suited for the same uses that are felt to be appropriate for the subject site. By collecting a variety of sales for comparison to the subject site, some of the market inequities are overcome, and a range of value for the subject site is more accurately estimated. After making adjustments to each sale for the reasons described above, certain sales become more important in the comparison process. In the following paragraphs are discussions of the comparison of each of the sales to the subject site.
SALES ANALYSIS

Sale 1 is a 3,102 square foot site located on the east side of King Street just north of Woolfe Street. It is smaller than the subject site, and a negative adjustment was required. A negative adjustment was required due to the sale’s King Street location in an established commercial corridor compared to the more residential location of the subject site. Another negative adjustment was applied since the sale’s zoning designation (GB) allows for more intense commercial uses than the subject’s assumed CT zoning designation. A positive adjustment was required since the sale’s narrow shape is inferior to the wider shape of the subject site. After consideration of all these features, an overall negative adjustment of 75% was required indicating a price per square foot for the subject site of $85.59.

Sale 2 is a 4,807 square foot site located on the northeast corner of St. Phillip and Line streets. It was purchased for speculation. The sale’s corner location nearer to King Street is superior in location to the subject site’s location (no corner), and a negative adjustment was applied. The sale is smaller than the subject, and a negative adjustment was required. Another negative adjustment was applied since the sale’s zoning designation (GB) allows for more intense commercial uses than the subject’s assumed CT zoning designation. After consideration of all these features, an overall negative adjustment of 50% was required indicating a price per square foot for the subject site of $84.46.

Sale 3 is a 18,320 square foot site. It includes two parcels, one much larger lot (parcel 057) that is one lot away from the smaller lot (parcel 053). This property was purchased in an assemblage with property located on King Street which adjoins parcel 057. The subject does not enjoy access to a major thoroughfare (King Street) like the sale, and a negative adjustment for assemblage was required. A negative adjustment was required due to the sale’s location further south on the Peninsula in a corridor which is changing to more commercial uses. Another negative adjustment was applied since the sale’s zoning designation (GB) allows for more intense commercial uses than the subject’s assumed CT zoning designation. After
consideration of these features, an overall negative adjustment of 70% was required indicating a price per square foot for the subject site of $84.53.
After adjustments, the price per square foot indicated for the subject site by the previous sales forms a tight range from $84.46 to $85.59. Sale 2 is the most recent sale; required the smallest overall adjustment; and is also located on Line Street like the subject. It also required the smallest overall adjustment. Sale 1 is the oldest sale, and it required the largest overall adjustment. Sale 3 is most like the subject in size.

In this report, we were forced to use commercial lot sales which are zoned GB that allow for more intense commercial uses than the subject. Also unlike the subject site, all sales are located in, or closer to, established commercial corridors along busier thoroughfares. As a result of the above, all sales required large overall negative adjustments. The average adjusted price of all three sales is $84.86 and the median is $84.53. With most consideration given to Sale 2 for reasons stated above, it is our opinion that the price per square foot indicated for the subject site is $85. Consequently:

\[ 21,120 \text{ Square Feet} \times \$85/\text{SF} = \$1,795,200 \]

**ESTIMATED Fee SIMPLE VALUE OF THE SUBJECT SITE AS OF JUNE 5, 2019**

**ONE MILLION SEVEN HUNDRED NINETY FIVE THOUSAND TWO HUNDRED DOLLARS ($1,795,200)**
QUALIFICATIONS OF APPRAISER/BROKER
MICHAEL C. ROBINSON, MAI, SRA

BIOGRAPHICAL
Born in Charleston, South Carolina - Currently reside at 32 Hasell Street, Charleston, SC
Graduated from local grammar and high schools
Graduated from The Citadel in 1965 with Bachelor of Arts in English
The Citadel Business School Hall of Fame - Inducted 2015

