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S.C. Supreme Court

THE STATE OF SOUTH CAROLINA
In the Supreme Court

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APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

Kristi Lea Harrington, Circuit Court Judge
2008-CP-10-2344

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Case Tracking No.: 2011201949

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KRITI RIPLEY, LLC AND ASHLEY RIVER PROPERTIES II, LLC,

Appellants,

v.

EMERALD INVESTMENTS, LLC AND STUART LONGMAN,

Respondents.

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# APPENDIX TO THE RECORD ON APPEAL
# VOLUME II

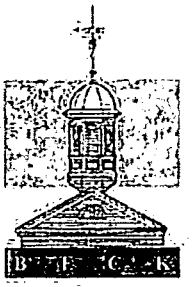
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William C. Cleveland, III
Womble Carlyle Sandridge & Rice, LLP
Post Office Box 999
Charleston, South Carolina 29402
(843) 720-4606
Attorneys for Appellant

Richard S. Rosen
Daniel F. Blanchard, III
James A. Brourton, IV
Rosen Rosen & Hagood, LLC
151 Meeting Street, Suite 400
Charleston, SC 29401
(843) 577-6726
Attorneys for Respondent

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FRED H. BECK AND ASSOCIATES, LLC
*Real Estate Appraisers*
*& Consultants*

**SELF-CONTAINED**
**APPRAISAL REPORT**

Ripley Light Yacht Club Marina

95 Ripley Point Drive
Charleston, Charleston County, South Carolina 29407
(Bank of America Project ID # 12-006751-APR01-001)

**PREPARED FOR**

Bank of America, N.A. - RE Risk Assessment
Attn: Debbie Pauza, Market Manager
Mail Code: NC3-176-01-01
119 Cross Center Drive
Denver, NC 28037

***"Bank of America makes no warranties or representations regarding this document or the conclusions contained herein."***

**DATE OF REPORT**

July 24, 2012

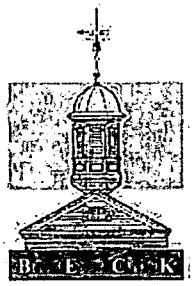
**EFFECTIVE DATE OF THE APPRAISAL**

July 2, 2012 - AS IS

**APPRAISED BY**

FRED H. BECK & ASSOCIATES, LLC
Mark A. Morgan
Thomas J. McDonald

**8924 Blakeney Professional Drive, Charlotte, North Carolina 28277-6660**
**Phone: 704.544.4884 / Fax: 704.544.6520 / Website: *www.fredhbeck.com***




FRED H. BECK AND ASSOCIATES, LLC
*Real Estate Appraisers*
*& Consultants*

July 24, 2012

Bank of America, N.A. - RE Risk Assessment
Attn: Debbie Pauza, Market Manager
Mail Code: NC3-176-01-01
119 Cross Center Drive
Denver, NC 28037

**Reference:** Ripley Light Yacht Club Marina
95 Ripley Point Drive
Charleston, Charleston County, South Carolina 29407
(Bank of America Project ID # 12-006751-APR01-001)

Dear Ms. Pauza:

As requested, we have inspected the above referenced property for the purpose of providing its market value. Based on our inspection and analysis of the information obtained, it is our opinion that the market values of the Fee Simple interests in the subject property are as follows:

**AS IF SOLD OUT AS DOCKOMINIUM UNITS**

| WET SLIP DOCKOMINIUMS | AS IS July 2, 2012 |
|---|---|
| Property Rights | Fee Simple Estate |
| Sellout of Slips | $6,735,000 |
| Interim Income Value | $470,000 |
| Total Value Opinion | $7,205,000 |

**AS IF LEASED AS WET SLIPS**

| WET SLIP DOCKOMINIUMS | AS IS July 2, 2012 |
|---|---|
| Property Rights | Fee Simple Estate* |
| Value Opinion | $1,585,000 |
| *Subject to existing short term leases. | |

This value opinion is supported by the data and reasoning set forth in the attached narrative. Your attention is invited to the Assumptions and Limiting Conditions attached and made a part of this report. We certify that we have no present or contemplated future interest in the property appraised and that our fee for this assignment is in no way contingent upon the value opinion supplied.

'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'

***"Bank of America makes no warranties or representations regarding this document or the conclusions contained herein."***

The following report complies with the standards and regulations outlined in Title XI of the *Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989* **(FIRREA)**. This report complies with the *Uniform Standards of Professional Appraisal Practice* **(USPAP)** including the ethics and competency provisions, as promulgated by the Appraisal Standards Board of The Appraisal Foundation. In addition, the report conforms to the *Federal Deposit Insurance Corporation* **(FDIC)** and *Office of the Comptroller of the Currency's* **(OCC)** appraisal standards.

***We previously appraised this property on September 25, 2009 at which time the concluded market values were $9,860,000 for the fee simple estate assuming the sellout of the slips. The concluded value of the fee simple estate which assumes the continued operation of the rental marina was $2,340,000. Since that time, sales prices for wet slips declined in the market. Our appraised value for the property on February 15, 2011 was concluded to be $6,660,000 for the fee simple estate assuming the sellout of the slips, while our concluded market value of the fee simple estate assuming the continued operation of the rental marina was $2,160,000. Since that time of February 15, 2011 until the date of this report, sale prices for wet slips and the rental rates for wet slips have further declined. Additionally, our absorption periods for the February 15, 2011 report as well as this report are much longer than estimated within the report dated September 25, 2009. Further, for the report dated February 15, 2011 and for this report, the projected slip sales price are lower and the profit & discount rates have increased due to market conditions. Due to the prolonged sellout period we have added the value of the interim cash flow generated by the continued operation of the marina. A summary of the assumptions in the discounted sellout and interim cash flows for the current appraisal and the previous appraisals are as follows:***

| ASSUMPTIONS FOR DISCOUNTED SELLOUT | | | |
|---|---|---|---|
| Appraisal Date | 09/25/09 | 2/15/11 | 7/2/12 |
| Market Price Per LF | $3,750 | $3,250 | $3,000 |
| Sellout Period | 5 Years | 6 Years | 6 Years |
| Discount Rate | 11.00% | 14.50% | 14.50% |
| Addition or Deduction of Expenses | None | Insurance & R&M | Insurance & R&M back to Interim Cash |
| Concluded Bulk Value | $9,860,000 | $6,660,000 | $6,735,000 |

| ASSUMPTIONS FOR INTERIM CASH FLOWS | | | |
|---|---|---|---|
| Appraisal Date | 09/25/09 | 2/15/11 | 7/2/12 |
| Market Rent Per LF | $13 | $13 | $11.41 (Avg. Contract Rent for 71 Occupied Slips) |
| Vacancy | 20%/15% | 25%/20% | 18.39% (Subject currently operating at Stabilized Rate for market) |
| Sellout Period | 5 Years | 6 Years | 6 Years |
| Discount Rate | 9.00% | 10.50% | 10.50% |
| Additional Expenses | Insurance & R&M | None | Insurance & R&M |
| Concluded Value | $585,000 | $615,000 | $470,000 |

The undersigned hereby acknowledges considerable input, investigation, and analysis by Thomas J. McDonald, who contributed to the information set forth in the attached narrative.

Thank you for the opportunity to be of service and please let us know if you have any questions.

Respectfully Submitted,
Fred H. Beck & Associates, LLC

Mark A. Morgan
State-Certified General Real Estate Appraiser
S.C. Certificate No. CG3890

Thomas J. McDonald
State-Certified General Real Estate Appraiser
S.C. Certificate No. CG6579

## CERTIFICATE OF THE APPRAISER

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

1. The statements of facts contained in this report are true and correct.

2. 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.

3. 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.

4. I have performed 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.

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

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

7. 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.

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

9. I have made personal inspection of the property that is the subject of this report.

10. No one provided significant real property appraisal assistance to the person signing this certification other than ***Thomas J. McDonald.***

Mark Morgan

**7/24/2012**

***MARK A. MORGAN*** **DATE**

State-Certified General Real Estate Appraiser
S.C. Certificate No. CG3890
(Review Appraiser)

## CERTIFICATE OF THE APPRAISER

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

1. The statements of facts contained in this report are true and correct.

2. 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.

3. 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.

4. I have not performed 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.

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

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7. 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.

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

9. I have made personal inspection of the property that is the subject of this report.



**7/24/2012**

***THOMAS J. MCDONALD*** **DATE**

State-Certified General Real Estate Appraiser
S.C. Certificate No. CG6579

**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**
**Ripley Light Yacht Club Marina, at 95 Ripley Point Drive | Charleston, SC**
**(Bank of America Project ID # 12-006751-APR01-001)**

| | |
|---|---|
| Property Location | South side of Ripley Point Drive in Charleston, Charleston County, South Carolina 29407 |
| Property Owner | Ashley River Properties II, LLC |
| Date of Report | July 24, 2012 |
| Effective Date of Appraisal "As Is" | July 2, 2012 |
| Property Rights Appraised | Fee Simple Estate |
| Zoning | GB-A, General Business - Accommodations |
| Tax Map Reference | 421-11-00-275 |
| Land Area | Total site contains 1.64 gross acres, irregular shape on Ashley River. We conclude 0.13 net usable acres for the marina with the remainder of 1.51 acres being additional land considered to be non-buildable. We have considered this additional 1.51 acres in a separate appraisal. |
| Improvements | Wet slip marina with a total of 87 slips, marina office/store and a party deck. Marina opened in May 2006. 71 slips currently leased (81.61% Occ. Rate) |
| Present Use | Wet slip marina |
| Highest and Best Use | Sellout of slips as dockominiums |
| Appraisal Procedures | Income Approach - $1,585,000<br>Development Valuation Method - $6,735,000<br>PV of Interim Cash Flow During Sellout - $470,000 |

**FINAL OPINIONS OF VALUE FOR RIPLEY LIGHT YACHT CLUB MARINA WET SLIPS**

**<u>As If Sold Out As Dockominium Units</u>**
**"As Is" (FEE SIMPLE ESTATE) – July 2, 2012 $6,735,000**

**<u>Present Value of Interim Cash Flows From Leasing of Wet Slips and Marina Operations During Sellout</u>**
**"As Is" (FEE SIMPLE ESTATE) – July 2, 2012 $470,000**

**<u>As If Leased as Wet Slips</u>**
**"As Is" (FEE SIMPLE ESTATE*) – July 2, 2012 $1,585,000***

***Subject to existing short term leases.**

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## IDENTIFICATION OF THE SUBJECT PROPERTY

The property being appraised is an existing wet slip marina located at 95 Ripley Point Drive, Charleston, South Carolina 29407. The subject property is identified in the Charleston County Tax Assessor's Office as tax parcel 421-11-00-275 and contains 1.64 gross acres as identified by a site plan provided. The marina site is at the terminus of Ripley Point Drive on a canal south of the Ashley River and the Charleston Peninsula. SCDHEC issued a permit for the construction of the subject marina on November 20, 2001, #2001-1H-315-P, expiring November 20, 2006. The permit was for 102 boat slips. On May 10, 2002, the Department of the Army, US Army Corps of Engineers issued permit #2001-1P-582 to Ripley Light Development for dredging of the subject's inlet to further marina construction. An additional Permit #2001-1H-315 issued on December 20, 2002 permitted the construction of a bulkhead, pier and marina facilities in the subject's Ripley Inlet Canal. On December 29, 2004, SCDHE/OCRM amended to marina permit, reducing the permitted number of slips to 95 in order to accommodate larger vessels. The owners revised this plan to the present layout which includes a total of 87 slips which is less than the maximum number permitted. The end of C-Dock was reconfigured with side dock slips to accommodate larger party boats / charter boats as well as providing a wider access point to the Ashley River.

Our appraisal assignment is to value the existing marina comprised of a total of 87 wet-slips which are fully completed, of which 71 are presently leased (81.61% Occupancy Rate). The subject's slip sizes and number of each slip size are summarized below:

| Subject Property - Number of Wet Slips and Sizes & Occupancy Rate | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| INDIVIDUAL SLIP SIZES (LF) | 30' | 40' | 43' | 45' | 48' | 49' | 50' | 60' | 65' | Totals |
| Number Occupied | 6 | 17 | 2 | 1 | 4 | 1 | 27 | 5 | 8 | 71 |
| Number Vacant | 0 | 3 | 3 | 0 | 1 | 1 | 6 | 0 | 2 | 16 |
| TOTAL NUMBER OF SLIPS | 6 | 20 | 5 | 1 | 5 | 2 | 33 | 5 | 10 | 87 |
| Vacancy Rate (Slips) | 18.39% | Total amount of LF = | | | 4,178 | | | | | |
| Occupancy Rate (Slips) | 81.61% | Occupied LF = | | | 3,402 | 81.43% | | | | |

The subject property is legally described on a Plat prepared by Stantec Consulting Services of Charleston, South Carolina and dated June 16, 2006. The subject is also legally described in a Draft Master Deed of Ripley Light Horizontal Property Regime dated March 13, 2006. In this appraisal, we have been asked to appraise the marina as a 'stand-alone' property with land for parking. The marina site contains 0.13 acres which supports the existing building and 8 parking spaces on site. There is also another 1.51 acres of uplands. Due to the shape and topography of these 1.51 acres of land it is not considered to be buildable. However, it has been taken into consideration for purposes of our appraisal of the excess land, because it is permitted to be used for the calculation of the density allowed for future condo development on the excess land.

Zoning requirements call for an additional 36 parking spaces to be provided. We have made an extraordinary assumption that the subject will have cross-easements to 0.35 acre from an adjoining parcel of land (under the same ownership as the subject) for parking.

## APPRAISER COMPETENCY

Mark Morgan and Thomas J. McDonald, both South Carolina Certified General Real Estate Appraisers, have been appraising marina properties for over 10 years. We have experience in the appraisal of vacant land and marina properties in North and South Carolina. Mark A. Morgan has also reviewed appraisal reports on a number of marinas. Therefore, we have met the requirements of the USPAP Competency Provision.

### *INSPECTION OF THE PROPERTY*

The subject property was inspected on July 2, 2012 at which time photographs contained herein were taken. At the time of inspection, the marina was fully complete with 87 wet slips, a marina building, concrete decking, pylons, bulkheads, piers, electrical hookups and lighting. Of the 87 slips, 71 were occupied on short-term leases.

### *TYPE OF REPORT*

According to the Uniform Standards of Professional Appraisal Practice, Standards Rule 2-2, an appraisal report must be prepared under one of the following three options: Self Contained Appraisal Reports, Summary Appraisal Reports, or Restricted Appraisal Reports. These three report types are described as follows:

> ***SELF-CONTAINED APPRAISAL REPORT***
>
> Should contain all information significant to the solution of the appraisal problem. "Describe" is the distinguishing term related to the Self-Contained Appraisal Report.
>
> ***SUMMARY APPRAISAL REPORT***
>
> Should contain a summary of all information significant to the solution of the appraisal problem. "Summarize" is the distinguishing term related to the Summary Appraisal Report.
>
> ***RESTRICTED APPRAISAL REPORT***
>
> Should contain a brief statement of information significant to the solution of the appraisal problem. "State" is the distinguishing term related to the Restricted Appraisal Report.

This report is prepared as a **SELF-CONTAINED APPRAISAL REPORT.**

***PROPERTY RIGHTS APPRAISED***

There are three primary types of property rights that may be appraised. They are Fee Simple Estate, Leased Fee Estate, and Leasehold Estate. They are defined as follows:

> ***FEE SIMPLE ESTATE***
>
> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat.
>
> ***LEASED FEE ESTATE***
>
> An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.
>
> ***LEASEHOLD ESTATE***
>
> The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

We have been asked to appraise the fee simple interest in the property based on the highest and best use. ***We did not prepare a title search, nor were current exceptions to title provided to us. Please consult an attorney for clarification of legal constraints. Our analysis consists of two scenarios. The first assumes the continued operation as a private for rent marina. The second assumes that the slips would be converted to dockominiums and sold off individually. Under the second scenario, where we assume the slips would be converted to dockominiums and sold off individually, due to the extended sellout needed in light of today's poor economic climate, we have added the present worth of the interim rental income being generated during the sellout of the slips to arrive at our final value indication.***

***DATE OF REPORT***

The date of this report is July 24, 2012.

***EFFECTIVE DATE OF THE APPRAISAL***

The effective date of this appraisal is as follows:

- "As Is" value, as of July 2, 2012.

***INTENDED USE AND INTENDED USER OF THE APPRAISAL***

'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'

***DEFINITION OF MARKET VALUE***

The following definition of market value is approved by the Office of the Comptroller of the Currency of the United States of America and by the Office of Thrift Supervision in compliance with Title XI of the Financial Institutions Reform Recovery and Enforcement Act (FIRREA). Market Value is defined as follows:

> "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 and 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:
>
> 1) Buyer and seller are typically motivated;
> 2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
> 3) A reasonable time is allowed for exposure in the open market;
> 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> 5) 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."[1]

***VALUE REPORTED***

Values are typically reported on the basis of one or more of the following situation:

> Market Value "As Is" on the Appraisal Date: Market Value "As Is" on the appraisal date is an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions or qualifications as of the date the appraisal is prepared.
>
> Prospective Future Value Upon Completion of Construction: Prospective future value "upon completion" of construction is the prospective future value of a property on the date that construction, conversion or rehabilitation is completed, based upon market conditions forecast to exist as of that completion date. The value estimate at this stage of value should be stated in current dollars as of a current date.
>
> Prospective Future Value Upon Reaching Stabilized Occupancy: Prospective future value "upon reaching stabilized occupancy" is the prospective future value of a property when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy at the market rent level. The value estimate at this stage of value should be stated in current dollars as of a current date.

In this report, we will estimate the Market Value of the subject, **"AS IS"** as of July 2, 2012.

[1] Code of Federal Regulations (CFR), Title 12, §34.42(g). *55 Federal Register* 34696, August 24, 1990, as amended at *57 Federal Register* 12202, April 9, 1992; *59 Federal Register* 29499, June 7, 1994.

## LEGAL CONSTRAINTS

The property is zoned GB-A, General Business, in the Accommodations Overlay District. Based on our research, the use of the property as a marina conforms to the existing zoning regulations as to use. Please consult an attorney for clarification of zoning, setbacks, buffers, water rights, and other legal issues. The GB-A zoning district is discussed in detail in the Zoning Section of this report. Please note that we did not prepare a title search, nor were current exceptions to title provided to us. Please consult an attorney for clarification of legal constraints. We are aware of the following legal issues:

- 10' boardwalk easement along the subject's water frontage
- Easement to South Carolina Electric & Gas Company as recorded in Charleston County Deed Book W527, Page 534
- Assignment of Leases Rents and Profits to Marshall Investments Corporation recorded in Charleston County Deed Book H502, Page 078 and K511, Page 283
- Department of the Army dredging Permit 2000-1P-582
- 15' water main easement as shown on the survey
- Possible 15' force main easement as shown on the survey
- Charges for maintenance of common area of Ripley Pointe Drive, a private drive apparently owned by Ripley Point Hotel and shown on Charleston County Tax Map 421-11-00-080.
- SC Department of Health & Environment Control (SCDHEC), Ocean and Coastal Resource Management (OCRM) Critical Line as shown on the surveys
- Other required permits for operating the marina as well as requirements for sewer pump-outs
- Zoning ordinances
- Development Ordinances
- Board of Architectural Review
- Navigable Servitude of the US Government and the State of SC with regard to improvements within the OCRM critical line
- Interests or restrictions placed by the Federal Coastal Zones Management Act

***STATEMENT OF OWNERSHIP***

According to the Charleston County tax records, the property described in this report is currently owned by:

ASHLEY RIVER PROPERTIES II, LLC
95 RIPLEY POINT DRIVE
CHARLESTON, SC 29407-7598

## HISTORY OF PROPERTY

Ashley River Properties II, LLC acquired the subject from Ripley Light Development, LLC on December 29, 2003 by deed recorded in Charleston County Deed Book E480, Page 016. Consideration was $100,000, but the deed is not arm's length, as Stuart L. Longman is the managing member of both entities. The sale included all the docks, floating docks and all other properties attached to the property, according to the deed. The price is not reflective of the subject's market value.

Ripley Light Development, LLC acquired the subject vacant site from Ripley Point Associates, LLC on November 4, 2002 as recorded in Charleston County Deed Book S424, Page 112. Arthur H. Applegate is listed as the Managing Member of Ripley Point Associates, LLC. The sale does not appear to have included the permit for the marina or approval for the construction of a proposed condominium project. That future condominium project is not a part of this appraisal. The price was $100,000 which is well below the market and is not reflective of the subject's current market value.

SCDHEC issued a permit for the construction of the subject marina on November 20, 2001, #2001-1H-315-P, expiring November 20, 2006. The permit is for 102 boat slips. On May 10, 2002, the Department of the Army, US Army Corps of Engineers issued permit #2001-1P-582 to Ripley Light Development for dredging of the subject's inlet to further marina construction. An additional Permit #2001-1H-315 issued on December 20, 2002 permitted the construction of a bulkhead, pier and marina facilities in the subject's Ripley Inlet Canal. On December 29, 2004, SCDHE/OCRM amended to marina permit, reducing the permitted number of slips to 95 in order to accommodate larger vessels. The subject's original marina plan called for a total of 96 slips, one more than permitted. The owners revised this plan to the present layout which includes a total of 87 slips which is less than the maximum number permitted. The end of C-Dock was reconfigured with side dock (facedock) slips to accommodate larger party boats / charter boats as well as providing a wider access point to the Ashley River.

Kriti Ripley, LLC and Ashley River Properties I, LLC executed a Right of First Refusal Agreement on December 30, 2003 as recorded in Charleston County Deed Book 486, Page 355. Kriti Ripley, LLC may participate in the development of the property. Kriti may participate as a 50% development partner for an initial investment price for a 50% ownership interest in the property equal to 50% of Ashley River's document expenditures to date. The agreement terminates on the tenth anniversary date of the agreement. The Agreement runs with the land. The Agreement is signed by Stuart Longman, Operating

Manager of Emerald Investments, LLC, Managing Member of Ashley River Properties I, LLC and by Davidson D. Williams, Managing Member of Kriti Ripley, LLC.

Legal issues slowed the development in Fall 2005 when a published article in *The Charleston Post and Courier* stated that a holdup in development was caused by a legal dispute between the majority landowner, Connecticut developer Stuart Longman and his financial partner, an offshoot of Kriti Management, Inc. We also understand that another legal issue required larger boats docked at smaller slips at the Ripley Light Marina to relocate as they restricted navigation in the inlet channel.

On March 30, 2012, the owners received the approval from the Army Corp of Engineers for a permit to expand the subject marina by "adding an additional 11,510 linear feet of floating dock structure to accommodate 186 pleasure crafts for recreational boating in the Charleston Harbor area" (11,510 Linear Feet / 186 wet slips =61.88 Linear Feet per wet slip). These additional 186 wet slips will be situated along the southern bank of the Ashley River itself (a full copy of this permit with drawings has been included in the addenda of this report). According to the permit, the time limit for completing this work is March 31, 2017. If additional time is needed to complete the work/expansion, the owners would need to file a request for the additional time by filing the proper paperwork with the Army Corp of Engineers within one month of the original expiration date of March 31, 2017. It is our understanding that if the subject marina were to be sold, this permit may also be transferred to the new owners with the proper signature by the purchaser on the permit as required by the Army Corp of Engineers with a copy then forwarded to their offices (please refer to the permit in the addenda).

Our discussions with the owner indicated that they have no plans to start the construction of this additional dockage in the near future, but rather are waiting to see how the economic and real estate market conditions will improve before they proceed. Once the economic and real estate market conditions improve and the owners are confident that the demand for additional boat slips is occurring within the market, they will then proceed with the expansion of the marina with the additional dockage area.

***CONTRIBUTORY VALUE OF EXPANSION PERMIT***

***Our office has conducted several interviews with real estate brokers who specialize and are familiar in the sale of Marinas in an attempt to estimate the value for the Army Corp of Engineers permit associated with the subject marina allowing for its expansion with other 186 wets slips. These brokers indicated that although the cost to acquire an d the time to obtain such a permit are extensive, as well as difficult to obtain, due to the lack of demand at the present time within the market for any additional slips, as well as the highly speculative nature of when such a demand for***

***these additional slips may occur in the future, the value of the permit itself allowing for the expansion of the marina and its wet slips would be difficult to quantify.***

***Therefore, based on these discussions, we are of the opinion that the Army Corp of Engineers permit allowing for the expansion of the subject marina by an additional 11,510 linear feet of dockage area (186 wet slips) offers limited contributory value to the subject property marina "As Is" as of the effective date of July 2, 2012 for this appraisal.***

At the present time, the facility is a "for lease" marina only with 87 existing completed wet slips. At the time of inspection, 71 of the 87 slips are being leased on a short term basis (leases one year in length). Discussions with the owner and dock master revealed that occupancy has been approximately the same over the past 18 months. Rental rates within the market, for the most part, have also remained level over the same period of time. Based on our discussions with the owner, there are no plans or discussions to convert the subject property into dockominiums at any time in the foreseeable future. ***We are unaware of any other pending contracts, existing leases or options to purchase all or portions of the subject property.***

***GENERAL SCOPE OF WORK***

The following steps were completed for this assignment:

1. We identified the subject;
2. We understood and clearly stated the intended use and user of the report;
3. We applied appropriate appraisal methodology in accordance with USPAP;
4. We analyzed the comparable data to arrive at a probable range of value via each approach utilized;
5. We reconciled the results of each approach into a credible final opinion of value, as defined herein; and
6. We estimated a reasonable exposure time and marketing time associated with the value opinion.

As part of this appraisal, a number of independent investigations and analyses were conducted. In addition to data compiled by Fred H. Beck & Associates, LLC on a regular basis, the investigations undertaken and major data sources used are listed below. Legal constraints were obtained by researching DHEC/OCRM databases and interviews with Jason Poe (marina manager/dockmaster) and Davidson D. Williams, Managing Member of Kriti Ripley, LLC. We also researched the Charleston County Register of Deeds to obtain the subject's deed, survey, and comparable data. We also researched the Charleston Consolidated Multiple Listing Service.

***AREA AND NEIGHBORHOOD SUMMARY***

An inspection of the neighborhood was conducted on July 2, 2012. Information on the surrounding area was obtained from various publications, our files, and discussions with real estate professionals familiar with the area. We used national data sources including

*The Neilson Company* for demographic information. We interviewed brokers and other real estate professionals familiar with the commercial marina market in the greater Charleston County area.

***SITE SUMMARY***

The developer provided a site plan for the subject marina. We also utilized the legal description shown in the most recent deed. The subject property is 1.64 gross acres. FEMA flood maps were also researched. We have noted that the subject site is highly irregular in shape with significant portions of the property fronting the marshlands to the north and west of the marina. There is no access to this area and we conclude only a portion of the subject property of 0.13 acres is attributed to the marina. The remaining 1.51 acres consists of uplands which are considered to be unbuildable. We have discussed the contributory value of this parcel of land to the excess land to increase future residential condominium density in a separate appraisal report. A current survey is recommended. This will be discussed at greater length in the site summary section of this report.

***IMPROVEMENT SUMMARY***

At the time of inspection, 87 marina slips were fully complete. Of the 87 slips, 71 are leased on a short term basis (leases of one year in length). A current rent roll was provided for the marina slip rentals. There is also a smaller, one story building on the site which contains the rental office for the marina, storage rooms, laundry facility and two restrooms with showers. The marina slips are not presently being offered for sale as dockominium units.

***SOIL ANALYSIS***

We were not provided with a soil analysis and therefore, no warranty is implied as to the suitability of the soil for development. The values developed herein are predicated upon the assumption that no adverse soil conditions exist and that the site contains adequate soils to support the integrity of the existing structures. However, we are not experts in the determination and detection of the adequacy and suitability of soil for development, and we urge the client to seek the opinions of qualified professionals in regards to this issue. Please see the Assumptions and Limiting Conditions in this report.

***ENVIRONMENTAL CONCERNS***

We are not qualified to detect potentially hazardous materials in the improvements or on the site, the existence of which may affect property value. We were not provided with an environmental site assessment. During the inspection, we walked the site and no items of potential environmental concern were noted. We have therefore specifically assumed that the site is not affected by any hazardous materials that could cause a loss in value.

However, we are not experts in the determination and detection of environmental hazards, and we urge the client to seek the opinions of qualified professionals in regards to this issue. Please see the Assumptions and Limiting Conditions in this report.

***COST APPROACH***

The ***Marshall Valuation Service,*** a national cost service, was utilized in determining the replacement cost for the marina property. The subject is an existing wet slip marina facility whereby the owners are currently leasing the wet slips to boaters on a short term basis. The cost approach was not completed as a typical purchaser or investor of a property of this type would not rely on the cost when making a purchasing decision. Additionally, there have been very few land sales of similar parcels to the subject over the past few years and very few new marinas have been constructed which would diminish the reliability of the cost approach. In our opinion, the omission of the cost approach does not mislead the reader.

***INCOME APPROACH***

We were provided the historical income and operating expenses for the subject property for the past three years, as well as a current rent roll showing 71 of the 87 slips as leased on annual rentals. We surveyed the marina market to determine market rental rates per linear foot for similar marinas and determine the gross income potential for the subject property. Detailed historical income and expense information provided to us by the owner, as well as other comparable marina's operating expense data were then analyzed and a projection of the appropriate expense levels for the entire subject property were made. The resulting Net Operating Income has then been capitalized via direct capitalization using an appropriate overall capitalization rate (supported by market data) to arrive at an opinion of the market value "as is" for the subject property.

***SALES COMPARISON APPROACH***

The Sales Comparison Approach was not utilized in this analysis as the subject property consists of 87 un-sold wet slips that are currently being leased on a short term basis. For purposes of this appraisal and the scenario whereby the slips are dockominiums to be sold off to end users, the Development Valuation Method was utilized instead.

***DEVELOPMENT VALUATION METHOD***

This method combines both the Income and Sales Comparison Approaches. In this technique, the retail value of the individual marina slips is estimated based on comparable properties. None of the subject's slips are being offered for sale. Additional market information is used to document absorption of the units. Expenses incurred during

the sellout process are deducted from sales revenues. The resulting net income stream from the sales of the slips is discounted to a present value.

Further, in the Development Valuation Method, due to the subject's slips already being rented at a stabilized occupancy, we have assumed that any unsold slips in each period of the sellout/discounted cash flow analysis would still continue to generate income for the subject property until they were to be sold off. The income and expenses we have used for any unsold slips still being rented during the sellout period are based on the same levels of income and expenses that we have used and discussed and projected within the Income Approach, but with the level of income and expenses adjusted for accordingly during the sellout period to correlate with the actual number of unsold slips at the start of each year of the sellout. The resulting net operating incomes were then discounted to arrive at a present value of the interim cash flows from slip rental and marina operations. We have the added this present value of the interim cash flows to our value conclusion as estimated from the sellout of the slips to end users to arrive at the final indication of value for the subject property via the Development Valuation Method.

***EXTRAORDINARY ASSUMPTIONS***

We have made the following extraordinary assumptions:

1. The subject will have cross-easements to 0.35 acre from an adjoining parcel of land (under the same ownership as the subject) for parking.
2. The additional 1.51 acres of excess land will be handled in the excess land appraisal which has been completed in a separate report.
3. The subject property consists of all highlands as no wetlands survey was provided to us and no reference to wetlands being present on the property was discovered during the normal course of researching the subject property.
4. The current tax parcel property lines are assumed to be abandoned and assembled with the adjacent parcels also owned by the owners of the subject property in order for the 1.51 acres of the subject property to be allowed to be used for the calculation of the density of the condominium units permitted and allowed by the City of Charleston zoning regulations.

Please also refer to the typical Assumptions and Limiting Conditions in the Addenda for further clarification of the conditions significant to this assignment.

***HYPOTHETICAL CONDITIONS***

There are no hypothetical conditions in this assignment.

***JURISDICATIONAL EXCEPTIONS***

There are no jurisdictional exceptions in this assignment.

***SUPPLEMENTAL STANDARDS***

Our firm has a Master Agreement and an executed engagement letter from the client, a copy of which is provided in the addenda of this report.

**Testimony, Consultation, Completion of Contract for Report Services**

The contract for report, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report, unless otherwise specified. **Fred H. Beck & Associates, LLC** or those assisting in preparation of the report, will not be asked or required to give testimony in court or hearing because of having made the report, in full or in part, nor engage in post report consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless if issuing party.

## METROPOLITAN PROFILE
## CHARLESTON METROPOLITAN REGION, SOUTH CAROLINA

The constantly changing nature of economic relationships within a given area, as shaped by the forces controlling future growth and development, will have a direct bearing on the whole spectrum of economic activity, including the long term value of real estate investments. The purpose of this section of the report is to isolate and examine those economic trends and forces prevalent in the Charleston market that influence and create value. Since real estate is an immobile asset, the economic trends and forces that affect the subject's quality of location in relation to other competing facilities within its market area, are to be fully evaluated. Past and probable future trends affecting the economic structure of the market area are studied, including the analysis of foreseeable changes.



Map of South Carolina
Highlighted: CHARLESTON MSA

***LOCATION***

The Charleston Trident Metropolitan Region is comprised of Berkeley, Charleston and Dorchester Counties. The Trident area stretches along the central and southern South Carolina coast with 90 miles of Atlantic coastline in an inland depth that extends 50 miles inland. The Trident area consists of approximately 26 incorporated communities ranging in population from 88 (Jamestown) to nearly 98,000 (Charleston). The Trident metropolitan area contains approximately 3,163 square miles. This area is primarily influenced by four major economic sectors - the Military, the Port of Charleston, the visitor industry and the medical community.

| CHARLESTON, SC - DISTANCE TO SELECT CITIES | | | | | |
|---|---|---|---|---|---|
| Charlotte, NC | Northwest | 160 miles | New York, NY | Northeast | 768 miles |
| Chicago, IL | Northwest | 906 miles | Washington, DC | Northeast | 532 miles |
| Miami, FL | South | 590 miles | Atlanta, GA | Northwest | 291 miles |

SOURCE: Synergos Technologies, Inc. | www.ersys.com

Charleston has long been an important seaport in the center of a rich agricultural region. It is also a nationally known resort and convention city. Progress has been made in recent years in industrial development due to the sea port facilities and the favorable business climate. The following are two examples of the increasing economic development of the Trident area.

- Charleston is home to the largest containerized port on the Southeast and Gulf coasts, second only to the combined ports of New York and New Jersey.
- Seventeen International companies operate in the Trident region and produce more than 25 percent of the manufacturing jobs in the region.

The impact of the closing of the Charleston Naval Shipyard, which was accepted by Congress in 1993, led to some economic uncertainty. The base was physically closed in October 1995 and completely closed in April 1996. The impact of the shipyard closure will be addressed in detail later in this section. Charleston is the largest business and financial center for southeastern section of South Carolina. The economy of the tri-county area has expanded steadily over the past couple of years. Manufacturing, the military, the State Ports Authority, and tourism combined to enhance the Trident area's economy.

More than eight million tons of cargo passes through the Port of Charleston each year. As the largest containerized cargo port on the Southeast Atlantic and Gulf coasts and the seventh largest nationwide, the port annually handles over 6.8 million tons of cargo and employs an estimated 17,000 people. Confidence in the port's expanding future is evident in BMW Corporation's decision to import/export from these docks. The Port of Charleston is expected to be a cornerstone of the Trident area's economic growth.

***POPULATION TRENDS AND PROJECTIONS***

The Trident area has seen steady population growth over the past seventeen years. Please refer to the chart below for population statistics for the City of Charleston, Charleston County, and the Charleston MSA.

**AREA POPULATION STATISTICS**

| Area | Census 1990 | Census 2000 | Annual Change | Estimate 2011 | Annual Change | Projection 2016 | Annual Change |
|---|---|---|---|---|---|---|---|
| City of Charleston | 96,102 | 96,650 | 0.1% | 120,908 | 2.1% | 127,272 | 1.0% |
| Charleston County | 295,039 | 309,969 | 0.5% | 363,282 | 1.5% | 384,544 | 1.1% |
| Charleston, SC MSA | 506,875 | 549,033 | 0.8% | 679,558 | 2.0% | 734,132 | 1.6% |

Source: The Nielsen Company

The City of Charleston has experienced very slight growth since 1990 through 2000 which continued with a slightly higher growth factor of 2.1% for the period 2000-2011.

This growth factor is also projected for the years 2011 through 2016. Charleston County and the Charleston MSA have experienced similar type growth rates over the past two decades and are projected to have similar growth rates as the city through the year 2016. The historical and projected household statistics for Charleston, Charleston County, and Charleston MSA are presented in the following table:

**AREA HOUSEHOLD STATISTICS**

| Area | Census 1990 | Census 2000 | Annual Change | Estimate 2011 | Annual Change | Projection 2016 | Annual Change |
|---|---|---|---|---|---|---|---|
| City of Charleston | 36,669 | 40,791 | 1.1% | 51,047 | 2.1% | 54,809 | 1.4% |
| Charleston County | 107,069 | 123,326 | 1.4% | 148,592 | 1.7% | 160,372 | 1.5% |
| Charleston, SC MSA | 177,668 | 207,957 | 1.6% | 262,267 | 2.1% | 289,910 | 2.0% |

Source: The Nielsen Company

The household statistics are basically similar to and mirror the population growth figures for the City of Charleston, Charleston County and the Charleston MSA.

***AREA INCOME STATISTICS***

The Trident area has seen steady income growth over the past five years. Please refer to the chart below for the 2011 income statistics for comparisons of the City of Charleston, Charleston County, and the Charleston MSA.

**2011 INCOME STATISTICS**

| Area | Average Household | Median Household | Per Capita |
|---|---|---|---|
| City of Charleston | $62,893 | $44,579 | $26,913 |
| Charleston County | $64,923 | $46,262 | $26,876 |
| Charleston, SC MSA | $62,822 | $47,980 | $24,545 |

Source: The Nielsen Company

***MAJOR EMPLOYERS***

The 25 largest employers in the Charleston MSA are detailed in the following table:

**LARGEST EMPLOYERS - CHARLESTON, SC MSA**

**Largest Public Sector Employers, Charleston S.C. MSA**

| Company | Product or Service | Employees |
|---|---|---|
| Joint Base Charleston | Area U.S. military commands | 22,000 |
| Medical University Of South Carolina (MUSC) | Hospital, post-secondary education, research | 11,000 |
| Charleston County School District | Education/public schools | 7,200 |
| Berkeley County School District | Education/public schools | 3,650 |
| Dorchester County School District II | Education/public schools | 2,800 |
| Charleston County | Local government | 2,150 |
| City of Charleston | Local government | 1,800 |
| College Of Charleston | Post secondary education | 1,270 |
| Santee Cooper | Electric and water utility | 1,200 |
| U.S. Postal Service | Postal service | 1,200 |

**Largest Private Sector Employers, Charleston S.C. MSA**

| Company | Product or Service | Employees |
|---|---|---|
| Roper St. Francis Healthcare | Roper and Bon Secours St Francis Hospitals | 4,800 |
| Boeing Charleston | Aircraft manufacturing | 3,000 |
| JEM Restaurant Group Inc. | Taco Bell and Pizza Hut Franchises in the MSA | 3,000 |
| Trident Health System | Hospital system | 2,500 |
| Walmart Inc. | Retail merchandise | 2,300 |
| Piggly Wiggly Carolina Co Inc. | Grocery wholesaler/retailer headquarters, distribution center | 1,900 |
| SAIC | System engineering and integration services | 1,800 |
| Evening Post Publishing Company | Information (print & broadcast) | 1,500 |
| Robert Bosch LLC | Antilock brake systems, fuel injectors, common rail & unit injectors | 1,475 |
| Bi-Lo Stores | Charleston area retail grocery stores | 1,350 |
| Force Protection Inc. | Mine-protected vehicles, military class vehicles | 1,300 |
| Blackbaud, Inc. | Specialty computer software development & design | 1,150 |

Source: Center for Business Research, Charleston Metro Chamber of Commerce, 10/2010

The four largest employers in the Charleston region are the US Navy, The Medical University of SC, The U.S. Air Force, and The Charleston County School District. Historically, Charleston's largest employer has been the United States Navy; however, this changed with the 1993 announcement that the Charleston Naval Base and Shipyard would be closed, resulting in the imminent loss of 33,000 active, civilian and contract military jobs. The area's military have an annual economic impact estimated at $3.3 billion

The Building Economics Solutions Together committee (BEST) was formed to pursue alternative uses for the Charleston Naval Base in the areas of job creation and business development. The naval base and shipyard contain 2.3 million square feet of industrial space, 1.8 million square feet of warehouse space, and 2.2 million square feet of office space. The success of the committee's efforts to find an alternative use for the naval base can considerably lessen the base closure's impact on the Trident area economy. It has been learned that the Naval Electronics Systems Engineering Center (NAVALEX) facility will not be closed, and will undergo expansion. The three Naval Electronic Divisions are being consolidated to form the new NISE East Complex. The Charleston Naval Weapons Station will also remain in operation and a new army depot will replace POMFLANT. Other military users in the Trident area include the United States Air Force and the Coast Guard, which have major bases in the area, and are not being phased out.

One of the largest industries in the Trident area is tourism, which attracts over 4,000,000 visitors annually. The total estimated annual impact of the visitor industry is estimated at more than $3 billion, providing around 34,000 jobs. Popular visitor attractions in the Trident area include the Maritime Museum at Patriot's Point, which features the aircraft carrier, Yorktown. Other sites include Fort Sumter, Charlestown Landing, as well as the downtown market area. An event in the area that attracts visitors is the Spoleto Festival, a three-week festival at the end of May and the beginning of June. The Spoleto Festival has been held in Charleston since 1977 and is a nationally recognized festival of the performing arts. Charleston has both a Spring Festival of House and Gardens and a Fall Tour of Homes. Both of these events are a month long and offer tours of antebellum homes not normally open to the public. Another major event is the Southeastern Wildlife Exposition, which is considered to be the largest Wildlife exposition in the country. The Wildlife Exposition is held for one weekend in February and attracts over 40,000 visitors.

The largest manufacturers in the Trident area are The Robert Bosch Corporation; Force Protection, Inc.; Global Aeronautica, LLC; KapStone Paper & Packaging Corp.; Nucor Steel; Boeing Co.; Alcoa Mt. Holly; Caterpillar Remanufacturing Services; Cummins Turbo Technologies; and CR Bard, Inc. This industry, especially defense-related contractors, experienced the negative effects of the Charleston Naval Base closure, as well as reduced military spending; however, after September 11, 2001, military spending has resumed. It should be noted, however, that the Trident Economic Development Authority has reported strong interest from national as well as international manufacturing firms wishing to locate in the Trident area. One such company is Boeing Corporation which is relocating the majority of their "Dreamliner" manufacturing to North Charleston.

Construction has recently been completed on the 1.2 million square foot final assembly and delivery facility of the 787 "Dreamliner" in the North Charleston area, and production has already begun. The operation is said to generate nearly 4,000 jobs for the area and an investment of over $750 million.

***LABOR FORCE***

The chart below illustrates the most recent employment figures for the City of Charleston, Charleston County, Charleston MSA, the State of South Carolina, and the United States.

| LABOR FORCE STATISTICS | | | | | | | |
|---|---|---|---|---|---|---|---|
| Annual Average of Year: | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | May-12 |
| ***City of Charleston*** | | | | | | | |
| Total Civilian Labor Force | 57,377 | 58,368 | 58,343 | 58,672 | 58,469 | 61,204 | 61,799 |
| Total Employment | 54,203 | 55,356 | 54,991 | 52,782 | 53,524 | 56,659 | 57,309 |
| Total Unemployment | 3,174 | 3,012 | 3,352 | 5,890 | 4,945 | 4,545 | 4,490 |
| Unemployment Rate | 5.5% | 5.1% | 5.7% | 10.0% | 8.5% | 7.4% | 7.3% |
| ***Charleston County*** | | | | | | | |
| Total Civilian Labor Force | 172,913 | 176,205 | 176,873 | 176,195 | 176,357 | 176,222 | 177,237 |
| Total Employment | 164,178 | 167,671 | 167,505 | 160,103 | 160,330 | 161,629 | 163,483 |
| Total Unemployment | 8,735 | 8,534 | 9,368 | 16,092 | 16,027 | 14,593 | 13,754 |
| Unemployment Rate | 5.1% | 4.8% | 5.3% | 9.1% | 9.1% | 8.3% | 7.8% |
| ***Charleston MSA*** | | | | | | | |
| Total Civilian Labor Force | 306,292 | 312,168 | 320,000 | 322,308 | 322,107 | 328,688 | 330,648 |
| Total Employment | 290,308 | 296,485 | 302,080 | 290,964 | 291,941 | 300,915 | 304,367 |
| Total Unemployment | 15,984 | 15,683 | 17,920 | 31,344 | 30,166 | 27,773 | 26,281 |
| Unemployment Rate | 5.2% | 5.0% | 5.6% | 9.7% | 9.4% | 8.4% | 7.9% |
| ***State and National Rates*** | | | | | | | |
| South Carolina | 5.2% | 4.8% | 6.9% | 11.7% | 11.2% | 10.3% | 9.3% |
| United States | 5.1% | 4.6% | 7.2% | 10.0% | 9.4% | 8.5% | 8.2% |
| Source: US Bureau of Labor Statistics | | | | | | | |

As of May 2012 (latest data available) the unemployment rate for the City of Charleston was 7.3% and the Charleston MSA was 7.9%. Charleston County reported an unemployment rate of 7.8%, while the State of South Carolina and the United States reported unemployment rates of 7.9% and 8.2%, respectively.

The following chart illustrates the employment sector breakdown in Charleston, Charleston County and the Charleston MSA:

| EST. 2011 EMPLOYMENT STATISTICS | | | | | | |
|---|---|---|---|---|---|---|
| | Charleston | | Charleston Co. | | Charleston MSA | |
| Description | Total | % Tot | Total | % Tot | Total | % Tot |
| **OVERALL CLASSIFICATION** | | | | | | |
| For-Profit Private Workers | 39,133 | 68.0% | 119,991 | 69.8% | 226,592 | 70.9% |
| Non-Profit Private Workers | 3,705 | 6.4% | 9,355 | 5.4% | 16,826 | 5.3% |
| Local Government Workers | 3,896 | 6.8% | 10,939 | 6.4% | 22,539 | 7.1% |
| State Government Workers | 5,651 | 9.8% | 14,834 | 8.6% | 23,186 | 7.3% |
| Federal Government Workers | 1,692 | 2.9% | 6,078 | 3.5% | 12,718 | 4.0% |
| Self-Employed Workers | 5,730 | 10.0% | 18,311 | 10.7% | 28,790 | 9.0% |
| Unpaid Family Workers | 34 | 0.1% | 134 | 0.1% | 359 | 0.1% |
| Total Employment | 57,512 | 104.0% | 171,893 | 104.5% | 319,412 | 103.6% |
| **INDUSTRY CLASSIFICATION** | | | | | | |
| Architect/Engineer | 987 | 1.7% | 3,070 | 1.8% | 6,114 | 1.9% |
| Arts/Entertain/Sports | 1,575 | 2.7% | 4,032 | 2.3% | 5,152 | 1.6% |
| Building Grounds Maint | 2,148 | 3.7% | 6,475 | 3.8% | 11,564 | 3.6% |
| Business/Financial Ops | 2,398 | 4.2% | 6,403 | 3.7% | 11,512 | 3.6% |
| Community/Soc Svcs | 1,002 | 1.7% | 2,700 | 1.6% | 4,914 | 1.5% |
| Computer/Mathematical | 1,372 | 2.4% | 3,627 | 2.1% | 6,489 | 2.0% |
| Construction/Extraction | 2,151 | 3.7% | 8,699 | 5.1% | 18,391 | 5.8% |
| Edu/Training/Library | 3,959 | 6.9% | 10,323 | 6.0% | 18,055 | 5.7% |
| Farm/Fish/Forestry | 137 | 0.2% | 454 | 0.3% | 924 | 0.3% |
| Food Prep/Serving | 4,656 | 8.1% | 11,924 | 6.9% | 20,219 | 6.3% |
| Health Practitioner/Tec | 4,621 | 8.0% | 13,035 | 7.6% | 20,040 | 6.3% |
| Healthcare Support | 1,053 | 1.8% | 3,145 | 1.8% | 5,823 | 1.8% |
| Maintenance Repair | 1,585 | 2.8% | 5,597 | 3.3% | 14,410 | 4.5% |
| Legal | 1,300 | 2.3% | 2,891 | 1.7% | 4,031 | 1.3% |
| Life/Phys/Soc Science | 536 | 0.9% | 1,402 | 0.8% | 2,478 | 0.8% |
| Management | 5,670 | 9.9% | 17,827 | 10.4% | 31,652 | 9.9% |
| Office/Admin Support | 6,635 | 11.5% | 20,894 | 12.2% | 42,656 | 13.4% |
| Production | 2,030 | 3.5% | 6,619 | 3.9% | 18,340 | 5.7% |
| Protective Svcs | 796 | 1.4% | 3,027 | 1.8% | 6,941 | 2.2% |
| Sales/Related | 8,190 | 14.2% | 24,212 | 14.1% | 40,984 | 12.8% |
| Personal Care/Svc | 2,049 | 3.6% | 5,784 | 3.4% | 9,293 | 2.9% |
| Transportation/Moving | 2,662 | 4.6% | 9,753 | 5.7% | 19,430 | 6.1% |
| Total Employment | 57,512 | 100.0% | 171,893 | 100.0% | 319,412 | 100.0% |

Source: The Nielsen Company

***TRANSPORTATION***

The Charleston International Airport currently serves over 1.4 million passengers annually, with seven major airlines offering over 90 flights per day to national and international destinations. The major airlines serving the airport include Continental, Delta, USAir, and

Midway. The Trident area has six private airports in addition to the international airport, to accommodate both corporate and private aircraft. There are approximately 100 motor freight carriers serving the Trident area. Also serving the Trident region is the Norfolk Southern, the CSX system, as well as the South Carolina Railroad Commission. The interstate highways serving the Trident area are Interstate 26, which is an east/west interstate which intersects with Interstate 95 (a north/south interstate) about 50 miles northwest of Charleston. Interstate 26 also intersects Interstate 77 (a north/south interstate) in Columbia, South Carolina. In addition to Interstate service, five major U.S. highways and eleven major state highways also serve this area. Forming a semi-circle across the region is Interstate 526, the Mark Clark Expressway, which is a 19-mile freeway connecting Mt. Pleasant, North Charleston, and the West Ashley area of Charleston.

***TOURISM***

Tourism is the second largest industry in the Trident area, attracting over 4,000,000 visitors annually and pumping in excess of $3.0 billion into the local economy. Charleston promotes itself as "America's Most Historical City" and attracts affluent tourists who appreciate the historic architecture and character of the downtown area. Charleston consistently ranks in the top 10 most popular tourist destinations in the United States, and in the top 20 in the world. Charleston has a wide array of hotels, motels, and inns for the pleasure and business traveler. Primary visitor attractions in the Charleston area include Fort Sumter, Charlestowne Landing, and the Maritime Museum at Patriot's Point which features the aircraft carrier Yorktown, which is the state's number one paid destination for tourists. Since 1977, Charleston has been the home to Spoleto Festival USA. The success of this three-week festival held in May/June has established Charleston as the site of the nation's premiere festival of performing arts. The Southeastern Wildlife Exposition, held in February, is the largest wildlife art exposition in the country and is the busiest tourist weekend of the year with over 40,000 upscale visitors attracted annually.

***SHIPPING***

The Port of Charleston is the largest containerized port on the South Atlantic and Gulf Coasts and is second only to the combined ports of New York and New Jersey on the entire east coast. According to port officials, over 11.03 million tons of cargo was handled through Charleston's terminals in 2008. This was more than a 5% decrease from the 11.7 million ton total for 2007. The Port of Charleston ended fiscal 2009 with a nearly 20 percent decline in container traffic. The Port has four inter-model facilities, which handle container, bulk, and break-bulk cargo. These facilities have been operating at capacity levels, which have resulted in relatively flat tonnage growth. The Port spent $100 million in 1994 to expand the Wando Terminal facility in Mount Pleasant. This expansion helped solve the existing capacity problem at the other terminals. In addition, the Port is

constructing a new container terminal facility in North Charleston which will expand capacity by 50% and the SPA inked an 8-year deal with Mediterranean Shipping Company in May 2009. These expansion plans will allow the Port of Charleston to continue to grow and compete effectively with other ports.

***HEALTH CARE***

With a combined employment of nearly 16,000 and an economic impact in excess of $1 billion annually, the regions' hospital and health care community are of increasing importance to the area's overall economy. There are 10 full service hospitals with a total of 2,161, beds in the Trident region. Two new hospitals were built in Charleston during the 1990s. St. Francis Hospital opened a 160 bed full service hospital in West Ashley in December 1996, and Roper Hospital opened the Roper North in West Ashley in the summer of 1995, offering emergency and outpatient services with 104 beds. Additional medical services for the area are provided by the Ronald McDonald House, several nursing homes, convalescent homes, children's hospitals, psychiatric hospitals, and a private alcoholism/drug dependency treatment facility.

***COLLEGES AND SCHOOL SYSTEM***

The Trident area has an excellent array of public/private schools, colleges, and universities. There are four colleges/universities, a medical university, a culinary arts college, two technical colleges, a good public school system, and 25 private and parochial schools. The College of Charleston is a four-year, state-assisted, liberal arts institution offering 34 undergraduate degree programs. In conjunction with the college, the University of Charleston offers 10 graduate degree programs. The College of Charleston was founded in 1770, and is the oldest institution of higher learning in South Carolina and the 13th oldest in the nation. The Citadel, founded in 1842, is a state-assisted military college which until recently was all male. The Citadel philosophy combines classroom requirements with a military environment, which emphasizes discipline, responsiveness and leadership. Charleston Southern University opened in 1964 as the only church-affiliated college in the area. Today it is the second largest private university in the state, with 28 undergraduate degrees along with masters in business administration, education, and teaching. The Medical University of South Carolina (MUSC) is the oldest medical school in the South, and forms the core of the state's largest medical complex. Established in 1824, it is located in historic downtown Charleston. Trident Technical College is a public two-year institution founded in 1964 to provide accessible, practical, high-quality education. The college emphasizes practical, marketable job skills through comprehensive and updated technical programs. Other colleges and universities in the Charleston area include Johnson and Wales Culinary University, Webster University and Limestone College.

***GOVERNMENT SERVICES***

Management of local government varies between city and county governments in the Trident area. Charleston County has a county-administrator form of government. The City of Charleston is governed by an elected mayor and 12 city council members. Municipal water and sewer is provided by the Commissioners of Public Works of the City of Charleston. Both the water and sewer systems are modern and have been adequately planned for expansion. South Carolina Electric and Gas Company provide the electricity and natural gas for the majority of Charleston County and Southern Bell provides the primary telephone service. Their rates are competitive compared to other cities in the state. The Trident area's various municipalities have zoning departments, land use plans, and building codes, which govern how a property can be developed. These controls have created a general conformity of development in the Trident area.

***CONCLUSION***

The social, economic, governmental, and environmental forces that influence real estate values appear to be in balance in the Trident area. Despite the closure of the Charleston Naval Base and Shipyard in 1996 and the subsequent BRAC re-alignments of 2005, the Charleston area has and continues to show signs of improvement. The expansion of the port is likely to create a significant number of new jobs during the next several years as more and more companies relocate to Charleston. Due to the current struggling economic and housing market which is evident in this market as well as the entire country, property values, for the most part, have been declining. However, because the region is not dependent on any one single industry or business sector, the area is poised to weather the latest economic downturn much better than other areas dominated by one particular industry. The anticipated growth in population, increased tourism, and expanded port operations should lessen the economic repercussions of the recession.

## DOCKOMINIUM MARKET OVERVIEW

***(SLIPS CAPABLE OF BEING SOLD OFF FOR INDIVIDUAL OWNERSHIP)***

The subject property has a proximate location to Charleston CBD with good highway access. Surrounding areas (mainland and islands) have a population bases that sharply increases in the spring, summer and fall months with the rise in tourism. During the winter months, this population falls. The Ripley Point area is itself a desirable location and has been the focus of much new development since the mid-1990s. There are a number of marinas similar to the subject property in the immediate area and are discussed below.

***WET-SLIP DOCKOMINIUMS***

The subject is a wet slip marina with 87 total slips of which 71 are presently leased (81.61% Occupancy Rate) and none are sold or are being offered for sale at the present time by the owners. The current sale prices being obtained for wet slips in the market has steadily declined over the past few years and currently do not meet the owner's expectations in terms of their desired returns to warrant the sale of the slips to end users at the present time. The slips range in size from 30' to 65'. The marina slips were originally built to be marketed for sale in conjunction with a condominium project that was originally planned to be developed on land adjoining the marina site. With a downturn in the condominium market in late 2005 and early 2006, the owners held off on the development of the condominium units, but moved ahead with development of the marina and opted to lease the slips on short-term leases rather than try to sell them.

During the late 1990's to approximately 2005, the Charleston area marinas followed a national trend in selling rather than leasing boat slips. The cost to construct a marina escalated to a point whereby the return on the leased slips was not as financially feasible as the return from the sale of those slips. Hurricanes in Florida have destroyed some supply, creating greater demand for slips in South and North Carolina. In South Carolina, most marina slips are converted to condominiums, or 'dockominiums', while ownership in slips in North Carolina are 'memberships'. Both forms of ownership are transferable, but a dockominium requires a unit to also have a mailbox or a 'locker box', and thereby also allowing it to also have a physical street address assigned to it by the County offices.

The average boat size has grown from 21' feet ten years ago to upwards of 30' and more today. Since the average size of a boat is increasing nationwide, not all of the marinas are suitable to have their slips converted to allow for them to be sold off to individual owners due to the sizes of the slips. The marinas that are located within close proximity to the subject that are selling slips off to individual owners that have been used for comparable purposes for valuing the subject's wet slips for purposes of this report include

Ripley Cove, The Harborage, Toler's Cove, Wild Dunes Yacht Club, Bohicket Marina on Seabrook Island and St. Johns Yacht Club on Johns Island. As with most forms of condo ownership, maintenance fees are paid in addition to the purchase of a slip.
The chart below illustrates the recent sales history of each one of these marinas which is then followed by a brief description for each of these marinas.

| Project Name | Location | Amenities | Year and # of Slips Sold | Sale Prices / LF | Avg.Price/LF |
|---|---|---|---|---|---|
| **Ripley Cove** | Acorss inlet from | Average | Slip Sizes = 40' avg. | | |
| ***- Sales began in 2004** | subject property | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 1 Sale | $833 | $833 |
| | | | 2009 - 2 Sales | $917 - $917 | $917 |
| | | | 0 MLS Listings | $0 | $0 |
| **The Harborage at Ashley Marina** | Charleston Peninsula | Good | Slip Sizes LF = 30' - 140' | | |
| ***- Sales began in 2005** | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 1 Sale | $1,222 | $1,222 |
| | | | 2009 - 2 Sales | $1,375 - $1,900 | $1,667 |
| | | | 2008 - 2 Sales | $2,623 - $3,000 | $2,812 |
| | | | 7 MLS Listings | $1,500 - $3,000 | $2,233 |
| **Wild Dunes Yacht Harbor** | Isle of Palms | Good | Slip Sizes LF = 35' - 50' | | |
| ***- Sales began in 2001** | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 2 Sales | $2,600 - $2,714 | $2,657 |
| | | | 2010 - 0 Sales | $0 | $0 |
| | | | 2009 - 1 Sale | $3,500 | $3,500 |
| | | | 2008 - 4 Sales | $3,500 - $5,000 | $4,025 |
| | | | 6 MLS Listings | $2,500 - $3,725 | $3,066 |
| **The Yacht Club at Toler's Cove** | Mt. Pleasant | Good | Slip Sizes LF = 35' - 70' | | |
| ***- Sales began in 1996** | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 3 Sales | $2,143 - $3,500 | $2,770 |
| | | | 2010 - 0 Sales | $0 | $0 |
| | | | 2009 - 1 Sale | $4,000 | $4,000 |
| | | | 2008 - 3 Sales | $4,079 - $5,238 | $4,650 |
| | | | 4 MLS Listings | $1,667 - $3,421 | $2,371 |
| **Bohicket Marina & Yacht Club** | Seabrook Island | Good | Slip Sizes LF = 30' - 117' | | |
| ***- Sales began in 2005** | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 4 Sales | $833 - $1,700 | $1,267 |
| | | | 2009 - 1 Sale | $1,511 | $1,511 |
| | | | 2008 - 3 Sales | $1,330 - $3,326 | $2,573 |
| | | | 9 MLS Listings | $1,149 - $3,254 | $2,148 |
| **St. John's Yacht Harbor** | Johns Island | Good | Slip Sizes = 35' - 80' | | |
| ***- Sales began in 2008** | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 1 Sale | $3,450 | $3,450 |
| | | | 2009 - 3 Sales w/o Lift | $3,200 - $3,450 | $3,283 |
| | | | 2009 - 8 Sales with Lifts | $3,575 | $3,575 |
| | | | 2008 - 9 Pre-Sales | $2,875 - $3,450 | $3,050 |
| | | | 0 MLS Listings | $0 | $0 |
| **Subject - Ripley Light Yacht Club** | **95 Ripley Point Drive** | Average | 30' - 65' | N/A | N/A |

**Ripley Cove Marina**

Ripley Cove Marina is located across Ripley Cove from the subject property. The marina has both wet slips as well as dry stack storage. The wet slips were converted to dockominiums in 2004. We found one sale in 2005 of two slips that were represented in the condo documents as having 60 lineal feet each and sold for $570,000, or $4,750 per lineal foot, and the sale of 20 slips totaling 335 lineal feet that sold for $1,471,428 or $4,392

per lineal foot. These purchasers believed they were purchasing 60' slips. According to Ryan Black, former property manager of the subject property, the purchasers of these slips were misled and the purchase prices indicated are not indicative of market terms. We believe that if the purchasers knew they were buying smaller slips, the price per lineal foot would have been much less. This property also has dry stack storage. These wet slips are sold out and had absorption of 72 slips per quarter due to presales, high demand, and below market pricing. We have calculated that approximately 60% of the slips were presold in 2004, with average absorption of 15 slips per quarter through the remaining sellout period. On the quality side, this marina is inferior to the subject with wood floating docks and shorter pilings. The shorter pilings do not allow the docks to float sufficiently during high water events, storms and hurricanes.

Two 60' wet slips were sold together in 2009 for ($917 per lineal foot). One 60' foot wet slip sold in 2010 for $833 per lineal foot. There were no sales in 2011 and none during 2012 to date. According to the Charleston MLS, there are currently no wet slips listed for sale.

**The Harborage at Ashley Marina**

Located immediately adjacent to the north of the City Marina on the east bank of the Ashley River across from the subject, this marina is accessible by Lockwood Drive, just south of Highway 17 and north of the 61 Connector on the Peninsula of Charleston. The marina has floating concrete docks that are advertised to accommodate vessels up to 150 feet in length. The Harborage was purchased by AMH-Ashley Marina, LLC in March of 2005, and the final stage of renovation was completed in February 2006. Slips began selling by May of 2005. Many slips were pre-sold. The Harborage has 230 slips. Typical slips have sizes ranging from 30' to 60', although some of the slips are as large as 150'. The average slip size appears to be 45'. Originally, prices had steadily increased, with most small slips bringing $1,875 when sales began in mid-May of 2005. Sales in 2006 and 2007 show an increase from $2,000 for a 45' inside slip; $3,322 per lineal foot for a 45' outside slip; and $4,500 per foot for a 90' outside slip. Prices were very competitive, with The Harborage publishing the price per lineal foot for comparable slips in the marketplace. The larger slips were in higher demand. It was reported that this project was 80% presold, with an average of 12 sales per quarter during the remainder of the original sellout period. On-site parking at this marina is limited. Slip purchasers also have a locker and access to the marina's two-story clubhouse. The marina offers a dock master's office, fuel dock, baths, a lounge area, outdoor shower. The marina also has slips available for long- and short-term rentals.

During 2008, there were two 40' wet slips sold with sales prices being $2,623 and $3,000 per lineal foot. There were only two re-sales of slips in 2009 which sold for an average of

$1,677 per lineal foot. This slips ranged from 40' to 50'. There was one resale in 2010, which was a 45' wet slip for $1,222 per lineal foot. There were no sales during 2011 and none during 2012 to date. According to the Charleston MLS, there are 7 wet slips listed for sale. The slips range from 40' to 50', with asking prices from $1,500 to $3,000 per lineal foot. The average asking price is $2,333 per lineal foot.

**Wild Dunes Yacht Harbor**

Wild Dunes is located off of 41st Street in the Isle of Palms area of Charleston. In 1998, the Isle of Palms Marina was taken over by the City and the separate business components leased to various entities: the marina slips, retail store, ramp, restaurant, fuel sales and slip rentals. The Wild Dunes Yacht Club marina has 100 slips that generally range in size from 35' to 50', although some are as large as 105'. In August of 2000, the condo docs for Wild Dunes Yacht Harbor were filed. The Yacht Harbor offers a graveled parking lot. Fourteen new floating slips and a deck for crabbing were added in 2004. The marina is proximate to Morgan's Creek Grill at the Isle of Palms Marina. While all the slips have been sold, slip resale's occur, albeit infrequently and most of the sales are not exposed on the market.

A 101' dock sold for $275,000 in November of 2005 for $2,723 per lineal foot, while sale prices for slips in the marina were reported as averaging $3,400 per lineal foot during this same time period. A 45' slip sold in June of 2005 for $3,333 per lineal foot. During 2008, there were three, 50' wet slips sold with sales prices being $3,500, $3,700 and $5,000 per lineal foot. One 45' slip sold for $3,889 per lineal foot. There has been one resale during 2009 which was a 40' wet slip for $3,500 per lineal foot. There were no re-sales in 2010. There were two re-sales in 2011 comprised of 50' slip that sold for $2,600 per lineal foot and a 35' slip that sold for $2,714 per lineal foot. The average of these two sales was $2,657 per lineal foot. There have been no sales in 2012 to date. According to the Charleston MLS, there are 6 wet slips listed for sale. The slips range from 35' to 50', with asking prices from $2,780 to $3,725 per lineal foot. The average asking price is $3,066 per lineal foot.

**The Yacht Club at Toler's Cove Marina**

This marina is located in the Marsh Harbor development just across the Intracoastal Waterway in Mt. Pleasant. Located halfway between Sullivan's Island and Mt. Pleasant at the Ben Sawyer Bridge, the Yacht Club has 140 boat slips that were developed in phases, ranging size from 35' to 70' and were sold in the late 1990's. Toler's Cove offers rental boats and has charter boats. The marina also has slips available for long- and short-term rentals.

During 2008, there were two, 52.5' wet slips sold with sales prices being $4,476 and $5,238 per lineal foot, while a 38' slip sold for $4,079 per lineal foot. One 52.5' slip sold for $210,000

on May 29, 2009, or $4,000 per lineal foot. There were no sales of slips in 2010. There were three sales in 2011 comprised of a 35' slip that sold for $2,143 per lineal foot; another 35' slip that sold for $3,500 per lineal foot, while the third slip was 52.5' and sold for $2,667 per lineal feet. The average of these three sales was $2,770 per lineal foot. There have been no sales in 2012 to date. According to the Charleston MLS, there are 4 wet slips listed for sale. The slips range in size from 35' to 52.5', with asking prices from $1,667 to $3,421 per lineal foot. The average asking price is $2,371 per lineal foot.

**Bohicket Marina and Yacht Club**.

Bohicket Marina is located between Kiawah and Seabrook Islands in Charleston County on the Intra Coastal Waterway. The marina was purchased in August of 2004 and was converted into dockominiums by Master Deed recorded in February of 2005. Approximately 60% of the Yacht Club's 194 slips were presold, while the remaining 78 slips sold out in February 2005. This is an indicated absorption rate of 11.14 slips per month or 35 slips per quarter. The marina also has slips available for long- and short-term rentals. Dry slips are also available. Amenities include a fuel dock, river lift, ship's store, showers, a Laundromat, a video store and in Internet Café. Mechanic's services and boat cleaning services are available. Upscale restaurants and shops are located immediately adjacent at the Bohicket Marina. Slips range in size from 30' to 117', but most slips are 33' to 50' in length. This marina is located about 30 minutes driving time from downtown Charleston. The Bohicket Marina Village has 71 residential units that adjoin the marina.

During 2008, there were two, 45.1' wet slips sold with sales prices being $1,330 (December 2008) and $3,326 (July 2008) per lineal foot, while a 40' slip sold for $3,125 per lineal foot in April 2008. One 36.4' slip sold for $55,000 on June 3, 2009, or $1,511 per lineal foot. There were 4 re-sales of slips in 2010 with sale prices ranging from $833 to $1,700 per lineal foot. The average of these four sale prices was $1,267 per lineal foot. There were no sales during 2011 and none during 2012 to date. According to the Charleston MLS, there are 9 wet slips listed for sale. The slips range in sizes from 35' to 65', with asking prices from $1,149 to $3,254 per lineal foot. The average asking price for these 9 slips listed for sale is $2,148 per lineal foot.

**St. Johns Yacht Harbor**

St. Johns Yacht Harbor is located on the south side of the Stono River on Johns Island in Charleston County. The marina (Stono Marina) was purchased in August of 2006 and was converted into dockominiums by Master Deed recorded in April of 2008. Approximately 4% (9 slips) of the Yacht Club's 252 slips (Phase I) were presold, while an additional 12 slips have been sold to date for a total of 21 closed sales of slips. This is an absorption rate of 0.62 slips per month or 1.9 slips per quarter. There are an additional 179 slips which are

being planned to be released as Phase II. Sixty-three (63) of the Phase I slips (F Dock) are wet lifts which include a boat lift capable of accommodating vessels up to 35 feet in length and 16,000 pounds. Amenities for the marina include a fuel dock, ship's store, restaurant, pool with cabanas, private poolside bar, captain's retreat within the harbormaster's building, etc. Slips range in size from 35' to 80', but most slips are 32' to 50' in length. The 9 slips pre-sold during 2008 had sale prices ranging from $2,875 to $3,450 per lineal foot, with their average being $3,050 per lineal foot. There were 8 wet slips with lifts sold during 2009 with each sale price being $3,575 per lineal foot. There were 3 wet slips without lifts sold during 2009 ranging in sale prices of $3,200 to $3,450 per lineal foot, with their average sale price being $3,283 per lineal foot. In 2010 there was one slip sold for $3,450 per lineal foot. There were no sales during 2011 and none during 2012 to date. According to the Charleston MLS, there are currently no wet slips listed for sale.

**Ripley Light Yacht Club (Subject)**

The subject Ripley Light Yacht Club is an 87-slip marina that is fully completed. Slips range in length from 30' to 65', with an average slip size of 48 lineal feet. Amenities include a party deck constructed of Brazilian hardwood. The marina is designed with a turn radius large enough to accommodate a 50' boat, while larger boats must back into the inlet from the dock. The docks are composed of a lightweight 'Pearlite' core with 3" fiber reinforced concrete shell and are built to withstand a 32' wave. Pilings are higher than standard height. No other amenities are available. As no residential units have been built here, parking for 8 vehicles is available for the owners of the marina slips. More parking is needed to accommodate the required spaces under zoning requirements. We believe this is best met by a parking access easement on adjoining lands also owned by the subject's property owner. However, in a stand-along situation, more land would be required to meet this demand. This will be discussed later in this section. Each wet slip at the subject is provided with 2 hose bibs, 30 and 50 amp power hookups, and a plastic storage box with pneumatic opening. A pump-out facility is on site. Additional amenities include free cable television and internet service which began in November of 2009. The docks are designed to float and are built to withstand a hurricane worse than Hugo which ravaged the Charleston area in September 1989.

***SUMMARY AND CONCLUSION***

Wet slip lease to own conversions had been occurring rapidly in the Charleston area in the mid-2000's during the height of the real estate boom. This activity has since slowed considerably since the downturn in the real estate and economic market conditions which began in late 2007. Very few sales of slips have occurred from January 2011 to the present date. The sales that have occurred from 2008 through 2011 had sale prices ranging from $833 to $5,000 per lineal foot. The five most recent sales occurred during

2011 and had sale prices ranging from $2,143 to $3,500 per lineal foot, with their average being $2,725 per lineal foot. These five most recent sales in 2011 had slip sizes ranging from 35' to 52.5', with the average being 41.50'. For formerly converted projects approximately 60% to 80% of slips were pre-sold, with the quarterly absorption rates ranging from 2 to 33 slips after these presale periods. Based on our research, there appears to be a more than adequate supply of slips still available for sale within the market, but very little demand for the purchase of these existing slips by individual owners due to the ongoing struggling real estate and economic market conditions in the market. As a result, the asking sale prices for slips offered in the market have been declining over the past 18 months. However, actual demand for slips is still weak for the reasons noted above and actual sales occurring are limited at the present time. As was noted, none of the subject's slips are being offered for sale at the present time by the owners. However, based on all of the above market data, as well as the subject's average slip size being 48 lineal feet, as well as the current economic and real estate market conditions and the indicated demand for wet slips in the market at the present time, we are of the opinion that the sale price, on average, for the subject's wet slips would be approximately $3,000 per lineal foot.

## MARINA WET SLIP RENTAL MARKET OVERVIEW

Marinas within the market area in close proximity to the subject that offer slips for rent and have been used as comparables for purposes of establishing the market rents per Linear Foot for the subject's slips for purposes of this report include the Bristol Marina, Harborage at Ashley River Marina, Charleston Harbor Marina at Patriot's Point, the City Marina, the Yacht Club at Toler's Cove, and the Bohicket Marina & Yacht Club.

The chart below summarizes the information and data of the asking rents for the various sized wet slips being offered for rent at each of these comparable marinas.

| Project Name | Location | Amenities | Slip Size/LF | Rent/LF | Avg. Year Round Occupancy Rate |
|---|---|---|---|---|---|
| The Bristol Marina | Charleston Peninsula along Lockwood Dr. | Average | 12' - 70' | $15.00 - Monthly<br>$12.50 - Semi- Annually*<br>$11.75 - $12.25 - Annually*<br>Special - 3% Discount for New Annually | 80.0% |
| The Harborage at Ashley Marina | Charleston Peninsula along Lockwood Dr. | Good | 30' - 140' | $10.00 - $13.00 - Annually<br>$14.50 - Semi-Annually<br>$15.00 - Quarterly<br>$16.00 - $25.00 - Monthly | 85.0% |
| The Charleston Harbor Marina | Mt. Pleasant | Good | 33' - 66'<br>100' - 200' - T-Heads | $12.50 - $13.00 Annually Paid In Advance<br>$14.25 - $14.75 Annually Paid Monthly | 80.0% |
| City Marina | Charleston Peninsula along Lockwood Dr. | Good | 30' - 100' | $18.00 - $30.00 - Monthly<br>$17.00 - $20.00 - Semi-Annually<br>$13.00 - $14.50 - Annually* | 85.0% |
| The Yacht Club at Toler's Cove | Mt. Pleasant | Good | 35' - 70' | $13.00 - Monthly | 90.0% |
| Bohicket Marina & Yacht Club | Seabrook/Kiawah Island | Good | 30' - 117' | $15.00 - Monthly<br>$13.50 - Semi- Annually<br>$11.50 - Annually | 70.0% |
| Subject Property | 95 Ripley Point Drive | Average | 30' - 65' | $13.00 - Asking<br>$5.00 - $19.50 - Contract In Place<br>$11.41 - Average Contract In Place | 81.6% |

* - Includes Electrical Charges

The above rents are the asking rents for the wet slips within each of the marinas. The current asking rent for the subject's wet slips (all sizes) is $13.00 per LF. The rent roll provided to us by the owner indicates current tenants paying rent for the slips ranging from $5.00/LF to $19.50/LF (depending on the length of the slip), with the average of the contract rents being $11.41 /LF. This average contract rent of $11.41 per LF is approximately a 12.23% discount off of the asking rent of $13.00 per LF.

The comparables have an average year round vacancy rates ranging from 70.0% to 90.0%, with the average being 81.7%. The subject's current occupancy rate is 81.6% (71 slips leased / 87 total slips = 81.61% occupancy rate). Based on the comparables occupancy rates and their average, as well as our discussions with real estate professional's familiar with the operations of rental marinas in the Charleston market area,

we are of the opinion that the stabilized occupancy rate for the marina wet slip rental market is 80.0%. Therefore, the subject (81.61% occupancy rate) is currently being operated at the stabilized occupancy rate for the market.

Taking into consideration the subject's asking rent is $13.00 per LF for its vacant slips, as well as the subject's average in place contract rent level is $11.41 per LF, as well as the fact that the rents shown above for the comparables are the asking rents for the slips (with the slips at the comparables also most likely being leased for less than the asking rents), as well as the fact the subject is currently being operated at the proper stabilized occupancy rate within the market, and taking into consideration the location of the subject marina, we are of the opinion that, on average, the correct market rent level for the subject's wet slips would be in the range of $11.25 per LF to $12.00 per LF. The subject's average in place contract rent of $11.41 is within this range. Therefore the rents being paid by the tenants in place at the subject, on average, are considered to be at the correct market rent level.

The subject is already operating at the stabilized occupancy rate for the market. Therefore, the rent being generated by the 71 occupied slips (which is already net of the 20.0% vacancy) will be the total slip rent which has been used for purposes of the Income Approach as well as the starting income (period one) being generated from slip rentals during the sellout of the slips to end users for the purposes of the Interim Income valuation.

## NEIGHBORHOOD SUMMARY

***LOCATION/BOUNDARIES***

The subject neighborhood is situated along the Ashley River to the west of downtown Charleston. The subject is less than one mile west of the central business district and main attractions of Charleston. For purposes of this analysis, neighborhood boundaries include US Highway 17 to the north, the Intracoastal Waterway to the south, the Ashley River to the east and State Highway 171 to the west. For further information and an understanding of the neighborhood boundaries, please refer to the maps included in this report.

***LAND USE PATTERNS***

The land use patterns within the neighborhood consist of residential, commercial and recreational uses. Commercial development includes:

- Vacant former Vue at Ripley Pointe (formerly The Crab Shack)
- California Dreaming Restaurant
- Hampton Inn
- Residence Inn
- Springhill Suites
- Office and service development

Residential and marina land uses include:

- Ripley Cove Marina
- Westwind Landing at Ripley Marina Condominiums
- Ripley Light single family residential lots adjacent to Westwind Landing
- The Albemarle Condominiums
- The subject Ripley Light Yacht Club Marina

The former Vue at Ripley Pointe (former Crab Shack), with 8,240 square feet of area, occupies a prime point location at the end of Ripley Pointe Drive. It had been vacant for some time but reopened as the Vue at Ripley Pointe which was an upscale dining and entertainment venue. The Vue at Ripley Pointe closed and the property was taken back in foreclosure on May 26, 2010. The property was then purchased from the bank by Le Creuset of America, Inc. on February 10, 2011 for the consideration of $4,150,000. Le Creuset of America is a manufacturer of cast iron cookware and other kitchen appliances and cookware with its headquarters located in Early Branch, SC. The building is proposed to be renovated in the near future with the purpose of it being be used as an office/demonstration cooking facility for the products that the company sells. It is our understanding that Le Creuset has obtained the interior demolition permits to enter the building to determine what parts of it can be renovated and/or if it is structurally sound to be renovated.

The subject property marina is part of a larger planned development that originally included the approval for 80 high end condominium units to be developed on the excess land (the excess land is being valued in a separate report for the client and is not included as part of this appraisal). Because of the downturn in the economic and real estate market conditions, the development of the excess land was put on hold. Our discussions with the owners indicated they are going to hold this excess land until the economic and real estate market conditions once gain allow for its development. Once this occurs, the owners indicated the originally approved 80 unit high end condominium units may or may not be developed. One of the other permitted uses for the excess land's zoning district may be considered to be the better highest and best use of the excess land once the economic and real estate market conditions improve. The owners will assess the market conditions and demands for the various types of uses at that time to determine which use would be financially feasible and result in the maximally productive use of the land as of that point in time. While land uses differ, we believe they are complementary of the area and buffered by natural land breaks.

***ACCESS/TRAFFIC CORRIDORS***

Primarily access into the community is via US Highway 17, a four-lane highway, which runs in a north/south direction and provides the neighborhood with access to the central business district and main attractions of Charleston to the northeast and State Route 30 which provides access to James Island to the south. The recently completed SC Highway 61 Connector now provides alternate easy access from Peninsular Charleston to the subject neighborhood. Access from the immediate neighborhood to Charleston's Central Business District is within two miles, and five minutes travel time.

***UTILITIES***

The subject neighborhood is situated in an area served by the Charleston City Utilities Department. Our conversations with representatives of this agency indicate that the neighborhood is served by public water and sewer service. South Carolina Electric and Gas Company provides electricity in the neighborhood, while cable and telephone service are also readily available.

***ZONING***

Zoning in the neighborhood is under the jurisdiction of Charleston County. The primary zoning is GB-A – General Business District- Accommodations Overlay District. The specifics of the GB-A District are discussed later in this report.

***ENVIRONMENTAL CHARACTERISTICS***

The primary environmental characteristics to be considered are any nuisances or hazards as a result of the land uses within the subject neighborhood. At the time of inspection no nuisances or hazards were noted. However, we are not experts in the determination and detection of environmental hazards, and we urge the client to seek the opinions of qualified professionals in regards to this issue. Please see the Assumptions and Limiting Conditions in this report.

***SUMMARY***

The subject neighborhood is situated just west of Charleston's central business district and main attractions, where demographic and economic characteristics favor a developing area. Historically strong employment figures in the region, a good transportation network and a traditionally strong real estate market for residential development suggests that the subject neighborhood should once again be a desirable location once current economic conditions improve.

However, the downturn in the economy and the real estate market conditions that started in early 2007 have continued to this date and have exerted downward pressure on all types of real estate and their values. According to brokers and real estate professionals we spoke with, the addition of the new Boeing plant and the associated suppliers has been a real boost to the local economy as well as the confidence level that things are beginning to turnaround from an economy standpoint. It is thought that the local economy should continue to improve however at a cautiously slow rate. During the projected rebounding/recovery periods of 2012 and beyond, we are of the opinion that the real estate values will begin to increase in value in correlation with the recovery.

In considering the four life cycles that neighborhoods generally have (growth, stability, decline and revitalization), the neighborhood is considered to be in the ***stable*** stage. In the past, the area has continued to have increasing property values due to the location of the neighborhood.

## SITE SUMMARY

### *LOCATION*

The subject property is situated on the western side of the Ashley River just north of the Intracoastal Waterway inside the city limits of Charleston in Charleston County, South Carolina. Its street address is 95 Ripley Point Drive, Charleston, SC 29407. The subject is located across the Ashley River from the Charleston Peninsula, and access is excellent via Ripley Point Drive (2 lanes) to the Fielding Connector/SC Highway 61 Expressway (4 lanes with a center turn lane), supported by a traffic light at the intersection. Ripley Point Drive provides access across the Connector to Albemarle Road, which connects with US Highway 17 within two blocks of the subject site, proving direct access to the Charleston Peninsula about two minutes of the subject site and to points west. The Connector/Expressway provides direct access to Charleston and James Island. Ripley Point Drive is a private road and currently maintained by the developer of the subject property. Location maps for the site and surveys are included in the addenda.

### *SIZE & SHAPE*

The site contains 1.64 gross acres or 71,438 square feet, based on surveys provided for the assignment. The site is highly irregular in shape caused by its water frontage on a canal off of the Ashley River and marsh lands which surround the subject property to the north. The property does have approximately 126.92 front feet on Ripley Point Drive. Visually, the property is basically a spaghetti string of land that includes the site for the marina office and then snakes east, then north and finally west along the marsh just north of the canal. The reader is encouraged to review the maps contained in this report and an understanding of the site configuration. Based on our observations of the surveys, it appears that only about 0.13 acres is attributed to the marina with the balance being upland in the spaghetti string shape previously described. We will apply value to 0.13 acre site in our analysis for the marina. The remaining 1.51 acres consists of uplands which are considered to be unbuildable. We have discussed the contributory value of this parcel of land to the excess land to increase future residential condominium density in a separate appraisal report.

### *TOPOGRAPHY*

The topography of the subject property is level to Ripley Point Drive upon which the property fronts, and slopes gently downward towards the canal. Drainage appears adequate. The topography is typical of the neighborhood. We reviewed the Federal Emergency Management Agency's Flood Insurance Rate Map Community Panel Numbers 455019C-0514J dated November 17, 2004, which indicates that the subject site is located in flood hazard zone VE, a coastal flood area with velocity hazard (wave

action). Base flood elevations range from 13 to 17 feet, but the flood location is typical of coastal areas and is not detrimental to development. Development must be above these elevations. A copy of the flood map is shown in the Addenda.

***SOIL ANALYSIS***

We were not provided with a soil analysis and therefore, no warranty is implied as to the suitability of the soil for development. The values developed herein are predicated upon the assumption that no adverse soil conditions exist and that the site contains adequate soils to support the integrity of the existing structures. However, we are not experts in the determination and detection of the adequacy and suitability of soil for development, and we urge the client to seek the opinions of qualified professionals in regards to this issue. Please see the Assumptions and Limiting Conditions in this report.

***ENVIRONMENTAL CONCERNS***

We are not qualified to detect potentially hazardous materials in the improvements or on the site, the existence of which may affect property value. We were not provided with an environmental site assessment. During the inspection, we walked the site and no items of potential environmental concern were noted. We have therefore specifically assumed that the site is not affected by any hazardous materials that could cause a loss in value. However, we are not experts in the determination and detection of environmental hazards, and we urge the client to seek the opinions of qualified professionals in regards to this issue. Please see the Assumptions and Limiting Conditions in this report.

***LEGAL CONSTRAINTS***

The subject property is zoned GB-A, General Business – Accommodations by the City of Charleston Zoning Ordinance, which will be discussed in further detail following this section. Easements affecting the property include typical utility easements granted to public utilities and municipalities for service lines.

Zoning requirements call for a total of 44 parking spaces to be provided for the marina use. On the subject site, there are 8 spaces currently available. The additional spaces for 36 vehicles, drives, ingress and egress must be obtained from an adjoining parcel under the same ownership of the subject. We have determined later in this report that 0.35 acres is needed to accommodate the parking. We have made an extraordinary assumption that the subject will have cross-easements to 0.35 acre from an adjoining parcel of land (under the same ownership as the subject) for parking.

***UTILITIES***

As of the date of inspection, the property had access to all available public and private utilities. Water and sewer service is provided by the City of Charleston. The utilities are assumed to be adequate to serve the subject site.

***SUMMARY***

The subject site is well suited for a marina development, with excellent access and water amenity. It is centrally located with easy access to entertainment, shopping, hospitals, schools and numerous places of employment. Access to all of these areas is less than five miles. There are no known detrimental uses in the immediate vicinity. It is our opinion that the site does not have any characteristics that would impede its development potential to its highest and best use, as if vacant, or adverse to the existing use of the site except that additional land is needed for parking if the subject is severed from the adjoining parcel.

## IMPROVEMENT SUMMARY

***GENERAL DESCRIPTION – MARINA AND WET SLIPS***

The subject Ripley Light Yacht Club Marina is permitted by the US Army Corps of Engineers for 95 wet slips totaling 4,599 lineal feet of dockage. Eighty-seven (87) slips were built as the developer modified their original plan. Its Master Deed has not been filed. Slips range in length from 30' to 65', with an average slip size of 48 lineal feet. Amenities include a party deck constructed of Brazilian hardwood. The marina is designed with a turn radius large enough to accommodate a 50' boat, while larger boats must back into the inlet to dock. The docks are composed of a lightweight 'Pearlite' core with 3" fiber reinforced concrete shell and are built to withstand a 32' wave. Pilings are higher than standard height. There is a small marina office on the property adjacent to the party deck. This building totals 609 square feet in a one-story design. It has a small office, storage room and two restrooms. Each slip is provided with 2 hose bibs, 30 and 50 amp power, and a plastic storage box with pneumatic opening. A pump-out facility is on site.

No other amenities are available. It appears that eight parking spaces are available behind the marina office off Ripley Point Drive. According to the proposed Master Deed, the Marina Association will have the authority to acquire and provide additional parking for the owners of the marina slips. Our discussions with the owner indicated that there would be enough parking to accommodate the renters of the wet-slips on the adjacent land to the west of the marina itself which is under the same ownership as the subject marina, and could easily be done by creating parking access easements to and from this adjoining land.

The subject's various Slip sizes are summarized in the chart that follows:

| RIPLEY LIGHT YACHT CLUB SLIP INVENTORY* | | | | | |
|---|---|---|---|---|---|
| | Slip # | Slip Length - Linear Feet | | Slip # | Slip Length - Linear Feet |
| 1 | A-1 | 40 | 47* | B-1 | 40 |
| 2 | A-2 | 50 | 48* | B-2 | 40 |
| 3 | A-3 | 50 | 49* | B-3 | 40 |
| 4 | A-4 | 50 | 50* | B-4 | 40 |
| 5 | A-5 | 50 | 51* | B-5 | 40 |
| 6 | A-6 | 65 | 52* | B-6 | 40 |
| 7 | A-7 | 65 | 53* | B-7 | 40 |
| 8 | A-8 | 65 | 54* | B-8 | 40 |
| 9 | A-9 | 65 | 55* | B-9 | 40 |
| 10 | A-10 | 65 | 56 | B-10 | 60 |
| 11 | A-11 | 65 | 57 | B-11 | 60 |
| 12 | A-12 | 65 | 58 | B-12 | 60 |
| 13 | A-13 | 65 | 59 | B-13 | 60 |
| 14 | A-14 | 65 | 60 | B-14 | 60 |
| 15 | A-15 | 65 | 61 | B-15 | 50 |
| 16 | A-17 | 30 | 62 | B-16 | 50 |
| 17 | A-18 | 45 | 63 | B-17 | 50 |
| 18 | A-19 | 40 | 64 | B-18 | 50 |
| 19 | A-20 | 40 | 65 | B-19 | 50 |
| 20 | A-21 | 48 | 66 | B-20 | 50 |
| 21 | A-22 | 48 | 67 | B-21 | 50 |
| 22 | A-23 | 40 | 68 | B-22 | 50 |
| 23 | A-24 | 40 | 69 | B-23 | 50 |
| 24 | A-25 | 48 | 70 | C-1 | 50 |
| 25 | A-26 | 48 | 71 | C-2 | 50 |
| 26 | A-27 | 40 | 72 | C-3 | 50 |
| 27 | A-28 | 30 | 73 | C-4 | 50 |
| 28 | A-29 | 48 | 74 | C-5 | 50 |
| 29 | A-30 | 49 | 75 | C-6 | 50 |
| 30 | A-31 | 30 | 76 | C-7 | 43 |
| 31 | A-32 | 30 | 77 | C-8 | 40 |
| 32 | A-33 | 30 | 78 | C-9 | 40 |
| 33 | A-34 | 30 | 79 | C-10 | 40 |
| 34 | A-35 | 49 | 80 | C-11 | 40 |
| 35 | A-36 | 50 | 81 | C-12 | 40 |
| 36 | A-37 | 50 | 82* | C-13 | 50 |
| 37 | A-38 | 50 | 83* | C-14 | 50 |
| 38* | A-39 | 43 | 84* | C-15 | 50 |
| 39* | A-40 | 43 | 85* | C-16 | 50 |
| 40 | A-41 | 50 | 86* | C-17 | 50 |
| 41 | A-42 | 50 | 87* | C-18 | 50 |
| 42 | A-43 | 50 | | | |
| 43 | A-44 | 50 | | 16 | Total # of Vacant Slips |
| 44* | A-45 | 43 | | 776 | Total Linear Feet for Vacant Slips |
| 45* | A-46 | 43 | | 49 | Average Slip Size - Vacant Slips only |
| 46 | A-47 | 50 | | 18.39% | Vacancy Rate - (Vacant Slips / Total Slips) |
| | | | | 71 | Total # of Occupied & Leased Slips |
| | | | | 3,402 | Total Linear Feet for Occ. & Leased Slips |
| | | | | 48 | Average Slip Size - Occ. & Leased Slips |
| | | | | 81.61% | Occupancy Rate - (Occ. Slips / Total Slips) |

Highlighted slips indicate Vacant - Available slips

* = Slip is a Facedock

Slip A-12 is being leased on a short term basis (3 months - 6/2012 to 9/2012) and we have elected to show the slip as vacant

Slip A-14 is being leased on a Month to Month basis and we have elected to show the slip as being occupied

| | LF | Slips | Average Slip Size |
|---|---|---|---|
| **Totals for Subject Marina** | 4,178 | 87 | 48 |

## TAX AND ASSESSMENT DATA

South Carolina has no state property taxes and no intangibles tax. Local taxing authorities levy real and personal property taxes, which in the case of the subject, is the City of Charleston and Charleston County. The formula for the calculation of real property taxes in South Carolina is as follows:

**(Market Value) x (Assessment Ratio) x (District Millage Rate) = Tax Burden**

***FAIR MARKET VALUE***

The subject is identified in the Charleston County Tax Assessor's Office as tax parcel number 421-11-00-275 and contains 1.64 gross acres of which 0.13 net acres has been determined to be applicable to the marina. The remainder is 1.51 acres of land. This land has value in that it can provide a higher density to development of the adjoining vacant land for future residential development. Therefore, we have allocated the value from the 1.51 acres in a separate appraisal. This 1.51 acres is not buildable due to the unusual shape.

SC state law requires that all real property be taxed fairly and equitably at 100% of FMV. The most recent reassessment in Charleston County was effective on January 1, 2005. The next reassessment was scheduled to be implemented in 2010, but was postponed by ordinance to a 2011 implementation. Postponement does not affect the date of value (2010) that will be used for reassessment. It only affects the time period that taxpayers are notified of value changes and when taxes are based on the new values. After a property is added to the tax rolls, its FMV does not change unless physical changes are made or a new revaluation cycle occurs. For the year 2011, the reassessment has been applied to the real properties in the County. The subject's appraised value based on the most recent reassessment in 2011 is $2,534,800, which is based on the land plus the existing improvements. The Charleston County 2012 fair market and assessed values and millage rates for real estate tax purposes have yet to be estimated and will not be ready until early September of this year.

The South Carolina General Assembly made a change in the constitutional language in June of 2006 regarding property tax valuation, which requires taxes on real property to be laid upon the "actual value" of the property. First, the General Assembly had to redefine the "fair market value" of real property, when real property has been improved or losses have occurred to change the value of the real property, and when an "assessable transfer of interest" has occurred. The actual sales price of a property must therefore be considered when the county assessor's reassess a property.

These changes were designed to overcome any legal argument based upon the plain meaning of "fair market value" preventing the changes the General Assembly has proposed to the property tax system. The changes also allow the General Assembly more latitude in creating the mechanics of implementing the proposed property tax system changes. That change states that real property shall be valued by the method prescribed by the General Assembly so that, after adjusting for improvements and losses, its value does not increase by more than fifteen percent every five years, unless the real property is transferred. This is the fifteen percent cap on increases in value resulting from reassessment. The cap is cumulative, meaning that the increase in value is calculated upon the last value and not a base year.

As was previously indicated the subject's appraised value based on the most recent reassessment in 2011 is $2,534,800 which is based on the land plus the existing improvements for the parcel. However, the subject property has been under the same ownership and has not transferred since the last reassessment that was done by the County in 2005. As this is the case, the subject property's real estate taxes for the year 2011 have been calculated and based upon this fifteen percent cap on increases in value resulting from reassessment as described above. The subject property's previous fair market value as of 2010 was $2,204,200. Therefore the capped value used for the calculation of the real estate taxes for the year 2011 (payable in January 2012) is **$2,534,800** ($2,204,200 x 1.15 = $2,534,800 capped value).

***ASSESSMENT RATIO***

The assessment ratio, as established by the SC Department of Revenue, is based on the property classifications summarized in the following table. The subject property as it exists now currently falls under the "All Other Real Property" classification and is assessed at a ratio **6.0%.**

| PROPERTY TYPE | ASSESSMENT RATIO |
|---|---|
| Manufacturing | 10.5% of fair Market Value |
| Primary Residence | 4.0% of Fair Market Value |
| All Other Real Property | 6.0% of Fair Market Value |
| Personal Property | 10.5% of Income Tax Depreciated Value |

***DISTRICT MILLAGE RATE***

The subject is located in within the city limits of Charleston and is therefore subject to both city and county millage rates. The 2011 millage rate for the City of Charleston is 78.8 and the 2011 millage rate for Charleston County is 179.5. Therefore the combined 2011 millage rate for the subject is 258.3 (78.8 + 179.5 = 258.3).

***LOCAL OPTION SALES TAX***

South Carolina allows individual counties the option of approving a Local Option Sales Tax, which provides a credit against property taxes owed. This credit is *not* an exemption applied to the property value. Rather, counties may increase local sales taxes up to 1.0% to offset tax burden. State law requires that at least 71% of the additional sales tax revenue be used for property tax relief and returned to tax payers in the form of tax credits. In Charleston County, where voters have approved the local option sales tax, 100% of these revenues are returned as tax credits. As the sales tax revenue increases or decreases each year based on area sales, the "credit factor" increases or decreases accordingly. The 2011 credit factors for the City of Charleston and Charleston County are 0.00071 and 0.00070, respectively.

***CONCLUSION***

The 2011 real estate tax burden (payable in January 2012) calculation for the subject is summarized as follows.

| AD VALOREM TAX INFORMATION | | | |
|---|---|---|---|
| County's 2011 Capped Market Value for Tax Purposes | | | $2,534,800 |
| × Assessment Rate (for commercial property) | | | 6.0% |
| Assessed Value (rounded by County) | | | $152,090 |
| × Millage Rate | | | 0.2583 |
| **Tax Burden before Tax Credits** | | | **$39,285** |
| Less: City Option Sales Tax Credit | 0.00071 | × FMV | ($1,800) |
| Less: County Option Sales Tax Credit | 0.00070 | × FMV | ($1,774) |
| **2011 Total Tax Burden (payable in January 2012)** | | | **$35,711** |

As of the date of this appraisal, the real estate taxes noted above that were due and payable by January 15, 2012 have been paid on time, and there are currently no delinquent real estate taxes, fees or penalties associated with the subject property.

We have increased the 2011 real estate taxes by 3% in projecting the 2012 real estate taxes for the subject. Our tax burden is shown as **$36,782 or $423** per slip, rounded ($35,711 x 1.03 = $36,782 / 87 slips = $422.78, or say $423 per slip), and $8.80 per lineal foot, rounded ($36,782 / 4,178 total lineal feet for slips = $8.80 per lineal foot). This figure will be used as the real estate tax expenses in our Income Approach to Value for the subject.

## ZONING/LAND USE CONTROL

The subject property is situated inside the city limits of Charleston and is subject to the City of Charleston Zoning Department Regulations. The site is zoned **GB-A, General Business District, with Accommodations Overlay.** According to the Charleston Zoning Ordinance, the intent and permitted uses within this district are as follows:

> "The **GB district** is intended to provide for a broad range of commercial uses and activities. It is the most intensive commercial zoning district. It is the most intensive commercial zoning district. Prohibited uses include junk and salvage yards, storage yards (except for vehicles and boats), and warehouses including self-storage mini-warehouses. Automotive repair shops, gasoline service stations, veterinary clinics, and stables are permitted only as special exceptions subject to approval of the Board of Zoning Appeals. "
>
> "Accommodations, An Overlay Zone is intended to identify those areas within the city limits where hotel, motel and inn accommodation uses, and timesharing uses are allowed. The accommodation uses are prohibited except within the A Overlay Zone."

