

Copies of 1985 & 2014 Deeds of Conservation Easement removed (Addenda)

CHARLESTON APPRAISAL SERVICE, INC.

REAL ESTATE APPRAISERS AND CONSULTANTS

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July 24, 2015

Mr. & Mrs. James L. Ferguson
1687 Fort Lamar Road
Charleston, SC 29412-9612

Re: Appraisal Report - Conservation Easement
1687 Fort Lamar Road, Charleston,
Charleston County, South Carolina 29412
TMS 431-04-00-002 & 035

Dear Mr. and Mrs. Ferguson:

In compliance with your request, we have completed an appraisal of the December 18, 2014 conservation easement that has been placed on the above referenced parcels. In order to estimate the value of this easement, we have first appraised the fee simple market value of parcel 002, as restricted by prior conservation easement and the fee simple market value of vacant parcel 035. Next, we estimated the value of the combined parcels (as vacant) after the granting of the conservation easement on December 18, 2014. We have appraised both parcels "as if vacant" as the improvement restrictions in a December 20, 1985 conservation easement and the December 18, 2014 conservation easement are similar, and there is no difference in the impact on value due of the December 2014 conservation easement.

In conjunction with this appraisal, inspections have been made of the subject parcels and the sales used for comparison to them. A description of the subject parcels is included later in this report along with discussions of each of the sales.

On December 20, 1985, a conservation easement was granted on Parcel 002. The market value of parcel 002 was estimated considering the impact of this prior easement as recorded in Charleston County records in Book T150 at Page 232. On December 31, 1998 a conservation easement was granted on a tract north of Parcel 035 which is across Ft. Lamar Road from parcel 002. This conservation easement is recorded in Charleston County records in Book R317 at Page 269. We have analyzed this conservation easement and found that Parcel 035 is not materially restricted by the easement. T. Heyward Carter, Jr. Esq. in his letter to Historic Charleston Foundation dated May 18, 2015 states "It appears to me.. that the Deed of Conservation Easement is not "presently applicable" to Lot 6 (parcel 035), and was not "presently applicable" on the date of the Deed of Conservation Easement, December 18, 2014. He also stated that the Archeological Memorandum Agreement legal description does not include the real property later referred to as Lot 6. Additionally, Daniel C. Forsberg, PE, PLS submitted an affidavit dated July 21, 2015 that, based on a review of his original survey, only 0.034 acres of Parcel 035 is within the December 31, 1998 conservation easement. A new plat prepared on July 20, 2015 indicates the area in Parcel 035 that is within the 1998 conservation easement is located within the northeast corner where vertical construction could not occur due to zoning setback requirement. Additionally, of the 0.034 acre in the 1998 easement, 0.011 acre+ is within a drainage easement where no activity may occur. Copies of Mr. Forsberg's affidavit and plat are included in the addenda of this report. Therefore, this appraisal is based on the conclusion that Parcel 035 is not included in the December 31, 1998 easement. If this assumption is proven to be incorrect, our value estimate may be affected.

As a result of our investigation and analysis, it is our opinion that, prior to the December 18 2014 conservation easement, the estimated market value of Parcel 002, subject to the December 20, 1985 conservation easement plus the estimated market value of parcel 035 (unencumbered), as of December 18, 2014 is:

EIGHT HUNDRED - THREE THOUSAND AND SEVEN HUNDRED DOLLARS
\$803,700

It is also our opinion that the market value of the combined subject parcels after granting the conservation easement as of December 18, 2014 is:

SEVEN HUNDRED - FIVE THOUSAND AND SEVEN HUNDRED DOLLARS
\$705,700

It is, therefore, our opinion that the market value of the December 18, 2014 conservation easement as of December 18, 2014 was:

NINETY EIGHT THOUSAND DOLLARS
\$98,000

Your attention is invited to the following report which exhibits the factual data and reasoning used in forming our opinion of values.

We have not been provided with an environmental audit on the subject parcels. Our value estimates assume the soil is undisturbed and free of contaminants, groundwater contamination and hazardous materials. Neither have we been provided with a soil study on the subject parcels. We also assume that the parcels contain no unidentified wetlands. Should professional studies differ with the above assumptions, our value estimates could be affected.

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 parcels, and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimates.

We further certify that this appraisal was made in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation effective January 1, 2014 through December 31, 2015 as well as the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

Michael C. Robinson MAI, SRA has been continuously engaged in the practice of real estate appraisal since 1969. For the past 25 years, a substantial percentage of his business has been devoted to the appraisal of plantation properties within the lowcountry of South Carolina. Many of these appraisals involved the valuation of conservation easements placed on the properties. He has conducted seminars on appraisals of conservation easements sponsored by Clemson University, Lowcountry Open Land Trust, the Appraisal Institute, South Carolina Department of Natural Resources, and the Land Trust Alliance. This information is presented to affirm fulfillment of the Competence Rule of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

It is understood that a substantial or gross valuation misstatement resulting from an appraisal of the value of the tract that the appraiser knows, or reasonably should have known, would be used in connection with a return or claim for refund, may subject the appraiser to civil penalty under Section 6695A of the United States Treasury regulation.

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 client. 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# CG 76



Harold E. Marshall
State Certified Residential
Real Estate Appraiser SC# CR-4081

15-008

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SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

TMS # 431-04-00-002

PROPERTY LOCATION : 1687 Fort Lamar Road, Charleston, SC
IMPROVEMENTS : Assumed to be vacant for appraisal purposes
PARCEL SIZE : 2.70 Acres (117,612 Sq. Ft.)
OWNER : Esther B. Ferguson Trust and James L. Ferguson Trust
TAX MAP NUMBER : 431-04-00-002
HIGHEST AND BEST USE : As encumbered by December 20, 1985 easement: Private Residential Estate
ZONING : City of Charleston - Rural Residential (RR-1)
TAXES : \$8,627.94 (2014) (as improved)
FLOOD ZONE : VE El-16
ESTIMATE OF MARKET VALUE
SUBJECT TO DECEMBER 20, 1985
CONSERVATION EASEMENT : \$705,700
DATE OF ESTIMATE : December 18, 2014
DATE OF INSPECTION : February 9, 2015

TMS #431-04-00-035

PROPERTY LOCATION : 0 Fort Lamar Road, Charleston, SC

IMPROVEMENTS : None

PARCELS SIZE : 0.708 Acres total -
0.360 Acres high, 0.348 Acres Marsh

OWNER : Esther B. Ferguson Trust and James L. Ferguson Trust

TAX MAP NUMBER : 431-04-00-035

HIGHEST AND BEST USE : Single Family Residential Development (Prior to Conservation Easement)

ZONING : Charleston County - R-4

TAXES : \$1,622.83 (2014)

FLOOD ZONE : VE El-16

ESTIMATE OF MARKET VALUE : **\$98,000**

DATE OF ESTIMATE : December 18, 2014

DATE OF INSPECTION : February 9, 2015

TMS #431-04-00-002 and #431-04-00-035 – After Conservation Easement

PROPERTY LOCATION : 1687 Fort Lamar Road, Charleston, SC

IMPROVEMENTS : Assumed vacant for appraisal purposes

PARCELS SIZE : 3.408 (2.70 + 0.708) Acres total,
3.06 Acres high (2.70 Acres high + 0.360 Acres high),
and 0.348 Acres Marsh

OWNERS : Esther B. Ferguson Trust and James L. Ferguson Trust

TAX MAP NUMBERS : 431-04-00-002 & 431-04-00-035

HIGHEST AND BEST USE : Private Residential Estate – Open Space

ZONING : City of Charleston RR-1 & Charleston County R-4

TAXES : \$10,250.77 (2014) total (as improved)

FLOOD ZONE : VE El-16

MARKET VALUE ESTIMATE
AFTER December 20, 1985
CONSERVATION EASEMENT,
PRIOR TO DECEMBER 18, 2014
(TOTAL) : \$803,700

MARKET VALUE ESTIMATE OF
COMBINED PARCELS AFTER
DECEMBER 18, 2014
CONSERVATION EASEMENT
(TOTAL) : \$705,700

VALUE ESTIMATE OF
DECEMBER 18, 2014
CONSERVATION EASEMENT : \$98,000

DATE OF ESTIMATES : December 18, 2014

DATE OF INSPECTION : February 9, 2015

DATE OF REPORT : July 24, 2015

LOCATION OF THE SUBJECT PARCELS

The subject parcels are located on Fort Lamar Road, in the Secessionville neighborhood, on James Island, Charleston County, South Carolina. The neighborhood contains properties that are in the City of Charleston and parcels that are in unincorporated Charleston County. The current street address of Parcel 002 is 1687 Fort Lamar Road, Charleston, SC. It is identified on the Charleston County Tax Assessor's map 431-04-00 as parcel 002. Parcel 035 is also located on Fort Lamar Road, in Charleston County, but has no assigned street number as it is vacant. Parcels 002 and 035 are separated by Fort Lamar Road Extension. A location map with the subject parcels identified is included in this section of the report.

LEGAL DESCRIPTION

See Exhibit A of the Conservation Easement Dated December 18, 2014, included in the addenda of this report, for the legal description of the subject parcels.

DATE OF INSPECTION

The subject tract was inspected on February 9, 2015.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of this appraisal is December 18, 2014.

DATE OF REPORT

The date of this report is July 24, 2015

STATEMENT OF OWNERSHIP

According to the records of the Charleston County RMC Office, the subject parcels are owned by the Esther B. Ferguson Trust and the James L. Ferguson Trust. Parcel 002 was purchased by James L. and Esther B. Ferguson for \$765,000 on December 16, 1987. This transaction is recorded in Deed Book P171, page 810. Parcel 035 was purchased by Esther B. Ferguson and James L. Ferguson on March 27, 2002 for \$95,000. This transaction is recorded in Deed Book D401, page 902. Both parcels were transferred into the Esther B. Ferguson Trust and the James L. Ferguson Trust on July 6, 2009. There have been no recent transfers on the subject parcels, and neither has been listed for sale recently.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of fee simple ownership subject to December 20, 1985 and December 18, 2014 conservation easements. Fee simple is the greatest possible estate in real property, but subject to the limitations of eminent domain, escheat, police power and taxation.

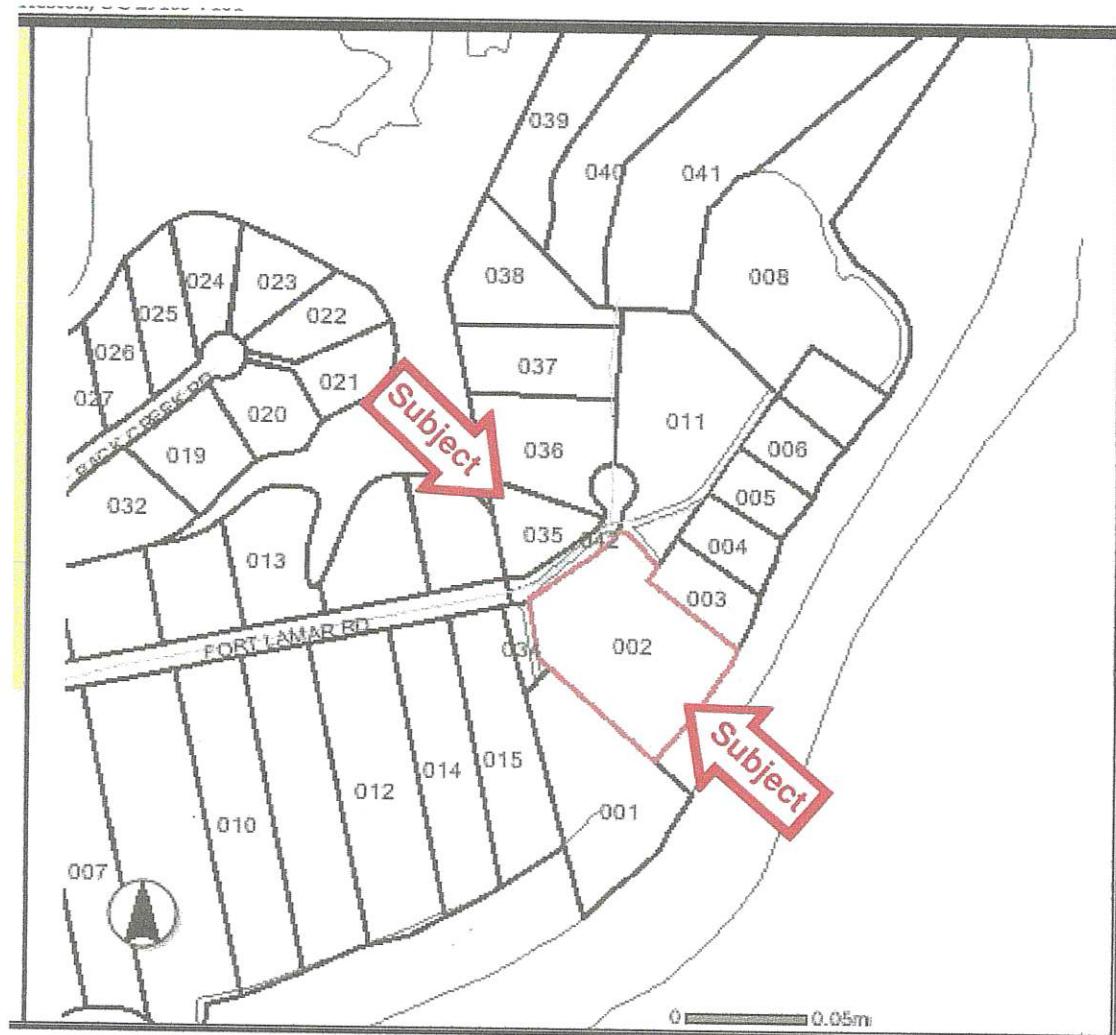
We assume the property owners have clear and marketable title to the parcels. A private road, Fort Lamar Road Extension, that is owned and maintained by the home owners association runs between parcel 002 and parcel 035. No other significant easements were noted on the properties at the time of our inspection. Existing power line easements obviously are necessary to provide electricity. These are felt to have no effect on value.