PROFESSIONAL DESIGNATIONS
MAI - Appraisal Institute
SRA - Appraisal Institute

BUSINESS AND PROFESSIONAL AFFILIATIONS
Appraisal Institute - South Carolina Chapter - President 2000
Board of Zoning Appeals - City of Charleston - 1990-Present
Lowcountry Savings Bank - Chairman of the Board - 1988-1997
Carolina First Bank - Charleston Advisory Board of Directors - 1997-2010
First Capital Bank - Board of Directors - 2018-Present
Charleston Trident Board of Realtors
Charleston Chamber of Commerce
Institute of Financial Education, President 1979-1980
Licensed Broker - State of South Carolina - Since 1972
Metropolitan Charleston Exchange Club - Treasurer 1981-1982
State Certified General Real Estate Appraiser - State of SC Certification #CG 76
Seminar Panels on Conservation Easements: Clemson University, Lowcountry Land Trust, Appraisal Institute,
SC Department of Natural Resource, Land Trust Alliance

EDUCATION
Code of Ethics 25 - 2018 - Charleston, SC
Solving Land Valuation Puzzles - 2018 - Columbia, SC
Mixed Use Properties - 2018 - Columbia, SC
Business Practices and Ethics - 2017 - Columbia SC
Spotlight on USPAP - Confidentiality - 2017 - Columbia, SC
Spotlight on USPAP - Reappraising, Redressing, Reassigning - 2017 - Columbia, SC
Spotlight on USPAP - Appraisal Review - 2017 - Columbia, SC
Spotlight on USPAP - Work Files - 2017 - Columbia, SC
Parking & Its Impact on Value of SC Properties - 2017 - Charleston, SC
The Dirty Dozen - 2016 - Online Charleston, SC
NAR Code of Ethics - Plus - 2016 - Mt. Pleasant, SC
Statutory Changes to Property Tax Law & Its Effect on Market Value - An Update - 2016 - Columbia, SC
Contract or Effective Rent - Finding the Real Rent - 2016 - Columbia, SC
7-Hour National USPAP Update Course - 2015 - Columbia, SC
The Lender Client and the Appraiser - 2015 - Columbia, SC
7-Hour National USPAP Update Course - 2015 - Columbia, SC
Online Forecasting Revenue - 2014 - Online Charleston, SC
Online Data Verification Methods - 2014 - Online Charleston, SC
Forest Valuation for Non-Foresters - 2014 - Columbia, SC
Forecasting Revenue - 2014 - Charleston, SC
Data Verification Methods - 2014 - Charleston, SC
Business Practices and Ethics - 2013 - Columbia, SC
National USPAP Update Course - 2013 - Columbia, SC
Conservation Easements and Your Taxes - 2013 - Columbia, SC
Spotlight on USPAP-Hypothetical Conditions & Extraordinary Assumptions - 2012 - Charleston, SC
Fundamentals of Separating Real Property, Personal Property - 2012 - Mt. Pleasant, SC
R.E. Finance Value & Investment - 2012 - Mt. Pleasant, SC
Analyzing Tenant Credit Risk & Commercial Lease Analysis - 2012 - Mt. Pleasant, SC
Appraisal Curriculum Overview - 2011 - Greenville, SC
Understanding & Testing DCF Valuation Models - 2010 - Columbia, SC
Residential Design: The Makings of a Good House - 2010 - Charleston, SC
Spotlight on USPAP: Appraisal Review - 2010 - Columbia, SC
Spotlight on USPAP: Agreement for Services-Instructions - 2010 - Columbia, SC
Qualifications of Appraiser
Michael C. Robinson, MAI, SRA
Page 2

EMPLOYMENT HISTORY
After graduation from The Citadel, I spent two years with the U.S. Army and resigned as a Captain in 1968. I was commanding officer of a nuclear warhead unit in Germany and graduated from the U.S. Army Airborne School at Fort Benning, Georgia. From 1969 to 1973, I was employed by the Charleston County Assessor’s Office. I was promoted to Senior Staff Appraiser during this time. From 1973 to 1984, I was Chief Appraiser of Home Federal Savings & Loan Association of Charleston. In this capacity, I was responsible for all residential, commercial, industrial and development appraisals requested by the Loan Committee. From 1984 to present, I offer appraisal services through Charleston Appraisal Service, Inc.