The present zoning classification allows for different types of commercial and retail use. Marinas are a permitted use in this district, as are residential condominiums. Other requirements are as follows:

| ZONING SUMMARY | |
|---|---|
| Current Zoning | GB - A, General Business |
| | Accomodations Overlay |
| Legal Use/Conforming | Legal, conforming |
| Uses Permitted | Marinas, multi-family, others |
| Zoning Change | Unlikely |
| Minimum Lot Size - GB District | 1,650 SF/Unit |
| Maximum Coverage | N/A - Nonresidential |
| | 35% Residential |
| Front & Rear Setback | N/A - Nonresidential |
| | 3' Total Front & Rear - Residential |
| Side Yard Setbacks | N/A - Nonresidential |
| | 15' total, 9' South/West/3' North/East |
| Maximum Height | 50' in 50W District |
| Source: Charleston Zoning Code | |

Although Charleston's Zoning Ordinance is specific to dry a storage marina which indicates that parking is required at a ratio of one space per two dry slips, it is implied that the same ratio holds true for wet slip marinas. The Draft Master Deed permits the future Homeowner's Association to provide additional parking in the future and we believe this is best handled by parking easement on adjoining lands which are owned by the subject property owners. We must consider if the subject were sold as a stand-alone asset, parking must be provided. We believe this is best derived for the subject by creating a cross-easement on about 0.35 acres of land on the adjoining vacant land parcel under the same ownership, in order to accommodate the needed 36 additional parking spaces, ingress and egress.

## MARKETING TIME AND EXPOSURE TIME

The marketability analysis focuses on marketing time and exposure time, both of which are functions of time, price, use, and market conditions. The *market conditions* component distinguishes marketing time from exposure time because these two conditions often differ in a dynamic market. USPAP defines **MARKETING TIME** as "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal." Marketing time is always presumed to *precede* the effective date of an appraisal.[2] USPAP defines **EXPOSURE TIME** as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.[3]

The most probable investor for the subject property would be an investor seeking to profit from the sellout of the slips for a dockominium project. In order to estimate a reasonable marketing time for the subject, we contacted real estate brokers active in the region. We explained the parameters of the subject site size and location. Overall, the brokers estimated a marketing period of twelve to eighteen months if the subject were sold to a single purchaser. We have estimated a marketing period of twelve to eighteen months.

This is also applicable to the exposure period, which would precede the date of the appraisal. Typical selling commissions on a property similar to the subject would be about five percent. The marketing period would be predicated on the site being free of environmental hazards. If problems were found, the time to eradicate the site would add to the marketing time. After considering all the information available, we conclude that a reasonable marketing and exposure period of twelve to eighteen months is applicable to the subject property.

**ESTIMATE OF MARKETING AND EXPOSURE TIME – AS IS**
**TWELVE TO EIGHTEEN MONTHS**

[2] *Uniform Standards of Professional Appraisal Practice* and *Advisory Opinions*, 2012-2013 ed. Washington, DC: The Appraisal Foundation. 2012. Advisory Opinion 7, Page A-13, Lines 14-18.

[3] *Uniform Standards of Professional Appraisal Practice* and *Advisory Opinions*, 2012-2013 ed. Washington, DC: The Appraisal Foundation. 2012. Definitions, Page U-3, Lines 73-77.

## HIGHEST AND BEST USE

The highest and best use for real property can be defined as follows:

> "The reasonable and probable use that supports the highest present value, as defined, as of the date of the appraisal."

Alternatively, highest and best use is . . .

> " The use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value."

The first type of highest and best use, highest and best use of land or a site as though vacant, assumes that a parcel of land is vacant or that it can be made vacant through the demolition of any improvements. The question to be answered in this type of analysis is "what use should be made of it?", that is, what type of building or other improvement (if any) should be constructed on the land?

The second type of highest and best use, highest and best use of a property as improved, pertains to the use that should be made of the property as it exists. Should the existing improvements be maintained, renovated, expanded, partially demolished or should it be replaced with a different type use? The purpose of highest and best use analysis is different for each type of highest and best use examined. For each type of highest and best use, the criterion in a highest and best use study are that the highest and best use must be 1) legally permissible, 2) physically possible, 3) financially feasible, and 4) maximally productive. According to ***THE REAL ESTATE APPRAISAL TERMINOLOGY*** book, published by the American Institute of Real Estate Appraisers, "...the concept of highest and best use represents the premise upon which value is based." We will examine the highest and best us of the subject on an analysis both "As Vacant" and "As Improved."

## AS VACANT

***LEGALLY PERMISSIBLE USES***

The first criteria in analyzing the subject property as vacant are the legally permissible uses. The zoning ordinances or deed restrictions typically define legally permissible uses. We have previously stated that the subject property is zoned GB-A District. This district allows for a wide range of permitted uses including marina, residential and accommodations development. This is the least restrictive zoning category in Charleston. Surrounding land uses include commercial and residential development. These uses suggest that a residential application would be legal. A marina operation requires special permits that are often difficult to obtain.

***PHYSICALLY POSSIBLE USES***

The next criterion in determining the highest and best use considers uses that are physically possible. Some uses may be inappropriate due to certain physical characteristics of the site. These conditions are usually concerned with size, shape, egress and ingress, utilities, soil conditions and topography. The subject site contains 1.64 gross acres and has a very irregular shape since the majority of the subject property is located along the Ashley River and a canal and inlet off the River. We believe there is about 0.13 acres of land attributable to the marina with the remainder totaling 1.51 acres of excess uplands. We have allocated the 1.51 acres to the adjoining vacant land. It will enhance the density allowed for development of the adjoining land. The 1.51 acres is not buildable since it has a long narrow shape. We have not valued this density enhancement in this appraisal.

The overall subject site is served by public utilities and would be considered adequate for any of the legally permitted uses. The Ripley Cove Marina is currently located across the canal from the subject site. The inlet does have sufficient width to accommodate a marina. It also appears that the inlet has the sufficient depth to accommodate a marina, although dredging permits are typically needed to maintain channel depth.

***FINANCIALLY FEASIBLE***

The third criterion for determining the highest and best use of the subject, as vacant, would be what use would bring a substantial positive cash flow to the investor. The primary attribute of the subject is its location in the Ripley Point area, just west of Charleston's attractions and central business district. We would expect continued development of luxury residential uses to occur near the subject property however not anytime soon. Due to the size of the site with regard to usable area, a residential use is not considered a financially feasible use of the site as it would be difficult to build on a small site with height restrictions and provided needed parking. A marina development would enhance the subject's financial feasibility as its cost is typically less than its value from the sale of individual slips in a good economic environment. The lease of marina slips does not return as high a price to the land as the sale of the individual slips. However, given the current economic conditions, a tight credit market and the suppressed residential housing market, and the current lack of demand for additional boating slips in the market, the development of a marina would not be financially feasible at this time. We believe that speculative holding would be the most feasible use if vacant.

***MAXIMALLY PRODUCTIVE***

The fourth criteria analyzes what uses would be maximally productive. After considering the above parameters, and taking into account the size of the property, and its location (waterfront) we conclude that marina development would maximize the value of the site, as vacant. It would further serve existing uses in the immediate neighborhood, as well as development in surrounding areas. However the current market conditions would make such a project not feasible at the present time. We believe that speculative holding of the land for future development of a marina project with the highest permitted and accepted density would maximize the use of the subject site and bring the highest return to the land.

## AS IMPROVED

The following considerations have been made in addition to those mentioned in the analysis "as vacant".

***LEGALLY PERMISSIBLE USE***

The marina is a legally permitted use and is currently improved with 87 wet slips. A total of 96 wet slips were originally permitted.

***PHYSICALLY POSSIBLE USES***

The subject property is an existing marina on an inlet of the Ashley River in Charleston, South Carolina. This development is one of many on the Ashley River and has access to deep water and water amenities. The size of the land attributed to the marina at 0.13 net acres is considered reasonable for the use as a wet-slip marina.

***FINANCIALLY FEASIBLE USE***

It was concluded in the "as vacant" section that a marina development would be the most financially feasible use of the site at some time in the future. The subject has been improved with flotation docks and marina office for an 87-wet slip marina with a pump-out station and docks of sufficient size to accommodate the larger boats in the marketplace. Wet slip marinas are generally more profitable on a sell-out basis than they are as rental units. The site is of size to accommodate the marina but not a condominium project and marina. More land is needed to accommodate parking for the marina. This would be addressed by obtaining parking easements on lands adjoining the subject property and owned by the subject property's owners.

***MAXIMALLY PRODUCTIVE***

The final criterion for determining the highest and best use examines which uses are maximally productive. The cost of renovating or modifying the improvements to an alternative use would be cost prohibitive and not maximally productive. The highest and best use will be the use that maximizes the marina asset's value which would be the sellout of the marina slips to end users, with any slips still waiting to be sold off to continue to be leased and generating interim income until sold during the sellout period.

## METHOD OF VALUATION

The appraisal process typically involves three approaches in determining value, which consists of the Cost Approach, Income Approach and Sales Comparison Approach. A brief description of each technique is as follows:

***THE COST APPROACH***

An appraisal procedure using depreciated replacement or reproduction costs of improvements plus land value as a basis for estimating market value. The underlying assumption is that an informed purchaser will pay no more than the cost of producing a substitute property with the same utility as the subject property.

***THE INCOME APPROACH***

An appraisal procedure using capitalization of expected future income as a basis for estimating market value. The underlying assumption is that an informed purchaser will pay no more for the subject property than would have to be paid for another property with an income stream of comparable amount, duration and quality.

***THE SALES COMPARISON APPROACH***

An appraisal procedure-using sale prices of properties similar to the subject property as a basis for estimating market value. The underlying assumption is that an informed purchaser will pay no more for a property than would have to be paid for a similar property of comparable utility.

## APPRAISAL PROCEDURES

Since the subject valuation involves the current operations of the subject as a rental marina as well as the sellout of the marina wet slips to end users for private ownership (Dockominiums), the Income Approach and Development Valuation Analysis (DVA) will be used. The Cost Approach has been omitted as a purchaser or investor of this type of property would not typically rely on the replacement cost in making a purchasing decision given today's depressed economic environment. We are of the opinion that the omission of the cost approach is not misleading. The computations that accompany each approach will be outlined on the following pages for the reader's reference.

## INCOME APPROACH TO VALUE

The income approach is an appraisal procedure that capitalizes an expected income stream into an indication of market value. The underlying premise is that an informed purchaser will pay no more for the subject property than he would have to pay for another property with an income stream of comparable quantity, quality and durability. The first step undertaken is to make an estimate of the gross potential income for the subject property. In order to do this the appraiser must survey the market for comparable properties with which to make a comparison. Thereafter, a vacancy estimate is made based on market conditions at the time of the appraisal. The next step involves estimating the expenses that can reasonably be expected in order to maintain the income stream set forth in the estimate of gross potential income. A comparison of several similar type facilities has been used along with the owners historical operating expenses for the past three years of operations of the subject to provide an estimate of the operating expenses by category. By deducting vacancy and expenses from gross potential income, an indication of net operating income is derived. It is this figure that is capitalized in order to arrive at a value using the direct capitalization method.

***GROSS ANNUAL INCOME ESTIMATE***

The subject property is a wet-slip marina with 87 total wet slips of which 71 are presently leased (81.61% Occupancy Rate). There is no dry storage for the subject marina. The wet-slips are leased on short-term leases of one year in length or less.

We have compared the contract rent for the subject slips with market rent for wet slips being offered for lease at other marina facilities in the market area. Our market analysis of the Marina Wet Slip Rentals Market was detailed and presented earlier in this report. This information is presented again below.

Marinas within the market area in close proximity to the subject that offer slips for rent and have been used as comparables for purposes of establishing the market rents per Linear Foot for the subject's slips for purposes of this report include the Bristol Marina, Harborage at Ashley River Marina, Charleston Harbor Marina at Patriot's Point, the City Marina, the Yacht Club at Toler's Cove, and the Bohicket Marina & Yacht Club.

The chart below summarizes the information and data of the asking rents for the various sized wet slips being offered for rent at each of these comparable marinas.

| Project Name | Location | Amenities | Slip Size/LF | Rent/LF | Avg. Year Round Occupancy Rate |
|---|---|---|---|---|---|
| The Bristol Marina | Charleston Peninsula along Lockwood Dr. | Average | 12' - 70' | $15.00 - Monthly<br>$12.50 - Semi- Annually*<br>$11.75 - $12.25 - Annually*<br>Special - 3% Discount for New Annually | 80.0% |
| The Harborage at Ashley Marina | Charleston Peninsula along Lockwood Dr. | Good | 30' - 140' | $10.00 - $13.00 - Annually<br>$14.50 - Semi-Annually<br>$15.00 - Quarterly<br>$16.00 - $25.00 - Monthly | 85.0% |
| The Charleston Harbor Marina | Mt. Pleasant | Good | 33' - 66'<br>100' - 200' - T-Heads | $12.50 - $13.00 Annually Paid In Advance<br>$14.25 - $14.75 Annually Paid Monthly | 80.0% |
| City Marina | Charleston Peninsula along Lockwood Dr. | Good | 30' - 100' | $18.00 - $30.00 - Monthly<br>$17.00 - $20.00 - Semi-Annually<br>$13.00 - $14.50 - Annually* | 85.0% |
| The Yacht Club at Toler's Cove | Mt. Pleasant | Good | 35' - 70' | $13.00 - Monthly | 90.0% |
| Bohicket Marina & Yacht Club | Seabrook/Kiawah Island | Good | 30' - 117' | $15.00 - Monthly<br>$13.50 - Semi- Annually<br>$11.50 - Annually | 70.0% |
| Subject Property | 95 Ripley Point Drive | Average | 30' - 65' | $13.00 - Asking<br>$5.00 - $19.50 - Contract In Place<br>$11.41 - Average Contract In Place | 81.6% |

* - Includes Electrical Charges

The comparables have an average year round vacancy rates ranging from 70.0% to 90.0%, with the average being 81.7%. The subject's current occupancy rate is 81.6% (71 slips leased / 87 total slips = 81.61% occupancy rate). Based on the comparables occupancy rates and their average, as well as our discussions with real estate professional's familiar with the operations of rental marinas in the Charleston market area, we are of the opinion that the stabilized occupancy rate for the marina wet slip rental market is 80.0%. Therefore, the subject (81.61% occupancy rate) is currently being operated at the stabilized occupancy rate for the market.

The above rents are the asking rents for the wet slips within each of the marinas. The current asking rent for the subject's wet slips (all sizes) is $13.00 per LF. The rent roll provided to us by the owner indicates the total monthly dollar amount being generated from the 71 occupied slips is $38,800. The rent roll further indicates that the current tenants have lease rates ranging from $5.00/LF to $19.50/LF (depending on the length of the slip), with the average of the contract rents being $11.41/LF. The subject's average contract rent of $11.41 per LF is approximately 12.23% less than the current asking rent of $13.00 per LF for the subject's vacant slips.

A summary of our analysis of the subject property's rent roll showing the average contract rents per lineal foot for the various sized occupied slips of the subject is presented below.

| SLIP SIZES (LF) | 30 | 40 | 43 | 45 | 48 | 49 | 50 | 60 | 65 | |
|---|---|---|---|---|---|---|---|---|---|---|
| # of EACH OCCUPIED | 6 | 17 | 2 | 1 | 4 | 1 | 27 | 5 | 8 | 71 |
| AVG. CONRACT RENT (LF) | $13.90 | $11.41 | $10.00 | $13.29 | $14.77 | $13.27 | $10.48 | $8.60 | $11.51 | |
| TOTAL LF - OCC. & LEASED | 180 | 680 | 86 | 45 | 192 | 49 | 1350 | 300 | 520 | 3402 |

NOTES:

| | |
|---|---|
| 40' Slips | 3 boat owners are leasing two slips each (total of 80' by each boat owner) at reduced rates |
| 50' Slips | 2 boat owners are leasing two slips each (total of 100' by each boat owner) at reduced rates |
| 65' Slips | 1 slip is being leased at $17.45/LF on a Month to Month basis (Included in above as Leased) |

| | |
|---|---|
| Total # Slips for Subject Marina | 87 |
| Total # Slips Actually Occ. & Leased | 71 |
| % of Slips Occ. & Leased | 81.61% |
| Total LF for All 87 Slips of Subject | 4,178 |
| Total LF Slips Occ.& Leased | 3,402 |
| % of LF Occupied & Leased | 81.43% |
| Total Rent of Occ. Slips per Rent Roll | $38,800 |
| Total LF - Occupied & Leased | 3,402 |
| Average Contract Rent per LF | $11.41 |

Taking into consideration the subject's asking rent is $13.00 per LF for its vacant slips, as well as the subject's average in place contract rent level is $11.41 per LF, as well as the fact that the rents shown above for the comparables are the asking rents for the slips (with the slips at the comparables also most likely being leased for less than the asking rents), as well as the fact the subject is currently being operated at the proper stabilized occupancy rate within the market, and taking into consideration the location of the subject marina, we are of the opinion that, on average, the correct market rent level for the subject's wet slips would be in the range of $11.25 per LF to $12.00 per LF. The subject's average in place contract rent of $11.41 is within this range.

Further, as was previously noted, the rent roll provided to us by the owner (a copy of the rent roll as provided to us by the owner has been included in the addenda) indicates the monthly rent for the 71 leased slips totals $38,800 ($11.41 per LF), or $465,600 annually. This compares to the Rental Income from Slips only (already net of vacancy) of $494,162 in 2009; $462,614 in 2010, and $472,258 in 2011.

Therefore, we are of the opinion that the rents being paid by the tenants in place at the subject are, on average, to be at their correct market rent level.

## POTENTIAL GROSS ANNUAL INCOME FROM WET-SLIP RENTALS

Because the contract rents for the subject's 71 occupied and leased slips are considered to be at their proper market rent level, as well as the subject is already being operated at the stabilized occupancy rate for the market, for purposes of projecting the Total Gross Annual Slip Rental Income (net of vacancy) in this analysis, we have used this $38,800 annual contract rent amount for the 71 already occupied and leased slips at the subject.

Therefore, The Annual Slip Rental Income being projected for the subject is equal to **$465,600** ($38,800 per Month x 12 Months = $465,600). The annual slip rental income figure of $465,600 is based on the 71 occupied slips out of the total 87 slips for the subject property and already correctly reflects the 80% stabilized occupancy rate for the subject. Therefore, no deduction has to be made for vacancy and credit loss.

### *VACANCY AND COLLECTION LOSS*

As was noted above, the above figure for the annual slip rental income figure of $465,600 is based on the 71 occupied slips out of the total 87 slips for the subject property (81.61% occupancy rate) and already correctly reflects slightly more than the 80% stabilized occupancy rate for the subject. Therefore, no deduction has to be made for vacancy and credit loss.

### *GROSS SLIP RENTAL INCOME – NET OF VACANCY*

Therefore, the Annual Slip Rental Income - Net of Vacancy is equal to **$465,600.**

## OTHER INCOME STREAMS FROM SUBJECT'S OPERATIONS

### *UTILITES - ELECTRICAL SERVICE REIMBURSEMENT*

The subject provides dockage electrical services to all tenants and each service is metered separately. The annualized historical data indicates reimbursements were $41,474 in 2009; $47,510 in 2010 and $65,133 in 2011. We have projected the Utilities reimbursements at **$65,000** or **$747 per slip.**

### *MARINA STORE SALES INCOME*

The subject property previously operated a small shop sales office for parts, materials and supplies (excluding fuel) including marine batteries, propellers, keys, switches, light bulbs, fishing rods, tackle accessories, clothing and other items. However, today only ice is sold. The subject reported income from this source totaling $15,135 in 2009; $9,339 in 2010; and $6,433 in 2010. Our projection is **$6,500 or $75 per slip.**

***ENVIRONMENTAL & SAFETY FEES***

The subject property's owners are reimbursed by the tenants for the environmental and safety fees associated with the operations of a marina that are being charged to them by the governmental authorities. The subject reported this figure to be $7,845 in 2009; $6,578 in 2010 and $6,533 in 2011. Our projection is **$6,500 or $75 per slip.**

***PENALTIES & LATE FEES, DISCOUNTS AND OTHER INCOME***

This category includes penalties and late fees, discounts provided for the rental of slips, and other miscellaneous income comprised of minor dollar amounts for adjustments made to invoices paid, refunds, etc. (this figure has been very minor historically). The subject property reported the sum of these three categories totaling (-$943) for 2009; (-$450) for 2010 and (-1,527) for 2011. Our projection is **(-$950) or (-$11) per slip.**

***EFFECTIVE GROSS INCOME***

Our projection of the Effective Gross Income the sum of the Total Slip Rental Income – Net of Vacancy of $465,600 + the sum of all the Other Income Streams above of $77,050 ($65,000 + 6,500 + $6,500 + (-$950) = $77,050) which equals **$542,650** or **$6,237 per slip.** For comparison purposes, the historical Effective Gross Income for the year 2009 was $557,673 or $6,410 per slip; $525,590 or $6041 per slip for the year 2010 and $548,850 or $6,309 per slip for the year 2011.

## ANALYSIS OF OPERATING EXPENSES

We have provided reconstructed operating statements for the subject with 87 operational slips for the years 2009, 2010 and 2011 which are presented on the next page (a copy of these historical statements as they were provided to us by the owner have been included in the addenda of this report).These statements show the various and accepted expenses as a cost per slip and percentage of effective gross income. The subject property is currently considered to be operating at a stabilized occupancy rate, and has been for the past three years as evidenced by the income and expenses shown within the owner provided historical statements for the subject. We have considered these historical expenses for the subject property as well as other marinas in operation in the southeast. We also had access to the line-item expense survey prepared by the International Marina Institute's *Financial and Operational Benchmark Study for Marina Operators.* The Institute is an International Trade Organization for owners and operators of marinas. The survey is broken down by region in the US and by the top 25% of marinas. This survey is presented on the following pages and will be referred to as the FOBS in our discussion section.

| Reconstructed Operating Statement Year Ending December 2009 Ripley Light Yacht Club Marina | | | |
|---|---|---|---|
| **Income** | **$** | **$/ Slip** | **% EGI** |
| Rental Income from Slips | $494,162 | $5,680 | 88.61% |
| Utilities | $41,474 | $477 | 7.44% |
| Marina Goods & Services Sales | $15,135 | $174 | 2.71% |
| Environmental & Safety Fees | $7,845 | $90 | 1.41% |
| Penalties | $670 | $8 | 0.12% |
| Discounts | -$501 | -$6 | -0.09% |
| Other Income (Invoice Adjustments) | -$1,112 | -$13 | -0.20% |
| **Effective Gross Income** | **$557,673** | **$6,410** | **100.00%** |
| **Operating Expenses** | | | |
| Salaries & Wages | $127,721 | $1,468 | 22.90% |
| Insurance (General Liability) | $71,294 | $819 | 12.78% |
| Property Taxes | $31,268 | $359 | 5.61% |
| Utilities | $106,477 | $1,224 | 19.09% |
| Cost of Goods Sold - Marina Shop | $20,288 | $233 | 3.64% |
| Advertising | $3,376 | $39 | 0.61% |
| Repairs & Maintenance | $55,896 | $642 | 10.02% |
| Marina Services | $809 | $9 | 0.15% |
| General & Administrative | $116,601 | $1,340 | 20.91% |
| Miscellaneous | $9,003 | $103 | 1.61% |
| Regime Fees | $16,514 | $190 | 2.96% |
| Replacement Reserves | $0 | $0 | 0.00% |
| **Total Operating Expenses** | **$559,248** | **$6,428** | **100.28%** |
| **Net Operating Income** | **-$1,575** | **-$18** | **-0.28%** |

| Reconstructed Operating Statement Year Ending December 2010 Ripley Light Yacht Club Marina | | | |
|---|---|---|---|
| **Income** | **$** | **$/ Slip** | **% EGI** |
| Rental Income from Slips | $462,614 | $5,317 | 88.02% |
| Utilities | $47,510 | $546 | 9.04% |
| Marina Goods & Services Sales | $9,339 | $107 | 1.78% |
| Environmental & Safety Fees | $6,578 | $76 | 1.25% |
| Penalties | $35 | $0 | 0.01% |
| Discounts | -$581 | -$7 | -0.11% |
| Other Income (Invoice Adjustments) | $96 | $1 | 0.02% |
| **Effective Gross Income** | **$525,590** | **$6,041** | **100.00%** |
| **Operating Expenses** | | | |
| Salaries & Wages | $130,847 | $1,504 | 24.90% |
| Insurance (General Liability) | $47,625 | $547 | 9.06% |
| Property Taxes | $31,268 | $359 | 5.95% |
| Utilities | $100,766 | $1,158 | 19.17% |
| Cost of Goods Sold - Marina Shop | $15,529 | $178 | 2.95% |
| Advertising | $821 | $9 | 0.16% |
| Repairs & Maintenance | $24,937 | $287 | 4.74% |
| Marina Services | $3,738 | $43 | 0.71% |
| General & Administrative | $55,588 | $639 | 10.58% |
| Miscellaneous | $14,397 | $165 | 2.74% |
| Regime Fees | $19,366 | $223 | 3.68% |
| Replacement Reserves | $0 | $0 | 0.00% |
| **Total Operating Expenses** | **$444,881** | **$5,114** | **84.64%** |
| **Net Operating Income** | **$80,710** | **$928** | **15.36%** |

| Reconstructed Operating Statement Year Ending December 2011 Ripley Light Yacht Club Marina | | | |
|---|---|---|---|
| **Income** | **$** | **$/ Slip** | **% EGI** |
| Rental Income from Slips | $472,258 | $5,428 | 86.05% |
| Utilities | $65,133 | $749 | 11.87% |
| Marina Goods & Services Sales | $6,433 | $74 | 1.17% |
| Environmental & Safety Fees | $6,553 | $75 | 1.19% |
| Penalties | $175 | $2 | 0.03% |
| Discounts | -$1,534 | -$18 | -0.28% |
| Other Income (Invoice Adjustments) | -$168 | -$2 | -0.03% |
| **Effective Gross Income** | **$548,850** | **$6,309** | **100.00%** |
| **Operating Expenses** | | | |
| Salaries & Wages | $107,335 | $1,234 | 19.56% |
| Insurance (General Liability) | $48,516 | $558 | 8.84% |
| Property Taxes | $35,711 | $410 | 6.51% |
| Utilities | $92,558 | $1,064 | 16.86% |
| Cost of Goods Sold - Marina Shop | $15,633 | $180 | 2.85% |
| Advertising | $0 | $0 | 0.00% |
| Repairs & Maintenance | $7,848 | $90 | 1.43% |
| Marina Services | $1,584 | $18 | 0.29% |
| General & Administrative | $78,571 | $903 | 14.32% |
| Miscellaneous | $5,534 | $64 | 1.01% |
| Regime Fees | $12,347 | $142 | 2.25% |
| Replacement Reserves | $0 | $0 | 0.00% |
| **Total Operating Expenses** | **$405,636** | **$4,662** | **73.91%** |
| **Net Operating Income** | **$143,214** | **$1,646** | **26.09%** |

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| Comparable Operating Expenses | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Comparable One | | Comparable Two | | Comparable Three | | Marina Institute |
| *Income* | Per Slip | % | Per Slip | % | Per Slip | % | % |
| Wet Slips Leases | $3,885 | 61.50% | $2,876 | 93.57% | $5,230 | 98.28% | N/A |
| Electrical Reimbursement | $274 | 4.40% | $122 | 3.96% | $0 | 0.00% | N/A |
| Other Income | $2,150 | 34.10% | $76 | 2.47% | $92 | 1.72% | N/A |
| **Effective Gross Income** | **$6,309** | **100.00%** | **$3,073** | **100.00%** | **$5,322** | **100.00%** | **N/A** |
| | | | | | | | |
| *Operating Expenses* | | | | | | | |
| Salaries & Wages | $709 | 11.24% | $859 | 27.95% | $2,335 | 43.88% | 17.10% |
| General & Administrative | $619 | 9.81% | $119 | 3.88% | $169 | 3.17% | 2.60% |
| Utilities | $716 | 11.35% | $249 | 8.11% | $371 | 6.97% | 4.00% |
| Property Association Dues | $236 | 3.74% | $0 | 0.00% | $0 | 0.00% | 0.00% |
| Telephone | $0 | 0.00% | $60 | 1.94% | $0 | 0.00% | 0.40% |
| Repairs & Maintenance | $426 | 6.75% | $152 | 4.94% | $209 | 3.93% | 5.30% |
| Property Taxes | $12 | 0.19% | $452 | 14.71% | $239 | 4.49% | 1.90% |
| Insurance | $841 | 13.33% | $418 | 13.60% | $490 | 9.20% | 1.90% |
| Advertising | $168 | 2.66% | $74 | 2.41% | $71 | 1.34% | 1.40% |
| Management Fees | $0 | 0.00% | $0 | 0.00% | $517 | 9.72% | 0.00% |
| Replacement Reserves | $0 | 0.00% | $0 | 0.00% | $0 | 0.00% | 0.00% |
| Other | $0 | 0.00% | $40 | 0.00% | $324 | 6.09% | 14.60% |
| **Total Operating Expenses** | **$3,727** | **59.07%** | **$2,423** | **77.55%** | **$4,726** | **88.80%** | **49.20%** |
| | | | | | | | |
| **Net Operating Income** | **$2,582** | **40.93%** | **$650** | **21.14%** | **$596** | **11.48%** | |

## OPERATING EXPENSES

***SALARIES & WAGES***

This expense category generally includes salaries and wages of personnel and management including overtime, holiday and vacation pay. Also included in this category are employee benefits and payroll taxes such as federal, state, social security and workmen's compensation. Within the comparables, this item ranged from $709 to $2,235 per slip or 11.24 to 43.88 percent of the effective gross income. The FBOS study showed an average expense of 17.10 percent of effective gross income.

The subject reported expenses for 2009 at $127,721or $1,935 per slip, $130,847 or $1,983 per slip in 2010 and $107,335 or $1,234 per slip for 2011. We considered the office and maintenance staffing for a marina the size of the subject which includes a marina manager, a maintenance person and two, fulltime dock hands and one, part-time dockhand. Based on this we have concluded an expense of **$110,000 annually** to be reasonable. This totals **$1,264 per slip.** As a percentage of EGI, this totals **20.27%**

***PROPERTY INSURANCE***

This expense category takes into consideration the insurance on the structures, as well as equipment necessary to operate the marina, including the furniture and fixtures. A review of the annualized historical data from the subject property indicates an insurance expense of $71,294 or $1,080 per slip in 2009; $47,625 or $722 per slip in 2010 and $48,516 or $558 per slip in 2011. The comparables reported this expense as ranging from 9.20% to 13.60% of EGI and $418 to $841 per slip. The FOBS study indicated an expense of 1.90% of effective gross income.

We have noted the subject property is in a flood hazard area along the coast. Insurance companies, with marina properties in their portfolios, which have some exposure in hurricane-prone areas have seen their costs escalate in the last five years. As such, many insurance companies are increasing their premiums to hedge against future losses, especially to existing properties prone to hurricane damage. The subject property is in this classification.

Insurance companies with marina properties in their portfolios that have exposure in hurricane-prone areas have seen their costs escalate in the last five years. As such, many insurance companies are increasing their premiums to hedge against future losses, especially to existing properties prone to hurricane damage. The subject property is in this classification. We note that 2006 and 2007 were years of adjustment for insurance companies following catastrophic losses incurred in the Gulf Coast region as a result of Hurricane Katrina. While this hurricane did not have a direct physical impact on the subject property, the location and use of the subject structure as a marina having close access to the Atlantic Ocean has an impact on future premiums against losses.

We project an expense of **$50,000** or **$575 per slip** for the subject property after giving credence to the actual 2011 premiums and the expense comparables. As a percentage of EGI, our figure totals **9.21%.**

***REAL ESTATE (PROPERTY) TAXES***

The current real estate taxes for the subject for the year 2011 (payable in January 2012 are $35,711. We have projected the real estate taxes at an increase of 3.0% over their current amount for this analysis. Our projection is for **$36,782** or **$423 per slip.** As a percentage of EGI, our projection is **6.78%.**

***UTILITIES***

This expense category includes the cost of electricity and water, telephone, cable television, internet, operation of the ship-to-shore radio systems, and natural gas costs.

This expense is anticipated to be small for the office structure itself due to it being small with only the office and small common areas heated and cooled. The utilities are regulated at each slip with a meter. Further, wet slip electrical charges are reimbursed.

The study of our comparables shows an expense related to this category at a range between 6.97% and 11.35% or $249 to $716 per slip. FBOS showed an average of 4.00%. The subject reported the 2009 expense at $106,477 or $1,224 per slip; 2010 expenses were $100,766 or $1,158 per slip; and the 2011 expense was $92,558 or $1,064 per slip. Our projection is based primarily on the subject's most recent historical 2011 figure. We have projected the utilities expense at **$90,000 annually** or **$1,034 per slip**. As a percentage of EGI, our projection is **16.59%.**

***COST OF GOODS SOLD – MARINA STORE***

This category is included as an expense for the cost of goods sold in the marina shop, inclusive of any bait, ice, service items, etc. We note that the marina has for the most part removed this store from its operations as of 2010 and is now primarily only selling ice and soft drinks from vending machines for customers. The historical data indicates 2009 expenses were $20,288 or $233 per slip. This decreased to $15,529 and $178 per slip in 2010. During 2011, this expense totaled $15,633 or $180 per slip. The comparable data did not include cost of goods sold as an expense item. The FBOS data did not include this either since it is a going-concern expense related to the operation of the marina.

Our projection is based on the historical figures from 2010 and 2011, when the store was scaled back in its operations with only ice and soft drinks being sold as the expenses since 2010. Our projection is for **$15,500** for the coming year. This amounts to **$178 per slip.** As a percentage of EGI, our projection is **2.86%.**

***ADVERTISING***

This expense includes advertising, publicity, and other promotional expenses such as printing, newspaper, magazine and Internet web space. The comparables study shows an expense range from 1.34% to 2.66% of EGI. FBOS had an average of 1.40%. The subject reported this expense at $39 per slip in 2009; $9 per slip in 2010 and $0 per slip in 2011. The subject is operating at a stabilized occupancy and has been for the most part for a good part of 2010, and all of 2011. However, there are always some advertising costs associated with the marina, such as yellow pages listings, internet costs, flyers and brochures, etc. Taking this into consideration we have projected the advertising costs at **$10 per slip** or **$870 annually.** As a percentage of EGI, our projection is **0.16%.** This is considered to be the minimum advertising costs needed to retain the current 80% stabilized occupancy rate for the subject.

***REPAIRS & MAINTENANCE***

This expense category includes the cost of materials used in repairing equipment, mechanical systems, exterior and interior of building (floors, walls, doors), grounds and landscaping, painting and decorating (excluding capital repairs), the removal of waste matter, and other related expenses necessary for the upkeep of the marina facility. The study of our comparable marina's data indicated a range of 3.93% to 6.75%, or $152 to $426 per slip, with FBOS being at 5.30%.

The subject reported an annual expense of $55,896 or $642 per slip in 2009; $24,397 or $287 per slip in 2010 and $7,848 or $90 per slip in 2011. We project an expense in this category of **$26,100 annually** or **$300 per slip.** As a percentage of EGI, our projection is **4.81%.** Our estimate is considered to be reasonable given the age of the improvements and overall condition of the property at the time of inspection.

***REGIME FEES***

The subject is located within the Ripley Point development which has a monthly regime fee charge. The 2009 expense was $16,514 or $190 per slip. The 2010 expense was $19,366 or $223 per slip. The 2011 expense was $12,347 or $142 per slip. Based on our discussions with the owner regarding what the estimate of the year end regime fees will be for the year end 2012, we have projected the expense at **$14,750** or **$170 per slip.** As a percentage of EGI, our projection is **2.72%.**

***GENERAL & ADMINISTRATIVE***

This expense generally includes data processing services, general insurance, licenses and dues, operating supplies, professional fees, security services, travel and entertainment, reservation, and other relating such expenses. The comparables reported this item ranging from 3.17% to 9.81% or $119 to $619 per slip. FBOS showed an average expense of 2.60%. The subject reported this expense for 2009 at $116,601 or $1,340 per slip; $55,588 or $639 per slip in 2010 and $78,571 or $903 per slip in 2011. The historical figures included legal fees in the amounts of $63,650; $26,500 and $50,670 respectively. Our projection is **$30,000** and **$345 per slip.** As a percentage of EGI, our projection is **5.53%.**

***MANAGEMENT FEES***

Though the subject did not report this as an expense for the annualized term, we have factored in a management fee for services and supervision of the property. Management fees are expressed as a percentage of effective gross income, less revenues from goods sold. Neither of our comparables nor the FOBS study reported any management fee expense. Our experience in appraising marina properties and discussions with brokers indicates a management fee between three and four percent to

be reasonable. We have utilized a fee of **3.50%** of effective gross revenues. In Year One, management fees total **$18,993** or **$218 per slip.**

***RESERVES***

We also included an allowance for reserves to replace short-lived items. Our experience indicates few if any marina property (including the subject) actually report reserves. Our expense is reported as a percentage of effective gross income at **2.0%.** This amounts to **$10,779** or **$125 per slip.**

***EXPENSE SUMMARY***

Our estimated expense for the subject totals **$403,848** or **$4,642 per slip.** As a percentage of EGI, our projected expenses are **74.42%.**

By comparison, the subject's 2009 expense were $559,248 or $6,428 per slip and 100.28% of EGI (NOI was negative). In 2010 the total expenses were $444,881 or $5,114 per slip and 84.64% of EGI. The total expenses for 2011 were $405,636 or $4,662 per slip and 73.91% of EGI. Further, the subject historical expenses for all years presented do not include provisions for a management fee or replacement reserves. The historical expenses also included non-recurring legal fees that were rather high compared to what the typical legal fees are for the operations of a marina. The FOBS study and comparables indicate an expense range between 59.07% and 88.70%. The 2011 total expenses for the subject were 73.91% of EGI. The 2011 figures for the subject reflect the best and most recent indication of the operation of the subject at a stabilized occupancy rate. Our projected expense ratio of 74.42% is within the range of the FOBS study and similar to the 2011 historical figure for the subject. Therefore, based on all of the above as well as giving significant weight to the subject's 2011 historical figures, we are of the opinion that our projected stabilized expenses are reasonable.

***NET INCOME***

The net income for our projection is derived by deducting expenses of $403,848 from effective gross income of $542,650 which equals a net operating income of **$138,802** or **$1,595** per slip.

A summary of our projected stabilized income and expenses for the subject property "As Is" as of July 2, 2012 is presented below.

| Appraiser's Projection<br>Ripley Light Yacht Club Marina<br>As Is - Stabilized - as of July 2, 2012 | | | |
|---|---|---|---|
| Total of 87 West Slips - 4,178 LF | | | |
| **Income** | **$** | **$/ Slip** | **% EGI** |
| **Total Slip Rental Income (71 Occ.Slips)** | **$465,600** | **$5,352** | **85.80%** |
| Less: Vacancy (none - above is net of Vac.) | $0 | $0 | 0.00% |
| **Total Slip Rental Inc - Net of Vac.** | **$465,600** | **$5,352** | **85.80%** |
| | | | |
| **Plus Other Income Streams** | | | |
| Utilities | $65,000 | $747 | 11.98% |
| Marina Goods & Services Sales | $6,500 | $75 | 1.20% |
| Environmental & Safety Fees | $6,500 | $75 | 1.20% |
| Penalties & Late Fees, Disc., Other Inc. | ($950) | -$11 | -0.18% |
| **Effective Gross Income** | **$542,650** | **$6,237** | **100.00%** |
| | | | |
| **Operating Expenses** | | | |
| Salaries & Wages | $110,000 | $1,264 | 20.27% |
| Property Insurance | $50,000 | $575 | 9.21% |
| Property Taxes | $36,782 | $423 | 6.78% |
| Utilities | $90,000 | $1,034 | 16.59% |
| Cost of Goods Sold - Marina Shop | $15,500 | $178 | 2.86% |
| Advertising | $870 | $10 | 0.16% |
| Repairs & Maintenance, Marina Services | $26,100 | $300 | 4.81% |
| Regime Fees | $14,750 | $170 | 2.72% |
| General & Administrative | $30,000 | $345 | 5.53% |
| Management Fees | $18,993 | $218 | 3.50% |
| Replacement Reserves | $10,853 | $125 | 2.00% |
| **Total Operating Expenses** | **$403,848** | **$4,642** | **74.42%** |
| | | | |
| **Net Operating Income** | **$138,802** | **$1,595** | **25.58%** |

## DIRECT CAPITALIZATION METHOD

According to the ***Appraisal of Real Estate***, published by the American Institute of Real Estate Appraisers, direct capitalization is defined as "...a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step - either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor".[4]

In order to capitalize the net operating income into a value opinion, we spoke with brokers active in the sale of marina properties on the East Coast in order to arrive at an appropriate capitalization rate for the subject property.

We spoke with Jim Foley of Jim Foley Realty of Cambridge, Massachusetts. Mr. Foley has over 35 year's experience in the sale of saltwater marinas. According to Mr. Foley, wet slip marinas have reverted back to leased facilities as the market and demand for conversion to dockominium units is not feasible due to market conditions. Additionally, the market for wet-slip marinas on the Atlantic Coast has fallen in over the past 12 to 24 months as the equity requirements for investors has increased due to the economic downturn. Further, there is a limited number good quality of these properties available. In their opinion, the capitalization rate for the subject property would most likely be n the range of 8.50% to 9.0%

We also spoke with Mr. Marc Anton, Principal and founder/owner of Marine Sales, LLC. Marine Sales, LLC is located in Portland Maine and specializes in the brokerage and valuations of both saltwater and freshwater Marinas. Mr. Anton reported to us that their office has had very little activity in regards to the sales of marinas within the past 12 to 24 months primarily due to the ongoing struggling economic conditions. In Mr. Anton's opinion, a marina such as the subject that is operating at a stabilized occupancy rate and being located in Charleston, SC the capitalization rate would most likely be in the range of 9.50% to possibly as high as even 10.0%.

Also, our discussion with the brokers indicated that Inland marinas – referred to as freshwater marinas - appear to be more favorable since these marinas generally cater to smaller boats than would be found at saltwater marinas on the Atlantic Ocean. Our discussions with Boat dealers also reported to us that large boats (with more engines requiring more fuel) are falling out of favor in the marketplace and buyers are turning to smaller boats that require less fuel to operate.

[4]*The Appraisal of Real Estate*, 10th ed., (Chicago: Appraisal Institute, 1992), p. 419.

To show additional support for a capitalization rate, we also considered some sales of marina properties in the Southeastern United States which have sold in the last four years. These are discussed below:

| Sale # | Name | Location | Sale Date | # Wet Slips | # Dry Slips | Occupancy | Sale Price | Year Built | Exp Ratio | NOI | OAR |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Lake Murray Marina | Overbrook, OK | Mar-10 | 437 | 0 | 100% | $10,250,000 | 1960/2007 | 55.71% | $963,029 | 9.40% |
| 2 | Atlantis Marina | Winthrop, MA | Feb-09 | 99 | 0 | 100% | $ 2,750,000 | 1992/2008 | 39.94% | $196,222 | 7.14% |
| 3 | De City Marina | Delaware City, DE | Apr-08 | 114 | 0 | 100% | $ 2,750,000 | 1960/2007 | N/A | $ 293,975 | 10.69% |
| 4 | High Grove Harbor | Eatonton, GA | Nov-07 | 18 | 79 | 100% | $ 1,064,250 | 1970/2003 | 18.28% | $ 110,339 | 10.37% |
| 5 | Wacca Wache Marina | Murrells Inlet, SC | Feb-07 | 130 | 112 | N/A | $ 14,425,000 | 1990 | 28.00% | $ 721,759 | 5.00% |
| 6 | Silver Coat Marina | N. Myrtle Beach, SC | Dec-06 | 0 | 220 | N/A | $ 4,325,000 | 1997 | 32.00% | $ 388,329 | 8.98% |
| 7 | Duncans Marina | Charleston, SC | Aug-06 | 60 | 220 | 100% | $ 9,543,000 | 1980 | 59.64% | $ 838,750 | 8.79% |
| 8 | Alafia Marina | Gibsonville, FL | Aug-06 | 130 | 0 | 95% | $ 6,600,000 | 1964 | N/A | $338,000 | 5.09% |
| 9 | Bahia Bleu | Savannah, GA | Sep-05 | 50 | 220 | 90% | $ 4,000,000 | 1979 | 56.84% | $325,191 | 8.13% |
| 10 | Mangrove Marina | Taverine, FL | Jul-05 | 130 | 80 | 98% | $ 10,000,000 | 1980 | 36.84% | $888,912 | 8.89% |
| 11 | Reserve Harbour | Pawley's Island, SC | Jun-05 | 50 | 210 | 90% | $ 4,800,000 | 2001 | 60.95% | $ 294,222 | 6.13% |
| 12 | Harborage at Ashley | Charleston, SC | Apr-05 | 223 | 0 | N/A | $ 8,909,500 | 1970 | 52.00% | $ 600,000 | 6.73% |
| 13 | Daniel Island Marina | Daniel Island, SC | Jun-04 | 44 | 300 | N/A | $ 5,500,000 | 1995 | 48.50% | $ 554,905 | 10.09% |
| 14 | Ripley Light Marina | Charleston, SC | Apr-04 | 76 | 124 | N/A | $ 4,519,250 | 1988/1993 | 39.30% | $ 481,300 | 10.65% |
| 15 | Shem Creek Marina | Mt. Pleasant, SC | May-03 | 7 | 201 | N/A | $ 3,905,000 | 1991/1993 | 46.10% | $ 351,500 | 9.00% |

*Source: CB Richard Ellis, Cushman Wakefield, various marina brokers and appraisers*

**LAKE MURRAY MARINA** is our newest marina sale and is located in Overbrook, Oklahoma and is located just north of Dallas, TX and south of Oklahoma City, Oklahoma and is an inland lake marina. It sold in March 2010 for $10,250,000. This 437 slip property is the only marina on Lake Murray and is surrounded by Lake Murray State Park. The property is entirely wet storage of which 267 are covered. The marina operation included a ship store, full service boatyard, small restaurant, boat rentals, and a fuel dock. The property was reportedly at 100% occupancy at the time of sale. The net operating income was reported at $963,029 which indicates an overall rate of 9.40%. This sale would be inferior to the subject with regards to its location but superior in occupancy. We believe the subject would have a lower overall rate indicated by this sale.

**ATLANTIS MARINA** is our most recent Atlantic Ocean marina sale and is located in Suffolk County, Massachusetts and is located just north of Boston. It sold in February 2009 for $2,750,000. This 99 slip property is located near the Residences of Atlantis Marina, an upscale condominium complex under construction. Owners of the condominium units are the target renters of this sale property. The property is entirely wet storage which is uncommon on the Atlantic Coast. The sale property is structural steel construction with stucco veneer. The property was reportedly at 100% occupancy at the time of sale. Based on the purchase price stated, the selling price per slip was $27,778. The net operating income was reported at $196,222 which indicates an overall rate of 7.14%. This sale would be superior to the subject with regard to location and occupancy. We believe the subject would have a higher overall rate than is indicated by this sale.

**HIGH GROVE HARBOR MARINA** in Eastonton, Georgia sold in November 2007 for $1,064,250. This 1.76 acre property is located on Lake Sinclair just outside of Milledgeville, Georgia. This property has 97 slips, which equates to a purchase price per slip of $10,972. The property was reported 90% occupied at the time of sale. The dry storage building was

built in 1978. The marina also has a ship store, repair shop and detail shop. There is no available fuel at this property. This property sold on a net operating income of $110,339 which results in an overall rate of 10.37%. The subject property is considered to be superior to this comparable with regard to location, age/condition and quality but inferior in occupancy. We believe the subject would be more desirable in the marketplace than this sale and have a lower overall rate due to the lower risk associated with the income stream.

**RIVERS EDGE MARINA**, formerly known as **Duncan's Marina**; is located in Charleston, South Carolina at 4354 Bridge View Drive. This facility has 220 dry slips and 60 wet slips. At the time of sale in August 2006, the property was 100% occupied and had a waiting list for slip rentals. This property was purchased with the intent to convert the property to dockominium units. The net operating income was $838,750. The purchase price was $9,543,000, indicating an overall rate of 8.79%. The income is reported to include fuel sales. The subject property is superior in age/condition, quality and location. However, this sale occurred in 2006 and capitalization rates have increased since that time. Overall, we believe the overall rate for the subject would be lower than this sale.

**BAHIA BLEU** is located in Savannah, Georgia and is approximately one hour's drive south of the subject property. The property was formerly known as Fountain Marina and later redeveloped as Bahia Bleu Marina in 2002. This marina has 220 dry slips and 50 wet slips with good ocean access which is similar to the subject. The property sold in September 2005 for $4,000,000 on net operating income of $325,191, indicating an overall rate of 8.13%. The property was reported to be 90% occupied at the time of sale. The expense ratio was 56.84% which included management fees and reserves. The sale is superior in terms of its occupancy and operating expense ratio when compared to the subject, but inferior in terms of its location and age/condition when compared to the subject. Further, the sale occurred in 2005 and capitalization rates have increased since that time. Overall, we believe the overall rate for the subject would be higher than this sale.

**RESERVE HARBOR MARINA** is located in Pawley's Island, South Carolina, about one hour's drive north of the subject property. This marina has 210 dry slips and 50 wet slips and was reported to be 90% occupied at the time of sale in June 2005. The property sold for $4,800,000 or $18,462 per slip. It was built in 2001. The net operating income was reported at $294,222 with an expense ratio of 60.95%. The resulting overall rate was 6.13%. This property had considerably more amenities than the subject including a clubhouse, a pool and restaurant as well as having a higher occupancy rate and is considered superior to the subject. The comparable has inferior ocean access to the subject. This

sale occurred in 2005 and capitalization rates have increased since that time. Overall, we believe the overall rate for the subject would be higher than this sale.

These six sales discussed above indicate capitalization rates ranging from 6.13% to 10.37% with an average of 8.33%. Sales of purely wet slip marinas were difficult to find as wet slip marinas are generally sold in a discounted sellout. These sales, while regional, represent both wet and dry slips with some added amenities not found at the subject property. Based on the information provided and giving credence to the sales and discussions with market participants, as well as the subject's stabilized operations and occupancy rate within its market, and its location in Charleston on the Ashley River, we believe an overall rate of **8.75%** is appropriate. This capitalization rate also reflects the future possibility of dockominium conversion.

The net operating income of $138,802 capitalized at 8.75% results in a value of $1,586,309 rounded to **$1,585,000.** On a per slip basis, this equals **$18,218 per slip** ($1,585,000 / 87 total slips = $18,218 per slip).

**VALUE CONCLUSION BY INCOME APPROACH**
**"AS IS" as of July 2, 2012**
**$1,585,000 (R)**

## DEVELOPMENT VALUATION ANALYSIS

***(SELLOUT OF SLIPS TO PRIVATE OWNERS AS DOCKOMINIUMS)***

The development valuation analysis is used for sales of the subject wet slips. The methodology is the same as for the residential condominium analysis. We have analyzed a number of dockominium sales (sales of wet slips) in the Charleston area in order to determine the values of each dockominium unit (wet slip) for the subject.

***RETAIL MARKET VALUE OF SUBJECT WET SLIPS***

A complete discussion and market analysis of the Marina Wet Slips Sales market was presented previously in this report under the Dockominium Market Overview section. A summary of this information is presented again below.

The marinas that are located within close proximity to the subject that are selling slips off to individual owners that have been used for comparable purposes for valuing the subject's wet slips for purposes of this report include Ripley Cove, The Harborage, Toler's Cove, Wild Dunes Yacht Club, Bohicket Marina on Seabrook Island and St. Johns Yacht Club on Johns Island. As with most forms of condo ownership, maintenance fees are paid in addition to the purchase of a slip.

The summary chart below illustrates the recent sales history of each one of these marinas which is then followed by our summary and conclusion of the retail market value of the subject's wet slips if they were to be sold off as dockominiums to end users.

| Project Name | Location | Amenities | Year and # of Slips Sold | Sale Prices / LF | Avg.Price/LF |
|---|---|---|---|---|---|
| Ripley Cove | Acorss inlet from | Average | Slip Sizes = 40' avg. | | |
| *- Sales began in 2004 | subject property | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 1 Sale | $833 | $833 |
| | | | 2009 - 2 Sales | $917 - $917 | $917 |
| | | | 0 MLS Listings | $0 | $0 |
| The Harborage at Ashley Marina | Charleston Peninsula | Good | Slip Sizes LF = 30' - 140' | | |
| *- Sales began in 2005 | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 1 Sale | $1,222 | $1,222 |
| | | | 2009 - 2 Sales | $1,375 - $1,900 | $1,667 |
| | | | 2008 - 2 Sales | $2,623 - $3,000 | $2,812 |
| | | | 7 MLS Listings | $1,500 - $3,000 | $2,233 |
| Wild Dunes Yacht Harbor | Isle of Palms | Good | Slip Sizes LF = 35' - 50' | | |
| *- Sales began in 2001 | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 2 Sales | $2,600 - $2,714 | $2,657 |
| | | | 2010 - 0 Sales | $0 | $0 |
| | | | 2009 - 1 Sale | $3,500 | $3,500 |
| | | | 2008 - 4 Sales | $3,500 - $5,000 | $4,025 |
| | | | 6 MLS Listings | $2,500 - $3,725 | $3,066 |
| The Yacht Club at Toler's Cove | Mt. Pleasant | Good | Slip Sizes LF = 35' - 70' | | |
| *- Sales began in 1996 | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 3 Sales | $2,143 - $3,500 | $2,770 |
| | | | 2010 - 0 Sales | $0 | $0 |
| | | | 2009 - 1 Sale | $4,000 | $4,000 |
| | | | 2008 - 3 Sales | $4,079 - $5,238 | $4,650 |
| | | | 4 MLS Listings | $1,667 - $3,421 | $2,371 |
| Bohicket Marina & Yacht Club | Seabrook Island | Good | Slip Sizes LF = 30' - 117' | | |
| *- Sales began in 2005 | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 4 Sales | $833 - $1,700 | $1,267 |
| | | | 2009 - 1 Sale | $1,511 | $1,511 |
| | | | 2008 - 3 Sales | $1,330 - $3,326 | $2,573 |
| | | | 9 MLS Listings | $1,149 - $3,254 | $2,148 |
| St. John's Yacht Harbor | Johns Island | Good | Slip Sizes = 35' - 80' | | |
| *- Sales began in 2008 | | | 2012 - 0 Sales | $0 | $0 |
| | | | 2011 - 0 Sales | $0 | $0 |
| | | | 2010 - 1 Sale | $3,450 | $3,450 |
| | | | 2009 - 3 Sales w/o Lift | $3,200 - $3,450 | $3,283 |
| | | | 2009 - 8 Sales with Lifts | $3,575 | $3,575 |
| | | | 2008 - 9 Pre-Sales | $2,875 - $3,450 | $3,050 |
| | | | 0 MLS Listings | $0 | $0 |
| Subject - Ripley Light Yacht Club | 95 Ripley Point Drive | Average | 30' - 65' | N/A | N/A |

***SUMMARY AND CONCLUSION***

Wet slip lease to own conversions had been occurring rapidly in the Charleston area in the mid-2000's during the height of the real estate boom. This activity has since slowed considerably since the downturn in the real estate and economic market conditions which began in late 2007. Very few sales of slips have occurred from January 2011 to the present date. The sales that have occurred from 2008 through 2011 had sale prices ranging from $833 to $5,000 per lineal foot. The five most recent sales occurred during 2011 and had sale prices ranging from $2,143 to $3,500 per lineal foot, with their average being $2,725 per lineal foot. These five most recent sales in 2011 had slip sizes ranging from 35' to 52.5', with the average being 41.50'. For formerly converted projects, approximately 60% to 80% of slips were pre-sold, with the quarterly absorption rates

ranging from 2 to 33 slips after these presale periods. Based on our research, there appears to be a more than adequate supply of slips still available for sale within the market, but very little demand for the purchase of these existing slips by individual owners due to the ongoing struggling real estate and economic market conditions in the market. As a result, the asking sale prices for slips offered in the market have still been declining since the beginning of 2011, or over the past 18 months. However, actual demand for slips is still weak for the reasons noted above and actual sales occurring are limited at the present time. As was noted, none of the subject's slips are being offered for sale at the present time by the owners because of the overall lack of demand in the market. However, based on all of the above market data, as well as the subject's average slip size being 48 lineal feet, as well as the current economic and real estate market conditions and the indicated demand for wet slips in the market at the present time, we are of the opinion that the sale price, on average, for the subject's wet slips would be approximately $3,000 per lineal foot.

For our sellout analysis we have increased this sales price per lineal foot at the rate of 3.0% per year beginning in year three. We have elected to hold the price steady with no increases during year two based on the very low number of transactions which have occurred over the past 24 months.

***ABSORPTION RATES***

Absorption rates from the dockominium projects surveyed ranged from 1.9 slips sales per quarter in St. John's Yacht Club to 17 slips sales per quarter for Bohicket Marina & Yacht Club. Pre-sales for these developments ranged from approximately 9% in St. John's Yacht Club to approximately 80% in the Harborage at Ashley Marina. St. John's Yacht Club is the most recent of the comparables to begin selling as dockominiums and began in 2008. The other developments came on line primarily in 2004/2005 which was during the boom years of the residential real estate market. If the subject slips were converted to dockominiums today, the demand would be substantially less than during the middle portion of this decade. Thus we would anticipate that both the pre-sales percentage and absorption rate to be much lower. We are of the opinion that there would likely be some interest from boat owners who presently rent slips within the subject that would like to keep their vessels moored there and could lead to some early sales.

The subject was reported slow leasing the 87 slips with just 4 leased between May 2006 when the property opened, and August 2006. Since August 2006 and up through September 2007, 57 slips were leased, resulting in absorption of 4.38 units per month of 13.15 per quarter. Since September 2007, there has been a net gain of 14 additional slips rented or approximately 0.72 slips per quarter.

We believe it is reasonable to forecast that 10% of the subject's existing 87 slips, or 9 slips, could be sold to current tenants or other investors at the beginning of the conversion. We believe that there would likely be a long sellout period due to the current inventory of slips on the market for sale and the likelihood that additional slips will continue to be added as boat owners look to cut un-necessary expenses due to the current economic conditions. Therefore, we have projected 2 additional slip sales for the first year (total of 11 sales) of the sellout and we estimated the absorption to 6 sales in year two. It is anticipated that the market conditions will have improved over the next 24 months. The year 3 absorption rate was increased to 10 sales and 15 sales in year 4. During the remaining two years of the sellout our projected absorption rate was increased to 20 slips in year 5 and 25 slips in year 6. The overall absorption rate results in 87 slip sales over the six year sellout is approximately 14.50 slips per year, or an average of 3.6 sales per quarter. Absorption is shown in slips sold per quarter whereby the average slip consists of approximately 48.02 lineal feet.

## DISCOUNTED SELLOUT OF SLIPS

***DOCKOMINIUM UNITS***

The subject consists of a total of 87 un-sold wet slips. We have projected a 6 year absorption period for the 87 slips to be sold off in their entirety.

## REVENUES

***BASE CONTRACT PRICES***

In projecting revenues for the sellout of the subject slips, we have used the projected retail market prices for the subject slips as follows.

| | |
|---|---|
| **Average Price of wet Slips per Linear Foot** | **$3,000** |
| **Total Base Sales Revenues: 4,178 linear feet @ $3,000 / LF /Un-Sold Slip** | **$12,534,000** |

This equals an average retail market value of **$144,069 per slip** based on a total of 87 un-sold wet slips ($12,534,000 Total Base Sales Revenues / 87 slips =$144,068.96 rounded to $144,069 per slip).

***SELLOUT EXPENSES***

Sellout expenses are those expenses that will likely be incurred during the sellout of the finished condo slips. The assumption is that all slips have been completed. Expenses will include closing costs, real estate sales commissions, miscellaneous costs and developer's profit. Real estate taxes, insurance, regime fees and general and administrative expenses will be included in miscellaneous costs. Expenses that will be applied to the slips are sales commissions and closing costs. The remainder of the expenses will be included later in our interim lease cash flow analysis.

***CLOSING COSTS***

We have estimated the closing costs related to the sale of the slips will be about **0.25%** of gross sales.

***REAL ESTATE SALES COMMISSIONS***

Sales commissions are typically paid to brokers at approximately 3% to 5%. We have included a **3.00%** expense for sales commissions.

***MISCELLANEOUS COSTS***

Miscellaneous costs include hazard insurance, repairs & maintenance, real estate taxes, regime fees and some general and administrative expenses. These expenses have been accounted for in the interim cash flow analysis later in this report and there will not be a deduction for these items in the sellout analysis.

***ENTREPRENEURIAL PROFIT***

We have included a reasonable allocation for entrepreneurial profit. This is intended to reflect the inherent risk incurred in the development of a project similar to the subject. When determining a profit allocation to subtract from the anticipated cash flow, we have analyzed varying degrees of profit that may be necessary in order to attract a purchaser to a development project of this type. Dockominium slips typical demand a profit allocation of between 6% and 10% of the gross sales price on the slips. We have estimate the profit requirement on the subject property to be about **10.0%** on the unsold slips. The purchaser of the property would have the responsibility of closing out all the slips and selling the un-sold slips. There is some risk that a purchaser would not complete a transaction.

***DISCOUNT RATE***

According to ***RealtyRates.com DEVELOPER SURVEY – 2rd Quarter 2012*** for the Southeast. The following table summarizes discount rates for, conventionally financed (interest-only interim or construction financing) subdivision and planned unit developments (PUD's). The *Developer Survey* represents a polling of commercial appraisers, lenders, and local, regional and national developers. The bulk of the data is comprised of individual tables for each region that include surveyed actual (historical) and pro-forma (forward looking) minimum, maximum and average discount rates for each property type. In the case of subdivisions and PUD's, rates incorporate developer's profit, while condominium and co-op rates do not.

| RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2012* Southeast - Subdivisions & PUDs | | | | | | |
|---|---|---|---|---|---|---|
| | Actual Rates | | | Pro-Forma Rates | | |
| | Min | Max | Avg | Min | Max | Avg |
| **Site-Built Residential** | 16.98% | 41.34% | 27.00% | 16.30% | 39.68% | 25.92% |
| -100 Units | 16.98% | 35.63% | 25.78% | 16.30% | 34.21% | 24.75% |
| 100-500 Units | 17.40% | 39.20% | 27.17% | 16.70% | 37.63% | 26.08% |
| 500+ Units | 17.82% | 40.98% | 27.64% | 17.11% | 39.34% | 26.53% |
| Mixed Use | 18.25% | 41.34% | 27.41% | 17.52% | 39.68% | 26.31% |
| **Manufactured Housing** | 17.13% | 42.19% | 27.49% | 16.45% | 40.51% | 26.39% |
| -100 Units | 17.13% | 36.69% | 26.37% | 16.45% | 35.22% | 25.32% |
| 100-500 Units | 17.56% | 40.36% | 27.80% | 16.86% | 38.75% | 26.69% |
| 500+ Units | 17.99% | 42.19% | 28.29% | 17.27% | 40.51% | 27.16% |
| **Business Parks** | 17.13% | 40.62% | 26.78% | 16.45% | 39.00% | 25.71% |
| -100 Acres | 17.13% | 35.33% | 25.71% | 16.45% | 33.91% | 24.68% |
| 100-500 Acres | 17.56% | 38.86% | 27.08% | 16.86% | 37.30% | 26.00% |
| 500+ Acres | 17.99% | 40.62% | 27.55% | 17.27% | 39.00% | 26.45% |
| **Industrial Parks** | 17.24% | 34.90% | 24.25% | 16.55% | 33.50% | 23.28% |
| -100 Acres | 17.24% | 30.34% | 23.32% | 16.55% | 29.13% | 22.39% |
| 100-500 Acres | 17.68% | 33.38% | 24.51% | 16.97% | 32.04% | 23.53% |
| 500+ Acres | 18.11% | 34.90% | 24.91% | 17.38% | 33.50% | 23.92% |

*1st Quarter 2012 Data

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In consideration of the above information, it is our opinion that a discount rate **14.50 percent** is reasonable. The combined yield for the subject (both entrepreneurial profit and discount rate) is 17.85%, which is above the minimum (16.30%) and below the maximum (34.21%), and below the average of (24.75%) of the range of pro-forma rates for projects less than 100 Units in size as show in the above www.RealtyRates.com survey. The RealtyRates.com survey considers a typical subdivision sellout of approximately three to five years. Our sellout time period is over six years.

***VALUE OF PROCEEDS FROM SELLOUT OF IMPROVEMENTS***

The total present value of the sales proceeds from the sellout of the marina slips is calculated to be $6,735,848 or **$6,735,000** when rounded. This is equal to $77,414 per slip ($6,735,000 / 87 Total Slips = $77,414 per slip). This value above is not the final value for the subject property via the Development valuation Method. Due to the wet slips being rented during the sellout period until they are sold off, there is additional value that is created due to this interim income that is occurring from the rented wet slips. The analysis and estimate of this additional value is presented in the upcoming section.

The chart on the following page shows the gross sales and expenses that are likely to be incurred during the sellout of the slips. This is then followed by the valuation of the Interim Income.

| Discounted Sellout - Ripley Light Yacht Club Marina - 87 Total Wet Slips | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Period** | | **Year1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6** | **Totals** |
| Total Linear Feet of Slips | 4,178 | | | | | | | |
| Price per Linear Foot | $3,000 | | | | | | | |
| Avg Slip Size per LF | 48.02 | | | | | | | |
| **Market Retail Value per Slip - Start** | **$144,069** | | | | | | | |
| | | | | | | | | |
| **Remaining Unsold Slips** | 87 | 87 | 76 | 70 | 60 | 45 | 25 | |
| **Slips Sold This Period** | | 11 | 6 | 10 | 15 | 20 | 25 | 87 |
| | | | | | | | | |
| **Average Sale Price per Slip** | | $144,069 | $144,069 | $148,391 | $152,843 | $157,428 | $162,151 | |
| | | | | | | | | |
| **Total Sales Revenues per Period** | | $ 1,584,759 | $ 864,414 | $ 1,483,910 | $ 2,292,641 | $ 3,148,561 | $ 4,053,772 | $ 13,428,057 |
| | | | | | | | | |
| **Less Selling Expenses** | | | | | | | | |
| | | | | | | | | |
| Closing Costs | 0.25% | $ 3,962 | $ 2,161 | $ 3,710 | $ 5,732 | $ 7,871 | $ 10,134 | $ 33,570 |
| Real Estate Commissions | 3.00% | $ 47,543 | $ 25,932 | $ 44,517 | $ 68,779 | $ 94,457 | $ 121,613 | $ 402,842 |
| Entrepreneurial Profit - Unsold Units | 10.0% | $ 158,476 | $ 86,441 | $ 148,391 | $ 229,264 | $ 314,856 | $ 405,377 | $ 1,342,806 |
| **Total Expenses** | | $ 209,981 | $ 114,535 | $ 196,618 | $ 303,775 | $ 417,184 | $ 537,125 | $ 1,779,218 |
| | | | | | | | | |
| **Net Income** | | $ 1,374,778 | $ 749,879 | $ 1,287,292 | $ 1,988,866 | $ 2,731,377 | $ 3,516,647 | $ 11,648,840 |
| | | | | | | | | |
| **Discount Factor** | 14.5% | 0.873362 | 0.762762 | 0.666168 | 0.581806 | 0.508127 | 0.443779 | |
| **PV of Cash Flow** | | $ 1,200,680 | $ 571,979 | $ 857,552 | $ 1,157,134 | $ 1,387,887 | $ 1,560,615 | $ 6,735,848 |
| | | | | | | | | |
| Total PV of Cash Flows | $ 6,735,848 | | | | | | | |
| Rounded | **$ 6,735,000** | | | | | | | |
| **Value Per Slip (based on 87 Total Slips)** | **$ 77,414** | | | | | | | |

2133

***ADDITIONAL VALUE FROM INTERIM INCOME FROM SLIP RENTALS DURING SELLOUT***

The subject property is presently an all rental marina and is achieving a positive cash flow from operations. We are of the opinion that if the property were converted to dockominiums, that the owners would continue to rent the slips during the sellout period. This would generate a cash flow during the sellout in addition to the revenues generated from slip sales.

We have used the same income and expense levels that were previously projected for the subject in the Income Approach to Value for this analysis as well. Our Income Approach is showing the subject property total slip rental income already being net of the vacancy due to the subject property already being at the proper stabilized occupancy rate within the market. Therefore, the subject's income shown is based on the current 71 occupied slips only out of the total 87 slips, with the other 16 slips being already vacant. For purposes of the DCF sellout of the slips to end users, these 16 slips that are vacant will be the slips that are to be sold off first.

We have projected that 11 slips will be sold off during the first period of the DCF sellout, with another 6 slips being sold off during the second period of the DCF sellout. Therefore, for purposes of the Interim Income cash flow valuation, during the first period shown - all 71 of the occupied slips will still be generating income (the 11 being sold off first are a portion of the 16 already vacant slips), while in the second period shown there will be only 70 slips still shown as being rented and generating income (there will be another 6 slips being sold off during the second period which will be comprised of the 5 remaining vacant slips plus one of the slips that is shown as currently being occupied leaving the remaining 70 slips still generating income). The remaining 70 slips generating income will then begin to be sold off and reduced (along with the income they are generating) at the same rate as is being projected in accordance with the slips being sold off during the DCF sellout.

Further, for purposes of this analysis we will show all income categories that are shown for each period of the analysis to be calculated and based on the average rent per slip per month per month. For example, our total slip rental income net of vacancy projected in the Income Approach to Value is $465,600. This is equal to a starting average annual rent per occupied slip of $6,558 ($465,600 / 71 occupied slips = $6,558 average per slip). We have escalated this average rent per slip at the rate of 3.0% starting in year three of the analysis. The average rent per slip is applied to the remaining unsold slips shown for each period to indicate the total slip rents being generated per period.

Also, because the slip inventory available for rent will be decreasing as slips are sold, we must account for that in our cash flow analysis. To account for this we have projected that the slips will be sold during the middle of each year and therefore have the potential to generate rental income for only half of the year. This assumption has been made and applied only on the income being generated from the occupied slip rentals per each period of the analysis (none of the 71 occupied slips that are rented are being sold off during the first period, thus the income shown is for the full 71 occupied slips. During the second period only one of the occupied units will be sold off, thus the income shown is reduced only slightly).

For purposes of the categories falling under the Other Income Streams section of the Income Approach, we have projected the interim income being generated from these line items based upon their pro-rata percentages of the Total Annual Slip Rental Income being projected which is already net of any vacancy (or again, on the $465,500 figure noted above). For example, our projected Total Slip Rental Income - Net of Vacancy is $465,500. Our projection of the income for the Utilities Reimbursements line item under the Other Income Steams section is $65,000. This $65,000 is 13.96% of the $465,500 income figure noted. We have input these percentage amounts that are to be used for each one of these other income line items in the chart for reference.

The operating expenses for this interim cash flow valuation and analysis have also been projected based on their original pro-rata percentage amounts of the Effective Gross Income as shown in the Income Approach. These pro-rata percentage amounts have then been applied to the effective gross incomes shown for each period. We have input these percentage amounts that are to be used for each one of these expense line items in the chart for reference.

Finally, a reversion is not applicable for this analysis as all of the slips will have been sold off by the end of the fifth year. The subject cash flows will fluctuate based on the number of slips not yet sold off and still being rented and generating income during each period of the sellout.

A 14.50% discount rate was used for purposes of the discounted sellout of the boat slips. Due to the interim cash flows not having a reversion and being for a very short term in length, a discount rate of 10.50% would be considered appropriate for the subject cash flows.

The calculations and present value of the cash flows of the interim income being generated during the sellout of the wets slips is shown below.

| Subject Marina Facility - Interim Cash Flow Analysis | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Period | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Total |
| Income: | | | | | | | | |
| Actual Annual Income from 71 Occupied Slips Rented | $465,600 | | | | | | | |
| Average Annual Rental Income per Slip | $6,558 | | | | | | | |
| Actual Slips Being Rented - Beginning | 71 | 71 | 71 | 70 | 60 | 45 | 25 | |
| Projected # of Slips Actually Rented being sold per Period | | 0 | 1 | 10 | 15 | 20 | 25 | 71 |
| # of Unsold Slips still Generating Rental Income | | 71 | 70 | 60 | 45 | 25 | 0 | |
| Half of Slips Sold that are Generating Income | | 0 | 0.5 | 5 | 8 | 10 | 13 | |
| Projected # of Slips Rented & Generating Income per Period | | 71 | 70.5 | 65 | 53 | 35 | 13 | |
| Average Slip Rental Rate | | $6,558 | $6,556 | $6,754 | $6,957 | $7,166 | $7,381 | |
| **Total Slip Rental Income per Period** | | $465,600 | $462,321 | $439,041 | $365,248 | $250,804 | $92,260 | $ 2,075,275 |
| | | | | | | | | |
| **Other Income Streams - Beginning** | **Pro Rata %** | | | | | | | |
| Utilities | 13.96% | $65,000 | $64,542 | $61,292 | $50,990 | $35,013 | $12,880 | $ 289,718 |
| Marina Goods & Services Sales | 1.40% | $6,500 | $6,454 | $6,129 | $5,099 | $3,501 | $1,288 | $ 28,972 |
| Environmental & Safety Fees | 1.40% | $6,500 | $6,454 | $6,129 | $5,099 | $3,501 | $1,288 | $ 28,972 |
| Penalties & Late Fees, Disc., Other Inc. | -0.20% | -$950 | -$943 | -$896 | -$745 | -$512 | -$188 | $ (4,234) |
| **Effective Gross Income per Period** | | $542,650 | $538,829 | $511,696 | $425,692 | $292,308 | $107,528 | $ 2,418,702 |
| | | | | | | | | |
| **Less Operating Expenses:** | **Pro Rata %** | | | | | | | |
| Salaries & Wages | 20.27% | $110,000 | $109,225 | $103,725 | $86,292 | $59,254 | $21,797 | $ 490,293 |
| Property Insurance | 9.21% | $50,000 | $49,648 | $47,148 | $39,223 | $26,933 | $9,908 | $ 222,860 |
| Property Taxes | 6.78% | $36,782 | $36,523 | $34,684 | $28,855 | $19,813 | $7,289 | $ 163,946 |
| Utilities | 16.59% | $90,000 | $89,356 | $84,866 | $70,602 | $48,480 | $17,834 | $ 401,148 |
| Cost of Goods Sold - Marina Shop | 2.86% | $15,500 | $15,391 | $14,616 | $12,159 | $8,349 | $3,071 | $ 69,087 |
| Advertising | 0.16% | $870 | $864 | $820 | $682 | $469 | $172 | $ 3,878 |
| Repairs & Maintenance, Marina Services | 4.81% | $26,100 | $25,916 | $24,611 | $20,475 | $14,059 | $5,172 | $ 116,333 |
| Regime Fees | 2.72% | $14,750 | $14,648 | $13,909 | $11,571 | $7,945 | $2,923 | $ 65,744 |
| General & Administrative | 5.53% | $30,000 | $29,789 | $28,289 | $23,534 | $16,160 | $5,945 | $ 133,716 |
| Management Fees | 3.50% | $18,993 | $18,859 | $17,909 | $14,899 | $10,231 | $3,763 | $ 84,655 |
| Replacement Reserves | 2.00% | $10,853 | $10,777 | $10,234 | $8,514 | $5,846 | $2,151 | $ 48,374 |
| **Total Operating Expenses per Period** | | $ 403,848 | $ 401,004 | $ 380,812 | $ 316,806 | $ 217,540 | $ 80,024 | $ 1,800,034 |
| | | | | | | | | |
| **Net Income per Period** | | $ 138,802 | $ 137,824 | $ 130,884 | $ 108,886 | $ 74,768 | $ 27,504 | $ 618,669 |
| | | | | | | | | |
| **Discount Factor for Cash Flows** | 10.5% | 0.904977 | 0.818984 | 0.741162 | 0.670735 | 0.607000 | 0.549321 | |
| | | | | | | | | |
| **PV's of Cash Flows** | | $ 125,613 | $ 112,876 | $ 97,007 | $ 73,033 | $ 45,384 | $ 15,109 | $ 469,021 |
| | | | | | | | | |
| **Total PV of Cash Flows** | $ 469,021 | | | | | | | |
| **Rounded** | $ 470,000 | | | | | | | |

We have concluded the present value of the future cash flows associated with the interim slip rentals and marina operations to be $469,021, rounded to **$470,000.**

## RECONCILIATION AND FINAL VALUE OPINIONS

We have been asked to appraise the market value of the property "As Is" for the existing marina. The Cost Approach has been omitted as a purchaser or investor of this type of property (in bulk) would not typically rely on the replacement cost in making a purchasing decision given today's depressed economic environment. We are of the opinion that the omission of the cost approach is not misleading. In the Income Approach, we determined market rent for the subject property and compared this to contract rent, estimated vacancy and expenses and capitalized the resulting net operating income into a value conclusion. We used both a direct capitalization method and a discounted cash flow analysis to determine the market value "As Is". In the Development Method, we estimated the value of the completed slips as if sold to an investor assuming the additional land for the required number of parking for the marina had occurred, and to also indicate the "As Is" value. Finally, we determined the present value of the cash flows associated with the interim leasing of the subject slips during the sellout. Our value conclusions are summarized as:

**RIPLEY LIGHT YACHT CLUB MARINA**

| | |
|---|---|
| **Value by Income Approach "As Is" – July 2, 2012** | **$1,585,000** |
| **Development Valuation Analysis "As Is" – July 2, 2012** | **$6,735,000** |
| **Development Valuation** | |
| **Value by Income Approach – Interim Cash Flows from Slip Rentals & Marina Operations** | |
| ***As of July 2, 2012*** | **$470,000** |

Our conclusion of value for the subject property, Ripley Light Yacht Club Marina, is based on the development analysis for the marina wet slips.

**Final Opinion of Market Value**
**"As Is" as of July 2, 2012**
**$7,205,000**
**($6,735,000 + $470,000)**

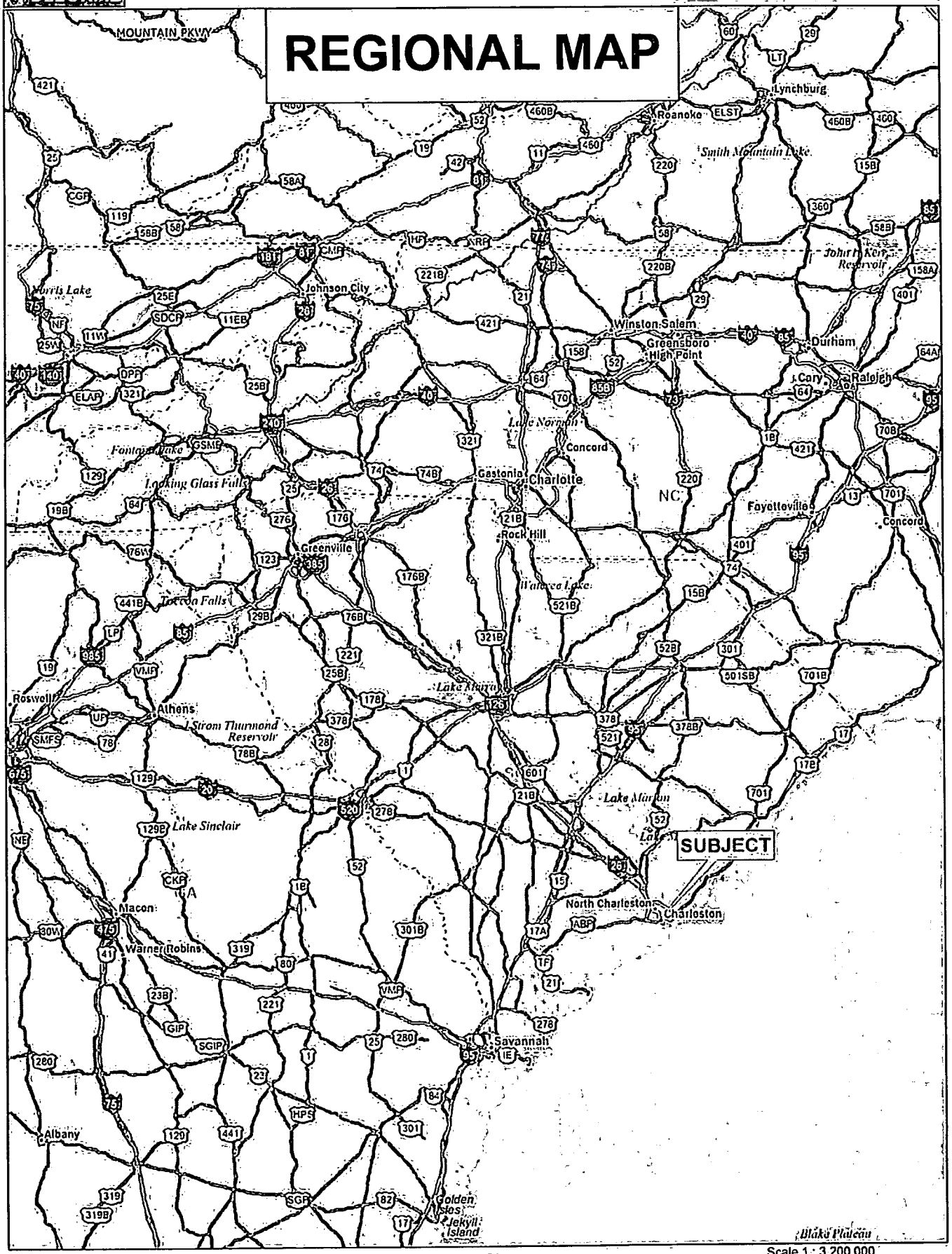
## ADDENDA

*REGIONAL MAP*
*AREA MAP*
*NEIGHBORHOOD MAP*
*SURVEY*
*DOCK SURVEY*
*ZONING MAP*
*FLOOD PLAIN MAP*
*COUNTY TAX MAPS*
*PHOTOGRAPHS OF THE SUBJECT*
*COMPARABLE MARINAS MAP*
*CUSTOMER & SLIP LIST*
*2011 REAL ESTATE TAXES & ASSESSMENTS*
*OPERATING STATEMENTS*
*COUNTY PROPERTY RECORD CARD*
*TIMELINE & LIST of APPROVED PERMITS FOR MARINA*
*ARMY CORP OF ENGINEERS PERMIT FOR MARINA EXPANSION*
*COPY OF APPRAISERS' CERTIFICATION / POCKET CARD(S)*
*ENGAGEMENT LETTER*
*ASSUMPTIONS AND LIMITING CONDITIONS*
*QUALIFICATIONS OF APPRAISERS*

DELORME



# REGIONAL MAP




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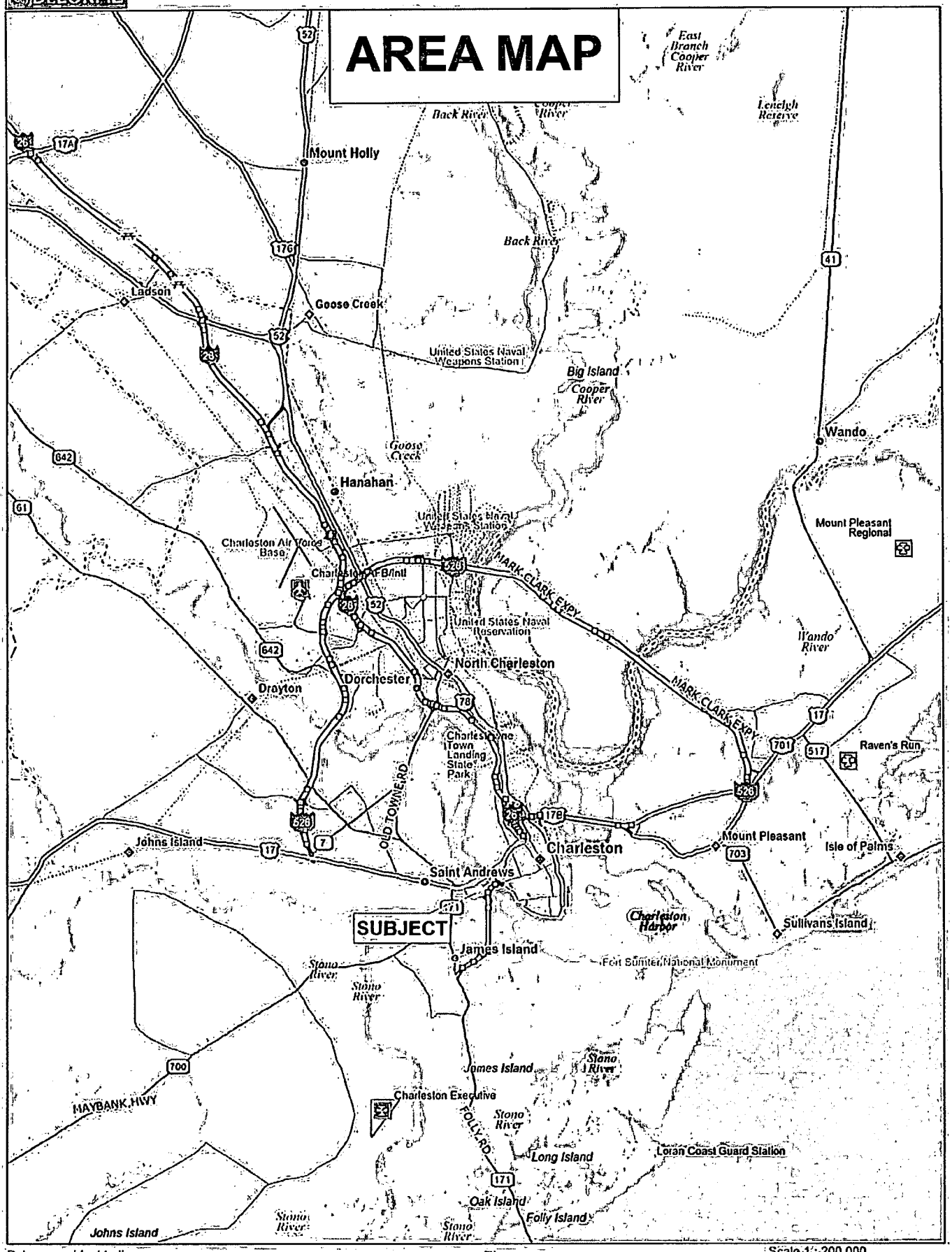
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1" = 50.51 mi

Data Zoom 6-0

DELORME

# AREA MAP

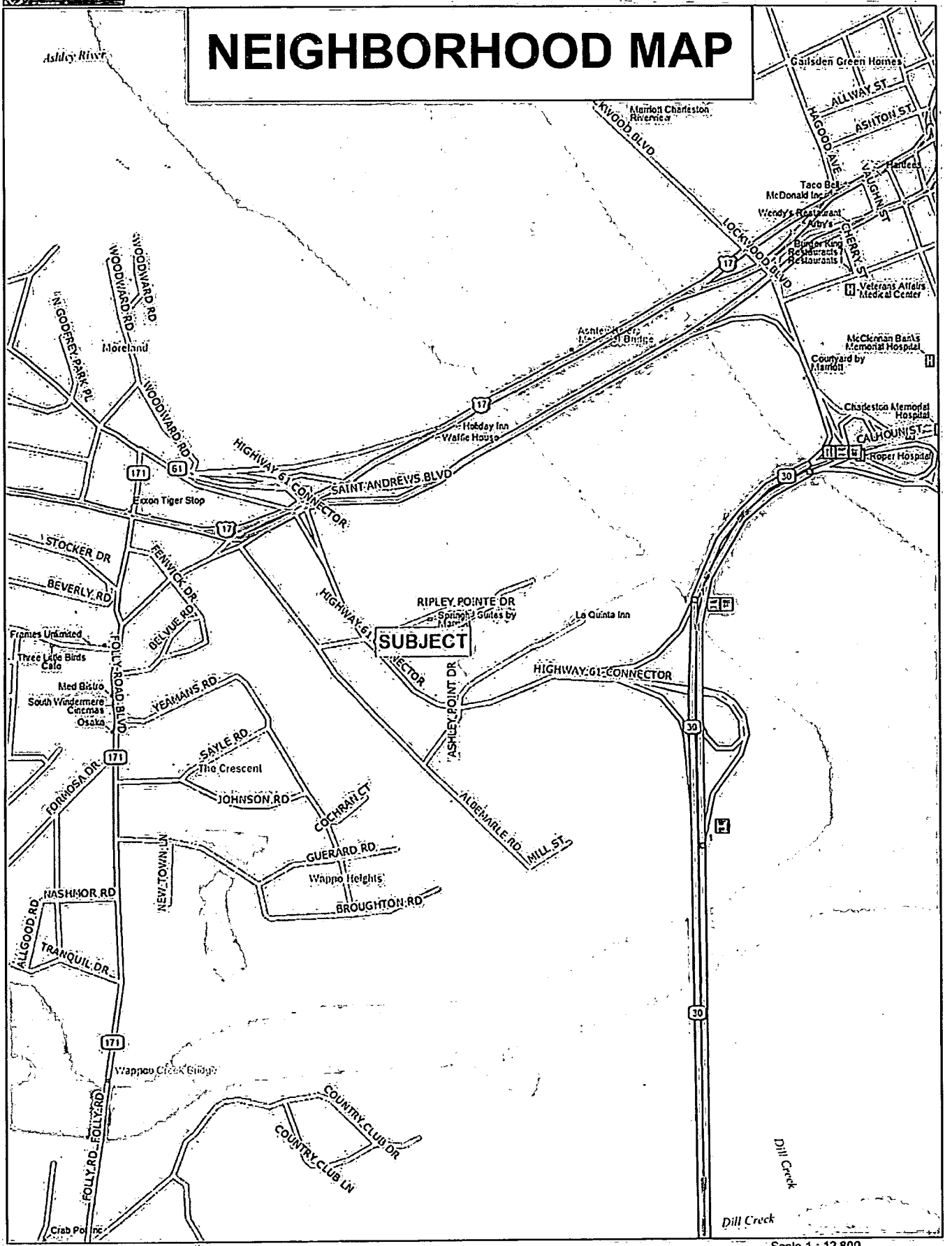



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Scale 1 : 200,000
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Data Zoom 10-0

DELORME

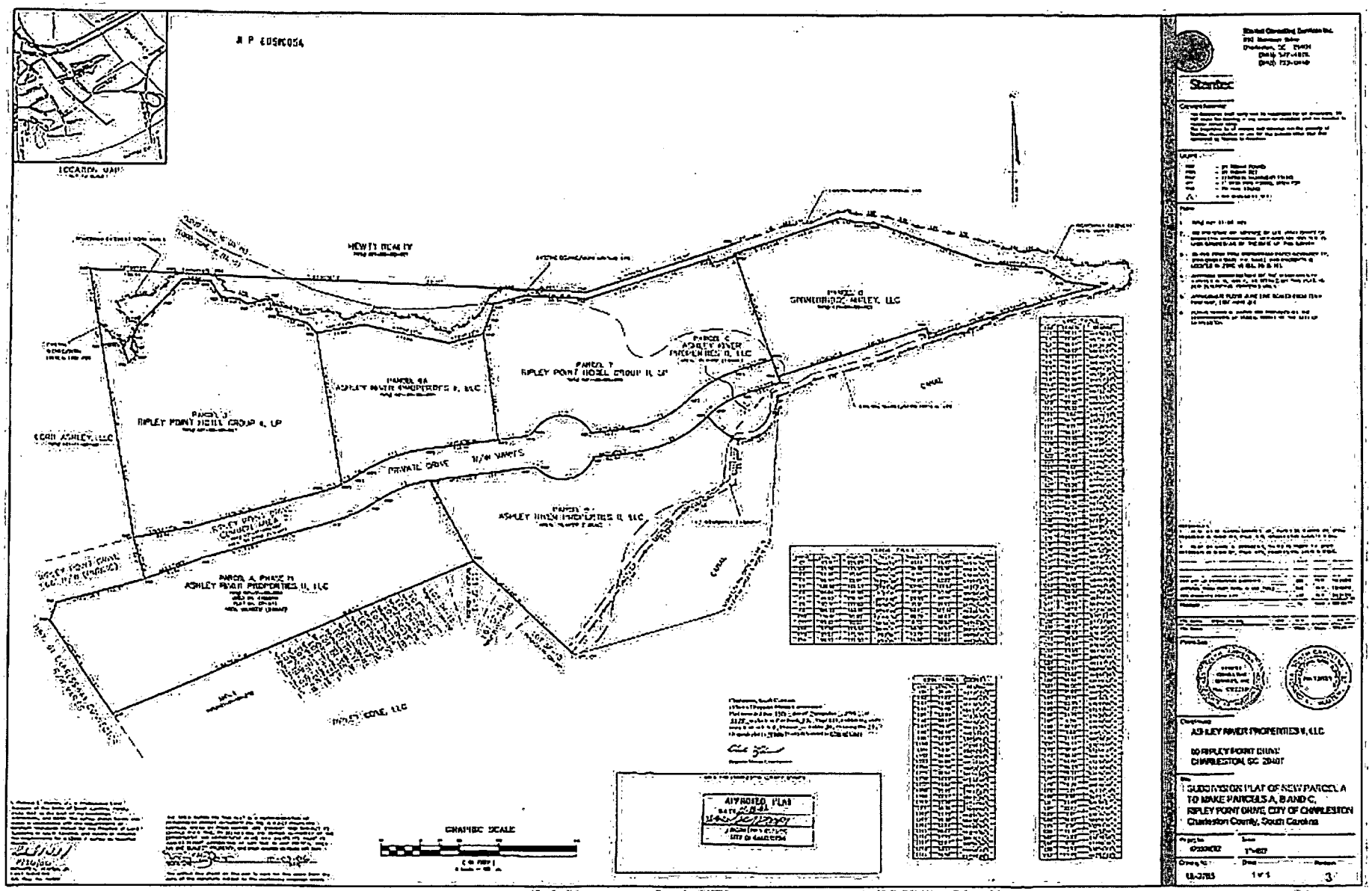
# NEIGHBORHOOD MAP



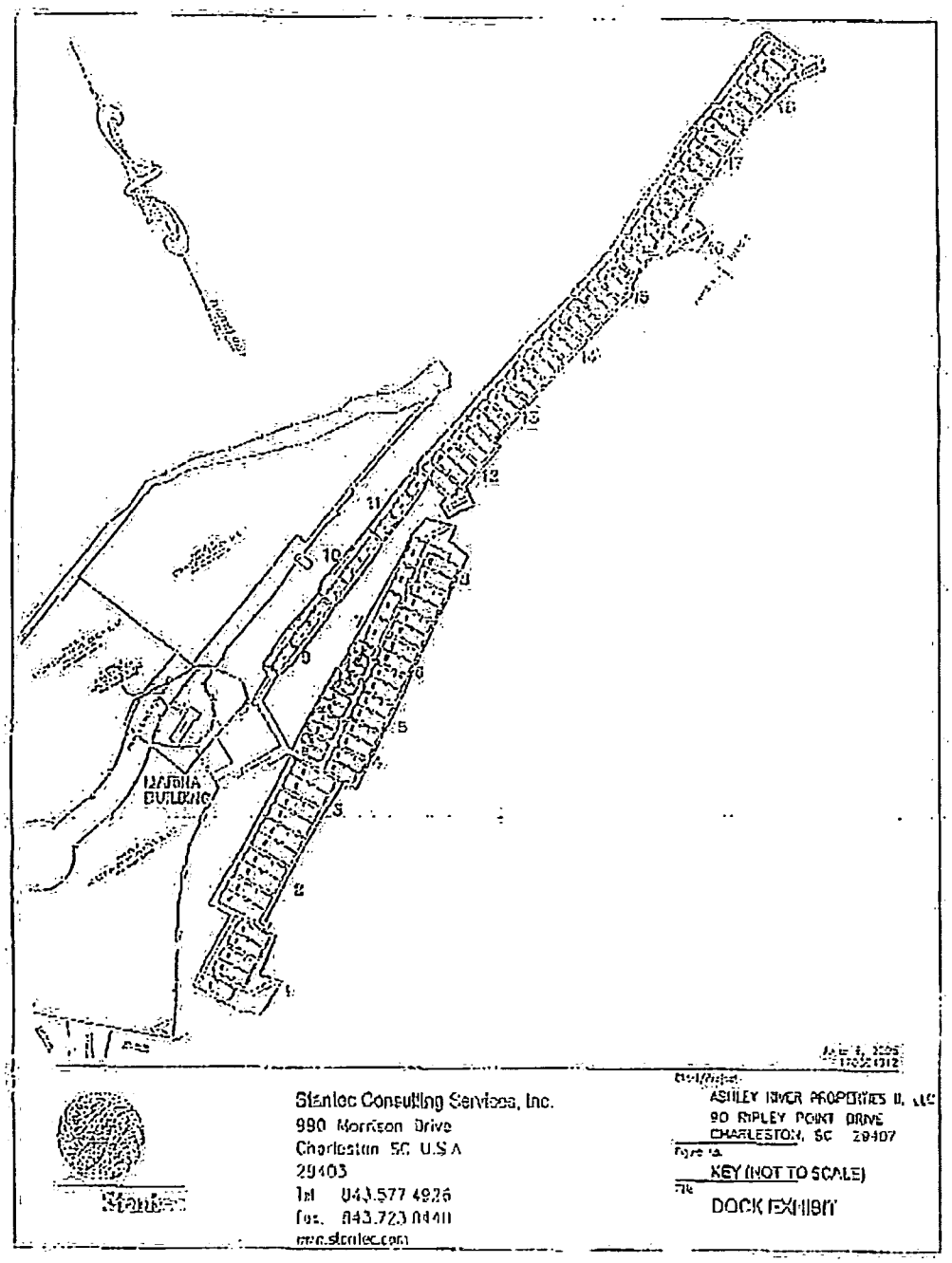

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TN
MN (7.4°W)