A conservation easement is a legal document which places restrictions on a property designed to protect it from influences considered to be adverse and also to preserve its existing character and/or natural resources.

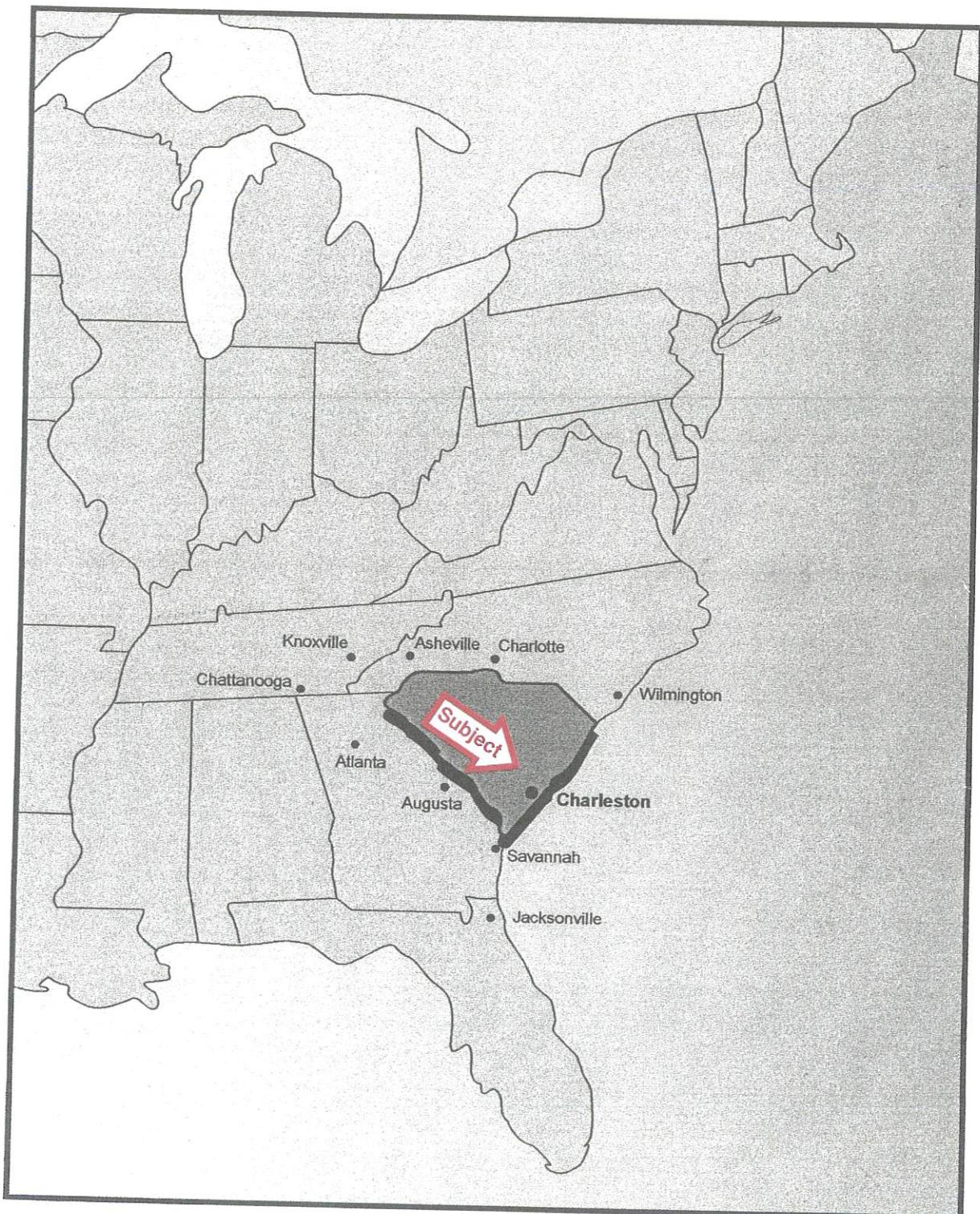
On December 20, 1985, a conservation easement was granted to The Historic Charleston Foundation, Inc. on a tract of land in Secessionville, James Island, as shown on Charleston County Plat Book J62 at Page 292. This easement is recorded in Charleston County records in Book T150 at Page 232. There is no mention of a TMS number on this deed. We assume the easement applies to TMS # 431-04-00-002. A copy of this easement is included in the addenda of this report.

A conservation easement has now been placed on the subject parcels (002 and 035) which contains a total of 3.408 acres (3.06 acres highland and 0.348 acres marsh). This easement, as recorded in Charleston County records in Book 0447 at Page 420, was donated to The Historic Charleston Foundation, Inc. on December 18, 2014. It is the value of this conservation easement that has been estimated in this appraisal. A copy of this easement is included in the addenda of this report. Basically, these easements all restrict construction, increased density, above ground utility lines and modification of existing structures on parcel 002 and require that parcel 035 remains in its natural vegetative state. Specific restrictions are as contained in the applicable easement documents. The donee, Historic Charleston Foundation, Inc. is considered to be a qualified organization according to Section 170(h) (3) of the Internal Revenue Code.

TAX MAP



REGIONAL MAP



COUNTY MAP

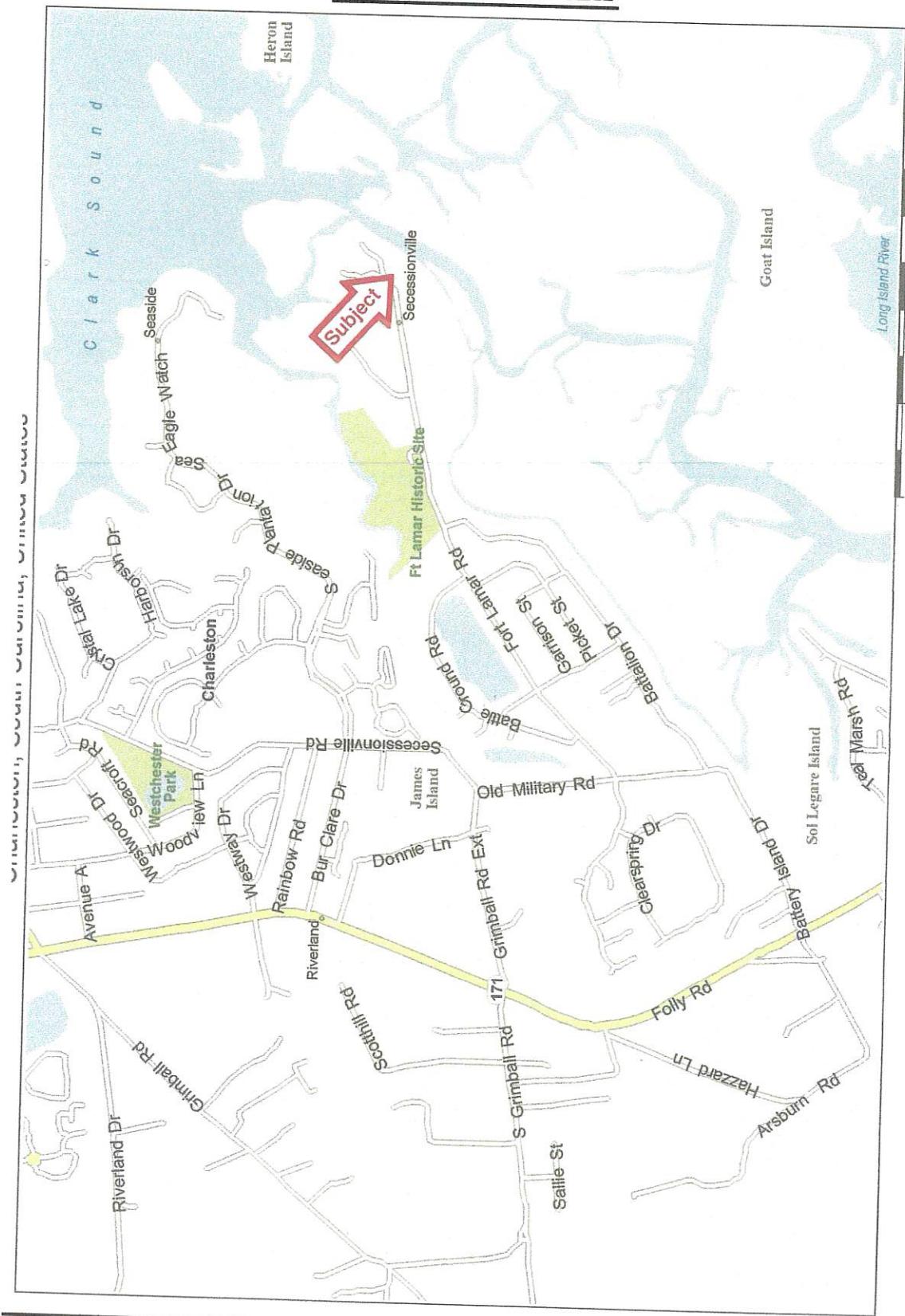
South Carolina
County Outline Map



AREA MAP



NEIGHBORHOOD MAP



LIMITING CONDITIONS

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

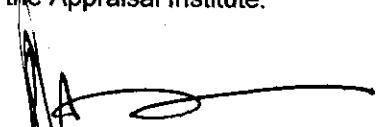
1. The legal description furnished is assumed to be correct.
2. No responsibility is assumed for matters of a legal nature affecting the property appraised or the title thereto, nor is any opinion rendered as to the title which is assumed to be good and marketable. All existing liens and encumbrances have been disregarded unless otherwise stated, and the property 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 property. We have made no survey, engineering studies or soil and analysis of the property and assume no responsibility in connection with such matters or for engineering which might be required to discover such factors. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or restriction violations existing in the subject property. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or restriction violations existing in the subject property.
4. Information, estimates and 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.
5. The appraiser is not required to give testimony or attendance in court by reason of this report, with reference to the property in question, unless arrangements have been previously made.
6. 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 report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
7. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Except as hereinafter provided, the party for whom this 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 report was prepared; however, selected portions of this report shall not be given to third parties without prior written consent of the signatories of this report. Further, neither all nor any part of this 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 report.

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 property 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 property 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 property 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 made a personal inspection of the property that is the subject of this report.
- No one provided significant real property 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 Appraisal 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 have completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Harold E. Marshall
State Certified Residential Real
Estate Appraiser SC# CR-4081

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 property that is the subject of this report and no personal interest with respect to the parties involved.
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- No one provided significant real property 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 Appraisal 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 have completed the continuing education program for Designated Members of the Appraisal Institute.



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

PURPOSE AND FUNCTION OF APPRAISAL

The purpose of this appraisal is to estimate the market value of a conservation easement placed on parcels 002 and 035 on December 18, 2014. 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".

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 he or she considers his or her 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 intended users of this report are the property owners, the Esther B. Ferguson Trust and the James L. Ferguson Trust. This appraisal will be used as the basis for establishing the value of the conservation easement placed on the subject parcels for income tax purposes. The date of donation was December 18, 2014. We were also advised that there was no agreement or understanding entered into by the donor or donee of the kind referred to in Treasury Regulation Section 1.17A-13, Paragraph(C)(3)(ii)(d).

REGIONAL AND CITY DATA

The subject parcels are located on James Island, Charleston County, 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 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.

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

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 County Aviation Authority owns and operates the Charleston International Airport, the Charleston Executive Airport on Johns Island and the East Cooper Airport in Mt. Pleasant, South Carolina. The Charleston International Airport is located in North Charleston, South Carolina. It is a fully modern facility which opened in April 1985. Its carriers include Continental Airlines, Delta Airlines, U.S. Airways, United Express and American Airlines Eagle, Southwest Airlines and JetBlue Airlines. 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 \$63 billion annually. In 2012, 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 prior period 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. A study to be completed in 2015 is being done to analyze the feasibility of a second deepening project. In 2012, the S.C. General Assembly set aside \$300 million for that project. 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. Port operations facilitate 260,800 jobs across South Carolina and nearly \$45 billion in economic activity each year.