PARTIAL LIST OF MAJOR CLIENTS
AG South Farm Credit
Atlantic Coast Life Insurance Company
Audubon Society
Baker Motors of Charleston
Beaufort County
Beaufort Realty Company
Beaufort County Open Land Trust, Inc.
Bank of South Carolina
Berkeley-Charleston-Dorchester Council of Governments
Bon Secour-St. Francis Xavier Hospital
Carolina First Bank
Catholic Diocese of Charleston
Charleston Naval Complex Redevelopment Authority
Charleston Water System
Cities of Charleston, North Charleston, Folly Beach and Goose Creek
Clemson University
Coastal Community Foundation
College of Charleston
Collins Investment Management, Inc.
Counties of Charleston and Berkeley
Cooper River Partners
CSX Railroad
Department of the Navy
Ducks Unlimited Foundation
Edisto Island Open Land Trust
Exxon Corporation, USA
Farm Credit Bureau
First Citizens Bank
First Federal of Charleston
Historic Charleston Foundation
Lowcountry Open Land Trust, Inc.
McNair Law Firm
MeadWestvaco Corporation
Medical University of South Carolina
National Park Service
Nemours Wildlife Foundation
Norfolk Southern
Northern Trust
Palmetto Ford
Plantation Services, Inc.
Rick Hendrick’s Automobile Dealerships
Santee Cooper
S.C. Bank and Trust
S.C. Coastal Conservation League
S.C. Department of Natural Resources
S.C. Department of Revenue
S.C. Department of Transportation
S.C. Public Service Authority
S.C. State Ports Authority
SCANSA / S.C. Electric & Gas Company
South Coast Community Bank
St. Andrews Public Service District
Sun Bank & Trust Corporation of Florida
Turner Enterprises, Inc. & Turner Broadcasting
The Beach Company
The Citadel Military College of SC
The Conservation Fund
The Nature Conservancy
The Trust for Public Land
Town of Hollywood
Town of Mt. Pleasant
Town of Sullivan Island
U.S. Army Corps of Engineers
Wells Fargo
Wetlands America Trust

Various other Banks, Mortgage Companies, Attorneys and Individuals
Qualifications of Appraiser
James L. Rogers, Jr. (Lad)

Biographical
Born in Sumter, South Carolina—currently reside in Mount Pleasant, South Carolina.

Education
Medical University of South Carolina, Charleston, South Carolina
Master in Health Administration
Graduated in August 1999
Cumulative Grade Point Average: 3.8 (4.0 scale)

University of Florida, Gainesville, Florida
B.A. in English
Graduated December, 1993
Cumulative Grade Point Average: 3.5 (4.0 scale)

Experience
Charleston Appraisal Service, Inc., Charleston, South Carolina
Certified General Appraiser: September 2006-Present

Business and Professional Affiliations
Certified General Appraiser State of South Carolina—Certification # CG 5872

Real Estate Appraisal Education
Courses successfully completed, offered by The Appraisal Institute:
- Basic Appraisal Principles
- Basic Appraisal Procedures
- National Uniform Standards of Professional Appraisal Practice, 15 Hour
- Residential Market Analysis and Highest and Best Use
- Condominiums, Co-ops, and PUDs
- Liability Management for Residential Appraisers
- Residential Report Writing
- Business Practices and Ethics
- General Appraiser Income Approach (Part 1)
- General Appraiser Income Approach (Part 2)
- National Uniform Standards of Professional Appraisal Practice, 7 Hour
- General Appraiser Market Analysis and Highest & Best Use
- Real Estate Finance, Statistics and Valuation Modelling
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation & Cost Approach
- General Appraiser Report Writing and Case Studies
- National Uniform Standards of Professional Appraisal Practice, 7 Hour

Partial List of Clients
South Carolina Department of Natural Resources
South Carolina Department of Transportation
South Carolina State Ports Authority
South Carolina Bank and Trust
National Bank of South Carolina
Palmetto Heritage Bank and Trust
Branch Banking and Trust Company
Charleston Water System
St John's Water Company
Thomas & Hutton Engineering Company
First Baptist Church of Charleston
The Beach Company
Various Local Attorneys
Various Local Property Owners
City of Charleston
City of North Charleston
City of Goose Creek

Burger King Corporation
College of Charleston
Bank of South Carolina
SCANA
Beaufort Open Land Trust
Santee Cooper
Lord Berkeley Conservation Trust
Humanities Foundation