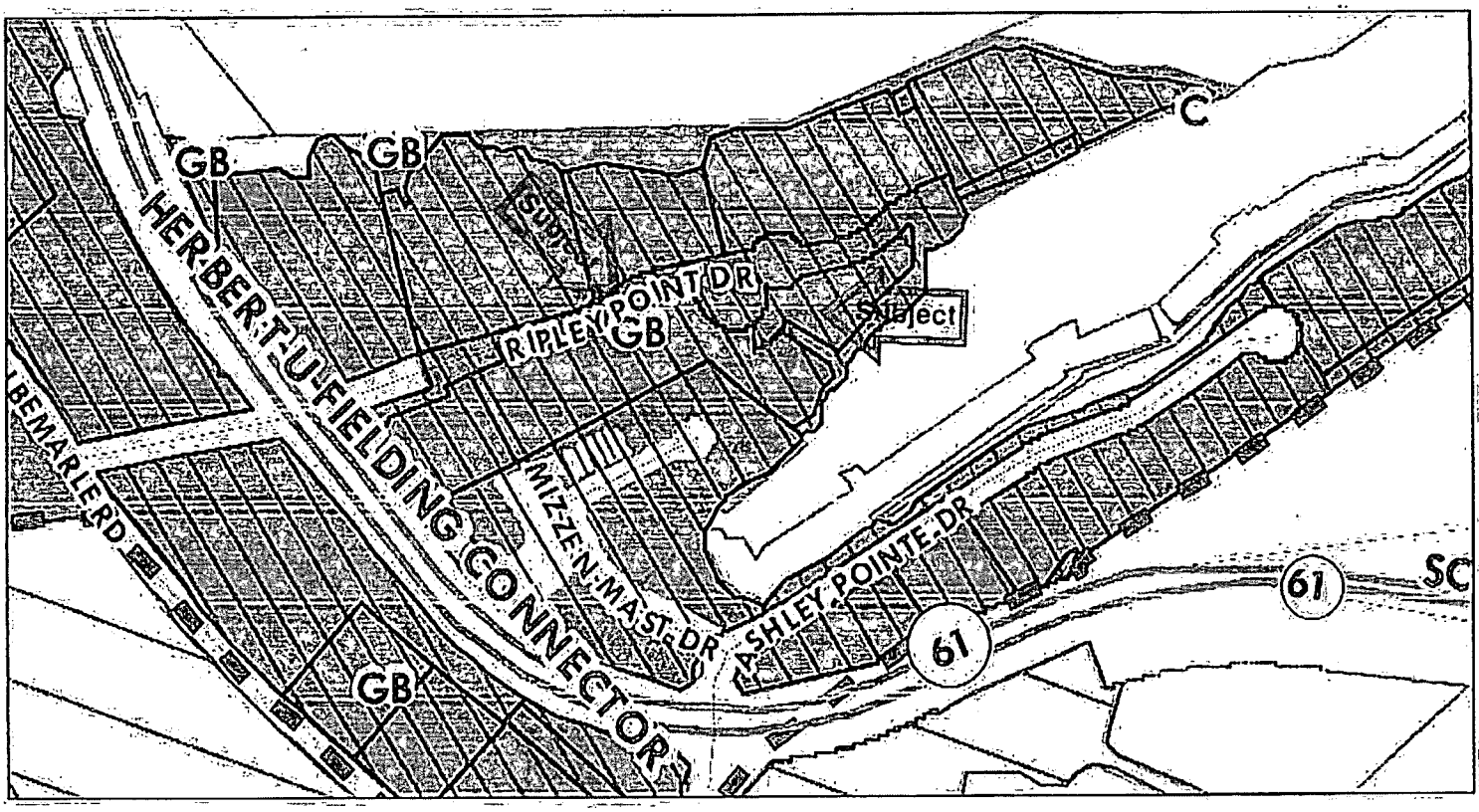
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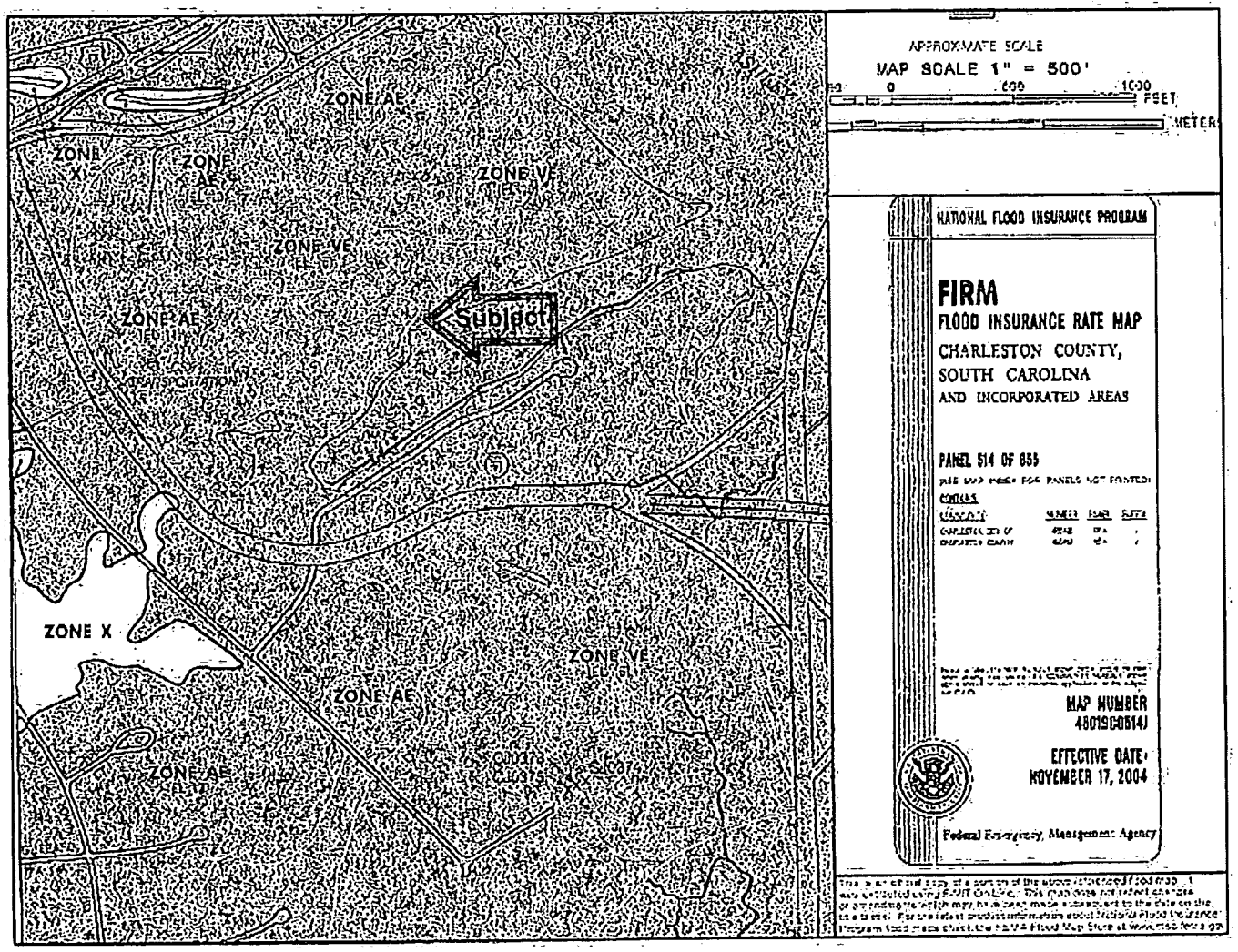

LOCATION MAP
TMS 605-00-054
HEWITT BEAUTY
PARCEL B
GRANDBRIDGE RIPLEY, LLC
PARCEL C
ASHLEY RIVER PROPERTIES II, LLC
PARCEL 7
RIPLEY POINT HOTEL GROUP II, LP
PARCEL 8A
ASHLEY RIVER PROPERTIES II, LLC
PARCEL 9
RIPLEY POINT HOTEL GROUP II, LP
CCRH ASHLEY, LLC
PRIVATE DRIVE
50' R/W VARIES
RIPLEY POINT DRIVE
(PUBLIC R/W VARIES)
PARCEL A
ASHLEY RIVER PROPERTIES II, LLC
PARCEL B
ASHLEY RIVER PROPERTIES II, LLC
CANAL
RIPLEY CONE, LLC
GRAPHIC SCALE
APPROVED PLAT
CITY OF CHARLESTON
Stantec
ASHLEY RIVER PROPERTIES II, LLC
99 RIPLEY POINT DRIVE
CHARLESTON, SC 29407
SUBDIVISION PLAT OF NEW PARCEL A
TO MAKE PARCELS A, B AND C,
RIPLEY POINT DRIVE, CITY OF CHARLESTON
Charleston County, South Carolina
1 of 1

2142


MARINA BUILDING
Stantec Consulting Services, Inc.
990 Morrison Drive
Charleston SC U.S.A
29403
Tel 843.577.4926
Fax 843.723.0441
www.stantec.com
ASHLEY RIVER PROPERTIES II, LLC
90 RIPLEY POINT DRIVE
CHARLESTON, SC 29407
KEY (NOT TO SCALE)
DOCK EXHIBIT

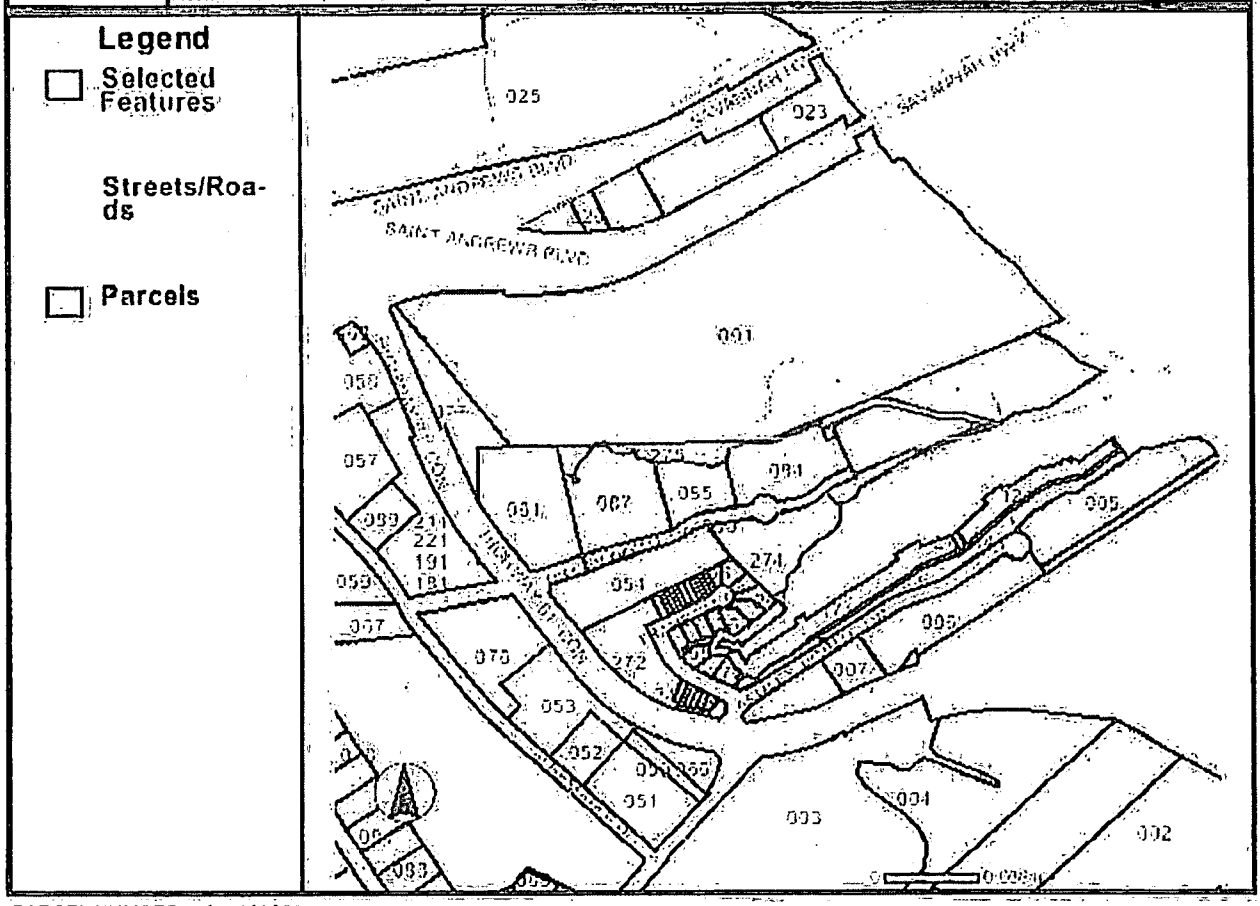
# DOCK SURVEY


GB
GB
HERBERT-UFIELDING CONNECTOR
SUNSET
RIPLEY POINT DR
GB
Subject
C
BEMARLE RD
MIZ-ZEN MAST DR
ASHLEY POINTE DR
61
61
SC
GB


ZONE AE
ZONE
ZONE AE
ZONE VE
ZONE VE
ZONE AE
Subject
ZONE X
ZONE VE
ZONE AE
ZONE AE
APPROXIMATE SCALE
MAP SCALE 1" = 500'
0
500
1000
FEET
METER
NATIONAL FLOOD INSURANCE PROGRAM
FIRM
FLOOD INSURANCE RATE MAP
CHARLESTON COUNTY,
SOUTH CAROLINA
AND INCORPORATED AREAS
PANEL 514 OF 655
MAP NUMBER
45019C0514J
EFFECTIVE DATE:
NOVEMBER 17, 2004
Federal Emergency Management Agency

# Tax Map - Ripley Light Yacht Club Marina

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Charleston County GIS
4045 Bridge View Drive
North Charleston, SC 29405-7464



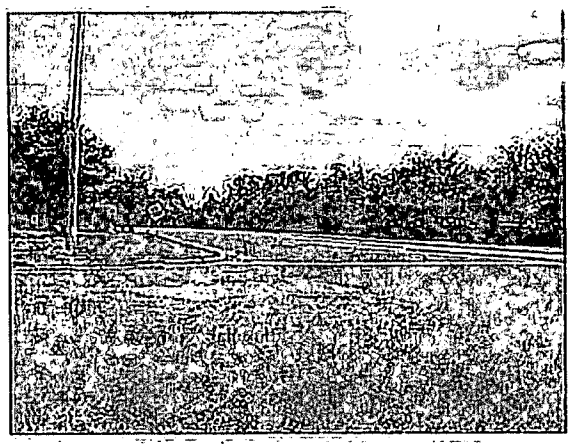

**PARCEL NUMBER : 4211100275**

| | |
|---|---|
| PARCEL ID: | 4211100275 |
| STREET NUMBER: | 95 |
| STREET NAME: | RIPLEY POINT DRIVE |
| PROP UNIT: | |
| PROP CITY: | |
| PROP ZIP: | 29407 |
| SITE NAME: | RIPLEY LIGHT YACHT CLUB |
| GENERAL USE: | CER |
| MOBILE HOMES: | 0 |
| SUBDIVISION: | |
| LEGAL DESCRIPTION: | LOT C |
| LGL HI ACRES: | 1.64 |
| LGL MAR ACRES: | 0 |
| LGL WATER ACRES: | 0 |
| LGL SWAMP ACRES: | 0 |
| LGL TOTAL ACRES: | 1.64 |
| TAX DISTRICT: | 62 |
| JURISDICTION: | MCP |
| PLAT BOOK: | EK-219 |
| OWNER ON 1ST: | ASHLEY RIVER PROPERTIES II LLC |
| OWNER2 ON 1ST: | |
| CURRENT OWNER1: | |

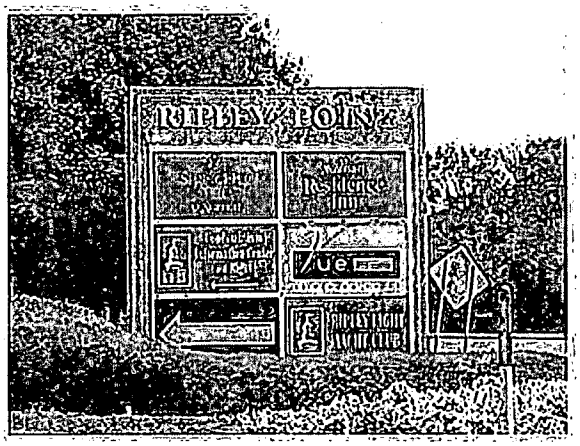
| | |
|---|---|
| CURRENT OWNER2: | |
| SALE DATE: | 12/29/2003 |
| DEED BOOK: | E480-016 |
| WILL CODE: | |
| WILL DATE: | |
| C O NAME: | |
| MAIL STREET NUMBER: | 0 |
| MAIL STREET NAME: | P O BOX 3156 |
| MAIL UNIT: | |
| MAIL CITY: | CHARLESTON |
| MAIL STATE: | SC |
| MAIL ZIP: | 29417 |
| MAIL COUNTRY: | |
| MAIL POSTAL CODE: | |
| SALE PRICE: | 100000 |
| MULT LOT: | 0 |
| SPLIT CODE: | Y |
| MLOD GROUP: | |
| FINAL VALUE: | 3701300 |
| BUILD COUNT: | 2 |
| AG USE VAL: | 0 |
| AG MARKET TOT: | 0 |
| LR APPROVE: | |
| YEAR BUILT: | 0 |
| BEDROOMS: | 0 |
| FULL BATHS: | 0 |
| THREE QTR BATHS: | 0 |
| HALF BATHS: | 0 |
| TOTAL FINISH AREA: | 0 |
| LIVING AREA: | 0 |
| CONDO-BEDROOM: | 0 |
| CONDO FULL BATH: | 0 |
| CONDO H-BATH: | 0 |
| CAP LR VAL: | 0 |
| CAP ASSESSED VALUE: | 0 |
| CAP OTHER VALUE: | 2534200 |



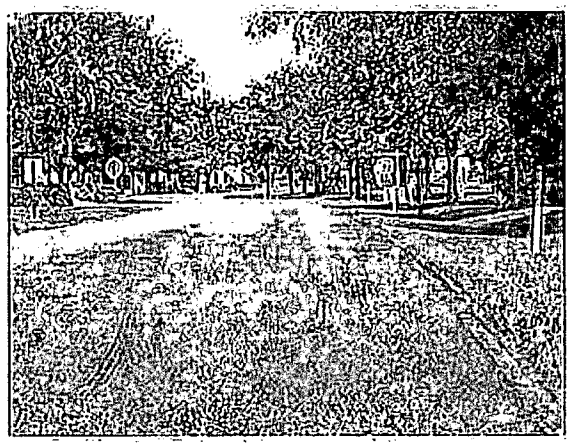

Looking North on Highway 61 Connector



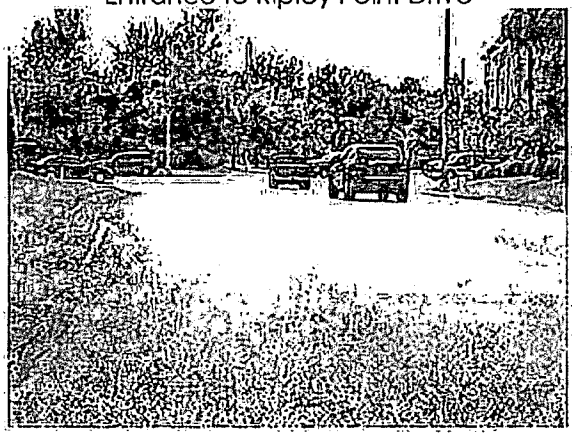
Looking South on Highway 61 Connector




Signage along Highway 61 Connector at Entrance to Ripley Point Drive



Looking East on Ripley Point Drive



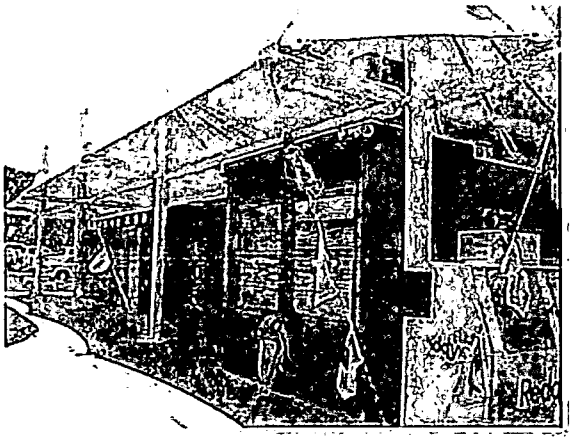
Looking West on Ripley Point Drive



View of subject's parking area for marina



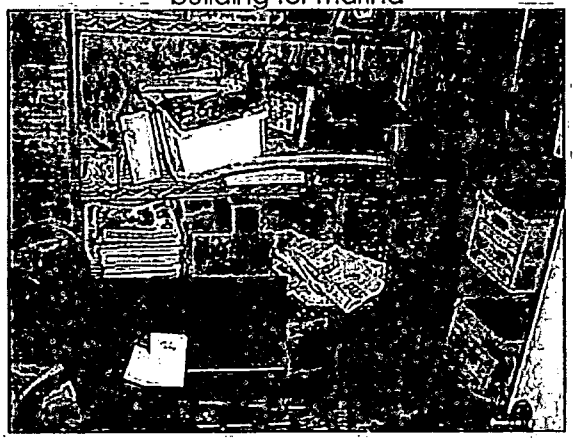
Additional view of parking area for marina



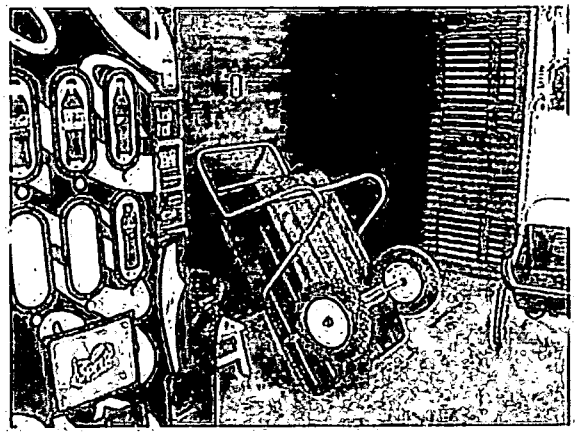
Exterior view of dock office and restroom building for marina



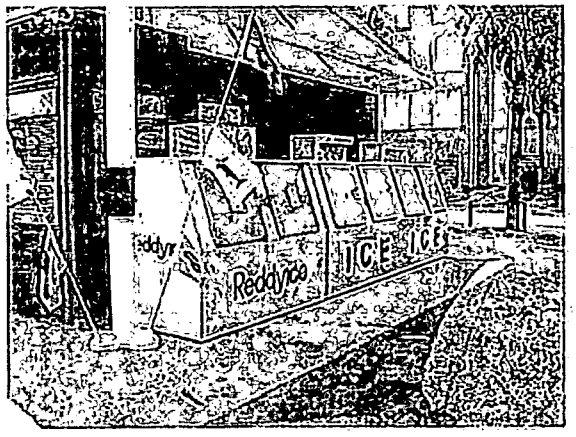
Interior view of dock office



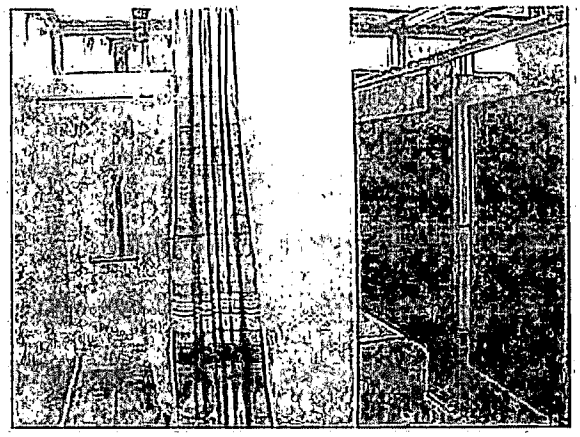
Storage area inside dock offices



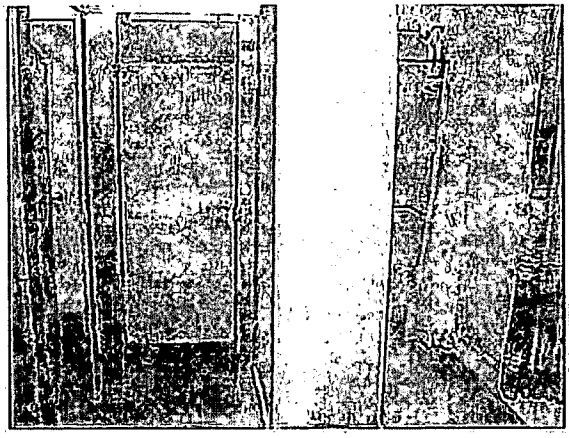
Vending machines outside dock office for marina's customers



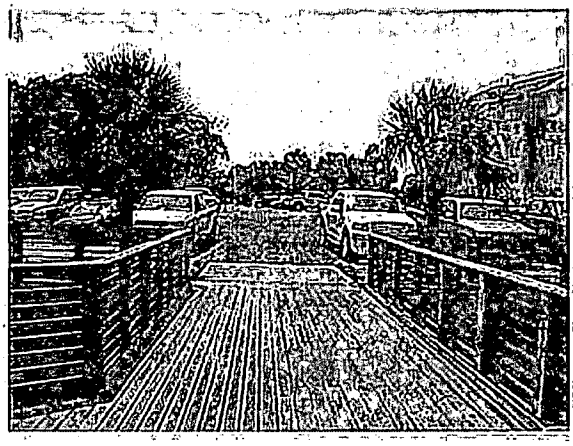

Ice machines outside dock office for marina's customers



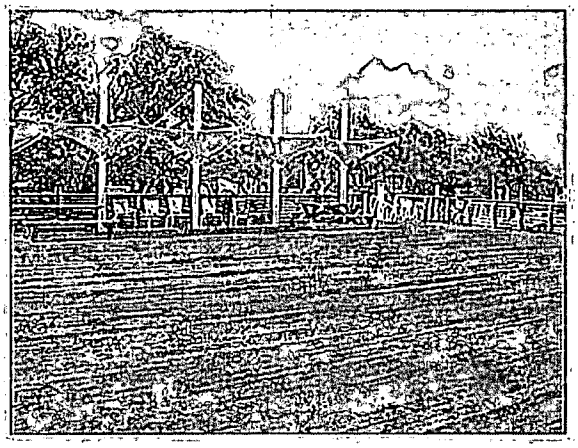
View of Men's restrooms and shower area next to dock office



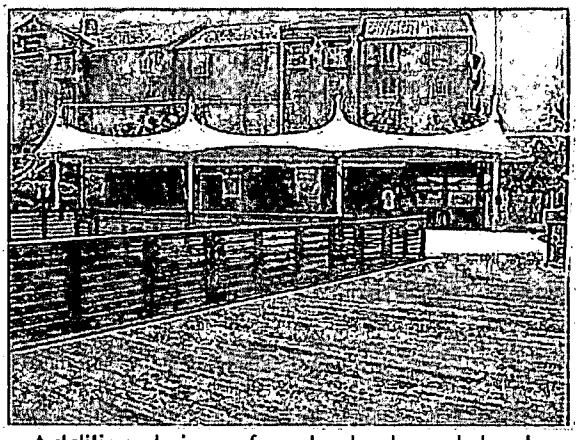
View of Women's restrooms and shower area next to dock office



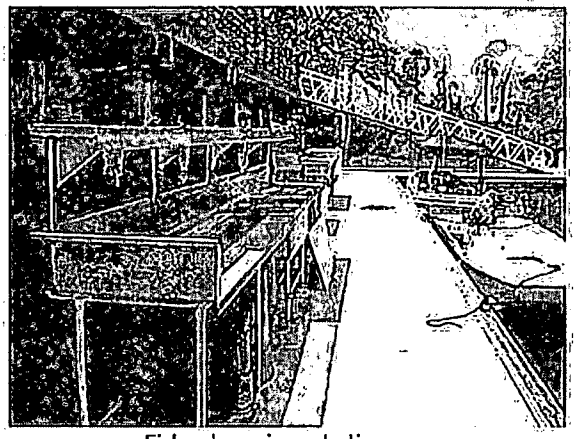
View of walkway deck from parking lot area



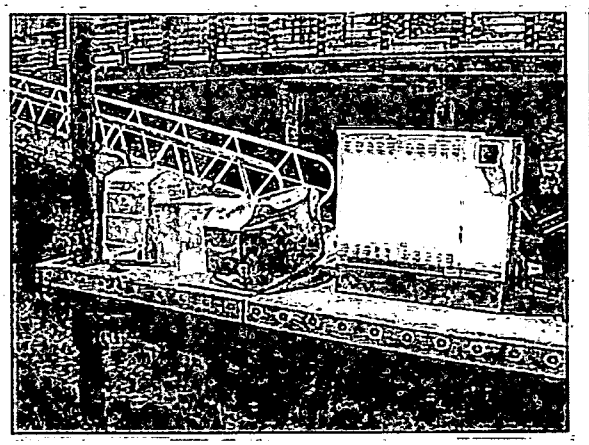
View of party deck area with shade canopy for subject's boat slip customers/renters



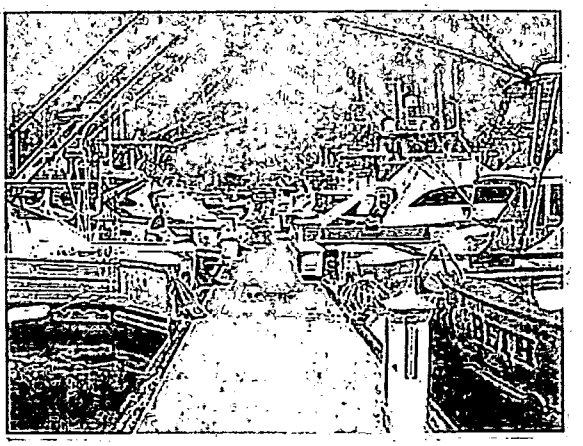
Additional view of party deck and shade canopy for renters/customers of marina



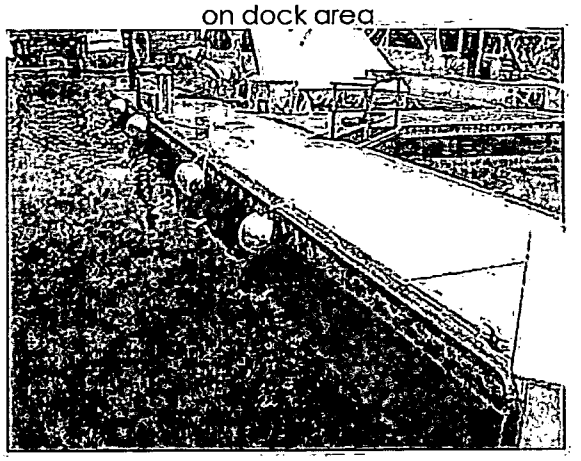
Fish cleaning station on dock area for marina



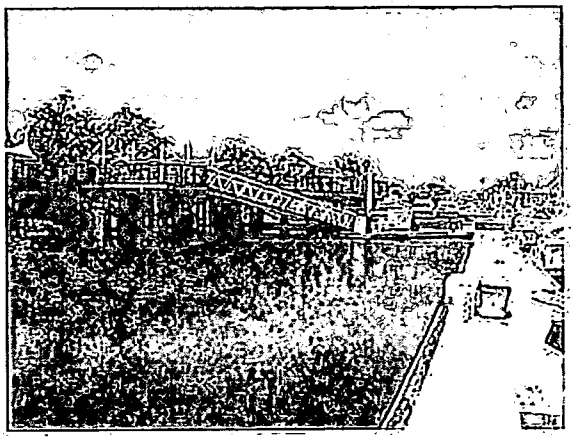
View of typical Pump Out Station on dock area



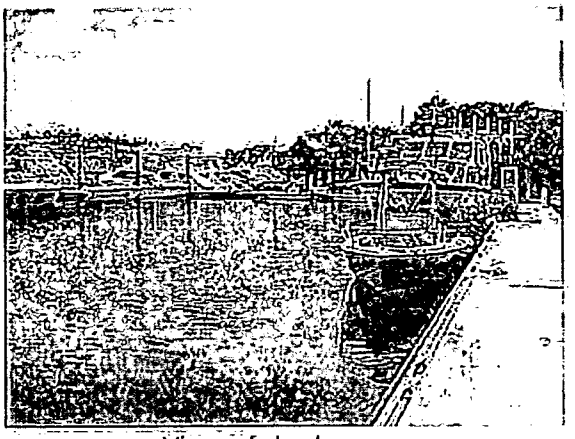
View of dock area



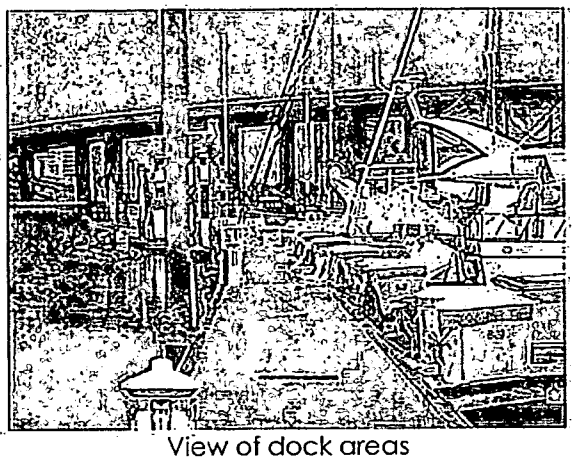
View of dock area



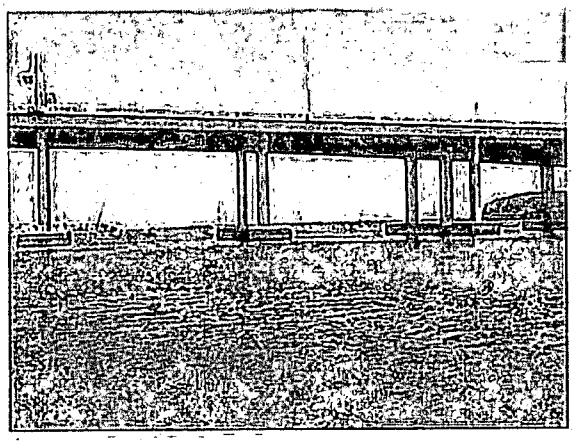
View of dock area
(Party deck on left at top of ramp walkway)



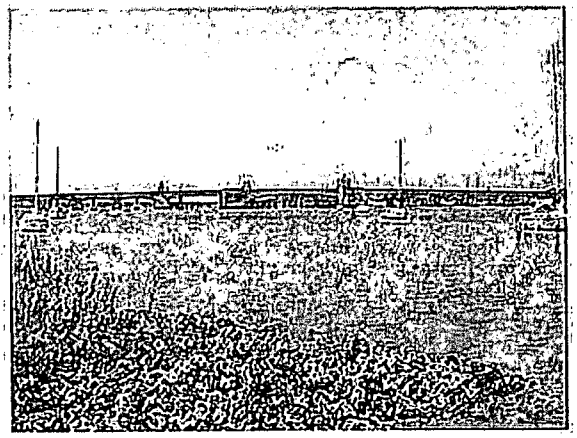
View of dock areas



View of dock areas



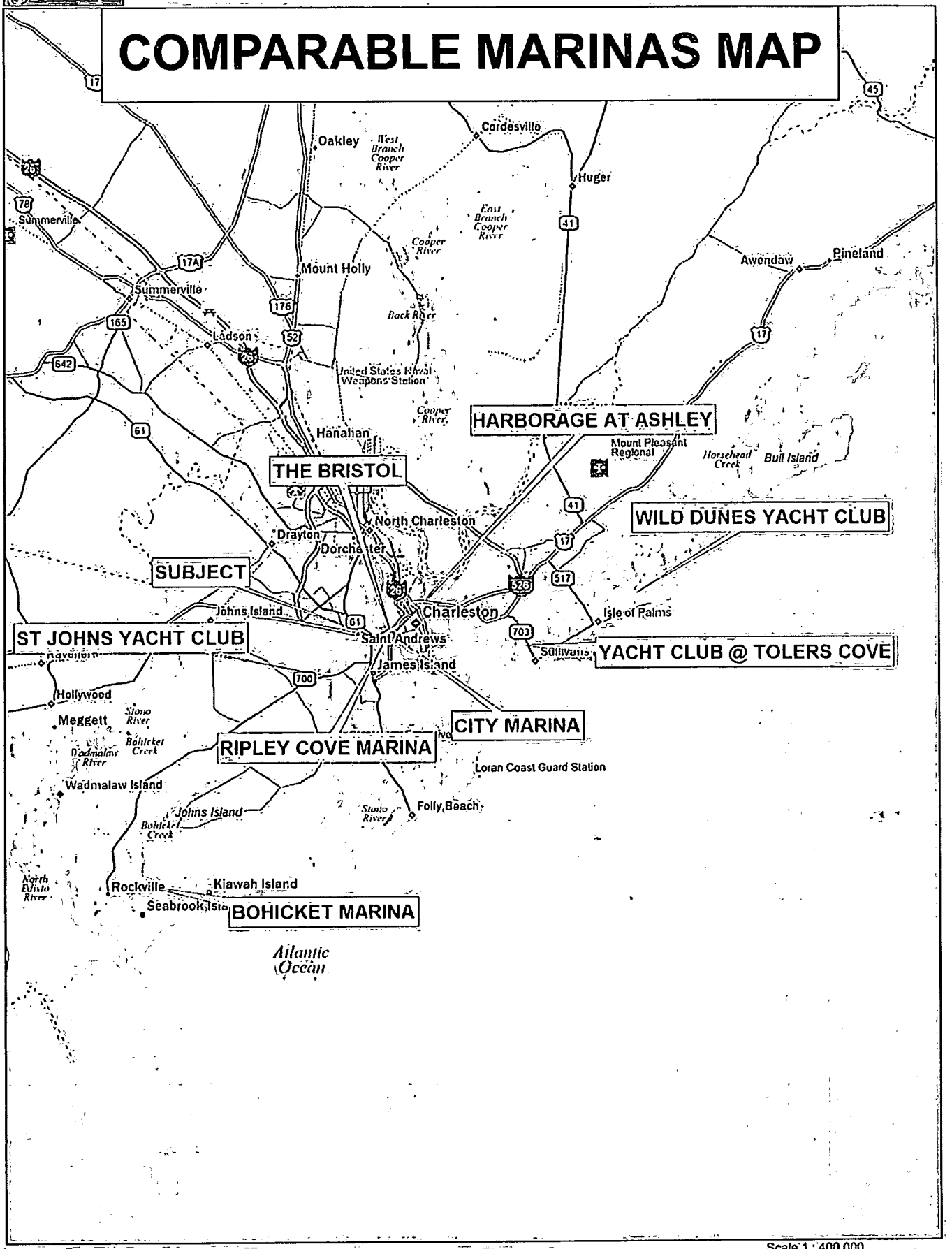
Looking East along Ashley River



Looking West along Ashley River

DELORME

# COMPARABLE MARINAS MAP




Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2010.
www.delorme.com

TN
MN (7.5°W)

Scale 1 : 400,000
1" = 6.31 mi
Data Zoom 9-0

| Customer & Slip List | | | | | Paid | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Maximum Marina Capacity: | | | 3885 (Total Linear Dockage) | | Yr. Adv./ | | | | | |
| | | | | | 6 mnths. | | | | | |
| | | | | | 10%/ 5% | | Slip Potential | | | |
| | | Actual | | | off dockage | Currently Paid | (Rate at $13.00 | Basis Of Pay | | Enviromental |
| Boat Slip | Slip Length | Vessel Length | Customer Name | Vessel | Disc. | Dockage | Per Foot) | (Slip or Vessel) | $ Per Foot | Fee |
| Ramp | | | Glen Applebaum | GeeChee Girl | | $390 | $390 | V | $13 | $10 |
| A-1 | 40' | 38' | Thomas Harken | Work Out | 10% | $494 | $520 | V | $13 | $10 |
| A-2 | 50' | | Hank Cheves | Sandra C (I) | | $650 | $650 | S | $15 | $10 |
| A-3 | 50' | 47' | Ben C. Dantzler, Jr. | Dough Boy | | $650 | $650 | S | $13 | $10 |
| A-4 | 50' | 48' | Nick Avra. | Walkabout | | $650 | $650 | V | $13 | $10 |
| A-5 | 50' | | Lee Clark | Reel Hooker | | $715 | $650 | S | $13 | $10 |
| A-6 | 65' | 35' | Hank Cheves | Sandra C (II) | | $845 | $845 | S | $13 | $10 |
| A-7 | 65' | | Michael Bennet | Rodeo | | $780 | $845 | S | | $0 |
| A-8 | 65' | 48' | Milton Thomas | Uno Mas | | $780 | $845 | S | $13 | $10 |
| A-9 | 65' | 61' | Jack Hagood | Sonador | | $845 | $845 | S | $13 | $10 |
| A-10 | 65' | 68' | Open | Open | | $0 | $884 | V | $13 | $10 |
| A-11 | 65' | 65' | Smyth Mc kissick | Chasin | | $845 | $845 | S | $13 | $10 |
| | | | | | | | | | | |
| A-13 | 65' | 52 | Hunter Edwards | My three Sons | | $884 | $845 | V | $13 | $10 |
| | | | | | | | | | | |
| A-15 | 65' | 56' | Windsor Marine, LLC | Fly Bouy | | $845 | $845 | S | $13 | $10 |
| | | | | | | | | | | |
| A-17 | 30' | 30' | Rick Edwards | Pursuit | | $390 | $390 | S | $13 | $10 |
| A-18 | 45' | 46' | Louis E. Costa, II | Hosanna | | $598 | $585 | V | $13 | $10 |
| A-19 | 40' (30') | | Gage Blue | Boston Whaler | | $0 | $390 | V | $13 | $10 |
| A-20 | 40' | 37' | John Kenneth Blankenship | Molly B III | | $520 | $520 | S | $13 | $10 |
| A-21 | 48' | 46' | Gage Blue | Sadie Beth | | $585 | $624 | S | $12 | $10 |
| A-22 | 48' | 49' | Allen Bell | Rock & Reel | | $637 | $624 | S | $13 | $10 |
| A-23 | 40' | 34' | John B. Young | Double Eagle | | $442 | $520 | V | $13 | $10 |
| A-24 | 40' | 38' | Donn Cary | Usa James | | $440 | $520 | S | $13 | $10 |
| | | | | | | | | | | |
| A-26 | 50' | | Roderick Brant | Fish-n-It Is | | $750 | $650 | S | $13 | $10 |
| A-27 | 40' | 40' | Douglas A. Ilnson | High Current | | $520 | $520 | S | $13 | $10 |
| A-28 | 30' | 38' | DMPN, LLC | Footloose | 10% | $445 | $390 | V | $13 | $10 |
| A-29 | 48' | 43' | George Moleneaux | Last Mistak | | $864 | $624 | S | $13 | $10 |
| A-30 | 49' | 52' | Can't Complain, LLC | Can't Complain | | $650 | $637 | S | $13 | $10 |
| A-31 | 30' | 37' | Vega Inc | Meridian | | $510 | $390 | V | $17 | $10 |
| A-32 | 30' | 30' | James Condon | Runaway | | $390 | $390 | S | $13 | $10 |
| A-33 | 30' | 31' | Jeff Novak | Novak 29 | | $377 | $390 | V | $13 | $10 |
| A-34 | 30' | 30' | Donald E. Gehlken, Jr. | Reality Check | | $390 | $390 | S | $13 | $10 |
| A-35 | 49' | | Open | Open | | $0 | $637 | S | $13 | $0 |
| A-36 | 50' | 50' | Harry Ghindhart | Big Kahuna | | $640 | $650 | V | $13 | $10 |
| A-37 | 50' | 50' | Mark Ezekiel | Pain Killer | | $650 | $650 | S | $13 | $10 |
| A-38 | 50' | 42' | John Kendle, Jr. | GeeChee Girl | | $900 | $650 | S | $18 | $10 |
| A-39 | F43' | 0' | Open | Open | | $0 | $390 | V | $13 | $10 |
| A-40 | F43' | | Open | Open | | $0 | $520 | V | $13 | |
| A-41 | 50' | 50' | C. Edward Godwin | Mayhem | | $650 | $650 | S | $13 | $10 |
| A-42 | 50' | 44' | Charles Nickel | Tide Down | | $572 | $650 | V | $13 | $10 |
| A-43 | 50' | | Jack Walker | Contender | | $0 | $650 | | $13 | $0 |
| A-44 | 50' | | Greg Calaudas | Water Toy | | $468 | $650 | | $13 | $0 |
| A-45 | F43' | | Open | Open | | $0 | $559 | | $13 | $0 |
| A-46 | F43' | 40' | Steve Woodard | Lucky Me | | $460 | $559 | V | $11.50 | $10 |
| A-47 | 50' | 50' | Clay Crosby | Frayed Knot | | $655 | $650 | V | $13 | $10 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| B-1 | F40' | 43' | John W. Buck | Sun Tan | | $455 | $520 | V | $11 | $10 |
| B-2 | F40' | " | " | " | | | $520 | " | " | $0 |
| B-3 | F40' | 53' | Edwin B. Hill, Jr. | Marquise | | $689 | $520 | V | $13 | $10 |
| B-4 | F40' | " | Jim Hodges | Tranquility | | 780 | | V | | |
| B-5 | F40' | 53' | Larry Duncan | Harbour Hours | | $900 | $520 | V | $15 | $10 |
| B-6 | F40' | | " | " | | | $520 | V | $13 | $10 |
| B-7 | F40' | 50' | Greg Cambell | Margarita Daze | | $650 | $520 | | $13 | |
| B-8 | F40' | | " | " | | $0 | $520 | V | $15 | $10 |
| B-9 | F40' | " | Open | Open | | 0 | $520 | " | " | $0 |
| B-10 | 60' | 40' | Frank W. Abagnale | Kelly Anne | | $520 | $780 | | $13 | $10 |
| B-11 | 60' | 40' | Wayne Harrison | Legacy | | $520 | $780 | | $13 | $10 |
| B-12 | 60' | 40' | Lydia Keener | Lydia III | | $520 | $780 | | $13 | $10 |
| B-13 | 60' | 48' | Gay Rickenbacher | Cats Meow | | $630 | $780 | S | $14 | $10 |
| B-14 | 60' | 41' | Ron Acierno | Allessandra | | $390 | $780 | N/A | N/A | $0 |
| B-15 | 50' | 40 | Justin Wortendyke | Tykes Place | | $240 | $650 | ? | $6 | $10 |
| B-16 | 50' | 50' | Peter Bullock | Five O' Clock | | $405 | $650 | ? | $8 | $10 |
| B-17 | 50' | | Ted Bullock | Zydeco | | $300 | $650 | | $13 | $0 |
| B-18 | 50' | | Clayton Fehler | Sailboat | | $560 | $650 | S | $13 | $0 |
| B-19 | 50' | 46' | Anthony Ward | Knot Less II | | $448 | $650 | V | $13 | $10 |
| B-20 | 50' | | Open | Open | | $0 | $650 | | $13 | $0 |
| B-21 | 50' | | Open | Open | | $0 | $650 | S | $13 | $10 |
| B-22 | 50' | | Travis Westervelt | Roll-Wit-It | | $455 | $650 | S | $13 | $0 |
| B-23 | 50' | | Mullins McCloud | Boston Whaler | | $390 | $650 | v | $10 | $10 |
| C-1 | 50' | 43' | thy Anthony & Mark Rutt | Avalon | | $624 | $650 | V | $13 | $10 |
| C-2 | 50' | 35' | Ray & Sarah Hilton | Sarah Ann | | $ 520.00 | $650 | | | $10 |
| C-3 | 50' | 40' | Open | Open | | $0 | $650 | v | $13 | $10 |
| C-4 | 50' | 35' | Steve Ethler | Ethieral Island | | $455 | $650 | v | $13 | $10 |
| C-5 | 50' | | Open | Open | | $0 | $650 | v | $13 | $10 |
| C-6 | 50' | 48' | John Buck | Killin Time | | $390 | $650 | V | $13 | |
| C-7 | 40' | 40' | Jerry Stackhouse | Half Time | | $400 | $559 | V | $10 | $10 |
| C-8 | 40' | | Don Prevete | Vessel | | $520 | $520 | S | $13 | $10 |
| C-9 | 40' | | John M. June | Daisy May | | $520 | $520 | v | $13 | $10 |
| C-10 | 40' | | Open | Open | | $0 | $520 | | $13 | $0 |
| C-11 | 40' | 34' | Chris Cohen | Amicus | | $442 | $520 | v | $13 | $10 |
| C-12 | 40' | 30' | Gregory E. Johnson | Rusty Nail III | | $390 | $520 | v | $13 | $10 |
| C-13 | Facedock | 56' | Larry Crimo | Seas The Day | | $585 | $728 | S | $12 | $10 |
| C-14 | Facedock | | " | " | | $0 | $520 | | | $10 |
| C-15 | Facedock | | Alan Faulk | Sestina | | $520 | $520 | | | $0 |
| C-16 | Facedock | | Open | Open | | $0 | $520 | | $13 | $0 |
| C-17 | Facedock | 90' | Robert L. Murray | Carolina Girl | 10% | $1,050 | $520 | V | $12 | $10 |
| C-18 | Facedock | " | " | " | | " | $520 | " | " | |
| | 3,735' | 1435.3 | | | | $38,143 | $52,494 | | | $640 |

Note:

| | |
|---|---|
| Open | 12 |
| Reserved | 3 |
| Departing | 0 |

| Reserved Slips | Customer | Length | Vessel Length | Revenue | Expected Date |
|---|---|---|---|---|---|
| A-12 | Mike Larrow | 3-Months | 52' | $900 | 13-Jun-12 |
| A-14 | Hunter Edwards | Month-Month | 63' | $1,134 | 20-Jun |
| A-25 | Mike King | 1-Month | 58' | $ 1,080.00 | 16-Jun |

COMBINED TAXES FOR CHARLESTON COUNTY, SCHOOLS AND 6-3 CITY OF CHARLESTON

**REAL PROPERTY TAXES FOR PERIOD COMMENCING: 01-01-2011** TAX BILL DATE: 11-12-201

| PROPERTY DESCRIPTION | | | | ASSESSMENT RATIO | APPRAISAL | ASSESSMENT | MILLAGE | TOTAL TAX |
|---|---|---|---|---|---|---|---|---|
| DIST | TYPE | ACRES | MORTGAGE CODE/ID | 6.00 | 2,634,800 | 152,090 | 258.3 | 39,284.84 |
| 6-3 | 750 | | | | COUNTY SALES TAX CREDIT | | | -1,774.36 |
| | | | | | MUNICIPAL SALES TAX CREDIT | | | -1,799.71 |

BILL NO.#: 1351893
PIN : 4211100275
DESCRIPTION -LOT C SITE NAME -RIPLEY LIGHT YACHTCLUB
95 RIPLEY POINT DR

3956 2 AV 0.465 *****AUTO**5-DIGIT 29407

ASHLEY RIVER PROPERTIES II LLC
95 RIPLEY POINTE DR
CHARLESTON SC 29407-7598

167973
25
750
R

**PAY THIS AMOUNT ON OR BEFORE 01-17-2012 $35,710.77**

YOU CAN PAY YOUR TAXES ONLINE AT www.charlestoncounty.org
IMPORTANT INFORMATION ON BACK OF THIS BILL

GOVERNMENT AGENCIES RESPONSIBLE FOR MILLAGE & TAX DOLLARS

| MILLS | TAXES | | AGENCY CODE | |
|---|---|---|---|---|
| 39.1 | 4,172.36 | COUNTY GOVERNMENT OPERATING | | |
| 6.1 | 927.75 | COUNTY GOVERNMENT BONDS (958-4841) | | 14.3% |
| 98.6 | 14,996.07 | SCHOOL BOARD OPERATING | | |
| 27.9 | 4,243.31 | SCHOOL BOARD BONDS (566-1829) | | 53.9% |
| 3.6 | 547.52 | PARKS & RECREATION OPERATING | | |
| 1.8 | 273.76 | PARKS & RECREATION BONDS (762-2172) | | 2.3% |
| 1.9 | 288.97 | TRIDENT TECHNICAL COLLEGE OPERATING | | |
| 0.5 | 76.05 | TRIDENT TECHNICAL COLLEGE BONDS (574-6111) | | 1.0% |
| 76.8 | 9,680.80 | CITY OF CHARLESTON | | |
| 2.0 | 304.18 | CITY OF CHARLESTON DRAINAGE IMP (579-7529) | | 28.5% |
| 258.3 | 35,710.77 | TOTAL TAXES | | 100.0% |
| | 35,710.77 | **PAY THIS AMOUNT** | | |

TEAR AT PERFORATION AND RETURN BOTTOM PORTION WITH PAYMENT

PROPERTY DESCRIPTION
PIN : 4211100275
DESCRIPTION -LOT C SITE NAME -RIPLEY LIGHT YACHTCLUB
95 RIPLEY POINT DR

BILL NO.#: 1351893 TAX BILL DATE: 11-12-2011
FOR PERIOD COMMENCING: 01-01-2011

PAY YOUR TAXES ONLINE AT www.charlestoncounty.org

AMOUNT ▶ $35,710.77 R
IF PAYING ON OR BEFORE 01-17-2012
U.S. DOLLARS ONLY

MAKE PAYMENT TO: CHARLESTON COUNTY TREASURER
P.O. BOX 878

AMOUNT DUE ON OR AFTER (PAYMENT TO COUNTY TREASURER

| | |
|---|---|
| 01-18-2012 | 36,782.09 |
| 02-02-2012 | 39,281.85 |

AMOUNT DUE ON OR AFTER (PAYMENT TO DELINQUENT TAX)

| | |
|---|---|
| 03-16-2012 | 41,067.39 |

ADDRESS _____
CHANGE _____

8:24 AM
02/11/11
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
### January through December 2009

| | Jan - Dec 09 | |
|---|---|---|
| Ordinary Income/Expense | | |
| Income | | |
| 40000 · Marina Income | | |
| 42000 · Boat Slip Rentals | | |
| 42100 · Transient Boat Slip Rental | 13,011.25 | |
| 42200 · Marina Access & Usage Rental | 1,610.00 | |
| 42000 · Boat Slip Rentals - Other | 479,540.28 | |
| Total 42000 · Boat Slip Rentals | | 494,161.53 |
| 43000 · Events | | |
| 43100 · Private Events | 2,100.00 | |
| Total 43000 · Events | | 2,100.00 |
| 44000 · Utilities | | |
| 44100 · Electricity | 41,473.97 | |
| Total 44000 · Utilities | | 41,473.97 |
| 45100 · Ice | | 10,264.50 |
| 45300 · RLYC T-Shirts | | 70.00 |
| 45500 · Misc. Marina Items | | 2,700.00 |
| 47000 · Service Fees | | |
| 47010 · Environmental.& Safety Fee | 7,410.93 | |
| 47050 · Collection Fees & Services | 433.75 | |
| Total 47000 · Service Fees | | 7,844.68 |
| 47100 · Penalties | | |
| 47110 · Late Payments | 665.00 | |
| 47130 · Returned Check Fee | 5.00 | |
| Total 47100 · Penalties | | 670.00 |
| 47200 · Discounts | | |
| 47210 · Miscellaneous Discounts | -500.50 | |
| Total 47200 · Discounts | | -500.50 |
| 47500 · Other Income | | |
| 47510 · Invoice Adjustments | -1,111.55 | |
| 47520 · Interest Income | 86,523.25 | |
| Total 47500 · Other Income | | 85,411.70 |
| Total 40000 · Marina Income | | 644,195.88 |
| Total Income | | 644,195.88 |
| Gross Profit | | 644,195.88 |
| Expense | | |
| 60000 · Marina Operating Expenses | | |
| 60100 · Payroll & Payroll Burden | | |
| 60110 · Regular | 91,435.52 | |
| 60120 · Temporary Labor | 50.00 | |
| 60130 · Employer Taxes | 8,739.84 | |
| 60140 · Workmen's Compensation Ins | 14,322.00 | |
| 60150 · Payroll Processing Fees | 518.04 | |
| 60160 · Employee Health Ins. & Related | 12,655.91 | |
| Total 60100 · Payroll & Payroll Burden | | 127,721.31 |
| 60200 · Insurance | | |
| 60210 · Citadel Spoil Basin Envir. Risk | 13,621.00 | |
| 60220 · P & C - General Liability | 57,673.17 | |
| Total 60200 · Insurance | | 71,294.17 |
| 60300 · Utilities | | |
| 60310 · Electricity | 76,482.28 | |
| 60320 · Water | 7,626.97 | |
| 60330 · Cable | 7,119.83 | |
| 60340 · Garbage Removal & Sanitation | 9,900.74 | |
| 60360 · Telecommunications | 5,347.34 | |

8:24 AM
02/11/11
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
### January through December 2009

| | | Jan - Dec 09 |
|---|---|---|
| Total 60300 · Utilities | | 106,477.16 |
| 60400 · Selling Costs & Related | | |
| 60410 · Credit Card Processing Fees | 12,284.24 | |
| Total 60400 · Selling Costs & Related | | 12,284.24 |
| 60500 · Advertising & Promotion | | 3,375.99 |
| 60600 · Maintenance & Repairs | | |
| 60610 · General Marina | 29,287.27 | |
| 60620 · Equipment | 1,936.30 | |
| Total 60600 · Maintenance & Repairs | | 31,223.57 |
| 60700 · Supplies & Materials | | |
| 60710 · Office | 2,495.62 | |
| 60720 · Marina & Grounds | 20,240.52 | |
| 60730 · Fuel | 568.20 | |
| 60700 · Supplies & Materials - Other | 40.52 | |
| Total 60700 · Supplies & Materials | | 23,344.86 |
| 60800 · Small Tools & Equipment | | 1,327.62 |
| 60900 · Goods & Vending | | |
| 60910 · Ice | 8,003.78 | |
| Total 60900 · Goods & Vending | | 8,003.78 |
| 61000 · Inspection & Fees | | 228.99 |
| 61100 · Licenses & Permits | | 81.00 |
| 61200 · Collection Fees & Services | | 605.00 |
| 61300 · Marina Services | | |
| 61350 · Communications & Technology | 809.48 | |
| Total 61300 · Marina Services | | 809.48 |
| 61360 · Miscellaneous Prof. Services | | 2,704.50 |
| 61400 · Miscellaneous Expenses | | |
| 61410 · Dues & Subscriptions | 604.95 | |
| 61420 · Printing & Reproduction | 985.06 | |
| 61440 · Vehicle & Boat Expense | | |
| 61441 · Employee Fuel Reimbursement | 1,166.88 | |
| 61442 · Misc. Vehicle & Boat Expense | 35.00 | |
| Total 61440 · Vehicle & Boat Expense | 1,201.88 | |
| 61450 · Meals & Entertainment | 57.51 | |
| 61470 · Education | 825.00 | |
| 61480 · Charitable Contributions | 900.00 | |
| Total 61400 · Miscellaneous Expenses | | 4,574.40 |
| 61500 · Uncategorized Expenses | | 0.00 |
| Total 60000 · Marina Operating Expenses | | 394,056.07 |
| 63000 · Project G&A | | |
| 63100 · Payroll & Payroll Burden | | |
| 63110 · Regular | 0.00 | |
| 63140 · Employer Taxes | 0.00 | |
| 63160 · Employee Health Insurance | 2,579.96 | |
| 63100 · Payroll & Payroll Burden - Other | 329.91 | |
| Total 63100 · Payroll & Payroll Burden | | 2,909.87 |
| 63200 · Travel & Entertainment | | |
| 63210 · Travel Expense | | |
| 63212 · R Black | 14,882.43 | |
| Total 63210 · Travel Expense | 14,882.43 | |
| 63220 · Meals & Entertainment | | |
| 63222 · R Black | 3,960.20 | |
| 63220 · Meals & Entertainment - Other | 21.46 | |
| Total 63220 · Meals & Entertainment | 3,981.66 | |

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02/11/11
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
### January through December 2009

| | Jan - Dec 09 |
|---|---|
| Total 63200 · Travel & Entertainment | 18,864.09 |
| 63300 · RPPOA Regime Fees | 16,513.59 |
| 63400 · Property Taxes | 65,823.27 |
| 63600 · General Office | |
| 63630 · Telephone & Telecommunications | 3,981.90 |
| 63640 · Computers & Technology | |
| 63642 · Computer Software | 49.03 |
| 63643 · Communications & General | 837.50 |
| Total 63640 · Computers & Technology | 886.53 |
| 63680 · Dues & Subscriptions | 204.65 |
| 63700 · Postage & Delivery | 1,164.86 |
| 63710 · Furniture & Equipment | 561.00 |
| 63720 · Office Supplies | 11.69 |
| 63730 · Office Equipment Rental | 4,057.01 |
| Total 63600 · General Office | 10,867.64 |
| 63800 · Miscellaneous Expenses | |
| 63850 · Bank Service Charges | 864.14 |
| Total 63800 · Miscellaneous Expenses | 864.14 |
| 66500 · Accounting & Legal | |
| 66520 · Legal Fees | 63,650.18 |
| 66540 · Accounting & Tax Preparation | 19,270.75 |
| Total 66500 · Accounting & Legal | 82,920.93 |
| 67000 · Income Taxes | |
| 67010 · Federal | 174.36 |
| Total 67000 · Income Taxes | 174.36 |
| 67500 · Amortization Expense | 11,581.04 |
| 68000 · Depreciation Expense | 392,840.23 |
| 68500 · Uncategorized Expenses | 0.00 |
| Total 63000 · Project G&A | 603,359.16 |
| 68251 · Marina Interest Expense | 205,464.47 |
| Total Expense | 1,202,879.70 |
| Net Ordinary Income | -558,683.82 |
| Net Income | -558,683.82 |

8:25 AM
02/11/11
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
### January through December 2010

| | Jan - Dec 10 | |
|---|---|---|
| Ordinary Income/Expense | | |
| Income | | |
| Negotiated Discounts | | 23,480.54 |
| 40000 · Marina Income | | |
| 42000 · Boat Slip Rentals | | |
| 42100 · Transient Boat Slip Rental | 16,456.50 | |
| 42200 · Marina Access & Usage Rental | 2,325.00 | |
| 42000 · Boat Slip Rentals - Other | 420,351.61 | |
| Total 42000 · Boat Slip Rentals | | 439,133.11 |
| 43000 · Events | | |
| 43100 · Private Events | 200.00 | |
| Total 43000 · Events | | 200.00 |
| 44000 · Utilities | | |
| 44100 · Electricity | 47,509.93 | |
| Total 44000 · Utilities | | 47,509.93 |
| 45100 · Ice | | 9,138.50 |
| 47000 · Service Fees | | |
| 47010 · Environmental & Safety Fee | 6,570.20 | |
| 47050 · Collection Fees & Services | 8.00 | |
| Total 47000 · Service Fees | | 6,578.20 |
| 47100 · Penalties | | |
| 47110 · Late Payments | 35.00 | |
| Total 47100 · Penalties | | 35.00 |
| 47200 · Discounts | | |
| 47210 · Miscellaneous Discounts | -281.10 | |
| 47200 · Discounts - Other | -300.00 | |
| Total 47200 · Discounts | | -581.10 |
| 47500 · Other Income | | |
| 47510 · Invoice Adjustments | 96.08 | |
| 47500 · Other Income - Other | 71,589.48 | |
| Total 47500 · Other Income | | 71,685.56 |
| Total 40000 · Marina Income | | 573,699.20 |
| 48300 · Uncategorized Income | | 278.62 |
| Total Income | | 597,458.36 |
| Gross Profit | | 597,458.36 |
| Expense | | |
| 60000 · Marina Operating Expenses | | |
| 60100 · Payroll & Payroll Burden | | |
| 60110 · Regular | 108,452.58 | |
| 60120 · Temporary Labor | 100.00 | |
| 60130 · Employer Taxes | 10,427.80 | |
| 60140 · Workmen's Compensation Ins | 1,456.75 | |
| 60150 · Payroll Processing Fees | 91.02 | |
| 60160 · Employee Health Ins. & Related | 9,603.95 | |
| 60100 · Payroll & Payroll Burden - Other | 714.62 | |
| Total 60100 · Payroll & Payroll Burden | | 130,846.72 |
| 60200 · Insurance | | |
| 60220 · P & C - General Liability | 18,507.40 | |
| 60200 · Insurance - Other | 29,117.31 | |
| Total 60200 · Insurance | | 47,624.71 |
| 60300 · Utilities | | |
| 60310 · Electricity | 74,690.84 | |
| 60320 · Water | 8,255.44 | |
| 60330 · Cable | 10,315.26 | |
| 60340 · Garbage Removal & Sanitation | 2,668.26 | |

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Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
### January through December 2010

| | Jan - Dec 10 | |
|---|---|---|
| 60350 · Housekeeping & Janitorial | 420.21 | |
| 60360 · Telecommunications | 4,376.09 | |
| 60300 · Utilities - Other | 40.00 | |
| Total 60300 · Utilities | | 100,766.10 |
| 60400 · Selling Costs & Related | | |
| 60410 · Credit Card Processing Fees | 6,658.48 | |
| Total 60400 · Selling Costs & Related | | 6,658.48 |
| 60500 · Advertising & Promotion | | 820.71 |
| 60600 · Maintenance & Repairs | | |
| 60610 · General Marina | 3,794.80 | |
| 60620 · Equipment | 861.89 | |
| Total 60600 · Maintenance & Repairs | | 4,656.69 |
| 60700 · Supplies & Materials | | |
| 60710 · Office | 1,548.42 | |
| 60720 · Marina & Grounds | 16,930.22 | |
| 60730 · Fuel | 183.48 | |
| 60700 · Supplies & Materials - Other | 1,092.85 | |
| Total 60700 · Supplies & Materials | | 19,754.97 |
| 60800 · Small Tools & Equipment | | 525.57 |
| 60900 · Goods & Vending | | |
| 60910 · Ice | 8,870.38 | |
| Total 60900 · Goods & Vending | | 8,870.38 |
| 61300 · Marina Services | | |
| 61350 · Communications & Technology | 3,737.63 | |
| Total 61300 · Marina Services | | 3,737.63 |
| 61360 · Miscellaneous Prof. Services | | 8,850.00 |
| 61400 · Miscellaneous Expenses | | |
| 61410 · Dues & Subscriptions | 374.97 | |
| 61420 · Printing & Reproduction | 11.83 | |
| 61430 · Computer Expenses | | |
| 61431 · Computer Hardware | 876.62 | |
| Total 61430 · Computer Expenses | | 876.62 |
| 61440 · Vehicle & Boat Expense | | |
| 61441 · Employee Fuel Reimbursement | 816.87 | |
| 61442 · Misc. Vehicle & Boat Expense | 7.63 | |
| 61440 · Vehicle & Boat Expense - Other | 60.97 | |
| Total 61440 · Vehicle & Boat Expense | | 885.47 |
| 61450 · Meals & Entertainment | | 30.37 |
| 61470 · Education | | 130.00 |
| 61480 · Charitable Contributions | | 275.00 |
| 61490 · Other Expenses | | |
| 61491 · Misc. Late Fees & Serv. Charges | 795.15 | |
| Total 61490 · Other Expenses | | 795.15 |
| 61400 · Miscellaneous Expenses - Other | 2,167.47 | |
| Total 61400 · Miscellaneous Expenses | | 5,546.88 |
| Total 60000 · Marina Operating Expenses | | 338,658.84 |
| 63000 · Project G&A | | |
| 63100 · Payroll & Payroll Burden | | |
| 63160 · Employee Health Insurance | 1,415.56 | |
| 63100 · Payroll & Payroll Burden - Other | 969.14 | |
| Total 63100 · Payroll & Payroll Burden | | 2,384.70 |
| 63300 · RPPOA Regime Fees | | 19,365.85 |
| 63400 · Property Taxes | | 81,393.86 |
| 63600 · General Office | | |
| 63630 · Telephone & Telecommunications | 234.90 | |

8:25 AM
02/11/11
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
### January through December 2010

| | Jan - Dec 10 | |
|---|---|---|
| 63640 · Computers & Technology | | |
| 63641 · Computer Hardware | 1,039.99 | |
| 63643 · Communications & General | 1,314.22 | |
| Total 63640 · Computers & Technology | 2,354.21 | |
| 63660 · Advertising & Promotion | 1,350.88 | |
| 63700 · Postage & Delivery | 825.86 | |
| 63720 · Office Supplies | 82.71 | |
| 63730 · Office Equipment Rental | 3,225.34 | |
| Total 63600 · General Office | | 8,073.90 |
| 63800 · Miscellaneous Expenses | | |
| Loan Fees and Costs | 26,500.00 | |
| 63840 · Other Expenses | | |
| 63841 · Late Fees & Misc. Serv. Charges | 350.63 | |
| 63840 · Other Expenses - Other | 1,045.67 | |
| Total 63840 · Other Expenses | 1,396.30 | |
| 63850 · Bank Service Charges | 1,101.40 | |
| Total 63800 · Miscellaneous Expenses | | 28,997.70 |
| 66500 · Accounting & Legal | | |
| 66520 · Legal Fees | 30,937.59 | |
| 66540 · Accounting & Tax Preparation | 4,099.00 | |
| Total 66500 · Accounting & Legal | | 35,036.59 |
| 63000 · Project G&A - Other | 7,594.66 | |
| Total 63000 · Project G&A | | 182,847.26 |
| 66900 · Reconciliation Discrepancies | | 61.28 |
| 68250 · Interest | | |
| Marina Interest Expense | 17,168.15 | |
| 68250 · Interest - Other | 217,165.48 | |
| Total 68250 · Interest | | 234,333.63 |
| Total Expense | | 755,901.01 |
| Net Ordinary Income | | -158,442.65 |
| Net Income | | -158,442.65 |

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06/28/12
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
January through December 2011

| | Jan - Dec 11 | |
|---|---|---|
| Ordinary Income/Expense | | |
| Income | | |
| 40000 · Marina Income | | |
| 42000 · Boat Slip Rentals | | |
| 42100 · Transient Boat Slip Rental | 4,628.75 | |
| 42200 · Marina Access & Usage Rental | 3,101.64 | |
| 42300 · Waived or Forfeited Deposits | 18,779.96 | |
| 42000 · Boat Slip Rentals - Other | 445,747.48 | |
| Total 42000 · Boat Slip Rentals | | 472,257.83 |
| 44000 · Utilities | | |
| 44100 · Electricity -- Metered | 60,345.12 | |
| 44200 · Electricity -- Other | 4,787.52 | |
| Total 44000 · Utilities | | 65,132.64 |
| 45100 · Ice | | 6,433.00 |
| 47000 · Service Fees | | |
| 47010 · Environmental & Safety Fee | 6,552.50 | |
| Total 47000 · Service Fees | | 6,552.50 |
| 47100 · Penalties | | |
| 47110 · Late Payments | 175.00 | |
| Total 47100 · Penalties | | 175.00 |
| 47200 · Discounts | | |
| 47210 · Miscellaneous Discounts | -1,408.86 | |
| 47200 · Discounts - Other | -124.80 | |
| Total 47200 · Discounts | | -1,533.66 |
| 47500 · Other Income | | |
| 47510 · Invoice Adjustments | -167.52 | |
| 47500 · Other Income - Other | 71,589.48 | |
| Total 47500 · Other Income | | 71,421.96 |
| Total 40000 · Marina Income | | 620,439.27 |
| 48300 · Uncategorized Income | | 580.08 |
| Total Income | | 621,019.35 |
| Gross Profit | | 621,019.35 |
| Expense | | |
| 60000 · Marina Operating Expenses | | |
| 60100 · Payroll & Payroll Burden | | |
| 60110 · Regular | 91,939.98 | |
| 60120 · Temporary Labor | 140.00 | |
| 60130 · Employer Taxes | 10,446.43 | |
| 60140 · Workmen's Compensation Ins | 1,332.25 | |
| 60160 · Employee Health Ins. & Related | 3,089.52 | |
| 60100 · Payroll & Payroll Burden - Other | 386.98 | |
| Total 60100 · Payroll & Payroll Burden | | 107,335.16 |
| 60200 · Insurance | | |
| 60220 · P & C - General Liability | 13,485.00 | |
| 60200 · Insurance - Other | 35,030.83 | |
| Total 60200 · Insurance | | 48,515.83 |
| 60300 · Utilities | | |
| 60310 · Electricity | 64,546.98 | |
| 60320 · Water | 10,425.36 | |
| 60330 · Cable | 13,257.51 | |
| 60340 · Garbage Removal & Sanitation | 2,412.66 | |
| 60350 · Housekeeping & Janitorial | 424.79 | |
| 60360 · Telecommunications | 1,450.20 | |
| 60300 · Utilities - Other | 40.00 | |

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06/28/12
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
January through December 2011

| | Jan - Dec 11 | |
|---|---|---|
| Total 60300 · Utilities | | 92,557.50 |
| 60400 · Selling Costs & Related | | |
| 60410 · Credit Card Processing Fees | 6,786.88 | |
| Total 60400 · Selling Costs & Related | | 6,786.88 |
| 60600 · Maintenance & Repairs | | |
| 60620 · Equipment | 892.37 | |
| 60600 · Maintenance & Repairs - Other | 1,430.67 | |
| Total 60600 · Maintenance & Repairs | | 2,323.04 |
| 60700 · Supplies & Materials | | |
| 60710 · Office | 1,242.43 | |
| 60720 · Marina & Grounds | 2,891.75 | |
| 60730 · Fuel | 95.30 | |
| 60700 · Supplies & Materials - Other | 1,034.86 | |
| Total 60700 · Supplies & Materials | | 5,264.34 |
| 60800 · Small Tools & Equipment | | 260.71 |
| 60900 · Goods & Vending | | |
| 60910 · Ice | 8,846.03 | |
| Total 60900 · Goods & Vending | | 8,846.03 |
| 61100 · Licenses & Permits | | 9,567.36 |
| 61200 · Collection Fees & Services | | 425.00 |
| 61300 · Marina Services | | |
| 61350 · Communications & Technology | 1,584.34 | |
| Total 61300 · Marina Services | | 1,584.34 |
| 61350 · Miscellaneous Prof. Services | | 351.60 |
| 61400 · Miscellaneous Expenses | | |
| 61410 · Dues & Subscriptions | 500.00 | |
| 61440 · Vehicle & Boat Expense | | |
| 61441 · Employee Fuel Reimbursement | 840.71 | |
| Total 61440 · Vehicle & Boat Expense | 840.71 | |
| 61480 · Charitable Contributions | 275.00 | |
| 61490 · Other Expenses | | |
| 61491 · Misc. Late Fees & Serv. Charges | 735.24 | |
| Total 61490 · Other Expenses | 735.24 | |
| 61400 · Miscellaneous Expenses - Other | 2,831.45 | |
| Total 61400 · Miscellaneous Expenses | | 5,182.40 |
| 60000 · Marina Operating Expenses - Other | | 7,930.93 |
| Total 60000 · Marina Operating Expenses | | 296,931.12 |
| 63000 · Project G&A | | |
| 63100 · Payroll & Payroll Burden | | |
| 63160 · Employee Health Insurance | 863.04 | |
| 63100 · Payroll & Payroll Burden - Other | 1,091.74 | |
| Total 63100 · Payroll & Payroll Burden | | 1,954.78 |
| 63200 · Travel & Entertainment | | |
| 63210 · Travel Expense | | |
| 63211 · DD Williams | 23.75 | |
| Total 63210 · Travel Expense | 23.75 | |
| Total 63200 · Travel & Entertainment | | 23.75 |
| 63300 · RPPOA Regime Fees | | 12,346.65 |
| 63400 · Property Taxes | | 79,848.21 |
| 63600 · General Office | | |
| 63640 · Computers & Technology | | |
| 63643 · Communications & General | 2,038.33 | |

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06/28/12
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
January through December 2011

| | | Jan - Dec 11 |
|---|---|---|
| · Total 63640 · Computers & Technology | | 2,038.33 |
| 63700 · Postage & Delivery | | 27.53 |
| Total 63600 · General Office | | 2,065.86 |
| 63800 · Miscellaneous Expenses | | |
| 63805 · Loan Fees and Costs | | 52,913.12 |
| 63840 · Other Expenses | | |
| 63841 · Late Fees & Misc. Serv. Charges | 12.00 | |
| Total 63840 · Other Expenses | | 12.00 |
| 63850 · Bank Service Charges | | 8,492.56 |
| Total 63800 · Miscellaneous Expenses | | 61,417.68 |
| 66000 · Damage Account | | |
| 66300 · Settlement Rain for Rent | | 11,709.23 |
| Total 66000 · Damage Account | | 11,709.23 |
| 66500 · Accounting & Legal | | |
| 66520 · Legal Fees | | 50,669.62 |
| 66540 · Accounting & Tax Preparation | | 3,643.00 |
| Total 66500 · Accounting & Legal | | 54,312.62 |
| Total 63000 · Project G&A | | 223,678.78 |
| 66900 · Reconciliation Discrepancies | | -1,079.32 |
| 68250 · Interest | | |
| Marina Interest Expense | | 191,740.83 |
| Total 68250 · Interest | | 191,740.83 |
| Total Expense | | 711,271.41 |
| Net Ordinary Income | | -90,252.06 |
| Net Income | | -90,252.06 |

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06/28/12
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
### January 1 through June 28, 2012

| | Jan 1 - Jun 28, 12 |
|---|---|
| Ordinary Income/Expense | |
| Income | |
| 40000 · Marina Income | |
| 42000 · Boat Slip Rentals | |
| 42100 · Transient Boat Slip Rental | 4,553.00 |
| 42200 · Marina Access & Usage Rental | 1,749.98 |
| 42000 · Boat Slip Rentals - Other | 216,918.05 |
| Total 42000 · Boat Slip Rentals | 223,221.03 |
| 44000 · Utilities | |
| 44100 · Electricity -- Metered | 23,229.16 |
| 44200 · Electricity -- Other | 2,565.00 |
| Total 44000 · Utilities | 25,794.16 |
| 45100 · Ice | 1,540.50 |
| 47000 · Service Fees | |
| 47010 · Environmental & Safety Fee | 3,335.00 |
| 47050 · Collection Fees & Services | 125.00 |
| Total 47000 · Service Fees | 3,460.00 |
| 47100 · Penalties | |
| 47110 · Late Payments | 280.00 |
| Total 47100 · Penalties | 280.00 |
| 47200 · Discounts | |
| 47210 · Miscellaneous Discounts | -732.91 |
| Total 47200 · Discounts | -732.91 |
| 47500 · Other Income | |
| 47510 · Invoice Adjustments | -1,443.29 |
| 47500 · Other Income - Other | 5,965.79 |
| Total 47500 · Other Income | 4,522.50 |
| Total 40000 · Marina Income | 258,085.28 |
| Total Income | 258,085.28 |
| Gross Profit | 258,085.28 |
| Expense | |
| 60000 · Marina Operating Expenses | |
| 60100 · Payroll & Payroll Burden | |
| 60110 · Regular | 37,745.72 |
| 60130 · Employer Taxes | 5,374.35 |
| 60160 · Employee Health Ins. & Related | 2,190.04 |
| 60100 · Payroll & Payroll Burden - Other | 162.50 |
| Total 60100 · Payroll & Payroll Burden | 45,472.61 |
| 60200 · Insurance | |
| 60220 · P & C - General Liability | 5,766.00 |
| 60200 · Insurance - Other | 14,956.84 |
| Total 60200 · Insurance | 20,722.84 |
| 60300 · Utilities | |
| 60310 · Electricity | 27,648.70 |
| 60320 · Water | 3,351.65 |
| 60330 · Cable | 7,662.57 |
| 60340 · Garbage Removal & Sanitation | 1,138.97 |
| 60360 · Telecommunications | 279.96 |
| Total 60300 · Utilities | 40,081.85 |
| 60400 · Selling Costs & Related | |
| 60410 · Credit Card Processing Fees | 352.32 |
| Total 60400 · Selling Costs & Related | 352.32 |
| 60600 · Maintenance & Repairs | |

2:28 PM
06/28/12
Accrual Basis

# Ashley River Properties II, LLC
## Profit & Loss
January 1 through June 28, 2012

| | Jan 1 - Jun 28, 12 |
|---|---|
| 60620 · Equipment | 156.24 |
| 60600 · Maintenance & Repairs - Other | 150.00 |
| Total 60600 · Maintenance & Repairs | 306.24 |
| 60700 · Supplies & Materials | |
| 60710 · Office | 36.00 |
| 60720 · Marina & Grounds | 742.60 |
| 60700 · Supplies & Materials - Other | 1,021.13 |
| Total 60700 · Supplies & Materials | 1,799.73 |
| 60900 · Goods & Vending | |
| 60910 · Ice | 1,987.29 |
| Total 60900 · Goods & Vending | 1,987.29 |
| 61100 · Licenses & Permits | 31,052.50 |
| 61360 · Miscellaneous Prof. Services | 920.00 |
| 61400 · Miscellaneous Expenses | |
| 61440 · Vehicle & Boat Expense | |
| 61441 · Employee Fuel Reimbursement | 309.45 |
| Total 61440 · Vehicle & Boat Expense | 309.45 |
| 61490 · Other Expenses | |
| 61491 · Misc. Late Fees & Serv. Charges | 94.95 |
| Total 61490 · Other Expenses | 94.95 |
| 61400 · Miscellaneous Expenses - Other | 1,243.85 |
| Total 61400 · Miscellaneous Expenses | 1,648.25 |
| 60000 · Marina Operating Expenses - Other | 2,877.80 |
| Total 60000 · Marina Operating Expenses | 147,221.43 |
| 63000 · Project G&A | |
| 63100 · Payroll & Payroll Burden | |
| 63160 · Employee Health Insurance | 237.00 |
| 63100 · Payroll & Payroll Burden - Other | 568.74 |
| Total 63100 · Payroll & Payroll Burden | 805.74 |
| 63300 · RPPOA Regime Fees | 14,617.96 |
| 63400 · Property Taxes | -1,568.07 |
| 63600 · General Office | |
| 63630 · Telephone & Telecommunications | 69.99 |
| 63640 · Computers & Technology | |
| 63643 · Communications & General | 600.00 |
| Total 63640 · Computers & Technology | 600.00 |
| 63650 · Licenses & Permits | 100.00 |
| 63660 · Dues & Subscriptions | 250.00 |
| Total 63600 · General Office | 1,019.99 |
| 63800 · Miscellaneous Expenses | |
| 63840 · Other Expenses | |
| 63841 · Late Fees & Misc. Serv. Charges | 11.23 |
| Total 63840 · Other Expenses | 11.23 |
| 63850 · Bank Service Charges | 7,619.13 |
| Total 63800 · Miscellaneous Expenses | 7,630.36 |
| 66500 · Accounting & Legal | |
| 66520 · Legal Fees | 6,216.20 |
| Total 66500 · Accounting & Legal | 6,216.20 |
| Total 63000 · Project G&A | 28,722.18 |
| 66900 · Reconciliation Discrepancies | -566.61 |
| 68250 · Interest | |
| Marina Interest Expense | 45,628.40 |

# Ashley River Properties II, LLC
## Profit & Loss
### January 1 through June 28, 2012

| | Jan 1 - Jun 28, 12 |
|---|---|
| Total 68250 · Interest | 45,628.40 |
| 68251 · Marina Interest Expense | 30,415.03 |
| Total Expense | 251,420.43 |
| Net Ordinary Income | 6,664.85 |
| Net Income | 6,664.85 |

# Charleston County, South Carolina

*generated on 7/13/2012 9:47:28 AM EDT*

| | | | | |
|---|---|---|---|---|
| [illegible] | 95 RIPLEY POINT DR, CHARLESTON | [illegible] | 2011 | 2011 |

| | | | |
|---|---|---|---|
| Owner | ASHLEY RIVER PROPERTIES II LLC | Property Class Code | 750 - SPCLTY-REC |
| Owner Address | 95 RIPLEY POINTE DR<br>CHARLESTON SC 29407-7598 | Acreage | 1.6400 |
| Legal Description | Description -LOT C Site Name -RIPLEY LIGHT YACHTCLUB PlatSuffix EK-219 PolTwp 009 | | |

| Tax Year | Land | Building | Market | Taxes | Payment |
|---|---|---|---|---|---|
| 2011 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 2010 | | | [illegible] | [illegible] | [illegible] |
| 2009 | | | [illegible] | [illegible] | [illegible] |
| 2008 | | | [illegible] | [illegible] | [illegible] |

| Grantor | Book & Page | Date | Deed | Vacant | Sale Price |
|---|---|---|---|---|---|
| RIPLEY LIGHT DEVELOPMENT | E480 016 | 12/29/2003 | Ge | | $100,000 |
| NOT SUPPLIED | S424 117 | 10/4/2002 | Ge | | $5 |

| Building | Type | Use Code Description | Constructed Year | Stories | Bedrooms | Finished Sq. Ft. | Improvement Size |
|---|---|---|---|---|---|---|---|
| C01 | BULKHD2 | Waterfront Bulkhead | 2004 | 0 | 0 | | 530 |
| C01 | BOATD | Waterfront Boat Dock | 2005 | 0 | 0 | | 13,328 |
| C01 | WALKWAY | Dock Walkway | 2006 | 0 | 0 | | 5,016 |
| C01 | BATHHSE | Bath House | 2006 | 0 | 0 | | 364 |
| C01 | CABIN | Cabin | 2006 | 0 | 0 | | 138 |
| C01 | UTLSHED | Residential Shed - Small Util | 2006 | 0 | 0 | | 196 |

# Charleston County, South Carolina

*generated on 7/13/2012 9:48:13 AM EDT*

| | | | | |
|---|---|---|---|---|
| 4311100275 | 95 RIPLEY POINT DR, CHARLESTON | 6/8/2012 | 2011 | 2011 |

| | |
|---|---|
| Owner | ASHLEY RIVER PROPERTIES II LLC |
| Owner Address | 95 RIPLEY POINTE DR<br>CHARLESTON SC 29407-7598 |
| Sale Date | |
| Deed Reference | E480 016 |

| | | | |
|---|---|---|---|
| Tax District Name | 6-3 6-3 CITY OF CHARLESTON | Routing No. | |
| Parcel Address | 95 RIPLEY POINT DR, CHARLESTON | Legal Description | Description -LOT C Site Name - RIPLEY LIGHT YACHTCLUB PlatSuffix EK-219 PolTwp 009 |
| Acreage | 1.6400 | | |

| Prior Year | 2010 | Current Year | 2011 |
|---|---|---|---|
| Appraised Value Land | 0 | Appraised Value Land | 637,000 |
| Appraised Value Improvements | 0 | Appraised Value Improvements | 2,123,000 |
| Total Appraised Value | 2,204,200 | Total Appraised Value | 2,760,000 |
| Limited (Capped) Appraised Value Total | 0 | Limited (Capped) Appraised Value Total | 2,534,800 |
| Exemption Amount | 0 | Exemption Amount | 0 |
| Taxable Value | 132,250 | Taxable Value | 152,090 |
| Assessment Ratio | 6% | Assessment Ratio | 6% |
| Assessed Value | 132,250 | Assessed Value | 152,090 |

# Ashley River Properties II, LLC

## Marina and Dredge
## Permits, Approvals and Agreements

1. Permit No. 2000-1P-582-P issued to Ripley Light Development Company LLC ("RLD") by the South Carolina Department of Health and Environmental Control, Office of Ocean and Coastal Resource Management ("OCRM") on September 21, 2001 authorizing the dredging of the Ripley Light canal basin.

2. Permit No. 2001-1H-315-P issued to RLD by OCRM on November 21, 2001 authorizing the construction and development of a marina and associated bulkhead, pier and docks in the Ripley Light canal basin.

3. Permit No. 2000-1P-582 issued to RLD by the U.S. Army Corps of Engineers ("CPE") on May 9, 2002 authorizing the dredging of the Ripley Light canal basin.

4. Permit No. 2001-1H-582 issued to RLD by COE on December 20, 2002 authorizing the construction and development of a marina and associated bulkhead, pier and docks in the Ripley Light canal basin.

5. Assignment of Licenses, Permits and Approvals dated December 30, 2003 by RLD to Ashley River Properties II, LLC ("ARP-2").

6. Amendment letter from OCRM dated December 29, 2004 pertaining to Permit No. 2001-1H-315-P.

7. Amendment letter from COE dated January 18, 2005 pertaining to Permit No. 2001-1H-315.

8. Letter from OCRM to ARP-2 dated March 14, 2005 confirming the assignment of Permit No. 2000-1P-582-P from RLD to ARP-2.

9. Letter from OCRM to ARP-2 dated March 14, 2005 confirming the assignment of Permit No. 2000-1H-315-P from RLD to ARP-2.

10. Permit No. OCRM-06-368-B dated January 17, 2007 issued to ARP-2 by OCRM authorizing the continued dredging of the Ripley Canal and the disposal of dredged material at The Citadel Dredge Material Disposal Basin.

11. Statement of Award dated January 27, 2007 issued by the South Carolina Materials Management Office authorizing the lease of The Citadel's Dredge Material Disposal Basin to ARP-2 for a seven year period commencing January 26, 2007.

12. Letter dated November 14, 2007 from the COE to ARP-2 advising that a modification to the navigation channel in the Ripley Light canal basing as set forth in dredge permit No. 2000-1P-582 has been granted.

13. Master Dredge Agreement dated November 15, 2007 between ARP-2, and the Ripley Light Marina POA, Inc. relating to the joint dredging of the Ripley Light canal basin.

14. Dredging Agreement dated November 15, 2007 between ARP-2, Ripley Cove, LLC and Ashley Bay, LLC pertaining to, among other things, (a) the contribution by Ripley Cove, LLC to ARP-2 towards the cost of the Ripley Light canal basin; and (b) the granting of a quitclaim deed by Ashley Bay, LLC to ARP-2 of all of Ashley Bay's right, title and interest in and to the Ripley Light canal bottom in and around the ARP-2 marina and to a portion of the adjacent navigation channel.

15. Quitclaim Deed dated November 15, 2007 by Ashley Bay, LLC to ARP-2 pursuant to the Dredge Agreement described in item 14 above.

16. Final Rule issued by the US Coast Guard amending 33 CFR Part 110 to disestablish the special anchorage known as Ashley River Anchorage #2 to accommodate the expansion of ARP-2's marina into the Ashley River.

17. Permit No. 2008-01005-2IR-P issued to ARP-2 by OCRM on October 11, 2011 authorizing the expansion of its existing marina facilities into the Ashley River, including docks, piers and fueling facilities.

18. Permit No. 2008-01005-2IR-P issued to ARP-2 by COE on March 30, 2012 authorizing the expansion of its existing marina facilities into the Ashley River, including docks, piers and fueling facilities.

## DEPARTMENT OF THE ARMY PERMIT

**Permittee:** ASHLEY RIVER PROPERTIES II, LLC
C/O DAVIDSON WILLIAMSON

95 RIPLEY POINTE DRIVE
CHARLESTON, SC 29407

**Permit No:** 2008-01005-2IR

**Issuing Office:** CHARLESTON DISTRICT

NOTE: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

**Project Description:**
The proposed work consists of expanding Ripley Light Yacht Club (located on the northern side of Ripley Cove) by adding approximately 11,510 linear feet of additional floating dock structure to accommodate 186 additional pleasure crafts for public dockage to provide public access for recreational boating in the Charleston Harbor area in accordance with the attached drawings entitled: Ashley River Properties II LLC, Ripley Light Yacht Club Marina Expansion. Sheets 1 thru 13 of 13 dated October 6, 2011.

**Project Location:**
The project site is located at Ripley Light Marina Basin in the Ashley River, Charleston County, Charleston, South Carolina.

**Permit Conditions:**

**General Conditions:**

1. The time limit for completing the work authorized ends on 31 March 2017. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.

2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.

3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and state coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.



4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.

5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.

6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

**Special Conditions:**

SEE PAGES 4 & 5.

Further Information:

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:

☒ Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

☐ Section 404 of the Clean Water Act (33 U.S.C. 1344).

☐ Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1413).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, state, or local authorizations required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.

b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions. General condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

Davidson D. Williams — 3/27/12

(PERMITTEE) (DATE)

ASHLEY RIVER PROPERTIES II, LLC
C/O DAVIDSON WILLIAMS

DAVIDSON D. WILLIAMS

PRINT NAME

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

MAR 30 2012

(DISTRICT ENGINEER) (DATE)
EDWARD P. CHAMBERLAYNE, P.E.
or his Designee
Tina B. Hadden
Chief, Regulatory Division

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

(TRANSFEREE) (DATE)



SPECIAL CONDITIONS FOR PERMIT #: 2008-01005-2IR

a. That the permittee agrees to provide all contractors associated with construction of the authorized activity a copy of the permit and drawings. A copy of the permit will be available at the construction site at all times.

b. That the permittee shall submit a signed compliance certification to the Corps within 60 days following completion of the authorized work and any required mitigation. The certification will include:
   1. A copy of this permit;
   2. A statement that the authorized work was done in accordance with the Corps authorization, including any general or specific conditions;
   3. A statement that any required mitigation was completed in accordance with the permit conditions;
   4. The signature of the permittee certifying the completion of the work and mitigation.

c. The permittee understands and agrees that, if future operations by the United States require the removal, relocation, or other alteration, of the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the permittee will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the United States. No claim shall be made against the United States on account of any such removal or alteration.

d. It is recognized that this structure is to be constructed on/or adjacent to an area subject to a prism and/or disposal easement held by the United States in perpetuity in conjunction with a Congressionally authorized project for the maintenance and improvement of a Federal Channel. This permit does not convey any property rights either in real estate or material or any exclusive use privileges; nor does it relinquish any right the United States has for the use of its easement or the maintenance and future widening or deepening of the Federal Channel pursuant to its easement rights.

e. It is understood and agreed that if the District Engineer determines this structure shall in any way in the future conflict with the improvement, operation, maintenance and widening or deepening of the Federal Channel, the owners themselves, their heirs, successors and assigns will remove said structure within 45 days from the date that written notice is given by the District Engineer, and there shall be no entitlement to compensation from the United States for damage or injury.

f. Conveyance of this permit applies only to the structure authorized and does not authorize the construction of any permanent structure or any structure suitable for habitation or any utility leading either to permanent structures suitable for habitation or to permanent structures within the bounds of areas on which the Corps of Engineers enjoys easement rights.

g. That permittee agrees that no permanent structures, beyond those authorized by this document, will be placed on the prism easement or on any adjacent disposal easement without written approval of the District Engineer.

h. That the Secretary of the Army, representing the United States of America, hereby consents to the herein authorized facilities or structures to be located on or across easement lands vested in the United States of America for the construction and operation of the Federal Channel. The permittee shall not engage in any act which may interfere with or abridge the easement interests of the United States, except those specifically authorized herein.

i. That any Corps of Engineers Waterway Control Monument can not be disturbed without first notifying this office 30 days in advance. After coordination with this office, a decision will be made as to the proper steps to be taken with regard to removing and relocating the monuments(s).

j. That the permittee agrees to provide, as a part of the completion notification, as-built drawings which indicate all dimensions of the structure as well as the distance from the edge of the Federal channel and the waterward edge of the authorized structure(s).

k. The permittee understands and agrees that all abandoned vessels within the meaning the South Carolina Statute 50-21-10, in the area between the Wappoo Creek to the south, Highway 17 Bridge to the north, the marsh grass line to the west, and the edge of the Federal Channel to the east are removed and disposed of solely at the expense of the Ashley River Properties II, LLC prior to construction of the requested marina expansion.

l. That the permittee agrees to conduct the work authorized herein in a manner that will not prevent or interfere with full and free use of the adjacent or nearby navigable waters of the United States by the boating public.

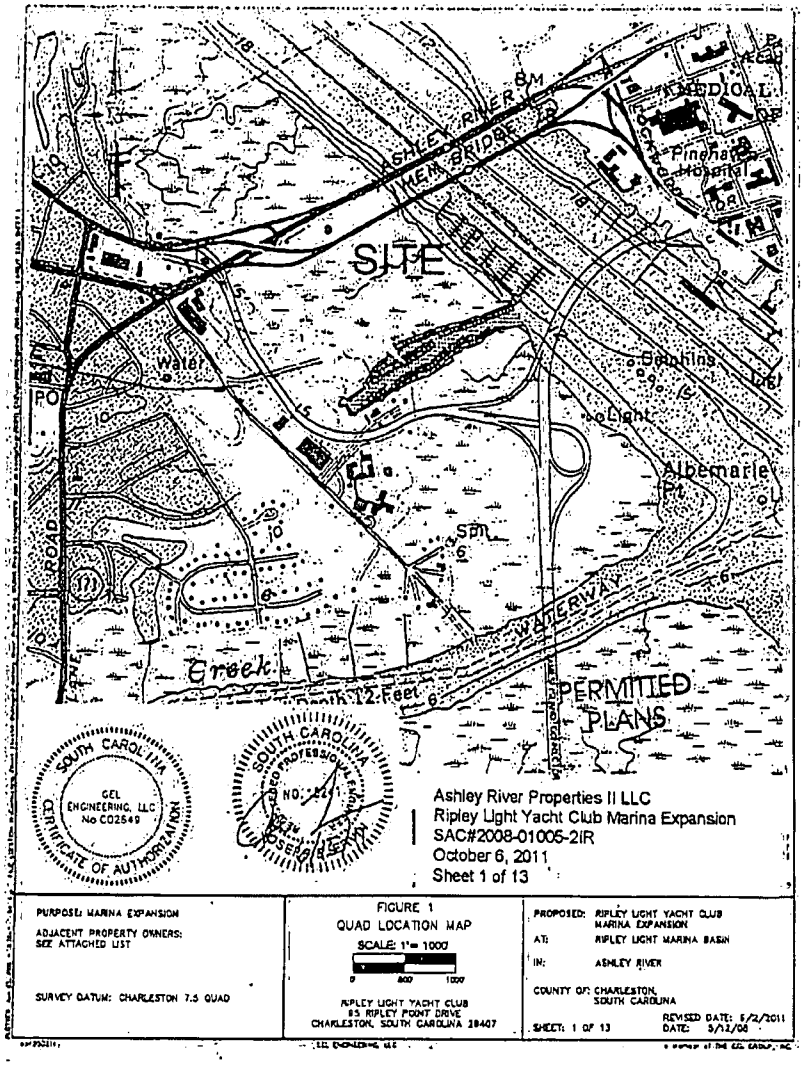
m. The permittee agrees that the project area will be enclosed by a silt screen and floating boom at all times during construction and until re-suspended sediments have settled out after the work has been completed.

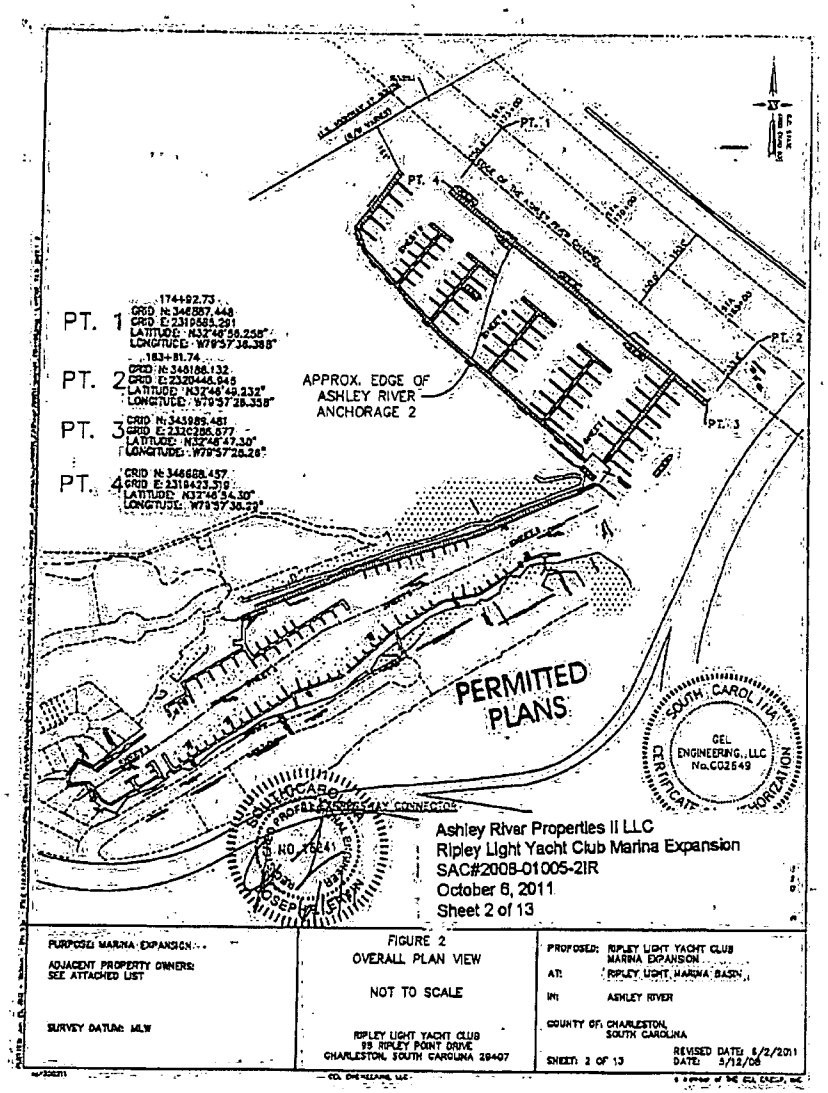
n. The permittee agrees to avoid adverse impacts to existing vegetated marsh during and construction activity.