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 Air Force Base is home to 53 C-17 aircrafts, the nations 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. The high technology Naval Electronics & Engineering Center, NISE-East (Naval Command & Ocean Surveillance Center, In-Service East Coast Division, formerly NAVALEX) has expanded to absorb employees from three other national electronics centers which have 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 property 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 relocated 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.

The Noisette Company purchased 178 acres at the north end of the old Charleston Naval Base property on July 1, 2003. There are still 388 acres to be transferred. The Naval Base land will form the beginning of redevelopment in that section of North Charleston. The Noisette Project has been touted as one of the largest redevelopment projects of its type ever attempted in the United States. Property on roughly 3,000 acres in North Charleston which includes portions of the former Charleston Naval Base will be transformed over a 15 year period. The project is based on a master plan which calls for up to 10,000 new or rehabilitated housing units, eight million square feet of commercial space, upgrading of schools in the district, restoration of Noisette Creek and establishment of a city park and boardwalk along the Cooper River. Development of the Noisette project has stalled and most of the property is bank owned.

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. It is located at an existing facility recently purchased by Boeing located adjacent to the Charleston International Airport.

Construction is now underway on a new facility that will double the size of the existing plant. Boeing now employs some 6,000 people, and there are plans to purchase an adjoining 320 acres for additional expansion.

Berkeley County was selected by the Nucor Corporation as the site for a \$500 million state-of-the-art steel mill. By 1997, the plant created 500 manufacturing jobs. In addition, at least six mill-related companies have built facilities on the Nucor site increasing total employment to more than 1,500 jobs. In 1998, a \$150,000,000 expansion of the mill was completed. By 2010, the new expansion created more than 900 manufacturing jobs.

BP 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.

BMW exports 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.

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, JW Aluminum Company, Cummins Inc., Alcoa Mt. Holly, South Carolina Electric and Gas Company (SCE&G), South Carolina Public Service Authority, E.I. DuPont De Nemours and Robert Bosch all large facilities in the area with more than 350 employees each.

Daniel Island, a 4,500 acre tract of land centrally located in the Tri-County area, is home to 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. Blackbaud, a computer software company, also moved into 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. Sun-Com, a wireless phone service provider, relocated its regional headquarters to the island. Its move brought approximately 575 existing and new employees into a 100,000 square foot office complex built on a 10 acre site near Interstate 526. The company leased the \$13.5 million facility for 15 years and occupancy started February 2002.

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. According to the Conde Nast Traveler, Charleston was rated as the number 1 tourist destination in America in 2011.

In 2012, Charleston saw an increase in its ship cruise business with 13 different cruise ships from the world's leading cruise lines. Approximately 84 cruise ships visited Charleston in 2012 which included approximately 70 embarkations and 14 port-of-calls. The impact is more than \$37 million in economic output and supports more than 400 local jobs and more than \$16.2 million in salaries and wages

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 Municipal Auditorium which seats 2,702 people in its main facility. Adjacent exhibit space of 11,200 square feet is also available, and it can accommodate 1,300 people for banquets. 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 Charleston 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 three colleges, a fully accredited medical university, a technical college, a public school system and 65 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 11,200 people. The center of the health care industry is located in an eight block area in downtown Charleston. Four hospitals (Roper, Kindred and the Ralph H. Johnson VA Medical Center along with MUSC) form this medical center. Four additional hospitals serve the medical needs of the region. They include Roper-St. Francis Hospital, Trident Medical Center, Summerville Medical Center and East Cooper Regional Medical Center. East Cooper Regional Medical Center recently opened a new facility in Mt. Pleasant and Roper-St. Francis plans to open a new facility in Mt. 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 1,994 beds in local hospitals. The combined facilities employ approximately 17,300 employees.

Numerous banks and mortgage banking firms are located in the area offering mortgage financing on properties such as the subject. A total of 28 banks, loans and credit unions help to serve the needs of the community. There are 174 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.

Original forecasts for the region's economy predicted a lackluster performance in 1994 and 1995 as the area struggled to absorb the loss of the Naval complex and shipyard closings; however, the area exceeded expectations in many sectors. The labor force and total employment remains stable and unemployment continues to stay below the national average. Retail sales have increased, and a number of national retailers have opened new stores in the region. Several major employers relocated to the area, and sectors of the economy, which are unrelated to the military, seem to be filling in the gaps made by the Naval complex closure. From 1996 through 1999, there was a strengthening in nearly all areas of the economy of the Charleston-North Charleston Metropolitan Statistical Area (MSA), and this growth continued into the next decade.

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 two to three 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 subject parcels are located on James Island on Fort Lamar Road. James Island is a residential community which is conveniently located within a few miles of the City of Charleston peninsula and Folly Beach.

James Island was originally named Boone's Island after the colony's agent, Joseph Boone. In the late 1600s, James Town, South Carolina's second settlement, was erected on the banks of one of the island's creeks. Later, plantations were developed along with the village of Secessionville, a summer retreat that was frequented by wealthy land owners. During the Civil War, almost all of the island's housing was destroyed. The island then became a farming community that first grew cotton and later vegetables. Land use gradually evolved into dairy and truck farming by the early 20th century. Today, the island is moderately populated, and most businesses cater to the neighborhoods in the area.

TRANSPORTATION

Folly Road is a main thoroughfare on James Island. It extends from Wappoo Creek on the north to Folly Beach on the south, several miles away. In 1992, the James Island Expressway and the James Island Bridge, which crosses the Ashley River and continues into Charleston, were opened to traffic. The Expressway intersects Harborview Road; extends across the marsh and the Intracoastal Waterway in the direction of the downtown Ashley River Bridges; crosses the Ashley River; and flows into Calhoun Street. These roadways also provide easy access to S.C. Highway 61.

Elliott Cut is part of the Intracoastal Waterway that connects the New England states to Miami, Florida. It facilitates travel upon mostly protected waters. The Cut was so named because it is a man made channel that severed a substantial portion of James Island located on the northwest of the island and created a subdivision known as Edgewater Park which is accessed from the West Ashley area. There is also a boat ramp on Elliott Cut that is open to the general public and suitable for small boat launching.

TRAFFIC COUNTS

The Folly and Harborview roads intersection is one of the most heavily traveled on James Island. According to the S.C. Department of Highways and Public Transportation, the 2014 traffic count on Folly Road, just north of its intersection with Grimball Road, was 22,400 vehicles per day. Traffic count on Maybank Highway near the Wappoo Cut Bridge was tallied at 25,900 vehicles per day.

ISLAND ECONOMY AND DEVELOPMENT

In the 1950s, a bridge was constructed over James Island Creek which allowed easier access to a large part of the island. As a result, James Island experienced a significant increase in development especially in the district between James Island Creek and Fort Johnson Road. Growth slowed until recently, and the community has remained an attractive residential option for families. Its population of 11,542 (2013) is primarily comprised of people between the ages of 5 and 64 (84%), and households have a median income of \$60,659.

As previously mentioned, James Island is considered to be a bedroom community with no industry and little business development. Approximately 81.2% of the homes are owner occupied, and most of the shopping areas cater to the residents of the island.

A variety of businesses and commercial enterprises are situated along Folly Road. They range in character from Class A neighborhood shopping centers to Class B commercial businesses. The Merchant Village Shopping Center, just west of the subject parcels, is situated on the southeast corner of Folly and Harborview roads.

The construction of the James Island Expressway and Bridge has had a significant impact on James Island development. Plans are under consideration for widening of Harborview Road. Publix, a national food store chain, built a 37,000 square foot store on Folly Road.

Housing on the island is available in a variety of neighborhoods, sizes and styles. These include waterfront condominiums, modest houses within new subdivisions, older established developments with classic homes and large contemporary houses along the harbor. Currently, developers are considering building 25 to 30 new homes on the island.

Local developers consider James Island to be an ideal area for apartment construction because of its vicinity to the downtown area. At 2.2%, the apartment vacancy rate for James Island is the lowest in the Charleston region.

Development is expected to accelerate when the construction of the Mark Clark Expressway that connects

James Island to U.S. Highway 17 South at the Citadel Mall is completed. This construction is still being discussed.

RECREATION AND AREA ATTRACTIONS

Located a short distance west on Maybank Highway is the City of Charleston Municipal Golf Course. Like the surrounding neighborhood, this course was developed approximately 60 years ago. It has reasonable green fees and is well maintained.

The island is home to the 643 acre, James Island County Park. It offers activities such as fishing, crabbing, boating, walking, biking, roller bladeing, and features include a dock, 123 campsites, 10 vacation cabins, meeting facilities, natural lagoons, bike and paddle boat rentals, a fountain and playground, and its latest addition, Splash Zone, a water theme park.

Several pre Civil War sites still stand on the island including McLeod Plantation. Built in 1858, it is the only antebellum plantation complex remaining from the Sea Island cotton era. Many buildings including the main house, kitchen house and slave cabins remain intact. Owned by The Historic Charleston Foundation, civil war reenactments are performed regularly for the public.

Fort Johnson and Fort Lamar, both located on James Island, are notable historic landmarks. Fort Johnson was the site of both Revolutionary and Civil War forts. In the 1960s, Marshlands Plantation house was moved to the site and is now used as an office building. Another complex erected on the site houses the South Carolina Marine Resources and the National Atmospheric and Oceanographic Administration. Fort Lamar is often described as the site of the state's most significant Civil War battle and is listed on the National Register of Historic Places.

Other places of interest not mentioned above include:

The Plymouth Boat Landing is a public boat ramp which provides access to of the Atlantic Intracoastal Waterway.

The Sol Legare Boat Landing is also a public boat landing situated on the Stono River.

The James Island Yacht Club is a favorite among sailors, fisherman and others who enjoy aquatic activities.

CONCLUSION

Since major development commenced on James Island in the 1960s, the island's character has remained largely residential. Its location near the downtown peninsula and Folly Beach makes it an ideal place to live. Commercial development on the island is somewhat limited in that it is primarily neighborhood oriented, and this trend is expected to continue in the future.

SITE DATA

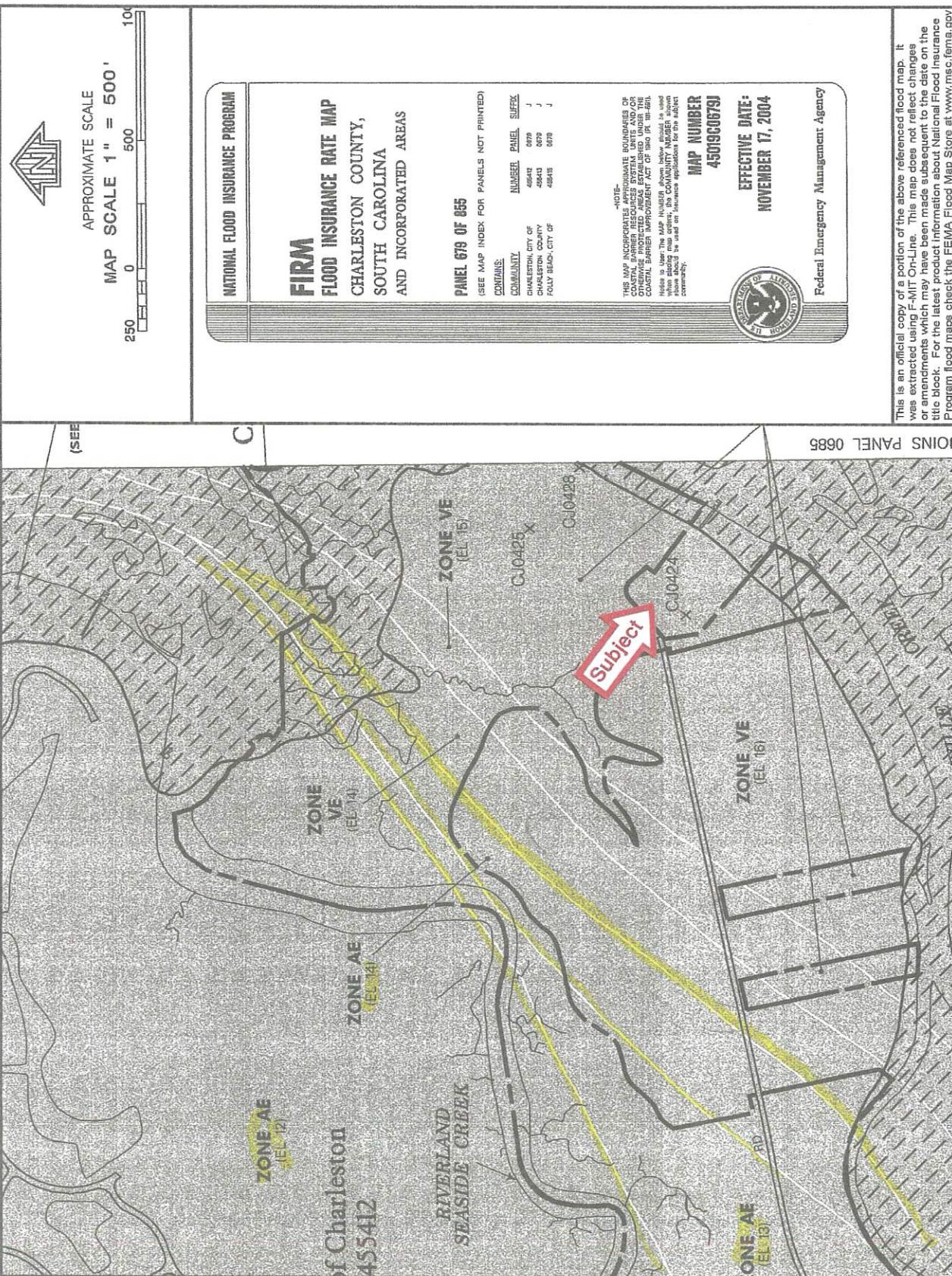
We have not been provided with a recent survey parcel 002. For the purpose of this report, we have relied on information provided by Plat Book J62 at Page 292 dated March 9, 1956 for the shape and location of the site. We have relied on Charleston County records for the Tax Map number and its size. If the acreages or the configuration of parcel 002 are proven incorrect by a subsequent survey, our value indications could be affected.

Parcel 002 has approximately 307 feet of frontage on the marshes of Clark Sound and approximately 191 feet of frontage on Fort Lamar Road Extension. The main house (3,168 sq. ft.) was constructed about 1820, and the guest house (1,089 sq. ft.) and garage were significantly improved in 1990. The dock and boatlift give access to deep water, Secessionville Creek.

Parcel 002 is fairly rectangular in shape and has functional depth relative to its width. The land falls toward the creek from Fort Lamar Road. The main house is located near the deep water creek. The main entrance to the parcel is from Fort Lamar Road and it is guarded by electrically operated iron gates.

Parcel 035 is a vacant site, triangular in shape, and covered with natural vegetation with marsh views. It is located across Fort Lamar Road Extension from parcel 002. Parcel 035 contains 0.360 acres of highland and 0.348 acres of marsh. The marsh land is located in the northwest portion of the triangle. The highland is somewhat narrow and triangular in shape. It has a potential home site near its southeast corner.

Electricity is provided to the site by South Carolina Electric and Gas, Company. Parcel 002 is within the Charleston Water System water service area and is not within the CWS sewer service area. The City of Charleston provides fire and police services. Waste water is collected by a septic tank.



This is an official copy of a portion of the above referenced flood map. It was extracted using FIRM CnL-he. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps, check the FEMA Flood Map Store at www.msic.fema.gov

FORT LAMAR ROAD FACING WEST



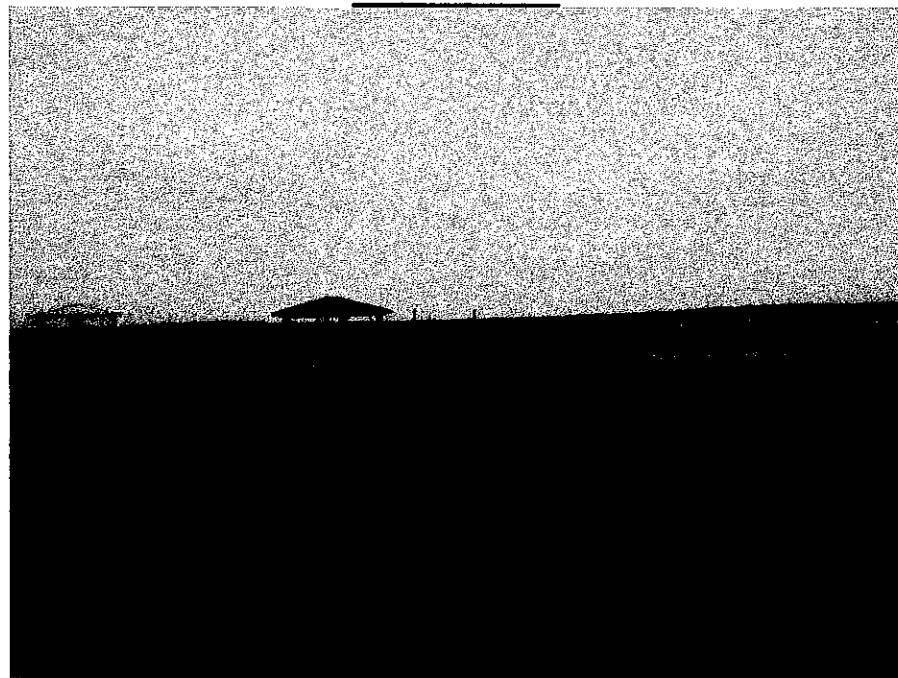
PARCEL 002



PARCEL 035



MARSH VIEW



DESCRIPTION OF IMPROVEMENTS

There are two buildings on parcel 002 that are considered to contribute to the value of the property. They are the main residence and the guest house/garage. In this appraisal we have estimated the value of parcels 002 and 035 (combined) as encumbered by a December 18, 2014 conservation easement. The impact on improvement value by the December 20, 1985 conservation easement was significant, and the December 18, 2014 conservation easement contained no further restrictions. Hence, in this report we appraised parcel 002 as vacant since no improvements were further impacted.

Other site improvements include remote controlled entrance gates, greenhouse, swimming pool, septic tank and dock with boat lift.

HIGHEST AND BEST USE/ZONING

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

"The reasonably probable use that produces the most benefits and highest land value at a given time." 1

The highest and best use of an improved property is defined as:

"The reasonably probable use of property that results in the highest value."2

Any 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 as improved should consider four criteria. They are listed below:

- 1) Physically Possible
- 2) Legally Permissible
- 3) Financially Feasible
- 4) Maximally Productive3

Uses that meet the first three reasonably probable uses are tested for economic productivity, and the reasonably probable use with the highest value is the highest and best use.

1 *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, page 333

2 *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, page 332

3 *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, page 343

ZONING

Parcel 002:

According to the City of Charleston records, Parcel 002 is located in the Rural Residential (RR-1) zoning district. This zoning allows residential, agricultural and silviculture uses as well as most other uses allowed in the SR districts. RR-1 requires a minimum residential lot size of 12,500 square feet and limits density to 3.5 units per acre.

Parcel 035:

According to the Charleston County records, Parcel 035 is located in the Suburban Residential/Residential Low Density (R-4) zoning district. The R-4 zoning district requires a minimum residential lot size of 7,250 square feet with public water and sewer; 10,000 square feet with public water or sewer; or 14,500 square feet without public water and sewer and density is limited to 4 units per acre. Charleston County records in Plat Book EH at Page 342, dated October 30, 2001, shows Lot 6 (TMS # 431-04-00-035) to be the parcel north of Fort Lamar Road Extension. A note on the plat states "Lots 6 & 7 will have public water from Charleston CPW."

HIGHEST AND BEST USE PRIOR TO DECEMBER 18, 2014 EASEMENT

Parcel 002:

Parcel 002 contains 2.7 acres of highland and fronts on a deep water creek. For appraisal purposes, we assumed parcel 002 to be vacant. This analysis considers the December 29, 1985 conservation easement granted on this parcel.

Physically Possible

For purposes of this appraisal, although it has existing improvements, we have assumed parcel 002 to be vacant. Obviously, it is capable of supporting construction similar to that located in the immediate neighborhood. The shape of the parcel is rectangular, and it is large enough to support numerous types of development. We are unaware of any potentially hazardous materials located on the parcel, and we know of no physical limitations to its development.

Legally Possible

The parcel is zoned Rural Residential (RR-1) by Charleston County officials. This zoning allows residential, agricultural and silviculture uses as well as most uses allowed in the SR districts. RR-1 requires a minimum

residential lot size of 12,500 square feet and limits density to 3.5 units per acre. Its use is restricted by a permanent conservation easement granted to Historic Charleston Foundation on December 20, 1985. This easement can be found in Charleston County records in Book T150 at Page 232. Per easement, the parcel cannot be subdivided and may only be developed with a single family residence along with a rental apartment (with kitchen) in the basement. In March 2001, an amendment to the 1985 conservation easement allowed a garage with attached two unit apartment to be constructed on the site of the old caretaker's cottage. No other new construction or exterior expansion of existing structures is allowed. Other limitations are contained in the deed of conservation easement recorded in Charleston County Records in Book T150 at Page 232. We noticed no encroachments that would otherwise impede or restrict development on the subject parcel.

Financially Feasible

Financially feasible uses for a parcel are those that provide a return on the investment in the property. These uses must also be physically possible and legally permissible. The surrounding area indicates that residential uses are financially feasible. Commercial use of any scale is not in evidence, and a change in zoning to allow such use would be highly speculative. The parcel's location, creek frontage, zoning and its access to primary roads suggest its most reasonable use, if vacant, would be residential development. Considering the December 20, 1985 conservation easement, size of the parcel, its location, creek frontage and access, we feel that use as a private estate would be financially feasible for this parcel prior to consideration of the December 18, 2015 conservation easement.

Maximally Productive

Considering the parcel's characteristics, it could support various residential uses. The use that is projected to produce the highest relative value considering risk is regarded as the maximally productive use for a particular parcel. In the case of parcel 002, considering the December 20, 1985 conservation easement, its characteristics and access to deep water, residential development as a private estate would be its most productive use prior to consideration of the December 18, 2014 conservation easement.

Parcel 035:

Parcel 035 contains 0.360 acres of highland and 0.348 acres of marsh. It is vacant and covered with natural vegetation.

Physically Possible

Parcel 035 is vacant. The shape of the parcel is triangular, and the small size and narrow shape of the highland would limit its use. We are unaware of any potentially hazardous materials located on the parcel, and we know

of no other physical limitations to its development. As shown on Charleston County records in Plat Book EH at page 342, Charleston Water System will provide water to Parcel 035 and all lots will have septic tanks.

Legally Possible

The tract is zoned Low Density Residential (R-4). This zoning allows Single Family Residential use with a maximum density of 4 units per acre. We noticed no encroachments that would impede or restrict development on this parcel prior to consideration of the December 18, 2014 conservation easement.

Financially Feasible

Financially feasible uses for a parcel are those that provide a return on the investment in the property. These uses must also be physically possible and legally permissible. The surrounding area indicates that residential uses are financially feasible. Commercial use of any scale is not in evidence, and a change in zoning to allow such use would be highly speculative. The parcel's location, zoning and its access to primary roads suggest its most reasonable use is residential development. Considering the size of the parcel, its location and access, we feel that development with a single family residence would be financially feasible for this parcel prior to consideration of the December 18, 2014 conservation easement.

Maximally Productive

Considering the parcel's zoning, access and location, it could support residential use. The use that is projected to produce the highest relative value considering risk is regarded as the maximally productive use for a particular parcel. In the case of parcel 035, considering its zoning, characteristics and location, we feel that single family development could be very productive. Based on this, we conclude that the maximally productive use of the parcel would be for development with a single family residence prior to consideration of the December 18, 2014 conservation easement.

HIGHEST AND BEST USE AFTER CONSERVATION EASEMENT

The restrictions on the physical improvements on Parcel 002 by the December 18, 2014 conservation easement are similar to those imposed by the December 20, 1985 conservation easement and are considered equivalent; therefore, we have appraised both parcels as if they were vacant. When the December 18, 2014 conservation easement is compared to the December 20, 1985 conservation easement dated December 20, 1985, there are additional restrictions that mainly pertain to vacant Parcel 035. These new restrictions in the December 18, 2014 conservation easement are:

1. Paragraph 40 - Parcel 002 and Parcel 035 shall remain in common ownership, and no interest in either shall be conveyed separate and/or apart from the other.
2. Paragraph 2 – Parcel 035 is to remain in its natural vegetative state. No construction or erection of any structure of any type is allowed. Only specific signs are allowed.

These requirements have no effect on the value of Parcel 002.

Physically Possible

All uses of Parcel 002 and Parcel 035 are still physically possible after granting the December 18, 2014 conservation easement.

Legally Permissible

After granting the December 18, 2014 conservation easement, the only feasible use for Parcel 002 is for a private estate and for Parcel 035 is for open space.

Financially Feasible

The financially feasible uses for parcels 002 and 035 have been limited by the 1985 and 2014 conservation easements. Parcel 002 may only be feasibly used as a private estate, and Parcel 035 must remain as open space.

Maximally Productive

Based on the rights given up in the December 18, 2014 conservation easement and the information presented above, it is our opinion that with the easement in place, the highest and best uses for Parcel 002 is for a private estate, open space for parcel 035.