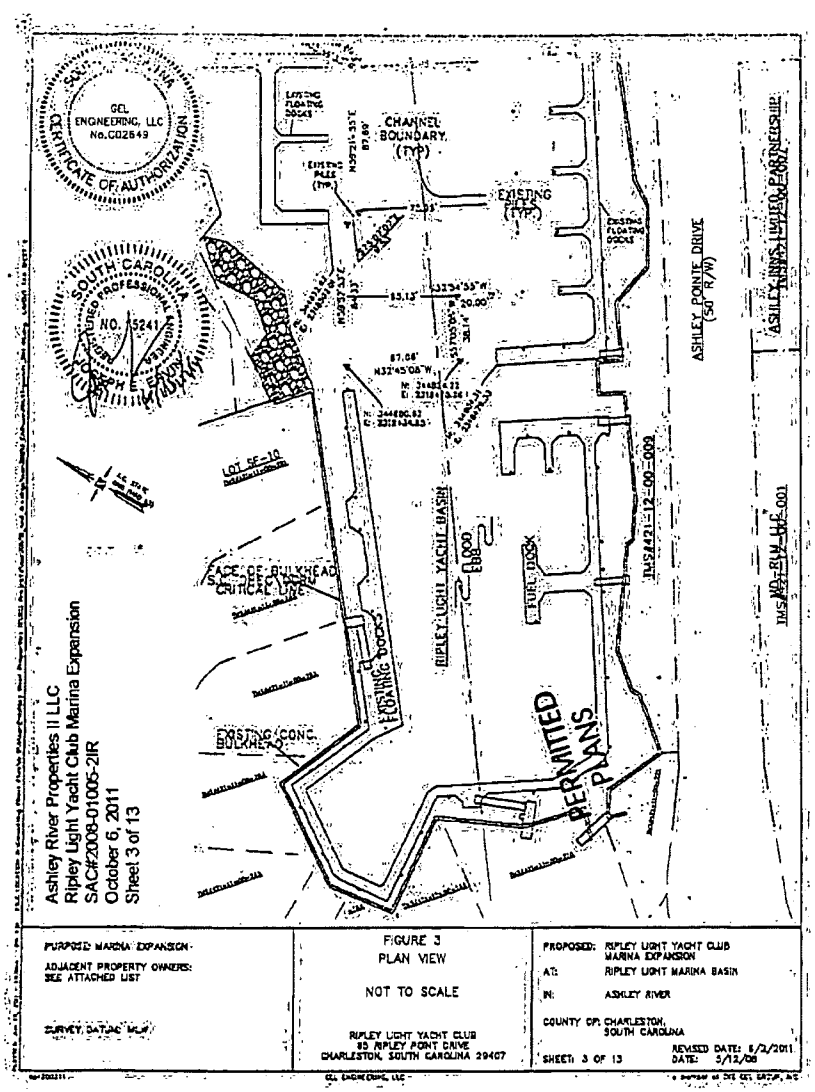
o. The permittee understands and agrees that the marina must be constructed as planned in order to eliminate the need for future dredging.

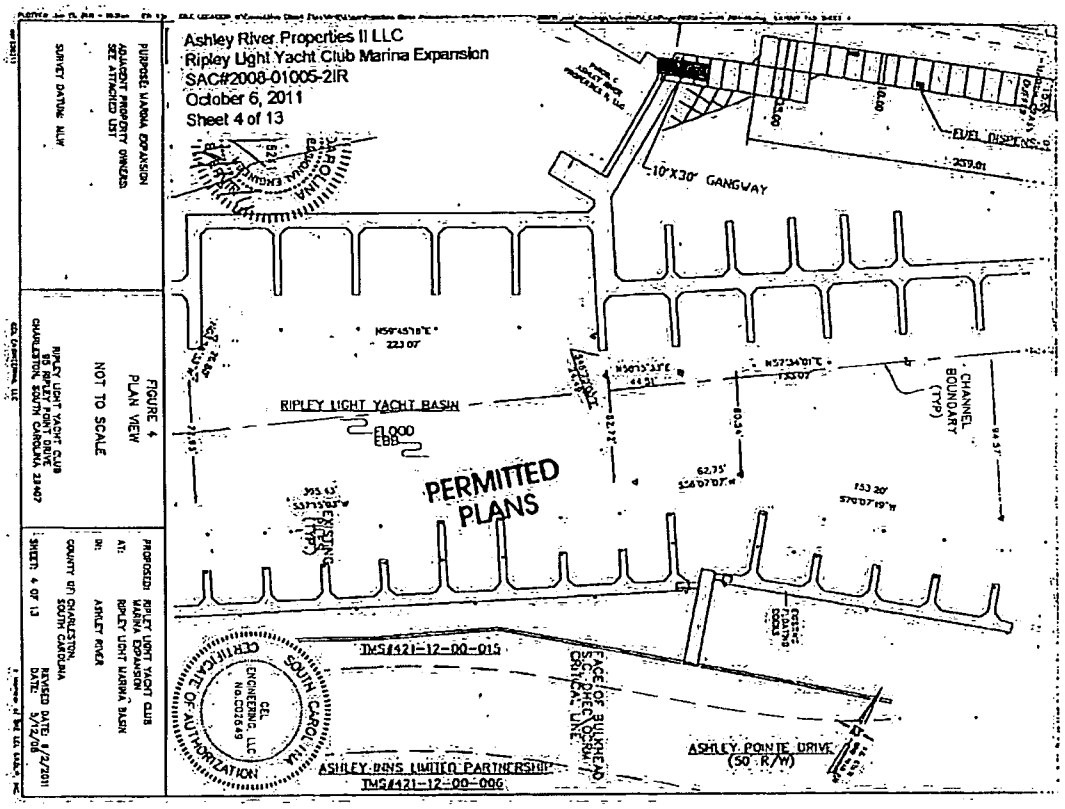
p. The permittee understands and agrees that the marina expansion is being authorized as a public marina. Any changes from public to private (through the sale of boat slips) must be addressed through the permitting process prior to those changes occurring.

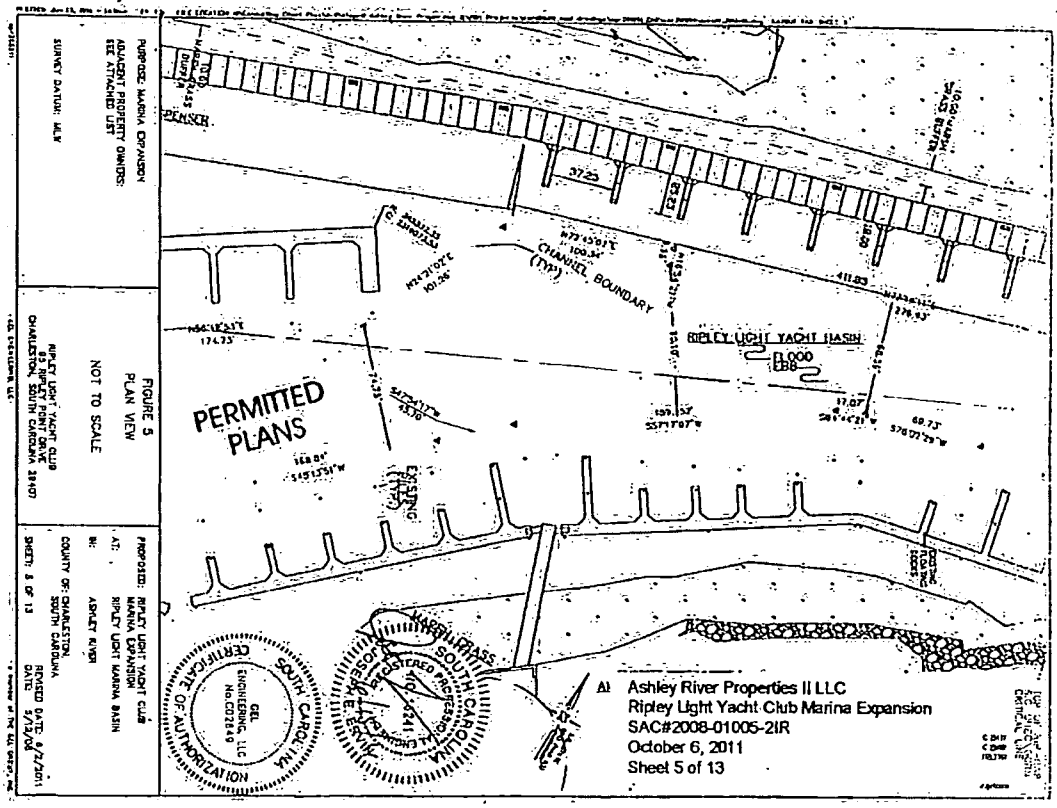


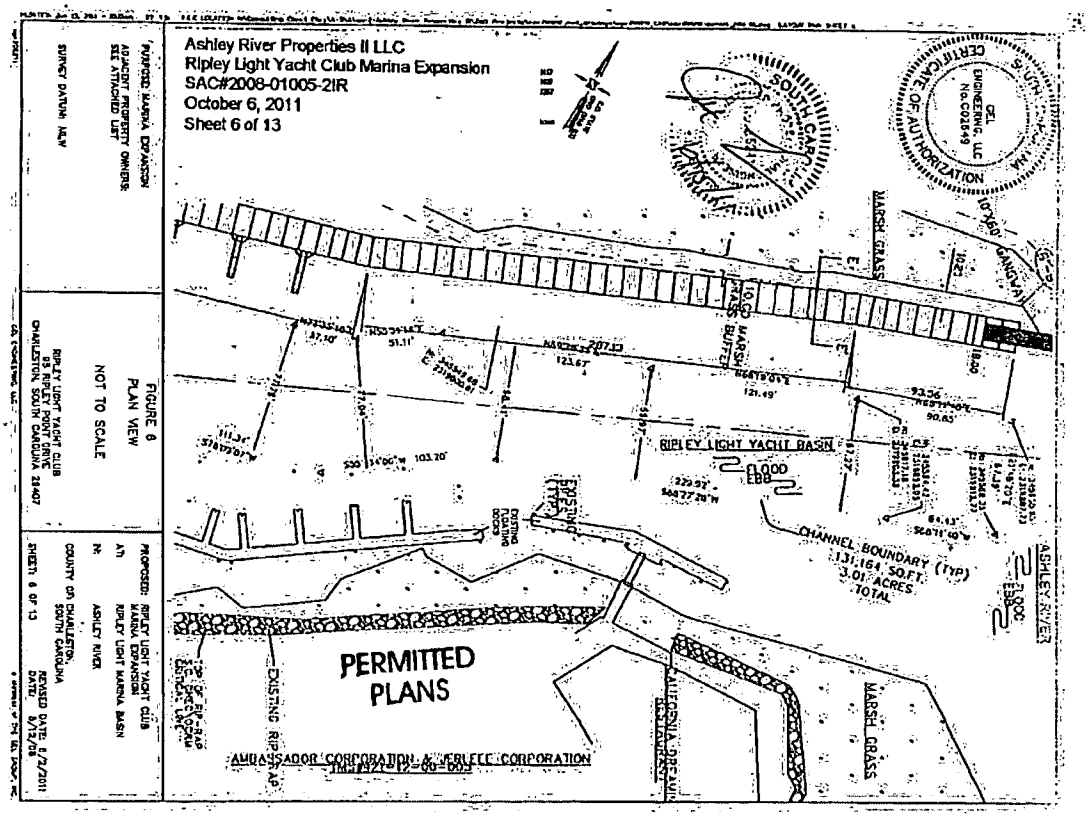


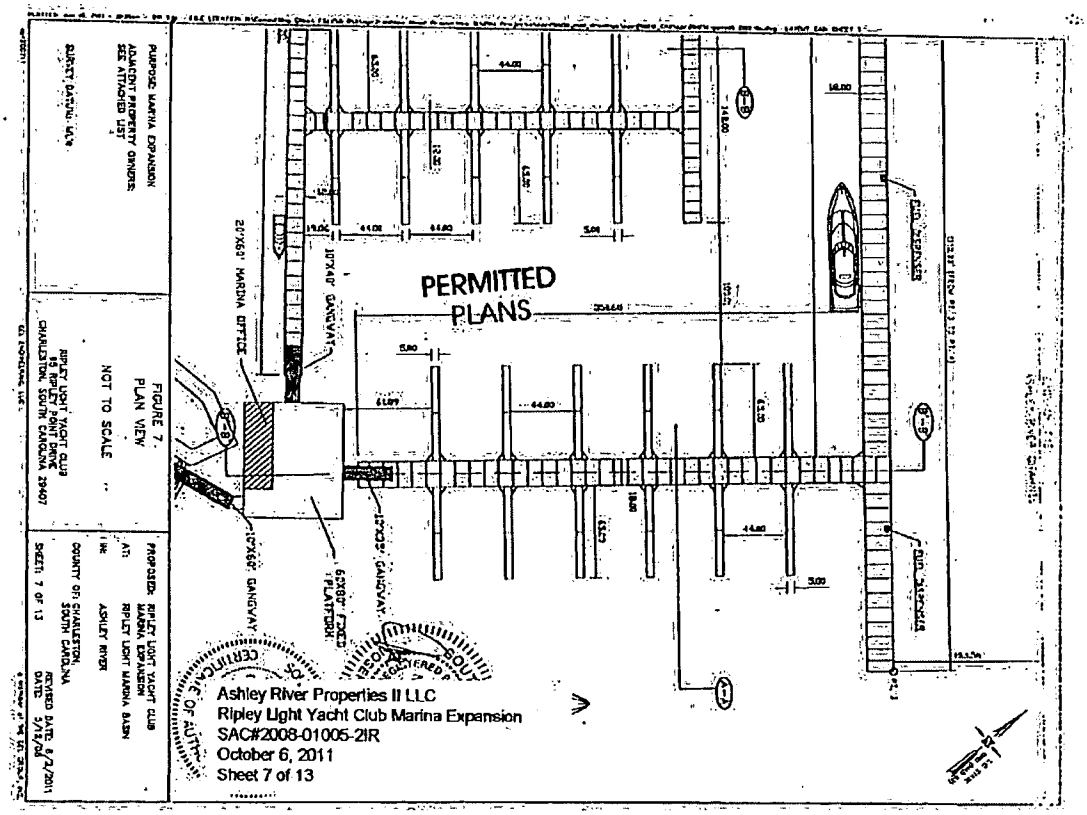

PT. 1
174+92.73
GRID N: 346887.448
GRID E: 2319585.291
LATITUDE: N32°46'56.256"
LONGITUDE: W79°57'36.388"
PT. 2
183+81.74
GRID N: 346186.132
GRID E: 2320446.845
LATITUDE: N32°46'49.232"
LONGITUDE: W79°57'26.358"
PT. 3
GRID N: 345985.481
GRID E: 2320286.677
LATITUDE: N32°46'47.30"
LONGITUDE: W79°57'28.26"
PT. 4
GRID N: 346668.457
GRID E: 2318423.319
LATITUDE: N32°46'54.30"
LONGITUDE: W79°57'36.23"
APPROX. EDGE OF ASHLEY RIVER ANCHORAGE 2
PERMITTED PLANS
SOUTH CAROLINA
GEL ENGINEERING, LLC No.C02649
CERTIFICATE OF AUTHORIZATION
SOUTHCAROLINA PROFESSIONAL ENGINEER
NO. 15241
Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 2 of 13
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 2
OVERALL PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
99 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 2 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/06

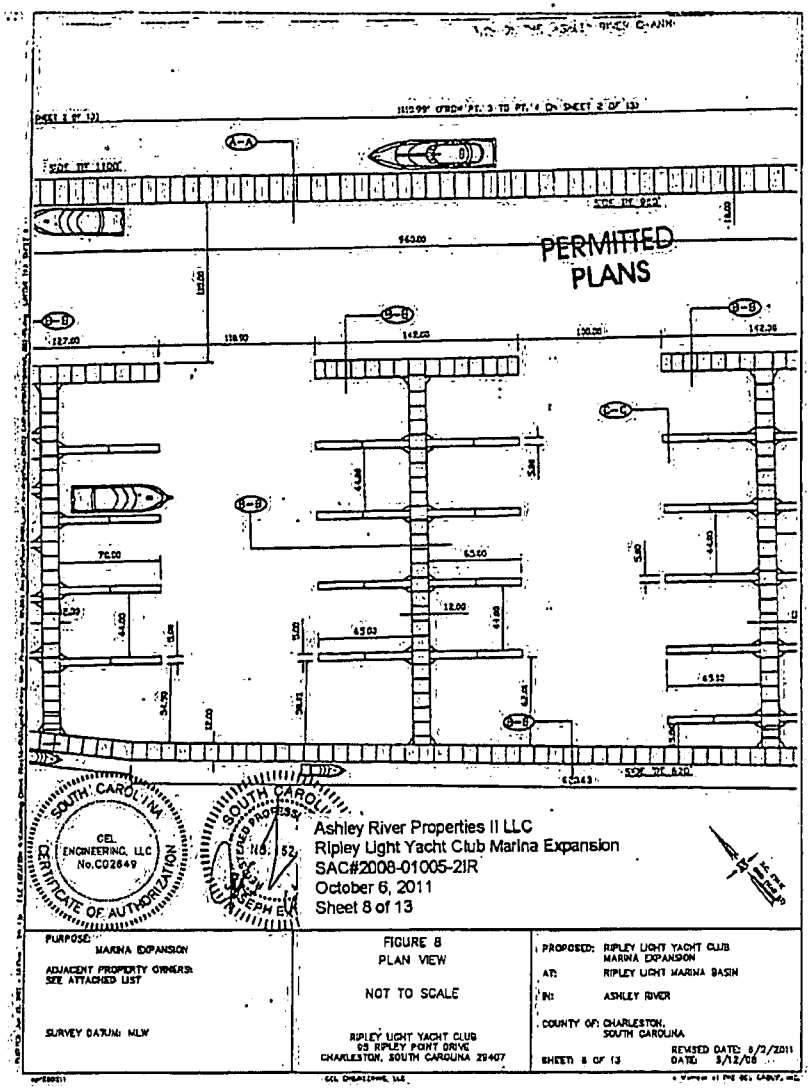

GEL ENGINEERING, LLC No.C02649
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA PROFESSIONAL ENGINEER
NO. 15241
CHANNEL BOUNDARY (TYP)
EXISTING (TYP)
ASHLEY PONTE DRIVE (50' R/W)
ASHLEY RIVER LIMITED PARTNERSHIP
TMS NO. 418-14-00-001
LOT OF-1B
FACE OF BULKHEAD
CRITICAL LINE
RIPLEY LIGHT YACHT BASIN
FLOATING DOCKS
EXISTING CONC. BULKHEAD
PERMITTED PLANS
Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 3 of 13
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 3
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
99 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 3 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/06

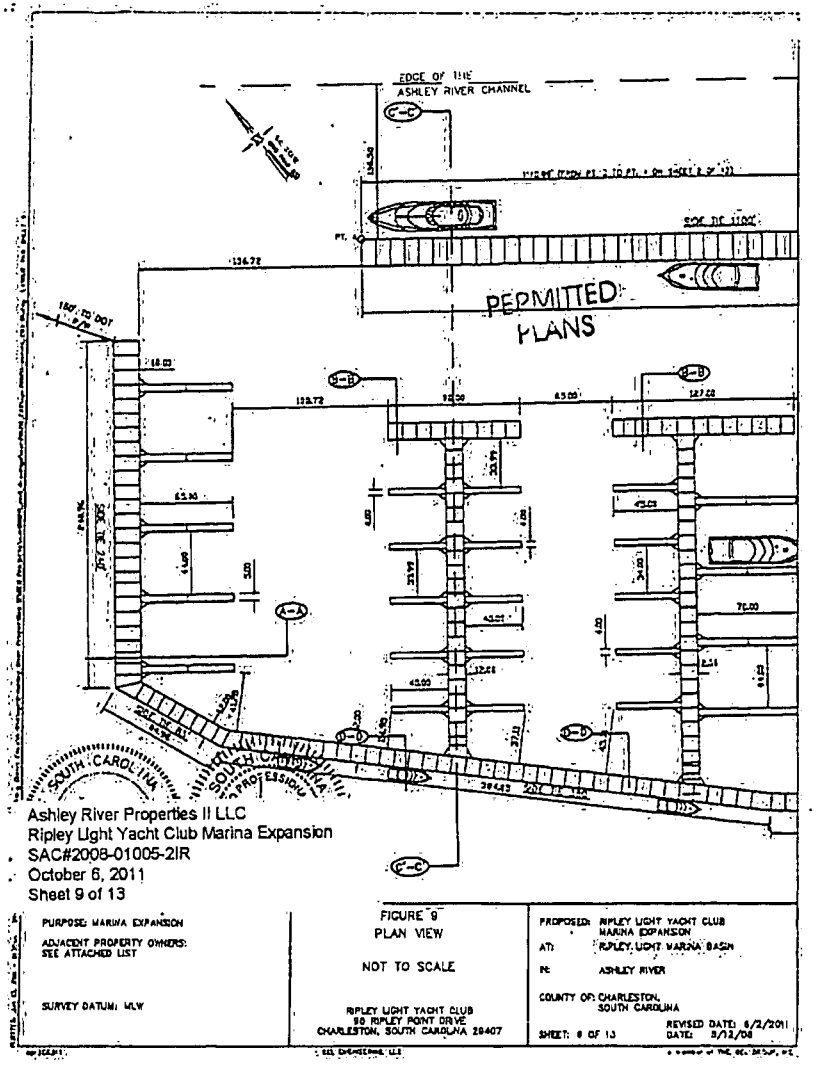

Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 4 of 13
PERMITTED PLANS
RIPLEY LIGHT YACHT BASIN
10'X30' GANGWAY
FUEL DISPENSER
CHANNEL BOUNDARY (TYP)
EXISTING PILINGS (TYP)
TMS#421-12-00-015
ASHLEY POINTE DRIVE (50' R/W)
ASHLEY BINS LIMITED PARTNERSHIP
TMS#421-12-00-006
FACE OF BULKHEAD CRITICAL LINE
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA
GEL ENGINEERING, LLC
No.COA2649
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 4
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
195 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET 4 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

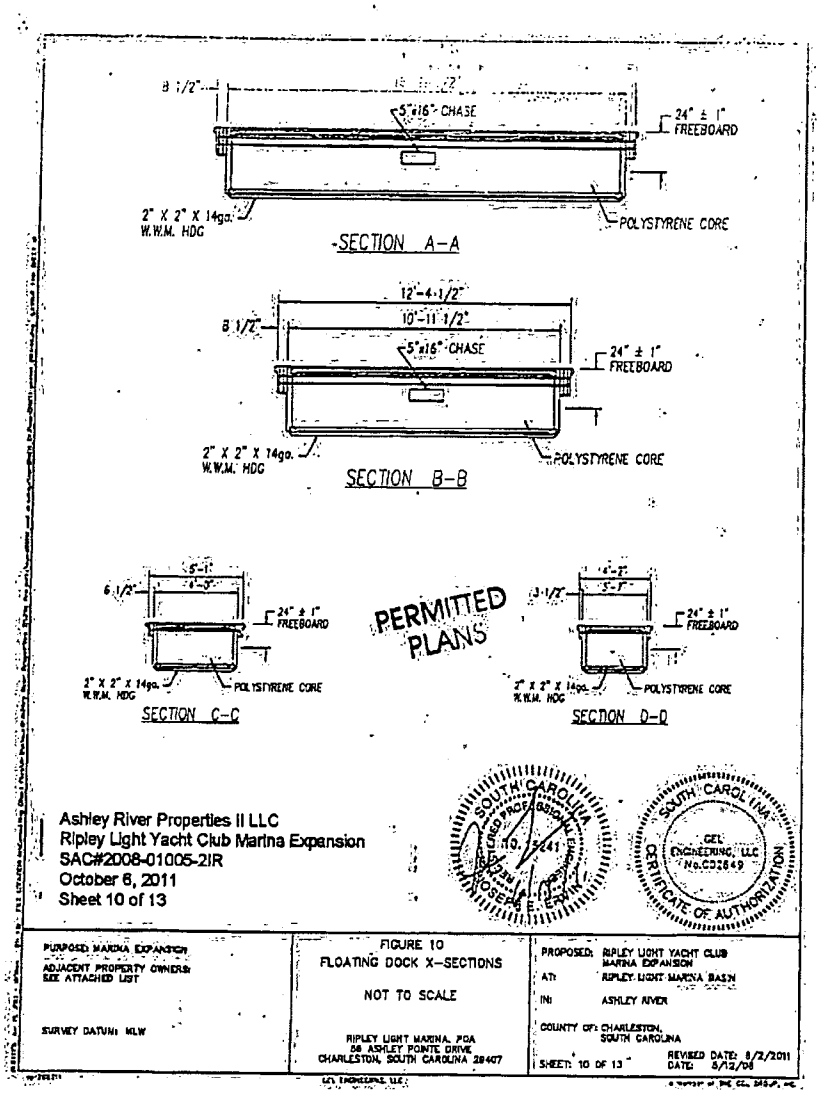

PERMITTED PLANS
RIPLEY LIGHT YACHT BASIN
CHANNEL BOUNDARY (TYP)
EXISTING PILINGS (TYP)
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA
GEL ENGINEERING, LLC
No.COA2649
A1 Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 5 of 13
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 5
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
195 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET 5 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

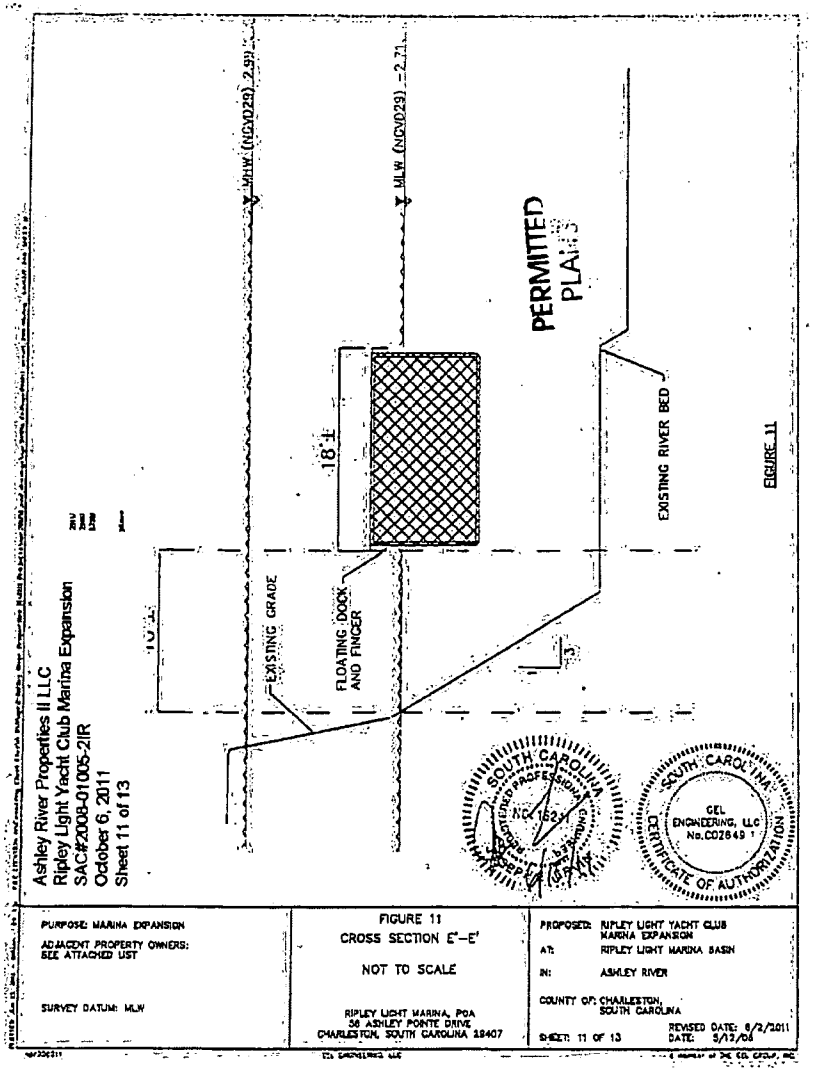

Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 6 of 13
PERMITTED PLANS
RIPLEY LIGHT YACHT BASIN
CHANNEL BOUNDARY (TYP)
131,164 SQ.FT.
3.01 ACRES
TOTAL
EXISTING RIP-RAP
AMBASSADOR CORPORATION & TRIPLE C CORPORATION
CALIFORNIA DREAMIN RESTAURANT
MARSH GRASS
ASHLEY RIVER
CERTIFICATE OF AUTHORIZATION
GEL ENGINEERING, LLC
FIGURE 6
PLAN VIEW
NOT TO SCALE
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF CHARLESTON, SOUTH CAROLINA
SHEET 6 OF 13
REVISED DATE: 8/2/2011
DATE: 8/12/08

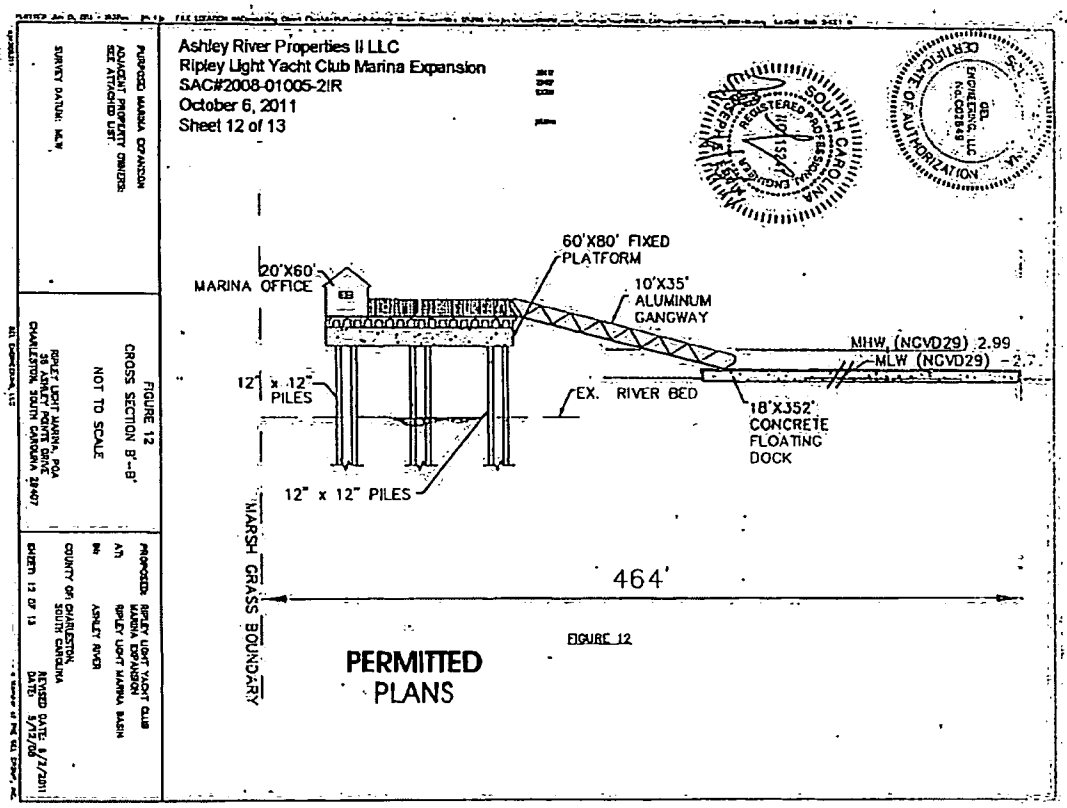

PERMITTED PLANS
20'X60' MARINA OFFICE
10'X40' GANGWAY
10'X60' GANGWAY
6'X60' FIXED PLATFORM
Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 7 of 13
FIGURE 7
PLAN VIEW
NOT TO SCALE
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF CHARLESTON, SOUTH CAROLINA
SHEET 7 OF 13
REVISED DATE: 8/2/2011
DATE: 8/12/08

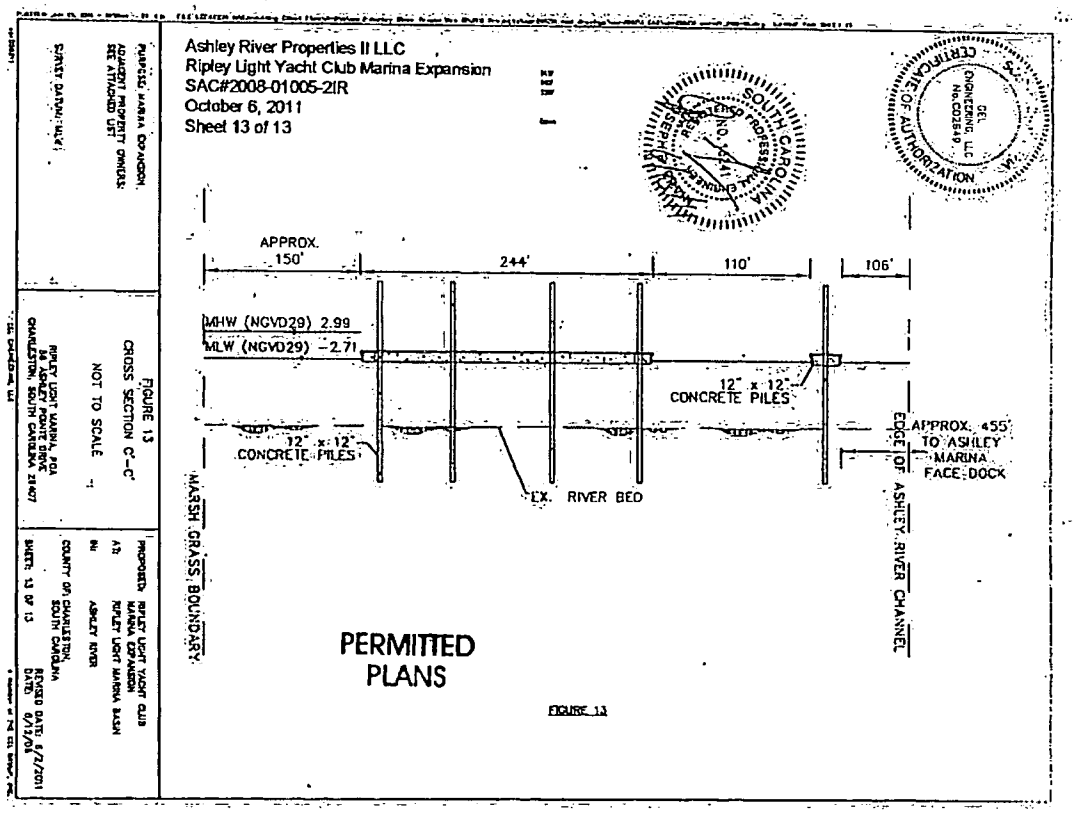

PERMITTED
PLANS
SOUTH CAROLINA
CEL ENGINEERING, LLC No.C02649
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA
REGISTERED PROFESSIONAL
No. 52
JOSEPH E.
Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 8 of 13
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 8
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
98 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 8 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08


EDGE OF TIDE
ASHLEY RIVER CHANNEL
PERMITTED
PLANS
SOUTH CAROLINA
SOUTH CAROLINA
PROFESSIONAL
Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 9 of 13
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 9
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
98 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 9 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08


8 1/2"
5"x16" CHASE
24" ± 1" FREEBOARD
2" X 2" X 14ga. W.W.M. HDG
POLYSTYRENE CORE
SECTION A-A
12'-4 1/2"
10'-11 1/2"
8 1/2"
5"x16" CHASE
24" ± 1" FREEBOARD
2" X 2" X 14ga. W.W.M. HDG
POLYSTYRENE CORE
SECTION B-B
6 1/2"
24" ± 1" FREEBOARD
2" X 2" X 14ga. W.W.M. HDG
POLYSTYRENE CORE
SECTION C-C
3 1/2"
24" ± 1" FREEBOARD
2" X 2" X 14ga. W.W.M. HDG
POLYSTYRENE CORE
SECTION D-D
PERMITTED PLANS
Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 10 of 13
SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER No. 19441
SOUTH CAROLINA GEL ENGINEERING, LLC No.C02649 CERTIFICATE OF AUTHORIZATION
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 10
FLOATING DOCK X-SECTIONS
NOT TO SCALE
RIPLEY LIGHT MARINA, POA
56 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 10 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08


MHW (NGVD29) 2.5'
MLW (NGVD29) -2.7'
PERMITTED PLANS
EXISTING RIVER BED
EXISTING GRADE
FLOATING DOCK AND FINGER
16'-1"
10'-0"
3
1
Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 11 of 13
SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER No. 19441
SOUTH CAROLINA GEL ENGINEERING, LLC No.C02649 CERTIFICATE OF AUTHORIZATION
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 11
CROSS SECTION E'-E'
NOT TO SCALE
RIPLEY LIGHT MARINA, POA
56 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 11 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08


Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 12 of 13
60'X80' FIXED PLATFORM
20'X60' MARINA OFFICE
10'X35' ALUMINUM GANGWAY
MHW (NGVD29) 2.99
MLW (NGVD29) -2.7
12" x 12" PILES
EX. RIVER BED
18'X352' CONCRETE FLOATING DOCK
12" x 12" PILES
MARSH GRASS BOUNDARY
464'
FIGURE 12
PERMITTED PLANS
PURPOSED MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 12
CROSS SECTION B'-B'
NOT TO SCALE
RIPLEY LIGHT MARINA, POA
35 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
A/R: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF CHARLESTON, SOUTH CAROLINA
SHEET 13 OF 13
REVISED DATE: 8/12/2011
DATE: 5/15/08


Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 13 of 13
APPROX. 150'
244'
110'
106'
MHW (NGVD29) 2.99
MLW (NGVD29) -2.71
12" x 12" CONCRETE PILES
12" x 12" CONCRETE PILES
EX. RIVER BED
APPROX. 455' TO ASHLEY MARINA FACE DOCK
EDGE OF ASHLEY RIVER CHANNEL
MARSH GRASS BOUNDARY
FIGURE 13
PERMITTED PLANS
PURPOSED MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 13
CROSS SECTION C'-C'
NOT TO SCALE
RIPLEY LIGHT MARINA, POA
35 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
A/R: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF CHARLESTON, SOUTH CAROLINA
SHEET 13 OF 13
REVISED DATE: 8/12/2011
DATE: 5/15/08

D H E C

C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

**SEE SPECIAL CONDITION(S)**

October 6, 2011

Ashley River Properties II, LLC
C/o Mr. Davidson Williams
95 Ripley Pointe Drive
Charleston, SC 29407

Re: 2008-01005-2IR-P - Ashley River Properties II, LLC

Dear Mr. Williams:

The SCDHEC Office of Ocean and Coastal Resource Management has reviewed your application to expand an existing marina at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina and has issued a permit for this work. You should carefully read the description of the authorized project and any special conditions that have been placed on the permit, as these conditions may modify the permitted activity. In addition, there are a series of general conditions that should be reviewed. The original and one photocopy of the permit, as issued, are enclosed. After carefully reading the permit, if you wish to accept the permit as issued, sign and date in the signature block entitled "PERMITTEE" on the original version of the permit and return it to this Department. Keep the photocopy for your records.

PLEASE READ CAREFULLY: You are required to sign and return the original version of your permit to this Department. If this permit is not signed and returned within thirty (30) days of issuance, *OR* appealed within 15 days as described on the enclosed "Notice of Appeal Procedure", the Department reserves the right to cancel this permit. Please carefully review the enclosed "Notice of Appeal Procedure" for information and deadlines for appealing this permit.

**We have also enclosed a "request for a construction placard" card. You must send in this card before the time you wish to start construction. At that time a construction placard will be sent to you to post at the construction site.**

PLEASE NOTE: You are not authorized to commence work under the permit until we have received the original version of the entire permit signed and accepted by you, and a construction placard has been issued and posted at the construction site. The receipt of this permit does not relieve you of the responsibility of acquiring any other federal or local permits that may be required.

Sincerely,

Fred Mallett
Wetland Section Project Manager

Enclosure
cc: Mr. Blair Williams, Wetland Section Manager

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
Ocean and Coastal Resource Management
Charleston Office · 1362 McMillan Ave, Suite 400 · Charleston, SC 29405-2047
Phone: 843-953-0200 · Fax: 843-953-0201 · www.scdhec.gov

D H E C

C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

**Notice of Appeal Procedure**
Pursuant to S.C. Code Section 44-1-60

1. This decision of the S.C. Department of Health and Environmental Control (Department) becomes the final agency decision 15 calendar days after notice of the decision has been mailed to the applicant or respondent, unless a written request for final review accompanied by a filing fee in the amount of $100 is filed with the Department by the applicant, permittee, licensee, or affected person.

2. An applicant, permittee, licensee, or affected person who wishes to appeal this decision must file a timely written request for final review with the Clerk of the Board at the following address or by facsimile at 803-898-3393. A filing fee in the amount of $100 made payable to SC DHEC must also be received by the Clerk within the time allowed for filing a request for final review. However, if a request for final review is filed by facsimile, the filing fee may be mailed to the Clerk of the Board if the envelope is postmarked within the time allowed for filing a request for final review.

   Clerk of the Board
   SC DHEC
   2600 Bull Street
   Columbia, SC 29201

3. In order to be timely, a request for final review must be received by the Clerk of the Board within 15 calendar days after notice of the decision has been mailed to the applicant or respondent. If the 15th day occurs on a weekend or State holiday, the request is due to be received by the Clerk of the Board on the next working day. The request for final review must be received by the Clerk of the Board by 5:00 p.m. on the date it is due. A request for final review will be returned to the requestor if the filing fee is not received on time as described above.

4. The request for final review should include the following:
   a. the grounds on which the Department's decision is challenged and the specific changes sought in the decision
   b. a statement of any significant issues or factors the Board should consider in deciding whether to conduct a final review conference
   c. a copy of the Department's decision for which review is requested

5. If a timely request for final review is filed with the Clerk of the Board, the Clerk will provide additional information regarding procedures. If the Board declines in writing to schedule a final review conference, the Department's decision becomes the final agency decision and an applicant, permittee, licensee, or affected person may request a contested case hearing before the Administrative Law Court within 30 calendar days after notice is mailed that the Board declined to hold a final review conference.

**The above information is provided as a courtesy; parties are responsible for complying with all applicable legal requirements.**

July 1, 2010

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
2600 Bull Street · Columbia, SC 29201 · Phone: (803) 898-3432 · www.scdhec.gov

SEE SPECIAL CONDITION(S)

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
*OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT*

CRITICAL AREA PERMIT & COASTAL ZONE CONSISTENCY CERTIFICATION

| | |
|---|---|
| **Permittee(s):** | **Ashley River Properties II, LLC** |
| **Permit Number(s):** | **2008-01005-2IR-P** |
| **Date of Issuance:** | **October 6, 2011** |
| **Expiration Date:** | **October 6, 2016** |
| **Location:** | **On and adjacent to Ripley Canal and the Ashley River at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina** |

This permit is issued under the provisions of S. C. Code Ann. Section 48-39-10, *et seq.*, and 23A S.C. Code Ann. Regs. 30-1 through 30-18 (Supp. 2005). Please carefully read the project description and any special conditions that may appear on this permit/certification as they will affect the work that is allowed. If there are no special conditions, then the work is authorized as described in the project description and as modified by the general conditions. The general conditions are also a part of this permit/certification and should be read in their entirety. The S. C. Contractor's Licensing Act of 1999, enacted as S.C. Code Ann. Section 40-11-5 through 430, requires that all construction with a total cost of $5,000 or more be performed by a licensed contractor with a valid contractor's license for marine class construction, except for construction performed by a private landowner for strictly private purposes. Your signature on and acceptance of this permit denotes your understanding of the stated law regarding use of licensed contractors. All listed special and general conditions will remain in effect for the life of the project if work commences during the life of the permit. This applies to permittee, future property owners, or permit assignees.



SEE SPECIAL CONDITION(S)

DESCRIPTION OF THE PROJECT, AS PERMITTED

This permit has been issued to expand the existing marina with minor changes. Specifically, the permittee will expand the existing facility by adding approximately 11,510 linear feet of additional floating dock structure to accommodate 186 additional pleasure craft. The project will include replacing the previously permitted 8' wide floating dock that runs parallel to the main channel in the Ripley Light Marina basin with an 18' wide by 1,125 linear foot structure. The additional 10' of new floating dock width will be created by locating the new structure no closer than 10' from the adjacent marsh grass boundary. In addition, all affected boat slips will be shortened so that no further encroachment into the marina basin channel will occur. This floating dock will be attached to a 60' by 80' fixed platform at the mouth of Ripley Cove. Additional floating docks attached to the fixed platform will provide 4,835 linear feet of dock for 65- boat slips, 3,420 linear feet of dock for 55-boat slips, 1,000 linear feet of dock for 40-foot boat slips, 585 linear feet for 45-foot boat slips, 770 linear feet of dock for 70 boat slips, 500 linear feet of T-head dock and 90 linear feet of dock for 1 slip. The fixed platform will house the operation offices and restrooms. The proposed marina expansion will include both gasoline and diesel fueling services. It is also noted that the proposed expansion will be located on the now disestablished Ashley River Anchorage Area #2. The purpose of the permitted activity is to expand the existing public marina to accommodate 186 additional boats for recreational boating in the Charleston Harbor

SPECIAL CONDITIONS

1. Provided operations of the marina shall be reviewed by the Department as deemed appropriate, but at least every five years. Based on this review, the Department may require, among other things, changes or additions to the Operations and Maintenance Manual (manual) to address any water quality or other environmental problems, and a reduction in the size of, or a change in the configuration of, the marina. Such action may be taken at any time the Department determines that significant state water quality compliance or other problems exist, at the time the Department enlarges the closure area, or at the time of a review. The manual submitted for this facility is made a part of this permit and must be followed in the operation of this facility unless otherwise amended in writing by OCRM. The manual must be reviewed and revised to keep it up-to-date with existing facilities and operations. The manual must be in accordance with R. 30-12(E)(6) or the Rules and Regulations for Permitting in the Critical Areas of the Coastal Zone and with OCRM's Marina/Commercial Dock Operations And Maintenance Manual Requirements.

2. Provided the marina is revised in accordance with Attachment "A" and both drawings labeled Attachment "B"

3. Provided the Operations and Maintenance Manual is modified to reflect the changes indicated on the drawings labeled Attachment "A" and both drawings labeled Attachment "B".

SEE SPECIAL CONDITIONS(S)

4. Provided the work is conducted during periods of decreased biological activity between November 1st and March 30th, whenever possible.

5. Provided a functional wastewater pumpout system must be provided at the marina and must be adequate to handle all wastewater generated at the marina. The design and installation of the pumpout and disposal system must be approved by SCDHEC's Division of Domestic Wastewater, Construction Management Section. No dock may be occupied until the pumpout and disposal system has been built and given a final permit to operate by SCDHEC.

6. Provided the wastewater pumpout services are provided to permanent tenants and transients or other users of the marina.

7. Provided the discharge of any kind of waste into state waters, including, but not limited to, garbage, refuse, trash or debris, will be prohibited at the marina. Any lease agreement used to rent dock space shall include a statement prohibiting the discharge of these items or general garbage or other deleterious substances into the waters of the marina. It will also stress the need to maintain good water quality within the marina.

8. Provided the storage and disposal of new or used batteries, oil or lubrication containers, fuel containers, solvents, toxic cleaners, paint cans, etc., on the marina docks is prohibited.

9. Provided if power washing of boats is to be conducted at the marina then it must be conducted on a designated upland area and is not allowed over the water. Wastewater from this operation must be properly treated and cannot be directly discharged into the adjacent waters.

10. Provided the marina must provide additional adequate bathroom facilities at a location to encourage their use. The additional bathrooms must be at a ratio of one toilet, and one lavatory for women and one toilet, one urinal, and one lavatory for men for every additional 100 boat slips or fraction thereof. No dock may be occupied until the additional bathrooms have been given final approval by SCDHEC.

11. Provided adequate parking for users of the marina shall be demonstrated as either one parking space for every three wet slips or the spaces required by the applicable local government parking regulation, whichever is greater. The approved parking plan must be submitted to OCRM and given written approval prior issuance of the construction placard.

12. Provided one reasonably sized dock master's office may be constructed within the permitted marina. This office will be limited to water dependent use only such as fuel sales. Restroom facilities may be placed in this office, however, food and beverage services, clothing sales and other non-water dependent uses are prohibited.

13. Provided the plans for potable water supplied to the marina docks must be approved in writing by SCDHEC.



SEE SPECIAL CONDITION(S)

14. Provided the marina must have adequate booms available to isolate any oil or fuel spill around the fuel dock, a leaking boat, or a sunken boat. These booms must be stored in a location where they are quickly and easily accessible.

15. Provided the marina must have absorbent pads available for boat use and for removing incidental spills during fueling operations.

16. Provided an experienced operator shall be in charge of the marina and be responsible for compliance with the Operations and Maintenance Manual and with all conditions of the permit.

17. Provided the marina lease agreement with boat owners must include a provision requiring the boat owners comply with all applicable State and Federal regulations. The marina shall ensure that violations are reported promptly to the proper authorities.

18. Provided the marina shall promptly display and distribute material pertaining to the maintenance of water quality standards at the marina and report violations of such standards to the proper authorities.

19. Provided a complete copy of the marina permit, including the Operations and Maintenance Manual and all conditions or requirements placed on the permit, shall be readily available at the marina.

20. Provided all parts of the docking structure are used for water dependent purposes only. No food or beverage service, vending machines, T-shirt sales, concessions, etc. are allowed on or across these dock facilities.

21. Provided the facilities and services within the marina are the responsibility of the marina owner/operator (permittee) unless otherwise legally authorized.

22. Provided that if dock boxes are allowed at the marina then they should be of a type that is leak-proof so that any material that spills or leaks inside the box will not leak out onto the marina docks and into the waters of the marina.

23. Provided that nonwater dependent structures, including buildings, houses, or offices that float, shall be prohibited at the marina unless specifically authorized by OCRM. OCRM shall at its discretion determine on a case-by-case basis whether or not a floating structure is a boat and thus exempt from the Act or in fact is a nonwater dependent structure. This shall be based upon the primary function of the floating structure. The mere fact that a structure is registered as a vessel or capable of being propelled does not mean it is exempt from the Department regulations.

SEE SPECIAL CONDITION(S)

24. Provided that an as-built survey of the marina must be submitted to the Department within 90 days of the expiration date of the final construction placard. The survey must be performed by a registered land surveyor, must show all components of the marina, and must list the starting and ending coordinates of the dock walkway in the SC State Plane Coordinate System, which can be obtained by survey-grade Global Positioning System equipment.

25. Provided that in the event that archaeological or paleontological remains are found during the course of work, the applicant should notify the South Carolina Institute of Archaeology and Anthropology (Mr. James Spirek at 803-777-8170) pursuant to South Carolina Underwater Antiquities Act of 1991, (Article 5 Chapter 7, Title 54, Code of Laws of South Carolina, 1976). Archaeological remains consist of any materials made or altered by man, which remain from past historic or prehistoric times (ie, older than 50 years). Examples include old pottery fragments, metal, wood, arrowheads, stone implements or tools, human burials, historic docks, structures, or non-recent vessel remains. Paleontological remains consist of old animal remains, original or fossilized, such as teeth, tusks, bone, or entire skeletons.

## SCDHEC-401 WATER QUALITY CONDITIONS

1. Provided the applicant must implement Best Management Practices on the upland portion of the project during construction to minimize pollutant runoff, erosion and migration of sediments on and off the project site during and after construction. These practices should include the use of appropriate grading and sloping techniques, mulches, vegetative buffer zones, runoff diversion measures, temporary stabilization, silt fences, source controls and other devices and practices capable of reducing or preventing pollutant runoff, erosion, migration of sediments, and bank failure. All disturbed land surfaces and sloped areas affected by the project must be stabilized and sloped with a minimum 3 to 1 slope upon completion.

2. Provided the applicant must develop a spill prevention and clean-up plan for this project. The plan should contain the names of the appropriate officials to contact in case of a reportable spill and outline measures to be taken. Clean up materials, such as absorbent pads, and booms must be kept at the project site for small spills. This plan must be submitted to the Department Of Health And Environmental Control for review and approval prior to initiation of the project.

3. Provided all necessary measures must be taken to prevent oil, sewage, tar, trash, debris and other pollutants from entering the adjacent waters or wetlands during construction.

5/24

SEE SPECIAL CONDITION(S)

4. Provided any lease agreement used to rent dock space shall include a statement prohibiting the discharge of oil, and gas, paint, litter, debris, wastewater, or other deleterious substances into the waters of the marina. It will also stress the need to maintain good water quality within the marina.

5. Provided anti-fouling paint must be used on any bulkheads, pilings, docks, or dock supports within the confines of the facility.

6. Provided litter receptacles must be located on the areas approaching the dock or on the fixed pierhead. Containers for toxic substances shall not be placed over or near the water.

7. Provided the floating docks must be constructed with encased or encapsulated flotation devices.

8. Provided signs must be posted on all docks, piers and areas adjacent to the facility stating the following:

   *It is against both Federal and State Laws to discharge raw, untreated sewage from any description of watercraft into the waters of South Carolina*

   These signs should be at least 14" by 18" in size so they can be read clearly.

9. Provided to insure the fueling system will not result in adverse water quality conditions, the following measures should be incorporated:

   a) The marina fueling system must be equipped with emergency pump cutoffs in the Harbor Master's facility and with manual cutoff valves at the tank, at the edge of the dock, and at the dispenser.
   b) Shear valves should be installed at all dispensers.
   c) Containment pans must be installed under all dispensers.
   d) All product piping which is not underground must be double-walled. Do not use fiberglass reinforced piping in an above ground (or under/over water) application. The secondary containment must be of non-corrosive material compatible with hydrocarbons. The interstitial area of the double-walled piping should be monitored by either (1) piping sloped toward a sump where a sensor will shut off the product flow in the event of a primary piping leak, or (2) hydrocarbon sensors along the entire length of this piping if a slope is impossible to maintain.

10. Any painting, major engine repair, or other maintenance, which may result in a discharge to the water, must be performed in a designated upland site.

11. Provided all efforts must be made to protect existing native riparian vegetation in and along the shoreline areas.

12. Provided the marina expansion must be located and constructed with care to minimize disturbance and encroachments to shellfish beds and emergent marsh vegetation.

6/24

FEB - 3 2012

SEE SPECIAL CONDITION(S)

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS THE DEPARTMENT MAY CONSIDER APPROPRIATE.

Permit Number: 2008-01005-2IR-P

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

Lawrence Williams 10/21/11

PERRMITTEE(S)) (DATE)
Ashley River Properties II, LLC

This permit becomes effective when the State official, designated to act for the Office of Ocean and Coastal Resource Management, has signed below.

Fred Mallett Oct. 06, 2011

(WETLAND SECTION PROJECT MANAGER) (DATE)
Fred Mallett
Or his Designee
Other Authorized State Official

RECEIVED
OCT 24 2011
DHEC-OCRM
CHARLESTON OFFICE

7/24

SEE SPECIAL CONDITION(S)

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

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**Ashley River Properties II, LLC**

This permit becomes effective when the State official designated to act for the Office of Ocean and Coastal Resource Management, has signed below.

Oct 06 2011

(WETLAND SECTION PROJECT MANAGER) (DATE)
**Fred Mallett**
**Or his Designee**
**Other Authorized State Official**

7|24

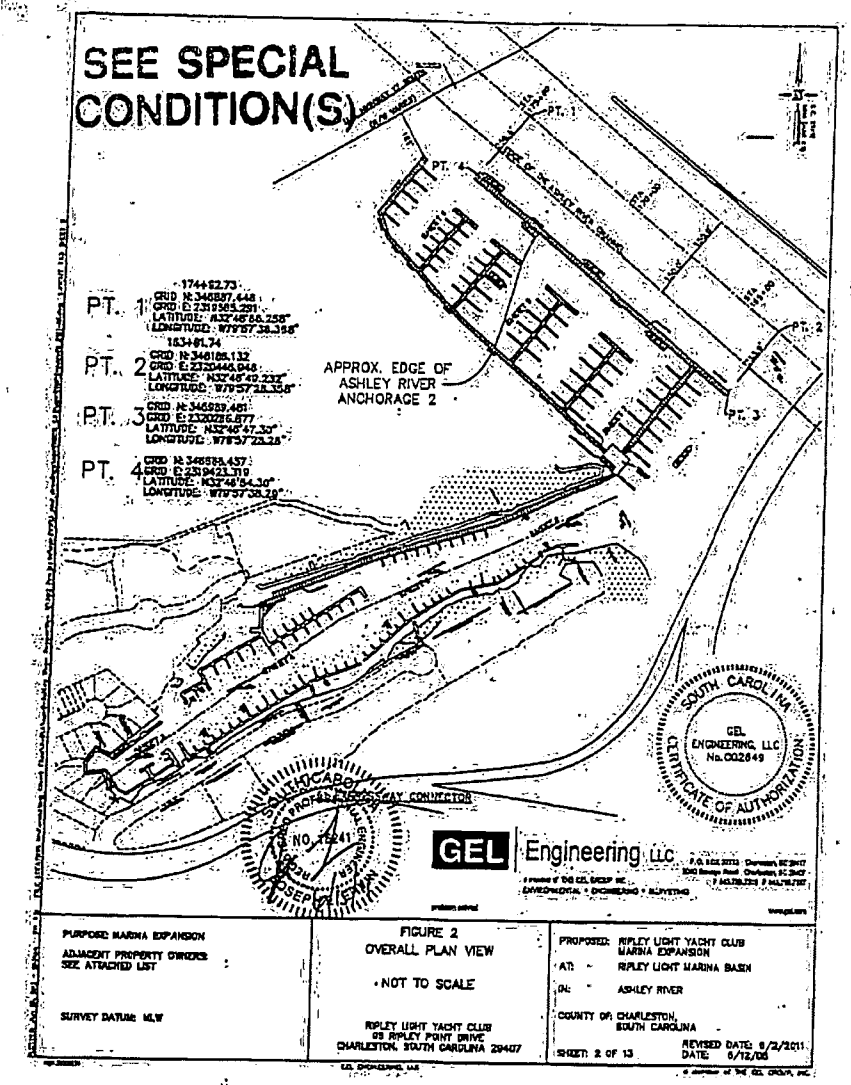
*GENERAL CONDITIONS:*

SEE SPECIAL CONDITION(S

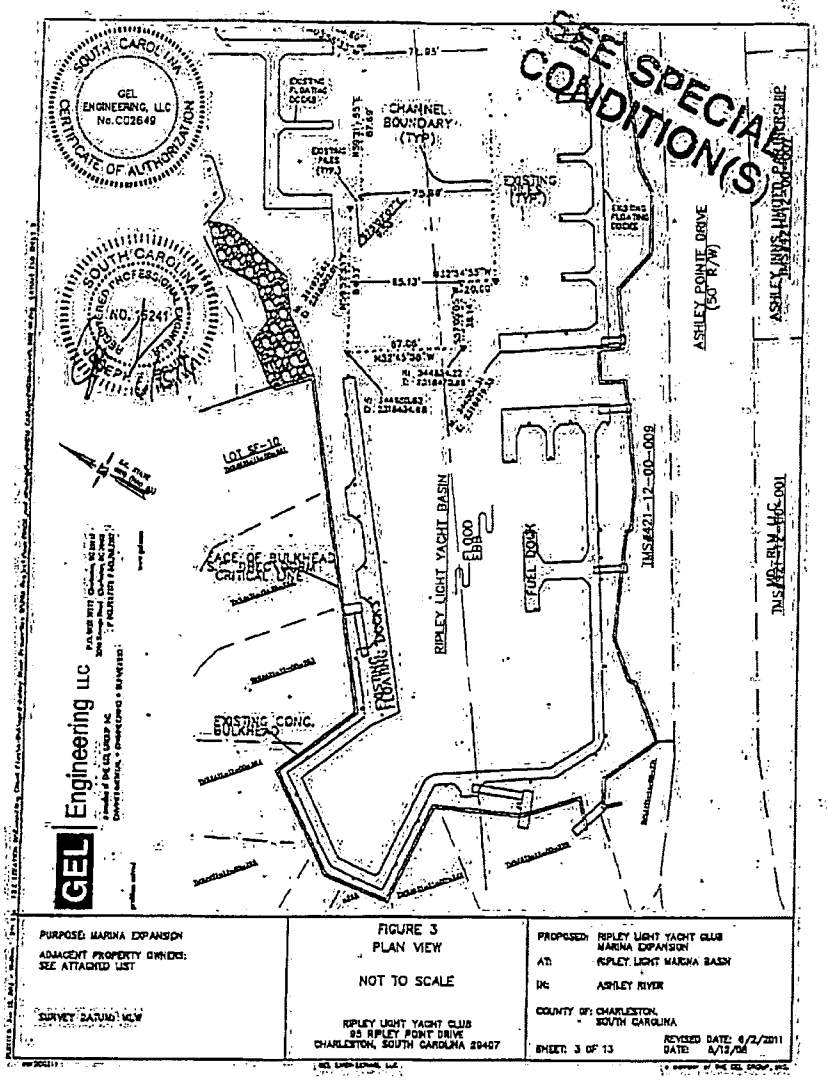
This construction and use permit is expressly contingent upon the following conditions which are binding on the permittee:

1. That the permittee, in accepting this permit, covenants and agrees to comply with and abide by the provisions and conditions herein and assumes all responsibility and liability and agrees to save OCRM and the State of South Carolina, its employees or representatives, harmless from all claims of damage arising out of operations conducted pursuant to this permit.
2. That if the activity authorized herein is not constructed or completed within five years of the date of issuance, this permit shall automatically expire. A request, in writing, for an extension of time shall be made not less than thirty days prior to the expiration date.
3. That all authorized work shall be conducted in a manner that minimizes any adverse impact on fish, wildlife and water quality.
4. That this permit does not relieve the permittee from the requirements of obtaining a permit from the U. S. Army Corps of Engineers or any other applicable federal agency, nor from the necessity of complying with all applicable local laws, ordinances, and zoning regulations. This permit is granted subject to the rights of the State of South Carolina in the navigable waters and shall be subject, further, to all rights held by the State of South Carolina under the public trust doctrine as well as any other right the State may have in the waters and submerged lands of the coast.
5. That this permit does not convey, expressly or impliedly, any property rights in real estate or material nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.
6. That the permittee shall permit OCRM or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to ensure that the activity being performed is in accordance with the terms and conditions of this permit.
7. That any abandonment of the permitted activity will require restoration of the area to a satisfactory condition as determined by OCRM.
8. That this permit may not be transferred to a third party without prior written notice to OCRM, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit and thereby agreeing to comply.
9. That if the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and special signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.
10. That the permit construction placard or a copy of the placard shall be posted in a conspicuous place at the project site during the entire period of work.
11. That the structure or work authorized herein shall be in accordance with the plans and drawing attached hereto, and shall be maintained in good condition. Failure to build in accordance with the plans and drawings attached hereto, or failure to maintain the structure in good condition, shall result in the revocation of this permit.
12. That the authorization for activities or structures herein constitutes a revocable license. OCRM may require the permittee to modify activities or remove structures authorized herein if it is determined by OCRM that such activity or structures violates the public's health, safety, or welfare, or if any activity is inconsistent with the public trust doctrine. Modification or removal under this condition shall be ordered only after reasonable notice stating the reasons therefore and provision to the permittee of the opportunity to respond in writing. When the Permittee is notified that OCRM intends to revoke the permit, Permittee agrees to immediately stop work pending resolution of the revocation.
13. That OCRM shall have the right to revoke, suspend, or modify this permit in the event it is determined the permitted structure (1) significantly impacts the public health, safety and welfare, and/or is violation of Section 48-39-150, (2) adversely impacts public rights, (3) that the information and data which the permittee or any other agencies have provided in connection with the permit application is either false, incomplete or inaccurate, or (4) that the activity is not in compliance with the drawings submitted by the applicant. That the permittee, upon receipt of OCRM's written intent to revoke, suspend, or modify the permit has the right to a hearing. Prior to revocation, suspension, or modification of this permit, OCRM shall provide written notification of intent to revoke to the permittee, and permittee can respond with a written explanation to OCRM. (South Carolina Code Section 1-023-370 shall govern the procedure for revocation, suspension or modification herein described).
14. That any modification, suspension or revocation of this permit shall not be the basis of any claim for damages against OCRM or the State of South Carolina or any employee, agent, or representative of OCRM or the State of South Carolina.
15. That all activities authorized herein shall, if they involve a discharge or deposit into navigable waters or ocean waters, be at all times consistent with all applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to applicable federal, state and local laws.
16. That extreme care shall be exercised to prevent any adverse or undesirable effects from this work on the property of others. This permit authorizes no invasion of adjacent private property, and OCRM assumes no responsibility or liability from any claims of damage arising out of any operations conducted by the permittee pursuant to this permit.

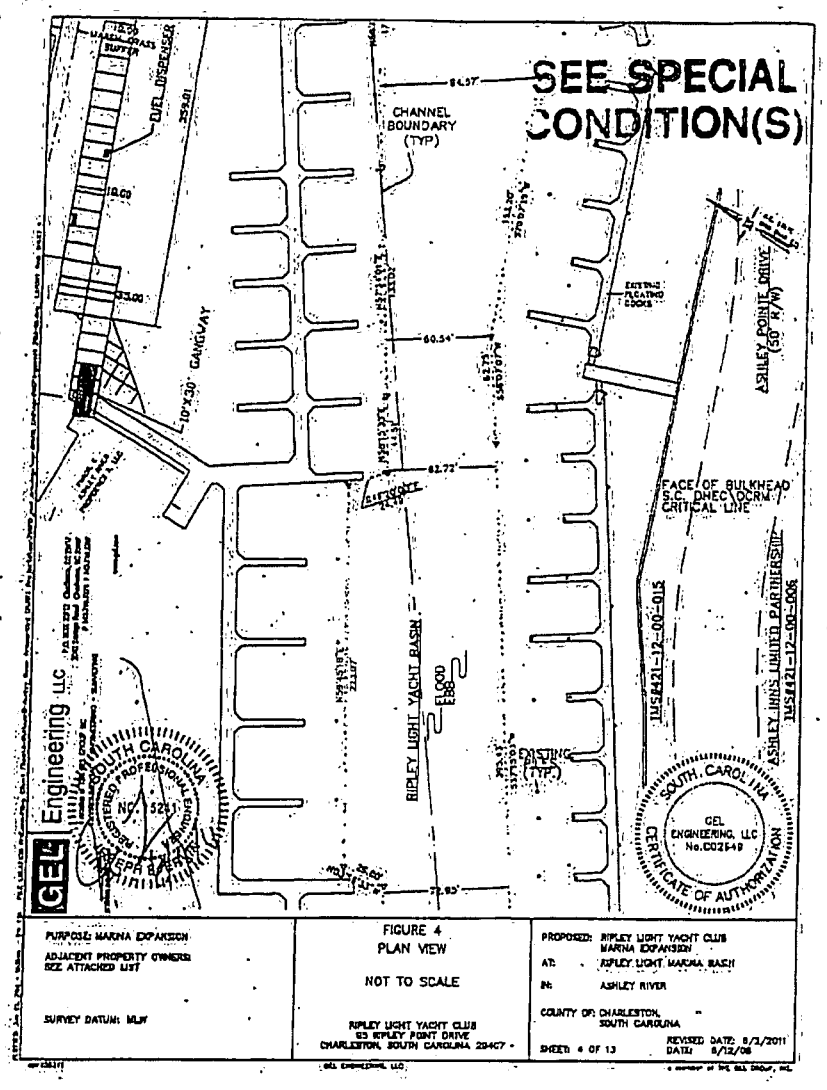
8|24


SEE SPECIAL CONDITION(S)
PT. 1
PT. 2
PT. 3
PT. 4
APPROX. EDGE OF ASHLEY RIVER ANCHORAGE 2
SOUTH CAROLINA GEL ENGINEERING, LLC No.C02649 CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA PROFESSIONAL ENGINEER No. 15241
GEL Engineering LLC
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 2
OVERALL PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB 95 RIPLEY POINT DRIVE CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 2 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

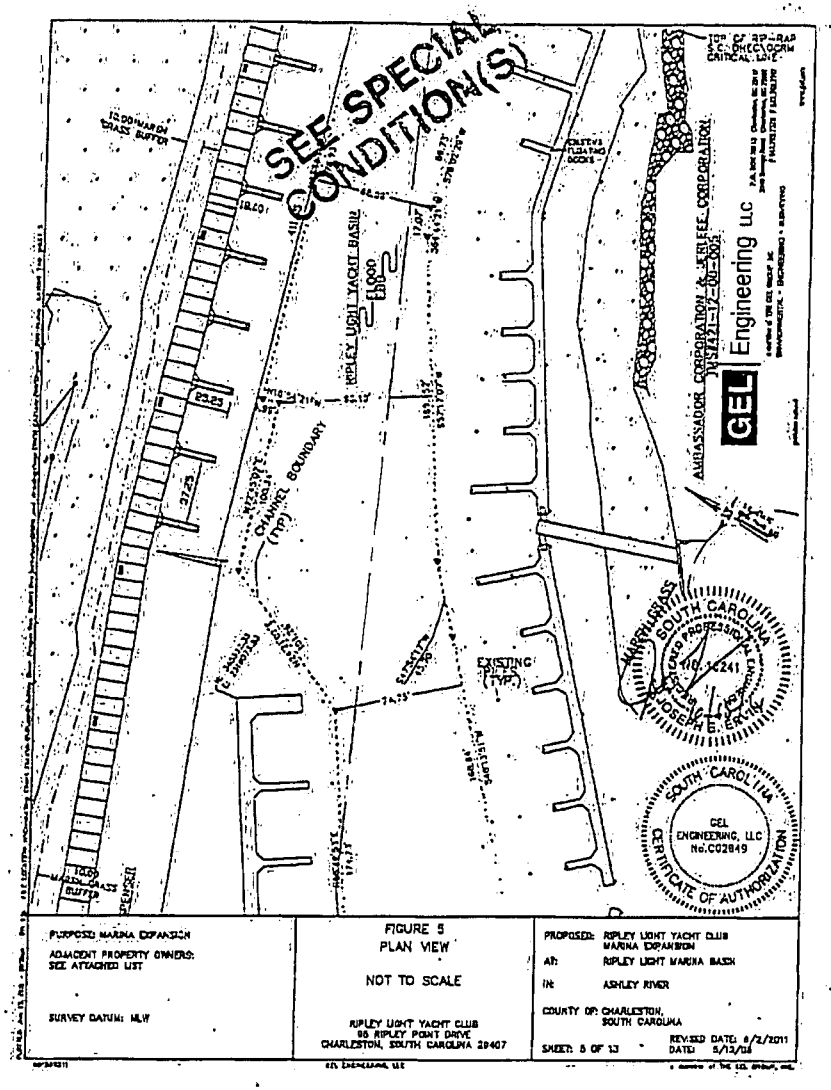
9/24


SEE SPECIAL CONDITION(S)
SOUTH CAROLINA GEL ENGINEERING, LLC No.C02649 CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA PROFESSIONAL ENGINEER No. 15241
CHANNEL BOUNDARY (TYP.)
EXISTING (TYP.)
ASHLEY POINTE DRIVE (50' R/W)
LOT SE-10
FACE OF BULKHEAD CRITICAL LINE
RIPLEY LIGHT YACHT BASIN
FUEL DOCK
EXISTING DOCKS
EXISTING CONC. BULKHEAD
TMS 421-12-00-008
GEL Engineering LLC
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 3
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB 95 RIPLEY POINT DRIVE CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 3 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

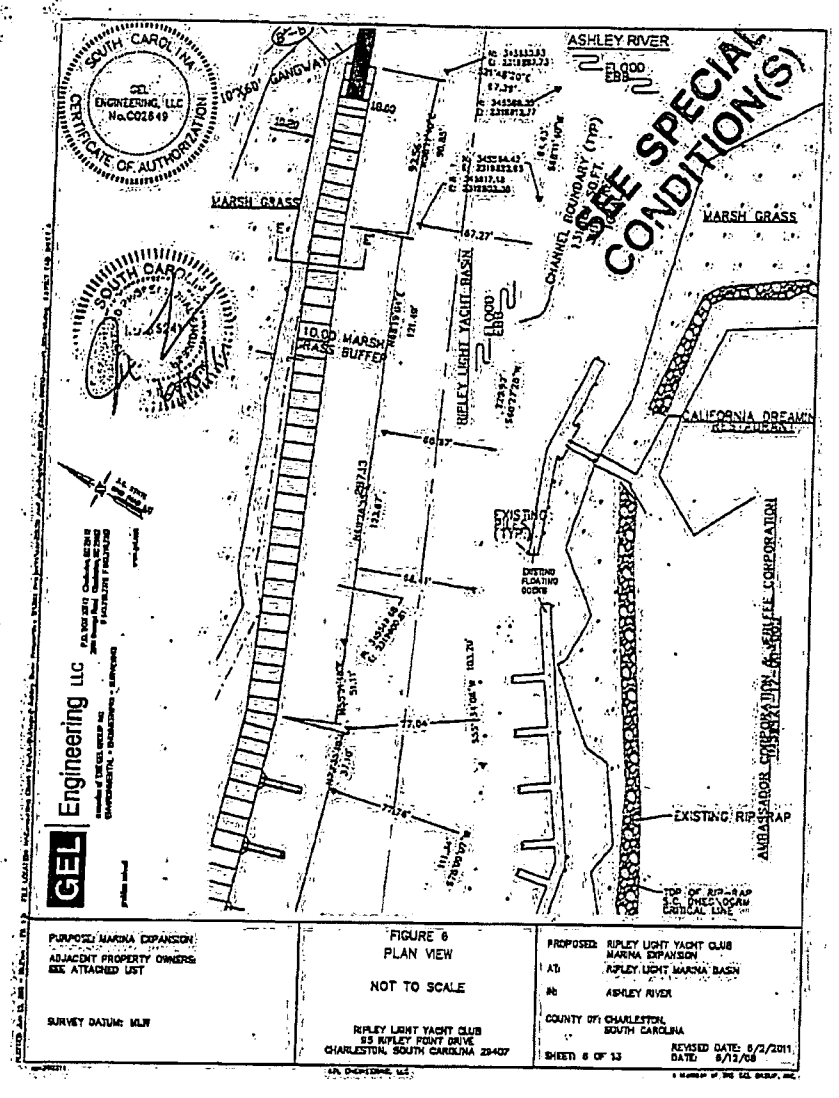
10/24


SEE SPECIAL CONDITION(S)
CHANNEL BOUNDARY (TYP)
10'X30' GANGWAY
RIPLEY LIGHT YACHT BASIN
ASHLEY POINTE DRIVE (50' R/W)
FACE OF BULKHEAD S.C. DHEC/OCRM CRITICAL LINE
EXISTING PILING (TYP)
GEL Engineering LLC
SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER
GEL ENGINEERING, LLC No.C02649
CERTIFICATE OF AUTHORIZATION
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 4
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
83 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 4 OF 13
REVISED DATE: 8/2/2011
DATE: 8/13/08

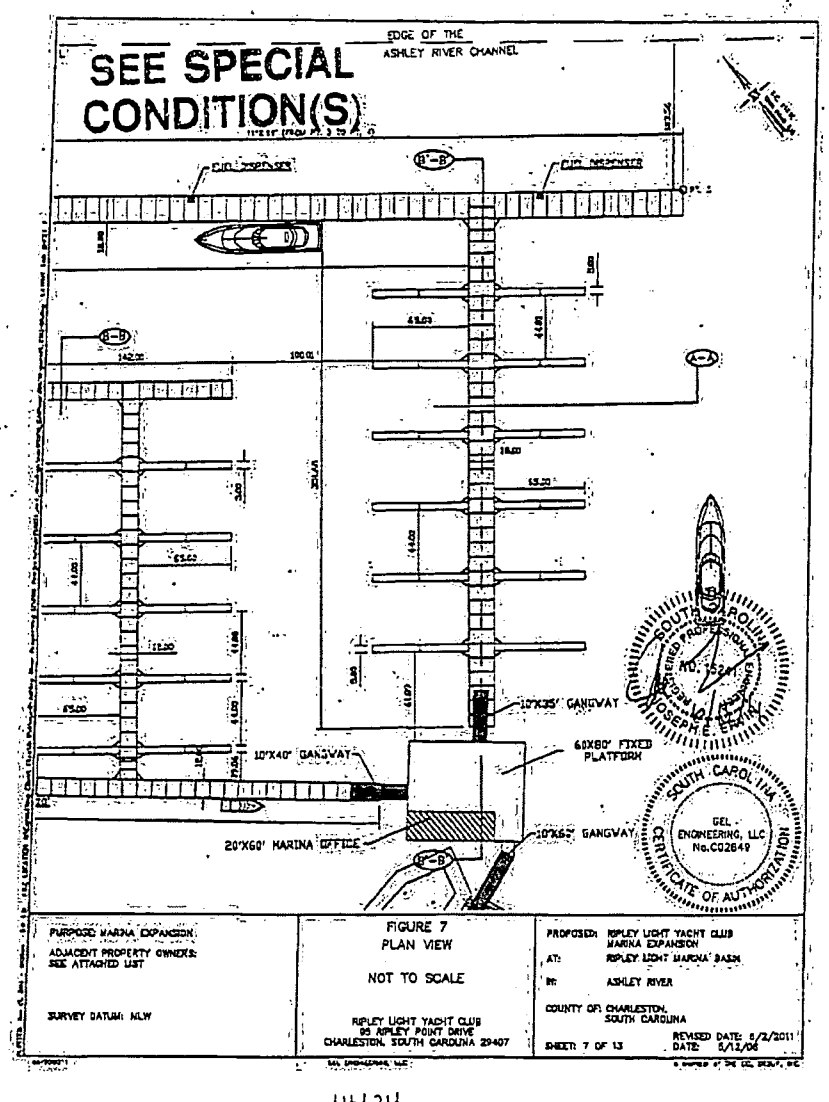
11|24


SEE SPECIAL CONDITION(S)
RIPLEY LIGHT YACHT BASIN
CHANNEL BOUNDARY (TYP)
EXISTING PILING (TYP)
AMBASSADOR CORPORATION & KELFEE CORPORATION
GEL Engineering LLC
SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER
GEL ENGINEERING, LLC No.C02649
CERTIFICATE OF AUTHORIZATION
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 5
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
83 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 5 OF 13
REVISED DATE: 8/2/2011
DATE: 8/13/08

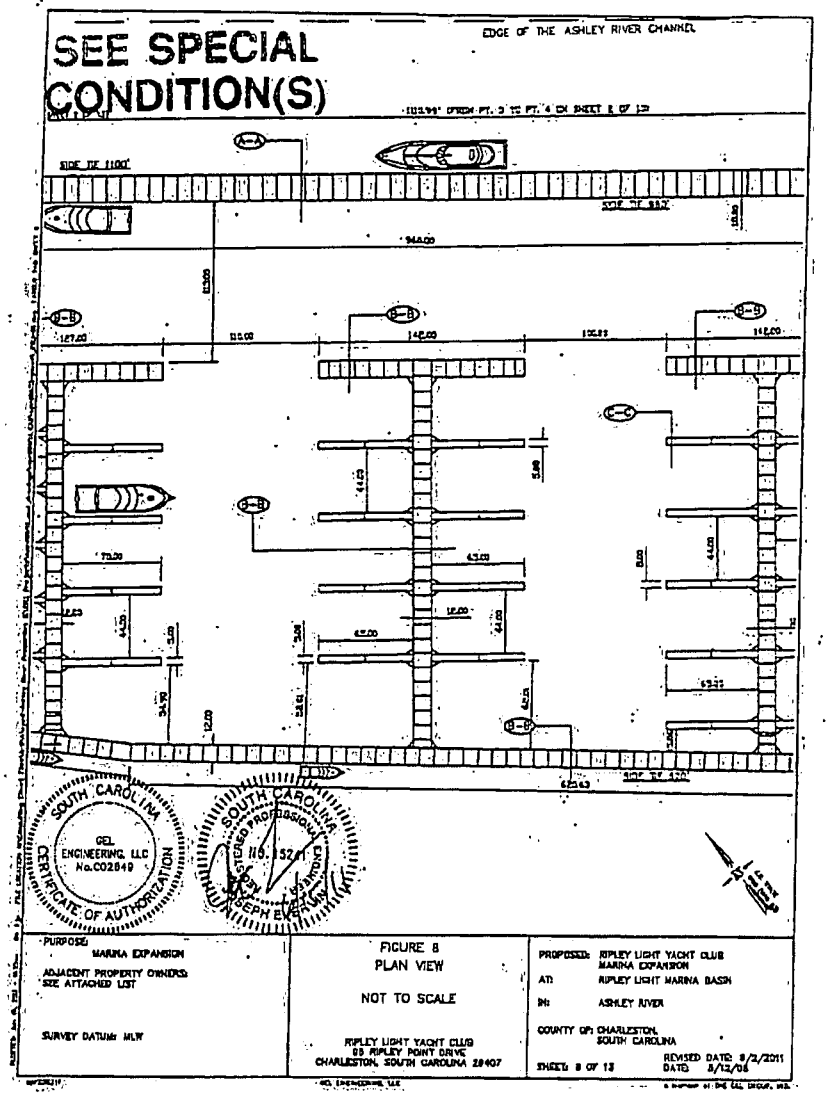
12|24


SEE SPECIAL CONDITION(S)
ASHLEY RIVER
MARSH GRASS
MARSH GRASS
10.00' MARSH GRASS BUFFER
RIPLEY LIGHT YACHT BASIN
CHANNEL BOUNDARY (TYP)
CALIFORNIA DREAMIN' RESTAURANT
EXISTING PIER
EXISTING RIP-RAP
AMBASSADOR CORPORATION
10'X60' GANGWAY
SOUTH CAROLINA
GEL ENGINEERING, LLC
No.C02649
CERTIFICATE OF AUTHORIZATION
GEL Engineering LLC
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 6
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 6 OF 13
REVISED DATE: 8/2/2011
DATE: 8/12/08

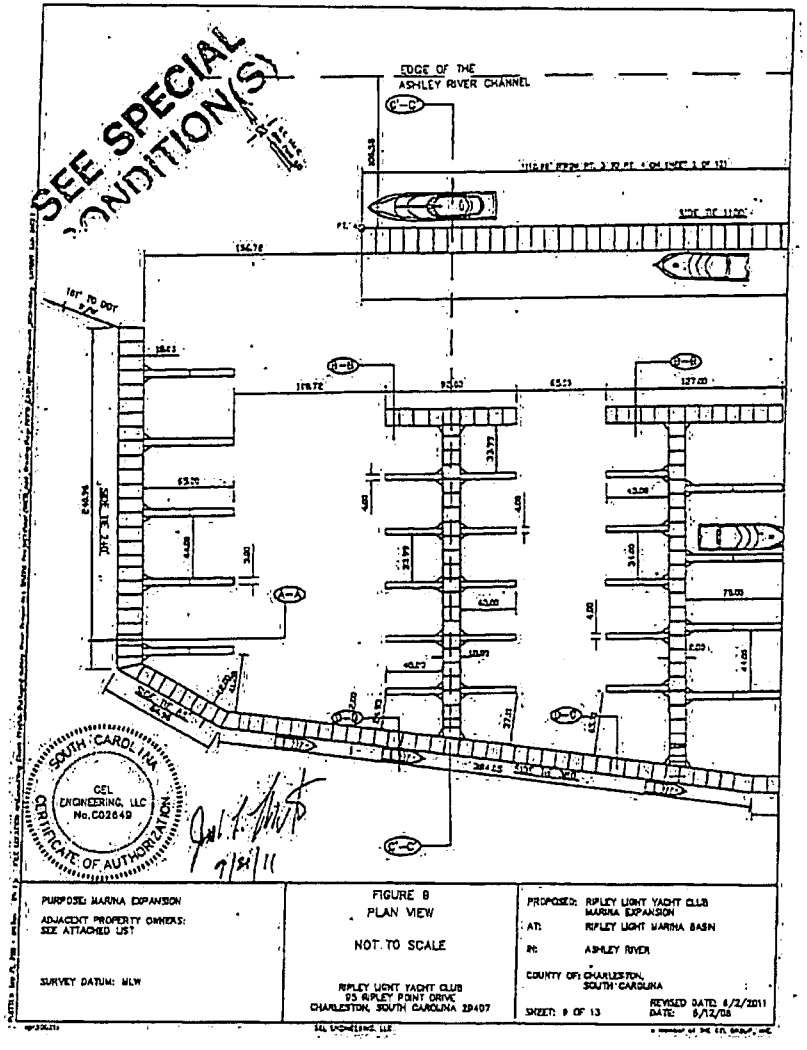
13/24


SEE SPECIAL CONDITION(S)
EDGE OF THE ASHLEY RIVER CHANNEL
10'X35' GANGWAY
10'X40' GANGWAY
60'X80' FIXED PLATFORM
20'X60' MARINA OFFICE
10'X65' GANGWAY
SOUTH CAROLINA
GEL ENGINEERING, LLC
No.C02649
CERTIFICATE OF AUTHORIZATION
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 7
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 7 OF 13
REVISED DATE: 8/2/2011
DATE: 8/12/08

14/24

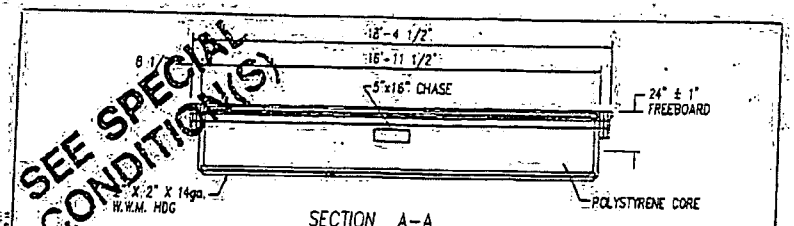

SEE SPECIAL CONDITION(S)
EDGE OF THE ASHLEY RIVER CHANNEL
SOUTH CAROLINA
GEL ENGINEERING, LLC
No.C02649
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA
REGISTERED PROFESSIONAL
No. 15211
JOSEPH E. SHAW
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 8
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
93 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 8 OF 13
REVISED DATE: 8/2/2011
DATE: 8/12/08

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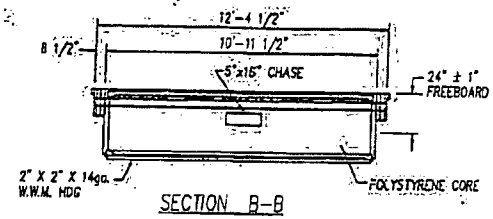

SEE SPECIAL CONDITION(S)
EDGE OF THE ASHLEY RIVER CHANNEL
SOUTH CAROLINA
GEL ENGINEERING, LLC
No.C02649
CERTIFICATE OF AUTHORIZATION
9/8/11
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 8
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
93 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 9 OF 13
REVISED DATE: 8/2/2011
DATE: 8/12/08

16 | 24

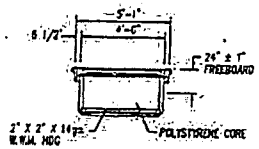
SEE SPECIAL CONDITION(S)



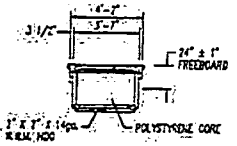

SECTION A-A




SECTION B-B




SECTION C-C




SECTION D-D

GEL Engineering LLC

| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 10<br>FLOATING DOCK X-SECTIONS<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>56 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 10 OF 13 REVISED DATE: 5/2/2011 DATE: 5/13/08 |

17/24

SEE SPECIAL CONDITION(S)

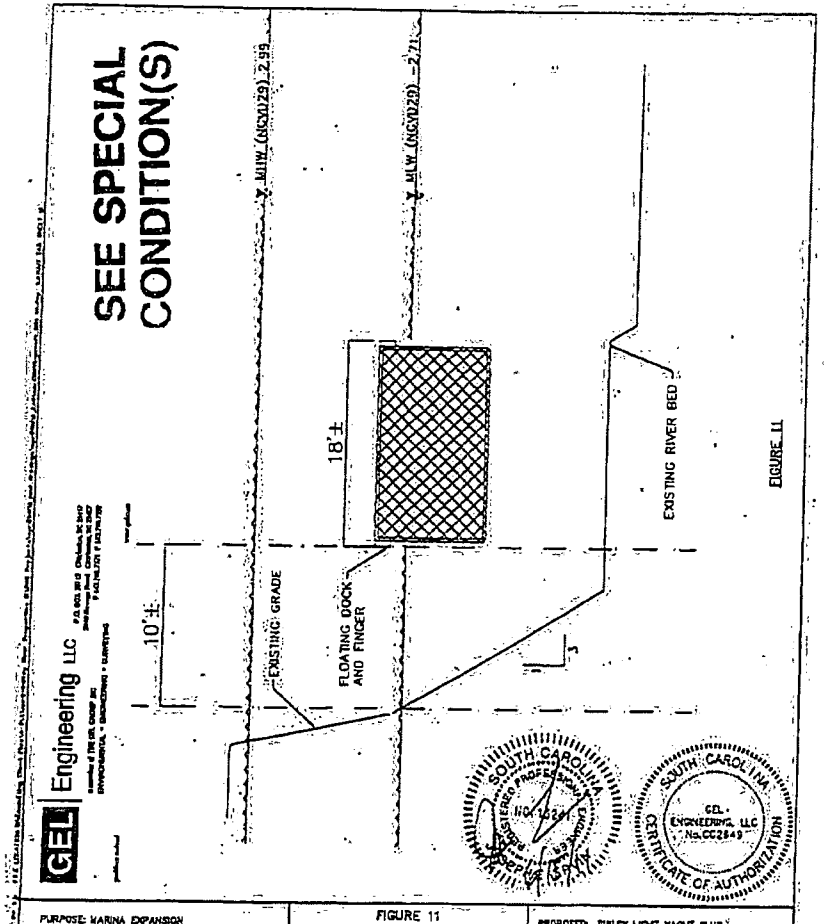
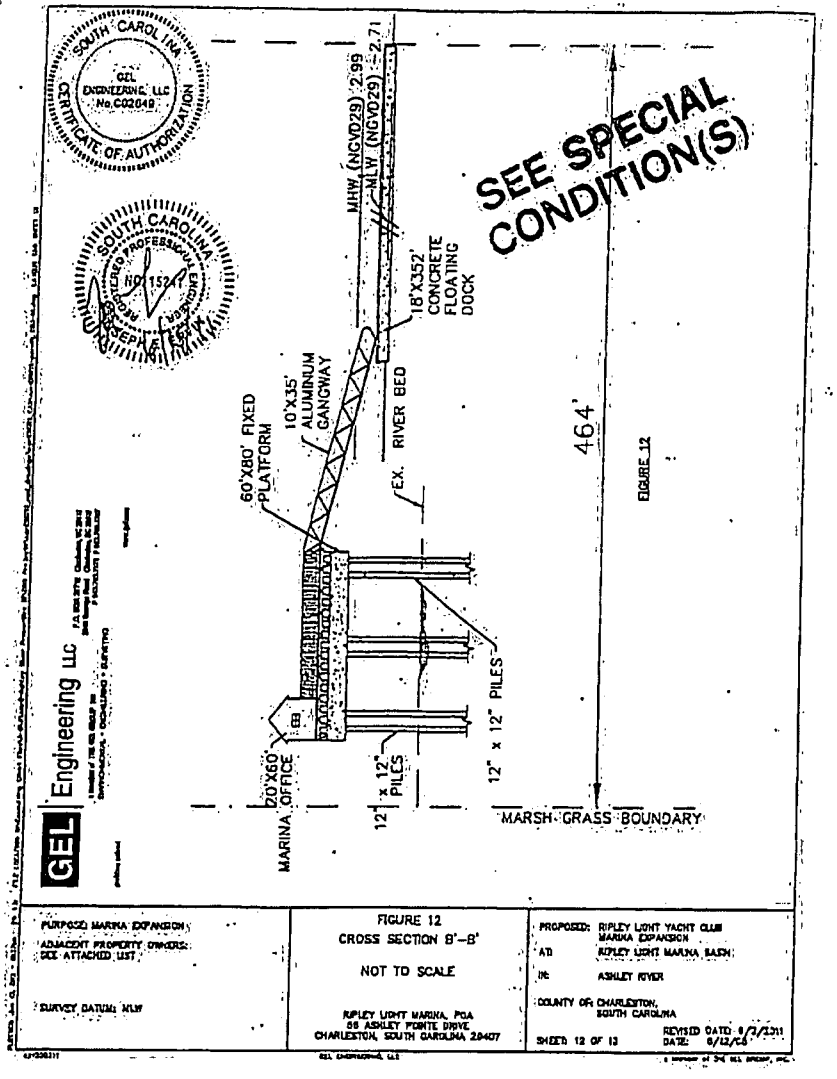



FIGURE 11

GEL Engineering LLC

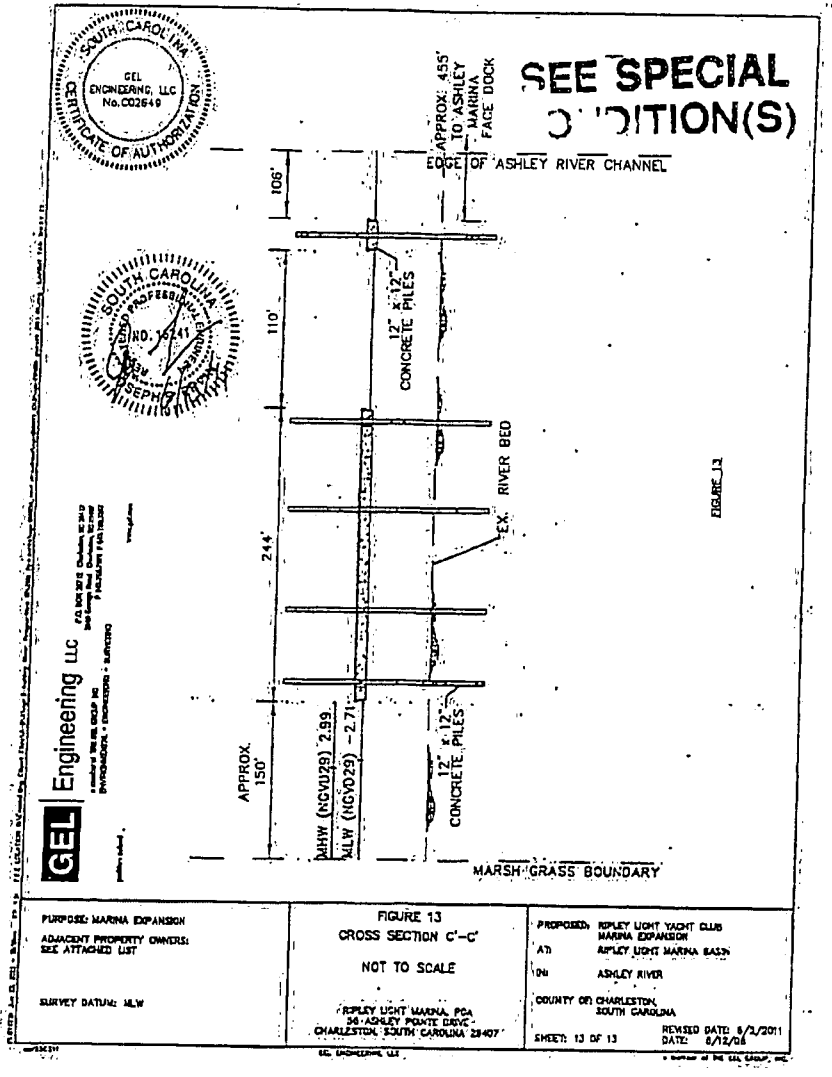
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|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 11<br>CROSS SECTION E-E<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>56 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 11 OF 13 REVISED DATE: 5/2/2011 DATE: 4/13/08 |

18/24



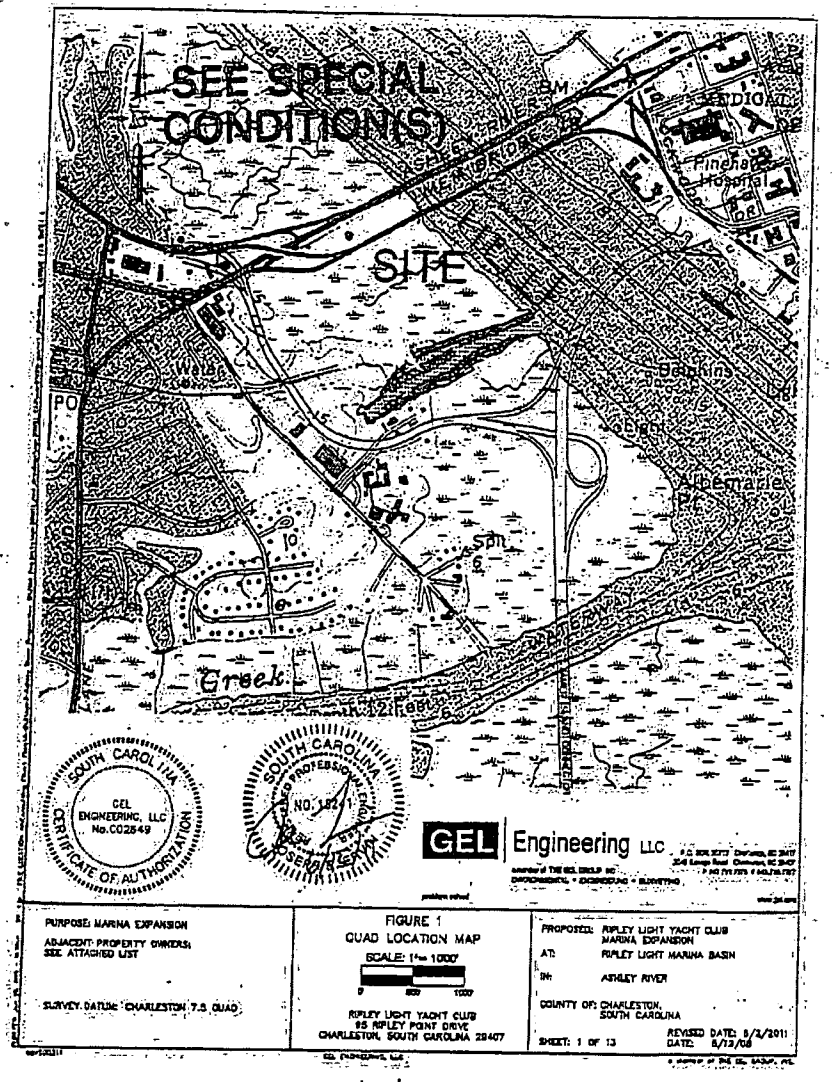

| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS:<br>SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 12<br>CROSS SECTION B'–B'<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>56 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF CHARLESTON, SOUTH CAROLINA<br>SHEET: 12 OF 13<br>REVISED DATE: 8/2/2011<br>DATE: 6/12/08 |

19/24

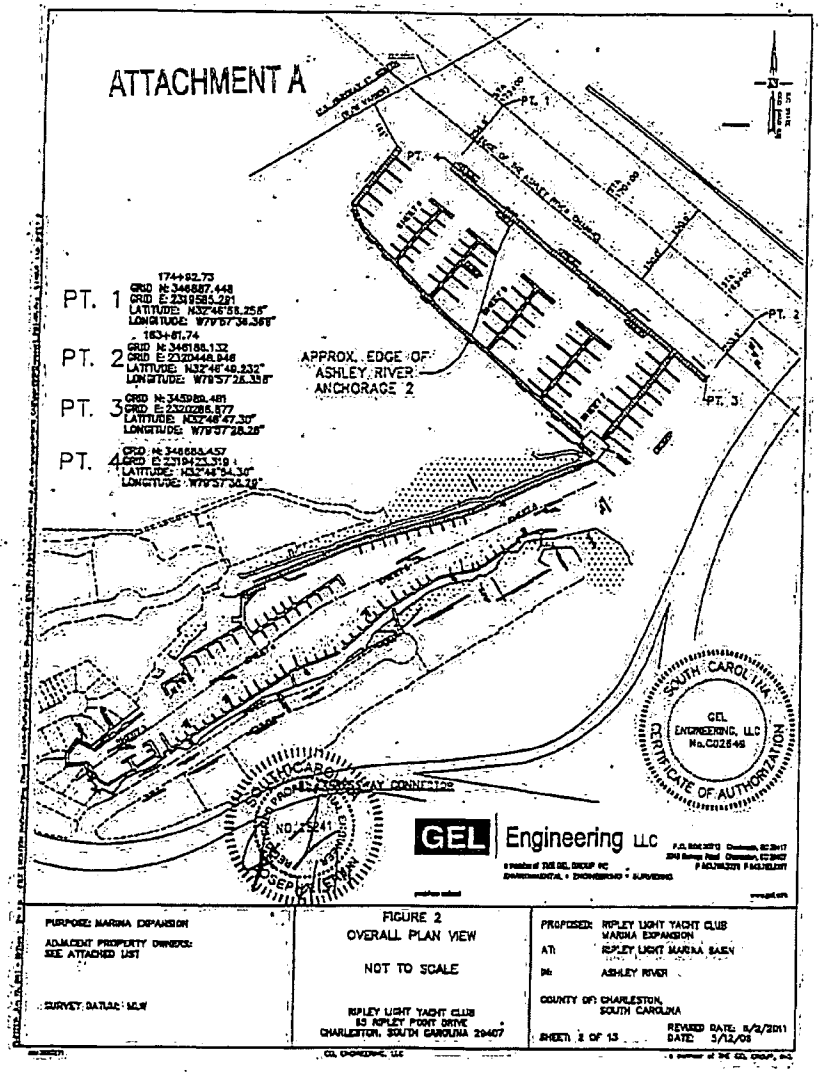



| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS:<br>SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 13<br>CROSS SECTION C'–C'<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>56 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF CHARLESTON, SOUTH CAROLINA<br>SHEET: 13 OF 13<br>REVISED DATE: 8/2/2011<br>DATE: 6/12/08 |

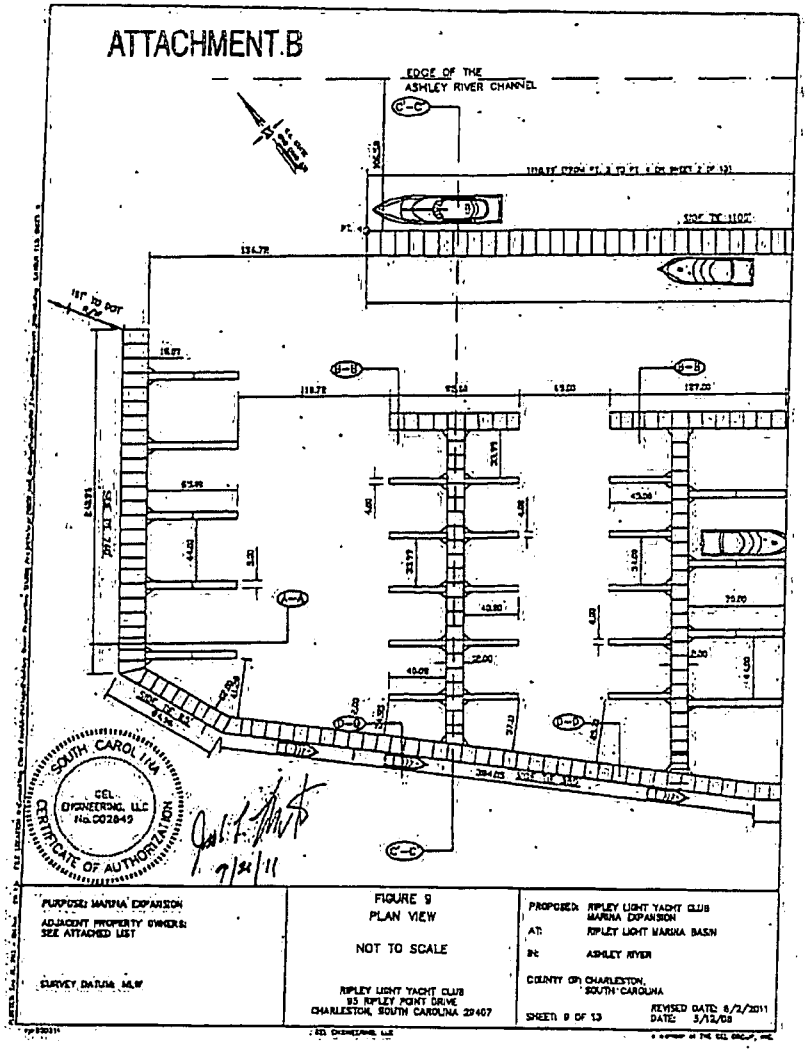
20/24


SEE SPECIAL CONDITION(S)
SITE
Creek
Charleston Harbor
Dolphin Head
Albemarle Pt.
Spin
Finehead Hospital
SOUTH CAROLINA
GEL ENGINEERING, LLC No.C02549
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA
PROFESSIONAL ENGINEER
NO. 17241
JOSEPH LEXON
GEL Engineering LLC
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: CHARLESTON 7.5 QUAD
FIGURE 1
QUAD LOCATION MAP
SCALE: 1" = 1000'
RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 1 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

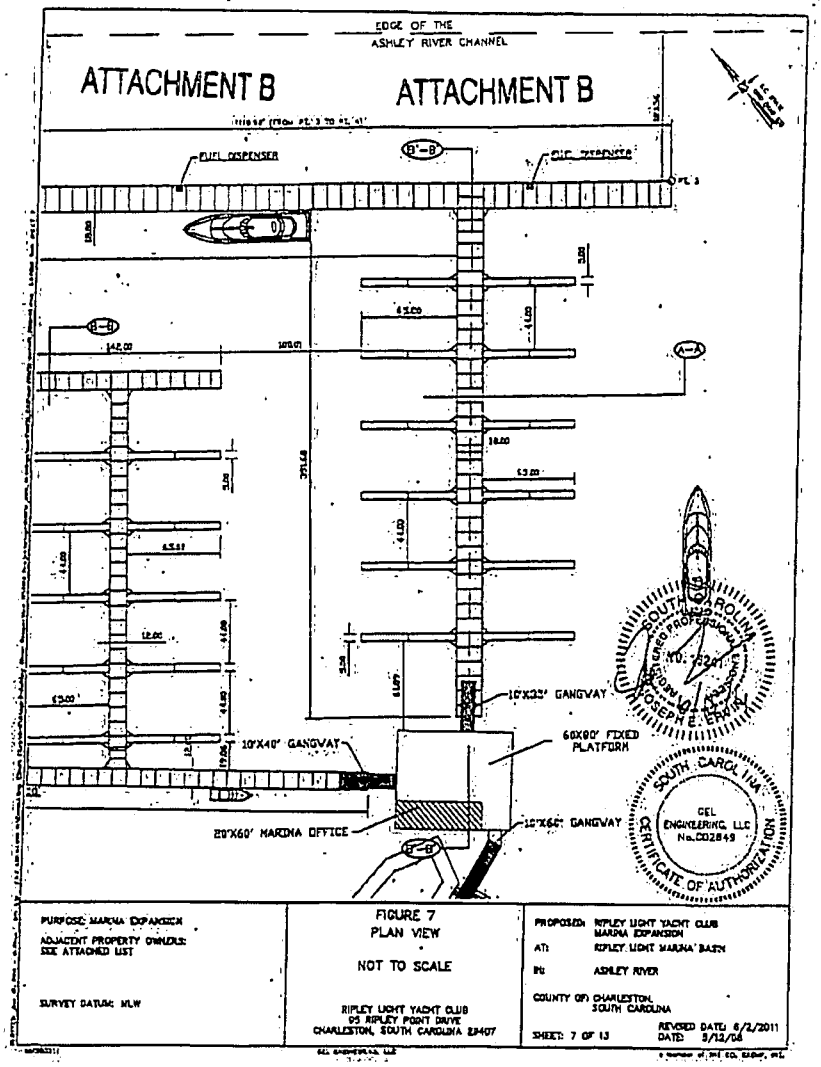
21/24


ATTACHMENT A
PT. 1
PT. 2
PT. 3
PT. 4
APPROX. EDGE OF ASHLEY RIVER ANCHORAGE 2
SOUTH CAROLINA
GEL ENGINEERING, LLC No.C02549
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA
PROFESSIONAL ENGINEER
NO. 17241
JOSEPH LEXON
GEL Engineering LLC
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 2
OVERALL PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 2 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

22/24


ATTACHMENT B
EDGE OF THE
ASHLEY RIVER CHANNEL
SOUTH CAROLINA
CEL
ENGINEERING, LLC
No.C02849
CERTIFICATE OF AUTHORIZATION
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 9
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB
MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON,
SOUTH CAROLINA
SHEET: 9 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

24/24


EDGE OF THE
ASHLEY RIVER CHANNEL
ATTACHMENT B
ATTACHMENT B
FUEL DISPENSER
10'X32' GANGWAY
10'X40' GANGWAY
60'X90' FIXED
PLATFORM
20'X60' MARINA OFFICE
10'X60' GANGWAY
SOUTH CAROLINA
JOSEPH E. ERVIN
No. 24241
REGISTERED PROFESSIONAL ENGINEER
SOUTH CAROLINA
CEL
ENGINEERING, LLC
No.C02849
CERTIFICATE OF AUTHORIZATION
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 7
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB
MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON,
SOUTH CAROLINA
SHEET: 7 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

23/24

# State Of South Carolina

# Real Estate Appraisers Board

## MARK ANTHONY MORGAN

## CG 3890

Having Satisfied The Qualifications Of The South Carolina Real Estate Appraisers Board And Having Complied With The Requirements Prescribed By Law, Is Hereby Entitled To Practice As A

## State Certified General Real Estate Appraiser

In Witness Thereof The State Of South Carolina Real Estate Appraisers Board By Virtue Of The Authority Vested In It By Chapter 60, Title 40 Code Of Laws Of South Carolina Has Caused This Document To Be Issued With Its Seal Imprinted Hereon.