ASSESSMENT/PROPERTY TAXES

Real Estate in Charleston County is appraised at 100% of its market value. Owner occupied, single family residences are assessed at 4%. Owner occupied single family residences also enjoy a property tax relief (PTR). The PTR reduces the total property tax before exemptions by multiplying the school board operating millage (0.1005) by the assessed value of the property. This relief is not applied to properties such as Parcel 035 with an assessment ratio of 6%. For tax year 2014, parcel 002 was appraised by the Charleston County Tax Assessor for \$1,835,000 with an assessment ratio of 4%. The city and county 2014 combined millage in Tax District 3-5 where the subject is located is 263.9. For tax year 2014, parcel 035 was appraised by the Charleston County Tax Assessor for \$131,000 with an assessment ratio of 6%. The county 2014 millage in Tax District 3-1 where the subject is located is 236.5.

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 tax was implemented in 1991. Since the cost for providing municipal services continues to rise, without the benefit of the local option sales tax, taxes would be higher in succeeding years. The tax credit factor in this area for 2014 was 0.00080 for the City of Charleston and 0.00089 for Charleston County.

After adjustments for school taxes, tax credits and other factors, the 2014 tax bill for parcel 002, as improved, was \$8,627.94. The 2014 tax bill for parcel 035 was \$1,622.83.

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 parcel, 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 parcel. Since many of these forces are unpredictable, we feel it is necessary to qualify any marketing estimate.

Since the subject parcels highest and best uses are restricted by a December 18, 2014 conservation easement, their purchaser would most likely be an individual interested in such parcels. Even still, based upon activity taking place on similar properties in Charleston County, it is our opinion 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 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 tract properly priced would have been one year.

THE APPRAISAL PROCESS

In the foregoing sections of this report, we have examined and discussed the subject parcels. 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 parcels. The subject parcels 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 principle 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 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 Market Data 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, the Cost Approach, the Income Capitalization Approach and the Sales Comparison Approach were considered for use in this report. The Site Valuation was performed using techniques of the Sales Comparison Approach. The improvements to the site were inspected, but, for appraisal purposes, Parcel 002 was assumed to be vacant (Parcel 035 is vacant).

The Income Capitalization Approach to value was not of use since properties of this type are not typically bought and sold for their income producing characteristics. The Sales comparison Approach was utilized to estimate the value of the subject parcels only. Information on sales used for comparison to the subject was obtained from courthouse records, local brokers, grantors/grantees and office files. All data considered to be pertinent to the value of the subject parcels was considered in this report. Adjustments between sales and the subject parcels were made for reasons to be discussed later in this appraisal. The indications from the comparable sales were then correlated into opinions of fee simple values of the subject parcels.

After the value of Parcel 002 subject to the December 20, 1985 conservation easement was estimated and the value of vacant parcel 035 (unencumbered) was estimated, it was then necessary to estimate the value of the "joined in common ownership" Parcel 002 and Parcel 035 after the December 18, 2014 conservation easement was granted. This was done by analyzing the December 18, 2014 conservation easement and the impact of each of the restrictions upon the prior value of the parcels. The value estimated after granting the December 18, 2014 conservation easement was then subtracted from the sum of the prior value estimates yielding the value of the December 18, 2014 conservation easement.

According to Treasury Regulation Section 1.170A-14(h) (3), "the value of a charitable contribution of a perpetual conservation restriction is the fair market value of the perpetual conservation restriction at the time of the contribution." Further, if there is a substantial record of sales of easements comparable to the donated easement (such as purchases pursuant to a government program), the fair market value of the donated easement is based on the sales prices of such comparable easements. If no substantial record of market-place sales is available to use as a meaningful or valid comparison, as a general rule...the fair market value of a perpetual conservation restriction is equal to the difference between the fair market value of the property it encumbers *before* the granting of the restriction and the fair market value of the encumbered property *after* the granting of the restriction."

Contiguous Property Rule: According to Treasury Regulation 1.170A-14(h) (3), the permitted deduction in the

case of a conservation easement that encumbers only a portion of a "contiguous property owned by a donor and the donors family...is the difference between the fair market value of the entire contiguous parcel of property before and after the granting of the restriction."

Enhancement Rule (Related Party Property): For all restrictions granted after January 14, 1986 which have "the effect of increasing the value of any other property owned by the donor or a related person, the amount of the deduction for the conservation contribution shall be reduced by the amount of the increase in the value of the other property, whether or not such property is contiguous."

According to the conservation easement placed on the subject tract, the tract may not be subdivided as it is presently by the road. Under existing zoning the tract could have been subdivided into Parcel 002 and Parcel 035 prior to the granting of the easement. This subdivision prohibition as well as other easement restrictions have negatively impacted the fee simple value of the subject parcel. The value of the tract after the granting of the conservation easement was estimated by the Sales Comparison Approach. This process will be explained later in this report. The difference between the estimates of values prior to and after granting the conservation easement must be offset by any potential financial enhancement to commonly owned nearby land or nearby land owned by related parties. The resulting figure is the value estimate of the conservation easement. There are no such properties located nearby.

SITE VALUATION

We have searched James Island and the local market for sales of sites similar in size and character to the subject tract. Details of those chosen for comparison 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, price per site and price per acre. The one felt to be of most significance in comparing the sales to the subject parcels is price per acre. Factors considered in the site valuation are time of sale, conditions of sale, location of the site, size of the site, topography and amenities.

By including a number of sales, it is possible to bracket the fee simple market value of the subject tract. The market generally indicates that smaller tracts sell for a greater price per unit 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 tract.

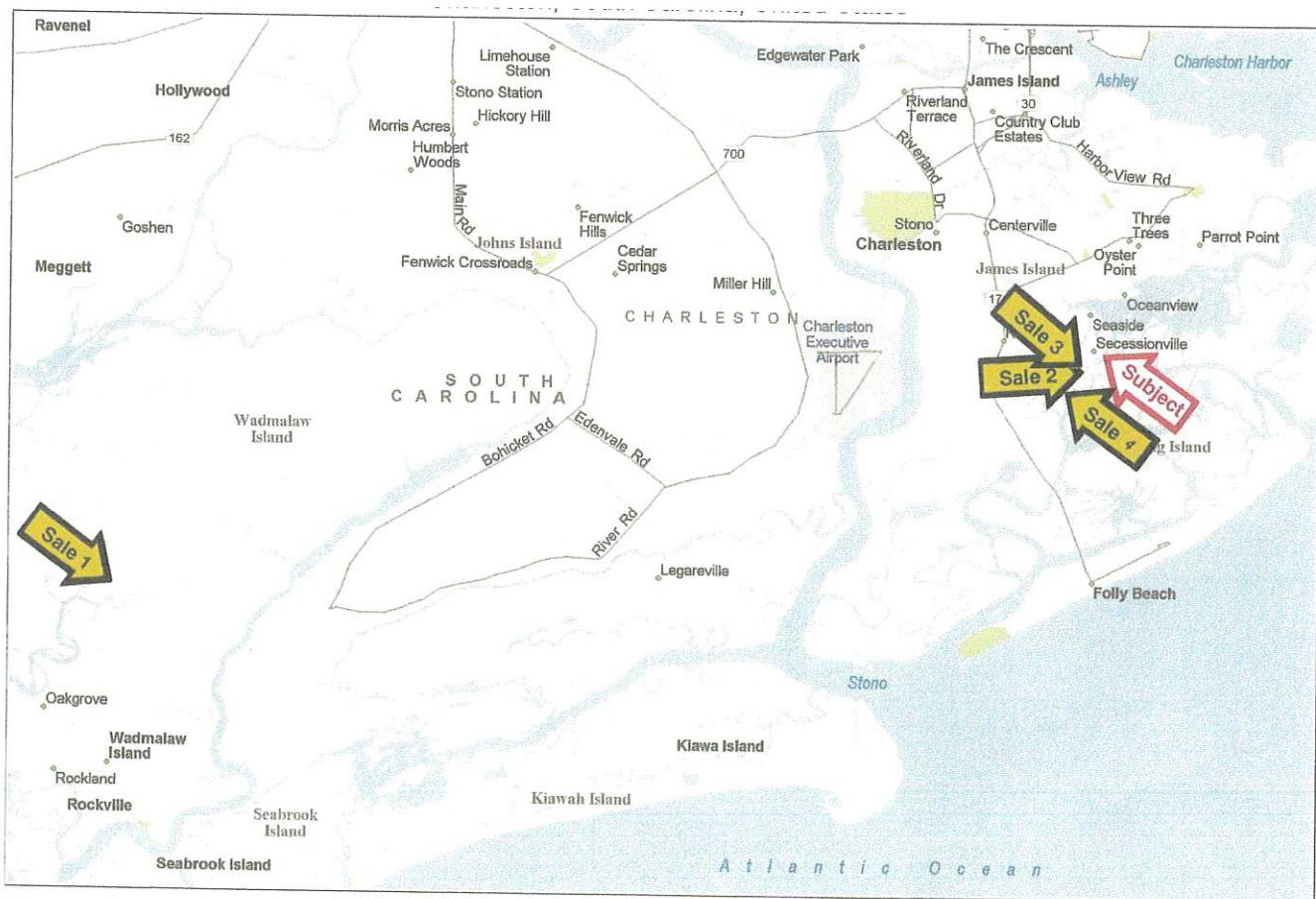
Sales cited in this report were analyzed for changes in value due to changing market conditions. This analysis is best conducted by comparing a sale and resale of the same property that occurred within the study period. In late 2007 the real estate market flattened, and no increases in prices were seen for a while. The sales cited in this appraisal occurred in 2013, 2014 and 2015, and we have made no adjustments to them for changing market conditions.

On the following page is a sheet summarizing each sale and listing used for comparison to the subject tract. Following this is a location map and individual analysis sheets on each of the comparable sales.

SUMMARY OF SALES - PARCEL 002

DEEP WATER SALES

| Sale | Sale / List Date | Location | Sale Price | Size SF (High) | \$/ sf(High) |
|------|------------------|-------------------|-------------|----------------|--------------|
| 1 | 4/27/2015 | Lot 2 & 3 Selkirk | \$1,250,000 | 326,744 | \$3.83 |
| 2 | 11/14/2014 | 34 Back Creek Rd | \$405,000 | 30,928 | \$13.09 |
| 3 | 6/25/2015 | 32 Back Creek Rd | \$440,000 | 31,537 | \$13.95 |
| 4 | 12/19/2013 | 1207 Ft Lamar Rd | \$490,000 | 101,495 | \$4.83 |

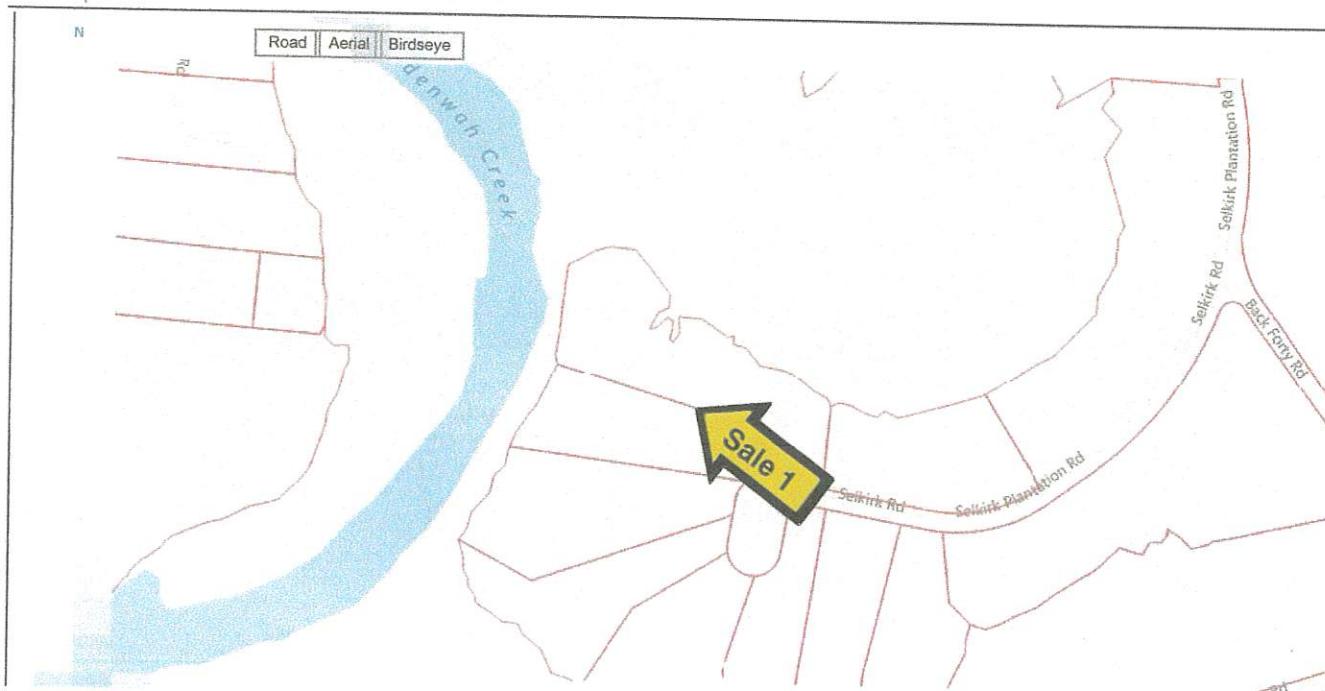


Sales map

LAND SALE NO. 1

LOCATION : Lots 2 & 3 Selkirk Plantation, Wadmalaw, SC
SALE PRICE : \$1,250,000
DATE OF SALE : April 26, 2015
GRANTOR : Richard S. Braddock, Jr.
GRANTEE : TBLB Real Estate Holdings, LLC
SIZE : 4.814 Acres (Lot 2) (Including 0.34 Ac Pond)
& 3.027 Acres (Lot 3) - 7.84 ac total, 7.501
ac high
DEED BOOK & PAGE : 0472/252 & 0472/261
TAX MAP NUMBERS : 155-00-00-009 & 155-00-00-010
UNIT OF COMPARISON
AND AMOUNT : \$3.83/SF

Purchased in two transactions: \$650,000 for Lot 2 on 4/26/15, \$600,000 for Lot 3 on 4/26/15 - vacant, agricultural tract - slightly irregular shape with approx. 1,750' of marsh frontage on deep water, Leadenwah River - existing dock - Conservation Easement held by Lowcountry Open Land Trust.



DISCUSSION - MARSH

All the comparable sales are vacant lots that are well suited for residential development. All are restricted in use and are considered to be similar in highest and best use to the subject lot. 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 parcels sell for a smaller per unit price than smaller parcels. Other adjustments are necessary to the comparable sales in comparison to the subject tract for reasons previously cited. Prior to making comparisons, it is necessary to recognize changes in prices due to changing market conditions. We have seen no consistent change in market conditions in 2013, 2014 and 2015 when all sales cited in this report occurred; therefore, we have made no adjustments for market conditions. A summary of the sales follows:

| Sale Number | Date of Sale | Market Adjustments | \$ per SF High |
|-------------|--------------|--------------------|----------------|
| 1 | April-15 | 0 | \$3.83 |
| 2 | November-14 | 0 | \$13.10 |
| 3 | June-15 | 0 | \$13.95 |
| 4 | December-13 | 0 | \$4.83 |

By collecting a variety of sales for comparison to the subject tract, some of the market inequities are overcome, and a range of value for the subject tract is more accurately estimated. After making adjustments to each sale for the reasons described below, 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 tract.

SALES ANALYSIS

Sale 1 is a 7.84 acre lot with 7.501 acres of highland. The lot is located in Selkirk Plantation, on Wadmalaw Island, SC. Sale 1 is larger than the subject, requiring a positive 40% adjustment. Due to Sale 1's more remote location on Wadmalaw Island, a positive 10% location adjustment is necessary. Its shape is similar requiring no adjustment. Its access is similar requiring no adjustment. Its deep water frontage is significantly superior requiring a negative 5% adjustment. Its view is inferior when compared to the subject's requiring a positive 5% adjustment. The conservation easement on Selkirk plantation is similar to the subject's requiring no adjustment. No other adjustments are required. After consideration of all these features, an overall positive adjustment of 50% has been applied to Sale 1 indicating a price per square foot for the subject tract of \$5.75.

Sale 2 is a 0.92 acre lot with 0.71 acres of highland located on Back Creek Road in the Village of Secessionville on James Island. The size of this lot is smaller than the subject lot requiring a negative 60% adjustment. Due to Sale 2's similar location no location adjustment is necessary. Sale 2's view is somewhat inferior to the subject's requiring a positive 5% adjustment. The conservation easement on The Village of Secessionville lot is similar to the subject's requiring no adjustment. No other adjustments are required. After consideration of all these features, an overall negative adjustment of 55% is required. Sale 2 indicates a price per square foot for the subject tract of \$5.90.

Sale 3 is a 1.58 acre lot with 0.724 acres of highland located on Back Creek Road in the Village of Secessionville on James Island. The size of this lot is smaller than the subject lot requiring a negative 60% adjustment. Due to Sale 3's similar location, no location adjustment is necessary. Sale 3's view is somewhat inferior to the subject's requiring a positive 5% adjustment. The conservation easement on The Village of Secessionville lot is similar to the subject's requiring no adjustment. No other adjustments are required. After consideration of all these features, an overall negative adjustment of 55% is required. Sale 3 indicates a price per square foot for the subject tract of \$6.28.

Sale 4 is a 2.39 acre lot with 2.33 acres of highland. It is located on James Island on Ft Lamar Road. The size is similar to the subject's, requiring no adjustment. The view is similar to the subject's requiring no adjustment. Its location is similar requiring no adjustment. The tidal creek on Sale 4 is much more restrictive than the subject's requiring a positive 30% adjustment. The deed restrictions on Sale 4 are less restrictive when compared to the conservation easement of the subject, as they do not restrict all of the lot, requiring a negative 5% adjustment. Overall, a positive 25% adjustment is required. Sale 4 indicates a price per square foot for the subject lot of \$6.03.

Following is an adjustment chart that summarizes the overall adjustments applied to the comparable sales and the indicated prices per highland square foot for the subject lot.

ADJUSTMENT CHART

| Sale # | Unadjusted Price per SF (high) | Overall Adjustment % | Adjusted price per SF (high) |
|--------|--------------------------------|----------------------|------------------------------|
| 1 | \$3.83 | 50 | \$5.75 |
| 2 | \$13.10 | -55 | \$5.90 |
| 3 | \$13.95 | -55 | \$6.28 |
| 4 | \$4.83 | 25 | \$6.03 |

All of the sales are similar lots with similar highest and best uses when compared to the subject lot, all have restrictions on their use, and all are located in Charleston County. Sales used are the most comparable sales of encumbered residential lots available. After adjustments, the price per highland square foot indicated for the subject lot by the comparable sales ranges from \$5.75 to \$6.28. Sale 3 indicates the highest price per square foot for the subject, and it is the most recent sale. The average of the adjusted prices per square foot is \$5.99, and the median price per square foot is \$5.97. With equal consideration given to all sales, it is our opinion that the price per highland square foot indicated for the subject

tract is \$6.00. Consequently;

117,612 Sq. Ft. x \$6.00/Sq. Ft. = \$705,672

**ESTIMATED ENCUMBERED MARKET VALUE OF PARCEL 002 AS VACANT, AS OF
December 18, 2014, (rounded) \$705,700**

SUMMARY OF SALES - PARCEL 035

MARSHFRONT SALES

| Sale # | Sale Date | Location | Sale Price | \$/SF High |
|--------|------------|--------------------|------------|------------|
| 1 | 5/15/2015 | 7 Needleggrass Ln | \$87,000 | \$19.02 |
| 2 | 10/21/2014 | 1682 Tower Battery | \$91,000 | \$6.07 |
| 3 | 11/26/2013 | 1387 Tidal Creek | \$95,000 | \$6.41 |

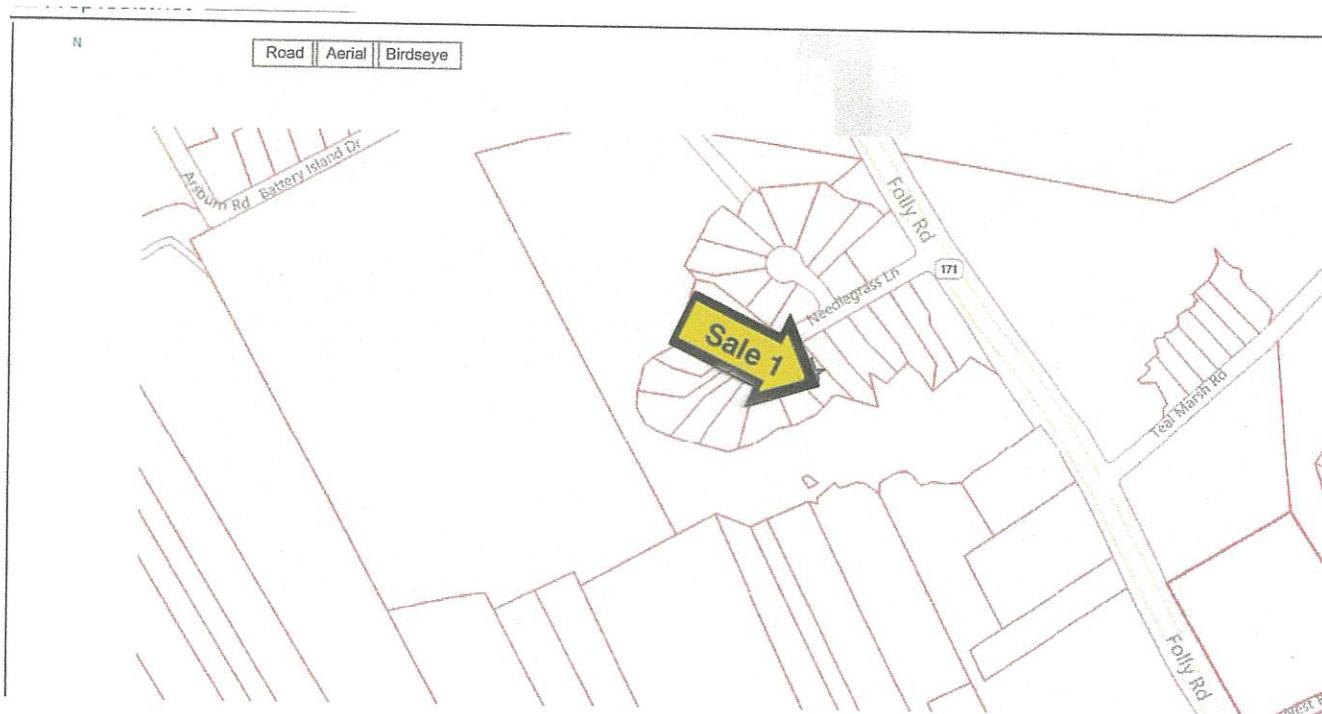
Sales Map



LAND SALE NO. 1

LOCATION : 7 Needlegrass Lane, James Island
SALE PRICE : \$87,000
DATE OF SALE : 5/15/15
GRANTOR : Angelo Richardson
GRANTEE : Edward Pennetti & Shannon Pennetti
SIZE : 0.312 acres, 0.105 High
DEED BOOK & PAGE : 0476 / 519
TAX MAP NUMBERS : 331-06-00-071
UNIT OF COMPARISON
AND AMOUNT : \$19.02/SF

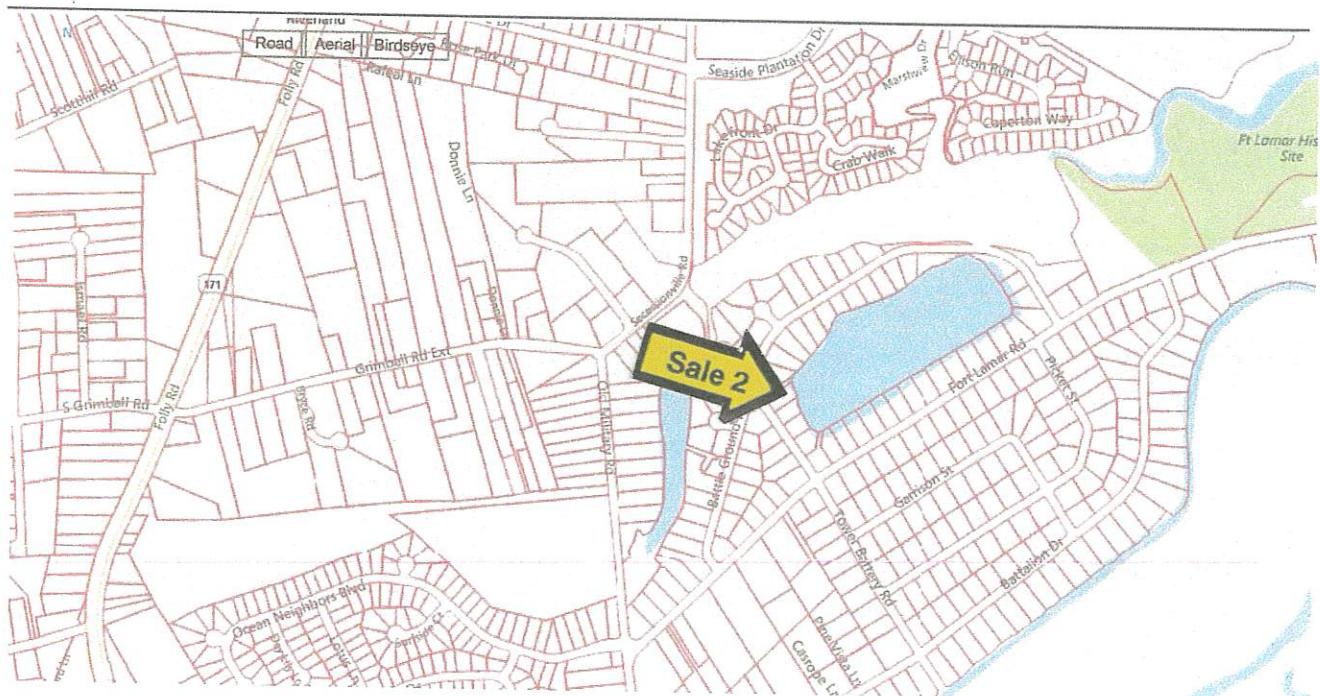
Vacant lot in Beachcomber subdivision - rectangular shape with approx. 70' of marsh frontage