Robert L. Gelwix
Administrator

Property of South Carolina Real Estate Appraisers Board

2196

S14E21041

State of South Carolina BCD 1019086
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

MARK ANTHONY MORGAN

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: 3890

Expiration Date: 06/30/2014
POCKET CARD

Tracy McCarley
Administrator

State of South Carolina BCD 1019086
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

MARK ANTHONY MORGAN

Is hereby entitled in practice as a:

Certified General Appraiser

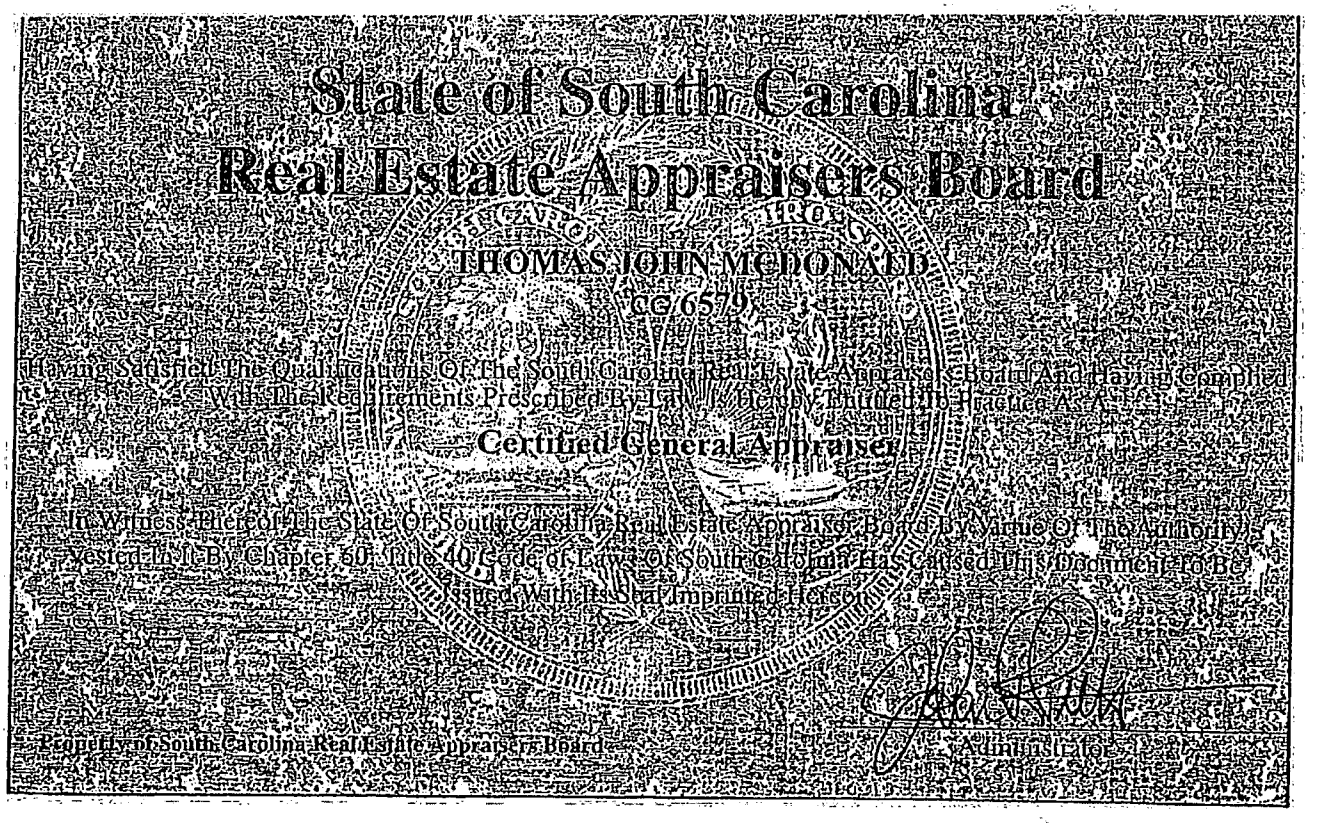
License Number: 3890

Expiration Date: 06/30/2014
OFFICE COPY

Tracy McCarley
Administrator

DO NOT PEEL CARD FROM A CORNER

To remove card from backing
- Bend form back from the outside edge
- Pull card off backing


State of South Carolina
Real Estate Appraisers Board
THOMAS JOHN MCDONALD
CG 6579
Having Satisfied The Qualifications Of The South Carolina Real Estate Appraisers Board And Having Complied With The Requirements Prescribed By Law Is Hereby Entitled To Practice As A
Certified General Appraiser
In Witness Hereof The State Of South Carolina Real Estate Appraiser Board By Virtue Of The Authority Vested In It By Chapter 60 Title 40 Code of Laws of South Carolina Has Caused This Document To Be Issued With Its Seal Imprinted Hereon
Property of South Carolina Real Estate Appraisers Board
Administrator

State of South Carolina BCD
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

**THOMAS JOHN MCDONALD**

Is hereby entitled in practice as a:

**Certified General Appraiser**

License Number: **6579**

Expiration Date: 06/30/2014
OFFICE COPY

Administrator

Bank of America

# Award Confirmation Letter

Supplier is hereby authorized to perform the Statement of Work detailed below. Supplier acknowledges that this confirmation letter is a summary of select contract terms and conditions which is provided for convenience. To view the complete agreement electronically accepted by Supplier, Supplier is referred to Bank of America's Commercial Valuation Services Information Management System.

**Supplier: Statement of Work**

| | | | |
|---|---|---|---|
| Service Type ID: | 12-006751-APR01-001 | Supplier: | Fred H. Beck & Associates, LLC |
| Service: | Appraisal (Order) | Supplier Representative: | Mark Morgan |
| Borrower: | Ashley River Properties II, LLC | Agreement Number: | 12668 |

**Award Terms and Conditions**

| | | |
|---|---|---|
| Sourcing Manager: | Debbie Pauza, Market Manager | Other Terms or Conditions: |
| Date Awarded: | 06/15/2012 | Note NEW appraisal requirements effective 12/3/11 attached. All appraisal reports must include both exposure time (as required by USPAP) and marketing time in your appraisal as a condition of this award. Include copies of licenses/certifications in the addenda. Please reconcile previous values with current values in letter of transmittal and make prior services disclosure in certification. |
| Fees: | USD 6,500 | |
| Bank Contact: | Debbie Pauza | |
| Contact Phone: | 704.951.8229 | |
| Appraisal Type: | Self-contained | |
| Certification: | Contracted Appraiser or Designee | |

**Service Delivery Requirements**

| Due Date | Description |
|---|---|
| 07/16/2012 | Time is of the essence. Review of all attachments and initial communication with identified project or property contacts must occur within five days of engagement. Liquidated damages may be assessed if the Statement of Work (SOW), including the delivery of all reports and requested data, is incomplete by the listed due date. Damages will be assessed at a rate of 5% of the negotiated fee for each day (cumulative) the SOW remains incomplete. Damages will not be imposed for delays resulting from circumstances beyond the appraiser's control if timely notice is provided; such circumstances to be judged for their validity solely by the Sourcing Manager. Individual standalone reports to be provided for each listed property unless instructed otherwise in this agreement. |

**Service Definition**

| Currency | Premise | Qualifier | Interest Appraised | Allocations | Description |
|---|---|---|---|---|---|
| USD | Market Value | As-Is | Fee Simple | Real Estate | Ripley Light Yacht Club Marina |
| USD | Market Value | As-Is | Leased Fee | Real Estate | Ripley Light Yacht Club Marina |
| USD | Market Value | As-Is | Fee Simple | Real Estate | Land - South Side of Ripley Point Drive |

**Policies and Procedures**

Supplier is required to review, update and/or enter key summary information about the property appraised and associated value conclusions as part of this service.

All appraisal reports (including all addendum and related attachments) and invoices must be uploaded to VSIMS in Adobe Acrobat-compatible format (PDF). Document security must be set to allow Commenting, Copying and Extracting of Content for use in the Bank's review function. Documents may be otherwise restricted from changes subject to the supplier's personal security preference. Additional Microsoft and Argus documents may be uploaded in their native format, where appropriate.

All appraisal reports must include both exposure time (as required by USPAP) and marketing time in your appraisal as a condition of this award.

Include the following statement in the Letter of Transmittal and the Intended Use Section of the report: 'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'

Reappraisal assignments must document and explain assumption changes and resulting value differences for all Bank of America assignments completed within the prior two years.

Include the statement: "Bank of America makes no warranties or representations regarding this document or the conclusions contained herein." in your transmittal letter.

**Addressee and Distribution Instructions**

| Report Distribution | Name | Address | CD/DVD | Bound | Comments |
|---|---|---|---|---|---|
| Addressee, Recipient and Intended User | Debbie Pauza, Market Manager | Bank of America, NA \| 119 Cross Center Drive\| NC3-176-01-01\| Denver, NC 28037 | 0 | 0 | |

**Documents *(content available online only)***

| Reference Documents | |
|---|---|
| | APPRAISAL REQUIREMENTS [EFFECTIVE 2011-12-03]_12022011_215900.pdf |
| | BAC CAS APPRAISAL REMINDERS [2010-09]_09192010_102208.pdf |

**Project Contacts**

| Name | Company / Role | Telephone | Comments |
|---|---|---|---|

**Property Contact *(additional contacts may be listed for each property. Refer to the online property profile for details)***

| Name | Company / Role | Telephone | Comments |
|---|---|---|---|
| David Williams | CFO | 212-599-3530 | |

**Properties *(detailed descriptions may be viewed online or downloaded)***

| # | Property Type | Property Address |
|---|---|---|
| 1 | Special Purpose - Marina | 95 Ripley Point Drive, Charleston, SC |
| 2 | Land - Other | South side of Ripley Point Drive, Charleston, SC |

## Property Details

### Property Information

**Property Name :**

**Address Line 1 :** * South side of Ripley Point Drive

**Address Line 2:**

**Zip Code :** 29407

**Country :** * United States of America

**State :** * South Carolina

**County :** * Charleston

**City :** * Charleston

**Property Type :** * Land-Other

**Site Owner Name:** * ASHLEY RIVER PROPERTIES II, LLC

☐ **Same as Borrower**

**Tax Parcel Number:** 421-11-00-054; 421-11-00-274

**Other Information :** Not Confidential: May be shared external to BAML without further review.

Borrower has obtained permits to expand the marina. Please contact David Williams for additional information.

### Property Measurement

| | | Quantity Type | Additional Information | Delete |
|---|---|---|---|---|
| Land Area-primary * | 3.73 | Acres | | |

Note: Fields marked (*) are mandato

Introduction

All appraisal assignments engaged by **Bank of America's** Commercial Appraisal Services (CAS) department must conform to these *Appraisal Requirements.*

All real estate appraisal services performed for **Bank of America** must conform to the following:

- The *Uniform Standards of Professional Appraisal Practice* (USPAP).
- Appraisal requirements of Title XI of the *Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989* (FIRREA), revised June 7, 1994, and amendments thereto.
- Interagency Appraisal and Evaluation Guidelines, December 10, 2010.
- The appraiser must provide all services in accordance with the **Bank of America** *Professional Services Agreement.*
- The assignment will conform to the requirements as detailed by **Bank of America** in the award/engagement contract and in **Bank of America's** Valuation Services Information Management System RFP/award information.
- **Bank of America CAS** *Appraisal Performance and Reporting Guidenotes.*

Appraiser Independence

Maintaining the independence and objectivity of the appraisal process is of utmost importance to **Bank of America.** If an appraiser has a current or prospective interest in the subject property, transaction, or parties involved, the appraiser must decline the assignment.

If the appraiser, appraiser's company or organization has previously (1) appraised the subject property, or (2) reviewed an appraisal completed by another appraiser on the subject property, or (3) leased/brokered/listed for sale the subject property, or (4) performed any marketing or advisory services related to the subject property, the appraiser must be able to remain unbiased by the previous assignment, or decline the current assignment. The appraiser must disclose the previous appraisal, advisory or related service to **Bank of America CAS** during the RFP/bidding process and prior to accepting an appraisal assignment.

If during the course of an assignment, the appraiser becomes aware of a potential conflict of interest, the appraiser should contact **Bank of America CAS** immediately.

Any communication between the appraiser and **Bank of America** must be through the CAS contact.



Bank of America
Commercial Appraisal Services
Appraisal Requirements
*Revised December 3, 2011*

Confidential Information

Assignment results and all information provided by **Bank of America,** or its customers, related to the appraisal assignment are confidential information, and must be treated as such. Written approval from **Bank of America CAS** is required to release confidential information, including assignment results, to any third party.

Competency

In bidding for and accepting appraisal assignments from **Bank of America CAS,** the appraiser certifies that he or she is competent to perform the requested service. The appraiser must be an active State Certified General or State Licensed appraiser, as appropriate. Temporary certificates are acceptable.

Fair Lending Policy

**Bank of America** is committed to supporting fair lending practices and will not tolerate discrimination or discriminatory references in any form.

Appraisal reports must not include any subjective terms or phrases that might be interpreted as discriminatory. Apparent discrimination may be suggested by stating that a condition or feature is a negative influence without market support that it is regarded as such. Only those characteristics that are relevant to the valuation problem are to be addressed. Additionally, the appraiser must avoid using demographic data and statistics that are not pertinent to the appraisal assignment.

Future Assignments

Your acceptance of any **Bank of America CAS** assignment certifies that you agree not to accept or pursue an appraisal, or related assignment, of the subject property without receiving prior approval from **Bank of America CAS.**

Introduction

The **Bank of America** *Appraisal Performance and Reporting Guidenotes* apply to all appraisal assignments engaged by **Bank of America** CAS.

Scope of Work

It is the appraiser's responsibility to determine and perform a scope of work sufficient to produce credible assignment results given the intended use.

The subject property inspection should be sufficient to identify the relevant property characteristics and include a representative sample of interior spaces.

Report Content Requirements

The amount of information and analysis presented in the report is based on the appraisal product type and the relative complexity of the appraisal issues addressed.

Each appraisal report should include:

- Prominent disclosure and support for any deviation from the requested product (e.g. Self-Contained, Summary, Summary-Form), interest appraised, valuation premise (e.g. Upon Completion of Construction, Upon Stabilization, etc.), or valuation condition, as identified in the award/engagement contract
- Explanation of assumption changes and value differences for reappraisal assignments
- The statement: *Bank of America makes no warranties or representations regarding this document or the conclusions contained herein.*
- Intended Use/Intended User Statement: *Include the following statement in the Letter of Transmittal and the Intended Use Section: The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or, Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.*
- A copy of the Award Confirmation Letter and any subsequent instructions
- A copy of State Real Estate Appraiser License
- Identification of the Property Parcel ID(s)
- Identification of the flood and earthquake hazards, as applicable
- Exposure time and marketing time

Disclaimers

**Bank of America** CAS will not accept the report if wording or disclaimers are included in the report that limit the appraiser's professional liability to **Bank of America**.





Borrower/Customer Contact

Bank of America CAS expects that the appraiser will communicate with the property contact (as identified in the award letter) within five business days of the assignment award for Self-Contained and Summary appraisals and two business days for Summary-Form appraisals.

Appraisal Report Delivery, Ownership & Distribution

Bank of America's Valuation Services Information Management System, RFP/award information and Award Confirmation Letter provide appraisal report addressee and distribution instructions.

An electronic copy of the appraisal report, invoice and any supporting files are to be uploaded to the Bank of America Valuation Services Information Management System.

Bank of America owns the appraisal report and is under no restrictions regarding its redistribution to other interested parties of the Bank's choice.

Appraisal Analysis Software

Discounted cash flow models for income producing properties should be prepared using Argus financial software. Appropriate supporting documentation must be included in the report and the Argus file must be uploaded to Bank of America's Valuation Services Information Management System.

In cases where the appraiser has developed proprietary analysis models, such models/software must be made available to Bank of America CAS. Spreadsheets are to be forwarded in operational condition and in a format that can be reviewed.

Suspected Environmental Hazards

If the appraiser observes any suspected environmental hazards, the appraiser must notify Bank of America CAS immediately and document the suspected hazard in the report.

Quality Assurance Review

Appraisal reports are subject to review by Bank of America CAS. Appraisers must be prepared to discuss their analyses and conclusions and provide additional written support, clarification, and/or corrected appraisal pages if requested.

Date of Inspection / Date of Value

The date of inspection / date of value must occur within 45 days prior to the date the report is delivered, unless waived by Bank of America CAS.

Non-realty Components

The appraisal report must identify all non-realty components in the appraisal and provide an allocation of real property, personal property, and intangible assets. In assignments where the subject includes personal property components, the final value must be allocated among the real property and personal property. In assignments where the subject is a going concern (an operating business enterprise that is expected to continue), non-realty components must be identified and the final value allocated among the real property, personal property, and intangible assets.

Other Valuation Issues

Performance and reporting requirements applicable to specialized lending situations (e.g., SBA, CMBS, etc.) will be identified by **Bank of America** CAS at the time of the engagement.

When appraising properties that include specialized valuation issues, such as mortgage revenue bonds, low income housing tax credits, etc., the appraiser must contact Bank of America CAS for clarification and guidance if the methods for handling these issues are not defined during the engagement process.

Bank of America





Definitions

Market Value: 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 and 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: Code of Federal Regulations; Title 12--Banks And Banking; Chapter I--Comptroller Of The Currency, Department Of The Treasury; Part 34—Real Estate Lending And Appraisals–Subpart C—Appraisals Sec. 34.42 Definitions; Revised as of January 1, 2000

"As Is" Market Value: An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection. This requires that the property be valued according to its highest and best use. However, it does not prohibit valuation based upon reasonably anticipated future events such as the leasing of vacant space, demolition of obsolete buildings, etc.

Insurable Cost: The cost to replace the destructible portions of a property which should include the foundation. The estimate is based on replacement cost new, and must reflect only direct or hard construction costs, such as construction labor and materials, repair design, engineering, permit fees, and contractor's profit, contingency and overhead. It must not include surveys, site development, financing, or land acquisition costs.

Note: Insurable Cost provided to Bank of America CAS is for the Bank's internal use and is not intended to replace the due diligence done by an insurance company to determine the amount of insurance coverage.

Appraisal Products

The required appraisal product will be set forth in an award confirmation letter. The appraiser is not authorized to modify the assignment without prior approval by Bank of America CAS.

Appraisal services provided to Bank of America CAS are identified as *Self-Contained*, *Summary* and *Summary-Form*.

*Self-Contained*: The scope of work includes development of all applicable approaches to value.

The report describes significant data and analysis in support of the assignment results with a thorough reporting of the relevant data, analysis, and conclusions.

*Summary*: The scope of work includes development of the most applicable approach; in some circumstances, a secondary approach may be warranted.

The report summarizes significant data and analysis in support of the assignment results with an emphasis on critical data, analysis, and conclusions.

*Summary-Form*: The scope of work includes development of the most applicable approach.

The report presents an abbreviated summary of significant data and analysis in support of the assignment results with an emphasis on critical data, analysis, and conclusions. The report for a Summary-Form appraisal must comply with the USPAP requirements for a Summary Appraisal Report.

Bank of America CAS makes available a report template that can be used to report the results of a Summary-Form Appraisal Report. Appraisers should alter the template to satisfy the requirements of USPAP and appraisal regulations.





Bank of America CAS Appraisal Product Descriptions

Specific performance and reporting requirements for each Bank of America CAS appraisal product are described below.

| | *BANK OF AMERICA CAS APPRAISAL PRODUCT* | | |
|---|---|---|---|
| Requirement | *SELF-CONTAINED* | *SUMMARY* | *SUMMARY-FORM* |
| General Performance Requirement | Scope of work sufficient to produce credible assignment results | | |
| | All applicable approaches | Most applicable approach | Most applicable approach |
| General Reporting Requirement | Describe significant data and analysis in support of the assignment results.<br>Emphasis is on thorough reporting of the relevant data, analysis, and conclusions | Summarize significant data and analysis in support of the assignment results<br>Emphasis is on critical data, analysis, and conclusions. | Abbreviated summary of significant data and analysis in support of the assignment results.<br>Emphasis is on critical data, analysis, and conclusions. |
| USPAP Report Type | - Self-Contained Report | - Summary Report | - Summary Report |
| Property Tax Data | - Current assessment<br>- Current/forecast taxes<br>- Past due taxes<br>- Tax analysis | - Current assessment<br>- Current/forecast taxes<br>- Past due taxes | - Current assessment<br>- Past due taxes |
| Other Requirements | - Exposure time<br>- Marketing time<br>- Property parcel ID(s)<br>- Identification of flood and earthquake hazards | - Exposure time<br>- Marketing time<br>- Property parcel ID(s)<br>- Identification of flood and earthquake hazards | - Exposure time<br>- Marketing time<br>- Property parcel ID(s)<br>- Identification of flood and earthquake hazards |



2205

| | BANK OF AMERICA CAS APPRAISAL PRODUCT | | |
|---|---|---|---|
| Requirement | *SELF-CONTAINED* | *SUMMARY* | *SUMMARY-FORM* |
| Valuation Analysis | - All applicable approaches | -Most applicable approach; in some circumstances, a secondary approach may be warranted. | - Most applicable approach |
| Proposed Renovation/Construction | - Feasibility analysis<br>- Analysis of prospective rates<br>- Cost approach | - Feasibility analysis<br>- Analysis of prospective rates | -Not Applicable for proposed construction or any significant level of renovation. |
| Land Valuation Documentation | - Description of comparable data<br>- Comparison of data<br>- Analysis/adjustment of data | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Analysis/adjustment of data | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Analysis/adjustment of data |
| Cost Approach Documentation | - Cost new analysis<br>- Accrued depreciation analysis<br>- Description of cost analysis components | - Cost new analysis<br>- Accrued depreciation analysis<br>- Summary of cost analysis components | - Cost new analysis<br>- Accrued depreciation analysis<br>- Summary of cost analysis components |
| Sales Comparison Approach Documentation | - Description of comparable data<br>- Comparison of data<br>- Analysis/adjustment of data<br>- Rationale for value conclusion | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Analysis/adjustment of data<br>- Rationale for value conclusion | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Adjustment of data<br>- Rationale for value conclusion |
| Income Approach Documentation | - Tenant by tenant lease summary<br>- Income and expense history<br>- Market rent comparables<br>- Expense comparables<br>- Support for cap/discount rates<br>- Income and expense forecast | - Tenant by tenant lease summary<br>- Income and expense history<br>- Market rent comparables<br>- Support for cap/discount rates<br>- Income and expense forecast | - Tenant lease summary<br>- Income and expense history<br>- Market rent comparables<br>- Support for cap rate<br>- Income and expense forecast |





| | BANK OF AMERICA CAS APPRAISAL PRODUCT | | |
|---|---|---|---|
| Requirement | *SELF-CONTAINED* | *SUMMARY* | *SUMMARY-FORM* |
| Relevant Exhibits | - Site plans/survey/tax maps<br>- Plans & specifications<br>- Subject photographs<br>- Comparable photographs<br>- Subject and comp maps<br>- Bank of America Award Letter<br>- Appraiser Qualifications<br>- Copy of Appraiser License | - Site plans/survey/tax maps<br>- Subject photographs<br>- Comparable photographs<br>- Subject and comp maps<br>- Bank of America Award Letter<br>- Appraiser Qualifications<br>- Copy of Appraiser License | - Plat/site map<br>- Subject photographs<br>- Comparable photographs<br>- Subject and comp maps<br>- Bank of America Award Letter<br>- Appraiser Qualifications<br>- Copy of Appraiser License |



2206

Bank of America

## Commercial Appraisal Services

### Reminders: Appraisal Report Requirements

- ☐ Ensure that the service definition requested (e.g. Value Premise/Qualifier = Market Value As Is) is accurate given the status of the property and matches what is presented in the appraisal report. If not, you must contact your Bank's procurement associate before proceeding further with the assignment.
- ☐ Draft reports are not accepted. The Letter of Transmittal and Certification must be signed.
- ☐ The required statement "Bank of America makes no warranties or representations regarding this document or the conclusions contained herein." must be presented prominently within your Letter of Transmittal.
- ☐ Limitations of liability relative to the fee paid and other limitations contrary to the Bank of America Appraisal Requirements and Bank of America Professional Services Agreement (PSA) are prohibited and will not be accepted.
- ☐ Ensure that any co-addressees are included in the Letter of Transmittal as specified in the Award Letter.
- ☐ Award Letters must be included in the addenda of the appraisal report unless instructed otherwise.
- ☐ If this is a re-appraisal of the subject property, the Letter of Transmittal must include a reconciliation of the value impacting differences between the prior appraisal and the re-appraisal.
- ☐ Material information that is unavailable prior to completion of the assignment must be specified in the Letter of Transmittal. You must contact the Bank's procurement associate before finalizing the report.
- ☐ New! Ensure the following Intended Use/Intended User statement is included in your report: Include the following statement in the Letter of Transmittal and the Intended Use Section of the report: *'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'*

### Reminders: VSIMS

- ☐ Ensure that all appropriate documents are uploaded before submitting to the Bank:
  - Appraisal Report
  - Argus files (where applicable)
  - A separate "legible" invoice
  - Supporting documentation (where applicable)
- ☐ Check to make sure the values presented in the report are the same as those recorded on the Conclusions / Contract Validation tabs.
- ☐ Make sure the property information in VSIMS is consistent with the information in the appraisal. If not, correct relevant information on the VSIMS Update Property tab.
- ☐ New! PDF document security must be set to allow copying of text, images and other content.
- ☐ Remember!!!: After you have uploaded your document(s) and filled out the relevant data , the last step in the VSIMS process is to **"Submit to Bank."**

An in-depth user guide may be found in the Reference Documents section of the application. (VSIMS System Documentation-Supplier User Guide).

# ASSUMPTIONS AND LIMITING CONDITIONS

## *GENERAL ASSUMPTIONS*

1. The owner of record is assumed to have a free and clear fee simple title with no encumbrances that cannot be cleared through normal channels.
2. The information on which this appraisal is based on has been obtained from sources normally used by **Fred H. Beck & Associates, LLC** and is considered to be reliable, but is in no sense guaranteed.
3. The information furnished by others is believed to be reliable. No warranty is given for its accuracy.
4. **Fred H. Beck & Associates, LLC** reserves the right to alter its opinions of value on the basis of information withheld or not discovered in the normal course of a diligent investigation.
5. The appraiser assumes no responsibility for the legal description or matters of a legal nature affecting the property or the title thereto. The appraiser does not render any opinion as to title, which is assumed to be good and marketable.
6. Responsible ownership and competent property management are assumed.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. The appraiser is not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been previously made therefore. The fee charged for this appraisal does not include payment for court testimony or for further consultation.
11. No opinion of an engineering nature is intentionally expressed or implied and no responsibility is assumed for matters of this nature.
12. No survey was made especially for this appraisal. Property lines, area, etc., of record or otherwise provided, are assumed to be correct.
13. No engineering survey has been made by the appraiser. Except as specifically stated, size and area were taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.
14. Maps, plats and exhibits are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
15. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
16. No opinion is expressed as to the value of subsurface oil, gas or mineral rights. The property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
17. Disclosure of the contents of the appraisal is governed by the Bylaws and Regulations of the professional organizations with which **Fred H. Beck & Associates, LLC** is affiliated.
18. Acceptance of and/or use of this report constitutes acceptance of these assumptions and limiting conditions.
19. This report is intended to comply with the Code of Ethics and Standards of Professional Appraisal practice of the Appraisal Institute. It is further intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and the guidelines set forth by the Financial Institution's Report, Recovery and Enforcement Act of 1989 (FIRREA).

## *LIMITING CONDITIONS*

1. Possession of this report, or a copy, does not carry with it the right of publication.
2. Neither all nor any part of the contents of this report (especially any conclusions as to value, identity of the appraisers or firm with which they are connected or any reference to the Appraisal Institute or the MAI or SRA designations) shall be disseminated to the public through the advertising media or any other public means of communication without the prior written consent and approval of **Fred H. Beck & Associates, LLC** and the signatories of the report. Acceptance of and/or use of this report constitutes acceptance of these restrictions.
3. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
4. The forecasts, projections or operating estimates contained herein are based upon current market conditions, anticipated short term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.
5. Load bearing capacity of subsoil is assumed to be adequate for the present utilization, but no borings or engineering studies have been made especially for this appraisal and the value conclusion could be affected by such information.
6. We have not been supplied with building plans and specifications, site plans, surveys or occupancy permits. No responsibility or representation is assumed or made for any costs associated with obtaining same for any deficiencies discovered before or after they are obtained.
7. We have personally inspected the subject property and found no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
8. No termite inspection report was made available. We personally inspected the subject property and found no significant evidence of termite damage or infestation.
9. Unless otherwise stated in this report, we make no representation or warranties as to the adequacy or condition of appliances, electrical systems, plumbing and heating, air conditioning, presence of insulation, adequacy or condition of structural systems or any other subsystem within the property. We assume no responsibility for any costs incurred to discover or correct any deficiencies present in the property.
10. Unless otherwise stated, no consideration in the valuation process has been given mineral deposits (oil, gas, coal, gravel, etc.) or timber, if any, that may be found on the subject.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
12. On January 26, 1992, The Americans with Disabilities Act (ADA) took effect. This report has not considered this act and the impact it may have on the subject with respect to renovation cost and general compliance. Should a report be provided which indicates a possible renovation, we reserve the right to amend this report.
13. The appraisers have prepared this report in compliance with the competency provision explicitly detailed in the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisers are fully experienced in the appraisal of this product type (see Qualifications).

**QUALIFICATIONS OF THE APPRAISER**
**MARK A. MORGAN**

**FRED H. BECK & ASSOCIATES, LLC**
**8924 Blakeney Professional Drive**
**Charlotte, NC 28277**

---

***EDUCATION***

Master of Science – Georgia State University, Atlanta, GA
Real Estate
Bachelor of Fine Arts – Southern Methodist University, Dallas, TX
Broadcasting
Bachelor of Business – Southern Methodist University, Dallas, TX

Completed The Appraisal Institute Courses:

- C1A-1 – Real Estate Appraisal Principles
- C1A-2 – Basic Valuation Procedures
- C1B-A – Capitalization Theory and Techniques, Part I
- C1B-B – Capitalization Theory and Techniques, Part II
- SPP – Standards of Professional Practice
- C2-1 – Case Studies in Real Estate Valuation
- C2-2 – Report Writing

Commercial Investment Real Estate Institute:

- CI-101 – Principles of Investment Analysis
- CI-102 – Creating a Real Estate Investment (Market Analysis)
- CI-103 – Advanced Real Estate Tax Analysis
- CI-104 – Understanding Human Behavior
- CI-105 – Case Studies in commercial Investment Real Estate

***EXPERIENCE***

Fred H. Beck & Associates, LLC – Charlotte, NC (May 2000 - Present)

- Real Estate Appraiser and Consultant

Torquay Realty, LLC – Charlotte, N.C. (August 2008 – Present)

- Real Estate Broker

Bank of America – Charlotte, NC (3/93 – 5/00)

- Appraisal Department Area Manager

Schultz-Carr-Bissett – Atlanta, GA (11/89 – 3/93)

- Staff Appraiser

***PROFESSIONAL AFFILIATIONS***

- State-Certified General Real Estate Appraiser, North Carolina Certificate No. A4554
- State-Certified General Real Estate Appraiser, South Carolina Certificate No. CG3890
- State-Certified General Real Estate Appraiser, Georgia Certificate No. 689
- North Carolina Real Estate Broker - License #189040

**QUALIFICATIONS OF THE APPRAISER**
**THOMAS J. McDONALD**

**Fred H. Beck & Associates of SC, Inc.**
**13089 Ocean Highway, Unit C-1**
**Pawleys Island, South Carolina 29585-7140**

***EDUCATION***

Bachelor of Arts Degree – Baldwin Wallace College, Berea, OH (1984) – Finance and Business

Real Estate Appraisal Courses:

- All Required Pre-Licensing Courses Pertaining to Real Estate Appraisal

Continuing Education Courses and Seminars:

- Numerous Real Estate Appraisal Continuing Education Courses over the Years

Appraisal Institute Courses:

- Course 102 - Applied Residential Property Valuation
- Course 110 - Appraisal Principles
- Course 120 – Appraisal Procedures
- Course 310 – Basic Income Capitalization
- Course 320 – General Applications
- Course 330 – Apartment Appraisal
- Course 410 - Part A – Uniform Standards of Professional Practice
- Course 420 - Part B – Uniform Standards of Professional Practice
- Course 510 – Advanced Income Capitalization

***RELEVANT EXPERIENCE***

Fred H. Beck & Associates of SC, Inc. – Pawleys Island, SC, NC (2008 – Present)

- Staff appraiser specializing in the appraisal of commercial and investment properties.

Thomas J. McDonald Commercial Real Estate Services - Cleveland, OH (2000 - 2008)

- Principal/Owner specializing in the appraisal and sales of commercial and investment properties.

McDonald Investments, Inc / KeyBank - Cleveland, OH (1997-2000)

- Investment Banking Associate in the Low Income Housing Tax Credit Group. McDonald Investments, Inc. bought by KeyBank in 1999. Responsibilities consisted of review of market studies and appraisals and analysis of affordable housing transactions to be included in real estate investment funds sold to corporate investors.

Charter One Bank - Cleveland, OH (1995-1997)

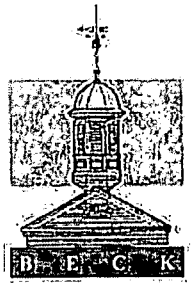
- Staff appraiser specializing in the appraisal of commercial and investment properties.

Charles M. Ritley Associates, Inc. – Beachwood, OH (1992-1995)

- Staff appraiser specializing in the appraisal of commercial and investment properties.

***PROFESSIONAL AFFILIATIONS***

State-Certified General Real Estate Appraiser:
South Carolina Certificate No. CG6579
North Carolina Certificate No. A7029
Ohio Certificate No. 418832




FRED H. BECK AND ASSOCIATES, LLC
*Real Estate Appraisers*
*& Consultants*

**SELF CONTAINED**
**APPRAISAL REPORT**

4.08 Net Acres of Vacant Land

S/Side of Ripley Point Drive
Charleston, Charleston County, South Carolina 29407
(Bank of America Project ID # 12-006751-APR01-001)

**PREPARED FOR**

Bank of America, N.A.
Real Estate Risk Assessment
Attn: Debbie Pauza, Market Manager
Mail Code NC3-176-01-01
119 Cross Center Drive
Denver, NC 28037

***"Bank of America makes no warranties or representations regarding this document or the conclusions contained herein."***

**DATE OF REPORT**

July 24, 2012

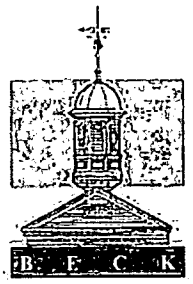
**EFFECTIVE DATE OF APPRAISAL**

"As Is" as of July 2, 2012

**APPRAISED BY**

FRED H. BECK & ASSOCIATES, LLC
Mark A. Morgan
Thomas J. McDonald

**8924 Blakeney Professional Drive, Charlotte, North Carolina 28277-6660**
**Phone: 704.544.4884 / Fax: 704.544.6520 / Website: *www.fredhbeck.com***




FRED H. BECK AND ASSOCIATES, LLC
*Real Estate Appraisers*
*& Consultants*

July 24, 2012

Bank of America, N.A. - RE Risk Assessment
Attn: Debbie Pauza, Market Manager
Mail Code: NC3-176-01-01
119 Cross Center Drive
Denver, NC 28037

**Reference:** 4.08 Net Acres of Vacant Land
S/Side of Ripley Point Drive
Charleston, Charleston County, South Carolina 29407
(Bank of America Project ID # 12-006751-APR01-001)

Dear Ms. Pauza

As requested, we have inspected the above referenced property for the purpose of providing an opinion of its market value. Based on our inspection and analysis of the information obtained, it is our opinion that the market value of the Fee Simple Interest in the subject property is as follows:

| | AS IS<br>July 2, 2012 |
|---|---|
| Property Rights | Fee Simple |
| Value Opinion | $7,100,000 |

This value opinion is supported by the data and reasoning set forth in the attached narrative. Your attention is invited to the Assumptions and Limiting Conditions attached and made a part of this report. We certify that we have no present or contemplated future interest in the property appraised and that our fee for this assignment is in no way contingent upon the value opinion supplied.

The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'

***"Bank of America makes no warranties or representations regarding this document or the conclusions contained herein."***

The following report complies with the standards and regulations outlined in Title XI of the *Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989* **(FIRREA).** This report complies with the *Uniform Standards of Professional Appraisal Practice* **(USPAP)** including the ethics and competency provisions, as promulgated by the Appraisal Standards Board of The Appraisal Foundation. In addition, the report conforms to the *Federal Deposit Insurance Corporation* **(FDIC)** and *Office of the Comptroller of the Currency's* **(OCC)** appraisal standards.

***We previously appraised this property on September 25, 2009 and concluded the market value to be $7,720,000, and again previously on February 24, 2011and concluded the market value to be$8,060,000. Since these previous dates of valuation, the real estate market in the Charleston MSA, like the majority of the State of South Carolina and the nation as a whole, has experienced decreasing property values. The housing boom for this market peaked in 2006 and 2007. A poor economy and a financial crisis which hit Wall Street, financial institutions, etc. aided in the rapid decline in property values as the financial institutions stopped lending new money for a period of time and tightened lending requirements as well. The overall effect on the subject property was the lack of demand for properties similar to the subject as well as no one willing to lend money for speculative land. Therefore the value of the subject property as well as the majority of similar properties has declined since these dates of valuation. For purposes of our previous report and value conclusion in the report dated February 24, 2011,as well as for this report and our value conclusion, we also gave consideration to the impact on the 1.51 acres of uplands which are not buildable due to the narrow shape but add to the density allowed. Because of the increased density considered for the report dated February 24, 2011, the market value estimate actually increased from the value as concluded within our appraisal report as of September 25, 2009. Further, as was indicated, the value conclusion as stated within this report also takes into consideration this increased density, but due to the continued decline in land values in the market, the value concluded within this appraisal is now less than the two previous concluded value indications.***

The undersigned hereby acknowledges considerable input, investigation, and analysis by Thomas J. McDonald, who contributed to the information set forth in the attached narrative.

Thank you for the opportunity to be of service and please let us know if you have any questions.

Respectfully Submitted,
Fred H. Beck & Associates, LLC

Mark A. Morgan
State-Certified General Real Estate Appraiser
S.C. Certificate No. CG3890

Thomas J. McDonald
State-Certified General Real Estate Appraiser
S.C. Certificate No. CG6579

## CERTIFICATE OF THE APPRAISER

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

1. The statements of facts contained in this report are true and correct.

2. 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.

3. 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.

4. I have performed 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.

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

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

7. 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.

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

9. I have made personal inspection of the property that is the subject of this report.

10. No one provided significant real property appraisal assistance to the person signing this certification other than ***Thomas J. McDonald.***

➢ **The appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.**

Mark Morgan

**7/24/2012**

***MARK A. MORGAN*** **DATE**

State-Certified General Real Estate Appraiser
S.C. Certificate No. CG3890

## CERTIFICATE OF THE APPRAISER

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

1. The statements of facts contained in this report are true and correct.

2. 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.

3. 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.

4. I have not performed 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.

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

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

7. 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.

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

9. I have made personal inspection of the property that is the subject of this report.

- **The appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.**



**7/24/2012**

***THOMAS J. MCDONALD*** **DATE**

State-Certified General Real Estate Appraiser
S.C. Certificate No. CG6579

| SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS<br>4.08 Net Acres of Vacant Land \| Charleston, SC<br>(Bank of America Project ID # 12-006751-APR01-001) | |
|---|---|
| Property Location | South side of Ripley Point Drive in Charleston, Charleston County, South Carolina 29407 |
| Property Owner | Ashley River Properties II, LLC |
| Date of Report | July 24, 2012 |
| Effective Date of Appraisal | July 2, 2012 |
| Property Rights Appraised | Fee Simple Estate |
| Zoning | GB-A, General Business - Accommodations |
| Tax Map Reference | 421-11-00-054 and 421-11-00-274 |
| Land Area | Total site contains 4.08 acres. In addition, 1.51 acres of uplands (non-buildable) from the adjacent marina property (same owners) was given consideration in our analysis of the subject due to it increasing the density allowed per the zoning, and thus the final value conclusion. |
| Improvements | Vacant Land |
| Present Use | Vacant Land |
| Highest and Best Use | Speculative Holding |
| Appraisal Procedures | Sales Comparison Approach |
| Value By Sales Comparison Approach | $7,100,000 |
| **FINAL OPINION OF MARKET VALUE<br>"AS IS" July 2, 2012** | **$7,100,000** |

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## SUBJECT PROPERTY

The property being appraised in this report consists of two contiguous parcels of vacant land. The properties are owned by Ashley River Properties II, LLC and are located along Ripley Point Drive near Ripley Point Yacht Club Marina. The properties have been preliminarily approved for development of 80 luxury residential condominium units and can be identified in the Charleston County Tax Assessor's Office as tax parcel 421-11-00-054 (Parcel A containing 2.28 net acres), and tax parcel 421-11-00-274 (Parcel B containing 1.80 net acres). The tract sizes were determined by plats provided by the owner. We have been asked to appraise the properties "As Is". A copy of the tax cards and plat maps are included in the Addenda. According to officials with the City of Charleston Zoning Department, more than 80 condominium units are allowed on the property but the current owners requested fewer units to be approved because their original plans were to build condominium units of larger size, thus appealing to high-end buyers.

The property being appraised in this report contains 4.08 acres of land area. We have made and extraordinary assumption that 0.35 acres of the 4.08 acres will be encumbered with a cross easement for parking to be utilized by the adjoining marina parcel (under the same ownership). We have valued the marina in a separate appraisal.

We have also taken in to account that a 1.51-acre portion of an adjoining tract can be used to enhance the density of future residential condo development on the subject site. The 1.51 acres has a narrow, odd shape which has been assumed to be all highlands. Because of its shape and narrow width, it is not buildable. The narrow strip of land is attached to the adjacent marina parcel which is adjacent to the land being valued in this appraisal. This narrow strip does provide contributory value in that it enhances the density (increases the number of units) that would be permitted on the subject property if it were to be developed with condominiums. Please see our list of extraordinary assumptions found later in this report.

***APPRAISER COMPETENCY***

Mark A. Morgan and Thomas J. McDonald, both Certified General Real Estate Appraisers, have been appraising commercial properties and vacant land for more than 10 years. We have therefore met the requirements of the USPAP Competency Provision.

***DEFINITION OF "MARKET VALUE"***

The following definition of market value is approved by the Office of the Comptroller of the Currency of the United States of America and by the Office of Thrift Supervision in compliance with Title XI of the Financial Institutions Reform Recovery and Enforcement Act (FIRREA). Market Value is defined as follows:

> "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 and 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:
> 1) Buyer and seller are typically motivated;
> 2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
> 3) A reasonable time is allowed for exposure in the open market;
> 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> 5) 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."[1]

***PROPERTY RIGHTS APPRAISED***

There are three primary types of property rights that may be appraised. They are Fee Simple Estate, Leased Fee Estate, and Leasehold Estate. They are defined as follows:

> ***FEE SIMPLE ESTATE***
>
> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat.
>
> ***LEASED FEE ESTATE***
>
> An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.
>
> ***LEASEHOLD ESTATE***
>
> The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

In this report, we have been asked to provide an opinion of value of the **FEE SIMPLE ESTATE** in the subject property.

[1] Code of Federal Regulations (CFR), Title 12, §34.42(g). *55 Federal Register* 34696, August 24, 1990, as amended at *57 Federal Register* 12202, April 9, 1992; *59 Federal Register* 29499, June 7, 1994.

***VALUE REPORTED***

Values are typically estimated on the basis of one or more of the following situation.

Market Value "As Is" on the Appraisal Date: Market Value "As Is" on the appraisal date is an opinion of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions or qualifications as of the date the appraisal is prepared.

Prospective Future Value Upon Completion of Construction: Prospective future value "upon completion" of construction is the prospective future value of a property on the date that construction, conversion or rehabilitation is completed, based upon market conditions forecast to exist as of that completion date. The value opinion at this stage of value should be stated in current dollars as of a current date.

Prospective Future Value Upon Reaching Stabilized Occupancy: Prospective future value "upon reaching stabilized occupancy" is the prospective future value of a property when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy at the market rent level. The value opinion at this stage of value should be stated in current dollars as of a current date.

In this report, we will provide an opinion of value "**AS IS**" in the Fee Simple Estate for the property as of July 2, 2012.

***TYPE OF REPORT***

According to the Uniform Standards of Professional Appraisal Practice, Standards Rule 2-2, an appraisal report must be prepared under one of the following three options: Self Contained Appraisal Reports, Summary Appraisal Reports, or Restricted Appraisal Reports. These three report types are described as follows:

***SELF-CONTAINED APPRAISAL REPORT***

Should contain all information significant to the solution of the appraisal problem. "Describe" is the distinguishing term related to the Self-Contained Appraisal Report.

***SUMMARY APPRAISAL REPORT***

Should contain a summary of all information significant to the solution of the appraisal problem. "Summarize" is the distinguishing term related to the Summary Appraisal Report.

***RESTRICTED APPRAISAL REPORT***

Should contain a brief statement of information significant to the solution of the appraisal problem. "State" is the distinguishing term related to the Restricted Appraisal Report.

This report is prepared as a **SELF-CONTAINED APPRAISAL REPORT.**

***INTENDED USE | USER***

'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'

It is our understanding that the appraisal will be used to aid the client with decisions regarding acquisition, financing, loan classification and/or asset disposition of the subject. The appraiser is not responsible for unauthorized use of this report. The value opinion reported herein is qualified by certain assumptions, limiting conditions, certifications, and definitions.

***DATE OF REPORT***

The date of this report is July 24, 2012.

***DATE OF INSPECTION***

The subject property was inspected on July 2, 2012.

***EFFECTIVE DATE OF VALUE***

The effective date of the "As Is" value is July 2, 2012.

***SPECIAL APPRAISAL INSTRUCTIONS***

There have been no special appraisal instructions for this assignment.

***GENERAL SCOPE OF WORK***

The following steps were completed for this assignment:

1. We identified the subject;
2. We understood and clearly stated the intended use and user of the report;
3. We applied appropriate appraisal methodology in accordance with USPAP;
4. We analyzed the comparable data to arrive at a probable range of value via each approach utilized;
5. We reconciled the results of each approach into a credible final opinion of value, as defined herein; and
6. We estimated a reasonable exposure time and marketing time associated with the value opinion.

As part of this appraisal, a number of independent investigations and analyses were conducted. In addition to data compiled by Fred H. Beck & Associates, LLC on a regular basis, the investigations undertaken and major data sources used are listed on the following pages.

***AREA AND NEIGHBORHOOD ANALYSIS***

An inspection of the neighborhood was conducted on July 2, 2012. Information on the surrounding area was obtained from various publications, our files, and discussions with real estate professionals familiar with the area. We used national data sources including *The Neilson Company* for demographic information. We interviewed brokers and other real estate professionals familiar with the commercial vacant land market in the greater Charleston County area.

***SITE DESCRIPTION AND ANALYSIS***

The site was inspected on July 2, 2012, at which time photographs were taken. We reviewed site plats provided to us by the owner for the two parcels. We compared the plats with tax records and a legal description, which were researched at the time of inspection.

***IMPROVEMENT DESCRIPTION AND ANALYSIS***

The property being appraised in this report is comprised entirely of vacant commercial land and there are no improvements on the site.

***SOIL ANALYSIS***

We were not provided with a soil analysis and therefore, no warranty is implied as to the suitability of the soil for development. The values developed herein are predicated upon the assumption that no adverse soil conditions exist and that the site contains adequate soils to support the integrity of any future structures that may be developed on the site in the future.

***ENVIRONMENTAL CONCERNS***

We are not qualified to detect potentially hazardous materials in the improvements or on the site, the existence of which may affect property value. We were not provided with an environmental site assessment. During the inspection, we walked the site and no items of potential environmental concern were noted. We have therefore specifically assumed that the site is not affected by any hazardous materials that could cause a loss in value.

***LEGAL CONSTRAINTS***

The subject property is located within the City limits of Charleston in Charleston County, South Carolina, and is subject to the provisions of the City of Charleston Zoning Ordinances. The property is zoned GB-A, General Business, in the Accommodations Overlay District. Other than zoning restrictions we are not aware of any encumbrances, encroachments, or easements, which would adversely affect the utility or marketability of the subject property.

***STATEMENT OF OWNERSHIP***

According to the Charleston County tax records, the property described in this report is currently owned by:

ASHLEY RIVER PROPERTIES II, LLC
95 RIPLEY POINT DRIVE
CHARLESTON, SC 29407-7598

***COST APPROACH***

A Cost Approach for the subject was not conducted as the property being appraised is vacant land with no improvements.

***INCOME APPROACH***

An Income Approach for the subject was not conducted as the property was not found to be an income producing property. Our investigation did not reveal the presence of any ground leases or any other income producing agreements for the subject.

***SALES COMPARISON APPROACH***

We researched area neighborhood for sales of similar sites that have occurred within the past several years. The same sources utilized in the Area and Neighborhood Analysis was utilized to obtain comparable land sales. We included only the most comparable sales in this report. Due to the limited number of recent comparable sales, we have also included a listing of a similar sized and zone site in close proximity to the subject to further support our value conclusion.

***EXTRAORDINARY ASSUMPTIONS***

We have made the following extraordinary assumptions:

1. 0.35 acres of the 4.08 acres is assumed to be encumbered with a cross-easement for parking which will serve as additional parking for the adjoining marina (under the same ownership). We have valued the marina in a separate appraisal.
2. The additional 1.51 acres of excess land consists of all highlands as no wetlands survey was provided to us and no reference to wetlands being present on the property was discovered during the normal course of researching the subject property.
3. The current tax parcel property lines are assumed to be abandoned and assembled with the adjacent parcels also owned by the owners of the subject property in order for the 1.51 acres of the subject property to be allowed to be used for the calculation of the density of the condominium units permitted and allowed by the City of Charleston zoning regulations.

Please refer to the typical Assumptions and Limiting Conditions in the Addenda for further clarification of the conditions significant to this assignment.

***HYPOTHETICAL CONDITIONS***

There are no hypothetical conditions in this assignment.

***JURISDICATIONAL EXCEPTIONS***

There are no jurisdictional exceptions in this assignment.

***SUPPLEMENTAL STANDARDS***

Our firm has a Master Agreement and an executed engagement letter from the client, a copy of which is provided in the addenda of this report.

**Testimony, Consultation, Completion of Contract for Report Services**

The contract for report, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report, unless otherwise specified. **Fred H. Beck & Associates, LLC** or those assisting in preparation of the report, will not be asked or required to give testimony in court or hearing because of having made the report, in full or in part, nor engage in post report consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless if issuing party.

## HISTORY OF PROPERTY

The current owners acquired the properties on July 24, 2003 from RIPLEY LIGHT DEVELOPMENT, LLC. This transaction is recorded in Deed Book E480, Page 16 of the Charleston County RMC office. The transaction was between related parties. We are unaware of any other transfers of ownership within the previous three years. To the best of our knowledge, the subject properties are not currently under contract. At the time of inspection, the two parcels were vacant land and were being used for overflow parking for the adjacent Ripley Yacht Club Marina which ASHLEY RIVER PROPERTIES II, LLC also owns.

We previously learned in early 2011 while performing an appraisal on this property that there were eleven pre-sold condominium units ranging from $1,650,000 to $2,000,000 in 2005/2006. Since the presales, the market began to retract in 2006 for condominium units in Charleston and subsequently, the owners decided not to go forward with plans for the development of the condominium units at that time.

Our recent discussions with the owners as of the effective date of this appraisal, indicated to us they are going to hold this excess land until the economic and real estate market conditions once gain allow for its development. Once this occurs, the owners indicated the originally approved 80 unit high end condominium units may or may not be developed. One of the other permitted uses for the excess land's zoning district may be considered to be the better highest and best use of the excess land once the economic and real estate market conditions improve. The owners will assess the market conditions and demands for the various types of uses at that time to determine which use would be financially feasible and result in the maximally productive use of the land as of that point in time.

However, we are still of the opinion that the use that would result in maximizing the highest return on the land (and therefore be the highest and best use for the subject property) would be for its future development with high end residential condominium units (please see the Highest and Best Use section presented later in this report for a more detailed discussion).

Finally, per the owners, the subject property is not for sale at the present time. Further, we are unaware of any current pending contracts, existing leases, or options to purchase all or portions of the subject property as of the effective date of this appraisal.

## MARKETING TIME AND EXPOSURE TIME

The marketability analysis focuses on marketing time and exposure time, both of which are functions of time, price, use, and market conditions. The *market conditions* component distinguishes marketing time from exposure time because these two conditions often differ in a dynamic market. USPAP defines **MARKETING TIME** as "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal." Marketing time is always presumed to *precede* the effective date of an appraisal.[2] USPAP defines **EXPOSURE TIME** as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.[3]

The subject property consists of two contiguous vacant parcels containing 1.80 net acres and 2.28 net acres, respectively. The most likely purchaser would be either an owner-user or a land developer, both of whom would have the ability to purchase and hold the property until the market conditions once again became feasible for it to be improved with a high density residential condominium development or luxury hotel development.

Discussions with real estate brokers within the market indicated that given a reasonable asking price and marketing efforts, as well as the taking into consideration the current condition of the real estate market, an **exposure** and **marketing time** of **twelve to eighteen months** would be realistic in locating a likely qualified buyer for the site. Based on conversations with commercial real estate brokers typical sales commissions on properties such as the subject would be approximately three to five percent.

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[2] *Uniform Standards of Professional Appraisal Practice* and *Advisory Opinions*, 2012-2013 ed. Washington, DC: The Appraisal Foundation. 2012. Advisory Opinion 7, Page A-13, Lines 14-18.

[3] *Uniform Standards of Professional Appraisal Practice* and *Advisory Opinions*, 2012-2013 ed. Washington, DC: The Appraisal Foundation. 2012. Definitions, Page U-3, Lines 73-77.

## METROPOLITAN PROFILE
## CHARLESTON METROPOLITAN REGION, SOUTH CAROLINA

The constantly changing nature of economic relationships within a given area, as shaped by the forces controlling future growth and development, will have a direct bearing on the whole spectrum of economic activity, including the long term value of real estate investments. The purpose of this section of the report is to isolate and examine those economic trends and forces prevalent in the Charleston market that influence and create value. Since real estate is an immobile asset, the economic trends and forces that affect the subject's quality of location in relation to other competing facilities within its market area, are to be fully evaluated. Past and probable future trends affecting the economic structure of the market area are studied, including the analysis of foreseeable changes.




### *LOCATION*

The Charleston Trident Metropolitan Region is comprised of Berkeley, Charleston and Dorchester Counties. The Trident area stretches along the central and southern South Carolina coast with 90 miles of Atlantic coastline in an inland depth that extends 50 miles inland. The Trident area consists of approximately 26 incorporated communities ranging in population from 88 (Jamestown) to nearly 98,000 (Charleston). The Trident metropolitan area contains approximately 3,163 square miles. This area is primarily influenced by four major economic sectors - the Military, the Port of Charleston, the visitor industry and the medical community.

| CHARLESTON, SC - DISTANCE TO SELECT CITIES | | | | | |
|---|---|---|---|---|---|
| Charlotte, NC | Northwest | 160 miles | New York, NY | Northeast | 768 miles |
| Chicago, IL | Northwest | 906 miles | Washington, DC | Northeast | 532 miles |
| Miami, FL | South | 590 miles | Atlanta, GA | Northwest | 291 miles |

SOURCE: Synergos Technologies, Inc. | www.ersys.com

Charleston has long been an important seaport in the center of a rich agricultural region. It is also a nationally known resort and convention city. Progress has been made in recent years in industrial development due to the sea port facilities and the favorable business climate. The following are two examples of the increasing economic development of the Trident area.

- Charleston is home to the largest containerized port on the Southeast and Gulf coasts, second only to the combined ports of New York and New Jersey.
- Seventeen International companies operate in the Trident region and produce more than 25 percent of the manufacturing jobs in the region.

The impact of the closing of the Charleston Naval Shipyard, which was accepted by Congress in 1993, led to some economic uncertainty. The base was physically closed in October 1995 and completely closed in April 1996. The impact of the shipyard closure will be addressed in detail later in this section. Charleston is the largest business and financial center for southeastern section of South Carolina. The economy of the tri-county area has expanded steadily over the past couple of years. Manufacturing, the military, the State Ports Authority, and tourism combined to enhance the Trident area's economy.

More than eight million tons of cargo passes through the Port of Charleston each year. As the largest containerized cargo port on the Southeast Atlantic and Gulf coasts and the seventh largest nationwide, the port annually handles over 6.8 million tons of cargo and employs an estimated 17,000 people. Confidence in the port's expanding future is evident in BMW Corporation's decision to import/export from these docks. The Port of Charleston is expected to be a cornerstone of the Trident area's economic growth.

***POPULATION TRENDS AND PROJECTIONS***

The Trident area has seen steady population growth over the past seventeen years. Please refer to the chart below for population statistics for the City of Charleston, Charleston County, and the Charleston MSA.

**AREA POPULATION STATISTICS**

| Area | Census 1990 | Census 2000 | Annual Change | Estimate 2011 | Annual Change | Projection 2016 | Annual Change |
|---|---|---|---|---|---|---|---|
| City of Charleston | 96,102 | 96,650 | 0.1% | 120,908 | 2.1% | 127,272 | 1.0% |
| Charleston County | 295,039 | 309,969 | 0.5% | 363,282 | 1.5% | 384,544 | 1.1% |
| Charleston, SC MSA | 506,875 | 549,033 | 0.8% | 679,558 | 2.0% | 734,132 | 1.6% |

Source: The Nielsen Company

The City of Charleston has experienced very slight growth since 1990 through 2000 which continued with a slightly higher growth factor of 2.1% for the period 2000-2011.

This growth factor is also projected for the years 2011 through 2016. Charleston County and the Charleston MSA have experienced similar type growth rates over the past two decades and are projected to have similar growth rates as the city through the year 2016. The historical and projected household statistics for Charleston, Charleston County, and Charleston MSA are presented in the following table:

**AREA HOUSEHOLD STATISTICS**

| Area | Census 1990 | Census 2000 | Annual Change | Estimate 2011 | Annual Change | Projection 2016 | Annual Change |
|---|---|---|---|---|---|---|---|
| City of Charleston | 36,669 | 40,791 | 1.1% | 51,047 | 2.1% | 54,809 | 1.4% |
| Charleston County | 107,069 | 123,326 | 1.4% | 148,592 | 1.7% | 160,372 | 1.5% |
| Charleston, SC MSA | 177,668 | 207,957 | 1.6% | 262,267 | 2.1% | 289,910 | 2.0% |

Source: The Nielsen Company

The household statistics are basically similar to and mirror the population growth figures for the City of Charleston, Charleston County and the Charleston MSA.

***AREA INCOME STATISTICS***

The Trident area has seen steady income growth over the past five years. Please refer to the chart below for the 2011 income statistics for comparisons of the City of Charleston, Charleston County, and the Charleston MSA.

**2011 INCOME STATISTICS**

| Area | Average Household | Median Household | Per Capita |
|---|---|---|---|
| City of Charleston | $62,893 | $44,579 | $26,913 |
| Charleston County | $64,923 | $46,262 | $26,876 |
| Charleston, SC MSA | $62,822 | $47,980 | $24,545 |

Source: The Nielsen Company

***MAJOR EMPLOYERS***

The 25 largest employers in the Charleston MSA are detailed in the following table:

**LARGEST EMPLOYERS - CHARLESTON, SC MSA**

**Largest Public Sector Employers, Charleston S.C. MSA**

| Company | Product or Service | Employees |
|---|---|---|
| Joint Base Charleston | Area U.S. military commands | 22,000 |
| Medical University Of South Carolina (MUSC) | Hospital, post-secondary education, research | 11,000 |
| Charleston County School District | Education/public schools | 7,200 |
| Berkeley County School District | Education/public schools | 3,650 |
| Dorchester County School District II | Education/public schools | 2,800 |
| Charleston County | Local government | 2,150 |
| City of Charleston | Local government | 1,800 |
| College Of Charleston | Post secondary education | 1,270 |
| Santee Cooper | Electric and water utility | 1,200 |
| U.S. Postal Service | Postal service | 1,200 |

**Largest Private Sector Employers, Charleston S.C. MSA**

| Company | Product or Service | Employees |
|---|---|---|
| Roper St. Francis Healthcare | Roper and Bon Secours St Francis Hospitals | 4,800 |
| Boeing Charleston | Aircraft manufacturing | 3,000 |
| JEM Restaurant Group Inc. | Taco Bell and Pizza Hut Franchises in the MSA | 3,000 |
| Trident Health System | Hospital system | 2,500 |
| Walmart Inc. | Retail merchandise | 2,300 |
| Piggly Wiggly Carolina Co Inc. | Grocery wholesaler/retailer headquarters, distribution center | 1,900 |
| SAIC | System engineering and integration services | 1,800 |
| Evening Post Publishing Company | Information (print & broadcast) | 1,500 |
| Robert Bosch LLC | Antilock brake systems, fuel injectors, common rail & unit injectors | 1,475 |
| Bi-Lo Stores | Charleston area retail grocery stores | 1,350 |
| Force Protection Inc. | Mine-protected vehicles, military class vehicles | 1,300 |
| Blackbaud, Inc. | Specialty computer software development & design | 1,150 |

Source: Center for Business Research, Charleston Metro Chamber of Commerce, 10/2010

The four largest employers in the Charleston region are the US Navy, The Medical University of SC, The U.S. Air Force, and The Charleston County School District. Historically, Charleston's largest employer has been the United States Navy; however, this changed with the 1993 announcement that the Charleston Naval Base and Shipyard would be closed, resulting in the imminent loss of 33,000 active, civilian and contract military jobs. The area's military have an annual economic impact estimated at $3.3 billion

The Building Economics Solutions Together committee (BEST) was formed to pursue alternative uses for the Charleston Naval Base in the areas of job creation and business development. The naval base and shipyard contain 2.3 million square feet of industrial space, 1.8 million square feet of warehouse space, and 2.2 million square feet of office space. The success of the committee's efforts to find an alternative use for the naval base can considerably lessen the base closure's impact on the Trident area economy. It has been learned that the Naval Electronics Systems Engineering Center (NAVALEX) facility will not be closed, and will undergo expansion. The three Naval Electronic Divisions are being consolidated to form the new NISE East Complex. The Charleston Naval Weapons Station will also remain in operation and a new army depot will replace POMFLANT. Other military users in the Trident area include the United States Air Force and the Coast Guard, which have major bases in the area, and are not being phased out.

One of the largest industries in the Trident area is tourism, which attracts over 4,000,000 visitors annually. The total estimated annual impact of the visitor industry is estimated at more than $3 billion, providing around 34,000 jobs. Popular visitor attractions in the Trident area include the Maritime Museum at Patriot's Point, which features the aircraft carrier, Yorktown. Other sites include Fort Sumter, Charlestown Landing, as well as the downtown market area. An event in the area that attracts visitors is the Spoleto Festival, a three-week festival at the end of May and the beginning of June. The Spoleto Festival has been held in Charleston since 1977 and is a nationally recognized festival of the performing arts. Charleston has both a Spring Festival of House and Gardens and a Fall Tour of Homes. Both of these events are a month long and offer tours of antebellum homes not normally open to the public. Another major event is the Southeastern Wildlife Exposition, which is considered to be the largest Wildlife exposition in the country. The Wildlife Exposition is held for one weekend in February and attracts over 40,000 visitors.

The largest manufacturers in the Trident area are The Robert Bosch Corporation; Force Protection, Inc.; Global Aeronautica, LLC; KapStone Paper & Packaging Corp.; Nucor Steel; Boeing Co.; Alcoa Mt. Holly; Caterpillar Remanufacturing Services; Cummins Turbo Technologies; and CR Bard, Inc. This industry, especially defense-related contractors, experienced the negative effects of the Charleston Naval Base closure, as well as reduced military spending; however, after September 11, 2001, military spending has resumed. It should be noted, however, that the Trident Economic Development Authority has reported strong interest from national as well as international manufacturing firms wishing to locate in the Trident area. One such company is Boeing Corporation which is relocating the majority of their "Dreamliner" manufacturing to North Charleston.

Construction has recently been completed on the 1.2 million square foot final assembly and delivery facility of the 787 "Dreamliner" in the North Charleston area, and production has already begun. The operation is said to generate nearly 4,000 jobs for the area and an investment of over $750 million.

***LABOR FORCE***

The chart below illustrates the most recent employment figures for the City of Charleston, Charleston County, Charleston MSA, the State of South Carolina, and the United States.

| LABOR FORCE STATISTICS | | | | | | | |
|---|---|---|---|---|---|---|---|
| Annual Average of Year: | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | May-12 |
| ***City of Charleston*** | | | | | | | |
| Total Civilian Labor Force | 57,377 | 58,368 | 58,343 | 58,672 | 58,469 | 61,204 | 61,799 |
| Total Employment | 54,203 | 55,356 | 54,991 | 52,782 | 53,524 | 56,659 | 57,309 |
| Total Unemployment | 3,174 | 3,012 | 3,352 | 5,890 | 4,945 | 4,545 | 4,490 |
| Unemployment Rate | 5.5% | 5.1% | 5.7% | 10.0% | 8.5% | 7.4% | 7.3% |
| ***Charleston County*** | | | | | | | |
| Total Civilian Labor Force | 172,913 | 176,205 | 176,873 | 176,195 | 176,357 | 176,222 | 177,237 |
| Total Employment | 164,178 | 167,671 | 167,505 | 160,103 | 160,330 | 161,629 | 163,483 |
| Total Unemployment | 8,735 | 8,534 | 9,368 | 16,092 | 16,027 | 14,593 | 13,754 |
| Unemployment Rate | 5.1% | 4.8% | 5.3% | 9.1% | 9.1% | 8.3% | 7.8% |
| ***Charleston MSA*** | | | | | | | |
| Total Civilian Labor Force | 306,292 | 312,168 | 320,000 | 322,308 | 322,107 | 328,688 | 330,648 |
| Total Employment | 290,308 | 296,485 | 302,080 | 290,964 | 291,941 | 300,915 | 304,367 |
| Total Unemployment | 15,984 | 15,683 | 17,920 | 31,344 | 30,166 | 27,773 | 26,281 |
| Unemployment Rate | 5.2% | 5.0% | 5.6% | 9.7% | 9.4% | 8.4% | 7.9% |
| ***State and National Rates*** | | | | | | | |
| South Carolina | 5.2% | 4.8% | 6.9% | 11.7% | 11.2% | 10.3% | 9.3% |
| United States | 5.1% | 4.6% | 7.2% | 10.0% | 9.4% | 8.5% | 8.2% |
| Source: US Bureau of Labor Statistics | | | | | | | |

As of May 2012 (latest data available) the unemployment rate for the City of Charleston was 7.3% and the Charleston MSA was 7.9%. Charleston County reported an unemployment rate of 7.8%, while the State of South Carolina and the United States reported unemployment rates of 7.9% and 8.2%, respectively.

The following chart illustrates the employment sector breakdown in Charleston, Charleston County and the Charleston MSA:

| EST 2011 EMPLOYMENT STATISTICS | Charleston | | Charleston Co. | | Charleston MSA | |
|---|---|---|---|---|---|---|
| Description | Total | % Tot | Total | % Tot | Total | % Tot |
| **OVERALL CLASSIFICATION** | | | | | | |
| For-Profit Private Workers | 39,133 | 68.0% | 119,991 | 69.8% | 226,592 | 70.9% |
| Non-Profit Private Workers | 3,705 | 6.4% | 9,355 | 5.4% | 16,826 | 5.3% |
| Local Government Workers | 3,896 | 6.8% | 10,939 | 6.4% | 22,539 | 7.1% |
| State Government Workers | 5,651 | 9.8% | 14,834 | 8.6% | 23,186 | 7.3% |
| Federal Government Workers | 1,692 | 2.9% | 6,078 | 3.5% | 12,718 | 4.0% |
| Self-Employed Workers | 5,730 | 10.0% | 18,311 | 10.7% | 28,790 | 9.0% |
| Unpaid Family Workers | 34 | 0.1% | 134 | 0.1% | 359 | 0.1% |
| Total Employment | 57,512 | 104.0% | 171,893 | 104.5% | 319,412 | 103.6% |
| **INDUSTRY CLASSIFICATION** | | | | | | |
| Architect/Engineer | 987 | 1.7% | 3,070 | 1.8% | 6,114 | 1.9% |
| Arts/Entertain/Sports | 1,575 | 2.7% | 4,032 | 2.3% | 5,152 | 1.6% |
| Building Grounds Maint | 2,148 | 3.7% | 6,475 | 3.8% | 11,564 | 3.6% |
| Business/Financial Ops | 2,398 | 4.2% | 6,403 | 3.7% | 11,512 | 3.6% |
| Community/Soc Svcs | 1,002 | 1.7% | 2,700 | 1.6% | 4,914 | 1.5% |
| Computer/Mathematical | 1,372 | 2.4% | 3,627 | 2.1% | 6,489 | 2.0% |
| Construction/Extraction | 2,151 | 3.7% | 8,699 | 5.1% | 18,391 | 5.8% |
| Edu/Training/Library | 3,959 | 6.9% | 10,323 | 6.0% | 18,055 | 5.7% |
| Farm/Fish/Forestry | 137 | 0.2% | 454 | 0.3% | 924 | 0.3% |
| Food Prep/Serving | 4,656 | 8.1% | 11,924 | 6.9% | 20,219 | 6.3% |
| Health Practitioner/Tec | 4,621 | 8.0% | 13,035 | 7.6% | 20,040 | 6.3% |
| Healthcare Support | 1,053 | 1.8% | 3,145 | 1.8% | 5,823 | 1.8% |
| Maintenance Repair | 1,585 | 2.8% | 5,597 | 3.3% | 14,410 | 4.5% |
| Legal | 1,300 | 2.3% | 2,891 | 1.7% | 4,031 | 1.3% |
| Life/Phys/Soc Science | 536 | 0.9% | 1,402 | 0.8% | 2,478 | 0.8% |
| Management | 5,670 | 9.9% | 17,827 | 10.4% | 31,652 | 9.9% |
| Office/Admin Support | 6,635 | 11.5% | 20,894 | 12.2% | 42,656 | 13.4% |
| Production | 2,030 | 3.5% | 6,619 | 3.9% | 18,340 | 5.7% |
| Protective Svcs | 796 | 1.4% | 3,027 | 1.8% | 6,941 | 2.2% |
| Sales/Related | 8,190 | 14.2% | 24,212 | 14.1% | 40,984 | 12.8% |
| Personal Care/Svc | 2,049 | 3.6% | 5,784 | 3.4% | 9,293 | 2.9% |
| Transportation/Moving | 2,662 | 4.6% | 9,753 | 5.7% | 19,430 | 6.1% |
| Total Employment | 57,512 | 100.0% | 171,893 | 100.0% | 319,412 | 100.0% |

Source: The Nielsen Company

***TRANSPORTATION***

The Charleston International Airport currently serves over 1.4 million passengers annually, with seven major airlines offering over 90 flights per day to national and international destinations. The major airlines serving the airport include Continental, Delta, USAir, and

Midway. The Trident area has six private airports in addition to the international airport, to accommodate both corporate and private aircraft. There are approximately 100 motor freight carriers serving the Trident area. Also serving the Trident region is the Norfolk Southern, the CSX system, as well as the South Carolina Railroad Commission. The interstate highways serving the Trident area are Interstate 26, which is an east/west interstate which intersects with Interstate 95 (a north/south interstate) about 50 miles northwest of Charleston. Interstate 26 also intersects Interstate 77 (a north/south interstate) in Columbia, South Carolina. In addition to Interstate service, five major U.S. highways and eleven major state highways also serve this area. Forming a semi-circle across the region is Interstate 526, the Mark Clark Expressway, which is a 19-mile freeway connecting Mt. Pleasant, North Charleston, and the West Ashley area of Charleston.

***TOURISM***

Tourism is the second largest industry in the Trident area, attracting over 4,000,000 visitors annually and pumping in excess of $3.0 billion into the local economy. Charleston promotes itself as "America's Most Historical City" and attracts affluent tourists who appreciate the historic architecture and character of the downtown area. Charleston consistently ranks in the top 10 most popular tourist destinations in the United States, and in the top 20 in the world. Charleston has a wide array of hotels, motels, and inns for the pleasure and business traveler. Primary visitor attractions in the Charleston area include Fort Sumter, Charlestowne Landing, and the Maritime Museum at Patriot's Point which features the aircraft carrier Yorktown, which is the state's number one paid destination for tourists. Since 1977, Charleston has been the home to Spoleto Festival USA. The success of this three-week festival held in May/June has established Charleston as the site of the nation's premiere festival of performing arts. The Southeastern Wildlife Exposition, held in February, is the largest wildlife art exposition in the country and is the busiest tourist weekend of the year with over 40,000 upscale visitors attracted annually.

***SHIPPING***

The Port of Charleston is the largest containerized port on the South Atlantic and Gulf Coasts and is second only to the combined ports of New York and New Jersey on the entire east coast. According to port officials, over 11.03 million tons of cargo was handled through Charleston's terminals in 2008. This was more than a 5% decrease from the 11.7 million ton total for 2007. The Port of Charleston ended fiscal 2009 with a nearly 20 percent decline in container traffic. The Port has four inter-model facilities, which handle container, bulk, and break-bulk cargo. These facilities have been operating at capacity levels, which have resulted in relatively flat tonnage growth. The Port spent $100 million in 1994 to expand the Wando Terminal facility in Mount Pleasant. This expansion helped solve the existing capacity problem at the other terminals. In addition, the Port is

constructing a new container terminal facility in North Charleston which will expand capacity by 50% and the SPA inked an 8-year deal with Mediterranean Shipping Company in May 2009. These expansion plans will allow the Port of Charleston to continue to grow and compete effectively with other ports.

***HEALTH CARE***

With a combined employment of nearly 16,000 and an economic impact in excess of $1 billion annually, the regions' hospital and health care community are of increasing importance to the area's overall economy. There are 10 full service hospitals with a total of 2,161, beds in the Trident region. Two new hospitals were built in Charleston during the 1990s. St. Francis Hospital opened a 160 bed full service hospital in West Ashley in December 1996, and Roper Hospital opened the Roper North in West Ashley in the summer of 1995, offering emergency and outpatient services with 104 beds. Additional medical services for the area are provided by the Ronald McDonald House, several nursing homes, convalescent homes, children's hospitals, psychiatric hospitals, and a private alcoholism/drug dependency treatment facility.

***COLLEGES AND SCHOOL SYSTEM***

The Trident area has an excellent array of public/private schools, colleges, and universities. There are four colleges/universities, a medical university, a culinary arts college, two technical colleges, a good public school system, and 25 private and parochial schools. The College of Charleston is a four-year, state-assisted, liberal arts institution offering 34 undergraduate degree programs. In conjunction with the college, the University of Charleston offers 10 graduate degree programs. The College of Charleston was founded in 1770, and is the oldest institution of higher learning in South Carolina and the 13th oldest in the nation. The Citadel, founded in 1842, is a state-assisted military college which until recently was all male. The Citadel philosophy combines classroom requirements with a military environment, which emphasizes discipline, responsiveness and leadership. Charleston Southern University opened in 1964 as the only church-affiliated college in the area. Today it is the second largest private university in the state, with 28 undergraduate degrees along with masters in business administration, education, and teaching. The Medical University of South Carolina (MUSC) is the oldest medical school in the South, and forms the core of the state's largest medical complex. Established in 1824, it is located in historic downtown Charleston. Trident Technical College is a public two-year institution founded in 1964 to provide accessible, practical, high-quality education. The college emphasizes practical, marketable job skills through comprehensive and updated technical programs. Other colleges and universities in the Charleston area include Johnson and Wales Culinary University, Webster University and Limestone College.

***GOVERNMENT SERVICES***

Management of local government varies between city and county governments in the Trident area. Charleston County has a county-administrator form of government. The City of Charleston is governed by an elected mayor and 12 city council members. Municipal water and sewer is provided by the Commissioners of Public Works of the City of Charleston. Both the water and sewer systems are modern and have been adequately planned for expansion. South Carolina Electric and Gas Company provide the electricity and natural gas for the majority of Charleston County and Southern Bell provides the primary telephone service. Their rates are competitive compared to other cities in the state. The Trident area's various municipalities have zoning departments, land use plans, and building codes, which govern how a property can be developed. These controls have created a general conformity of development in the Trident area.

***CONCLUSION***

The social, economic, governmental, and environmental forces that influence real estate values appear to be in balance in the Trident area. Despite the closure of the Charleston Naval Base and Shipyard in 1996 and the subsequent BRAC re-alignments of 2005, the Charleston area has and continues to show signs of improvement. The expansion of the port is likely to create a significant number of new jobs during the next several years as more and more companies relocate to Charleston. Due to the current struggling economic and housing market which is evident in this market as well as the entire country, property values, for the most part, have been declining. However, because the region is not dependent on any one single industry or business sector, the area is poised to weather the latest economic downturn much better than other areas dominated by one particular industry. The anticipated growth in population, increased tourism, and expanded port operations should lessen the economic repercussions of the recession.

## DESCRIPTION OF THE NEIGHBORHOOD

***DEFINITION***

Within a community, there is a marked tendency toward the grouping of land uses. The areas devoted to these various uses are termed "physical neighborhoods". Neighborhood use in this context is further defined as follows:

> "A portion of a larger community, or an entire community, in which there is a homogenous grouping of inhabitants, buildings or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interests and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well defined, natural or man-made barriers or they may be, more or less, well defined by distinct change in land use or in the character of the inhabitants."

***LOCATION/BOUNDARIES***

The subject neighborhood is situated along the Ashley River to the west of downtown Charleston. The subject is less than 1 mile west of the Central Business District and main attractions of Charleston. For purposes of this analysis, neighborhood boundaries include US Highway 17 to the north; the Intracoastal Waterway to the south; the Ashley River to the east; and State Highway 171 to the west. For further information and an understanding of the neighborhood boundaries, please refer to the maps included in this report.

***LAND USE PATTERNS***

The land use patterns within the neighborhood consist of residential, commercial and recreational uses. The subject property is part of a larger planned development that includes an existing 87-wet slip private marina (Ripley Light Yacht Club). While land uses differ, we believe they are complementary of the area and buffered by natural land breaks. Commercial development includes the following:

| Albemarle Road | Ashley Point Road | Ripley Point Drive |
|---|---|---|
| Porter Gaud School | California Dreaming Restaurant | Springhill Suites |
| Surgical Associates | LaQuinta Hotel | Residence Inn |
| Golds Gym | Ripley Cove Marina & Dry Storage | Former Vue at Ripley Point |
| | | Ripley Light Yacht Club |

***ACCESS/TRAFFIC CORRIDORS***

Primarily access into the community is via US Highway 17, a four-lane highway, which runs in a north/south direction and provides the neighborhood with access to the central business district and main attractions of Charleston to the northeast and State Route 30 which provides access to James Island to the south.

***UTILITIES***

The subject neighborhood is situated in an area served by the Charleston City Utilities Department. Our conversations with representatives of this agency indicate that the neighborhood is served by public water and sewer service.

***ZONING***

Zoning in the neighborhood is under the jurisdiction of the City of Charleston. The primary zoning is GB-A – General Business - Accommodations District. The specifics of the GB-A District are discussed later in this report.

***ENVIRONMENTAL CHARACTERISTICS***

The primary environmental characteristics to be considered are any nuisances or hazards as a result of the land uses within the subject neighborhood. At the time of inspection no nuisances or hazards were noted. However, we are not experts in the determination and detection of environmental hazards. Please see the Assumptions and Limiting Conditions in this report.

***SUMMARY***

The subject neighborhood is situated just west of Charleston's central business district and main attractions, where demographic and economic characteristics favor a developing area. Historically strong employment figures in the region, a good transportation network and a traditionally strong real estate market for residential development suggests that the subject neighborhood should once again be a desirable location once current economic conditions improve.

However, the downturn in the economy and the real estate market conditions that started in early 2007 have continued to this date and have exerted downward pressure on all types of real estate and their values. According to brokers and real estate professionals we spoke with, the addition of the new Boeing plant and the associated suppliers has been a real boost to the local economy as well as the confidence level that things are beginning to turnaround from an economy standpoint. It is thought that the local economy should continue to improve however at a cautiously slow rate. During the projected rebounding/recovery periods of 2012 and beyond, we are of the opinion that the real estate values will begin to increase in value in correlation with the recovery.

In considering the four life cycles that neighborhoods generally have (growth, stability, decline and revitalization), the neighborhood is considered to be in the ***stable*** stage. In the past, the area has continued to have increasing property values due to the location of the neighborhood.

## SITE DESCRIPTION

***INTRODUCTION***

For presentation purposes, we will analyze the two vacant parcels separately since they have varying size characteristics. The parcels will be identified as Parcel A and Parcel B. Plat maps are provided in the Addenda.

**PARCEL A**

Parcel A contains 2.28 net acres and is located nearest the corner of Ripley Point Drive and SC Highway 61. This property has 175.85 linear feet of road frontage on Highway 61 and 631.93 linear feet of road frontage on Ripley Point Drive. The property also has 606.10 linear feet of frontage on its' southerly boundary line. This property does not have significant frontage on the canal which is used by the marina, but does have some canal views to the southeast.

This parcel is rectangular in shape and has a level topography. We reviewed the Federal Emergency Management Agency's Flood Insurance Rate Map Community Panel Numbers 45019C0514 J, revised November 17, 2004. According to this source, the subject property appears to be located in Zones AE & VE Elevation 13, A7 Elevation 14, and Velocity Level V7 Elevation 14.

We have performed neither soil nor subsoil analyses; therefore, no warranty should be assumed by the reader as to the suitability of the soil for proposed or existing development. During the inspection, we conducted a visual survey of the subject property for environmental hazards, at which time no obvious environmental hazards were noted. However, due to the fact that we are not soil scientists, the values rendered herein are predicated upon the assumption that no adverse soil conditions exist, and should further testing prove otherwise, we reserve the right to amend those values.

Parcel A is zoned GB-A by the City of Charleston Zoning Ordinance. Easements affecting the property include typical utility easements granted to public utilities and municipalities for service lines. We are not aware of any other legal constraints that would be detrimental to the site's value or marketability. As of the date of inspection, the property had access to all available public utilities. The utilities are considered adequate to serve the subject site.

**PARCEL B**

Parcel B contains 1.80 net acres of land area and is located east of Parcel A. Parcel B shares a boundary line with Parcel A, a distance of 141.72 linear feet. This parcel is not

visible from SC Highway 61. The property is bounded to the south by the canal that serves Ripley Light Yacht Club Marina and has 437.50 lineal feet on the canal. The northern boundary is the right-of-way of Ripley Point Drive and the subject parcel has 464.13 linear feet on this roadway. This parcel also abuts the land utilized as Ripley Point Yacht Club Marina a distance of 60.84 linear feet. The property has significant immediate views of the canal and marina, and beyond the marina, the waters of the Ashley River, the James Island Connector Bridge and to a lesser extent, Charleston Harbor.

This parcel has an irregular shape, is somewhat rectangular and has a level topography. We reviewed the Federal Emergency Management Agency's Flood Insurance Rate Map Community Panel Numbers 45019C0514 J, revised November 17, 2004. According to this source, the subject property appears to be located in Zones AE & VE Elevation 13, A7 Elevation 14, and Velocity Level V7 Elevation 14.

We have performed neither soil nor subsoil analyses; therefore, no warranty should be assumed by the reader as to the suitability of the soil for proposed or existing development. During the inspection, we conducted a visual survey of the subject property for environmental hazards, at which time no obvious environmental hazards were noted. However, due to the fact that we are not soil scientists, the values rendered herein are predicated upon the assumption that no adverse soil conditions exist, and should further testing prove otherwise, we reserve the right to amend those values.

Parcel B is zoned GB-A by the City of Charleston Zoning Ordinance. Easements affecting the property include typical utility easements granted to public utilities and municipalities for service lines. We are not aware of any other legal constraints that would be detrimental to the site's value or marketability. As of the date of inspection, the property had access to all available public and private utilities lines. The utilities are considered adequate to serve the subject site.

***SUMMARY***

The subject parcels are well suited for development. They are centrally located and immediately convenient to Ripley Light Yacht Club Marina, as well as entertainment venues, shopping, local hospitals, schools and numerous places of employment. Access to all of these areas is less than five miles. There are no known detrimental uses in the immediate vicinity. It is our opinion that the parcels do not have any characteristics that would impede its development potential to its highest and best use, as if vacant. Based on our inspection, the parcels comprising the subject property are functionally adequate in each of the categories discussed above.

## TAX AND ASSESSMENT DATA

South Carolina has no state property taxes and no intangibles tax. Local taxing authorities levy real and personal property taxes, which in the case of the subject, is the City of Charleston and Charleston County. The formula for the calculation of real property taxes in South Carolina is as follows:

**(Market Value) x (Assessment Ratio) x (District Millage Rate) = Tax Burden**

***FAIR MARKET VALUE***

According to the county tax office, the subject parcels identified in this report are tax map reference number 421-11-00-054 (Parcel A of 2.28 net acres), and 421-11-00-274 (Parcel B of 1.80 net acres). All totaled, the parcels comprise 4.08 acres of land area.

SC state law requires that all real property be taxed fairly and equitably at 100% of FMV. The most recent reassessment in Charleston County was effective on January 1, 2005. The next reassessment was scheduled to be implemented in 2010, but was postponed by ordinance to a 2011 implementation. Postponement does not affect the date of value (2010) that will be used for reassessment. It only affects the time period that taxpayers are notified of value changes and when taxes are based on the new values. After a property is added to the tax rolls, its FMV does not change unless physical changes are made or a new revaluation cycle occurs. For the year 2011, the reassessment has been applied to the real properties in the County.

The subject parcels appraised values based on the most recent reassessment in 2011 are $1,769,000 (421-11-00-054, Parcel A of 2.28 net acres) and $1,976,000 (421-11-00-274, Parcel B of 1.80 net acres), which are both based on the land area only. The Charleston County 2012 fair market and assessed values and millage rates for real estate tax purposes have yet to be estimated and will not be ready until early September of this year.

The South Carolina General Assembly made a change in the constitutional language in June of 2006 regarding property tax valuation, which requires taxes on real property to be laid upon the "actual value" of the property. First, the General Assembly had to redefine the "fair market value" of real property, when real property has been improved or losses have occurred to change the value of the real property, and when an "assessable transfer of interest" has occurred. The actual sales price of a property must therefore be considered when the county assessor's reassess a property.

These changes were designed to overcome any legal argument based upon the plain meaning of "fair market value" preventing the changes the General Assembly has proposed to the property tax system. The changes also allow the General Assembly more latitude in creating the mechanics of implementing the proposed property tax system changes. That change states that real property shall be valued by the method prescribed by the General Assembly so that, after adjusting for improvements and losses, its value does not increase by more than fifteen percent every five years, unless the real property is transferred. This is the fifteen percent cap on increases in value resulting from reassessment. The cap is cumulative, meaning that the increase in value is calculated upon the last value and not a base year.

However, the subject property parcels have both been under the same ownership and not transferred since the last reassessment that was done by the County in 2005. As this is the case, the subject property's real estate taxes for both parcels for the year 2011 have been calculated and based upon this fifteen percent cap on increases in value resulting from reassessment as described above. The previous fair market values as of 2010 for the parcels were $853,000 (421-11-00-054, Parcel A of 2.28 net acres) and $1,491,000 (421-11-00-274, Parcel B of 1.80 net acres). Therefore the capped values used for the calculations of the real estate taxes for the year 2011 (payable in January 2012) for the parcels are **$980,900** (Parcel A= $853,000 x 1.15 = $980,950 capped value – which the County has rounded to $980,900) and **$1,714,650** (Parcel B= $1,491,000 x 1.15 = $1,714,650 capped value).

***ASSESSMENT RATIO***

The assessment ratio, as established by the SC Department of Revenue, is based on the property classifications summarized in the following table. The subject property as it exists now currently falls under the "All Other Real Property" classification and is assessed at a ratio **6.0%**.

| PROPERTY TYPE | ASSESSMENT RATIO |
|---|---|
| Manufacturing | 10.5% of fair Market Value |
| Primary Residence | 4.0% of Fair Market Value |
| All Other Real Property | 6.0% of Fair Market Value |
| Personal Property | 10.5% of Income Tax Depreciated Value |

***DISTRICT MILLAGE RATE***

The subject is located in within the city limits of Charleston and is therefore subject to both city and county millage rates. The 2011 millage rate for the City of Charleston is 78.8 and

the 2011 millage rate for Charleston County is 179.5. Therefore the combined 2011 millage rate for the subject is 258.3 (78.8 + 179.5 = 258.3).

***LOCAL OPTION SALES TAX***

South Carolina allows individual counties the option of approving a Local Option Sales Tax, which provides a credit against property taxes owed. This credit is *not* an exemption applied to the property value. Rather, counties may increase local sales taxes up to 1.0% to offset tax burden. State law requires that at least 71% of the additional sales tax revenue be used for property tax relief and returned to tax payers in the form of tax credits. In Charleston County, where voters have approved the local option sales tax, 100% of these revenues are returned as tax credits. As the sales tax revenue increases or decreases each year based on area sales, the "credit factor" increases or decreases accordingly. The 2011 credit factors for the City of Charleston and Charleston County are 0.00071 and 0.00070, respectively.

***CONCLUSION***

The 2012 real estate tax burden (payable in January 2012) calculation for the subject parcels are summarized as follows.

| AD VALOREM TAX INFORMATION - Tax Parcel 421-11-00-054 (Parcel A - 2.28 Net Acres) | | | | |
|---|---|---|---|---|
| County's 2011 Capped Market Value for Tax Purposes | | | | $980,900 |
| × Assessment Rate (for commercial property) | | | | 6.0% |
| Assessed Value (rounded by County) | | | | $58,854 |
| × Millage Rate | | | | 0.2583 |
| **Tax Burden before Tax Credits** | | | | $15,201 |
| Less: City Option Sales Tax Credit | 0.00071 | × | FMV | ($696) |
| Less: County Option Sales Tax Credit | 0.00070 | × | FMV | ($687) |
| **2011 Total Tax Burden (payable in January 2012)** | | | | $13,818 |

| AD VALOREM TAX INFORMATION - Tax Parcel 421-11-00-274 (Parcel B - 1.80 Net Acres) | | | | |
|---|---|---|---|---|
| County's 2011 Capped Market Value for Tax Purposes | | | | $1,714,650 |
| × Assessment Rate (for commercial property) | | | | 6.0% |
| Assessed Value (rounded by County) | | | | $102,880 |
| × Millage Rate | | | | 0.2583 |
| **Tax Burden before Tax Credits** | | | | $26,574 |
| Less: City Option Sales Tax Credit | 0.00071 | × | FMV | ($1,217) |
| Less: County Option Sales Tax Credit | 0.00070 | × | FMV | ($1,200) |
| **2011 Total Tax Burden (payable in January 2012)** | | | | $24,156 |

The real estate taxes for the subject (both parcels combined) for the year 2011(payable in January, 2012) total $37,974.

As of the date of this appraisal, the real estate taxes noted above for both parcels, that were due and payable by January 15, 2012, have been paid on time and there are currently no delinquent real estate taxes, fees or penalties associated with the subject property.

## ZONING/LAND USE CONTROL

The subject property is comprised of two contiguous vacant parcels totaling 4.08 acres. The properties are situated inside the city limits of Charleston and are subject to the City of Charleston Zoning Department Regulations. The properties are zoned **GB-A, General Business - Accommodations District.** According to the Charleston Zoning Ordinance, the intent and permitted uses within this district are as follows:

> "The **GB district** is intended to provide for a broad range of commercial uses and activities. It is the most intensive commercial zoning district. Prohibited uses include junk and salvage yards, storage yards (except for vehicles and boats), and warehouses including self-storage mini-warehouses. Automotive repair shops, gasoline service stations, veterinary clinics, and stables are permitted only as special exceptions subject to approval of the Board of Zoning Appeals. Accommodations Overlay Zone is intended to identify those areas within the city limits where hotel, motel and inn accommodation uses, and timesharing uses are allowed. The accommodation uses are prohibited except within the A Overlay Zone."

The present zoning classification allows for different types of commercial and retail use. Residential use is another allowable use. A representative list of permitted and conditional uses is presented here:

| Uses Permitted by Right | | Conditional Uses |
|---|---|---|
| Horticulture | Auto Dealers | Amusement Parks |
| Farming | Department Stores | Communications Towers |
| Lawn & Garden Services | Lumber dealers | Day Care Centers |
| Office | Paint stores | Mini-warehouses |
| Water taxiis | Restaurants, bars | Hotels (In an Accomodations |
| Marinas | Florists | Overlay Zone only) |
| Freight Offices | Laundries | **Special Exemption Uses** |
| Banks | Funeral Homes | Auto-repair shops |
| Security Institutions | Bowling Alleys | Gas Stations |
| Cemeteries | Dance Studios | Stables |
| Real Estate Offices | Golf Courses | Vet Hospitals |
| Dormitories | Colleges | Affordable housing |
| Mobile Home Dealers | Single-Family Detached | |
| | **Multi-family Dwellings** | |
| Source: City of Charleston Municipal Code | | |

| ZONING SUMMARY | |
|---|---|
| Current Zoning | GB-A (Accomodations Overlay) |
| Legal Use/Conforming | Legal, conforming |
| Uses Permitted | Single-family, multifamily |
| Zoning Change | Unlikely |
| Minimum Lot Size | 1,650 Sq.Ft. |
| Maximum Coverage | 35% |
| Front Setback | 3 Feet |
| Rear Setback | 3 Feet |
| Side Yard Setbacks | 9 Feet (S to W); 3 Feet (N to E) |
| Maximum Height | 55 Feet |

Source: Charleston Zoning Code

The above chart summary indicates structure limitations and requirements for residential (multi-family) buildings constructed with the GB-A zone. According to *Sec. 54-317* of the City of Charleston Zoning Ordinance, multi-family dwellings require a minimum of 1.5 parking spaces per unit. Based on this, the subject (if built to the 80 unit condominium units) will require a total of 120 parking spaces (80 units x 1.5 parking spaces per unit = 120 total parking spaces, regular and handicapped).

## HIGHEST AND BEST USE

The highest and best use for real property can be defined as follows:

> "The reasonable and probable use that supports the highest present value, as defined, as of the date of the appraisal."

Alternatively, highest and best use is...

> " The use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value."

The first type of highest and best use, highest and best use of land or a site as though vacant, assumes that a parcel of land is vacant or that it can be made vacant through the demolition of any improvements. The question to be answered in this type of analysis is "what use should be made of it?", that is, what type of building or other improvement (if any) should be constructed on the land? The second type of highest and best use, highest and best use of a property as improved, pertains to the use that should be made of the property as it exists. Should the existing improvements be maintained, renovated, expanded, partially demolished or should it be replaced with a different type use? The purpose of highest and best use analysis is different for each type of highest and best use examined. For each type of highest and best use, the criterion in a highest and best use study are that the highest and best use must be 1) legally permissible, 2) physically possible, 3) financially feasible, and 4) maximally productive. According to ***THE REAL ESTATE APPRAISAL TERMINOLOGY*** book, published by the American Institute of Real Estate Appraisers, "...the concept of highest and best use represents the premise upon which value is based." We will examine the highest and best us of the subject on an analysis "As Vacant."

## AS VACANT

### *LEGALLY PERMISSIBLE USES*

The first criteria in analyzing the subject property as vacant are the legally permissible uses. The zoning ordinances or deed restrictions typically define legally permissible uses. We have previously stated that the subject property is zoned GB-A District. This district allows for a wide range of permitted uses including residential and accommodations development. Surrounding land uses include commercial and residential development.

***PHYSICALLY POSSIBLE USES***

The next criterion in determining the highest and best use considers uses that are physically possible. Some uses may be inappropriate due to certain physical characteristics of the site. These conditions are usually concerned with size, shape, egress and ingress, utilities, soil conditions and topography. The subject site is comprised of two contiguous parcels totaling 4.08 acres or 177,947 square feet. The site is served by public utilities and would be considered adequate for any of the legally permitted uses. In addition, there is a 1.51 acre strip of land that is not buildable to do its narrow shape but can contribute to the overall density of the 4.08 acres if the property tax parcel lines were abandoned and assembled as one parcel.

***FINANCIALLY FEASIBLE***

The third criterion for determining the highest and best use of the subject, as vacant, would be what use would bring a positive cash flow to the investor. The primary attribute of the subject is its location in the Ripley Point area, just west of Charleston's attractions and central business district and more specifically to the adjoining Ripley Light Yacht Club Marina. To the north of the subject are higher-end extended stay hotels. However, market condition for high-end, luxury residential developments have diminished considerably from the development boom of 2005-2006. While there is very little demand for such a development currently, we anticipate the demand for luxury residential uses will return sometime in the future. The length of time it will take for the economy and residential real estate market to recover is uncertain. Several of the real estate professionals we spoke with whom are very knowledgeable of the local market estimate it could be as long as two years until the market shows signs of substantial recovery. We are of the opinion however that the most financially feasible use would be residential in nature rather than a retail or restaurant use. A luxury residential development would be required in order to generate enough profit to warrant the costs involved in the development of the subject site and the purchase of the land, but at some future date.

***MAXIMALLY PRODUCTIVE***

The fourth criteria analyzes what uses would be maximally productive. After considering the above parameters, we conclude that residential development would maximize the value of the site, as vacant. It would further serve existing uses in the immediate neighborhood, as well as the development in surrounding areas.

The subject property owners also own the adjacent Ripley Yacht Club Marina. Our most recent appraisal of the adjacent marina and our final value conclusion that was done for the client is based on its highest and best use, which is to sellout the wet slips of the marina to private owners. This sell out of the wet slips for the marina was also based on

the assumption that the economy will be improving for this to actually happen with the sellout of the wet slips to occur over the next six years. The original development plan for the subject land area was to develop it with the high end residential condominiums along with the development of the adjacent marina, so the purchasers of the condominiums would have the ability to purchase a wet slip in the marina along with the purchase of the condominium as well (or for the developers to market the condominium with a wet slip in the marina as package deal). Because the subject property land area is located where it is (waterfront and adjacent to the marina), as well as the value for the marina based on the highest and best use being the sell out of the wet slips to private owners, we are of the opinion that the maximally productive use of the subject site would still be for its development with high end residential condominiums.

Although the development of the site with high end residential condominiums may not be feasible at the present time, we project that it may again be feasible sometime during the sellout period of the wet slips as was projected in our appraisal of the marina. Thus, the developers could offer the purchasers of the condominiums the ability to purchase a wet slip at the same time if they wanted, or they could offer the condominiums along with a wet slip in the marina as a package deal to the purchasers – as was originally planned.

Further supporting this highest and best use conclusion is the fact that the owners of the marina already have been granted the permit from the Army Corp of Engineers to allow for the expansion of the existing marina with an additional 186 wets slips. If the majority of the existing 87 wet slips for the marina were to already have been sold out, by the owners already having this permit to expand the marina, it would still allow for them to be able to offer the purchasers of the new condominium units that were developed the ability to also purchase a wet slip in the marina – as was originally planned.

Therefore, we are of the opinion that the highest and best use of the subject would be to hold the property until such a time as demand increases for the development of a luxury condominium development.

## METHOD OF VALUATION

The appraisal process typically involves three approaches in determining value, which consists of the Cost Approach, Income Approach and Sales Comparison Approach. A brief description of each technique is as follows:

***THE COST APPROACH***

An appraisal procedure using depreciated replacement or reproduction costs of improvements plus land value as a basis for estimating market value. The underlying assumption is that an informed purchaser will pay no more than the cost of producing a substitute property with the same utility as the subject property.

***THE INCOME APPROACH***

An appraisal procedure using capitalization of expected future income as a basis for estimating market value. The underlying assumption is that an informed purchaser will pay no more for the subject property than would have to be paid for another property with an income stream of comparable amount, duration and quality.

***THE SALES COMPARISON APPROACH***

An appraisal procedure-using sale prices of properties similar to the subject property as a basis for estimating market value. The underlying assumption is that an informed purchaser will pay no more for a property than would have to be paid for a similar property of comparable utility.

## APPRAISAL PROCEDURES

We have previously stated the subject property is comprised of two contiguous tracts of land. The subject property has been approved for the development of 80 residential condominium units and we will appraise the property as one tract. As such, only the Sales Comparison Approach will be utilized in our analysis. The sales in our analysis are older which reflects the slowdown in the Charleston market for condominium development. The computations that accompany this approach will be outlined on the following pages for the reader's reference.

## SALES COMPARISON APPROACH TO VALUE

The Sales Comparison Approach is based on the assumption that an informed purchaser will pay no more for a property than the cost of acquiring an existing property of similar utility. Typically, one would estimate the value of the subject property by comparing the sales prices of recent transactions involving property similar to the subject. Adjustments are made to each sale for dissimilarities as compared to the subject property. These adjustments may include the date of sale, location, age, floor plan, condition, quality, size or external factors that may influence rents or occupancy levels. Typically, the reliability of the sales comparison approach is based on a number of factors such as:

- Availability of comparable sales data.
- Verification of sales data.
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used.

We have found that the reliability of the sales comparison approach for traditional real estate is excellent when valuing vacant land, single-family homes or small commercial type properties where there is more activity, a larger data base and greater degree of comparability. For more complex and larger investment grade properties such as shopping centers, office buildings, hotels and nursing homes, the required adjustments are often numerous and the degree to which they can be performed without a considerable amount of subjectivity is difficult. As mentioned previously, a number of factors must be verifiable and documented in order to make appropriate adjustments.

- Date of Sale
- Financing Terms and Conditions
- Management Contracts or Service Contracts Involved
- Location
- Amenities
- Income and Expense Data
- Personal Property Included
- Condition
- Appeal

There are obviously other differences that must be adjusted in the marketplace. For the purposes of this report, we analyzed a number of sales. However, we included only those believed most similar to the subject and the unit of comparison considered will be the price paid per acre. The sales occurred between July 2005 and March 2008 as well as one current listing. These are older sales however there have been very few transactions of waterfront / waterview properties due to the limited amount of land available as well as the current economic conditions. The following sales are offered as an indication of value for the subject property as of the date of this assignment. We have made significant adjustments to these sales.

***LAND SALE 1***

| | |
|---|---|
| LOCATION | 930 Morrison Drive, at the base of the Ravenel Bridge |
| CITY / STATE | Charleston, Charleston County, SC |
| TAX ID# | 459-02-00-018, 022 and 008 |
| GRANTOR | New Market Creek, LLC |
| GRANTEE | Rabin Real Estate, Inc. & SC Dept. of Transportation |
| DEED REFERENCE | F655/736 & F655/724 |
| DATE OF SALE | March 24, 2008 |
| SIZE | 2.56 Acres; 111,514 SF – Total<br>2.16 Acres; 94,090 SF – Uplands<br>0.40 Acre; 17,424 SF – Marsh/Wetlands |
| WATER FRONTAGE | Yes – 400' of marsh front along Cooper River |
| TOPOGRAPHY | Level |
| UTILITIES | All public |
| ZONING | HI- Heavy Industrial & MU1 – Mixed-Use/Warehouse |
| IMPROVEMENTS | None |
| PRESENT USE | Vacant |
| HIGHEST AND BEST USE | Commercial |
| SALES PRICE | $4,000,000 |
| TERMS OF SALE | Cash to the seller |
| **ANALYSIS:** | |
| Price per Acre (Upland) | $1,851,844 |
| Price per Square Foot (upland) | $42.51 |
| Comments | This site was originally planned to be developed with several office buildings. The site also has a SCDOT easement to an adjacent covered parking lot area (not actually part of the site). Located at the base of the Ravenel Bridge allowing for immediate access onto the bridge/US Highway 17 as well as good access to the entrance/exit ramp for Interstate 26 from off of US Highway 17. Good location although not located in the Central Business District. The site has direct water frontage with very good water/marsh views. |

***LAND SALE 2***

| | |
|---|---|
| LOCATION | West side Lockwood Drive adjacent to The Harborage at Ashley Marina |
| CITY / STATE | Peninsular Charleston, Charleston County, SC |
| TAX ID# | 460-14-00-021 |
| GRANTOR | Richard H. Brooks |
| GRANTEE | Turtle Bay Investments, LLC |
| DEED REFERENCE | D546/486 |
| DATE OF SALE | July 19, 2005 |
| SIZE | 2.60 Acres; 113,386 SF – Total<br>1.71 Acres; 74,618 SF – Uplands<br>0.90 Acres; 38,768 SF – Marsh/Wetlands |
| WATER FRONTAGE | Yes – 300' on the Charleston Harbor |
| TOPOGRAPHY | Level |
| UTILITIES | All public |
| ZONING | GB-A – General Business, Accommodations |
| IMPROVEMENTS | None |
| PRESENT USE | Vacant |
| HIGHEST AND BEST USE | High Density Residential |
| SALES PRICE | $7,700,000 |
| TERMS OF SALE | Cash to the Seller |
| **ANALYSIS:** | |
| Price per Acre (Upland) | $4,495,055 |
| Price per Square Foot (upland) | $103.19 |
| Comments | This site was purchased by Turtle Bay Investments, LLC from Richard Brooks. The site is zoned GB, General Business by the City of Charleston and is also in the 35' height district, which restricts building height to 35' above curb elevation. If a property is in a flood zone, then the height restriction may be raised above the 35' height restriction, but no higher than 45'.<br><br>While the recorded deed states the sales price to be $4,000,000, the purchaser paid an additional $3,700,000 for an assignment of the sales contract. Therefore the total consideration paid was $7,700,000.<br><br>A Hilton Garden Inn hotel is planned for this site. The property was sold in August 2010 however this was a deed-in-lieu-of-foreclosure. |

***LAND SALE 3***

| | |
|---|---|
| LOCATION | 317 Savannah Highway |
| CITY / STATE | Charleston, Charleston County, NC |
| TAX ID# | 421-07-07-003 |
| GRANTOR | 317 Savannah Highway, LLC |
| GRANTEE | Riverview Ventures, LLC |
| DEED REFERENCE | R635/404 |
| DATE OF SALE | August 13, 2007 |
| SIZE | 0.85 acres; 37,026 s.f. (all Uplands) |
| FRONTAGE | Good along Savannah Highway (No water Frontage) |
| TOPOGRAPHY | Level |
| UTILITIES | All public |
| ZONING | GB-A – General Business, Accommodations |
| IMPROVEMENTS | La Chalet restaurant (vacant) |
| PROPOSED USE | 150-room hotel |
| HIGHEST AND BEST USE | Lodging or service use or multi-family |
| SALES PRICE | $1,750,000 |
| TERMS OF SALE | Cash |
| **ANALYSIS:** | |
| Price per Acre (Upland) | $2,058,824 |
| Price per Square Foot (upland) | $47.26 |
| Comments | This is the sale of a 0.85 acre parcel of land located between the east bound and west bound lanes of Highway 17 (Savannah Highway) near the foot of the Ashley River bridges. It is mostly rectangular in shape and is improved with a 4,350 S.F. dine in restaurant that was long operated as the La Chalet. The business ultimately closed and the building has since been vacant. The purchase was based on land value.<br><br>The site is also one of four commercial properties located between the east and west bound lanes of Highway 17. The most notable is the "Round Holiday Inn", which is located adjacent to this property to the east. This is a fourteen story, cylindrical shaped, full service motel that has long been considered one of the City's landmarks. The property is zoned GB-A, and is exempted from the City of Charleston's height ordinance that restricts all structures in the city to no more than 55'. This property has a 100 foot height cap to coincide with the adjacent Holiday Inn. Parking and other physical requirements will still need to meet the site approval process under the GB-A zoning. The site had gone before committee on August 28, 2008 for conceptual approval for 150 rooms. The development plan had 143 parking space on the ground, 75 on the 1st level and 65 on the 2nd level, which is much greater than the 100 required spaces.<br><br>However, as of July 2012 the site is still vacant. |

***LAND LISTING 4***

| | |
|---|---|
| LOCATION | NE corner of Ripley Point Drive and Highway 61 Connector |
| CITY / STATE | Charleston, Charleston County, NC |
| TAX ID# | 421-11-010-061 |
| SELLER | Lord Ashley, LLC |
| DATE OF SALE | CURRENT LISTING FOR SALE (Listed by Millennium Properties, Inc.) |
| SIZE | 2.94 Acres; 128,067 SF - Total<br>2.21 Acres; 96,268 SF - Uplands<br>0.73 Acres; 31,799 SF – Marsh/Wetlands |
| FRONTAGE | Good –Corner parcel with frontage along Highway 61 Connector and Ripley Point Drive (No Water Frontage) |
| TOPOGRAPHY | Level |
| UTILITIES | All public |
| ZONING | GB-A – General Business, Accommodations |
| IMPROVEMENTS | None |
| PROPOSED USE | N/A |
| HIGHEST AND BEST USE | Multi-family / Hotel |
| LISTING PRICE | $4,500,000 – List price |
| TERMS OF SALE | Assumes Cash To Seller |
| **ANALYSIS:** | |
| Price per Acre (Upland) | $2,036,191 – List price |
| Price per Square Foot (upland) | $46.74 – List price |
| Comments | Site is located at the entrance to Ripley Point Drive. No water frontage or water views – but within walking distance to the Ripley Yacht Club Marina and the Ashley River.<br><br>According to the broker, the site was previously approved for the development of 46 Luxury high-end condominiums with pool and other amenities. The density based on the previously approved 46 condominiums calculates to 20.81 units per acre. |

| LAND SALES SUMMARY CHART | | | | | |
|---|---|---|---|---|---|
| Sale Number | Subject | 1 | 2 | 3 | Listing 4 |
| Date of Sale | | Mar-08 | Jul-05 | Aug-07 | Current |
| Size in Acres (Uplands) | 4.08 | 2.16 | 1.71 | 0.85 | 2.21 |
| Zoning | GB-A | HI/MU1 | GB-A | GB-A | GB-A |
| Sales Price | | $4,000,000 | $7,700,000 | $1,750,000 | $4,500,000 |
| **Sale Price Per Acre** | | **$1,851,844** | **$4,495,055** | **$2,058,824** | **$2,036,191** |
| Property Rights | | | | | |
| **Adj. Sale Price per Acre** | | | | | |
| Financing Terms | | | | | |
| **Adj. Sale Price per Acre** | | | | | |
| Conditions of Sale | | | | | -20% |
| **Adj. Sale Price per Acre** | | | | | $1,628,953 |
| Market Conditions (Time) | | -40% | -65% | -50% | -20% |
| **Adjusted Price Per Acre** | | **$1,111,106** | **$1,573,269** | **$1,029,412** | **$1,303,162** |
| Location | | | -10% | | |
| Size/Shape | | | | | |
| Topography | | | | | |
| Zoning | | +35% | +20% | +20% | +20% |
| Water Frontage Quality | | +20% | | +50% | +15% |
| **Total % Adjustments** | | **+55%** | **+10%** | **+70%** | **+35%** |
| **Adjusted Price Per Acre** | | **$1,722,215** | **$1,730,596** | **$1,750,000** | **$1,759,269** |

## EXPLANATION OF ADJUSTMENTS

The following are generally accepted adjustment categories. The first four categories - real property rights appraised, financing, conditions of sale, and market conditions (time) are cumulative when the adjustments are percentages. Normally, a sale should first be adjusted for the cumulative adjustment where the remaining adjustments such as location and other physical characteristics are applied. Location, physical characteristics and other adjustments are additive, and may be in any order. An explanation of each adjustment category is as follows:

***PROPERTY RIGHTS APPRAISED***

The real property rights conveyed are the first adjustment. The appraisal of the subject property rights can only be compared to similar property rights. All of the comparable sales are considered to be fee simple transactions and have the same property rights conveyed with the subject, therefore no adjustments were necessary.

***FINANCING***

A financing adjustment is actually a specific motivation adjustment and often is not capable of being accurately derived from the mathematical discounting process. The most reliable financing adjustment is from paired sales that are generally not available through sales information. Cash equivalency is the adjustment of a sales price to an equivalent price if sold for cash absent the contract terms of the loan. The adjustment may be negative to reflect favorable terms to positive to reflect unfavorable terms. All sales were cash transactions and no adjustments were necessary.

***CONDITIONS OF SALE (MOTIVATION)***

Typical adjustments under this category include adjustments for plottage, purchasing additional land for expansion, or other typically motivated sales. Each of the sales were transactions where each party was properly motivated and no adjustments were necessary. Comparable four is a current listing which has been adjusted downward.

***MARKET CONDITIONS (TIME)***

It is market conditions and not the passage of time that cause prices to change. This is an example of the principle of change. A market conditions adjustment is a cumulative adjustment within the sales comparison approach. The comparable sales occurred between July 2005 and March 2008. There have been very few transactions of waterfront / waterview properties due to the limited amount of land available as well as the current economic conditions. We attempted to identify recent land sales which had previously sold during 2005, 2006 or 2007 to determine the average appreciation or depreciation rate of land parcels; however we were unsuccessful in doing so.

Based on our discussions with real estate brokers in the area, we believe that values have declined. Additionally, it is anticipated that it could take up to 36 months before the market has recovered enough to the point where new high-end residential development is again financially feasible. Even then, pricing for end units will likely be lower than in 2005-2007. We have also taken into account that a purchaser would have to hold the property for an extended period of time before being able to develop it. The current financial market presently has very few lenders if any that are willing to make mortgage loans on speculative land parcels and the likely purchaser of a property such as the subject would be a cash buyer looking to hold the property until the market improves. Such a purchaser would likely require a discount in order to make the property attractive enough to purchase. We have adjusted comparable sale two downward by 65 percent. Comparable sales one and three were adjusted downward by 40 and 50 percent respectively because the market had begun to slow at the time of sale. Comparable four is a listing. Our discussion with the broker indicated he has been marketing the

property at the list price sow for the last 24 months, with no reduction in the asking price. He indicated there has been interest in the site, but the verbal offers were low based on his asking price. The asking price has been the same for 24 months, and in our opinion, it is too high based on the current market conditions and prices in the market. We have therefore made a downward adjustment to the comparable for the Market Conditions.

***LOCATION***

The location of the comparable sales used in this report is compared to the subject. Factors directly related to location such as population, labor supply, transportation and existing land uses are considered. The subject site is located along the southerly margin of the Ashley River. Sale two is located along the northerly margin of the Ashley River on the Peninsula of Charleston. The location of this comparable is considered to be superior to that of the subject and a downward adjustment was made. Comparable sales three and listing four are located in the immediate neighborhood of the subject and no adjustments were deemed necessary. Comparable sale one is located at the base of the Ravenel Bridge north of the peninsula which is considered to be a similar location to the subject with no adjustments deemed necessary.

***SIZE/SHAPE***

Adjustments are considered based on optimum size, shape, and overall utility of the comparable sales as compared to the subject. Economies of scale are often considered in this adjustment when market proof supports the premise that the larger the property size, the lower the unit price and vice versa. The subject property contains a total of 4.08-net acres of uplands, while the comparable sales range in size from 0.85 acres to 2.21 acres of uplands. Each of the comparable sales are smaller in size to the subject however the economies of scale principle does not apply to land where the highest and best use is for condominiums. Therefore, no adjustments were deemed necessary.

***IMPROVEMENTS***

All of the comparable sales are unimproved or were purchased with no consideration being given to any existing improvements by the purchasers and no adjustments are required.

***TOPOGRAPHY***

The effects of topography are considered in this adjustment and the relative differences between the comparables and the subject are considered. The subject property has a generally level topography. The overall topography of the comparables was considered similar enough to the subject that no adjustments were made. This was due to the

wetlands portions of the subject and the comparables were taken out of the formula and we utilized the upland acres for each.

***ZONING/DENSITY***

This adjustment is considered when different classifications of zoning are analyzed. Potential government restrictions are considered in this adjustment. Comparable sales two, three, and four have the same zoning classification as the subject and no adjustment was necessary for the zoning classification. Sale 1 has an industrial classification however it does allow for commercial uses as well as multi-family residential. This zoning is considered inferior to the subject's zoning as the allowed density for multi-family residential (19.36 units per acre) is lower than that of the subject (26.4 units per acre) without consideration of the addition 1.51 acres. An upward adjustment was deemed necessary to this comparable. In regards to the adjustments that are being made to comparables two, three and four, for density - the following reasoning and analysis was used as described below:

The subject property has 1.51 acres of additional uplands which has a very narrow, odd shape which makes it unbuildable. However, according to the City of Charleston Zoning Department, the highlands can be utilized in calculating the number of condominium units allowed for development assuming that the three property tax parcel lines that separate the marina, and the two adjoining vacant land parcels (subject) are abandoned and the parcels were then assembled as one. The GB-A zoning for the subject requires 1,650 square feet of upland lot area for every unit. The 1.51 acres of uplands could potentially add an additional 40 units (65,776 SF / 1,650 SF) or an additional 37% more units than what could potentially be built on just the 4.08 acres. If we take the additional 40 units divided by the total potential units (the 4.08 acres + 1.51 acres = 5.59 acres for density calculations x 43,560 sf per acre = 243,500 sf /1,650 sf per unit = 147.58 total potential units, rounded to 148.) it would be 27 percent of the total potential units (40/148 = 27.0%). The 4.08 acres by itself without the additional1.51 acres used for the density calculations would allow for only 108 units to be developed.

Further, there is a height restriction of 55 feet which means that additional height is not allowed for the increased density. Instead, the improvements would likely be four stories plus parking underneath the first floor for a total of five floors. Parking would also be needed on the balance of the site. If the entire density were developed of 148 units, there would be very little green space and all pavement and building. This might not be as desirable as if a developer were to build fewer units with more green area. To account for this, we have tempered back the total percentage amount of the adjustment that is being made to the comparables for their density's when compared to

the subject's. Our adjustment made to comparables two, three and four as a result of their inferior density compared to the subject's is 20.0% upward for each.

***WATER FRONTAGE QUALITY/ WATER FRONTAGE RATIO***

Adjustments are made for differences in water frontage. Typically, the more frontage sites have, the more favorable they are considered. The subject has approximately 438 net lineal feet of frontage along Ripley Cove which is a ratio of 0.00246. This will benefit the subject for the development of a waterfront residential development. Comparable sale one has approximately 400 lineal feet of water frontage along the marsh of the Cooper River with a ratio of 0.00452. The comparable has a superior waterfront ratio compared to the subject; however the quality of the subject's frontage along Ripley Cove vs. that of this comparable (marshland overlooking Cooper River) is far superior. Overall, this comparable is considered to be inferior to the subject and an upward adjustment was made. Sale two has approximately 300 lineal feet of frontage along the Ashley River with a ratio of 0.00402. The comparable has a superior waterfront ratio compared to the subject; however the quality of the subject's frontage is superior. The comparable's frontage is impaired by the Harborage on the Ashley Marina being located directly in front of the comparable which obstructs the views as well as direct access to the Ashley River. Overall, this comparable is considered to be similar enough to the subject that the net adjustment would be zero. Comparable sale three has no water frontage however it has views of the Ashley River. An upward adjustment was made for inferior water frontage compared to the subject. Comparable four's northern site line is approximately 211 feet that fronts along the marshlands of the Ashley River which also allows for views of these marshlands as well as portions of the Ashley River. Comparable four has a waterfront ratio of 0.002192 which is similar to the subject. However, the subject's views and frontage are still considered superior to that of comparable four due to the views for comparable four being primarily comprised of marshlands. We have therefore made an upward adjustment to comparable four.

## RECONCILIATION AND FINAL OPINION OF LAND VALUE

Before adjustments, the comparable land sales ranged from $1,851,844 to $4,495,055 per net acre. After making the indicated adjustments, the sales range from $1,722,215 to $1,759,269 per net acre. As a measure of central tendency, the average of the indications was $1,740,250 per net acre. All of the comparable sales were considered to be good indicators of value and approximately equal weight was placed on the sales. Based upon the above analysis, we have summarized our opinion of value for the 4.08-net acres for the subject property in the table below:

**CONCLUDED LAND VALUE**

| Value/AC | | Site Size | | Total | Rounded |
|---|---|---|---|---|---|
| $1,740,000 | × | 4.08 Acres | = | $7,099,200 | $7,100,000 |

**FINAL OPINION OF LAND VALUE**
**FEE SIMPLE - AS IS – JULY 2 2012**
**$7,100,000**

In addition to the sales and listings utilized above we were also aware of a recent sale of a 1.681 acre parcel located on Mizzen Mast Drive within the Ripley Point Development. The property was purchased on February 2, 2011 by the owner of the subject property for $500,000 or $297,442 per acre. The property was owned by Carolina First Bank who obtained the property by foreclosure deed in 2008. The previous transfer occurred in February 2005 for $5,150,000 or $3,063,653 per acre. This is most recent sale however it was way below market and not considered a good indication of value for the subject.

Further, we are also aware of the sale of the property located at located at 116 Ripley Point Drive. This property is the former Vue at Ripley Pointe restaurant (formerly the Crab Shack) with the building improvements of 8,240 square feet on the site. The site area is comprised of 1.605 acres of uplands or approximately 69,914 square feet. The property is located at the prime point location at the end of Ripley Pointe Drive, and has expansive views of the Ashley River in all directions. The property had been vacant for some time but reopened as the Vue at Ripley Pointe which was an upscale dining and entertainment venue. The Vue at Ripley Pointe closed and the property was taken back in foreclosure on May 26, 2010. The property was then purchased from the bank by Le Creuset of America, Inc. on February 10, 2011 for the consideration of $4,150,000. Le Creuset of America is a manufacturer of cast iron cookware and other kitchen appliances and cookware with its headquarters located in Early Branch, SC. Based on our discussions with the City of Charleston's Building Department as well as the City's

Zoning Department, It is our understanding that the property owners have obtained the necessary permits to proceed with the interior demolition of the building and to determine if the building is structurally sound so that it may be renovated. It is the intention of the owners to renovate (if structurally sound) the building in the near future with the purpose of it being be used as offices for the company as well as a portion of the building to be used as a demonstration cooking facility for the products that the company sells.

As a result of the purchase of the property in February 2011, the Charleston County Auditor's office has re-assessed the value of the property for real estate tax purposes, with the re-assessed value being based on the purchase price paid of $4,150,000. Based on the purchase price paid of $4,150,000, the county assigned a value to the building improvements in the amount of $809,000, with the remainder of $3,341,000 being assigned to represent the value of the land.

The $3,341,000 value for the land only is equal to a price per square foot of $47.79 ($3,341,000 divided by 69,914 square feet = $47.79 per square foot) and a price per acre of $2,081,732 ($47.79 per square foot x 43,560 square feet per acre = $2,081,732 per acre).

Sale prices have declined since the date of the sale and a slight downward adjustment for Market Conditions would be required in the amount of say 5.0% to this price per acre. The indicated sale price per acre after the Market Conditions adjustment would be equal to $1,977,645 ($2,081,732 x 0.95 = $1,977,645 per acre).

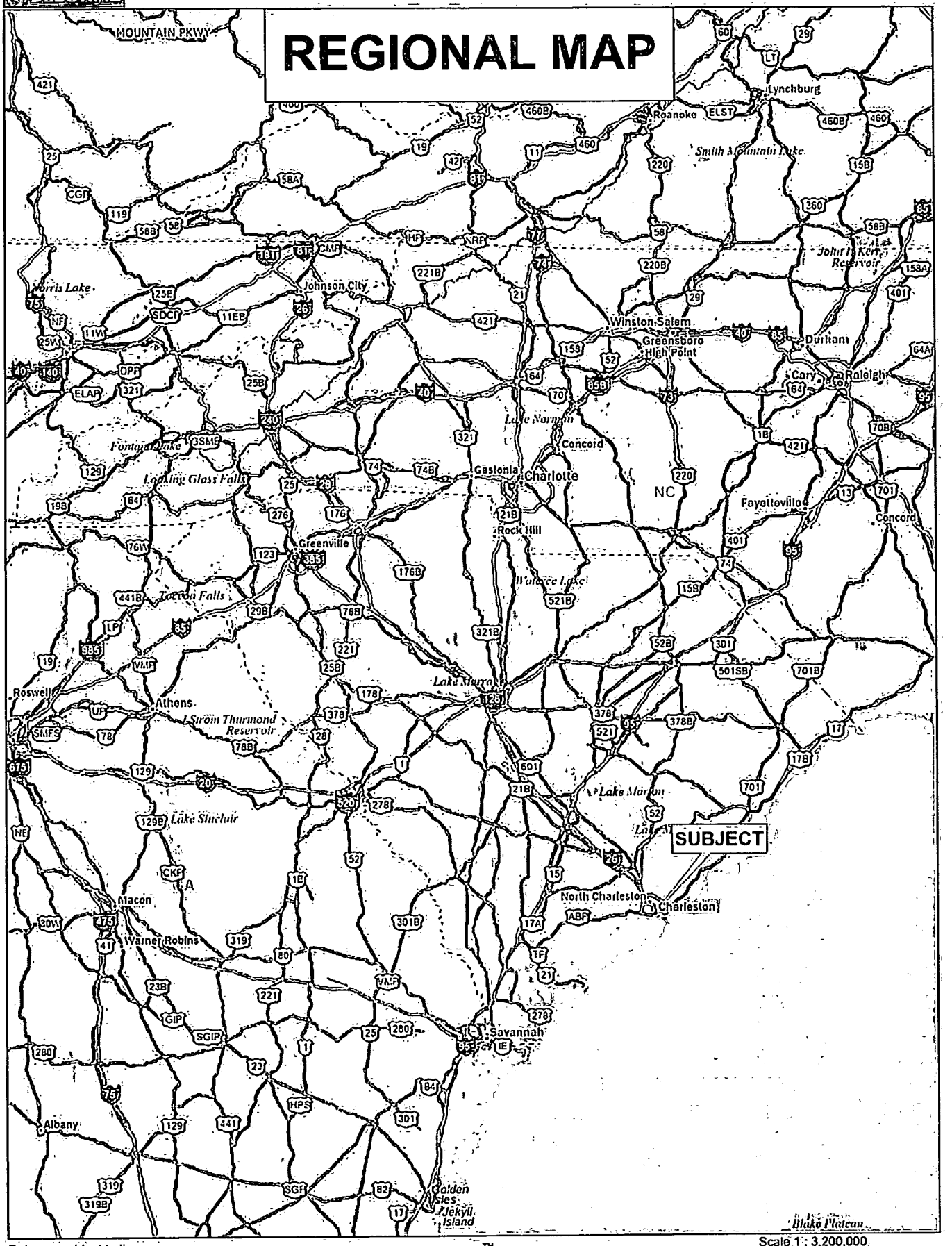
Further, the site has the same zoning as the subject property and comparables two, three and four. Therefore, the same 20% upward adjustment that was made to comparables two, three and four for zoning would be required to be made to the price per ace shown above to remain consistent. The property has a total of 678 feet of water frontage. This calculates to a waterfront ratio of 0.009698, which is significantly superior to the subject property's water front ratio of 0.00264. Therefore the price per acre above would need to be adjusted downward, by say, 30%. The total of the adjustments is equal to a (-10.0%) (The zoning adjustment of +20.0% plus the waterfront ratio adjustment of (-35.0%) = Net Total Adjustment of (-10.0%). Applying this negative 10.0% to the sale price per acre noted above of $1,977,645 would result in a final adjusted sale price per acre of $1,779,880. Our final value conclusion on a per acre basis for the subject has been reconciled at $1,740,000. The difference between these two adjusted sale prices per acre is approximately $40,000, or less than 2.25%. Although the above is not a true land sale, based on the above analysis it does reinforce and support our final value conclusion for the subject property.

## ADDENDA

*REGIONAL MAP*
*AREA MAP*
*NEIGHBORHOOD MAP*
*SURVEY – EXCESS LAND*
*ZONING MAP*
*FLOOD PLAIN MAP*
*COUNTY TAX MAPS*
*PHOTOGRAPHS OF THE SUBJECT*
*LAND SALES MAP*
*2011 REAL ESTATE TAXES & ASSESSMENTS*
*COUNTY PROPERTY RECORD CARDS*
*COPY OF APPRAISERS' CERTIFICATION / POCKET CARD(S)*
*ENGAGEMENT LETTER*
*ASSUMPTIONS AND LIMITING CONDITIONS*
*QUALIFICATIONS OF APPRAISERS*

DELORME

# REGIONAL MAP



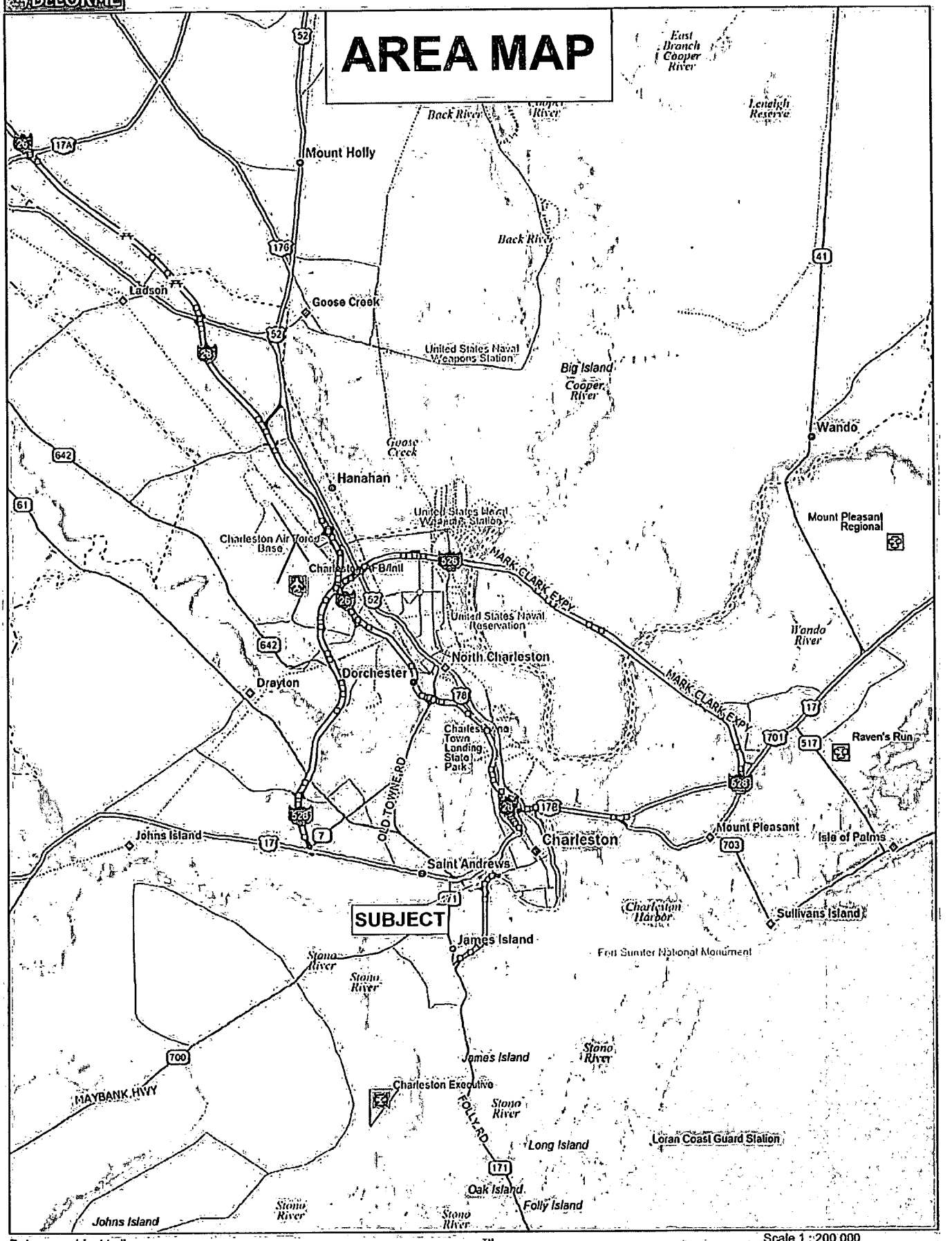

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TN
MN (6.9°W)

Scale 1 : 3,200,000
1" = 50.51 mi
Data Zoom 6-0

DELORME

# AREA MAP

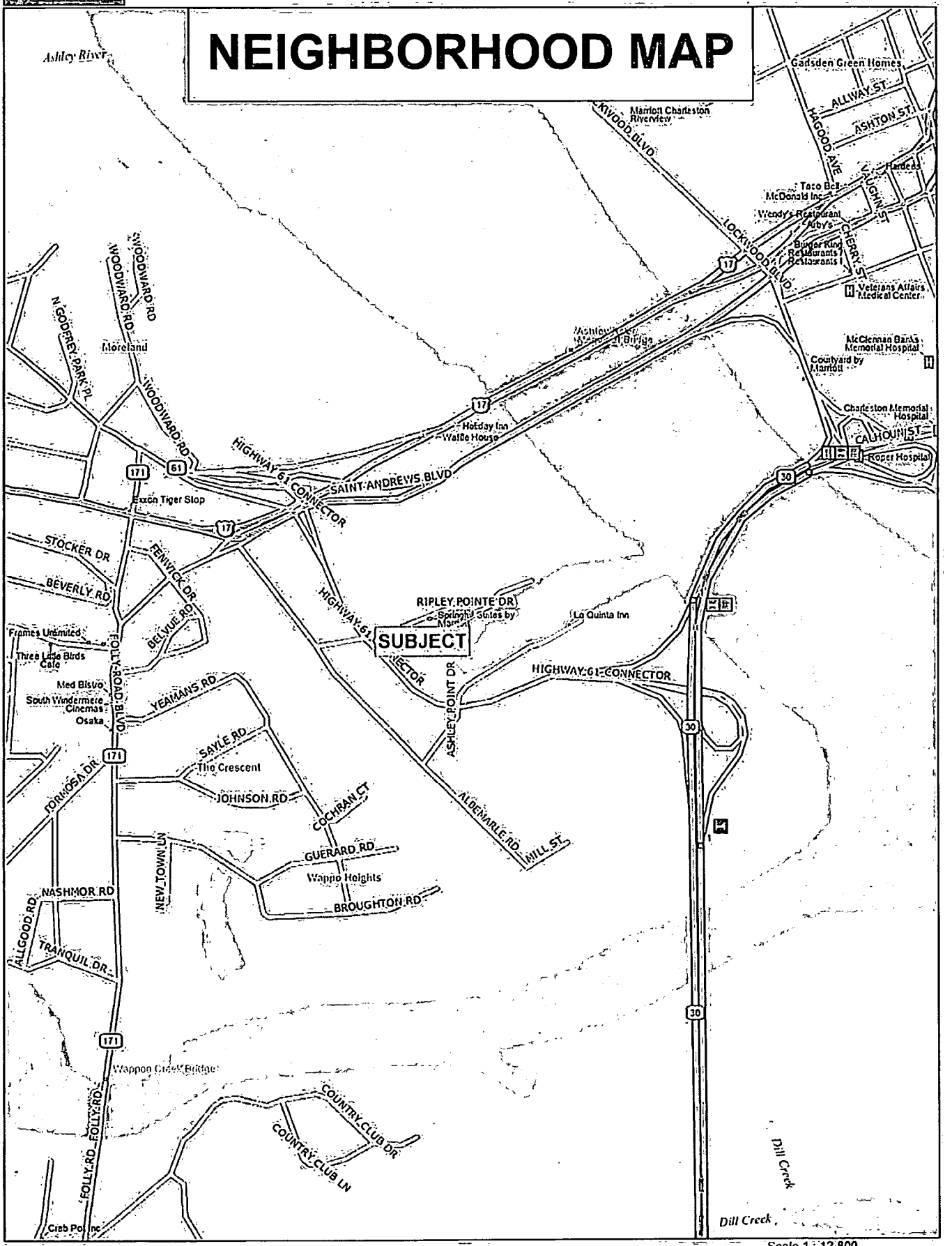



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TN
MN (7.4°W)

Scale 1 : 200,000
1" = 3.16 mi
Data Zoom 10-0

# NEIGHBORHOOD MAP

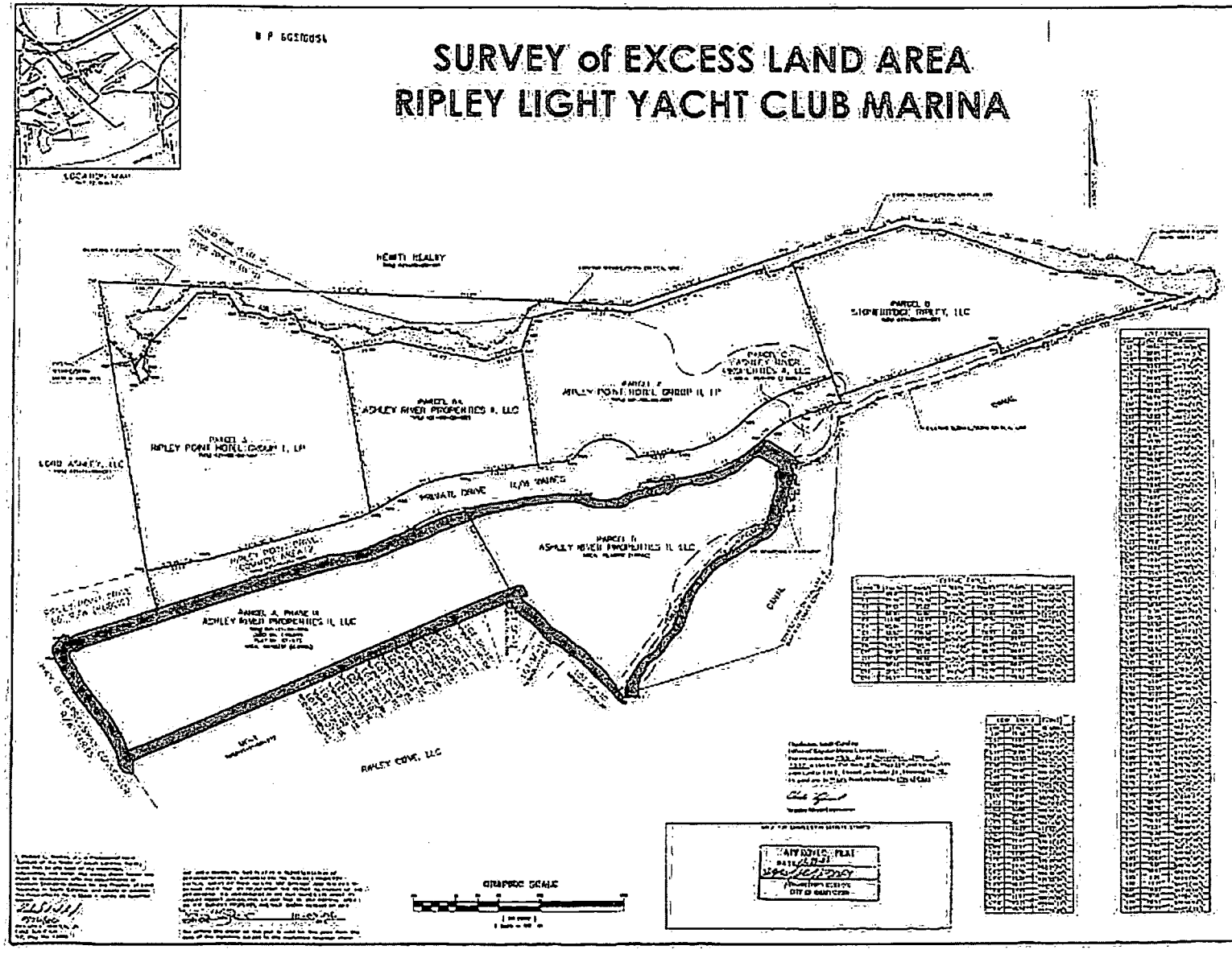



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TN
NAN (7.4°W)

Scale 1 : 12,800
1" = 1,066.7 ft
Data Zoom 14-0

# SURVEY of EXCESS LAND AREA
# RIPLEY LIGHT YACHT CLUB MARINA

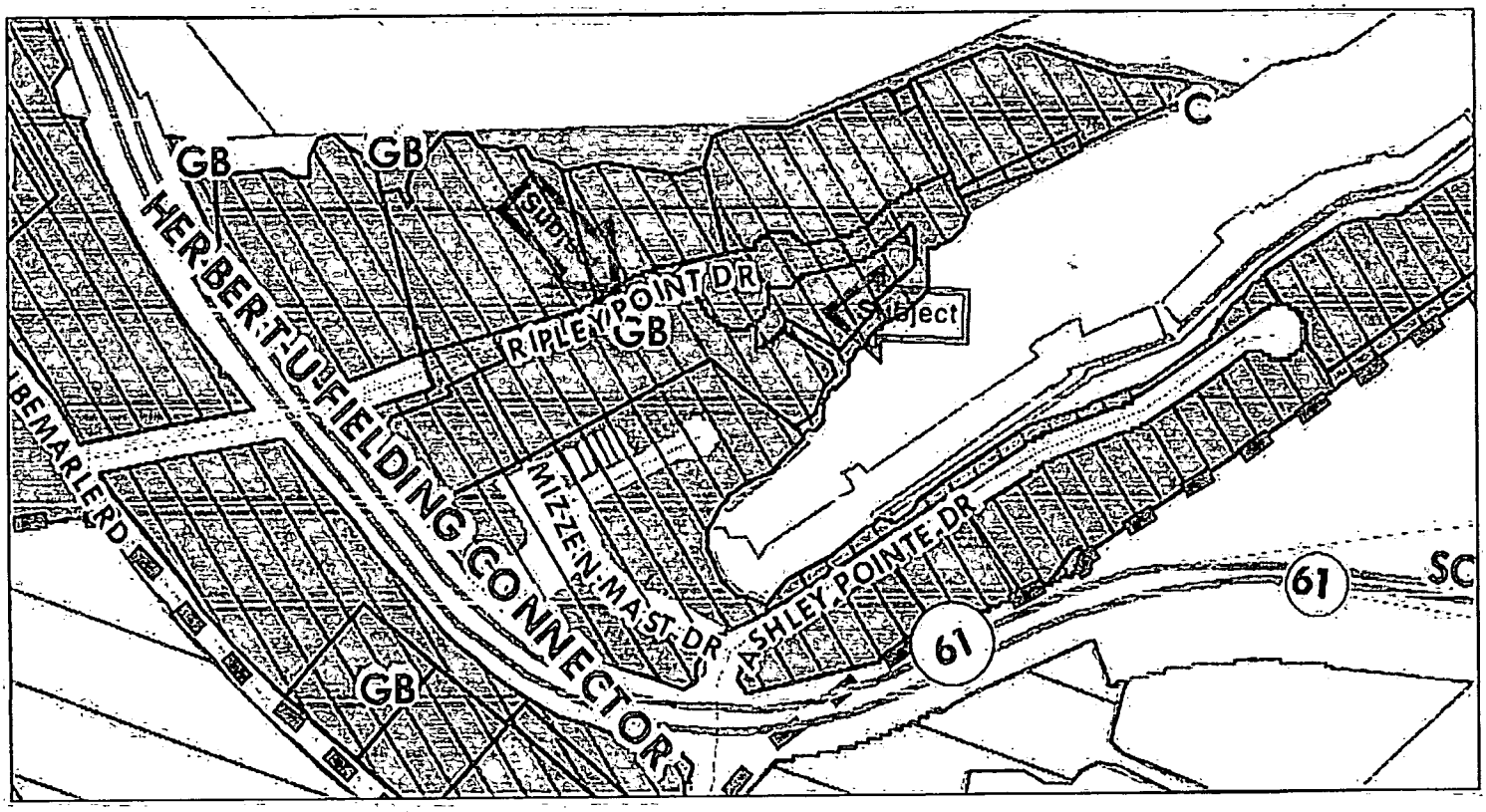


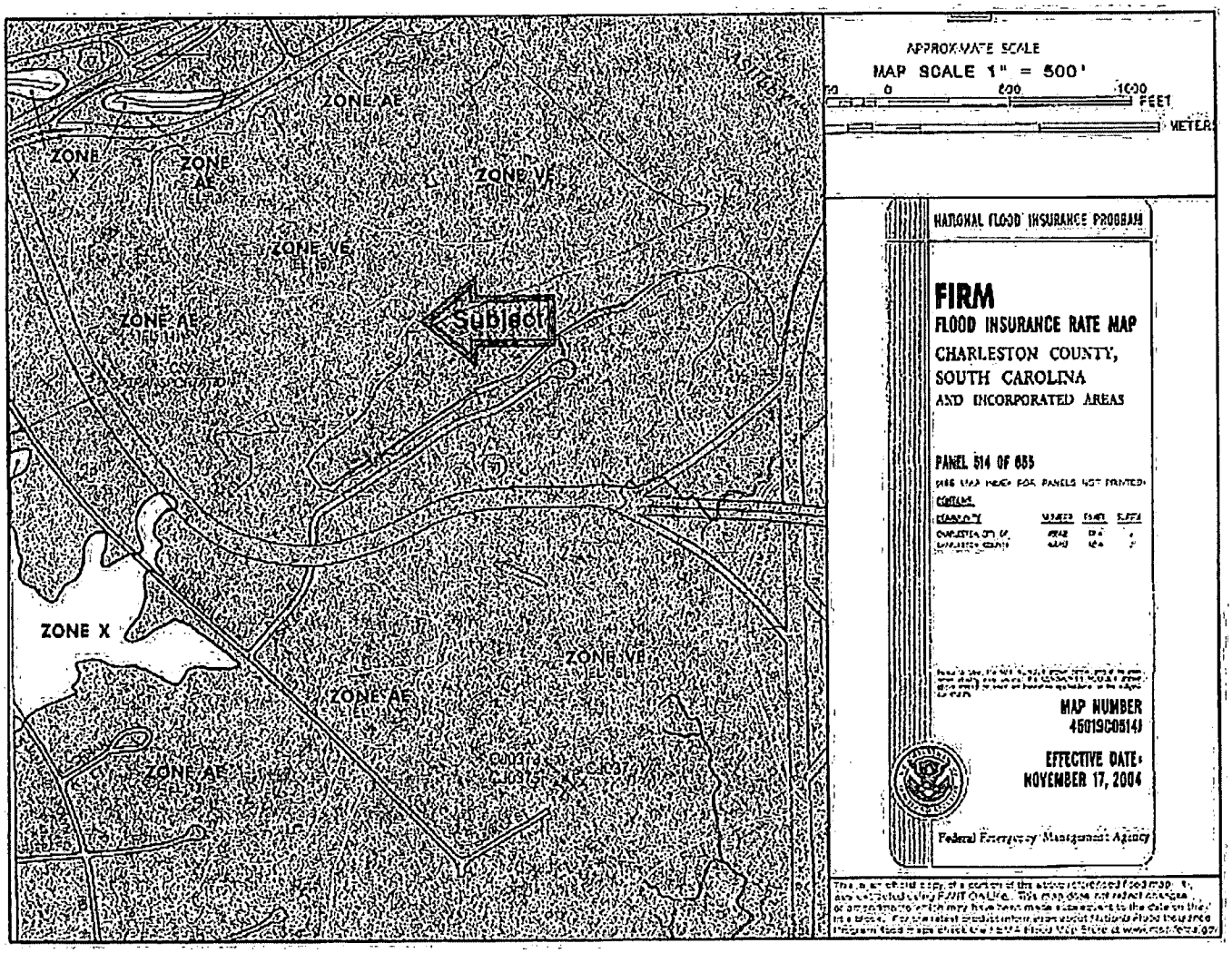

ASHLEY RIVER PROPERTIES II, LLC

RIPLEY POINT DRIVE
CHARLESTON, SC 29401

SUBDIVISION PLAT OF NEW PARCEL A
TO ANNEX PARCELS A, B AND C,
RIPLEY POINT DRIVE, CITY OF CHARLESTON
Charleston County, South Carolina

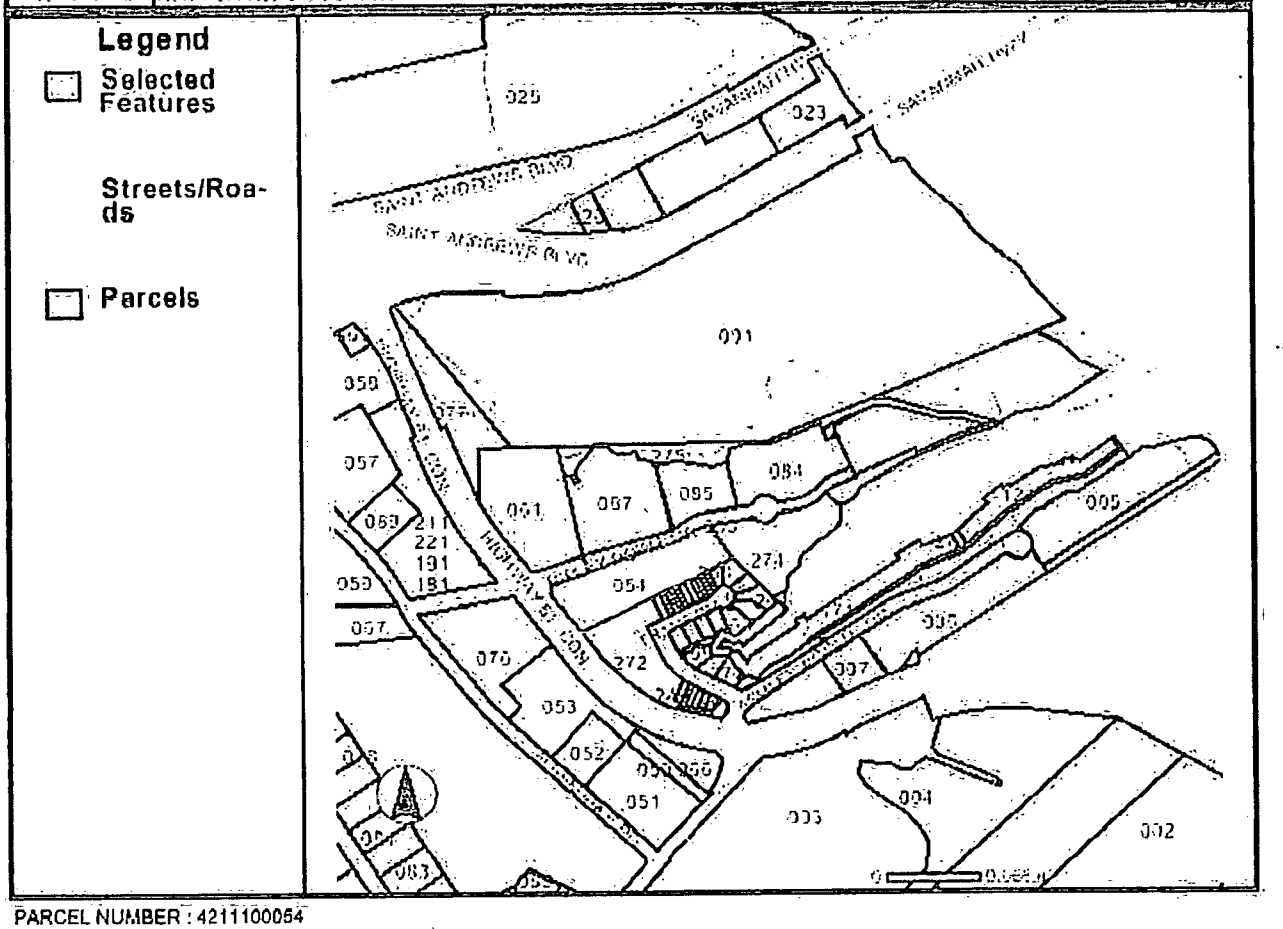
2268


GB
GB
HERBERT C. FIELDING CONNECTOR
C
SUBJECT
RIPLEY POINT DR
Subject
GB
BEMARLE RD
MIZZEN MAST DR
ASHLEY POINTE DR
61
61
SC
GB


ZONE AE
ZONE X
ZONE AE
ZONE VE
ZONE VE
ZONE AE
Subject
ZONE X
ZONE VE
ZONE AE
ZONE AE
APPROXIMATE SCALE
MAP SCALE 1" = 500'
0
500
1000
FEET
METERS
NATIONAL FLOOD INSURANCE PROGRAM
FIRM
FLOOD INSURANCE RATE MAP
CHARLESTON COUNTY,
SOUTH CAROLINA
AND INCORPORATED AREAS
PANEL 514 OF 655
MAP NUMBER
45019C0514J
EFFECTIVE DATE:
NOVEMBER 17, 2004
Federal Emergency Management Agency

# Ripley Light Yacht Club Marina - Excess Land

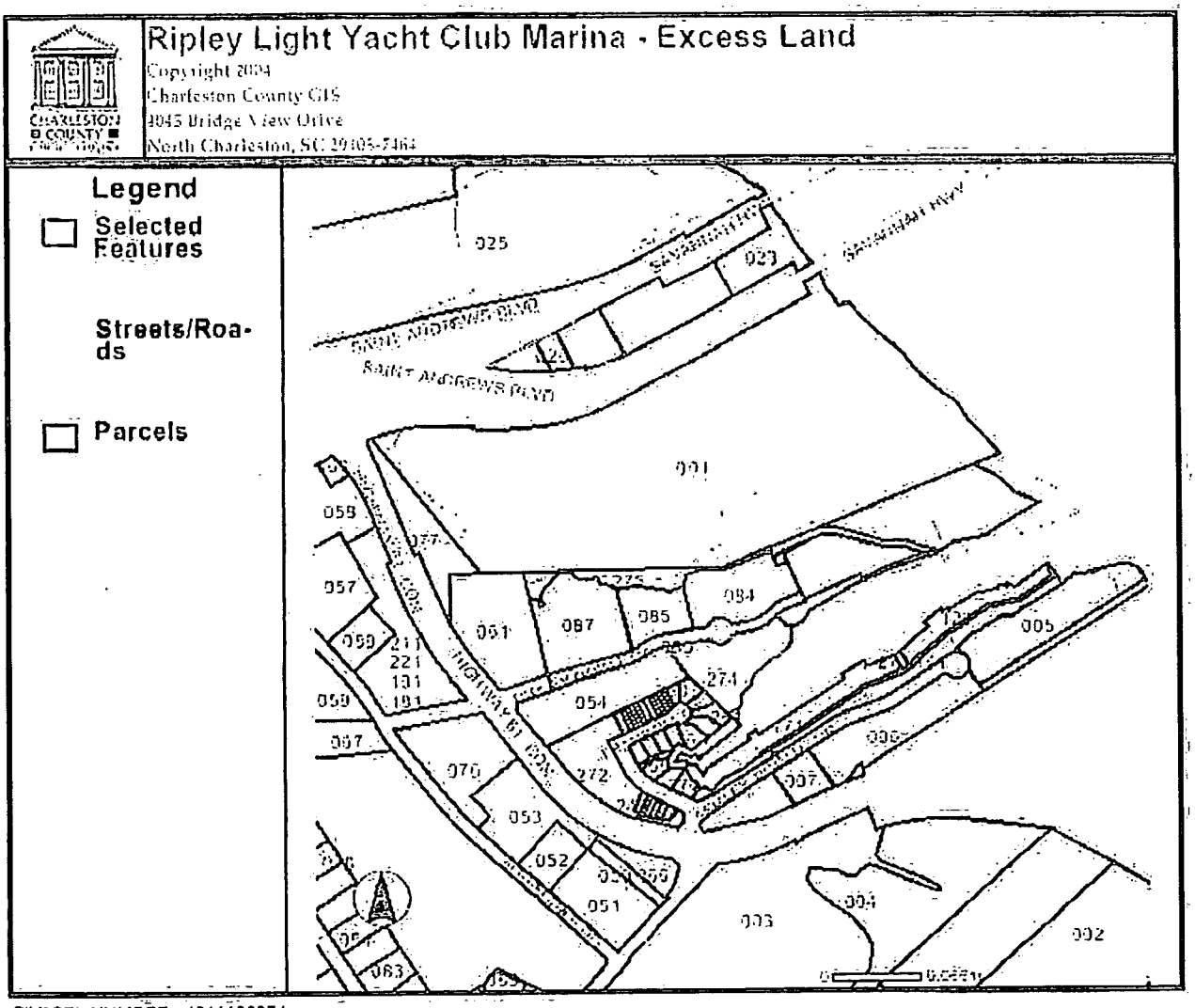
Copyright 2001
Charleston County GIS
1035 Bridge View Drive
North Charleston, SC 29405-7464




**PARCEL NUMBER : 4211100054**

| | |
|---|---|
| PARCEL ID: | 4211100054 |
| STREET NUMBER: | 95 |
| STREET NAME: | RIPLEY POINT DR |
| PROP UNIT: | |
| PROP CITY: | |
| PROP ZIP: | 29407 |
| SITE NAME: | [illegible] |
| GENERAL USE: | VCC |
| MOBILE HOMES: | 0 |
| SUBDIVISION: | [illegible] |
| LEGAL DESCRIPTION: | PARCEL A |
| LGL HI ACRES: | 2.28 |
| LGL MAR ACRES: | 0 |
| LGL WATER ACRES: | 0 |
| LGL SWAMP ACRES: | 0 |
| LGL TOTAL ACRES: | 2.28 |
| TAX DISTRICT: | 63 |
| JURISDICTION: | MCP |
| PLAT BOOK: | P8-218 |
| OWNER ON 1ST: | ASHLEY RIVER PROPERTIES II LLC |
| OWNER2 ON 1ST: | |
| CURRENT OWNER1: | |

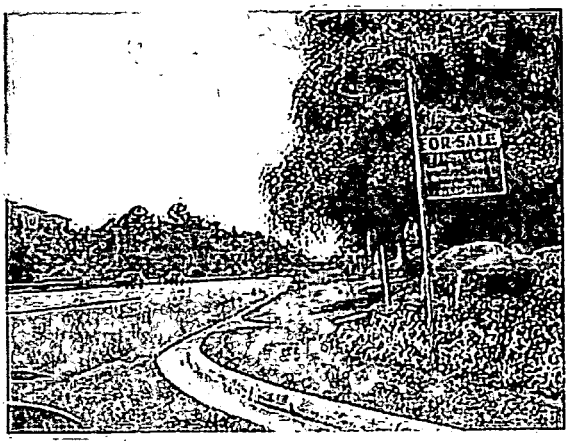
| | |
|---|---|
| CURRENT OWNER2: | |
| SALE DATE: | 12/29/2003 |
| DEED BOOK: | E480-016 |
| WILL CODE: | |
| WILL DATE: | |
| C O NAME: | |
| MAIL STREET NUMBER: | 95 |
| MAIL STREET NAME: | RIPLEY POINTE DR |
| MAIL UNIT: | |
| MAIL CITY: | CHARLESTON |
| MAIL STATE: | SC |
| MAIL ZIP: | 29407-7598 |
| MAIL COUNTRY: | |
| MAIL POSTAL CODE: | |
| SALE PRICE: | 100000 |
| MULT LOT: | 0 |
| SPLIT CODE: | |
| MLOD GROUP: | |
| FINAL VALUE: | 2036000 |
| BUILD COUNT: | 0 |
| AG USE VAL: | 0 |
| AG MARKET TOT: | 0 |
| LR APPROVE: | N |
| YEAR BUILT: | 0 |
| BEDROOMS: | 0 |
| FULL BATHS: | 0 |
| THREE QTR BATHS: | 0 |
| HALF BATHS: | 0 |
| TOTAL FINISH AREA: | 0 |
| LIVING AREA: | 0 |
| CONDO-BEDROOM: | 0 |
| CONDO FULL BATH: | 0 |
| CONDO H-BATH: | 0 |
| CAP LR VAL: | 0 |
| CAP ASSESSED VALUE: | 0 |
| CAP OTHER VALUE: | 980900 |



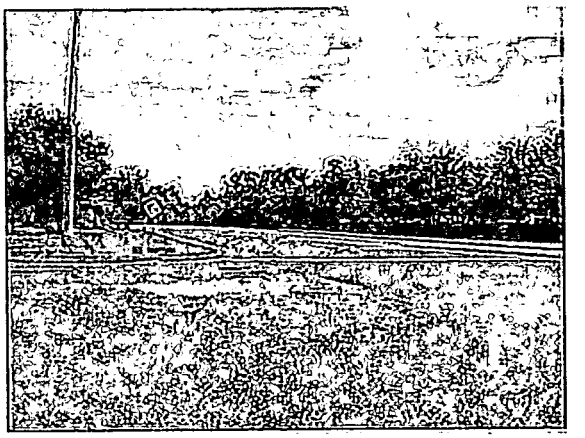

PARCEL NUMBER : 4211100274

| | |
|---|---|
| PARCEL ID: | 4211100274 |
| STREET NUMBER: | 0 |
| STREET NAME: | RIPLEY POINT DRIVE |
| PROP UNIT: | |
| PROP CITY: | |
| PROP ZIP: | 29407 |
| SITE NAME: | |
| GENERAL USE: | VCC |
| MOBILE HOMES: | 0 |
| SUBDIVISION: | |
| LEGAL DESCRIPTION: | PARCEL B |
| LGL HI ACRES: | 1.8 |
| LGL MAR ACRES: | 0 |
| LGL WATER ACRES: | 0 |
| LGL SWAMP ACRES: | 0 |
| LGL TOTAL ACRES: | 1.8 |
| TAX DISTRICT: | 63 |
| JURISDICTION: | MCP |
| PLAT BOOK: | EK-219 |
| OWNER ON 1ST: | ASHLEY RIVER PROPERTIES II LLC |
| OWNER2 ON 1ST: | |
| CURRENT OWNER1: | |

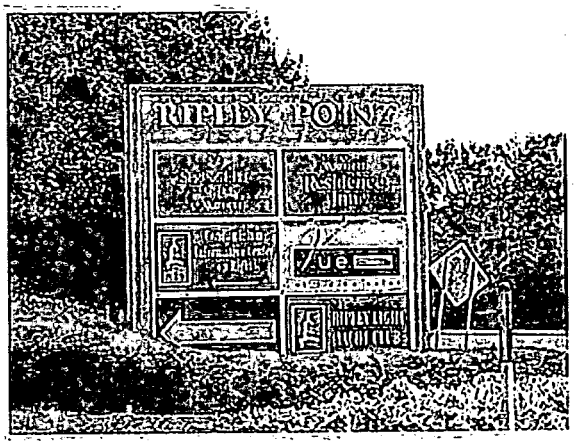
| | |
|---|---|
| CURRENT OWNER2: | |
| SALE DATE: | 12/29/2003 |
| DEED BOOK: | E490-016 |
| WILL CODE: | |
| WILL DATE: | |
| C O NAME: | |
| MAIL STREET NUMBER: | 0 |
| MAIL STREET NAME: | P O BOX 3150 |
| MAIL UNIT: | |
| MAIL CITY: | CHARLESTON |
| MAIL STATE: | SC |
| MAIL ZIP: | 29417 |
| MAIL COUNTRY: | |
| MAIL POSTAL CODE: | |
| SALE PRICE: | 100000 |
| MULT LOT: | 0 |
| SPLIT CODE: | Y |
| MLOD GROUP: | |
| FINAL VALUE: | 1078000 |
| BUILD COUNT: | 0 |
| AG USE VAL: | 0 |
| AG MARKET TOT: | 0 |
| I.R APPROVE: | |
| YEAR BUILT: | 0 |
| BEDROOMS: | 0 |
| FULL BATHS: | 0 |
| THREE QTR BATHS: | 0 |
| HALF BATHS: | 0 |
| TOTAL FINISH AREA: | 0 |
| LIVING AREA: | 0 |
| CONDO-BEDROOM: | 0 |
| CONDO FULL BATH: | 0 |
| CONDO H-BATH: | 0 |
| CAP LR VAL: | 0 |
| CAP ASSESSED VALUE: | 0 |
| CAP OTHER VALUE: | 1714600 |



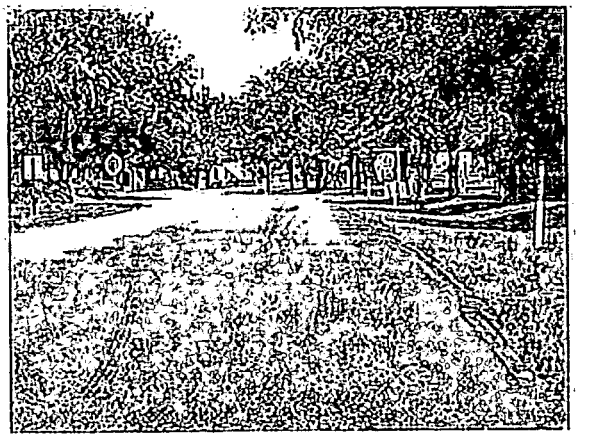

Looking North on Highway 61 Connector



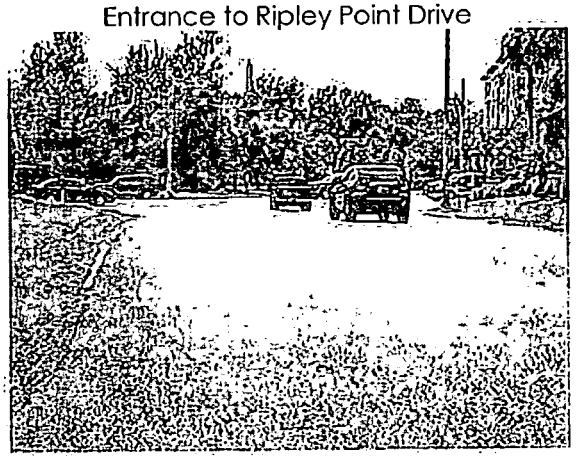
Looking South on Highway 61 Connector



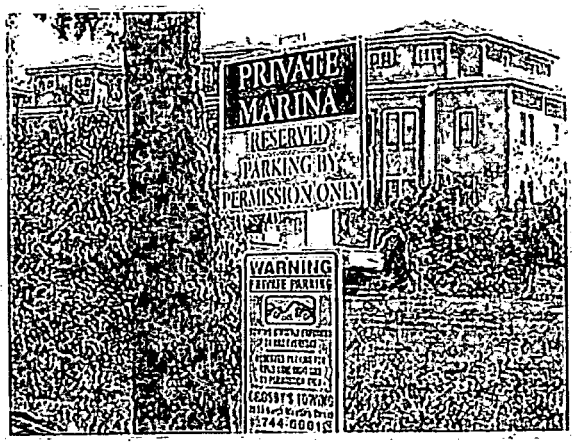

Signage along Highway 61 Connector at Entrance to Ripley Point Drive



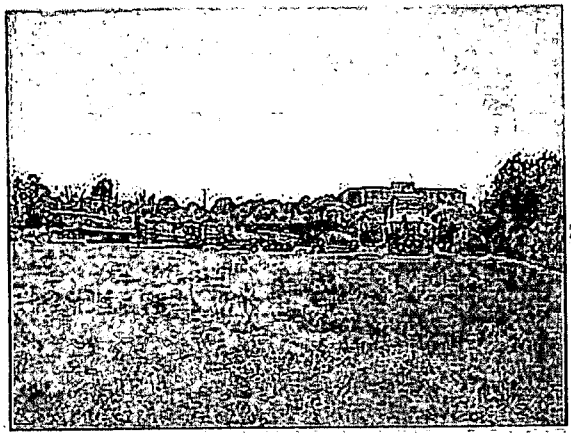
Looking East on Ripley Point Drive



Looking West on Ripley Point Drive




View of signage along Ripley Point Drive near excess land area



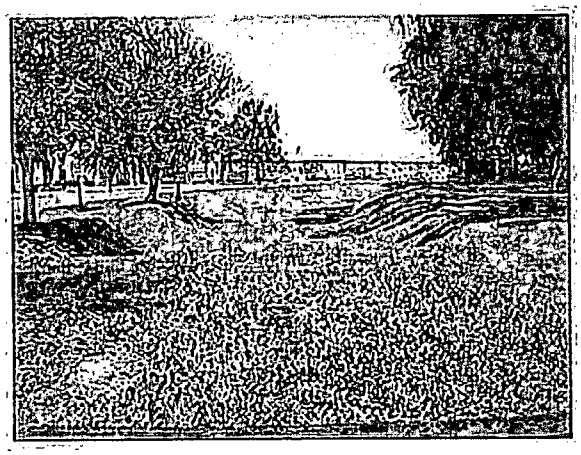
View of excess land area



View of excess land area



View of excess land area



View of excess land area
(Parking area for marina in background)

COMBINED TAXES FOR CHARLESTON COUNTY TAX DISTRICTS 3 AND 6-3 CITY OF CHARLESTON

**REAL PROPERTY TAXES FOR PERIOD COMMENCING: 01-01-2011** TAX BILL DATE: 11-12-201

| PROPERTY DESCRIPTION | | | | ASSESSMENT RATIO | APPRAISAL | ASSESSMENT | MILLAGE | TOTAL TAX |
|---|---|---|---|---|---|---|---|---|
| DIST | TYPE | ACRES | MORTGAGE CODE/ID | | | | | |
| 6-3 | 952 | | | 6.00 | 1,714,800 | 102,880 | 258.3 | 26,573.90 |
| | | | | | COUNTY SALES TAX CREDIT | | | -1,200.22 |
| | | | | | MUNICIPAL SALES TAX CREDIT | | | -1,217.37 |

BILL NO.#: 1352573
PIN : 4211100274
DESCRIPTION -PARCEL B
RIPLEY POINT DR

**PAY THIS AMOUNT ON OR BEFORE 01-17-2012** **$24,156.31**

ASHLEY RIVER PROPERTIES II LLC
95 RIPLEY POINT DR
CHARLESTON SC 29407

952
R

YOU CAN PAY YOUR TAXES ONLINE AT www.charlestoncounty.org
IMPORTANT INFORMATION ON BACK OF THIS BILL

GOVERNMENT AGENCIES RESPONSIBLE FOR MILLAGE & TAX DOLLARS

| MILLS | TAXES | | AGENCY CODE | % |
|---|---|---|---|---|
| 39.1 | 2,822.39 | COUNTY GOVERNMENT OPERATING | | |
| 6.1 | 627.57 | COUNTY GOVERNMENT BONDS (958-4641) | | 14.3% |
| 98.6 | 10,143.97 | SCHOOL BOARD OPERATING | | |
| 27.9 | 2,870.36 | SCHOOL BOARD BONDS (566-1829) | | 53.9% |
| 3.6 | 370.97 | PARKS & RECREATION OPERATING | | |
| 1.8 | 185.18 | PARKS & RECREATION BONDS (762-2172) | | 2.3% |
| 1.9 | 195.47 | TRIDENT TECHNICAL COLLEGE OPERATING | | |
| 0.5 | 51.44 | TRIDENT TECHNICAL COLLEGE BONDS (574-6111) | | 1.0% |
| 76.8 | 6,683.81 | CITY OF CHARLESTON | | |
| 2.0 | 205.76 | CITY OF CHARLESTON DRAINAGE IMP (579-7529) | | 28.5% |
| 258.3 | 24,156.31 | TOTAL TAXES | | 100.0% |
| | 24,156.31 | **PAY THIS AMOUNT** | | |

TEAR AT PERFORATION AND RETURN BOTTOM PORTION WITH PAYMENT

PROPERTY DESCRIPTION
PIN : 4211100274
DESCRIPTION -PARCEL B
RIPLEY POINT DR

BILL NO.#: 1352573 TAX BILL DATE: 11-12-2011
FOR PERIOD COMMENCING: 01-01-2011

PAY YOUR TAXES ONLINE AT www.charlestoncounty.org

AMOUNT ▶ $24,156.31 R
IF PAYING ON OR BEFORE 01-17-2012
U.S. DOLLARS ONLY

MAKE PAYMENT TO: CHARLESTON COUNTY TREASURER
P.O. BOX 978
CHARLESTON, S.C. 29402-0978

AMOUNT DUE ON OR AFTER (PAYMENT TO COUNTY TREASURER

| | |
|---|---|
| 01-18-2012 | 24,681.00 |
| 02-02-2012 | 26,571.94 |

AMOUNT DUE ON OR AFTER (PAYMENT TO DELINQUENT TAX)

| | |
|---|---|
| 03-16-2012 | 27,779.76 |

ADDRESS _____
CHANGE _____

NOV. 30. 2011 12:44PM ASHLEY RIVER PROPERTIES II, LLC NO. 2022 P. 2278

COMBINED TAXES FOR: CHARLESTON COUNTY-WIDE ENTITIES AND 6-3 CITY OF CHARLESTON

REAL PROPERTY TAXES FOR PERIOD COMMENCING: 01-01-2011 TAX BILL DATE: 11-12-2011

| PROPERTY DESCRIPTION | | | | ASSESSMENT RATIO | APPRAISAL | ASSESSMENT | MILLAGE | TOTAL TAX |
|---|---|---|---|---|---|---|---|---|
| DIST | TYPE | ACRES | MORTGAGE CODE/ID | 6.00 | 980,900 | 58,850 | 258.3 | 15,200.98 |
| 6-3 | 952 | | | | | | | |

COUNTY SALES TAX CREDIT -688.83

MUNICIPAL SALES TAX CREDIT -696.44

BILL NO.#: 1264783

PIN: 4211100054

DESCRIPTION -PAR A & B & PT A.C.L RR (E79-327) SIT

95 RIPLEY POINT DR

PAY THIS AMOUNT ON OR BEFORE 01-17-2012 $13,817.91

ASHLEY RIVER PROPERTIES II LLC
95 RIPLEY POINTE DR
CHARLESTON SC 29407--7598

952
R

YOU CAN PAY YOUR TAXES ONLINE AT www.charlestoncounty.org

IMPORTANT INFORMATION ON BACK OF THIS BILL

GOVERNMENT AGENCIES RESPONSIBLE FOR MILLAGE & TAX DOLLARS

| MILLS | TAXES | | AGENCY CODE | |
|---|---|---|---|---|
| 39.1 | 1,614.41 | COUNTY GOVERNMENT OPERATING | | |
| 6.1 | 358.99 | COUNTY GOVERNMENT BONDS (958-4641) | | 14.3% |
| 98.6 | 5,802.61 | SCHOOL BOARD OPERATING | | |
| 27.9 | 1,641.92 | SCHOOL BOARD BONDS (566-1829) | | 63.9% |
| 3.6 | 211.86 | PARKS & RECREATION OPERATING | | |
| 1.8 | 105.93 | PARKS & RECREATION BONDS (762-2172) | | 2.3% |
| 1.9 | 111.82 | TRIDENT TECHNICAL COLLEGE OPERATING | | |
| 0.5 | 29.43 | TRIDENT TECHNICAL COLLEGE BONDS (574-6111) | | 1.0% |
| 76.8 | 3,823.24 | CITY OF CHARLESTON | | |
| 2.0 | 117.70 | CITY OF CHARLESTON DRAINAGE IMP (579-7629) | | 28.5% |
| 258.3 | 13,817.91 | TOTAL TAXES | | 100.0% |
| | 13,817.91 | PAY THIS AMOUNT | | |

TEAR AT PERFORATION AND RETURN BOTTOM PORTION WITH PAYMENT

PROPERTY DESCRIPTION
PIN: 4211100054
DESCRIPTION -PAR A & B & PT A.C.L RR (E79-327) SITE NAME
95 RIPLEY POINT DR

BILL NO.#: 1264783 TAX BILL DATE: 11-12-2011
FOR PERIOD COMMENCING: 01-01-2011

PAY YOUR TAXES ONLINE AT www.charlestoncounty.org

AMOUNT ▶ $13,817.91 R
IF PAYING ON OR BEFORE 01-17-2012 U.S. DOLLARS ONLY

MAKE PAYMENT TO: CHARLESTON COUNTY TREASURER
P.O. BOX 878
CHARLESTON, S.C. 29402-0878

AMOUNT DUE ON OR AFTER (PAYMENT TO COUNTY TREASURER

| | |
|---|---|
| 01-18-2012 | 14,232.45 |
| 02-02-2012 | 15,199.70 |

AMOUNT DUE ON OR AFTER (PAYMENT TO DELINQUENT TAX)

| | |
|---|---|
| 03-18-2012 | 15,890.60 |

ADDRESS _____
CHANGE _____

# Charleston County, South Carolina

*generated on 7/13/2012 9:50:57 AM EDT*

| | | | | |
|---|---|---|---|---|
| [illegible] | 95 RIPLEY POINT DR CHARLESTON | 6/8/2012 | 2011 | 2011 |

| | | | |
|---|---|---|---|
| Owner | ASHLEY RIVER PROPERTIES II LLC | Property Class Code | 952 - VAC-COMM-LOT |
| Owner Address | 95 RIPLEY POINTE DR<br>CHARLESTON SC 29407-7598 | Acreage | 2.2800 |
| Legal Description | Description -PAR A & B & PT A.C.L RR (E79-327) Site Name -ALBEMARLE POINT Subdivison Name - ALBERMARLE POINT Description - PARCEL A Subdivison Name -ALBERMARLE POINT Site Name - ALBEMARLE POINT Description - PARCEL A Site Name -ALBEMARLE POINT Subdivison Name - ALBERMARLE POINT Description -PAR A & B & PT A.C.L RR (E79-327) Site Name -ALBEMARLE POINT Subdivison Name -ALBERMARLE POINT Description -MULTI-COUNTY PARK ACCT. PARCEL 5 RR (E79-327) SCTC 610 00366 (ASMT. INCLUDED IN PERSONAL PROPER | | |

| Tax Year | Land | Building | Market | Taxes | Payment |
|---|---|---|---|---|---|
| 2011 | $1,769,000 | | $1,769,000 | $0.00 | $0.00 |
| 2011 | $1,765,000 | | $1,765,000 | $5,50[illegible] | $0.00 |
| 2011 | $1,769,000 | | $1,769,000 | $0.00 | $0.00 |
| 2010 | | | $853,000 | $0.00 | $0.00 |
| 2009 | | | $853,000 | $0.00 | $0.00 |
| 2008 | | | $853,000 | $0.00 | $0.00 |

| Grantor | Book & Page | Date | Deed | Vacant | Sale Price |
|---|---|---|---|---|---|
| RIPLEY LIGHT DEVELOPMENT | E480 016 | 12/29/2003 | Ge | | $100,000 |
| COMMISSIONERS OF PUBLIC WORKS | S424 117 | 10/4/2002 | Ge | | $5 |
| RIPLEY POINT ASSOCIATES LLC | H296 678 | 12/12/1997 | Ge | | $5 |
| APPLEGATE ARTHUR H | W267 845 | 4/15/1996 | Ge | | $9 |
| ASHLEY LANDING INC | W267 849 | 4/12/1996 | Ge | | $2,700,000 |
| PS CHARLESTON CORP | R241 544 | 4/15/1994 | Ge | | $4,200,000 |
| NOT SUPPLIED | B191 250 | 12/29/1989 | Ge | | $0 |

| Building | Type | Use Code Description | Constructed Year | Stories | Bedrooms | Finished Sq. Ft. | Improvement Size |
|---|---|---|---|---|---|---|---|

# Charleston County, South Carolina

*generated on 7/13/2012 9:51:25 AM EDT*

| | | | |
|---|---|---|---|
| [illegible] | 95 RIPLEY POINT DR, CHARLESTON | [illegible] | [illegible] |

| | |
|---|---|
| Owner | ASHLEY RIVER PROPERTIES II LLC |
| Owner Address | 95 RIPLEY POINTE DR<br>CHARLESTON SC 29407-7598 |
| Sale Date | |
| Deed Reference | E480 016 |

| | | | |
|---|---|---|---|
| Tax District Name | 6-3 6-3 CITY OF CHARLESTON | Routing No. | |
| Parcel Address | 95 RIPLEY POINT DR, CHARLESTON | Legal Description | Description -PAR A & B & PT A.C.L RR (E79-327) Site Name -ALBEMARLE POINT Subdivison Name - ALBERMARLE POINT Description - PARCEL A Subdivison Name - ALBERMARLE POINT Site Name - ALBEMARLE POINT Description - PARCEL A Site Name -ALBEMARLE POINT Subdivison Name - ALBERMARLE POINT Description -PAR A & B & PT A.C.L RR (E79-327) Site Name -ALBEMARLE POINT Subdivison Name -ALBERMARLE POINT Description -MULTI-COUNTY PARK ACCT. PARCEL 5 RR (E79-327) SCTC 610 00366 (ASMT. INCLUDED IN PERSONAL PROPER |
| Acreage | 2.2800 | | |

| Prior Year | 2010 | Current Year | 2011 |
|---|---|---|---|
| Appraised Value Land | 0 | Appraised Value Land | 1,769,000 |
| Appraised Value Improvements | 0 | Appraised Value Improvements | 0 |
| Total Appraised Value | 853,000 | Total Appraised Value | 1,769,000 |
| Limited (Capped) Appraised Value Total | 0 | Limited (Capped) Appraised Value Total | 980,900 |
| Exemption Amount | 0 | Exemption Amount | 0 |
| Taxable Value | 51,180 | Taxable Value | 58,850 |
| Assessment Ratio | 6% | Assessment Ratio | 6% |
| Assessed Value | 51,180 | Assessed Value | 58,850 |

# Charleston County, South Carolina

*generated on 7/13/2012 9:52:45 AM EDT*

| | | | | |
|---|---|---|---|---|
| 4011100274 | RIPLEY POINTE DR CHARLESTON | 6/9/2011 | 2011 | 2011 |

| | | | |
|---|---|---|---|
| Owner | ASHLEY RIVER PROPERTIES II LLC | Property Class Code | 952 - VAC-COMM-LOT |
| Owner Address | 95 RIPLEY POINTE DR<br>CHARLESTON SC 29407-7598 | Acreage | 1.8000 |
| Legal Description | Description -PARCEL B PlatSuffix EK-219 PolTwp 009 | | |

| Tax Year | Land | Building | Market | Taxes | Payment |
|---|---|---|---|---|---|
| 2011 | $1,976,001 | | $1,976,001 | $0.00 | $0.00 |
| 2010 | | | $1,481,000 | $0.00 | $0.00 |
| 2009 | | | $1,481,000 | $0.00 | $0.00 |
| 2008 | | | $1,481,000 | $0.00 | $0.00 |

| Grantor | Book & Page | Date | Deed | Vacant | Sale Price |
|---|---|---|---|---|---|
| RIPLEY LIGHT DEVELOPMENT | E480 016 | 12/29/2003 | Ge | | $100,000 |
| NOT SUPPLIED | S424 117 | 10/4/2002 | Ge | | $5 |

| Building | Type | Use Code Description | Constructed Year | Stories | Bedrooms | Finished Sq. Ft. | Improvement Size |
|---|---|---|---|---|---|---|---|

# Charleston County, South Carolina

*generated on 7/13/2012 9:53:15 AM EDT*

| | | | | |
|---|---|---|---|---|
| 4211300274 | RIPLEY POINT DR, CHARLESTON | 6/8/2012 | 2011 | 2011 |

| | |
|---|---|
| Owner | ASHLEY RIVER PROPERTIES II LLC |
| Owner Address | 95 RIPLEY POINTE DR<br>CHARLESTON SC 29407-7598 |
| Sale Date | |
| Deed Reference | E480 016 |

| | | | |
|---|---|---|---|
| Tax District Name | 6-3 6-3 CITY OF CHARLESTON | Routing No. | |
| Parcel Address | RIPLEY POINT DR, CHARLESTON | Legal Description | Description -PARCEL B PlatSuffix EK-219 PolTwp 009 |
| Acreage | 1.8000 | | |

| Prior Year | 2010 | Current Year | 2011 |
|---|---|---|---|
| Appraised Value Land | 0 | Appraised Value Land | 1,976,001 |
| Appraised Value Improvements | 0 | Appraised Value Improvements | 0 |
| Total Appraised Value | 1,491,000 | Total Appraised Value | 1,976,000 |
| Limited (Capped) Appraised Value Total | 0 | Limited (Capped) Appraised Value Total | 1,976,001 |
| Exemption Amount | 0 | Exemption Amount | 102,880 |
| Taxable Value | 89,460 | Taxable Value | 102,880 |
| Assessment Ratio | 6% | Assessment Ratio | 6% |
| Assessed Value | 89,460 | Assessed Value | 102,880 |

# State Of South Carolina

## Real Estate Appraisers Board

**MARK ANTHONY MORGAN**

**CG 3890**

Having Satisfied The Qualifications Of The South Carolina Real Estate Appraisers Board And Having Complied With The Requirements Prescribed By Law, Is Hereby Entitled To Practice As A

## State Certified General Real Estate Appraiser

In Witness Thereof The State Of South Carolina Real Estate Appraisers Board By Virtue Of The Authority Vested In It By Chapter 60, Title 40 Code Of Laws Of South Carolina Has Caused This Document To Be Issued With Its Seal Imprinted Hereon.