LAND SALE NO. 2

LOCATION : 1682 Tower Battery, James Island, SC
SALE PRICE : \$91,000
DATE OF SALE : 10/21/14
GRANTOR : Susan Eunice Oltman
GRANTEE : D&M Construction
SIZE : 0.344 acre high,
DEED BOOK AND PAGE : 0437 / 563
TAX MAP NUMBER : 431-02-00-135
UNIT OF COMPARISON
AND AMOUNT : \$6.07/SF (high)

In Ft Lamar subdivision - on lake -



DISCUSSION

All the comparable sales are vacant lots that are well suited for residential development. All are considered to be similar in highest and best use to the subject lot. 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 parcels sell for a smaller per unit price than smaller parcels. Other adjustments are necessary to the comparable sales in comparison to the subject tract for reasons previously cited. Prior to making comparisons, it is necessary to recognize changes in prices due to changing market conditions. We have seen no consistent change in market conditions in 2013, 2014 and 2015 when all sales cited in this report occurred; therefore, we have made no adjustments for market conditions. A summary of the sales follows:

| Sale Number | Date of Sale | Market Adjustment | \$ per SF |
|-------------|--------------|-------------------|-----------|
| 1 | 5/15/2015 | 0 | \$19.02 |
| 2 | 10/21/2014 | 0 | \$6.07 |
| 3 | 11/26/2013 | 0 | \$6.41 |

By collecting a variety of sales for comparison to the subject tract, some of the market inequities are overcome, and a range of value for the subject tract is more accurately estimated. After making adjustments to each sale for the reasons described below, 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 tract.

SALES ANALYSIS

Sale 1 is a 0.312 acre lot with 0.105 acres of highland. The lot is located in Beachcomber Club on James Island. Sale 1 is smaller than the subject, requiring a negative 70% adjustment. Sale 1's location is inferior to the subject's requiring a positive 10% adjustment. Its shape is rectangular requiring a negative 5% adjustment. Its access is similar requiring no adjustment. Its marsh frontage is similar requiring no adjustment. Its view is similar requiring no adjustment. No other adjustments are required. After consideration of all these features, an overall negative adjustment of 65% has been applied to Sale 1 indicating a price per square foot for the subject site of \$6.66.

Sale 2 is a 0.344 acre lot located on Tower Battery in Ft Lamar subdivision on James Island. The size of this lot is similar to the subject's requiring no adjustment. Due to Sale 2's similar location, no adjustment is necessary. Sale 2's lake view is somewhat similar to the subject's marsh view in desirability requiring no adjustment. After consideration of all these features, no overall is required. Sale 2 indicates a price per square foot for the subject site of \$6.07.

Sale 3 is a 0.34 acre lot located on Tidal Creek Cove in Seaside Estates on James Island. The size of this lot is similar to the subject's requiring no adjustment. Due to Sale 3's similar location, no adjustment is necessary. Sale 3's tidal creek frontage is superior to the subject's view requiring a negative 5% adjustment. No other adjustments are required. After consideration of all these features, an overall negative adjustment of 5% is required. Sale 2 indicates a price per square foot for the subject site of \$6.09.

ADJUSTMENT CHART

| Sale Number | Unadjusted Price per SF | Overall Adjustment | Adjusted Price per SF |
|-------------|-------------------------|--------------------|-----------------------|
| 1 | \$19.02 | -65% | \$6.66 |
| 2 | \$6.07 | 0% | \$6.07 |
| 3 | \$6.41 | -5% | \$6.09 |

All of the sales are similar lots with similar highest and best uses when compared to the subject lot, and all are located in Charleston County. Sales used are the most comparable sales of residential vacant lots available. After adjustments, the price per highland square foot indicated for the subject lot by the comparable sales ranges from \$6.07 to \$6.66. Sale 3 indicates the highest price per square foot for the subject and it is the most recent sale. The average of the adjusted prices per square foot is \$6.27, and the median price per square foot is \$6.09. With most consideration given to sales 2 and 3, it is our opinion that the price per highland square foot indicated for the subject site is \$6.25. Consequently;

15,682 Sq. Ft. x \$6.25/Sq. Ft. = \$98,013

ESTIMATED FEE SIMPLE VALUE OF PARCEL 035, AS OF December 18, 2014,
(rounded) \$98,000

CONSERVATION EASEMENT

The owners of the subject tracts (Parcels 002 and 035) donated a conservation easement on the combined 3.06 acres of Parcel 002 (2.70 acres) and Parcel 035 (0.36 acres high) to The Historic Charleston Foundation, Inc. on December 18, 2014. A copy of the easement is located in the addenda of this report. Parcel 002 was previously encumbered by an open space and façade easement held by The Historic Charleston Foundation, Inc. dated December 20, 1985. We have analyzed the 1985 and 2014 easements on parcel 002 and consider them to have equivalent effects on the value of parcel two as improved. The significant difference between the easements is that the December 18, 2014 easement requires that parcel 035 shall remain at all times in its natural vegetative state; be combined with parcel 002; and be perpetually joined in common ownership.

In this appraisal, we have assumed parcel 002 to be vacant. We feel the estimated value of the improvements as encumbered by the December 20, 1985 easement and the December 20, 2014 easement are very similar. Therefore, we previously estimated the encumbered value of parcel 002 as vacant. We separately estimated the value of Parcel 035 prior to granting the conservation easement since its best use was independent development.

When considering the value of the combined tract, it must be recognized that Parcel 035 is physically separated from Parcel 002 by a common access easement, Ft Lamar Road Extension. The December 18, 2014 conservation easement requires that parcel 035 remain undeveloped and in its natural vegetative state. As such, it is our opinion that a purchaser of Parcel 002 would not recognize any additional value in Parcel 035 when purchasing the combined parcels. Parcel 002 is of a substantial size to provide great utility on its 2.70 contiguous acres, and Parcel 035 brings no utility to the combined tract.

MARKET VALUE ESTIMATE - PARCELS 002 & 035 AFTER DECEMBER 18, 2014
CONSERVATION EASEMENT:

Parcel 002 - \$705,700
Parcel 035 - \$0

TOTAL MARKET VALUE ESTIMATE \$705,700

VALUE ESTIMATE OF PARCELS 002 AND 035 CONSIDERING THE DECEMBER 18,
2014 CONSERVATION EASEMENT BY THE SALES COMPARISON APPROACH AS OF
DECEMBER 18, 2014

SEVEN HUNDRED AND FIVE THOUSAND - SEVEN HUNDRED DOLLARS
(\$705,700)

| SUMMARY OF VALUE ESTIMATES | | |
|--------------------------------------------|-----------|----------|
| Before Conservation Easement | \$803,700 | |
| After Conservation Easement | \$705,700 | |
| VALUE ESTIMATE OF CONSERVATION EASEMENT | | \$98,000 |

VALUE ESTIMATE OF THE DECEMBER 18, 2014 CONSERVATION
EASEMENT AS OF December 18, 2014 IS:

NINETY EIGHT THOUSAND DOLLARS
(\$98,000)

A D D E N D A

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 degree in English

PROFESSIONAL DESIGNATIONS

MAI - Member, Appraisal Institute
SRA - Senior Residential Appraiser, Appraisal Institute

BUSINESS AND PROFESSIONAL AFFILIATIONS

Appraisal Institute - South Carolina Chapter - President 2000
Board of Zoning Appeals - City of Charleston - 1990-Present
Charleston Advisory Board of Directors - Carolina First Bank - 1997-2010
Charleston Trident Board of Realtors
Charleston Chamber of Commerce
Institute of Financial Education, President 1979-1980
Licensed Broker - State of South Carolina - Since 1972
Lowcountry Savings Bank - Chairman of the Board - 1988-1997
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 Open Land Trust, Appraisal Institute
The Citadel Business School Hall of Fame

EDUCATION

| | |
|------------------------------------------------------------------------|---------------------------|
| 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 |
| Appraising for AMC's: Understanding their Guidelines | - 2009 - Columbia, SC |
| A Lenders Perspective: The Role of the Appraiser | - 2009 - Columbia, SC |
| National USPAP Update | - 2009 - Columbia, SC |
| Property Tax Reform Act of 2006: Its Effect on Market Value | - 2008 - Blowing Rock, NC |
| Federal & State Legislative & Regulatory Update | - 2008 - Columbia, SC |
| Spotlight on USPAP: Common Errors & Issues | - 2008 - Columbia, SC |
| Analyzing Distressed Real Estate | - 2007 - Charleston, SC |
| Spotlight on USPAP-Hypothetical Conditions | - 2007 - Columbia, SC |
| The Valuation of Wetlands | - 2007 - Columbia, SC |
| Business Practices & Ethics | - 2007 - Columbia, SC |
| National USPAP Update | - 2007 - Columbia, SC |
| Inverse Condemnation | - 2007 - Columbia, SC |
| New Technologies for the Appraiser | - 2007 - Columbia, SC |
| Challenges of Easements, Eminent Domain & ROW | - 2006 - Columbia, SC |
| Summary Appraisal Report | - 2006 - Columbia, SC |
| Feasibility Analysis | - 2006 - Columbia, SC |
| Small Hotel-Motel Valuation | - 2006 - Columbia, SC |
| Appraisal Scope of Work | - 2006 - Charleston, 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. 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 | S.C. Department of Transportation |
| Asset Management and Consulting Services (AMCS) | S.C. Public Service Authority |
| Atlantic Coast Life Insurance Company | S.C. State Ports Authority |
| Audubon Society | SCANA / S.C. Electric & Gas Company |
| Baker Motors of Charleston | South Coast Community Bank |
| Beaufort County | St. Andrews Public Service District |
| Beaufort Realty Company | Sun Bank & Trust Corporation of Florida |
| Beaufort County Open Land Trust, Inc. | Turner Enterprises, Inc. & Turner Broadcasting |
| Bank of South Carolina | The Beach Company |
| Berkeley-Charleston-Dorchester Council of Governments | The Citadel Military College of SC |
| Bon Secours-St. Francis Xavier Hospital | The Conservation Fund |
| Carolina First Bank | The Nature Conservancy |
| Catholic Diocese of Charleston | The Trust for Public Land |
| Charleston Naval Complex Redevelopment Authority | Town of Hollywood |
| Charleston Water System | Town of Mt. Pleasant |
| Cities of Charleston, North Charleston, Folly Beach and Goose Creek | Town of Sullivan Island |
| Clemson University | U.S. Army Corps of Engineers |
| Coastal Community Foundation | Wells Fargo |
| College of Charleston | Wetlands America Trust |
| 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 | Various other Banks, Mortgage Companies, |
| Exxon Corporation, USA | Attorneys and Individuals |
| 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 | |

Qualifications of Appraiser
Harold E. Marshall
Charleston Appraisal Service, Inc.
304 Meeting Street, Suite 201
Charleston, SC 29401

Biographical

Born in Hollidaysburg, PA – Currently resides in Charleston, SC

Business and Professional Affiliations

Practicing Affiliate of the Appraisal Institute
Certified Residential Real Estate Appraiser in state of South Carolina

Education

Graduated from the University of Kansas with a degree in Engineering Physics

Professional Courses and Seminars

Appraisal Courses offered by the Citadel:

| | |
|------------------------------------------------------------------|------|
| Fundamentals and Principles of Real Estate Appraisal (02-L1-206) | 2000 |
| Real Estate Appraisal Law Standards and Ethics (02-L3-208) | 2000 |
| Residential Case Study (02-CR-209) | 2000 |

Appraisal Courses offered by Trident Technical College:

| | |
|-------------------------------------------------------------|------|
| Market Data Analysis of Residential Real Estate (13-L2-1.2) | 2001 |
|-------------------------------------------------------------|------|

Appraisal Courses offered by Appraisal Institute:

| | |
|------------------------------------------------------|------|
| Basic Income Capitalization (01-C1-310) | 2003 |
| General Applications (01-C3-320) | 2004 |
| Business Practices and Ethics | 2014 |
| National USPAP Update Course 400 (001-CE-NSU) | 2014 |
| Condemnation Appraising: Principles and Applications | 2015 |

Appraisal Seminars offered by Appraisal Institute (2011+):

| | |
|-----------------------------------------------------------------------|------|
| Advanced Spreadsheet Modeling for Valuation Applications (CE-1103) | 2011 |
| USPAP Update (001-CE-NSU) | 2011 |
| Uniform Appraisal Dataset from Fannie Mae & Freddie Mac | 2011 |
| Spotlight on USPAP: Hypothetical & Extraordinary Conditions (CE-1253) | 2012 |
| Practical Regression Using Microsoft Excel | 2013 |

Employment History

January 1996 - Retired From US Navy as a Captain
96-98 -Consultant for Raytheon Naval Systems, Submarine Strategic Missile Program
98-00 - Director Sporting Classics Wingshooting School Sponsored by Beretta USA
01- Present - Fee Appraiser, Charleston Appraisal Service, Inc.