Administrator

Property of South Carolina Real Estate Appraisers Board

2283

S14E21011

State of South Carolina BCD1019086
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

MARK ANTHONY MORGAN

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: 3890

Expiration Date: 06/30/2014
POCKET CARD

Tracy McCarley
Administrator

State of South Carolina BCD1019086
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

MARK ANTHONY MORGAN

Is hereby entitled in practice as a:

Certified General Appraiser

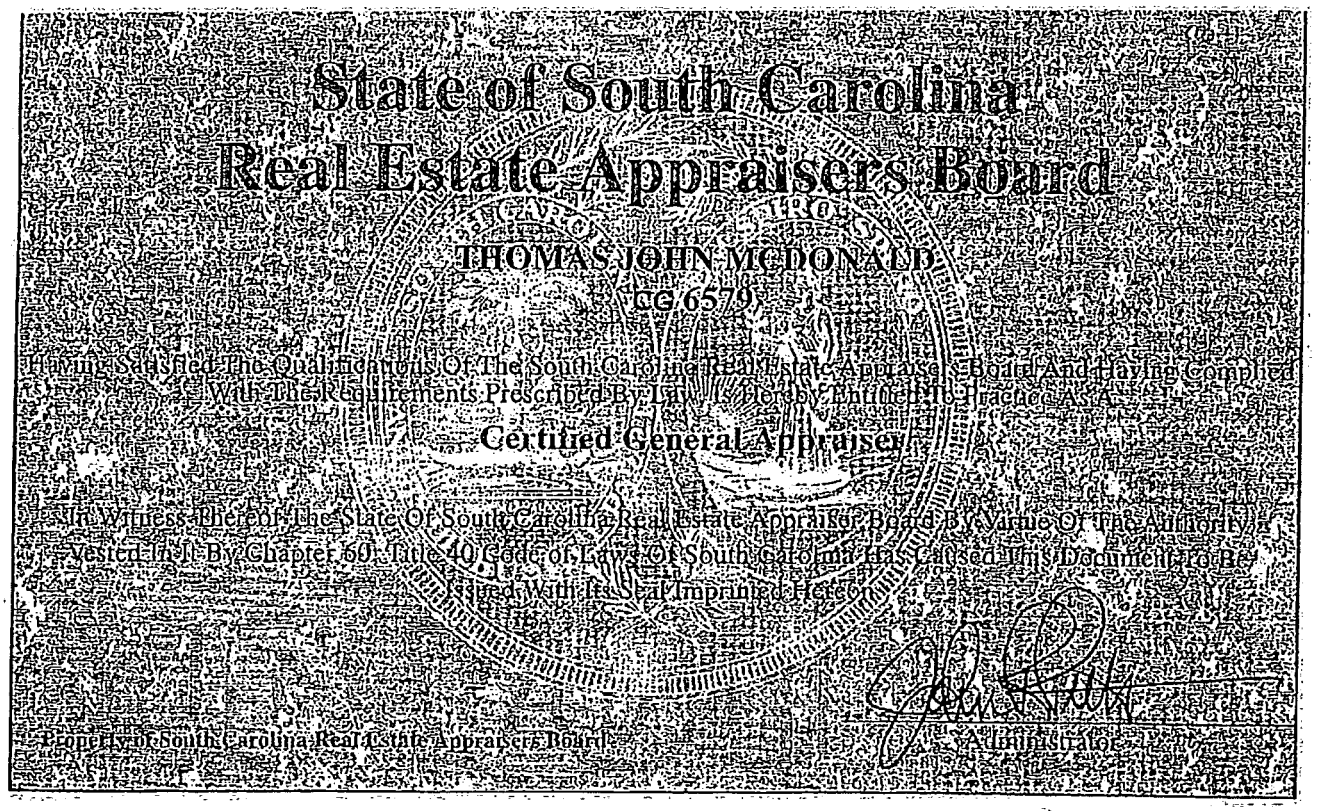
License Number: 3890

Expiration Date: 06/30/2014
OFFICE COPY

Tracy McCarley
Administrator

*DO NOT PEEL CARD FROM A CORNER*

To remove card from backing
- Bend form back from the outside edge
- Pull card off backing


State of South Carolina
Real Estate Appraisers Board
THOMAS JOHN MCDONALD
CG 6579
Having Satisfied The Qualifications Of The South Carolina Real Estate Appraisers Board And Having Complied With The Requirements Prescribed By Law, Is Hereby Entitled To Practice As A
Certified General Appraiser
In Witness Thereof The State Of South Carolina Real Estate Appraiser Board By Virtue Of The Authority Vested In It By Chapter 60, Title 40 Code of Laws Of South Carolina Has Caused This Document To Be Issued With Its Seal Imprinted Hereon
Property of South Carolina Real Estate Appraisers Board
Administrator

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

BCD: [illegible]

**THOMAS JOHN MCDONALD**

Is hereby entitled in practice as a:

**Certified General Appraiser**

License Number: **6579**

Expiration Date: 06/30/2014

OFFICE COPY

Administrator

Bank of America

# Award Confirmation Letter

Supplier is hereby authorized to perform the Statement of Work detailed below. Supplier acknowledges that this confirmation letter is a summary of select contract terms and conditions which is provided for convenience. To view the complete agreement electronically accepted by Supplier, Supplier is referred to Bank of America's Commercial Valuation Services Information Management System.

| Supplier: Statement of Work | | | |
|---|---|---|---|
| Service Type ID: | 12-006751-APR01-001 | Supplier: | Fred H. Beck & Associates, LLC |
| Service: | Appraisal (Order) | Supplier Representative: | Mark Morgan |
| Borrower: | Ashley River Properties II, LLC | Agreement Number: | 12668 |

| Award Terms and Conditions | | | |
|---|---|---|---|
| Sourcing Manager: | Debbie Pauza, Market Manager | Other Terms or Conditions: | |
| Date Awarded: | 06/15/2012 | Note NEW appraisal requirements effective 12/3/11 attached. All appraisal reports must include both exposure time (as required by USPAP) and marketing time in your appraisal as a condition of this award. Include copies of licenses/certifications in the addenda. Please reconcile previous values with current values in letter of transmittal and make prior services disclosure in certification. | |
| Fees: | USD 6,500 | | |
| Bank Contact: | Debbie Pauza | | |
| Contact Phone: | 704.951.8229 | | |
| Appraisal Type: | Self-contained | | |
| Certification: | Contracted Appraiser or Designee | | |

| Service Delivery Requirements | |
|---|---|
| Due Date | Description |
| 07/16/2012 | Time is of the essence. Review of all attachments and initial communication with identified project or property contacts must occur within five days of engagement. Liquidated damages may be assessed if the Statement of Work (SOW), including the delivery of all reports and requested data, is incomplete by the listed due date. Damages will be assessed at a rate of 5% of the negotiated fee for each day (cumulative) the SOW remains incomplete. Damages will not be imposed for delays resulting from circumstances beyond the appraiser's control if timely notice is provided; such circumstances to be judged for their validity solely by the Sourcing Manager. Individual standalone reports to be provided for each listed property unless instructed otherwise in this agreement. |

| Service Definition | | | | | |
|---|---|---|---|---|---|
| Currency | Premise | Qualifier | Interest Appraised | Allocations | Description |
| USD | Market Value | As-Is | Fee Simple | Real Estate | Ripley Light Yacht Club Marina |
| USD | Market Value | As-Is | Leased Fee | Real Estate | Ripley Light Yacht Club Marina |
| USD | Market Value | As-Is | Fee Simple | Real Estate | Land - South Side of Ripley Point Drive |

**Policies and Procedures**

Supplier is required to review, update and/or enter key summary information about the property appraised and associated value conclusions as part of this service.

All appraisal reports (including all addendum and related attachments) and invoices must be uploaded to VSIMS in Adobe Acrobat-compatible format (PDF). Document security must be set to allow Commenting, Copying and Extracting of Content for use in the Bank's review function. Documents may be otherwise restricted from changes subject to the supplier's personal security preference. Additional Microsoft and Argus documents may be uploaded in their native format, where appropriate.

All appraisal reports must include both exposure time (as required by USPAP) and marketing time in your appraisal as a condition of this award.

Include the following statement in the Letter of Transmittal and the Intended Use Section of the report: 'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or., Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'

Reappraisal assignments must document and explain assumption changes and resulting value differences for all Bank of America assignments completed within the prior two years.

Include the statement: "Bank of America makes no warranties or representations regarding this document or the conclusions contained herein." in your transmittal letter.

**Addressee and Distribution Instructions**

| Report Distribution | Name | Address | CD/DVD | Bound | Comments |
|---|---|---|---|---|---|
| Addressee, Recipient and Intended User | Debbie Pauza, Market Manager | Bank of America, NA \|119 Cross Center Drive\| NC3-176-01-01\| Denver, NC 28037 | 0 | 0 | |

**Documents** *(content available online only)*

| Reference Documents | |
|---|---|
| | APPRAISAL REQUIREMENTS [EFFECTIVE 2011-12-03]_12022011_215900.pdf |
| | BAC_CAS APPRAISAL REMINDERS [2010-09]_09192010_102208.pdf |

**Project Contacts**

| Name | Company / Role | Telephone | Comments |
|---|---|---|---|

**Property Contact** *(additional contacts may be listed for each property. Refer to the online property profile for details)*

| Name | Company / Role | Telephone | Comments |
|---|---|---|---|
| David Williams | CFO | 212-599-3530 | |

**Properties** *(detailed descriptions may be viewed online or downloaded)*

| # | Property Type | Property Address |
|---|---|---|
| 1 | Special Purpose - Marina | 95 Ripley Point Drive, Charleston, SC |
| 2 | Land - Other | South side of Ripley Point Drive, Charleston, SC |

## Property Details

### Property Information

| | | | | | |
|---|---|---|---|---|---|
| **Property Name :** | Ripley Light Yacht Club Marina | | | | |
| **Address Line 1 : *** | 95 Ripley Point Drive | | **Address Line 2:** | | |
| **Zip Code :** | 29407 | | | | |
| **Country : *** | United States of America | **State : *** South Carolina | **County : *** Charleston | **City : *** Charleston | |
| **Property Type : *** | Special Purpose-Marina | | **Site Owner Name: *** ASHLEY RIVER PROPERTIES II, LLC | ☑ **Same as Borrower** | |
| **Tax Parcel Numbe** | 421-11-00-275 | | | | |
| **Other Information :** Not Confidential: May be shared external to BAML without further review. | Borrower has obtained permits to expand marina. Please contact David Williams for additional information. | | | | |

### Property Measurement

| | | Quantity Type | Additional Information | Delet |
|---|---|---|---|---|
| **Building Size-primary *** | 0 | SF-GBA | | |

Note: Fields marked (*) are mandato

Introduction

All appraisal assignments engaged by **Bank of America's** Commercial Appraisal Services (CAS) department must conform to these *Appraisal Requirements*.

All real estate appraisal services performed for **Bank of America** must conform to the following:

- The *Uniform Standards of Professional Appraisal Practice* (USPAP).
- Appraisal requirements of Title XI of the *Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989* (FIRREA), revised June 7, 1994, and amendments thereto.
- Interagency Appraisal and Evaluation Guidelines, December 10, 2010.
- The appraiser must provide all services in accordance with the Bank of America *Professional Services Agreement*.
- The assignment will conform to the requirements as detailed by Bank of America in the award/engagement contract and in **Bank of America's** Valuation Services Information Management System RFP/award information.
- **Bank of America** CAS *Appraisal Performance and Reporting Guidenotes*.

Appraiser Independence

Maintaining the independence and objectivity of the appraisal process is of utmost importance to **Bank of America**. If an appraiser has a current or prospective interest in the subject property, transaction, or parties involved, the appraiser must decline the assignment.

If the appraiser, appraiser's company or organization has previously (1) appraised the subject property, or (2) reviewed an appraisal completed by another appraiser on the subject property, or (3) leased/brokered/listed for sale the subject property, or (4) performed any marketing or advisory services related to the subject property, the appraiser must be able to remain unbiased by the previous assignment, or decline the current assignment. The appraiser must disclose the previous appraisal, advisory or related service to **Bank of America** CAS during the RFP/bidding process and prior to accepting an appraisal assignment.

If during the course of an assignment, the appraiser becomes aware of a potential conflict of interest, the appraiser should contact **Bank of America** CAS immediately.

Any communication between the appraiser and **Bank of America** must be through the CAS contact.



Bank of America
Commercial Appraisal Services

Appraisal Requirements
*Revised December 3, 2011*

Confidential Information

Assignment results and all information provided by **Bank of America**, or its customers, related to the appraisal assignment are confidential information, and must be treated as such. Written approval from **Bank of America** CAS is required to release confidential information, including assignment results, to any third party.

Competency

In bidding for and accepting appraisal assignments from Bank of America CAS, the appraiser certifies that he or she is competent to perform the requested service. The appraiser must be an active State Certified General or State Licensed appraiser, as appropriate. Temporary certificates are acceptable.

Fair Lending Policy

Bank of America is committed to supporting fair lending practices and will not tolerate discrimination or discriminatory references in any form.

Appraisal reports must not include any subjective terms or phrases that might be interpreted as discriminatory. Apparent discrimination may be suggested by stating that a condition or feature is a negative influence without market support that it is regarded as such. Only those characteristics that are relevant to the valuation problem are to be addressed. Additionally, the appraiser must avoid using demographic data and statistics that are not pertinent to the appraisal assignment.

Future Assignments

Your acceptance of any Bank of America CAS assignment certifies that you agree not to accept or pursue an appraisal or related assignment, of the subject property without receiving prior approval from Bank of America CAS.

Introduction

The **Bank of America** *Appraisal Performance and Reporting Guidenotes* apply to all appraisal assignments engaged by **Bank of America** CAS.

Scope of Work

It is the appraiser's responsibility to determine and perform a scope of work sufficient to produce credible assignment results given the intended use.

The subject property inspection should be sufficient to identify the relevant property characteristics and include a representative sample of interior spaces.

Report Content Requirements

The amount of information and analysis presented in the report is based on the appraisal product type and the relative complexity of the appraisal issues addressed.

Each appraisal report should include:

- Prominent disclosure and support for any deviation from the requested product (e.g. Self-Contained, Summary, Summary-Form), interest appraised, valuation premise (e.g. Upon Completion of Construction, Upon Stabilization, etc.), or valuation condition, as identified in the award/engagement contract
- Explanation of assumption changes and value differences for reappraisal assignments
- The statement: *Bank of America makes no warranties or representations regarding this document or the conclusions contained herein.*
- Intended Use/Intended User Statement: *Include the following statement in the Letter of Transmittal and the Intended Use Section: The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or, Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.*
- A copy of the Award Confirmation Letter and any subsequent instructions
- A copy of State Real Estate Appraiser License
- Identification of the Property Parcel ID(s)
- Identification of the flood and earthquake hazards, as applicable
- Exposure time and marketing time

Disclaimers

**Bank of America** CAS will not accept the report if wording or disclaimers are included in the report that limit the appraiser's professional liability to **Bank of America**.





Borrower/Customer Contact

**Bank of America** CAS expects that the appraiser will communicate with the property contact (as identified in the award letter) within five business days of the assignment award for Self-Contained and Summary appraisals and two business days for Summary-Form appraisals.

Appraisal Report Delivery, Ownership & Distribution

**Bank of America's** Valuation Services Information Management System, RFP/award information and Award Confirmation Letter provide appraisal report addressee and distribution instructions.

An electronic copy of the appraisal report, invoice and any supporting files are to be uploaded to the **Bank of America** Valuation Services Information Management System.

**Bank of America** owns the appraisal report and is under no restrictions regarding its redistribution to other interested parties of the Bank's choice.

Appraisal Analysis Software

Discounted cash flow models for income producing properties should be prepared using Argus financial software. Appropriate supporting documentation must be included in the report and the Argus file must be uploaded to **Bank of America's** Valuation Services Information Management System.

In cases where the appraiser has developed proprietary analysis models, such models/software must be made available to **Bank of America** CAS. Spreadsheets are to be forwarded in operational condition and in a format that can be reviewed.

Suspected Environmental Hazards

If the appraiser observes any suspected environmental hazards, the appraiser must notify **Bank of America** CAS immediately and document the suspected hazard in the report.

Quality Assurance Review

Appraisal reports are subject to review by **Bank of America** CAS. Appraisers must be prepared to discuss their analyses and conclusions and provide additional written support, clarification, and/or corrected appraisal pages if requested.

Date of Inspection / Date of Value

The date of inspection / date of value must occur within 45 days prior to the date the report is delivered, unless waived by **Bank of America** CAS.

Non-realty Components

The appraisal report must identify all non-realty components in the appraisal and provide an allocation of real property, personal property, and intangible assets. In assignments where the subject includes personal property components, the final value must be allocated among the real property and personal property. In assignments where the subject is a going concern (an operating business enterprise that is expected to continue), non-realty components must be identified and the final value allocated among the real property, personal property, and intangible assets.

Other Valuation Issues

Performance and reporting requirements applicable to specialized lending situations (e.g., SBA, CMBS, etc.) will be identified by **Bank of America** CAS at the time of the engagement.

When appraising properties that include specialized valuation issues, such as mortgage revenue bonds, low income housing tax credits, etc., the appraiser must contact **Bank of America** CAS for clarification and guidance if the methods for handling these issues are not defined during the engagement process.

Bank of America



Bank of America
Commercial Appraisal Services
Appraisal Performance and Reporting Guidenotes
*Revised December 3, 2011*

Definitions

**Market Value:** 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 and 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: Code of Federal Regulations; Title 12–Banks And Banking; Chapter I–Comptroller Of The Currency, Department Of The Treasury; Part 34–Real Estate Lending And Appraisals–Subpart C—Appraisals; Sec. 34.42 Definitions; Revised as of January 1; 2000

**"As Is" Market Value:** An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection. This requires that the property be valued according to its highest and best use. However, it does not prohibit valuation based upon reasonably anticipated future events such as the leasing of vacant space, demolition of obsolete buildings, etc.

**Insurable Cost:** The cost to replace the destructible portions of a property which should include the foundation. The estimate is based on replacement cost new, and must reflect only direct or hard construction costs, such as construction labor and materials, repair design, engineering, permit fees, and contractor's profit, contingency and overhead. It must not include surveys, site development, financing, or land acquisition costs.

Note: Insurable Cost provided to **Bank of America** CAS is for the Bank's internal use and is not intended to replace the due diligence done by an insurance company to determine the amount of insurance coverage.

Appraisal Products

The required appraisal product will be set forth in an award confirmation letter. The appraiser is not authorized to modify the assignment without prior approval by Bank of America CAS.

Appraisal services provided to **Bank of America CAS** are identified as *Self-Contained*, *Summary* and *Summary-Form*.

*Self-Contained*: The scope of work includes development of all applicable approaches to value.

The report describes significant data and analysis in support of the assignment results with a thorough reporting of the relevant data, analysis, and conclusions.

*Summary*: The scope of work includes development of the most applicable approach; in some circumstances, a secondary approach may be warranted.

The report summarizes significant data and analysis in support of the assignment results with an emphasis on critical data, analysis, and conclusions.

*Summary-Form*: The scope of work includes development of the most applicable approach.

The report presents an abbreviated summary of significant data and analysis in support of the assignment results with an emphasis on critical data, analysis, and conclusions. The report for a Summary-Form appraisal must comply with the USPAP requirements for a Summary Appraisal Report.

**Bank of America CAS** makes available a report template that can be used to report the results of a Summary-Form Appraisal Report. Appraisers should alter the template to satisfy the requirements of USPAP and appraisal regulations.





Bank of America CAS Appraisal Product Descriptions

Specific performance and reporting requirements for each Bank of America CAS appraisal product are described below.

| | *BANK OF AMERICA CAS APPRAISAL PRODUCT* | | |
|---|---|---|---|
| **Requirement** | ***SELF-CONTAINED*** | ***SUMMARY*** | ***SUMMARY-FORM*** |
| General Performance Requirement | Scope of work sufficient to produce credible assignment results | | |
| | All applicable approaches | Most applicable approach | Most applicable approach |
| General Reporting Requirement | Describe significant data and analysis in support of the assignment results.<br>Emphasis is on thorough reporting of the relevant data, analysis, and conclusions | Summarize significant data and analysis in support of the assignment results<br>Emphasis is on critical data, analysis, and conclusions. | Abbreviated summary of significant data and analysis in support of the assignment results.<br>Emphasis is on critical data, analysis, and conclusions. |
| USPAP Report Type | • Self-Contained Report | • Summary Report | • Summary Report |
| Property Tax Data | • Current assessment<br>• Current/forecast taxes<br>• Past due taxes<br>• Tax analysis | • Current assessment<br>• Current/forecast taxes<br>• Past due taxes | • Current assessment<br>• Past due taxes |
| Other Requirements | • Exposure time<br>• Marketing time<br>• Property parcel ID(s)<br>• Identification of flood and earthquake hazards | • Exposure time<br>• Marketing time<br>• Property parcel ID(s)<br>• Identification of flood and earthquake hazards | • Exposure time<br>• Marketing time<br>• Property parcel ID(s)<br>• Identification of flood and earthquake hazards |

| | BANK OF AMERICA CAS APPRAISAL PRODUCT | | |
|---|---|---|---|
| **Requirement** | ***SELF-CONTAINED*** | ***SUMMARY*** | ***SUMMARY-FORM*** |
| Valuation Analysis | - All applicable approaches | -Most applicable approach; in some circumstances, a secondary approach may be warranted. | - Most applicable approach |
| Proposed Renovation/Construction | - Feasibility analysis<br>- Analysis of prospective taxes<br>- Cost approach | - Feasibility analysis<br>- Analysis of prospective taxes | -Not Applicable for proposed construction or any significant level of renovation. |
| Land Valuation Documentation | - Description of comparable data<br>- Comparison of data<br>- Analysis/adjustment of data | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Analysis/adjustment of data | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Analysis/adjustment of data |
| Cost Approach Documentation | - Cost new analysis<br>- Accrued depreciation analysis<br>- Description of cost analysis components | - Cost new analysis<br>- Accrued depreciation analysis<br>- Summary of cost analysis components | - Cost new analysis<br>- Accrued depreciation analysis<br>- Summary of cost analysis components |
| Sales Comparison Approach Documentation | - Description of comparable data<br>- Comparison of data<br>- Analysis/adjustment of data<br>- Rationale for value conclusion | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Analysis/adjustment of data<br>- Rationale for value conclusion | - Summary of comparable data<br>- Comparison of data (tabular)<br>- Adjustment of data<br>- Rationale for value conclusion |
| Income Approach Documentation | - Tenant by tenant lease summary<br>- Income and expense history<br>- Market rent comparables<br>- Expense comparables<br>- Support for cap/discount rates<br>- Income and expense forecast | - Tenant by tenant lease summary<br>- Income and expense history<br>- Market rent comparables<br>- Support for cap/discount rates<br>- Income and expense forecast | - Tenant lease summary<br>- Income and expense history<br>- Market rent comparables<br>- Support for cap rate<br>- Income and expense forecast |





| | BANK OF AMERICA CAS APPRAISAL PRODUCT | | |
|---|---|---|---|
| **Requirement** | ***SELF-CONTAINED*** | ***SUMMARY*** | ***SUMMARY-FORM*** |
| Relevant Exhibits | - Site plans/survey/tax maps<br>- Plans & specifications<br>- Subject photographs<br>- Comparable photographs<br>- Subject and comp maps<br>- Bank of America Award Letter<br>- Appraiser Qualifications<br>- Copy of Appraiser License | - Site plans/survey/tax maps<br>- Subject photographs<br>- Comparable photographs<br>- Subject and comp maps<br>- Bank of America Award Letter<br>- Appraiser Qualifications<br>- Copy of Appraiser License | - Plat/site map<br>- Subject photographs<br>- Comparable photographs<br>- Subject and comp maps<br>- Bank of America Award Letter<br>- Appraiser Qualifications<br>- Copy of Appraiser License |

Bank of America

## Commercial Appraisal Services

### Reminders: Appraisal Report Requirements

- ☐ Ensure that the service definition requested (e.g. Value Premise/Qualifier = Market Value As Is) is accurate given the status of the property and matches what is presented in the appraisal report. If not, you must contact your Bank's procurement associate before proceeding further with the assignment.
- ☐ Draft reports are not accepted. The Letter of Transmittal and Certification must be signed.
- ☐ The required statement "Bank of America makes no warranties or representations regarding this document or the conclusions contained herein." must be presented prominently within your Letter of Transmittal.
- ☐ Limitations of liability relative to the fee paid and other limitations contrary to the Bank of America Appraisal Requirements and Bank of America Professional Services Agreement (PSA) are prohibited and will not be accepted.
- ☐ Ensure that any co-addressees are included in the Letter of Transmittal as specified in the Award Letter.
- ☐ Award Letters must be included in the addenda of the appraisal report unless instructed otherwise.
- ☐ If this is a re-appraisal of the subject property, the Letter of Transmittal must include a reconciliation of the value impacting differences between the prior appraisal and the re-appraisal.
- ☐ Material information that is unavailable prior to completion of the assignment must be specified in the Letter of Transmittal. You must contact the Bank's procurement associate before finalizing the report.
- ☐ New! Ensure the following Intended Use/Intended User statement is included in your report: Include the following statement in the Letter of Transmittal and the Intended Use Section of the report: *'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'*

### Reminders: VSIMS

- ☐ Ensure that all appropriate documents are uploaded before submitting to the Bank:
  - Appraisal Report
  - Argus files (where applicable)
  - A separate "legible" invoice
  - Supporting documentation (where applicable)
- ☐ Check to make sure the values presented in the report are the same as those recorded on the Conclusions / Contract Validation tabs.
- ☐ Make sure the property information in VSIMS is consistent with the information in the appraisal. If not, correct relevant information on the VSIMS Update Property tab.
- ☐ New! PDF document security must be set to allow copying of text, images and other content.
- ☐ Remember!!!: After you have uploaded your document(s) and filled out the relevant data , the last step in the VSIMS process is to **"Submit to Bank."**

An in-depth user guide may be found in the Reference Documents section of the application. (VSIMS System Documentation-Supplier User Guide).

# ASSUMPTIONS AND LIMITING CONDITIONS

## *GENERAL ASSUMPTIONS*

1. The owner of record is assumed to have a free and clear fee simple title with no encumbrances that cannot be cleared through normal channels.
2. The information on which this appraisal is based on has been obtained from sources normally used by **Fred H. Beck & Associates, LLC** and is considered to be reliable, but is in no sense guaranteed.
3. The information furnished by others is believed to be reliable. No warranty is given for its accuracy.
4. **Fred H. Beck & Associates, LLC** reserves the right to alter its opinions of value on the basis of information withheld or not discovered in the normal course of a diligent investigation.
5. The appraiser assumes no responsibility for the legal description or matters of a legal nature affecting the property or the title thereto. The appraiser does not render any opinion as to title, which is assumed to be good and marketable.
6. Responsible ownership and competent property management are assumed.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. The appraiser is not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been previously made therefore. The fee charged for this appraisal does not include payment for court testimony or for further consultation.
11. No opinion of an engineering nature is intentionally expressed or implied and no responsibility is assumed for matters of this nature.
12. No survey was made especially for this appraisal. Property lines, area, etc., of record or otherwise provided, are assumed to be correct.
13. No engineering survey has been made by the appraiser. Except as specifically stated, size and area were taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.
14. Maps, plats and exhibits are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
15. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
16. No opinion is expressed as to the value of subsurface oil, gas or mineral rights. The property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
17. Disclosure of the contents of the appraisal is governed by the Bylaws and Regulations of the professional organizations with which **Fred H. Beck & Associates, LLC** is affiliated.
18. Acceptance of and/or use of this report constitutes acceptance of these assumptions and limiting conditions.
19. This report is intended to comply with the Code of Ethics and Standards of Professional Appraisal practice of the Appraisal Institute. It is further intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and the guidelines set forth by the Financial Institution's Report, Recovery and Enforcement Act of 1989 (FIRREA).

## *LIMITING CONDITIONS*

1. Possession of this report, or a copy, does not carry with it the right of publication.
2. Neither all nor any part of the contents of this report (especially any conclusions as to value, identity of the appraisers or firm with which they are connected or any reference to the Appraisal Institute or the MAI or SRA designations) shall be disseminated to the public through the advertising media or any other public means of communication without the prior written consent and approval of **Fred H. Beck & Associates, LLC** and the signatories of the report. Acceptance of and/or use of this report constitutes acceptance of these restrictions.
3. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
4. The forecasts, projections or operating estimates contained herein are based upon current market conditions, anticipated short term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.
5. Load bearing capacity of subsoil is assumed to be adequate for the present utilization, but no borings or engineering studies have been made especially for this appraisal and the value conclusion could be affected by such information.
6. We have not been supplied with building plans and specifications, site plans, surveys or occupancy permits. No responsibility or representation is assumed or made for any costs associated with obtaining same for any deficiencies discovered before or after they are obtained.
7. We have personally inspected the subject property and found no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
8. No termite inspection report was made available. We personally inspected the subject property and found no significant evidence of termite damage or infestation.
9. Unless otherwise stated in this report, we make no representation or warranties as to the adequacy or condition of appliances, electrical systems, plumbing and heating, air conditioning, presence of insulation, adequacy or condition of structural systems or any other subsystem within the property. We assume no responsibility for any costs incurred to discover or correct any deficiencies present in the property.
10. Unless otherwise stated, no consideration in the valuation process has been given mineral deposits (oil, gas, coal, gravel, etc.) or timber, if any, that may be found on the subject.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
12. On January 26, 1992, The Americans with Disabilities Act (ADA) took effect. This report has not considered this act and the impact it may have on the subject with respect to renovation cost and general compliance. Should a report be provided which indicates a possible renovation, we reserve the right to amend this report.
13. The appraisers have prepared this report in compliance with the competency provision explicitly detailed in the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisers are fully experienced in the appraisal of this product type (see Qualifications).

**QUALIFICATIONS OF THE APPRAISER**
**MARK A. MORGAN**

**FRED H. BECK & ASSOCIATES, LLC**
**8924 Blakeney Professional Drive**
**Charlotte, NC 28277**

---

***EDUCATION***

Master of Science – Georgia State University, Atlanta, GA
Real Estate
Bachelor of Fine Arts – Southern Methodist University, Dallas, TX
Broadcasting
Bachelor of Business – Southern Methodist University, Dallas, TX

Completed The Appraisal Institute Courses:

- C1A-1 – Real Estate Appraisal Principles
- C1A-2 – Basic Valuation Procedures
- C1B-A – Capitalization Theory and Techniques, Part I
- C1B-B – Capitalization Theory and Techniques, Part II
- SPP – Standards of Professional Practice
- C2-1 – Case Studies in Real Estate Valuation
- C2-2 – Report Writing

Commercial Investment Real Estate Institute:

- CI-101 – Principles of Investment Analysis
- CI-102 – Creating a Real Estate Investment (Market Analysis)
- CI-103 – Advanced Real Estate Tax Analysis
- CI-104 – Understanding Human Behavior
- CI-105 – Case Studies in commercial Investment Real Estate

***EXPERIENCE***

Fred H. Beck & Associates, LLC – Charlotte, NC (May 2000 - Present)

- Real Estate Appraiser and Consultant

Torquay Realty, LLC – Charlotte, N.C. (August 2008 – Present)

- Real Estate Broker

Bank of America – Charlotte, NC (3/93 – 5/00)

- Appraisal Department Area Manager

Schultz-Carr-Bissett – Atlanta, GA (11/89 – 3/93)

- Staff Appraiser

***PROFESSIONAL AFFILIATIONS***

- State-Certified General Real Estate Appraiser, North Carolina Certificate No. A4554
- State-Certified General Real Estate Appraiser, South Carolina Certificate No. CG3890
- State-Certified General Real Estate Appraiser, Georgia Certificate No. 689
- North Carolina Real Estate Broker - License #189040

**QUALIFICATIONS OF THE APPRAISER**
**THOMAS J. McDONALD**

**Fred H. Beck & Associates of SC, Inc.**
**13089 Ocean Highway, Unit C-1**
**Pawleys Island, South Carolina 29585-7140**

---

***EDUCATION***

Bachelor of Arts Degree – Baldwin Wallace College, Berea, OH (1984) – Finance and Business

Real Estate Appraisal Courses:

- All Required Pre-Licensing Courses Pertaining to Real Estate Appraisal

Continuing Education Courses and Seminars:

- Numerous Real Estate Appraisal Continuing Education Courses over the Years

Appraisal Institute Courses:

- Course 102 - Applied Residential Property Valuation
- Course 110 - Appraisal Principles
- Course 120 – Appraisal Procedures
- Course 310 – Basic Income Capitalization
- Course 320 – General Applications
- Course 330 – Apartment Appraisal
- Course 410 - Part A – Uniform Standards of Professional Practice
- Course 420 - Part B – Uniform Standards of Professional Practice
- Course 510 – Advanced Income Capitalization

***RELEVANT EXPERIENCE***

Fred H. Beck & Associates of SC, Inc. – Pawleys Island, SC, NC (2008 – Present)

- Staff appraiser specializing in the appraisal of commercial and investment properties.

Thomas J. McDonald Commercial Real Estate Services - Cleveland, OH (2000 - 2008)

- Principal/Owner specializing in the appraisal and sales of commercial and investment properties.

McDonald Investments, Inc / KeyBank - Cleveland, OH (1997-2000)

- Investment Banking Associate in the Low Income Housing Tax Credit Group. McDonald Investments, Inc. bought by KeyBank in 1999. Responsibilities consisted of review of market studies and appraisals and analysis of affordable housing transactions to be included in real estate investment funds sold to corporate investors.

Charter One Bank - Cleveland, OH (1995-1997)

- Staff appraiser specializing in the appraisal of commercial and investment properties.

Charles M. Ritley Associates, Inc. – Beachwood, OH (1992-1995)

- Staff appraiser specializing in the appraisal of commercial and investment properties.

***PROFESSIONAL AFFILIATIONS***

State-Certified General Real Estate Appraiser:
South Carolina Certificate No. CG6579
North Carolina Certificate No. A7029
Ohio Certificate No. 418832

# DEPARTMENT OF THE ARMY PERMIT

Permittee: ASHLEY RIVER PROPERTIES II, LLC
C/O DAVIDSON WILLIAMSON

95 RIPLEY POINTE DRIVE
CHARLESTON, SC 29407

Permit No: 2008-01005-21R

Issuing Office: CHARLESTON DISTRICT

**NOTE**: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

**Project Description:**
The proposed work consists of expanding Ripley Light Yacht Club (located on the northern side of Ripley Cove) by adding approximately 11,510 linear feet of additional floating dock structure to accommodate 186 additional pleasure crafts for public dockage to provide public access for recreational boating in the Charleston Harbor area in accordance with the attached drawings entitled: Ashley River Properties II LLC, Ripley Light Yacht Club Marina Expansion: Sheets 1 thru 13 of 13 dated October 6, 2011.

**Project Location:**
The project site is located at Ripley Light Marina Basin in the Ashley River, Charleston County, Charleston, South Carolina.

**Permit Conditions:**

**General Conditions:**

1. The time limit for completing the work authorized ends on **31 March 2017.** If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.

2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.

3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and state coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.

4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.

5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.

6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

**Special Conditions:**

SEE PAGES 4 & 5

Further Information:

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:

☒ Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

☐ Section 404 of the Clean Water Act (33 U.S.C. 1344).

☐ Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1413).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, state, or local authorizations required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.

b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions: General condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

Davidson D. Williams — 3/27/12

(PERMITTEE) — (DATE)

ASHLEY RIVER PROPERTIES II, LLC
C/O DAVIDSON WILLIAMS

DAVIDSON D. WILLIAMS

PRINT NAME

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

Tina B. Hadden — MAR 30 2012

(DISTRICT ENGINEER) — (DATE)

EDWARD P. CHAMBERLAYNE, P.E.
or his Designee
Tina B. Hadden
Chief, Regulatory Division

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

(TRANSFEREE) — (DATE)

SPECIAL CONDITIONS FOR PERMIT #: 2008-01005-2IR

a. That the permittee agrees to provide all contractors associated with construction of the authorized activity a copy of the permit and drawings. A copy of the permit will be available at the construction site at all times.

b. That the permittee shall submit a signed compliance certification to the Corps within 60 days following completion of the authorized work and any required mitigation. The certification will include:
1. A copy of this permit;
2. A statement that the authorized work was done in accordance with the Corps authorization, including any general or specific conditions;
3. A statement that any required mitigation was completed in accordance with the permit conditions;
4. The signature of the permittee certifying the completion of the work and mitigation.

c. The permittee understands and agrees that, if future operations by the United States require the removal, relocation, or other alteration, of the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the permittee will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the United States. No claim shall be made against the United States on account of any such removal or alteration.

d. It is recognized that this structure is to be constructed on/or adjacent to an area subject to a prism and/or disposal easement held by the United States in perpetuity in conjunction with a Congressionally authorized project for the maintenance and improvement of a Federal Channel. This permit does not convey any property rights either in real estate or material or any exclusive use privileges; nor does it relinquish any right the United States has for the use of its easement or the maintenance and future widening or deepening of the Federal Channel pursuant to its easement rights.

e. It is understood and agreed that if the District Engineer determines this structure shall in any way in the future conflict with the improvement, operation, maintenance and widening or deepening of the Federal Channel, the owners themselves, their heirs, successors and assigns will remove said structure within 45 days from the date that written notice is given by the District Engineer, and there shall be no entitlement to compensation from the United States for damage or injury.

f. Conveyance of this permit applies only to the structure authorized and does not authorize the construction of any permanent structure or any structure suitable for habitation or any utility leading either to permanent structures suitable for habitation or to permanent structures within the bounds of areas on which the Corps of Engineers enjoys easement rights.

g. That permittee agrees that no permanent structures, beyond those authorized by this document, will be placed on the prism easement or on any adjacent disposal easement without written approval of the District Engineer.

h. That the Secretary of the Army, representing the United States of America, hereby consents to the herein authorized facilities or structures to be located on or across easement lands vested in the United States of America for the construction and operation of the Federal Channel. The permittee shall not engage in any act which may interfere with or abridge the easement interests of the United States, except those specifically authorized herein.

i. That any Corps of Engineers Waterway Control Monument can not be disturbed without first notifying this office 30 days in advance. After coordination with this office, a decision will be made as to the proper steps to be taken with regard to removing and relocating the monuments(s).

j. That the permittee agrees to provide, as a part of the completion notification, as-built drawings which indicate all dimensions of the structure as well as the distance from the edge of the Federal channel and the waterward edge of the authorized structure(s).

k. The permittee understands and agrees that all abandoned vessels within the meaning the South Carolina Statute 50-21-10, in the area between the Wappoo Creek to the south, Highway 17 Bridge to the north, the marsh grass line to the west, and the edge of the Federal Channel to the east are removed and disposed of solely at the expense of the Ashley River Properties II, LLC prior to construction of the requested marina expansion.

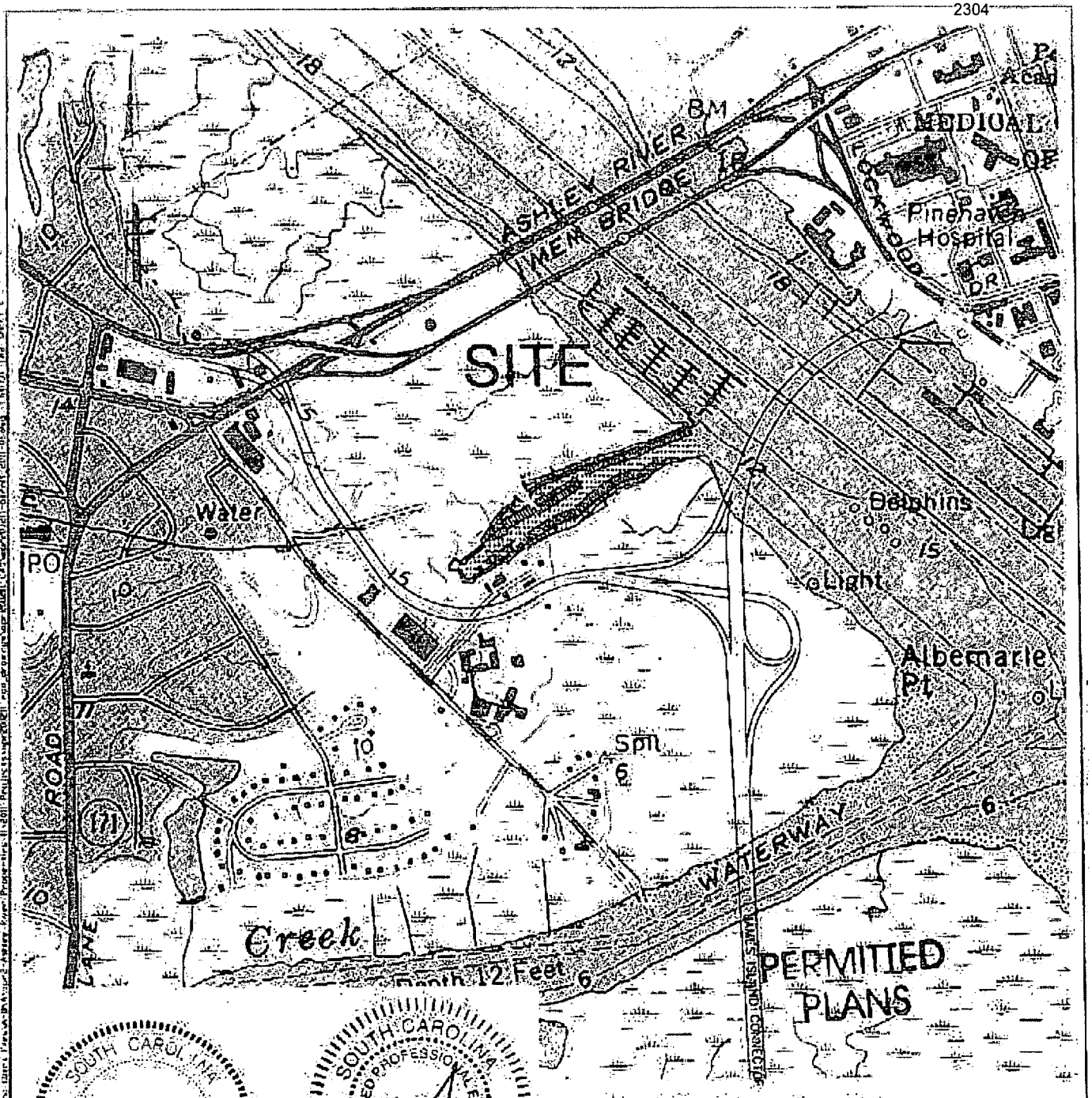
l. That the permittee agrees to conduct the work authorized herein in a manner that will not prevent or interfere with full and free use of the adjacent or nearby navigable waters of the United States by the boating public.

m. The permittee agrees that the project area will be enclosed by a silt screen and floating boom at all times during construction and until re-suspended sediments have settled out after the work has been completed.

n. The permittee agrees to avoid adverse impacts to existing vegetated marsh during and construction activity.

o. The permittee understands and agrees that the marina must be constructed as planned in order to eliminate the need for future dredging.

p. The permittee understands and agrees that the marina expansion is being authorized as a public marina. Any changes from public to private (through the sale of boat slips) must be addressed through the permitting process prior to those changes occurring.




SOUTH CAROLINA
GEL ENGINEERING, LLC
No:002649
CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
NO. 18241
JOSEPH E. RILEY

Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 1 of 13

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: CHARLESTON 7.5' QUAD

FIGURE 1
QUAD LOCATION MAP
SCALE: 1" = 1000'
0' 500 1000'

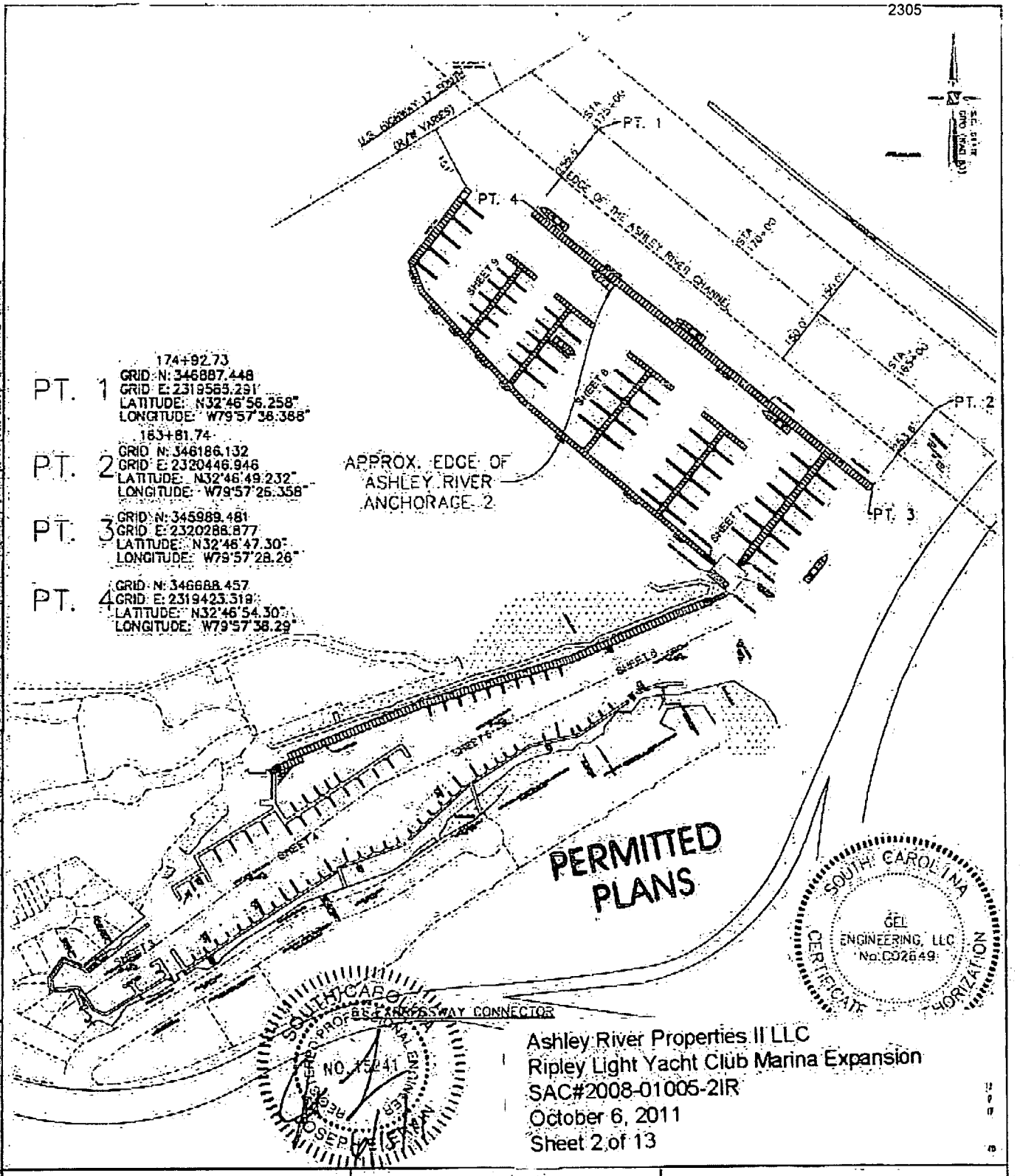
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA, 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON SOUTH CAROLINA

SHEET: 1 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08


a Member of the GEL GROUP, INC.




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST.

SURVEY DATUM: MLW

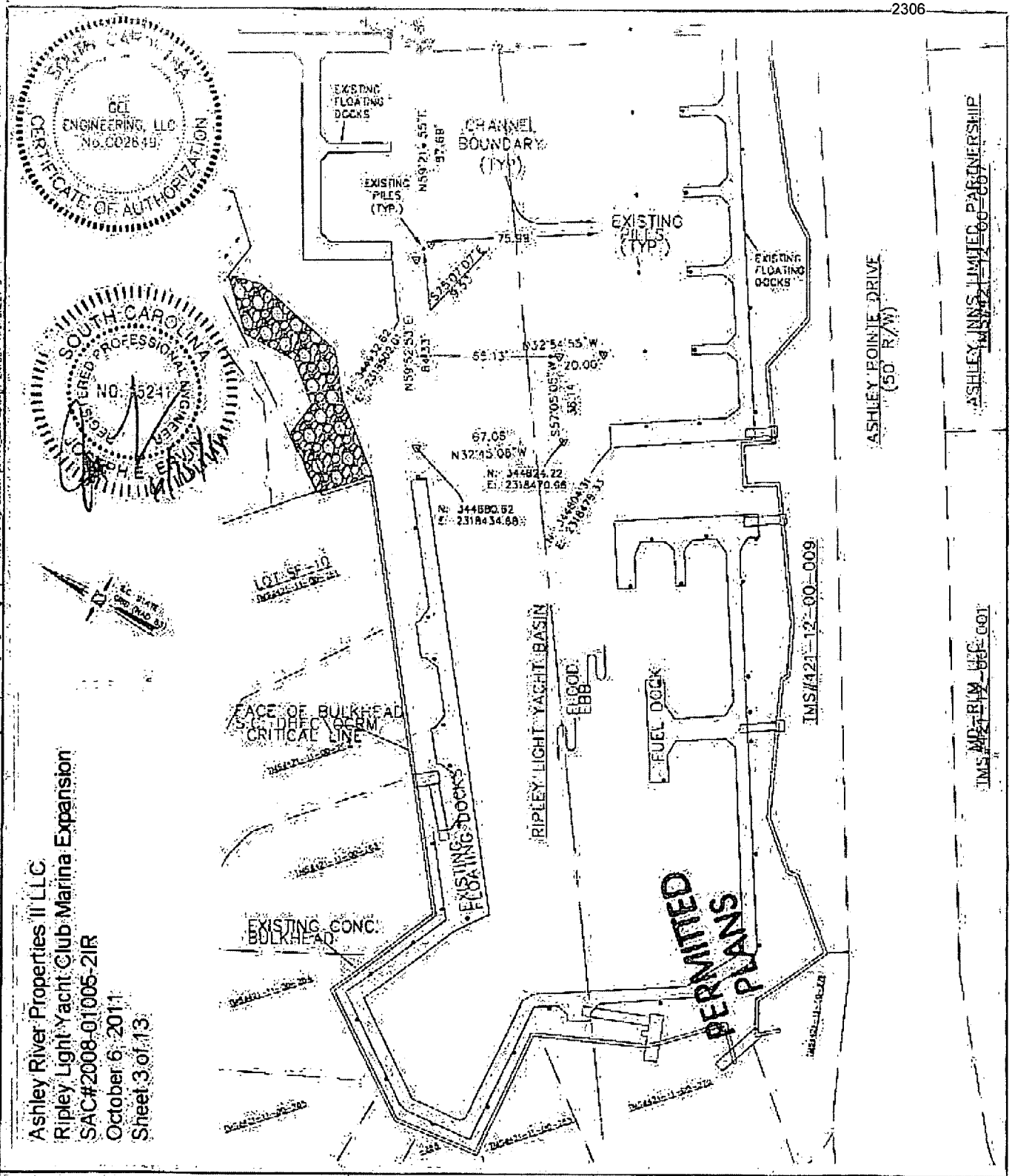
FIGURE 2
OVERALL PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 2 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 3
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

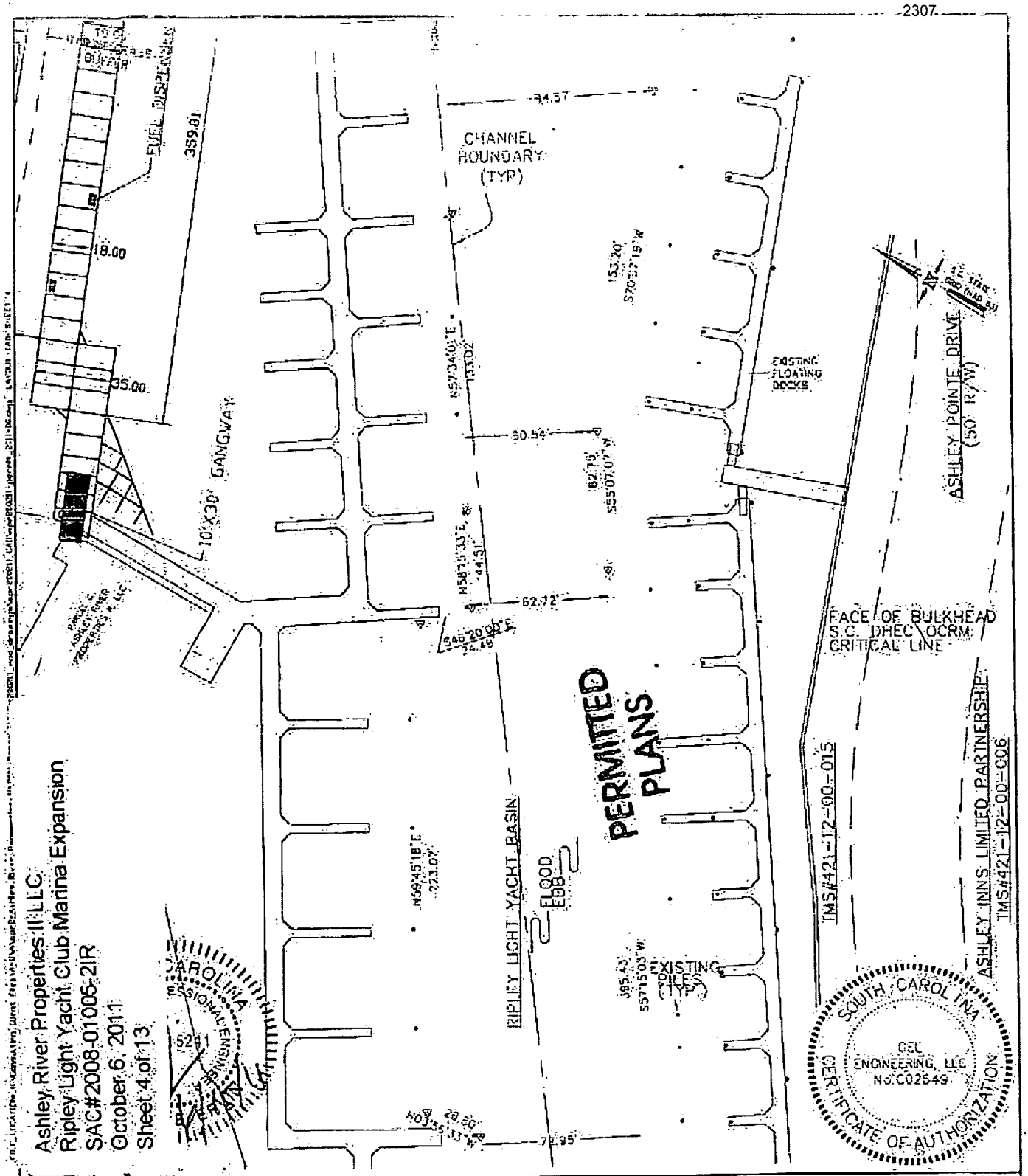
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 3 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08




Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 4 of 13

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

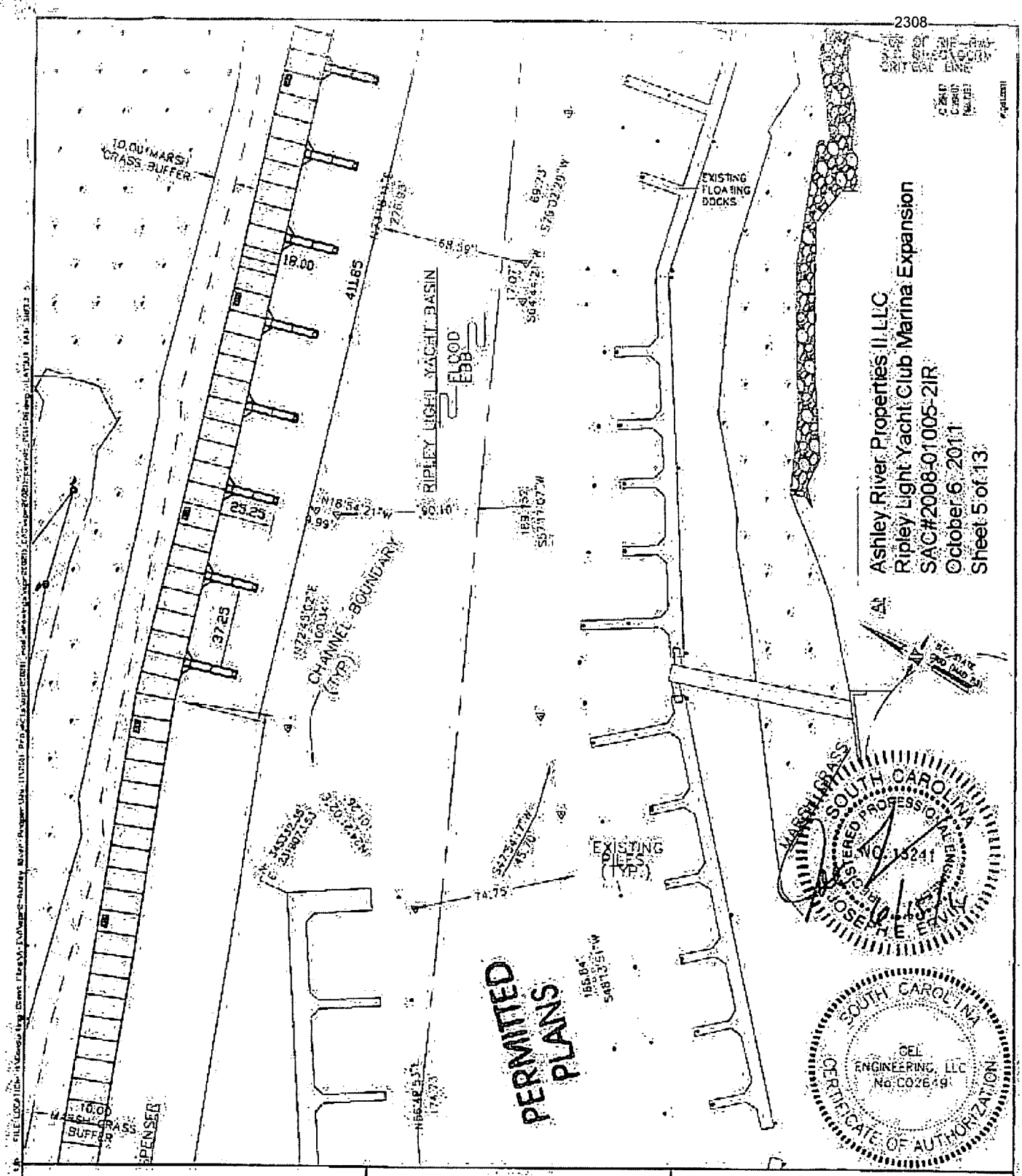
SURVEY DATUM: MLW

FIGURE 4
PLAN VIEW

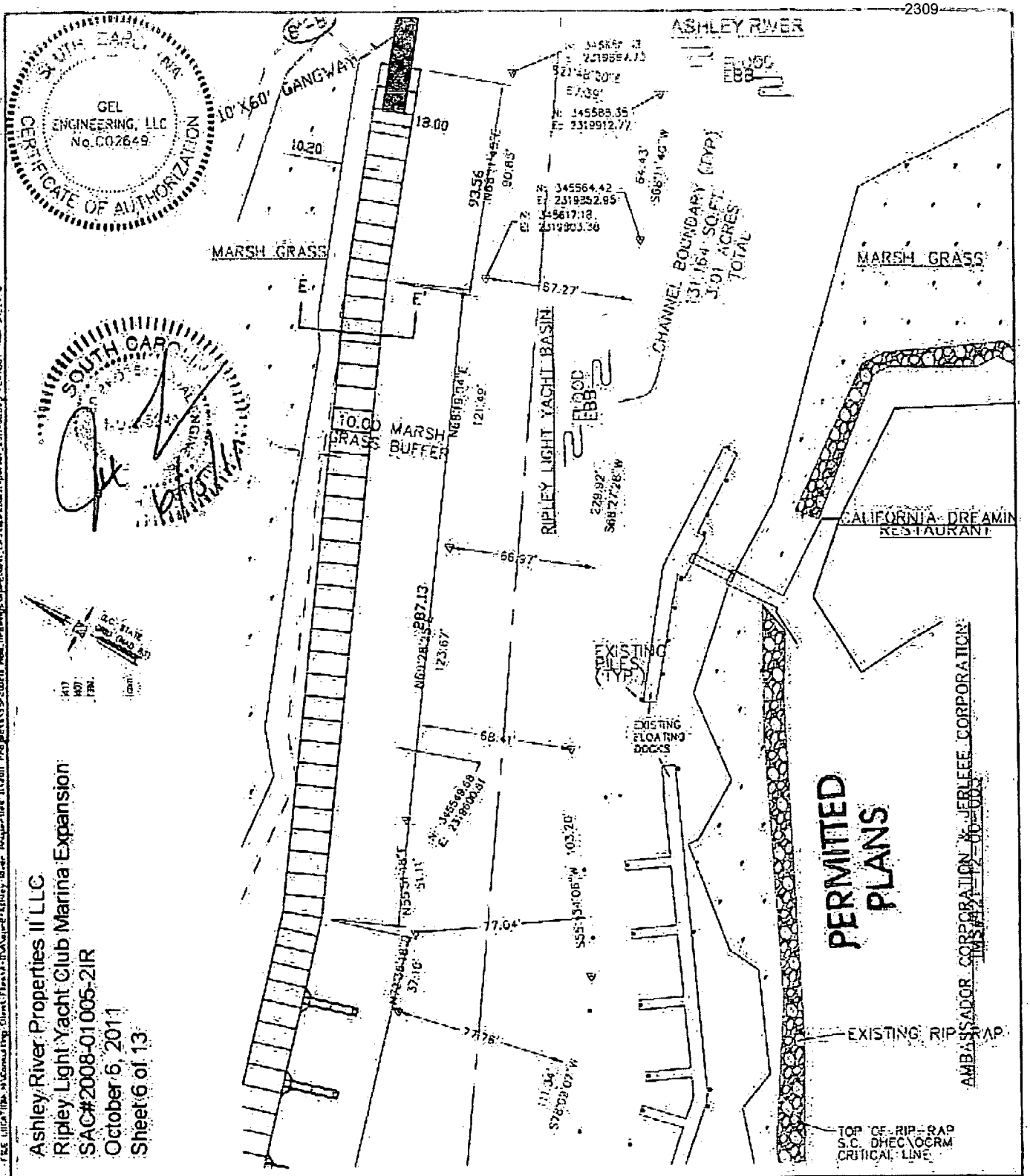
NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
55 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 4 OF 13
REVISED DATE: 5/2/2011
DATE: 5/12/08




| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 5<br>PLAN VIEW<br>NOT TO SCALE<br>RIPLEY LIGHT YACHT CLUB<br>95 RIPLEY POINT DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 5 OF 13<br>REVISED DATE: 6/2/2011<br>DATE: 5/12/08 |




Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 6 of 13

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

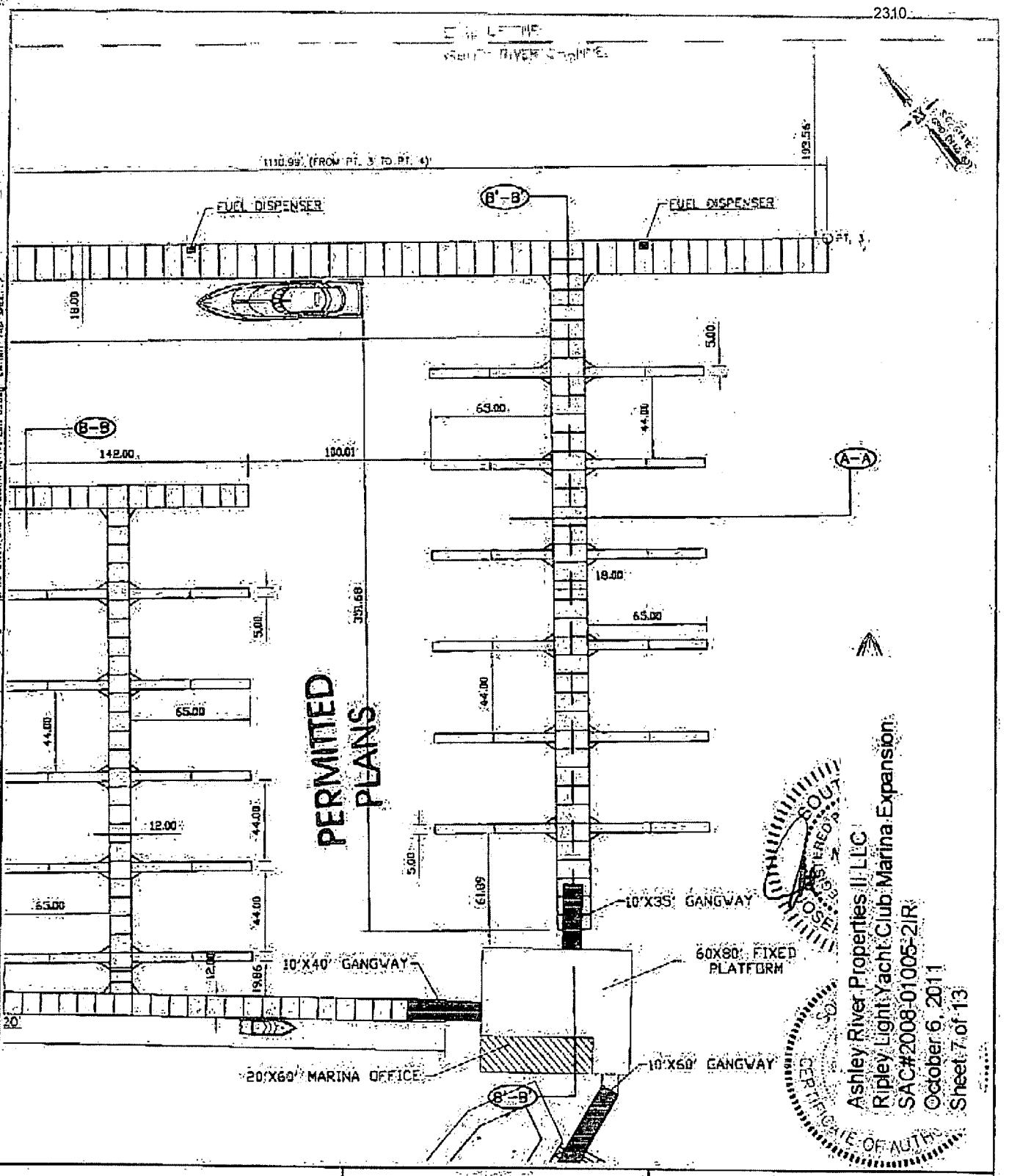
SURVEY DATUM: MLW

FIGURE 6
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
195 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 6 OF 13
REVISED DATE: 5/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 7
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

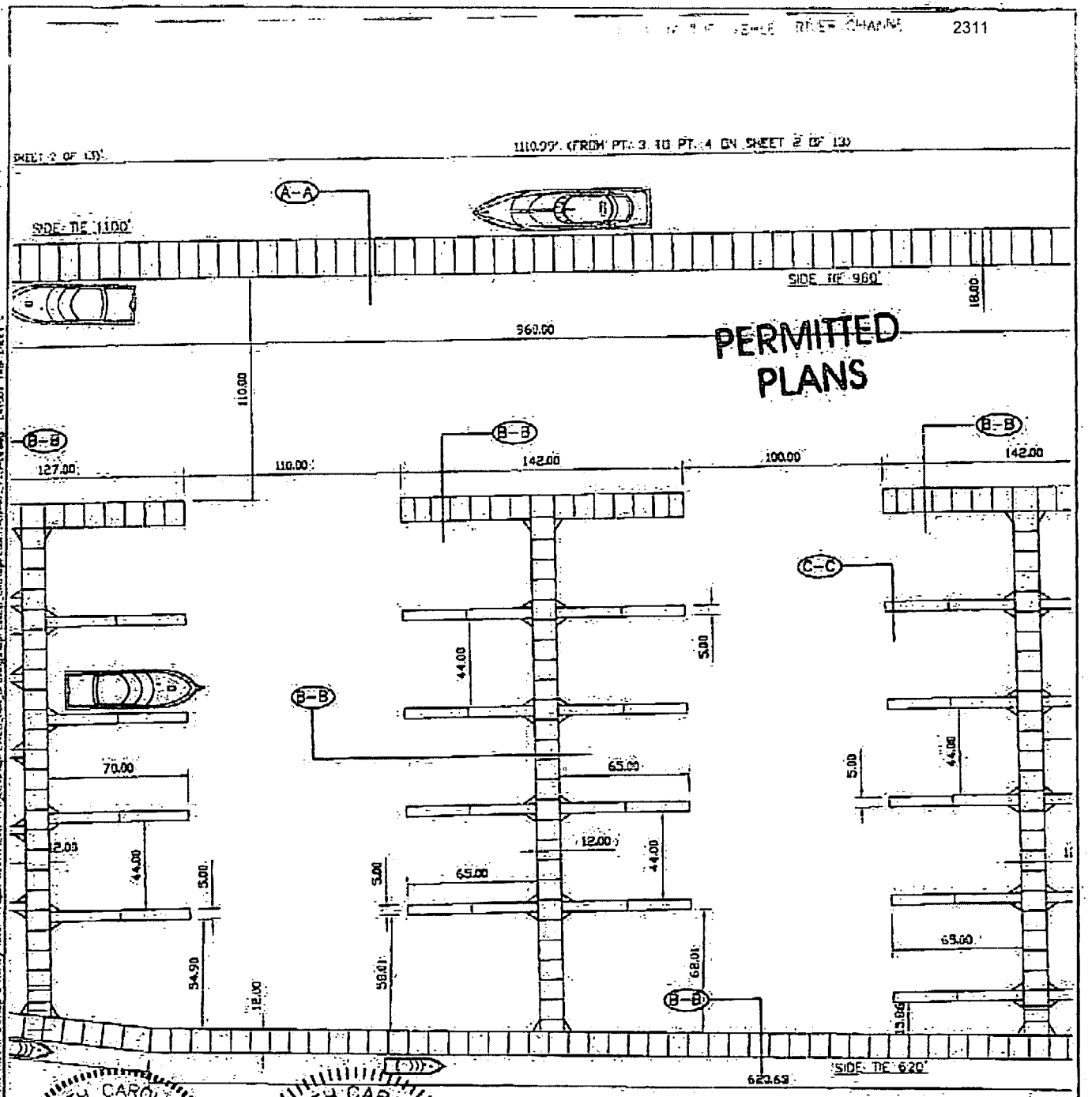
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET 7 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08




SOUTH CAROLINA
GEL ENGINEERING, LLC
No.C02649
CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA
REGISTERED PROFESSIONAL
No. 152
ENGINEER
JOSEPH E.

Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 8 of 13

PURPOSE:
MARINA EXPANSION

ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST

SURVEY DATUM: MLW

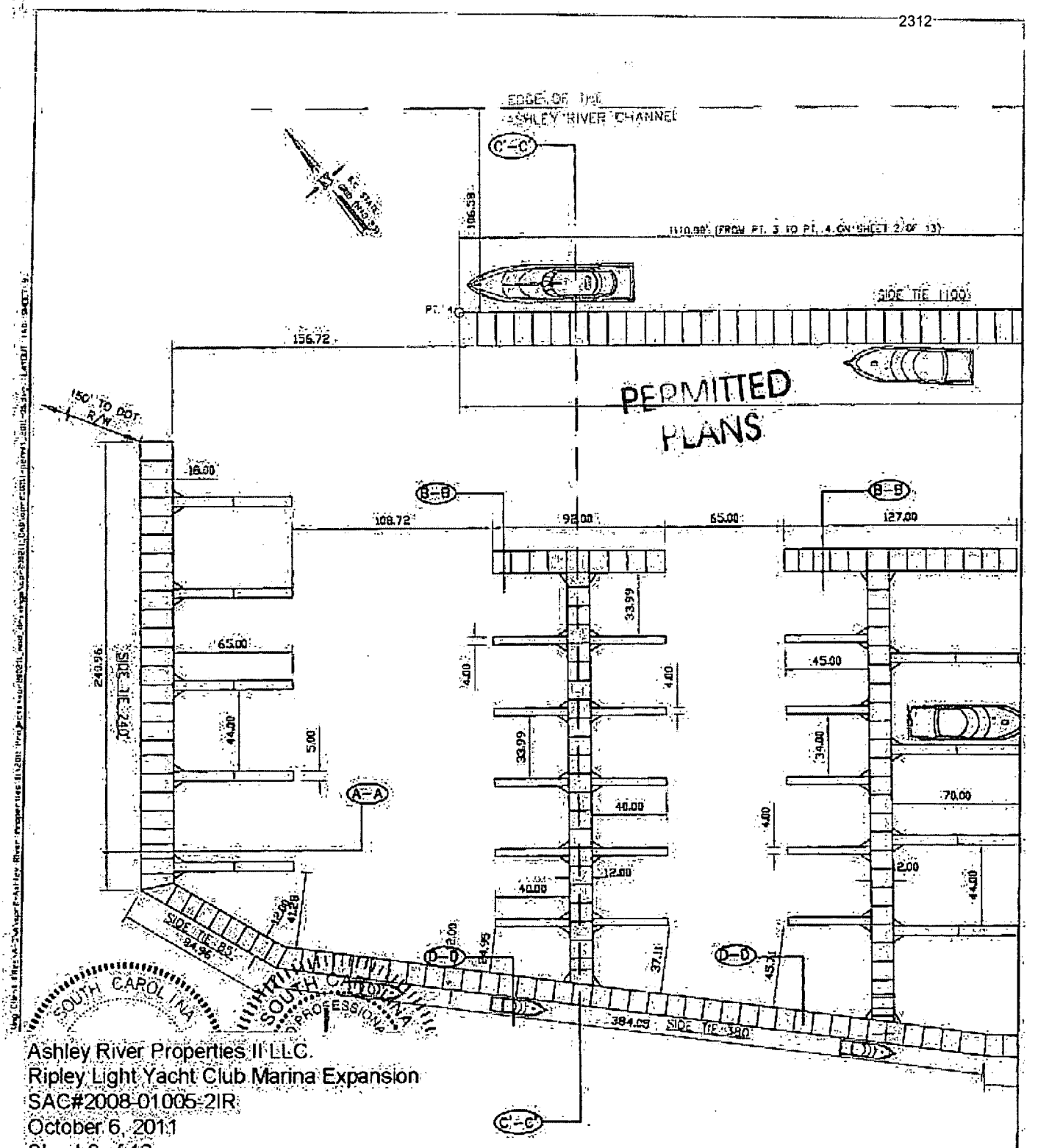
FIGURE 8
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
65 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 8 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08




Ashley River Properties II L.L.C.
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 9 of 13

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

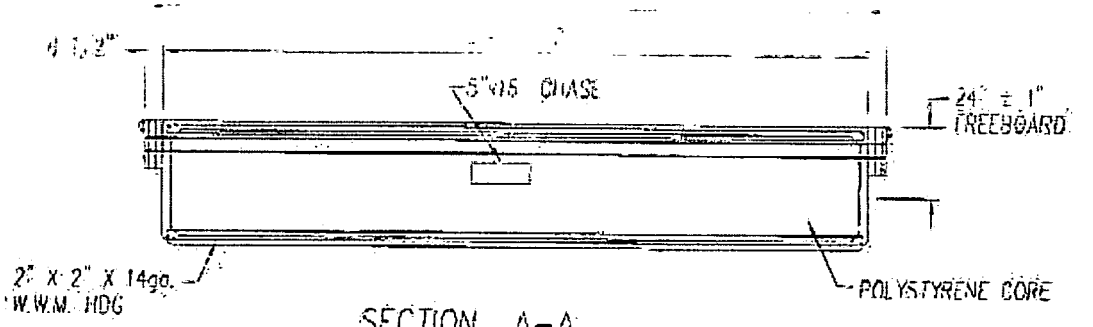
FIGURE 9
PLAN VIEW

NOT TO SCALE

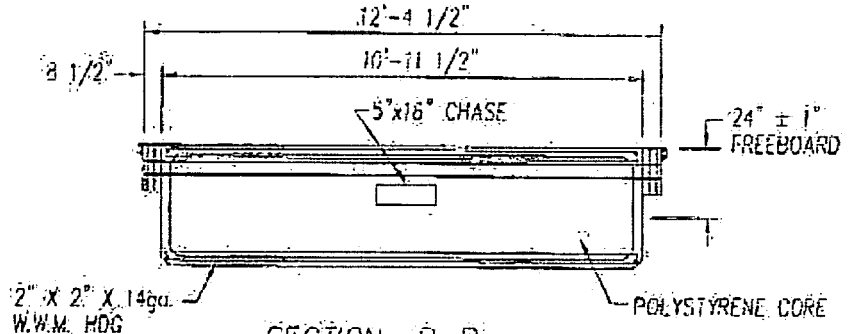
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 9 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

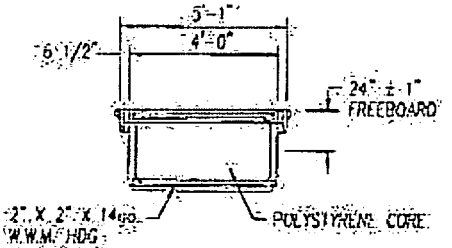
CEC ENGINEERING, LLC
A Member of THE CEC GROUP, INC




SECTION A-A

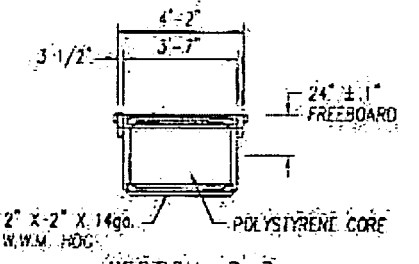



SECTION B-B




SECTION C-C

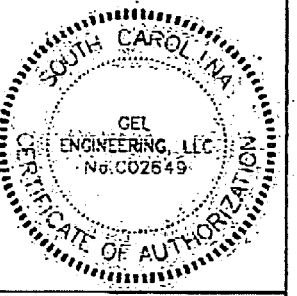
PERMITTED PLANS




SECTION D-D

Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 10 of 13




| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 10<br>FLOATING DOCK X-SECTIONS<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>56 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 10 OF 13. REVISED DATE: 8/2/2011<br>DATE: 9/12/08 |

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 11
CROSS SECTION E'–E'

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
55 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 11 OF 13

REVISED DATE: 8/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC
No. C02649
CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
No. 15241

Ashley River Properties II LLC
Ripley Light Yacht Club Marina Expansion
SAC#2008-01005-2IR
October 6, 2011
Sheet 12 of 13

MHW (NGVD29) 2.9'
MLW (NGVD29) 2'
18'X352' CONCRETE FLOATING DOCK
10'X35' ALUMINUM GANGWAY
60'X80' FIXED PLATFORM
EX. RIVER BED
464'
20'X60' MARINA OFFICE
12" x 12" PILES
12" x 12" PILES
MARSH GRASS BOUNDARY

FIGURE 12

PERMITTED PLANS

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 12
CROSS SECTION B'-B'

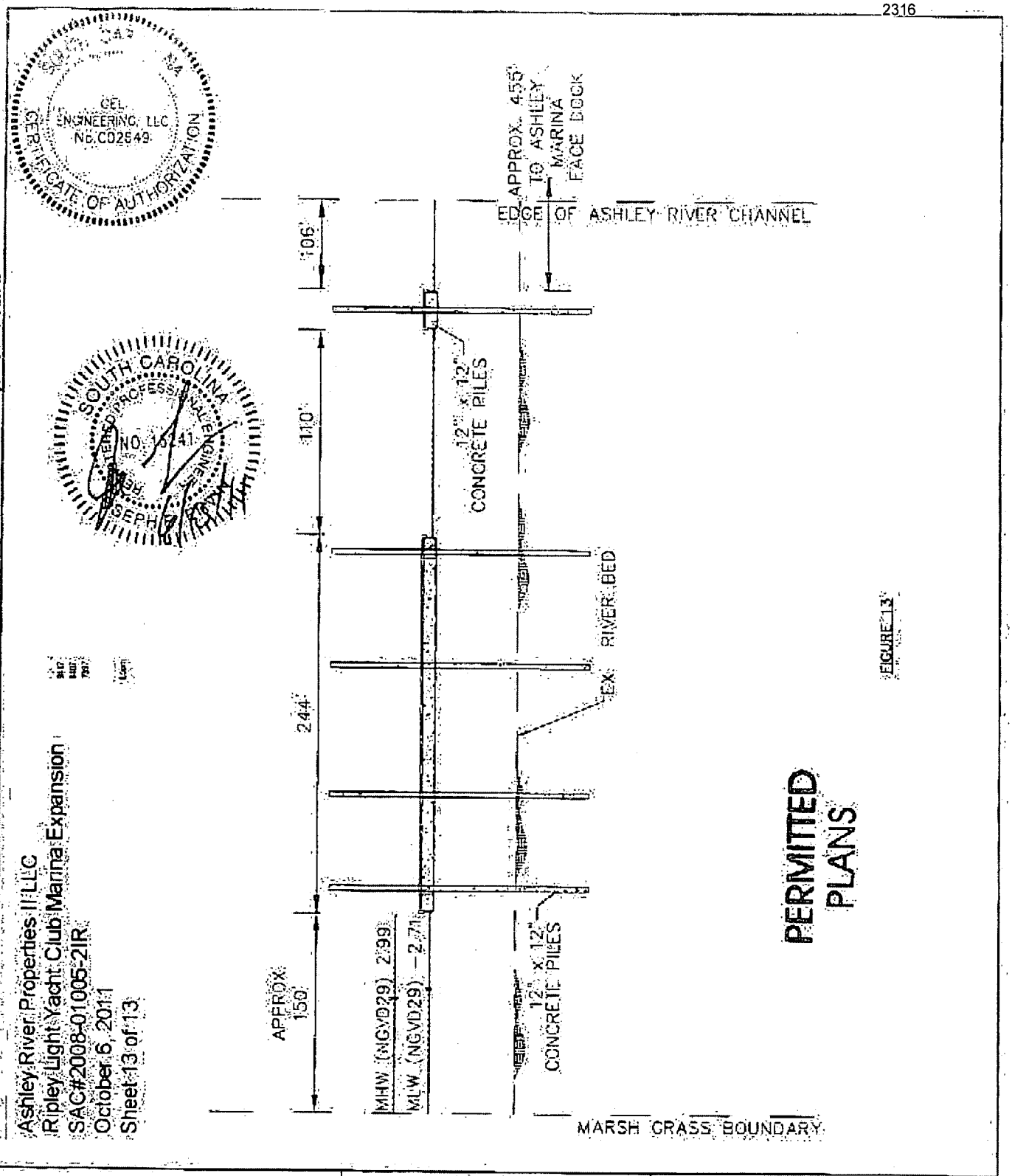
NOT TO SCALE

RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 12 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

A Member of THE GEL GROUP, INC.




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 13
CROSS SECTION, C'-C'

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 13 OF 13.
REVISED DATE: 6/2/2011
DATE: 5/12/08

D H E C

PROMOTE PROTECT PROSPER

C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment.*

SEE SPECIAL CONDITION(S)

October 6, 2011

Ashley River Properties II, LLC
C/o Mr. Davidson Williams
95 Ripley Pointe Drive
Charleston, SC 29407

Re: 2008-01005-2IR-P - Ashley River Properties II, LLC

Dear Mr. Williams:

The SCDHEC Office of Ocean and Coastal Resource Management has reviewed your application to expand an existing marina at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina and has issued a permit for this work. You should carefully read the description of the authorized project and any special conditions that have been placed on the permit, as these conditions may modify the permitted activity. In addition, there are a series of general conditions that should be reviewed. The original and one photocopy of the permit, as issued, are enclosed. After carefully reading the permit, if you wish to accept the permit as issued, sign and date in the signature block entitled "PERMITTEE" on the original version of the permit and **return it to this Department. Keep the photocopy for your records.**

**PLEASE READ CAREFULLY: You are required to sign and return the original version of your permit to this Department. If this permit is not signed and returned within thirty (30) days of issuance, *OR* appealed within 15 days as described on the enclosed "Notice of Appeal Procedure", the Department reserves the right to cancel this permit. Please carefully review the enclosed "Notice of Appeal Procedure" for information and deadlines for appealing this permit.**

**We have also enclosed a "request for a construction placard" card. You must send in this card before the time you wish to start construction. At that time a construction placard will be sent to you to post at the construction site.**

**PLEASE NOTE:** You are not authorized to commence work under the permit until we have received the original version of the entire permit signed and accepted by you, and a construction placard has been issued and posted at the construction site. The receipt of this permit does not relieve you of the responsibility of acquiring any other federal or local permits that may be required.

Sincerely,

Fred Mallett
Wetland Section Project Manager

Enclosure
cc: Mr. Blair Williams, Wetland Section Manager

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
Ocean and Coastal Resource Management
Charleston Office · 1362 McMillan Ave, Suite 400 · Charleston, SC 29405-2047
Phone: 843-953-0200 · Fax: 843-953-0201 · www.scdhec.gov

SEE SPECIAL CONDITION(S)

**SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL**
***OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT***

**CRITICAL AREA PERMIT & COASTAL ZONE CONSISTENCY CERTIFICATION**

| | |
|---|---|
| **Permittee(s):** | **Ashley River Properties II, LLC** |
| **Permit Number(s):** | **2008-01005-2IR-P** |
| **Date of Issuance:** | **October 6, 2011** |
| **Expiration Date:** | **October 6, 2016** |
| **Location:** | **On and adjacent to Ripley Canal and the Ashley River at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina** |

This permit is issued under the provisions of S. C. Code Ann. Section 48-39-10, *et seq.*, and 23A S.C. Code Ann. Regs. 30-1 through 30-18 (Supp. 2005). Please carefully read the project description and any special conditions that may appear on this permit/certification as they will affect the work that is allowed. If there are no special conditions, then the work is authorized as described in the project description and as modified by the general conditions. The general conditions are also a part of this permit/certification and should be read in their entirety. The S. C. Contractor's Licensing Act of 1999, enacted as S.C. Code Ann. Section 40-11-5 through 430, requires that all construction with a total cost of $5,000 or more be performed by a licensed contractor with a valid contractor's license for marine class construction, except for construction performed by a private landowner for strictly private purposes. Your signature on and acceptance of this permit denotes your understanding of the stated law regarding use of licensed contractors. **All listed special and general conditions will remain in effect for the life of the project if work commences during the life of the permit. This applies to permittee, future property owners, or permit assignees.**

SEE SPECIAL
2319
CONDITIONS(S)

4. Provided the work is conducted during periods of decreased biological activity between November 1st and March 30th, whenever possible.

5. Provided a functional wastewater pumpout system must be provided at the marina and must be adequate to handle all wastewater generated at the marina. The design and installation of the pumpout and disposal system must be approved by SCDHEC's Division of Domestic Wastewater, Construction Management Section. No dock may be occupied until the pumpout and disposal system has been built and given a final permit to operate by SCDHEC.

6. Provided the wastewater pumpout services are provided to permanent tenants and transients or other users of the marina.

7. Provided the discharge of any kind of waste into state waters, including, but not limited to, garbage, refuse, trash or debris, will be prohibited at the marina. Any lease agreement used to rent dock space shall include a statement prohibiting the discharge of these items or general garbage or other deleterious substances into the waters of the marina. It will also stress the need to maintain good water quality within the marina.

8. Provided the storage and disposal of new or used batteries, oil or lubrication containers, fuel containers, solvents, toxic cleaners, paint cans, etc., on the marina docks is prohibited.

9. Provided if power washing of boats is to be conducted at the marina then it must be conducted on a designated upland area and is not allowed over the water. Wastewater from this operation must be properly treated and cannot be directly discharged into the adjacent waters.

10. Provided the marina must provide additional adequate bathroom facilities at a location to encourage their use. The additional bathrooms must be at a ratio of one toilet, and one lavatory for women and one toilet, one urinal, and one lavatory for men for every additional 100 boat slips or fraction thereof. No dock may be occupied until the additional bathrooms have been given final approval by SCDHEC.

11. Provided adequate parking for users of the marina shall be demonstrated as either one parking space for every three wet slips or the spaces required by the applicable local government parking regulation, whichever is greater. The approved parking plan must be submitted to OCRM and given written approval prior issuance of the construction placard.

12. Provided one reasonably sized dock master's office may be constructed within the permitted marina. This office will be limited to water dependent use only such as fuel sales. Restroom facilities may be placed in this office, however, food and beverage services, clothing sales and other non-water dependent uses are prohibited.

13. Provided the plans for potable water supplied to the marina docks must be approved in writing by SCDHEC.

SEE SPECIAL CONDITION(S)

24. Provided that an as-built survey of the marina must be submitted to the Department within 90 days of the expiration date of the final construction placard. The survey must be performed by a registered land surveyor, must show all components of the marina, and must list the starting and ending coordinates of the dock walkway in the SC State Plane Coordinate System, which can be obtained by survey-grade Global Positioning System equipment.

25. Provided that in the event that archaeological or paleontological remains are found during the course of work, the applicant should notify the South Carolina Institute of Archaeology and Anthropology (Mr. James Spirek at 803-777-8170) pursuant to South Carolina Underwater Antiquities Act of 1991, (Article 5 Chapter 7, Title 54, Code of Laws of South Carolina, 1976). Archaeological remains consist of any materials made or altered by man, which remain from past historic or prehistoric times (ie; older than 50 years). Examples include old pottery fragments, metal, wood, arrowheads, stone implements or tools, human burials, historic docks, structures, or non-recent vessel remains. Paleontological remains consist of old animal remains, original or fossilized, such as teeth, tusks, bone, or entire skeletons.

## SCDHEC-401 WATER QUALITY CONDITIONS

1. Provided the applicant must implement Best Management Practices on the upland portion of the project during construction to minimize pollutant runoff, erosion and migration of sediments on and off the project site during and after construction. These practices should include the use of appropriate grading and sloping techniques, mulches, vegetative buffer zones, runoff diversion measures, temporary stabilization, silt fences, source controls and other devices and practices capable of reducing or preventing pollutant runoff, erosion, migration of sediments, and bank failure. All disturbed land surfaces and sloped areas affected by the project must be stabilized and sloped with a minimum 3 to 1 slope upon completion.

2. Provided the applicant must develop a spill prevention and clean-up plan for this project. The plan should contain the names of the appropriate officials to contact in case of a reportable spill and outline measures to be taken. Clean up materials, such as absorbent pads, and booms must be kept at the project site for small spills. This plan must be submitted to the Department Of Health And Environmental Control for review and approval prior to initiation of the project.

3. Provided all necessary measures must be taken to prevent oil, sewage, tar, trash, debris and other pollutants from entering the adjacent waters or wetlands during construction.

FEB - 3 2012

2321

JEE SPECIAL CONDITION(S)

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS THE DEPARTMENT MAY CONSIDER APPROPRIATE.

Permit Number: 2008-01005-2IR-P

**Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.**

David and Williams 10/21/11

PERRMITTEE(S)) (DATE)
**Ashley River Properties II, LLC**

**This permit becomes effective when the State official designated to act for the Office of Ocean and Coastal Resource Management has signed below.**

Fred Mallett Oct. 06, 2011

(WETLAND SECTION PROJECT MANAGER) (DATE)
**Fred Mallett**
**Or his Designee**
**Other Authorized State Official**

RECEIVED
OCT 24 2011
DHEC-OCRM
CHARLESTON OFFICE

7/24

SEE SPECIAL CONDITION(S) 23

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

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PERRMITTEE(S)) (DATE)
**Ashley River Properties II, LLC**

**This permit becomes effective when the State official designated to act for the Office of Ocean and Coastal Resource Management has signed below.**

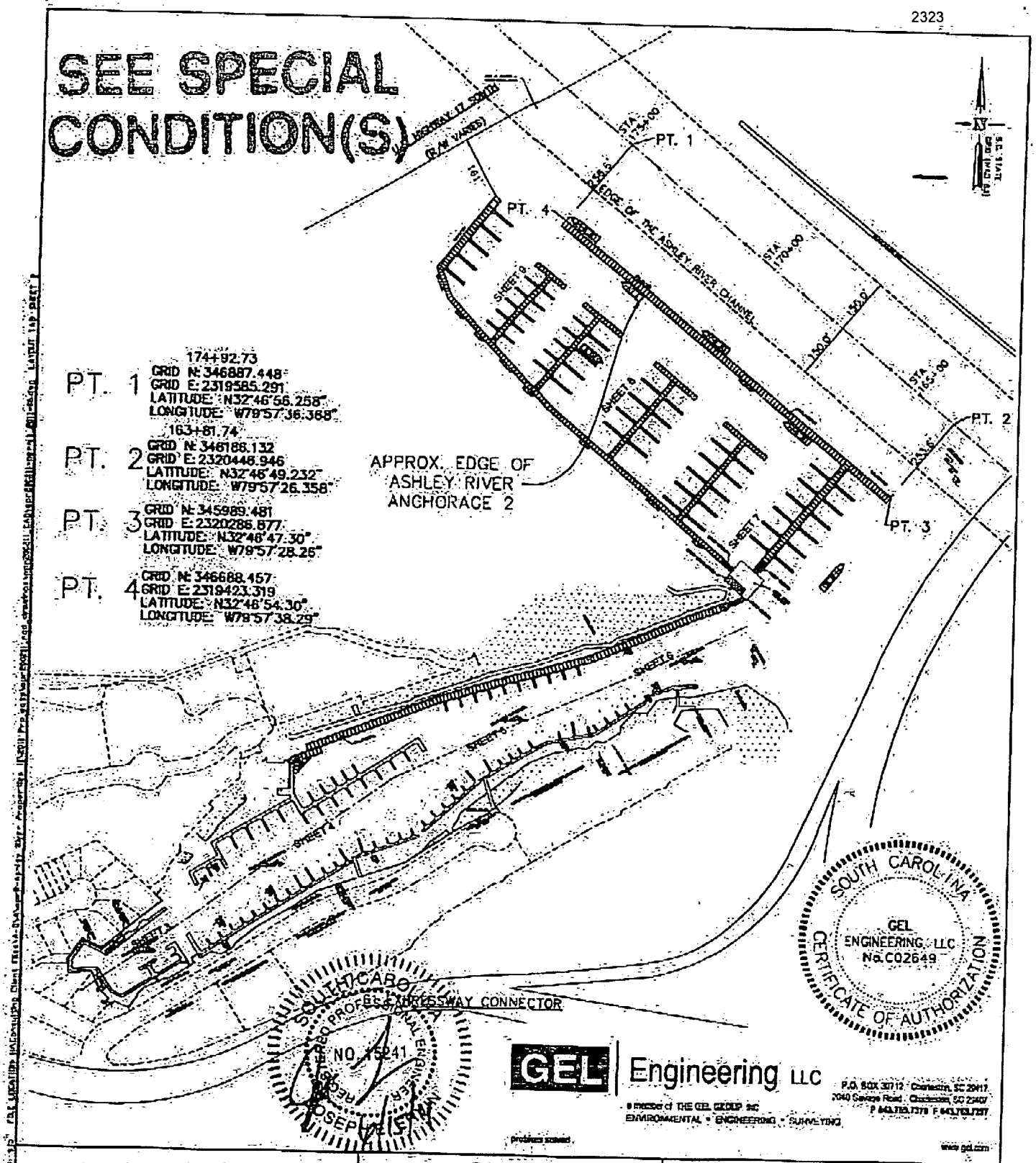
Fred Mallett Oct. 06, 2011

(WETLAND SECTION PROJECT MANAGER) (DATE)
**Fred Mallett**
**Or his Designee**
**Other Authorized State Official**

7/24

2323

# SEE SPECIAL CONDITION(S)




GEL Engineering LLC

a member of THE GEL GROUP INC
ENVIRONMENTAL • ENGINEERING • SURVEYING

P.O. BOX 30712 Charleston, SC 29417
2040 Savage Road Charleston, SC 29407
P 843.769.7378 F 843.769.7387

www.gel.com

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 2
OVERALL PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

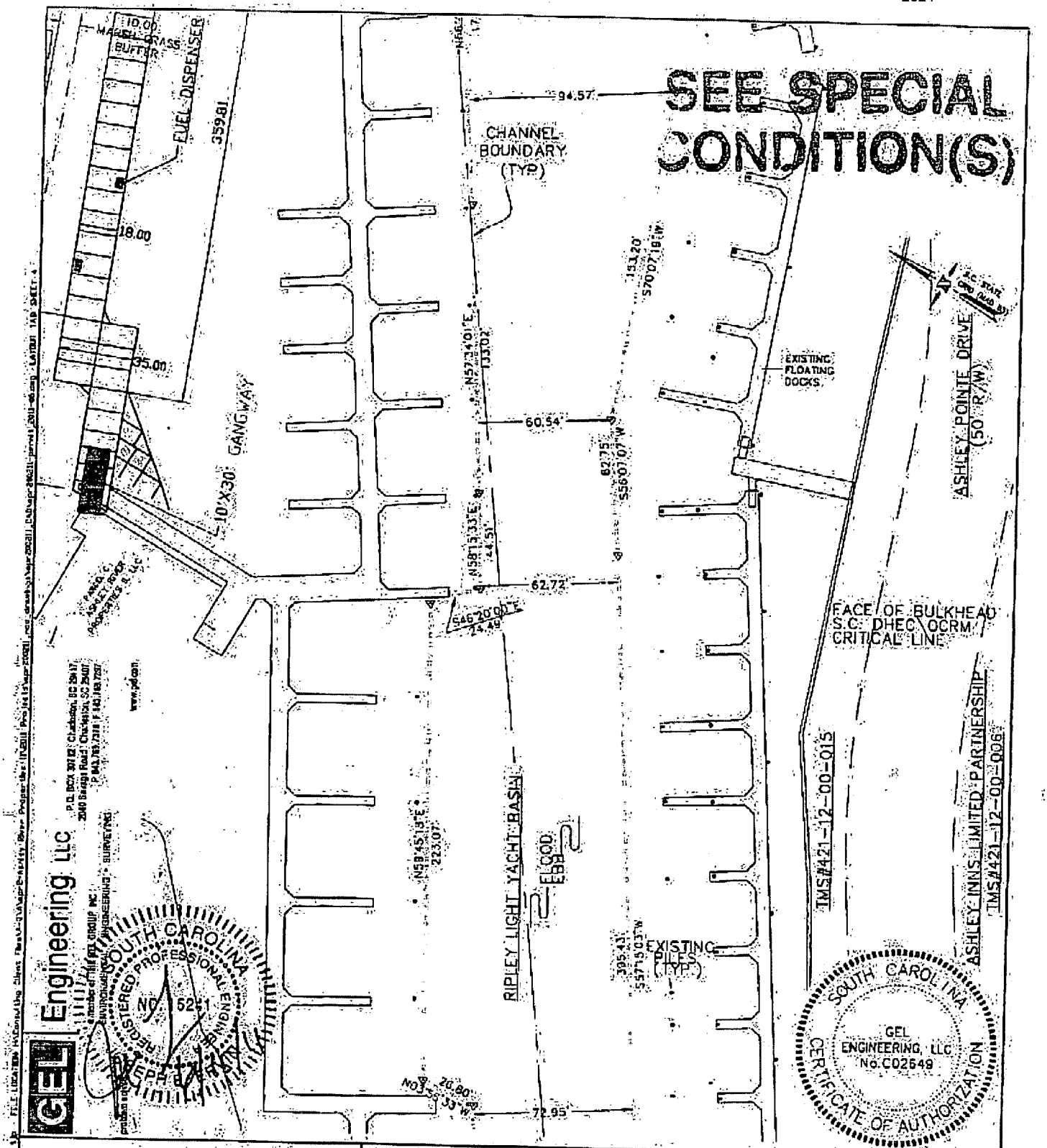
SHEET: 2 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a member of THE GEL GROUP, INC

9124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 4
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
88 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

ON: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

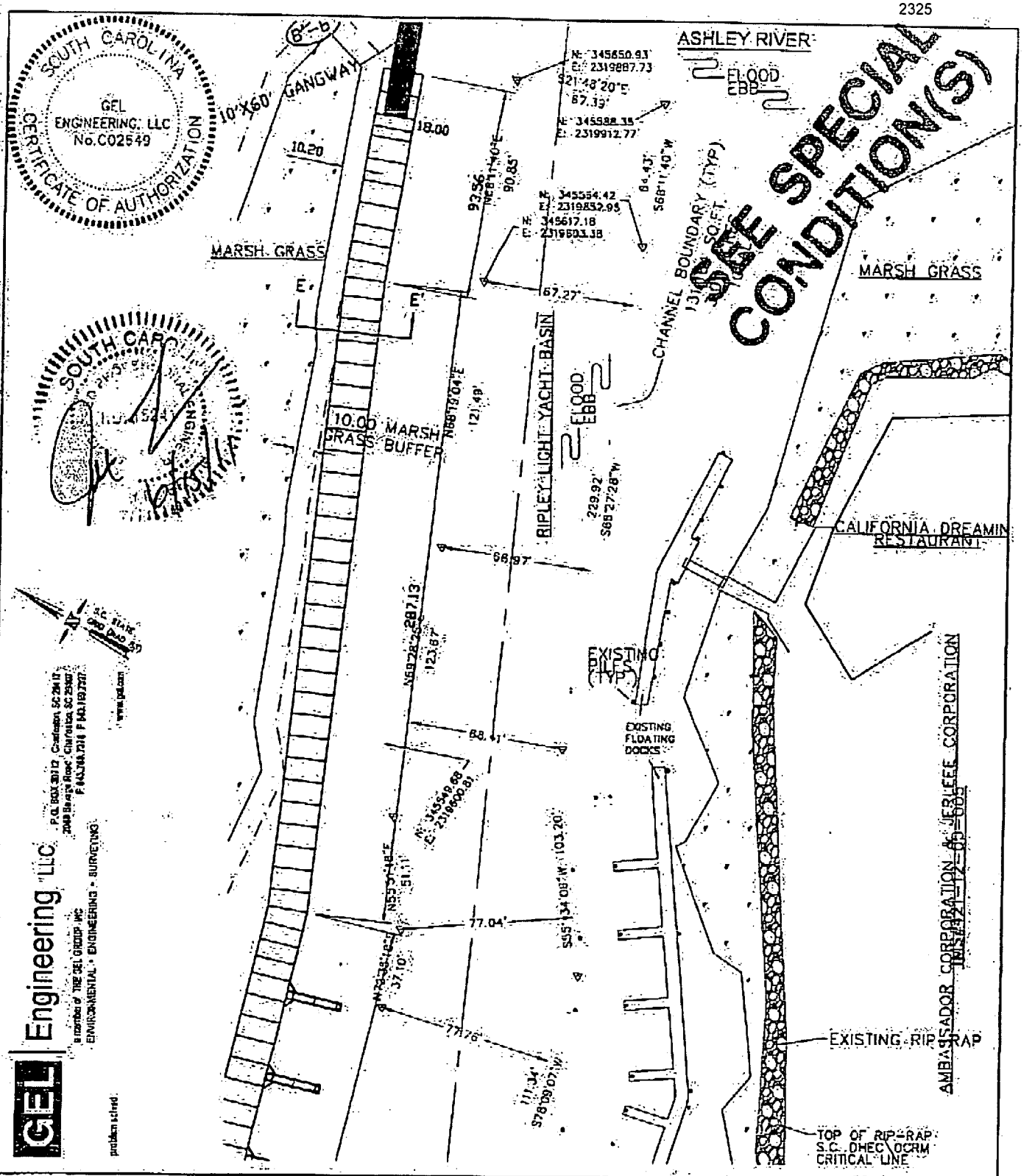
SHEET: 4 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a Member of THE GEL GROUP, INC.