Partial List of Major Clients

| | | |
|--------------------------------|----------------------------------|--------------------|
| Bank of America | 1 st Federal of Chas. | NBSC |
| Charter Mortgage Group, Ltd | 1 st Union Bank | Wachovia |
| Financial Real Estate Services | Charleston Water Company | Carolina First |
| The Trust for Public Land | Atlantic Coast Life Ins Co. | Atlantic Savings |
| First Funding of Carolina | Mountain Bank, NC | IndyMac Bank |
| Bank of South Carolina | Znet Financial | City of Charleston |
| Citizens South Bank, NC | Regions Bank | Ivy Mortgage, NJ |
| Agency Mortgage Company | Oak Street Mortgage | M & T Invest |
| First Horizon Home Loans | SC State Ports Authority | Capital Mortgage |
| Sun Trust Mortgage | Community FirstBank | The Citadel |
| Northstar Mortgage | Raven Mortgage Bankers | Benchmark Mort. |
| Peoples Mortgage Services | SC Federal Credit Union | Summerville CPW |
| Synovus Trust Company | First Chatham Bank | Darby Bank |
| College of Charleston | Traders Real Estate Co. | Private Clients |
| SC Ctr for Equal Justice | DuPont Corporate Real Estate | Various Attorneys |
| City of North Charleston | KI Nat Habitat Conservancy | MUSC |
| City of Goose Creek | Daniel Island Mortgage | |

EVANS, CARTER, KUNES & BENNETT, P. A.
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115 CHURCH STREET
CHARLESTON, SOUTH CAROLINA 29401

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May 18, 2015

Ms. April Wood
Historic Charleston Foundation
40 East Bay Street
Charleston, South Carolina 20401

Dear April:

Historic Charleston Foundation has asked me to review certain documents so that I might advise it as to the facts behind a conservation easement deeded to it on December 18, 2014 by James L. Ferguson and Esther B. Ferguson as trustees of their respective revocable trusts.

My conclusion is that at the time the conservation easement was deeded by Mr. and Mrs. Ferguson, as trustees, there did not exist a conservation easement over the property described in the December 18, 2014 Deed of Conservation Easement as "Parcel Two".¹

Parcel Two appears to be the same real property conveyed as "Lot 6" on March 27, 2002 by Templeton & Huff, LLC to James L. Ferguson and Esther B. Ferguson by deed recorded in Book 401, page 902, in the Charleston County RMC Office. That deed states that the conveyance is "subject to the following to the extent presently applicable... 3. Deed of Conservation Easement (Residential Open Space) between Templeton & Huff, LLC and Historic Charleston Foundation dated December 31, 1998 and recorded in Book R-317 at page 369 in the RMC Office of Charleston County, South Carolina...". [Emphasis added.]

It appears to me, after examination of the relevant plats and other documents, that the aforesaid December 31, 1998 Deed of Conservation Easement is not "presently applicable" to Lot 6, and was not "presently applicable" on the date of the Deed of Conservation Easement to Historic Charleston Foundation on December 18, 2014.

¹ Parcel Two is described on Exhibit B to the deed of conservation easement as Lot 6 on a plat recorded in the Charleston County RMC Office in Plat Book EF at page 342, entitled "Subdivision Plat of an Existing Tract of 24.147 Ac. Owned by Templeton and Huff, LLC Located on James Island Charleston County, SC dated October 30, 2001, revised December 17, 2001", prepared by Forsberg Engineering & Surveying, Inc.

Ms. April Wood

May 18, 2015

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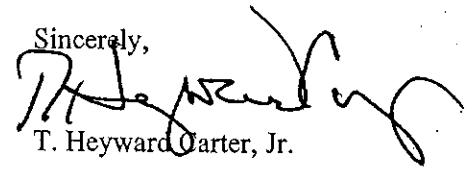
The December 31, 1998 Deed of Conservation Easement refers to an attached Exhibit A, which is a plat prepared by Forsberg Engineering & Surveying, Inc. dated December 18, 1998 entitled "Plat of an Existing Tract of 24.147 Ac. Showing Conservation Easements Owned by John S. Templeton and Charles M. Huff Located on James Island on Charleston County, S.C.".

The December 31, 1998 Deed of Conservation Easement also refers to an attached Exhibit A-1, which is a legal description of the property subject to the Deed of Conservation Easement. Exhibit A-1 describes a 7.862 acre tract of highland and a 3.922 acre tract subject to an Archeological Memorandum Agreement, as shown on the aforesaid plat dated December 18, 1998. The legal description does not include the real property later referred to as Lot 6.

I spoke with Mr. Daniel Forsberg, owner of Forsberg Engineering & Surveying, Inc. on May 12, 2015, who confirmed that the real property later referred to as Lot 6 was not included in the area to be subject to the December 31, 1998 Deed of Conservation Easement and depicted in the December 18, 1998 plat.

I am not a real estate attorney and this letter does not constitute a legal opinion, but is, rather, a statement as to my conclusion of the status of the real property in question after my examination of the relevant documents. It is given to and for the benefit on Historic Charleston Foundation, and should not be relied on by any other person. I would suggest, however, that Mr. and Mrs. Ferguson retain their own attorney to give them an opinion as to the effects to them of the December 18, 2014 Deed of Conservation Easement to Historic Charleston Foundation, as you advised in your letter to them dated September 19, 2014.

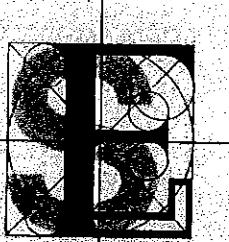
Sincerely,


T. Heyward Carter, Jr.

THCjr:shj

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cc: Mrs. Katharine S. Robinson
Michael C. Robinson, MAI



**FORSBERG
ENGINEERING
& SURVEYING
INCORPORATED**

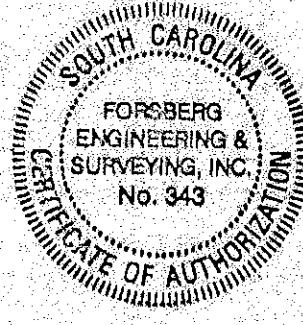
Affidavit of Daniel C. Forsberg, PE, PLS

July 21, 2015

I, Daniel C. Forsberg am a professional land surveyor in the State of South Carolina (Reg. No. 8402) and I have been surveying since 1982. I have been the president of Forsberg Engineering & Surveying, Inc. since its founding in 1983. On December 18, 1998 Forsberg Engineering & Surveying, Inc. prepared a plat of a 24.147 acre tract of land owned by John S. Templeton and Charles M. Huff, located on James Island at the terminus of Fort Lamar Road, Charleston County, SC. This plat was incorporated in a conservation easement granted by Templeton & Huff, LLC (Grantor) and Historic Charleston Foundation (Grantee) and recorded in the Charleston County RMC Office at Deed Book R317 pages 269-282. This plat shows the area of the conservation easement highland as 7.862 acres. The plat shows other highlands in addition to the 7.862 acres.

Subsequent to the December 18, 1998 plat, Forsberg Engineering & Surveying, Inc. prepared a subdivision plat of the 24.147 acres. Said plat is dated December 17, 2001 and is recorded in the Charleston County RMC office at Plat Book EF page 342. Said plat shows the creation of 7 lots, open space and a private road named Fort Lamar Extension. The present owner of Lot 6 is considering placing a conservation of Lot 6 as shown on said plat, and the question has arisen as to whether the former easement (R317 Pages 269-282) affects Lot 6. Forsberg Engineering & Surveying, Inc. has recovered the computer files used to prepare the two plats referenced above, and has determined that a small portion of existing Lot 6 is covered within the easement R317 Pages 269-282. The portion of Lot 6 covered includes 0.034 acres adjacent to Fort Lamar Extension at the easterly side of Lot 6. The attached exhibit dated July 20, 2015 depicts the area on Lot 6.

I hereby aver that the above is an opinion prepared by me based upon my knowledge and belief.



Dan Forsberg
Daniel C. Forsberg, PE, PLS
Professional Land Surveyor No. 8402



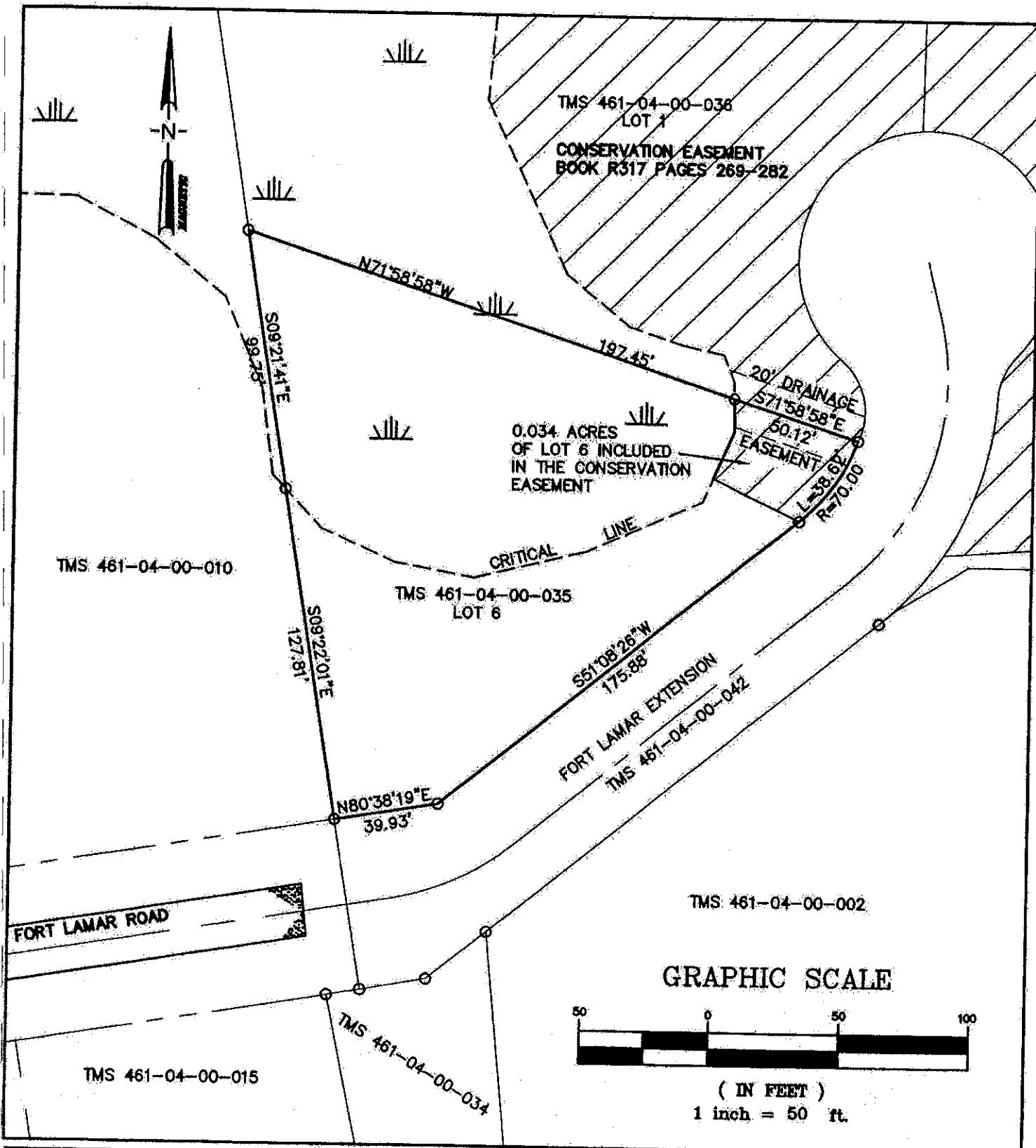


EXHIBIT SHOWING 0.034 ACRES OF THE CONSERVATION
 EASEMENT SITUATED ON LOT 6 (TMS 461-04-00-035)
 LOCATED ON JAMES ISLAND, CHARLESTON COUNTY, S.C.
 JULY 20, 2015 SCALE 1"=50'