11124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 6
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

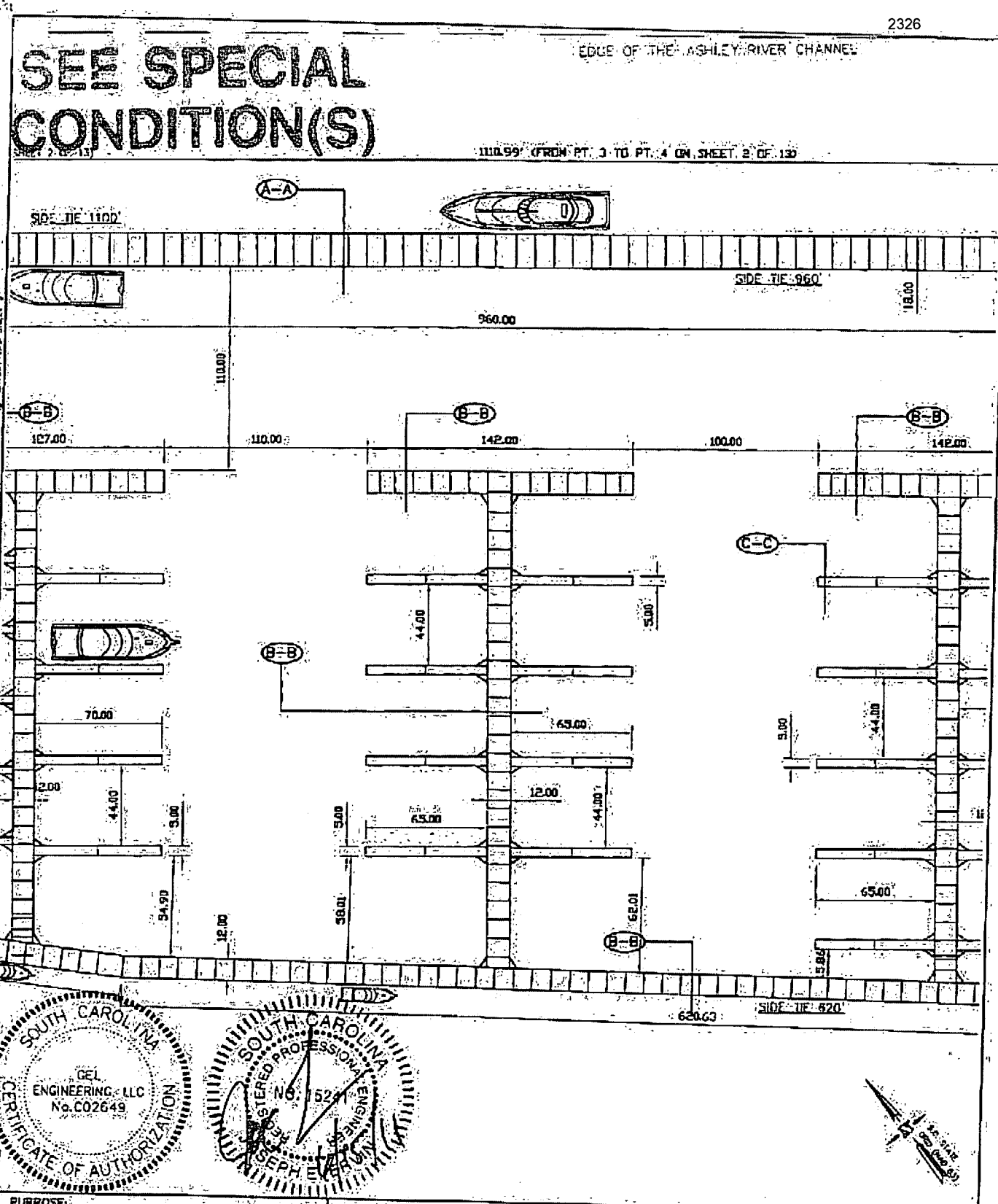
SHEET: 6 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08



13/24

# SEE SPECIAL CONDITION(S)




PURPOSE:
MARINA EXPANSION

ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 8
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 8 OF 13

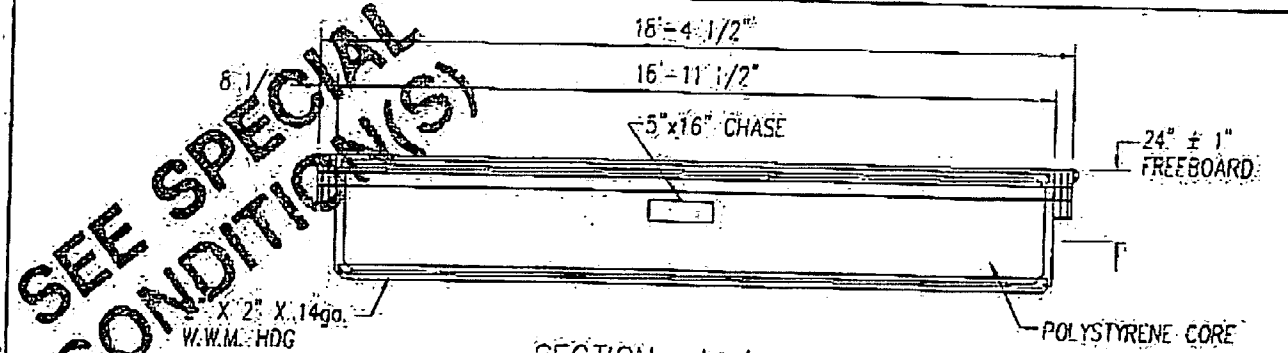
REVISED DATE: 8/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

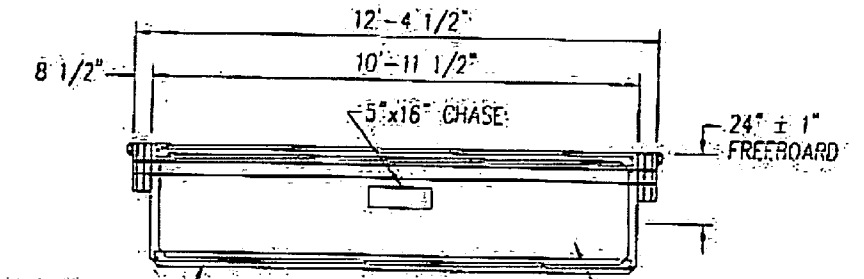
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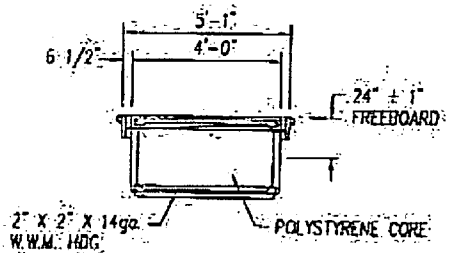
SEE SPECIAL CONDITION(S)



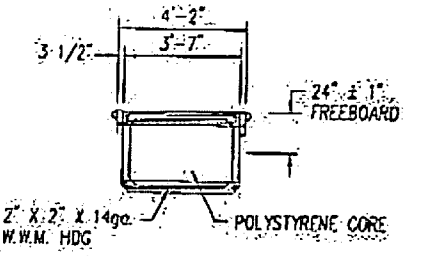

SECTION A-A




SECTION B-B




SECTION C-C




SECTION D-D

GEL Engineering LLC
a division of THE GEL GROUP INC.
ENVIRONMENTAL • ENGINEERING • SURVEYING
P.O. BOX 30712, Charleston, SC 29417
2040 Savage Road, Charleston, SC 29407
P 843.769.7378 F 843.763.7397
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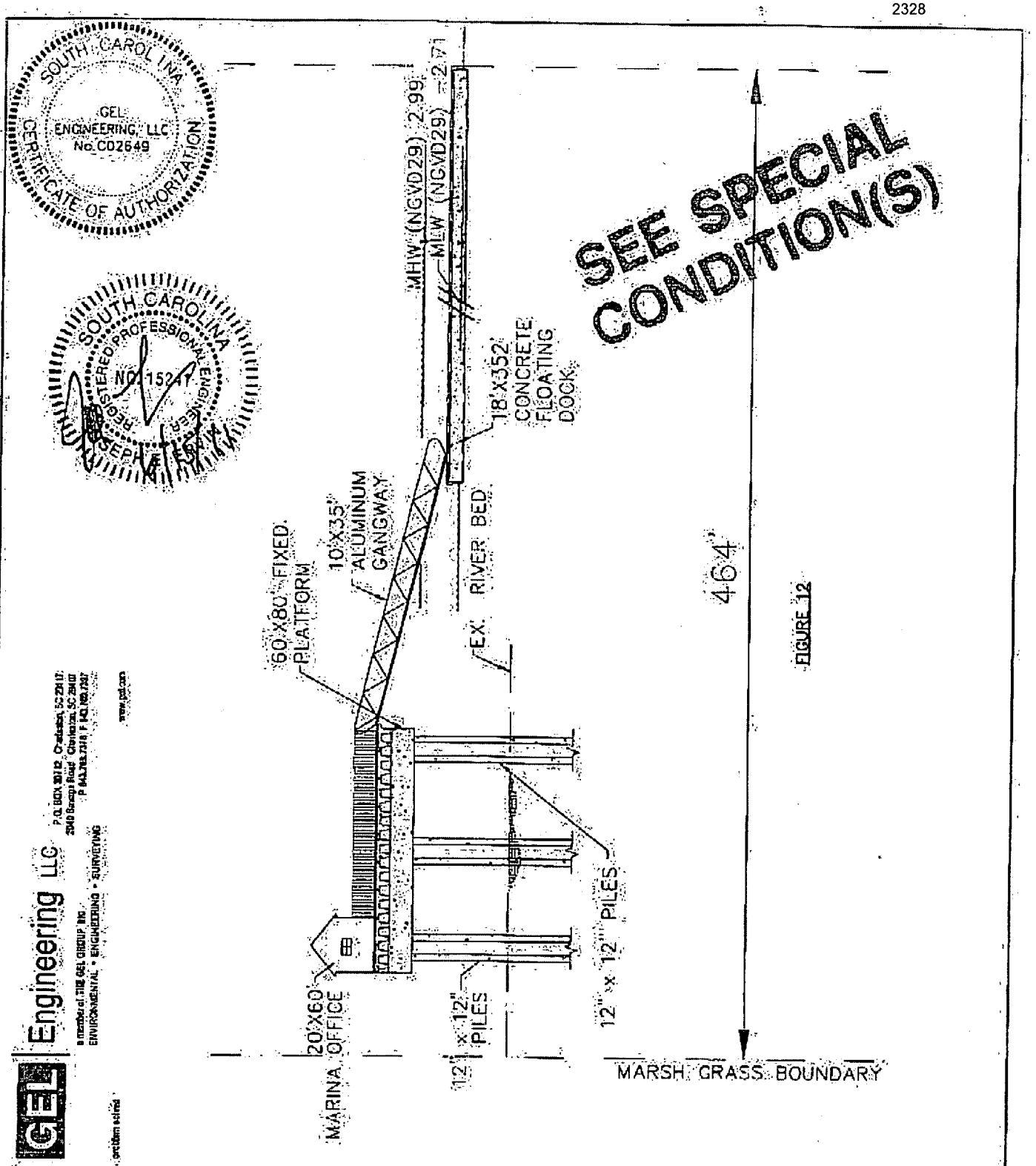
SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER NO. 15241 JOSEPH E. ERVIN

SOUTH CAROLINA GEL ENGINEERING, LLC No. C02649 CERTIFICATE OF AUTHORIZATION

| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 10<br>FLOATING DOCK X-SECTIONS<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>58 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 10 OF 13<br>REVISED DATE: 6/2/2011<br>DATE: 5/12/08 |



17/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 12
CROSS SECTION B'-B'

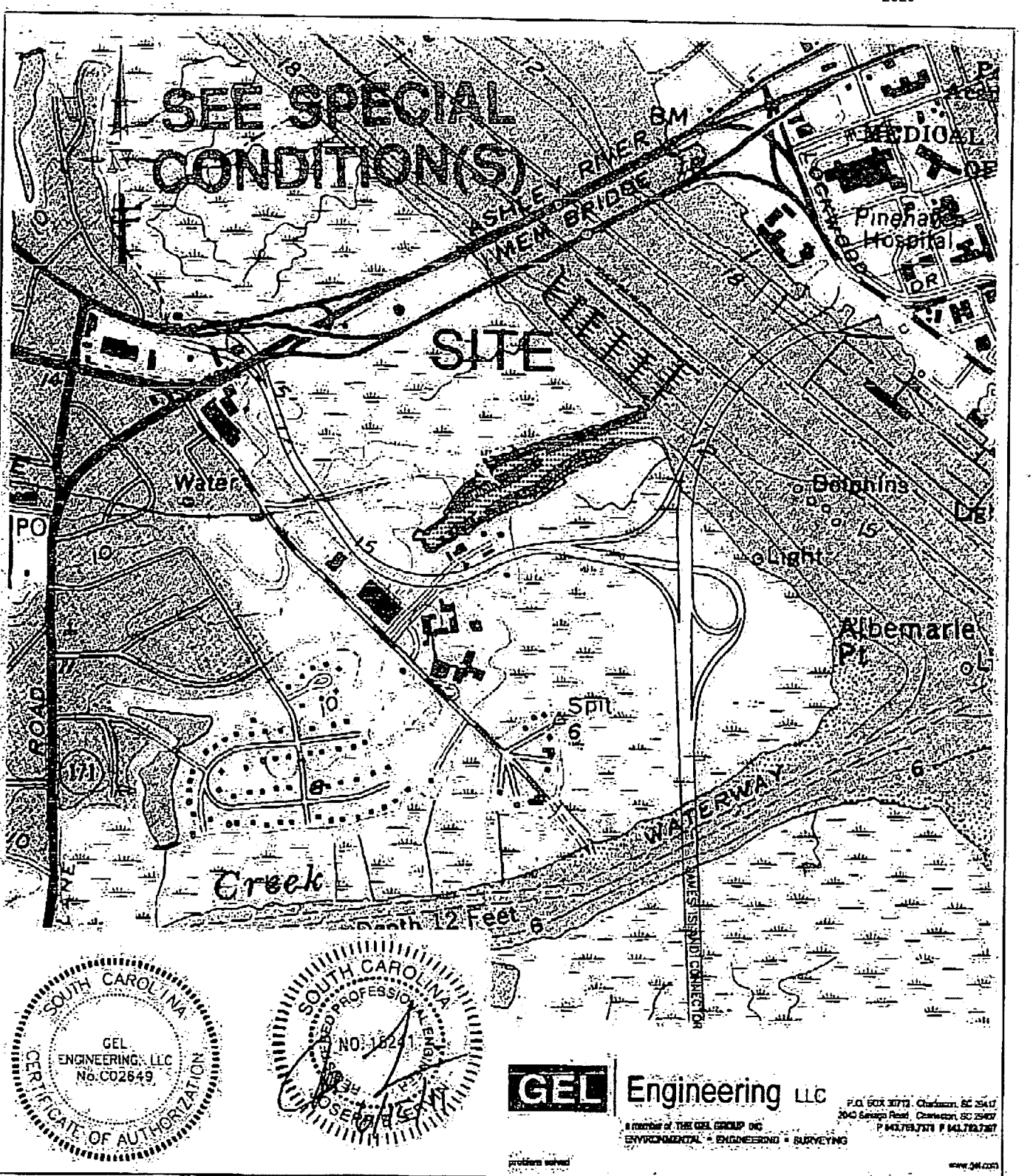
NOT TO SCALE

RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 12 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08




SOUTH CAROLINA
GEL ENGINEERING, LLC
No.C02649
CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
No. 16241

GEL Engineering LLC

P.O. BOX 30712, Charleston, SC 29417
2040 Savage Road, Charleston, SC 29407
P 843.769.7378 F 843.769.7387

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problem solved

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PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: CHARLESTON 7.5 QUAD

FIGURE 1.
QUAD LOCATION MAP

SCALE: 1"= 1000'

0 500 1000

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

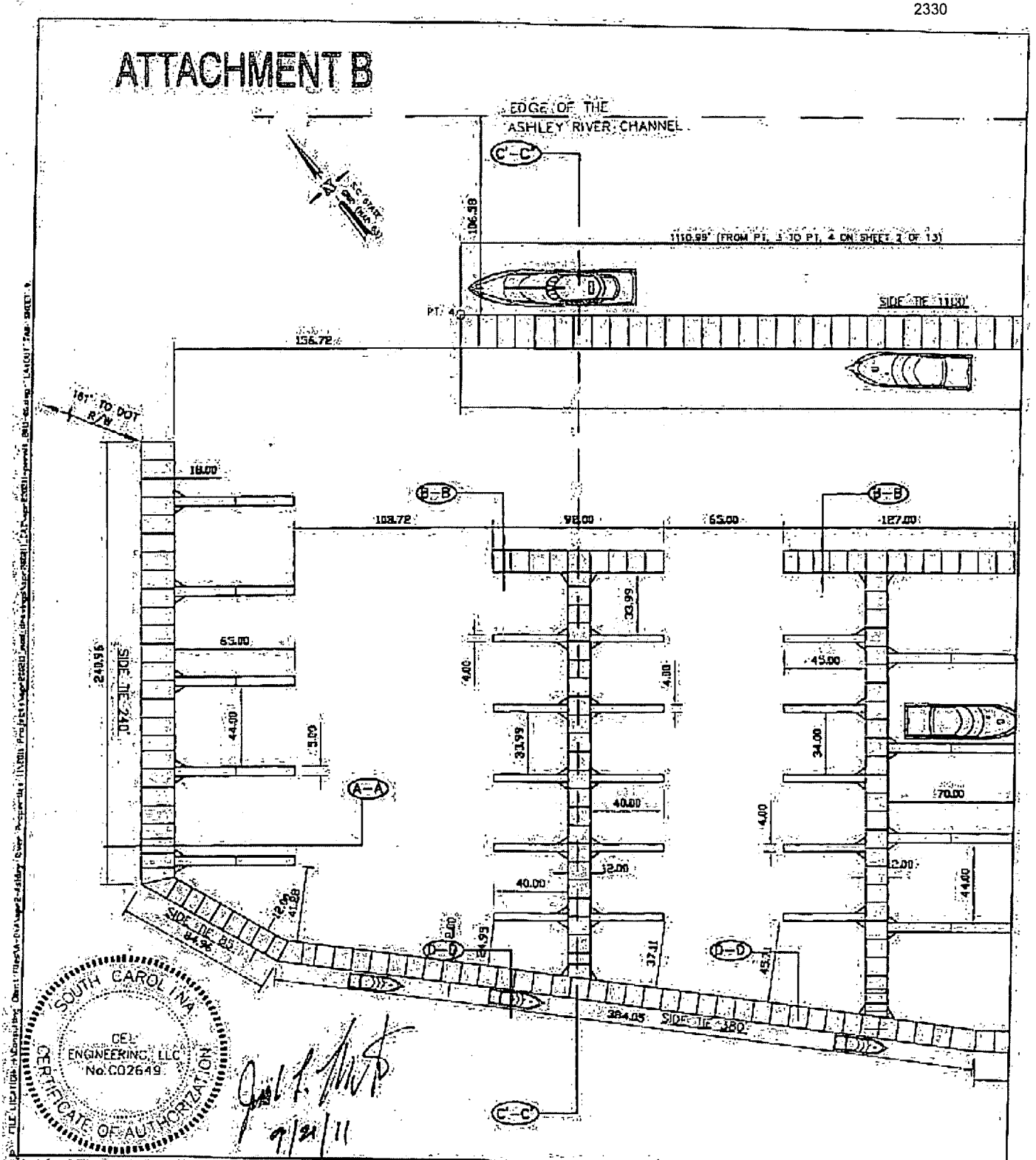
SHEET: 1 OF 13

REVISED DATE: 8/2/2011
DATE: 9/12/08



21124

# ATTACHMENT B




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 9
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 9 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

CEL ENGINEERING, LLC

A Member of The CEL Group, Inc.

CESAC-RD-S
Application: SAC-2008-01005-2IR SP . Ashley River Properties II, LLC / Ripley Eight Yacht Club Marina Expansion

**MEMORANDUM FOR RECORD**

**SUBJECT:** Department of the Army Environmental Assessment and Statement of Finding for Above-Numbered Permit Application

This document constitutes the Environmental Assessment, 404(b)(1) Guidelines Evaluation, Public Interest Review, and Statement of Findings.

1. Application as described in the public notice.

APPLICANT: Ashley River Properties II, LLC
C/O Davidson Williams
95 Ripley Pointe Drive
Charleston, South Carolina 29407

WATERWAY & LOCATION: Ripley Cove/Ashley River

LATITUDE & LONGITUDE: Latitude: 32.78042 North
Longitude: -79.96032 West

PROJECT PURPOSE AND NEED: The purpose of the project is to expand an existing private marina to accommodate 186 additional boats to provide public access for recreational boating in the Charleston Harbor area.

PROPOSED WORK: The proposed work consists of expanding Ripley Light Yacht Club (located on the northern side of Ripley Cove) by adding approximately 12,200 linear feet of additional floating dock structure to accommodate 200 additional pleasure crafts. The project will include replacing a previously permitted floating dock that runs parallel to the main channel in the Ripley Light marina basin, from an 8 foot wide structure to an 18 foot wide x 1,150 linear foot structure. The additional 10 feet of new floating dock structure width will be accommodated by locating the new structure no closer than 10 feet from the adjacent marsh grass boundary. In addition, all affected boat slips will be shortened such that no further encroachment into the marina basin channel, as permitted, will occur. This floating dock will attach to a 60' x 80' fixed platform at the mouth of Ripley Cove. Additional floating docks attached to the fixed platform will provide: 5,290 linear feet of dock for 65-foot boat slips, 3,420 linear feet of dock for 55-foot boat slips, 1,120 linear feet of dock for 40 –foot boat slips, 630 linear feet of dock for 45-foot boat slips, 840 linear feet of dock for 70 boat slips, 500 linear feet of T-head dock; and 90 linear feet of dock for 1 90-foot boat slip. The fixed platform will house the operation offices and restrooms. The proposed marina expansion will include both gasoline and diesel fueling services. It is also noted that the proposed expansion will be located on the same site as Ashley River Anchorage Area 2.

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Avoidance and Minimization Information: The applicant reduced the size of the proposed marina expansion in order to accommodate the shifting of the Ashley River boating channel (not the Federally authorized channel). The modification resulted in a loss of 14 dedicated boat slips.

AUTHORIZED PROJECT DESCRIPTION: The proposed work consists of expanding Ripley Light Yacht Club (located on the northern side of Ripley Cove) by adding approximately 11,510 linear feet of additional floating dock structure to accommodate 186 additional pleasure crafts for public dockage. The project will include replacing a previously permitted 8' wide floating dock that runs parallel to the main channel in the Ripley Light marina basin with an 18 foot wide x 1,125 linear foot structure. The additional 10 feet of new floating dock width will be accommodated by locating the new structure no closer than 10 feet from the adjacent marsh grass boundary. In addition, all affected boat slips will be shortened such that no further encroachment into the marina basin channel, as permitted, will occur. This floating dock will attach to a 60' x 80' fixed platform at the mouth of Ripley Cove. Additional floating docks attached to the fixed platform will provide: 4,835 linear feet of dock for 65-foot boat slips, 3,420 linear feet of dock for 55-foot boat slips, 1,000 linear feet of dock for 40 –foot boat slips, 585 linear feet of dock for 45-foot boat slips, 770 linear feet of dock for 70 boat slips, 500 linear feet of T-head dock, and 90 linear feet of dock for 1 boat slip. The fixed platform will house the operation offices and restrooms. The proposed marina expansion will include both gasoline and diesel fueling services. It is also noted that the proposed expansion will be located on the same site as Ashley River Anchorage Area 2 which has been de-authorized by the U.S. Coast Guard.

Compensatory Mitigation: Compensatory mitigation is not required.

EXISTING CONDITIONS: The project location is located along the western shoreline of the Ashley River, between the James Island Connector bridge and the Ashley River Bridges, just north of the mouth of Ripley Cove. The Ashley River is a tidal, estuarine river with a predominantly fine grained sediment substrate. The existing marina is located on the north side of Ripley Cove, opposite Ripley Light Marina which is located on the south side of Ripley Cove. The two marinas are separated by a navigation channel that extends from the mouth to the headwaters of the cove. The proposed expansion will extend out of the cove turning north and will be constructed on the Ashley River. On the east side of the Ashley River, directly across from the proposed project site is the Ashley River Marina. Southeast of the proposed project and the James Island Connector Bridge and on the east side of the Ashley River is the City Marina. Northeast of the project site and the Ashley River Bridges on the east side of the Ashley River is Bristol Marina (see Exhibit 1).

2. Authority.
☒ Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. §403).
☐ Section 404 of the Clean Water Act (33 U.S.C. §1344).
☐ Section 103 of the Marine Protection, Research & Sanctuaries Act of 1972 (33 U.S.C. 1413).

3. Scope of Analysis.

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a. NEPA:

(1) Factors.

(i) Whether or not the regulated activity comprises "merely a link" in a corridor type project. NA

(ii) Whether there are aspects of the upland facility in the immediate vicinity of the regulated activity which affect the location and configuration of the regulated activity. The only two aspects that affect the location of this expansion is the location of the existing marina which is not an upland facility and the location of the associated parking which is located on uplands.

(iii) The extent to which the entire project will be within the Corps jurisdiction. The entire project is within the Corps' jurisdiction.

(iv) The extent of cumulative Federal control and responsibility. The extent of Federal control and responsibility is limited to the issuance and enforcement of the Federal permit.

(2) Determined scope:
☒ The scope includes the footprint of the regulated activity within the delineated water, and the associated parking.
☐ Over entire property.

b. NHPA "Permit Area":

(1) Tests. Activities outside the waters of the United States ☒are/☐are not included because all of the following tests ☒are/☐are not satisfied: Such activity ☐would/☒would not occur but for the authorization of the work or structures within the waters of the United States; Such activity ☒is/☐is not integrally related to the work or structures to be authorized within waters of the United States (or, conversely, the work or structures to be authorized must be essential to the completeness of the overall project or program); and Such activity ☒is/☐is not directly associated(first order impact) with the work or structures to be authorized.

The only upland facility related to this expansion is the parking. Parking already exists in support of the existing marina; however, additional parking will be provided in support of this expansion. The State permit, which is incorporated into the Federal permit, requires "either one parking space for every three wet slips or the spaces required by the applicable local government parking regulation, whichever is greater."

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(2) Determined scope. The scope includes the proposed marina expansion and parking lot area.

c. ESA "Action Area".

(1) Action area means all areas to be affected directly or indirectly by the Federal action and not merely the immediate area involved in the action.

(2) Determined scope. The scope of the project includes the proposed marina expansion and parking lot area.

d. Public notice comments. ☐ NA Public notice issued May 23, 2008 for 30 day comment period.

(1) The public also provided comments at ☐ public hearing, ☐ public meeting, and/or ☐ NA.

(2) Commentors and issued raised.

| Name & Date | Issue |
|---|---|
| Catawba Indian Nation<br>May 30, 2008<br>June 13, 2008 | Will comment when research process has been completed. No immediate concerns, but the Catawba are to be notified if Native American artifacts or human remains are located during construction. |
| McNair Law Firm<br>June 20, 2008 | Two organizations were represented by McNair Law Firm. One is the AMH Management, LLC- a professional management firm which manages The Harborage at Ashley Marina – previously known as The Ashley Marina located across the Ashley River from the applicant. The second organization is IBG Partners, LLC – a privately held development firm which manages St. John's Yacht Harbor located on the Stono River (see Exhibit 1). On behalf of these two companies, McNair Law Firm submitted objections which included: the application appears to eliminate an authorized, Federal anchorage area; the addition of 200 boat slips will create navigational and safety problems in Charleston Harbor; the application is unclear whether this will be a private or public marina; the applicant needs to provide an up-to-date O&M manual. Water quality concerns need to be examined by reviewing agencies. Riparian ownership is questionable. The applicant has failed to satisfy the requirements of OCRM's marina regulations. |

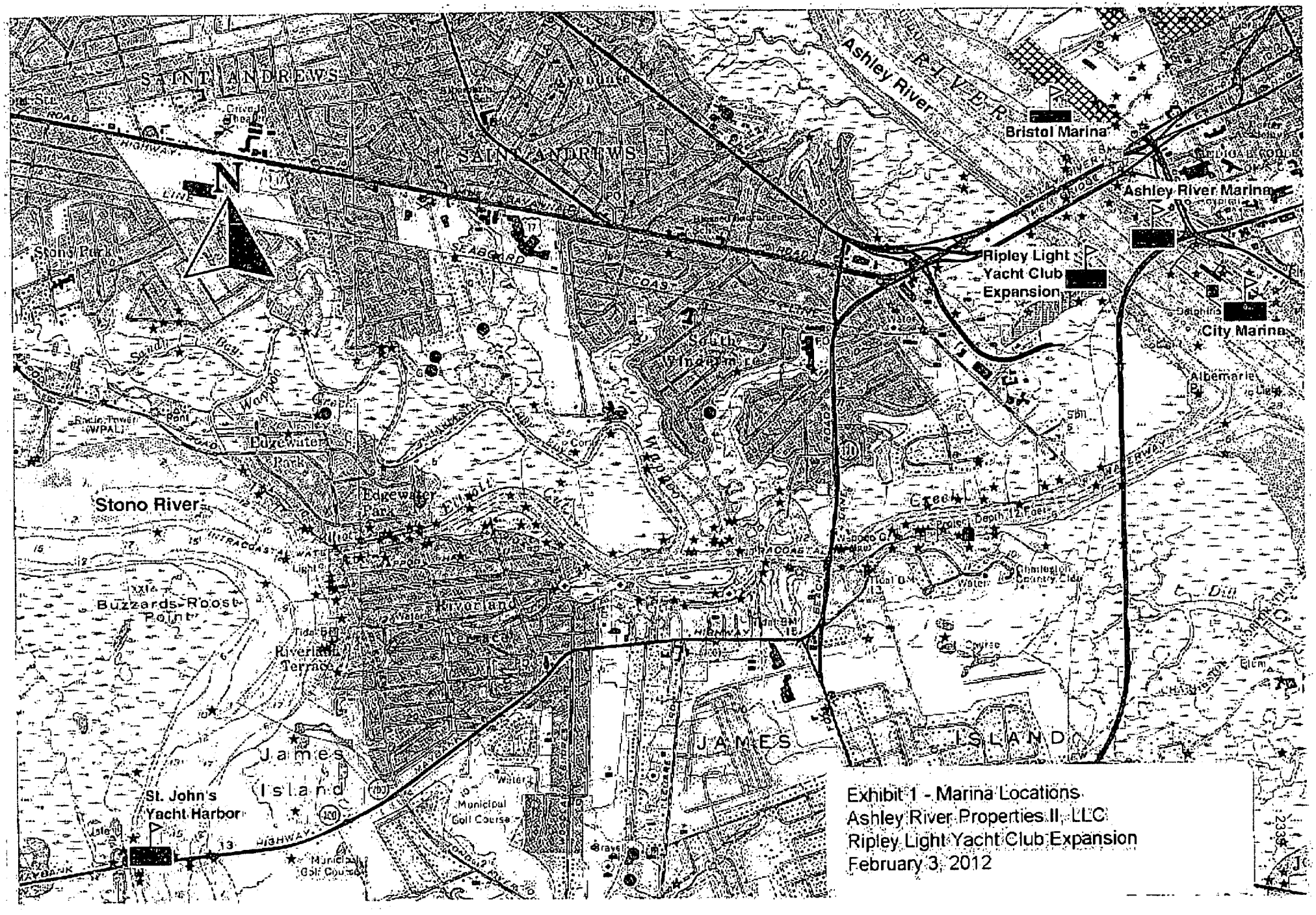



Exhibit 1 - Marina Locations
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| | |
|---|---|
| USFWS June 23, 2008 | Concurred with Corps' determination of "not likely to adversely affect". Expressed concerns that the expansion could result in re-suspension of contaminated sediments. However, they would not object to the proposed work provided that the following recommendations were incorporated as special conditions of the permit:<br>1. The project area will be enclosed by a silt screen and floating boom at all times during construction and until re-suspended sediments have settled out after the work has been completed.<br>2. All work will be conducted during periods of decreased biological activity (November 1 – March 30).<br>3. The project is designed to avoid adverse impacts to existing vegetated marsh by providing a more adequate marsh setback.<br>4. The number of structures are minimized and also configured so that no future dredging will be necessary, or allowed, to maintain adequate depths. |
| The City Marina<br>June 20, 2008 | No specific objections. However the City Marina is developing plans to expand and feels that since the two marinas are in such close proximity, they should not be evaluated independently. |
| SCDNR June 18, 2008 | Project should be designed and constructed to ensure sufficient depths so that no future dredging is needed. |
| CESAC-TS-ON<br>July 12, 2008 | No comment. |
| CESAC-PM<br>July 13, 2008 | No objection or further comments. |
| Stonebridge<br>June 23, 2008 | Mr. J. Mark Caldwell is the President/Manager of Stonebridge Ripley 2, LLC which is an adjacent property to the applicant, previously known as Landry's Crabhouse (see Exhibit 2). Stonebridge noted 14 different concerns including traffic, parking, noise, emergency access, fueling impacts, impact to wetlands around property, economic impact to property, dredging, size of marina office, other public services, proposed boardwalk, access from Stonebridge property to proposed marina. (Corps' Note: The property was sold in early 2011.) |
| USCG July 22, 2008 | Concerns about issuance of a permit prior to the Ashley River Anchorage #2 being de-authorized. |

(3) Site ☐ was/☒ was not visited by the Corps during the permit process to obtain information in addition to delineating jurisdiction. The Corps had been to this site

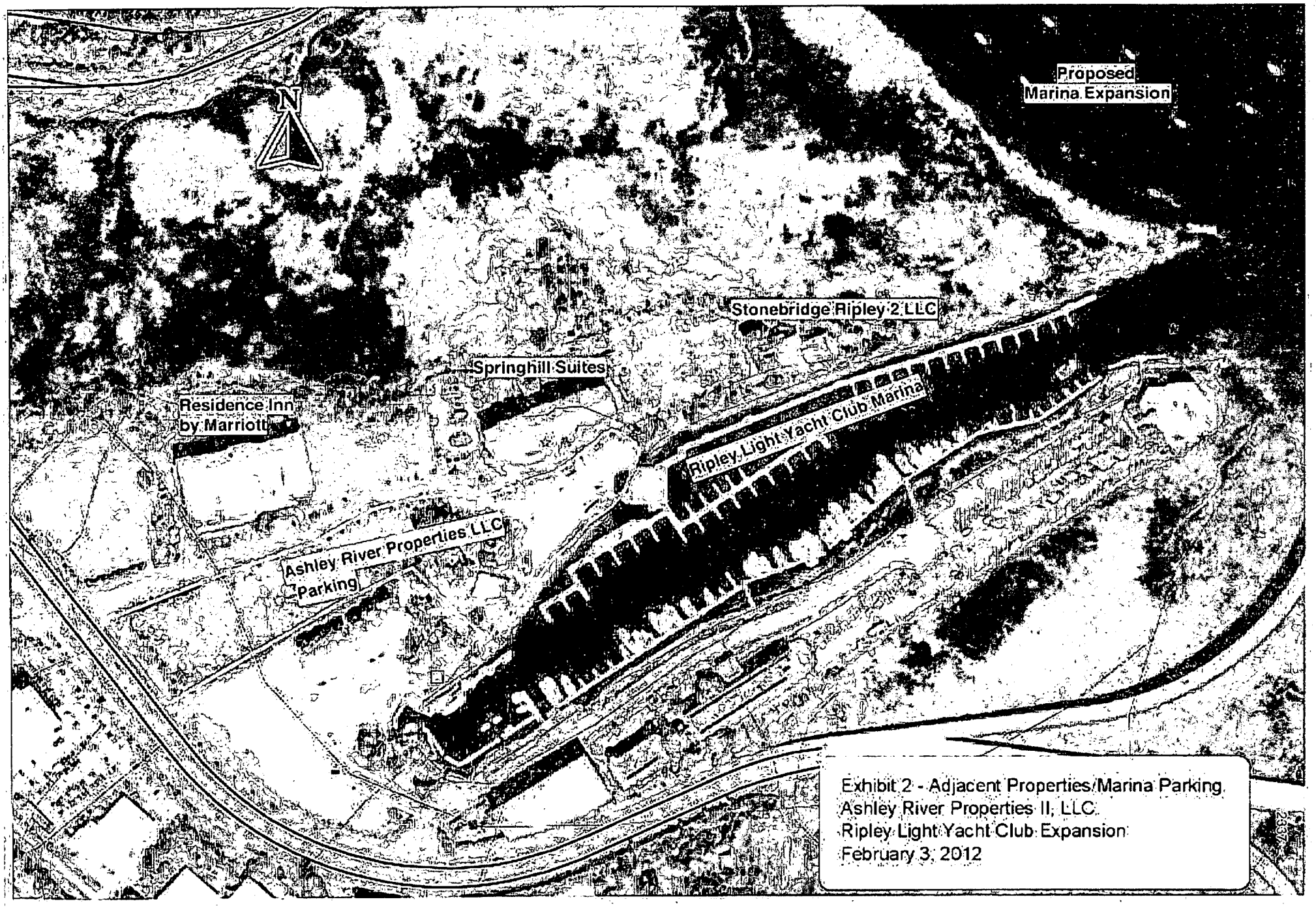



Exhibit 2 - Adjacent Properties/Marina Parking
Ashley River Properties II, LLC
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numerous times in the past; therefore an additional site visit was not necessary.

(4) Issues identified by the Corps. Navigational safety due to the additional boats that will be coming and going in an already congested boating area. De-authorization of the Ashley River Anchorage #2. Riparian rights.

(5) Issues/comments forwarded to the applicant. ☐NA/☒Yes. 6/27/2008.

(6) Applicant replied/provided views. ☐NA/☒Yes. In correspondence dated July 10, 2008, the applicant responded to comments noting: Parking will be on property not contiguous with Stonebridge property and will meet requirements of DHEC and City Zoning Dept. There are many transient vessels at the marina that do not travel with vehicles so many parking places are available. Lots will be gated to provide access only to tenants (those renting slips) and their guests. Emergency access is available at the main entry to the marina and also via the permitted gangway on Ashley River Properties II, LLC property. The docks are designed and equipped for fire fighting. A drop-off/turn around area will provide emergency access to the pier head. Employees are provided with advanced training in emergency incidents and equipment is available for employees to use. The existing and proposed modifications, boat traffic and noise should be reduced in Ripley Cove. The docks are made with floating foam-filled concrete docks which resonate into the water, not into the air, so footstep noise will be minimal. General marina operations will be based out of the Marina Office which is over 700' from the Stonebridge property, so noise should be minimal. The marina will be subject to the noise ordinance of the City of Charleston. The distance between parking and the main marina will be addressed for marina patrons via a network of maintained pedestrian walkways, valet parking, and marina access via electric golf carts. Fuel services will be provided and tanks will be on applicant property and design will exceed DHEC requirements. Fuel tanks will have electronic leak monitoring systems and redundant containment. Emergency services at the marina will be in accordance with the Maritime Transportation Security Act. Moran Environmental is retained to respond to fuel spills as needed. Fuel lines will be contained in Mechanical Chases built into the docks and will exceed environmental requirements. No fuel lines will be within 50 feet of Stonebridge property. Stonebridge has no contiguous wetlands. Floating structures will have no impact on adjacent wetlands. Access to the marina does not bridge any wetlands. It has been proven that residential properties with nearby marina access have increased property values. Stonebridge property is currently a restaurant. Restaurant use would be improved by proximity to a large public use marina. No dredging is proposed and should not be needed in the future due to the proposed location and based on a hydrographic survey. The marina office has not been designed, but it will be a one-story building located 700+ feet from Stonebridge property. There will be no other public services offered other than long-term dockage, transient dockage, and fueling. The applicant has not applied for a permit to provide public access through a boardwalk on the applicant's property that surrounds Stonebridge property, however, it reserves the right to do so if needed. If a boardwalk is installed,

the applicant may request a permit for an additional gangway. The applicant does not intend to grant access from Stonebridge property to the marina except subject to a separate agreement between the parties. Additional drawings and exhibits in support of these statements were included in the applicant's response.

In correspondence dated August 11, 2011, this office submitted a copy of the applicant's response to Stonebridge, LLC, SCDNR, and the USFWS.

In an e-mail dated August 27, 2011, this office notified the USCG that a special condition could be included in the permit restricting the applicant from beginning any work within the Ashley River Anchorage #2 until the de-authorization of the Anchorage Basin was complete.

In correspondence dated September 2, 2011, the USCG responded stating that the proposed special condition noted in the Corp's email of August 27, 2011, would be sufficient to cover their concerns.

In correspondence dated September 9, 2011, the USFWS reviewed the additional information submitted by the applicant and stated that while they recommend that construction be conducted during periods of reduced biological activity, considering the nature of the project, it is not essential that this recommendation be a permit requirement. However, the USFWS continued to maintain that the permit should be conditioned so as not to allow for future dredging.

In correspondence dated September 11, 2008, Stonebridge responded to the applicant's July 10, 2008 letter. The following summarizes the response: Daily observations indicate that there are more permanent tenants (long term leases) than transient boaters. Marina patrons are using the Stonebridge parking lot without permission. The EMS access via an approved gangway has not been built, and if built, will encourage foot traffic and EMS vehicle traffic which will negatively impact Stonebridge property. Stonebridge expects that the distance between parking and the main marina will require constant security to keep marina patrons and guests from using Stonebridge property. The drawings show that the fuel dock will be less than 100 feet from the existing building and much closer to the future condominium construction. This is still a concern. Environmental impacts to wetlands requires further study. Stonebridge disputes the claim that marina proximity increases property values. Stonebridge thinks that dredging will be a necessity. No access to marina is requested.
(Corps' Note: Based on aerial photos, the proposed fuel dock is located approximately 170' from the existing structure, not 100' as stated by Stonebridge. It is also noted that the property was sold in early 2011, so the proposed condominium construction is no longer a point of contention. See Exhibit 3)

Comments from Stonebridge and the USFWS were submitted to the applicant on September 16, 2008.




Exhibit 3 - Fuel Dock / Stonebridge Property
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On September 24, 2008, this office received a letter from Ron Acierno and Pat Welch supporting the expansion of Ripley Light Yacht Club because it will eliminate the dangerous practice of mooring derelict boats just off the Ashley Marina, among other benefits.

Three letters summarized below were received in response to the McNair Law Firm concerns. The letter from Stan Barnett discussed the legal and regulatory issues. The letter from GEL Engineering responded to water quality concerns. The letter from the applicant discussed other issues.

Correspondence dated September 24, 2008, from Stan Barnett, Attorney, on behalf of the applicant responded to concerns of McNair Law Firm providing documentation that the applicant does have title to the marsh adjacent to the marina; therefore it is not public trust land, but privately owned by the applicant. Further, the proposal is consistent with OCRM regulations since the property is privately owned and the applicant has sufficient property interest in the marsh to justify the marina expansion. Legal records and sale documents were provided.

Correspondence dated September 24, 2008, from the applicant noted: IBG is a competitor of the applicant and their comments should be evaluated in this context. The existing facility is private; however, the current application is planned for a mixed use facility of both public and private uses. The O&M manual for the existing marina has been approved. The applicant has submitted a revised "Contingency Plan for the Spill of Oil and Other Hazardous Substances" to OCRM. An updated manual will be submitted when a permit is issued. The proposed marina will solve navigation/safety problems. For example: Derelict vessels will be removed. Existing moored vessels that are not easily accessed and break away during storm events will be eliminated. Large vessels can navigate the Ashley River channel. A USCG cutter in excess of 200 feet in length navigates the channel easily. No owners of any other marina in the area, nor the USCG, have expressed objections to the proposed marina. The IBG owned marina is located on the Stono River which is miles from the proposed project, on a completely different River, and will not be impacted the proposed project (see Exhibit 1).

Correspondence dated September 25, 2008, from GEL Engineering noted that boat slips and fueling operations that have been constructed in accordance with BMPs and operated properly are not associated with metals or fecal coliform impacts in the surrounding waters. The proposed marina will not provide boat maintenance. Further, the operation of the marina will have no effect on dissolved oxygen in Charleston Harbor. The revised O&M Manual, approved by SCDHEC/OCRM, will provide for additional assurances that the marina will not adversely affect water quality.

Correspondence from the applicant dated September 30, 2008 addressed concerns from Stonebridge (9/11/08) and the City Marina. The following summarizes the applicant's

response. No new issues were raised in the 2nd letter; however, as a good neighbor, a meeting was held with Mr. Caldwell (Stonebridge) on September 23, 2008 to discuss his concerns. The Stonebridge property is closed currently and under renovation to be used for catering events. Mr. Caldwell expects to host events with as many as 250 guests, plus staff, on a regular basis. He only has 120 usable parking spaces, so he has the parking problem. The applicant has sufficient space for parking and can increase the parking lot or build a parking deck if needed (see Exhibit 2). Boaters have not been using his lot for several reasons: 1) The Stonebridge property is gated and usually locked; 2) The applicant has more than sufficient parking for their needs; 3) When the applicant has needed additional parking space, they have asked for and received permission to use the Stonebridge parking lot. They paid Mr. Caldwell $1500 for the right to use his lot when they hosted the Charleston Boat Show. The applicant notes that the City Marina does not object to the applicant's project but wants it to be reviewed in conjunction with the City's project, but the City has not submitted an application yet. Therefore, the applicant requests that this office continue our evaluation of their project and not hold up their evaluation waiting on an application to be submitted by the City.

This office forwarded the applicant's comments to Stonebridge and the McNair Law Firm in correspondence dated October 31, 2008.

During the spring of 2009, there were a series of e-mails between the applicant, the Corps of Engineers and the USCG. The USCG had expressed a concern to the applicant regarding inclusion of a special condition in the Federal Permit "specifying that all abandoned vessels within the meaning the South Carolina Statute 50-21-10, in the area between the Wappoo Creek to the south, Highway 17 Bridge to the north, the marsh grass line to the west, and the edge of the Federal Channel to the east are removed and disposed of solely at the expense of the Ashley River Properties II, LLC prior to construction of the requested marina expansion." Ashley River Properties requested that this condition be placed on their permit and the USCG was notified by this office that, if a permit was issued, this special condition would be included in the Federal Permit.

On June 5, 2009, the USCG published the proposed rule to disestablish the Special Anchorage Area 2 in the Ashley River, Charleston, S.C. in the Federal Register/Volume 74, No. 107.

On September 14, 2009, this office received a copy of correspondence from SCDHEC/OCRM dated September 10, 2009 to the applicant denying the permit request due to the lack of required water frontage (150') and due to the unacceptable cumulative environmental impacts to the state's coastal resources that would result if the project was constructed.

In correspondence dated September 18, 2009, this office notified the applicant that the Federal Permit was being denied without prejudice since DHEC/OCRM had denied the State permit.

In correspondence dated October 8, 2009, the DHEC/OCRM withdrew their denial for the permit modification.

During the course of this application, the City Marina submitted their application to extend the City Marina into the authorized Federal Navigation Channel. The proposed location would result in creating a "functional" channel which would be to the west of the Federal Channel. This functional channel would be aligned to within approximately 10 feet of the southern pier of the Ashley River Properties proposed marina expansion. This alignment created additional navigational safety concerns for this office. The two marina companies and the Corps met on a number of occasions to resolve the differences. This office also required both applicants to submit a hydrographic survey of bottom elevations (correspondence dated December 14, 2010) across the Ashley River in the vicinity of their specific projects. The Ashley River Property survey was submitted on January 27, 2011.

Ashley River Properties reported to this office in the spring of 2011 that both marina companies and reached an agreement to pull back their marinas closer to the shoreline in an effort to ensure navigational safety. In correspondence dated June 17, 2011, the applicant reported that they had decided not the enter into a written agreement with the City Marina, but were going to unilaterally reduce the size of their proposed marina by pulling back the Ashley River face dock an additional 40' from the edge of the existing Federal Navigation Channel edge, and create a channel setback of 103' to 106' instead of 63' to 66'. Corresponding reductions were also being made to the interior dock trees.

On April 18, 2011, the USCG published the final rule for disestablishing the Ashley River Anchorage #2 in the Federal Register/Volume 76, No. 74.

On October 6, 2011, SCDHEC/OCRM issued the State Permit. A copy of the proffered permit was received by this office on October 21, 2011. A copy of the finalized signature page was received on February 2, 2012. A general condition of the Federal permit incorporates the WQC conditions as part of the Department of the Army permit.

(7) The following comments are not discussed further in this document as they are outside the Corps purview. ☒ NA/☐ Yes

4. Alternatives Analysis.

a. Basic and Overall Project Purpose and Need (as stated by applicant and independent definition by Corps).

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☒Same as in Paragraph 1.
☐Revised. Insert revised project purpose and/or need here and explain why it was revised

b. Water Dependency Determination:
☒Same as in Paragraph 1.
☐Revised. Insert revised water dependency determination here if it has changed due to changing project purpose or new information.

c. Applicant preferred alternative site and site configuration.
☒Same as Authorized Project Description in Paragraph 1.
☐Revised. Explain any difference from Paragraph 1

Criteria.

| Issue | Measurement and/or constraint |
|---|---|
| Obtain as many additional slips for pleasure craft as possible. | Must not result in navigational hazard. |

d. Off-site locations and configuration(s) for each. (e.g. alternatives located on property not currently owned by the applicant are not practicable under the Section 404(b)(1) Guidelines as this project is the construction or expansion of a single family home and attendant features, such as a driveway, garage, storage shed, or septic field; or the construction or expansion of a barn or other farm building; or the expansion of a small business facility; and involves discharges of dredged or fill material less than two acres into jurisdictional wetlands.)

Off site locations/configurations are not practicable since this is an expansion of an existing marina.

e. (☒NA) Site selected for further analysis and why. [ ]

f. On-site configurations.

| Description | Comparison to criteria |
|---|---|
| Larger expansion as initially described | Will obtain 200 additional slips but will result in a navigational hazard. |
| Smaller expansion as authorized | Will obtain 186 additional slips and will not result in a navigational hazard. |

g. Other alternatives not requiring a permit, including No Action:

| Description | Comparison to criteria |
|---|---|
| No action | There are currently five marinas in the Ashley River within |

| | |
|---|---|
| | a 1 mile reach with approximately 860 boat slips total (see Exhibit 4). Two of the marinas, including this applicant, are proposing to increase the size of their marinas. The cost of these increases is significant and the owners would not incur these costs if they did not believe that the venture would be successful and profitable. As shown on the Exhibits, there are few unused slips at the existing marinas. In addition, it is well known that the coastal populations are increasing and with that increase comes additional boating traffic. Therefore, there is a need for the proposed project. Without the proposed project, residents and transient boaters will dock elsewhere or put additional pressure on existing boat ramps at other locations. Either way, there will be an economic impact to the Charleston area as the existing marinas will lose potential income. Consequently, the no-action alternative will not allow the applicant to achieve his purpose or need and is therefore not a viable option. |

h. Alternatives not practicable or reasonable. No action

i. Least environmentally damaging practicable alternative. Same as Authorized Project Description in Paragraph 1.

5. Evaluation of the 404(b)(1) Guidelines. (☒NA)

a. Factual determinations.

| |
|---|
| Physical Substrate.<br>☒ See Existing Conditions, paragraph 1.<br>☐ [ ] |
| Water circulation, fluctuation, and salinity.<br>☐ Addressed in the Water Quality Certification.<br>☒ The construction of the marina does not include walls or any other structure that would impact water circulation patterns in the Ashley River. It is a floating marina and will not alter water circulation, fluctuation, or the salinity gradient in the river. |
| Suspended particulate/turbidity.<br>☐ Turbidity controls in Water Quality Certification.<br>☒ The proposed project will require installation of pilings, but no dredging is proposed. There is expected to be some localized turbidity related to the installation of the pilings, but it will be temporary, occurring during the pile driving activity. It is also noted that the Ashley River is turbid in its normal state, so the pile driving activity is not anticipated to created noticeable changes in turbidity. |

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|---|
| Contaminant availability.<br>☐ General Condition requires clean fill. Not applicable<br>☒ There is no fill required for this project. Contaminant testing was not conducted since dredging is not proposed and alteration of the bottom sediments will be limited to the pile driving activity. |
| Aquatic ecosystem and organism.<br>☒ Wetland/wildlife evaluations, paragraphs 5, 6, 7 & 8.<br>☐ [ ] |
| Proposed disposal site.<br>☒ Public interest, paragraph 7.<br>☒ Not applicable. |
| Cumulative effects on the aquatic ecosystem.<br>☒ See Paragraph 7.e.<br>☐ [ ] |
| Secondary effects on the aquatic ecosystem.<br>☒ See Paragraph 7.c.<br>☐ [ ] |

b. Restrictions on discharges (230.10).

(1) It ☒has/☐has not been demonstrated in paragraph 5 that there are no practicable nor less damaging alternatives which could satisfy the project's basic purpose. The activity ☐is/☒is not located in a special aquatic site (wetlands, sanctuaries, and refuges, mudflats, vegetated shallows, coral reefs, riffle & pool complexes). The activity ☐does/☒does not need to be located in a special aquatic site to fulfill its basic purpose.

(2) The proposed activity ☐does/☒does not violate applicable State water quality standards or Section 307 prohibitions or effluent standards (☐based on information from the certifying agency that the Corps could proceed with a provisional determination). The proposed activity ☐does/☒does not jeopardize the continued existence of federally listed threatened or endangered species or affects their critical habitat. The proposed activity ☐does/☒does not violate the requirements of a federally designate marine sanctuary.

(3) The activity ☐will/☒will not cause or contribute to significant degradation of waters of the United States, including adverse effects on human health; life stages of aquatic organisms; ecosystem diversity, productivity and stability; and recreation, esthetic, and economic values.

(4) Appropriate and practicable steps ☒have/☐have not been taken to minimize potential adverse impacts of the discharge on the aquatic ecosystem (see Paragraph 8 for description of mitigative actions).

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6. Public Interest Review: All public interest factors have been reviewed as summarized here. Both cumulative and secondary impacts on the public interest were considered. Public interest factors that have had additional information relevant to the decision are discussed in number 7. Those boxes not checked were not relevant or not applicable.

+ Beneficial effect
0 Negligible effect
- Adverse effect
M Neutral as result of mitigative action

| + | 0 | - | M | |
|---|---|---|---|---|
| ☐ | ☐ | ☐ | ☐ | Conservation. |
| ☒ | ☐ | ☐ | ☐ | Economics. |
| ☐ | ☒ | ☐ | ☐ | Aesthetics. |
| ☐ | ☒ | ☐ | ☐ | General environmental concerns. |
| ☐ | ☐ | ☐ | ☒ | Wetlands. |
| ☐ | ☐ | ☐ | ☐ | Historic properties. |
| ☐ | ☒ | ☐ | ☐ | Fish and wildlife values. |
| ☐ | ☐ | ☐ | ☐ | Flood hazards. |
| ☐ | ☐ | ☐ | ☐ | Floodplain values. |
| ☐ | ☒ | ☐ | ☐ | Land use. |
| ☐ | ☐ | ☐ | ☒ | Navigation. |
| ☐ | ☒ | ☐ | ☐ | Shore erosion and accretion. |
| ☒ | ☐ | ☐ | ☐ | Recreation. |
| ☐ | ☐ | ☐ | ☐ | Water supply and conservation. |
| ☐ | ☒ | ☐ | ☐ | Water quality. |
| ☐ | ☐ | ☐ | ☐ | Energy needs. |
| ☐ | ☐ | ☐ | ☒ | Safety. |
| ☐ | ☐ | ☐ | ☐ | Food and fiber production. |
| ☐ | ☐ | ☐ | ☐ | Mineral needs. |
| ☐ | ☒ | ☐ | ☐ | Considerations of property ownership. |
| ☒ | ☐ | ☐ | ☐ | Needs and welfare of the people. |

7. Effects, policies and other laws:

a. (☐NA) Public Interest Factors:

| Factor | Discussion |
|---|---|
| Economics | Ripley Light Yacht Club is a commercial business. The proposed marina expansion will provide long term economic benefits through creation of jobs during construction and also in commercial areas. In addition, as people purchase or lease the slips, there will be a benefit to the local economic base including an increase in tax |

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| | revenues, community services and property values. The existing marina is approximately 50 feet from the adjacent structure and the adjacent property owner did not report any negative economic impacts to his structures or business. Therefore, since the marina expansion is approximately 700 feet from the adjacent property, it is reasonable to conclude that there not would be any negative economic impacts to that property |
| Aesthetics | Aesthetics issues are highly subjective and difficult to evaluate. Construction and expansion of the existing marina may have a positive impact on those responsible for the development or those who need/want docking space in marina. On the other hand, those who enjoy the original natural beauty of the area may find the expansion has a negative impact. However, five marinas and two anchorage basins are already located in the project vicinity, therefore, the "natural beauty" of the area has already been impacted. It is noted that the proposed project will have a negligible, short-term effect on visual and audible aesthetics during construction. All of these associated impacts would be temporary in nature, returning to normal following construction. |
| General Environmental Concerns | General environmental concerns such as fuel spills, garbage and waste disposal, management and maintenance of the marina, etc. are addressed in Operation and Maintenance Manuals (O&M) for marinas as required by SCDHEC/OCRM. The O&M Manual for the existing marina will be updated to address the expansion and will be reviewed for compliance with the SCDHEC/OCRM marina regulations. |
| Wetlands | The expansion of the marina will not encroach on or result in impacts or erosion to the adjacent marsh or wetlands. The existing marinas and anchorage basin have been at their present locations for many years and have not resulted in impacts or erosion to the adjacent marsh or wetlands. Boaters approaching the proposed marina would throttle back to "no wake" speeds in order to prevent damaging boats docked at the marina. Therefore, the proposed expansion would not be expected to cause erosion, damage, or impacts to the adjacent marsh or wetlands. |
| Fish and Wildlife Values | Coordination with the USFWS has resulted in a number of conditions that the permittee has agreed to implement. Subsequently, special conditions have been included in the Federal permit to ensure compliance with the conditions. |

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| | As a result, the impacts to fish and wildlife values are expected to be negligible (see Section 7b. and 7c. below). |
| Land Use | The applicant owns 4.0 acres of upland property adjacent to the marina, but this property is not contiguous with the adjacent property owner. Lots will be gated to provide access only to marina patrons and guests. There is sufficient land to construct a parking lot or a parking deck if needed, so there is no need for the general public or patrons of the marina to access the adjacent property. The applicant has proven legal ownership of the area proposed for the expansion and has successfully addressed concerns regarding the anchorage basin by coordinating with the U.S. Coast Guard and having the basin de-authorized. The proposed project will not impact adjacent property owner's use of their property and will subsequently have a negligible effect on land use. |
| Navigation | The proposed project will have a neutral effect on navigation since the applicant reduced the size of the proposed marina by pulling back the Ashley River face dock an additional 40' from the edge of the existing Federal Navigation Channel edge, and create a channel setback of 103' to 106' instead of 63' to 66'. In addition, at the request of the Coast Guard and the applicant, and to provide safe navigation of the area, a special condition will be included in the Federal permit requiring the applicant to remove all derelict and sunken vessels from the de-authorized anchorage basin prior to expansion of the marina. |
| Shore Erosion & Accretion | As noted above in the Wetlands section, this area of the Ashley River is currently highly used by recreational boating traffic and some commercial and Federal vessel traffic. The existing marsh has not been affected by the current boat traffic and there are no areas of erosion in the vicinity of the proposed project. The marina expansion should have a negligible effect on shore erosion or accretion, if it has any effect at all. |
| Recreation | The proposed project will have a beneficial long term effect on recreation by providing sufficient berthing and fueling capabilities for recreational and transient vessels in Charleston Harbor. The existing anchorage area has been de-authorized by the U.S. Coast Guard and the moored boats in the area will have to be moved to other locations. However, the derelict boats that have sunk will be removed by the applicant, which will improve navigational safety |

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| | and provide a safer area for recreational boating. |
| Water Quality | The proposed project will have a negligible short term effect on water quality as there may be some localized turbidity associated with the pile driving construction. However, BMPs will be used to minimize re-suspension of sediments. It is also noted that the expansion is being constructed in sufficiently deep water so that dredging will not be required. Hydrographic surveys conducted by the applicant and the historical location of the adjacent marsh support this determination. In order to ensure that impacts to water quality are minimized, special conditions requested by the USFWS will be included in the Federal Permit. The State has issued Section 401 Water Quality Certification documenting that the proposed project will not result in unacceptable impacts to or degradation of state water quality standards. |
| Safety | The proposed expansion will have a neutral effect on safety since the applicant reduced the size of the proposed marina by pulling back the Ashley River face dock an additional 40' from the edge of the existing Federal Navigation Channel edge, and create a channel setback of 103' to 106' instead of 63' to 66'. In addition, emergency access has been provided by the applicant and fuel dock safety considerations are addressed in Section 3. d. (6) above, and will also be addressed in the updated O&M Manual. |
| Consideration of Property Ownership | Many concerns expressed by Stonebridge are addressed in Section 3.d.(6) above. Some of the more pressing points are mentioned here. As noted above, the applicant has legally addressed the concern regarding riparian ownership as explained in Section 3.d.(6) above. In addition, the applicant has addressed the concern regarding the size of the marina office by explaining that it will be a one story structure and will be approximately 700 feet from the adjacent property structure so it should not impact or detract from the view. Concerns regarding noise are addressed by the use of floating foam-filled concrete docks which resonate into the water, not into the air. It is also pointed out that the existing marina is only 50' from the adjacent property and the owner did not mention any problems with existing noise levels. The expansion will be 700' from the adjacent property and should not result in unacceptable noise levels. The only public services offered are long-term dockage, transient dockage, and fueling. Fueling concerns are addressed in the Safety section above |

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| | and in Section 3.d.(6) above. It is also noted that the applicant has not requested a boardwalk across the adjacent property and access from the Stonebridge property has not been requested, offered, or denied. Lastly, in response to the City Marina's concern that the two marina permit expansions should not be evaluated independently, the applicant submitted their application over a year prior to the City's submittal. Further, the applicant has addressed all the objections, concerns, and comments that have been submitted. In addition, they have revised their permit drawings and reduced their number of slips in order to address the safety concerns of this office that resulted from the City's submittal. As a result, this office has evaluated the two applications independently and jointly and has determined that there are no outstanding issues to prevent issuance of the Federal Permit. Based on all the above, the proposed expansion will have a neutral effect on property ownership. |
| Needs and Welfare of the People | The existing marina is a private marina. The proposed expansion will be open to the public. Therefore this expansion will benefit the public by providing access and boat dockage to residents and transient boaters utilizing Charleston Harbor. A special condition will be included in the Federal Permit addressing the use of the marina as a public marina. Any changes from public to private must be addressed through the permitting process prior to any changes occurring. |

b. Endangered Species Act: ☐ NA

The proposed project:

(1) Will not affect these threatened or endangered species: ☒ Any/☐ Explain.

(2) May affect, but is not likely to adversely affect: Species: NA.

(3) ☐ Will/☒ Will not adversely modify designated critical habitat for any Federally protected species.

(4) ☐ Is/☒ Is not likely to jeopardize the continued existence of any Federally rotected species.

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(5) The Services ☒concurred/☐provided a Biological Opinion(s). In correspondence dated June 23, 2008, the USFWS concurred with the Corps determination of "not likely to adversely effect".

c. Essential Fish Habitat. Adverse impacts to Essential Fish Habitat ☐will/☒will not result from the proposed project. NMFS did not comment of the public notice. In addition, as noted above, this area of the Ashley River is currently highly used by recreational boating traffic and some commercial and Federal vessel traffic. The expansion of the existing marina is not expected to result in any unacceptable impacts to essential fish habitat.

d. Historic Properties. The proposed project ☐will/☒will not have any affect on any sites listed, or eligible for listing, in the National Register of Historic Places, or otherwise of national, state, or local significance based on ☐letter from SHPO. SHPO did not comment on the proposed project. In addition, review of the ARCHSITE website did not depict any cultural resources in the proposed area of construction.

e. Cumulative & Secondary Impacts. The geographic area for this assessment is the Ashley River Watershed (HUC Code: 03050202-040).

(1) Baseline. According to the SCDHEC watershed report study for the Ashley River Watershed (HUC Code: 03050202-040), the watershed is located in Dorchester and Charleston Counties and consists primarily of the Ashley River and its tributaries from Dorchester Creek to the Charleston Harbor. The watershed occupies 44,764 acres of the Lower Coastal Plain and Coastal Zone regions of South Carolina. Land use/land cover in the watershed includes: 45% urban land, 32.9% forested land, 13.4% non-forested wetland, 6.2% water, 1.3% scrub/shrub land, 0.7% forested wetland, and 0.5% agricultural land. Charleston District records indicate that from 2007 to the present, 35 projects have been permitted in this watershed which authorized fill of 1 acre or wetlands and impacts to 527 linear feet of wetlands or Waters of the U.S. The projection is that authorizations will continue ☒at the current rate/☐ increase/ ☐ because the slowdown of the economy most likely will temper new growth and construction activity. Natural resource issues of particular concern [from Corps & non-Corps activities] are population growth and development which affects habitat and ecosystem communities and the maintenance of the natural dynamics of the area.

(2) Context. The proposed project is ☒typical of/☐a precedent /☐very large compared to/☐ other activities in the watershed. Development similar to the proposal have occurred for many years as is noted by the variety of marinas that are currently in use in Charleston Harbor. Future conditions are expected to remain similar to the current conditions. Besides Corps authorized projects, other activities include commercial and industrial businesses, and recreational

and historical parks. Resulting natural resource changes and stresses include additional pressures on the waterways from boats and human interactions. A key issue of concern in this watershed is the degradation of water quality resulting from wetland loss.

(3) Mitigation and Monitoring. The project affects the following key issue(s): The magnitude of the proposed effect is minor within the watershed. Avoidance and minimization methods include the use of BMPs that will prevent the re-suspension and spread of sediments off-site. Compensatory mitigation is not required.

f. Corps Wetland Policy. Based on the public interest review herein, the beneficial effects of the project outweigh the detrimental impacts of the project.

g. (☐NA) Water Quality Certification under Section 401 of the Clean Water Act ☒ has/☐has not yet been issued by ☐ /☒State/☐Commonwealth. October 6, 2011

h. Coastal Zone Management (CZM) consistency/permit: Issuance of a State permit certifies that the project is consistent with the CZM plan. ☐ There is no evidence or indication from the [ ] that the project is inconsistent with their CZM plan. October 6, 2011

i. Other authorizations. NA

j. (☒NA) Significant Issues of Overriding National Importance.

k. (☐NA) Internal Coordination. The project was coordinated internally via the public notice. No objections or concerns were received.

8. Compensation and other mitigation actions.

a. Compensatory Mitigation.
(1) Is compensatory mitigation required? ☐ yes ☒ no [If "no," do not complete the rest of this section]

(2) Is the impact in the service area of an approved mitigation bank? ☐ yes ☐ no

(i) Does the mitigation bank have appropriate number and resource type of credits available? ☐ yes ☐ no

(3) Is the impact in the service area of an approved in-lieu fee program? ☐ yes ☐ no

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(i) Does the in-lieu fee program have appropriate number and resource type of credits available? ☐ yes ☐ no

(4) Check the selected compensatory mitigation option(s):
☐ mitigation bank credits
☐ in-lieu fee program credits
☐ permittee-responsible mitigation under a watershed approach
☐ permittee-responsible mitigation, on-site and in-kind
☐ permittee-responsible mitigation, off-site and out-of-kind

(5) If a selected compensatory mitigation option deviates from the order of the options presented in §332.3(b)(2)-(6), explain why the selected compensatory mitigation option is environmentally preferable. Address the criteria provided in §332.3(a)(1) (i.e., the likelihood for ecological success and sustainability, the location of the compensation site relative to the impact site and their significance within the watershed, and the costs of the compensatory mitigation project).

(i) Description of the compensatory mitigation: [ ]

(ii) Selection of the mitigation type and location: §332.3(b)(2)-(6), considered the following: [ ]

(iii) Selection relied upon the following aspects of the Mitigation Plan, §332.4(c)(2)-(14), NA if Mitigation Bank or In-Lieu Fee):

Objectives (☐ NA) [ ]

Site Selection (☐ NA) [ ]

Site Protection Instrument (☐ NA) [ ]

Baseline Information [ ]

Determination of Credits [ ]

Mitigation Work Plan (☐ NA) [ ]

Maintenance Plan (☐ NA) [ ]

Performance Standards (☐ NA) [ ]

Monitoring Requirements (☐ NA) [ ]

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Long-term management plan (☐ NA) [ ]

Adaptive management plan (☐ NA) [ ]

Financial Assurances (☐ NA) [ ]

Other Information (☐ NA) [ ]

(iv) Selection is environmentally preferable, §332.3(a)(1) , based on the following: [ ]

(6) Other Mitigative Actions. [ ]

b. Special Condition.

(1) Functional assessment: [ ]

(2) Compensatory mitigation required by special conditions of the permit. [ ]

(3) Other mitigative actions required by special conditions of the permit. [ ]

9. General evaluation criteria under the public interest review. We considered the following within this document:

a. The relative extent of the public and private need for the proposed structure or work. (e.g. Public benefits include employment opportunities and a potential increase in the local tax base. Private benefits include land use and economic return on the property; for transportation projects benefits include safety, capacity and congestion issues.)

b. ☐ There are no unresolved conflicts as to resource use. (☐ There are unresolved conflicts as to resource use. One or more of the alternative locations and methods described above are reasonable or practicable to accomplish the objectives of the proposed structure or work but are not being accepted by the applicant.) (☒ There are unresolved conflicts as to resource use however there are no practicable reasonable alternative locations and methods to accomplish the objective of the purposed work.) Stonebridge did not withdraw their objections; however, they have sold the property. Therefore, while their objections have been addressed in this document, removal of their objections is no longer necessary. The McNair Law Firm did not withdraw the objections of AMH or IBG; however they have been addressed by the Corps in this document, by information submitted by the applicant as detailed in Section 3.d.(6) above; and by issuance of the State Permit. Consequently, this office has made a

determination that issuance of the Federal Permit will not result in unacceptable impacts to environmental and public interest factors under purview by the Corps of Engineers.

c. The extent and permanence of the beneficial and/or detrimental effects, which the proposed work is likely to have on the public; and private uses to which the area is suited. ☒Detrimental impacts are expected to be minimal although they would be permanent in the construction area. The beneficial effects associated with utilization of the property would be permanent. The marina expansion will provide berthing/docking capabilities for recreational boaters and the commercial venture will provide increased economic base for the applicant.

10. Determinations.

a. Public Hearing Request: ☒NA.

☐ I have reviewed and evaluated the requests for a public hearing. There is sufficient information available to evaluate the proposed project; therefore, the requests for a public hearing are denied.

b. Section 176(c) of the Clean Air Act General Conformity Rule Review: The proposed permit action has been analyzed for conformity applicability pursuant to regulations implementing Section 176(c) of the Clean Air Act. It has been determined that the activities proposed under this permit will not exceed de minimis levels of direct or indirect emissions of a criteria pollutant or its precursors and are exempted by 40 CFR Part 93.153. Any later indirect emissions are generally not within the Corps' continuing program responsibility and generally cannot be practicably controlled by the Corps. For these reasons a conformity determination is not required for this permit action.

c. Relevant Presidential Executive Orders.

(1) EO 13175, Consultation with Indian Tribes, Alaska Natives, and Native Hawaiians. ☒This action has no substantial direct effect on one or more Indian tribes. *Explain, if appropriate.*

(2) EO 11988, Floodplain Management. ☒Not in a floodplain. (☐Alternatives to location within the floodplain, minimization, and compensation of the effects were considered above.)

(3) EO 12898, Environmental Justice. In accordance with Title III of the Civil Right Act of 1964 and Executive Order 12898, it has been determined that the project would not directly or through contractual or other arrangements, use criteria, methods, or practices that discriminate on the basis of race, color, or national origin nor would it have a disproportionate effect on minority or low-income communities.

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(4) EO 13112, Invasive Species.
☒There were no invasive species issues involved.
☐The evaluation above included invasive species concerns in the analysis of impacts at the project site and associated compensatory mitigation projects.

☐Through special conditions, the permittee will be required to control the introduction and spread of exotic species.

(5) EO 13212 and 13302, Energy Supply and Availability. ☒The project was not one that will increase the production, transmission, or conservation of energy, or strengthen pipeline safety. (☐The review was expedited and/or other actions were taken to the extent permitted by law and regulation to accelerate completion of this energy-related (including pipeline safety) project while maintaining safety, public health, and environmental protections.)

b. Finding of No Significant Impact (FONSI). Having reviewed the information provided by the applicant and all interested parties and an assessment of the environmental impacts, I find that this permit action will not have a significant impact on the quality of the human environment. Therefore, an Environmental Impact Statement will not be required.

c. Compliance with 404(b)(1) guidelines. ☒NA

Having completed the evaluation in paragraph 5, I have determined that the proposed discharge ☐complies/☐does not comply with the 404(b)(1) guidelines.

d. Public Interest Determination. I find that issuance of a Department of the Army permit ☒is not/☐is contrary to the public interest.

e. The Corps' Response to Comments:

In response to concerns expressed by the USFWS regarding re-suspension of contaminated sediments, the following special conditions will be included in the Federal permit:

**The permittee agrees that the project area will be enclosed by a silt screen and floating boom at all times during construction and until re-suspended sediments have settled out after the work has been completed.**

**The permittee agrees to avoid adverse impacts to existing vegetated marsh during and construction activity.**

**The permittee understands and agrees that the marina must be constructed as planned in order to eliminate the need for future dredging.**

The request by the Catawba Indian Nation is addressed by a general condition of the federal permit that requires the permittee to notify this office immediately in the event that any previously unknown historic or archaeological remains are found and that this office will initiate the Federal and state coordination.

A special condition has been included in this permit, which requires that a copy of the permit and drawings be available at the site of the permitted activity during construction.

With regard to navigational interest, a special condition is being included in the permit notifying the permittee that the permitted structure or other work will have to be removed, at the permittee's expense, if the Corps determines at any time after the issuance of the permit, that the authorized work interferes with, or will interfere with, navigation or any existing or future operation of the United States.

It is understood that this work is to be conducted on/or adjacent to an area subject to a prism and/or disposal area held by the United States. Appropriate provisions have been included in the permit to ensure the interests of the Federal Government are understood.

Since the proposed structure will be located adjacent to the Ashley River Federal Navigation Channel, special conditions will be included in the Federal permit requiring the applicant to submit a post construction bathymetric survey. The special condition will read as follows:

**That the permittee agrees to provide, as a part of the completion notification, as-built drawings which indicate all dimensions of the structure as well as the distance from the edge of the Federal channel and the waterward edge of the authorized structure(s).**

In order to provide safe navigation for users of the Ashley River the following special conditions will be included in the Federal Permit:

**That the permittee agrees to conduct the work authorized herein in a manner that will not prevent or interfere with full and free use of the adjacent or nearby navigable waters of the United States by the boating public.**

11. Special Conditions:

a. **That the permittee agrees to provide all contractors associated with construction of the authorized activity a copy of the permit and drawings. A copy of the permit will be available at the construction site at all times.**

b. That the permittee shall submit a signed compliance certification to the Corps within 60 days following completion of the authorized work and any required mitigation. The certification will include:

1. A copy of this permit;
2. A statement that the authorized work was done in accordance with the Corps authorization, including any general or specific conditions;
3. A statement that any required mitigation was completed in accordance with the permit conditions;
4. The signature of the permittee certifying the completion of the work and mitigation.

c. The permittee understands and agrees that, if future operations by the United States require the removal, relocation, or other alteration, of the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the permittee will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the United States. No claim shall be made against the United States on account of any such removal or alteration.

d. It is recognized that this structure is to be constructed on/or adjacent to an area subject to a prism and/or disposal easement held by the United States in perpetuity in conjunction with a Congressionally authorized project for the maintenance and improvement of a Federal Channel. This permit does not convey any property rights either in real estate or material or any exclusive use privileges; nor does it relinquish any right the United States has for the use of its easement or the maintenance and future widening or deepening of the Federal Channel pursuant to its easement rights.

e. It is understood and agreed that if the District Engineer determines this structure shall in any way in the future conflict with the improvement, operation, maintenance and widening or deepening of the Federal Channel, the owners themselves, their heirs, successors and assigns will remove said structure within 45 days from the date that written notice is given by the District Engineer, and there shall be no entitlement to compensation from the United States for damage or injury.

f. Conveyance of this permit applies only to the structure authorized and does not authorize the construction of any permanent structure or any structure suitable for habitation or any utility leading either to permanent structures suitable for habitation or to permanent structures within the bounds of areas on which the Corps of Engineers enjoys easement rights.

g. That permittee agrees that no permanent structures, beyond those authorized by this document, will be placed on the prism easement or on any adjacent disposal easement without written approval of the District Engineer.

**h. That the Secretary of the Army, representing the United States of America, hereby consents to the herein authorized facilities or structures to be located on or across easement lands vested in the United States of America for the construction and operation of the Federal Channel. The permittee shall not engage in any act which may interfere with or abridge the easement interests of the United States, except those specifically authorized herein.**

**i. That any Corps of Engineers Waterway Control Monument can not be disturbed without first notifying this office 30 days in advance. After coordination with this office, a decision will be made as to the proper steps to be taken with regard to removing and relocating the monuments(s).**

**j. That the permittee agrees to provide, as a part of the completion notification, as-built drawings which indicate all dimensions of the structure as well as the distance from the edge of the Federal channel and the waterward edge of the authorized structure(s).**

**k. The permittee understands and agrees that all abandoned vessels within the meaning the South Carolina Statute 50-21-10, in the area between the Wappoo Creek to the south, Highway 17 Bridge to the north, the marsh grass line to the west, and the edge of the Federal Channel to the east are removed and disposed of solely at the expense of the Ashley River Properties II, LLC prior to construction of the requested marina expansion.**

**l. That the permittee agrees to conduct the work authorized herein in a manner that will not prevent or interfere with full and free use of the adjacent or nearby navigable waters of the United States by the boating public.**

**m. The permittee agrees that the project area will be enclosed by a silt screen and floating boom at all times during construction and until re-suspended sediments have settled out after the work has been completed.**

**n. The permittee agrees to avoid adverse impacts to existing vegetated marsh during and construction activity.**

**o. The permittee understands and agrees that the marina must be constructed as planned in order to eliminate the need for future dredging.**

**p. The permittee understands and agrees that the marina expansion is being authorized as a public marina. Any changes from public to private (through the sale of boat slips) must be addressed through the permitting process prior to those changes occurring.**

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**PREPARED BY:**

Date: 1/7/12

Robin Coller-Socha
Project Manager

**REVIEWED BY:**

Date: 1-24-12

Charles R. Crosby
Chief, South Branch

**APPROVED BY:**

Date: 29 Feb 2012

Tina B. Hadden
Chief, Regulatory Division

for

Edward P. Chamberlayne, P.E.
Lieutenant Colonel, U.S. Army
Commander and District Engineer

D H E C

PROMOTE PROTECT PROSPER

C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment.*

OCT 11 2011

SEE SPECIAL CONDITION(S)

October 6, 2011

Ashley River Properties II, LLC
C/o Mr. Davidson Williams
95 Ripley Pointe Drive
Charleston, SC 29407

Re: 2008-01005-2IR-P - Ashley River Properties II, LLC

Dear Mr. Williams:

The SCDHEC Office of Ocean and Coastal Resource Management has reviewed your application to expand an existing marina at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina and has issued a permit for this work. You should carefully read the description of the authorized project and any special conditions that have been placed on the permit, as these conditions may modify the permitted activity. In addition, there are a series of general conditions that should be reviewed. The original and one photocopy of the permit, as issued, are enclosed. After carefully reading the permit, if you wish to accept the permit as issued, sign and date in the signature block entitled "PERMITTEE" on the original version of the permit and return it to this Department. Keep the photocopy for your records.

**PLEASE READ CAREFULLY: You are required to sign and return the original version of your permit to this Department. If this permit is not signed and returned within thirty (30) days of issuance, *OR* appealed within 15 days as described on the enclosed "Notice of Appeal Procedure", the Department reserves the right to cancel this permit. Please carefully review the enclosed "Notice of Appeal Procedure" for information and deadlines for appealing this permit.**

**We have also enclosed a "request for a construction placard" card. You must send in this card before the time you wish to start construction. At that time a construction placard will be sent to you to post at the construction site.**

**PLEASE NOTE:** You are not authorized to commence work under the permit until we have received the original version of the entire permit signed and accepted by you, and a construction placard has been issued and posted at the construction site. The receipt of this permit does not relieve you of the responsibility of acquiring any other federal or local permits that may be required.

Sincerely,

Fred Mallett
Wetland Section Project Manager

Enclosure
cc: Mr. Blair Williams, Wetland Section Manager

D H E C

PROMOTE PROTECT PROSPER

C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

**Notice of Appeal Procedure**
Pursuant to S.C. Code Section 44-1-60

1. This decision of the S.C. Department of Health and Environmental Control (Department) becomes the final agency decision 15 calendar days after notice of the decision has been mailed to the applicant or respondent, unless a written request for final review accompanied by a filing fee in the amount of $100 is filed with the Department by the applicant, permittee, licensee, or affected person.

2. An applicant, permittee, licensee, or affected person who wishes to appeal this decision must file a timely written request for final review with the Clerk of the Board at the following address or by facsimile at 803-898-3393. A filing fee in the amount of $100 made payable to SC DHEC must also be received by the Clerk within the time allowed for filing a request for final review. However, if a request for final review is filed by facsimile, the filing fee may be mailed to the Clerk of the Board if the envelope is postmarked within the time allowed for filing a request for final review.

   Clerk of the Board
   SC DHEC
   2600 Bull Street
   Columbia, SC 29201

3. In order to be timely, a request for final review must be received by the Clerk of the Board within 15 calendar days after notice of the decision has been mailed to the applicant or respondent. If the 15th day occurs on a weekend or State holiday, the request is due to be received by the Clerk of the Board on the next working day. The request for final review must be received by the Clerk of the Board by 5:00 p.m. on the date it is due. A request for final review will be returned to the requestor if the filing fee is not received on time as described above.

4. The request for final review should include the following:
   a. the grounds on which the Department's decision is challenged and the specific changes sought in the decision.
   b. a statement of any significant issues or factors the Board should consider in deciding whether to conduct a final review conference
   c. a copy of the Department's decision for which review is requested

5. If a timely request for final review is filed with the Clerk of the Board, the Clerk will provide additional information regarding procedures. If the Board declines in writing to schedule a final review conference, the Department's decision becomes the final agency decision and an applicant, permittee, licensee, or affected person may request a contested case hearing before the Administrative Law Court within 30 calendar days after notice is mailed that the Board declined to hold a final review conference.

**The above information is provided as a courtesy; parties are responsible for complying with all applicable legal requirements.**

July 1, 2010

2364

SEE SPECIAL CONDITION(S)

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
*OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT*

**CRITICAL AREA PERMIT & COASTAL ZONE CONSISTENCY CERTIFICATION**

| | |
|---|---|
| **Permittee(s):** | **Ashley River Properties II, LLC** |
| **Permit Number(s):** | **2008-01005-2IR-P** |
| **Date of Issuance:** | **October 6, 2011** |
| **Expiration Date:** | **October 6, 2016** |
| **Location:** | **On and adjacent to Ripley Canal and the Ashley River at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina** |

This permit is issued under the provisions of S. C. Code Ann. Section 48-39-10, *et seq.*, and 23A S.C. Code Ann. Regs. 30-1 through 30-18 (Supp. 2005). Please carefully read the project description and any special conditions that may appear on this permit/certification as they will affect the work that is allowed. If there are no special conditions, then the work is authorized as described in the project description and as modified by the general conditions. The general conditions are also a part of this permit/certification and should be read in their entirety. The S. C. Contractor's Licensing Act of 1999, enacted as S.C. Code Ann. Section 40-11-5 through 430, requires that all construction with a total cost of $5,000 or more be performed by a licensed contractor with a valid contractor's license for marine class construction, except for construction performed by a private landowner for strictly private purposes. Your signature on and acceptance of this permit denotes your understanding of the stated law regarding use of licensed contractors. **All listed special and general conditions will remain in effect for the life of the project if work commences during the life of the permit. This applies to permittee, future property owners, or permit assignees.**

SEE SPECIAL
CONDITION(S)

## DESCRIPTION OF THE PROJECT, AS PERMITTED:

This permit has been issued to expand the existing marina with minor changes. Specifically, the permittee will expand the existing facility by adding approximately 11,510 linear feet of additional floating dock structure to accommodate 186 additional pleasure craft. The project will include replacing the previously permitted 8' wide floating dock that runs parallel to the main channel in the Ripley Light Marina basin with an 18' wide by 1,125 linear foot structure. The additional 10' of new floating dock width will be created by locating the new structure no closer than 10' from the adjacent marsh grass boundary. In addition, all affected boat slips will be shortened so that no further encroachment into the marina basin channel will occur. This floating dock will be attached to a 60' by 80' fixed platform at the mouth of Ripley Cove. Additional floating docks attached to the fixed platform will provide 4,835 linear feet of dock for 65- boat slips, 3,420 linear feet of dock for 55-boat slips, 1,000 linear feet of dock for 40-foot boat slips, 585 linear feet for 45-foot boat slips, 770 linear feet of dock for 70 boat slips, 500 linear feet of T-head dock and 90 linear feet of dock for 1 slip. The fixed platform will house the operation offices and restrooms. The proposed marina expansion will include both gasoline and diesel fueling services. It is also noted that the proposed expansion will be located on the now disestablished Ashley River Anchorage Area #2. The purpose of the permitted activity is to expand the existing public marina to accommodate 186 additional boats for recreational boating in the Charleston Harbor.

## SPECIAL CONDITIONS

1. Provided operations of the marina shall be reviewed by the Department as deemed appropriate, but at least every five years. Based on this review, the Department may require, among other things, changes or additions to the Operations and Maintenance Manual (manual) to address any water quality or other environmental problems, and a reduction in the size of, or a change in the configuration of, the marina. Such action may be taken at any time the Department determines that significant state water quality compliance or other problems exist, at the time the Department enlarges the closure area, or at the time of a review. The manual submitted for this facility is made a part of this permit and must be followed in the operation of this facility unless otherwise amended in writing by OCRM. The manual must be reviewed and revised to keep it up-to-date with existing facilities and operations. The manual must be in accordance with R. 30-12(E)(6) or the Rules and Regulations for Permitting in the Critical Areas of the Coastal Zone and with OCRM's Marina/Commercial Dock Operations And Maintenance Manual Requirements.

2. Provided the marina is revised in accordance with Attachment "A" and both drawings labeled Attachment "B"

3. Provided the Operations and Maintenance Manual is modified to reflect the changes indicated on the drawings labeled Attachment "A" and both drawings labeled Attachment "B".

SEE SPECIAL
2366
CONDITIONS(S)

4. Provided the work is conducted during periods of decreased biological activity between November 1st and March 30th, whenever possible.

5. Provided a functional wastewater pumpout system must be provided at the marina and must be adequate to handle all wastewater generated at the marina. The design and installation of the pumpout and disposal system must be approved by SCDHEC's Division of Domestic Wastewater, Construction Management Section. No dock may be occupied until the pumpout and disposal system has been built and given a final permit to operate by SCDHEC.

6. Provided the wastewater pumpout services are provided to permanent tenants and transients or other users of the marina.

7. Provided the discharge of any kind of waste into state waters, including, but not limited to, garbage, refuse, trash or debris, will be prohibited at the marina. Any lease agreement used to rent dock space shall include a statement prohibiting the discharge of these items or general garbage or other deleterious substances into the waters of the marina. It will also stress the need to maintain good water quality within the marina.

8. Provided the storage and disposal of new or used batteries, oil or lubrication containers, fuel containers, solvents, toxic cleaners, paint cans, etc., on the marina docks is prohibited.

9. Provided if power washing of boats is to be conducted at the marina then it must be conducted on a designated upland area and is not allowed over the water. Wastewater from this operation must be properly treated and cannot be directly discharged into the adjacent waters.

10. Provided the marina must provide additional adequate bathroom facilities at a location to encourage their use. The additional bathrooms must be at a ratio of one toilet and one lavatory for women and one toilet, one urinal, and one lavatory for men for every additional 100 boat slips or fraction thereof. No dock may be occupied until the additional bathrooms have been given final approval by SCDHEC.

11. Provided adequate parking for users of the marina shall be demonstrated as either one parking space for every three wet slips or the spaces required by the applicable local government parking regulation, whichever is greater. The approved parking plan must be submitted to OCRM and given written approval prior issuance of the construction placard.

12. Provided one reasonably sized dock master's office may be constructed within the permitted marina. This office will be limited to water dependent use only such as fuel sales. Restroom facilities may be placed in this office, however, food and beverage services, clothing sales and other non-water dependent uses are prohibited.

13. Provided the plans for potable water supplied to the marina docks must be approved in writing by SCDHEC.

SEE SPECIAL CONDITION(S)

14. Provided the marina must have adequate booms available to isolate any oil or fuel spill around the fuel dock, a leaking boat, or a sunken boat. These booms must be stored in a location where they are quickly and easily accessible.

15. Provided the marina must have absorbent pads available for boat use and for removing incidental spills during fueling operations.

16. Provided an experienced operator shall be in charge of the marina and be responsible for compliance with the Operations and Maintenance Manual and with all conditions of the permit.

17. Provided the marina lease agreement with boat owners must include a provision requiring the boat owners comply with all applicable State and Federal regulations. The marina shall ensure that violations are reported promptly to the proper authorities.

18. Provided the marina shall promptly display and distribute material pertaining to the maintenance of water quality standards at the marina and report violations of such standards to the proper authorities.

19. Provided a complete copy of the marina permit, including the Operations and Maintenance Manual and all conditions or requirements placed on the permit, shall be readily available at the marina.

20. Provided all parts of the docking structure are used for water dependent purposes only. No food or beverage service, vending machines, T-shirt sales, concessions, etc. are allowed on or across these dock facilities.

21. Provided the facilities and services within the marina are the responsibility of the marina owner/operator (permittee) unless otherwise legally authorized.

22. Provided that if dock boxes are allowed at the marina then they should be of a type that is leak-proof so that any material that spills or leaks inside the box will not leak out onto the marina docks and into the waters of the marina.

23. Provided that nonwater dependent structures, including buildings, houses, or offices that float, shall be prohibited at the marina unless specifically authorized by OCRM. OCRM shall at its discretion determine on a case-by-case basis whether or not a floating structure is a boat and thus exempt from the Act or in fact is a nonwater dependent structure. This shall be based upon the primary function of the floating structure. The mere fact that a structure is registered as a vessel or capable of being propelled does not mean it is exempt from the Department regulations.

SEE SPECIAL CONDITION(S)

24. Provided that an as-built survey of the marina must be submitted to the Department within 90 days of the expiration date of the final construction placard. The survey must be performed by a registered land surveyor, must show all components of the marina, and must list the starting and ending coordinates of the dock walkway in the SC State Plane Coordinate System, which can be obtained by survey-grade Global Positioning System equipment.

25. Provided that in the event that archaeological or paleontological remains are found during the course of work, the applicant should notify the South Carolina Institute of Archaeology and Anthropology (Mr. James Spirek at 803-777-8170) pursuant to South Carolina Underwater Antiquities Act of 1991, (Article 5 Chapter 7, Title 54, Code of Laws of South Carolina, 1976). Archaeological remains consist of any materials made or altered by man, which remain from past historic or prehistoric times (ie, older than 50 years). Examples include old pottery fragments, metal, wood, arrowheads, stone implements or tools, human burials, historic docks, structures, or non-recent vessel remains. Paleontological remains consist of old animal remains, original or fossilized, such as teeth, tusks, bone, or entire skeletons.

## SCDHEC-401 WATER QUALITY CONDITIONS

1. Provided the applicant must implement Best Management Practices on the upland portion of the project during construction to minimize pollutant runoff, erosion and migration of sediments on and off the project site during and after construction. These practices should include the use of appropriate grading and sloping techniques, mulches, vegetative buffer zones, runoff diversion measures, temporary stabilization, silt fences, source controls and other devices and practices capable of reducing or preventing pollutant runoff, erosion, migration of sediments, and bank failure. All disturbed land surfaces and sloped areas affected by the project must be stabilized and sloped with a minimum 3 to 1 slope upon completion.

2. Provided the applicant must develop a spill prevention and clean-up plan for this project. The plan should contain the names of the appropriate officials to contact in case of a reportable spill and outline measures to be taken. Clean up materials, such as absorbent pads, and booms must be kept at the project site for small spills. This plan must be submitted to the Department Of Health And Environmental Control for review and approval prior to initiation of the project.

3. Provided all necessary measures must be taken to prevent oil, sewage, tar, trash, debris and other pollutants from entering the adjacent waters or wetlands during construction.

SEE SPECIAL CONDITION(S) 2569

4. Provided any lease agreement used to rent dock space shall include a statement prohibiting the discharge of oil, and gas, paint, litter, debris, wastewater, or other deleterious substances into the waters of the marina. It will also stress the need to maintain good water quality within the marina.

5. Provided anti-fouling paint must be used on any bulkheads, pilings, docks, or dock supports within the confines of the facility.

6. Provided litter receptacles must be located on the areas approaching the dock or on the fixed pierhead. Containers for toxic substances shall not be placed over or near the water.

7. Provided the floating docks must be constructed with encased or encapsulated flotation devices.

8. Provided signs must be posted on all docks, piers and areas adjacent to the facility stating the following:

   *It is against both Federal and State Laws to discharge raw, untreated sewage from any description of watercraft into the waters of South Carolina*

   These signs should be at least 14" by 18" in size so they can be read clearly.

9. Provided to insure the fueling system will not result in adverse water quality conditions, the following measures should be incorporated:

   a) The marina fueling system must be equipped with emergency pump cutoffs in the Harbor Master's facility and with manual cutoff valves at the tank, at the edge of the dock, and at the dispenser.
   b) Shear valves should be installed at all dispensers.
   c) Containment pans must be installed under all dispensers.
   d) All product piping which is not underground must be double walled. Do not use fiberglass reinforced piping in an above ground (or under/over water) application. The secondary containment must be of non-corrosive material compatible with hydrocarbons. The interstitial area of the double walled piping should be monitored by either (1) piping sloped toward a sump where a sensor will shut off the product flow in the event of a primary piping leak, or (2) hydrocarbon sensors along the entire length of this piping if a slope is impossible to maintain.

10. Any painting, major engine repair, or other maintenance, which may result in a discharge to the water, must be performed in a designated upland site.

11. Provided all efforts must be made to protect existing native riparian vegetation in and along the shoreline areas.

12. Provided the marina expansion must be located and constructed with care to minimize disturbance and encroachments to shellfish beds and emergent marsh vegetation.

FEB - 3 2012

2370

SEE SPECIAL CONDITION(S)

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS THE DEPARTMENT MAY CONSIDER APPROPRIATE.

Permit Number: 2008-01005-2IR-P

**Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.**

Lavisgard Williams 10/21/11

PERRMITTEE(S)) (DATE)
**Ashley River Properties II, LLC**

**This permit becomes effective when the State official designated to act for the Office of Ocean and Coastal Resource Management, has signed below.**

Fred Mallett Oct. 06, 2011

(WETLAND SECTION PROJECT MANAGER) (DATE)
**Fred Mallett**
**Or his Designee**
**Other Authorized State Official**

RECEIVED
OCT 24 2011
DHEC-OCRM
CHARLESTON OFFICE

7124

SEE SPECIAL CONDITION(S)

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT, AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS THE DEPARTMENT MAY CONSIDER APPROPRIATE.

Permit Number: **2008-01005-2IR-P**

**Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.**

_____ _____

PERRMITTEE(S)) (DATE)
**Ashley River Properties II, LLC**

**This permit becomes effective when the State official designated to act for the Office of Ocean and Coastal Resource Management has signed below.**

Fred Mallett Oct. 06, 2011

(WETLAND SECTION PROJECT MANAGER) (DATE)
**Fred Mallett**
**Or his Designee**
**Other Authorized State Official**

SEE SPECIAL CONDITIONS

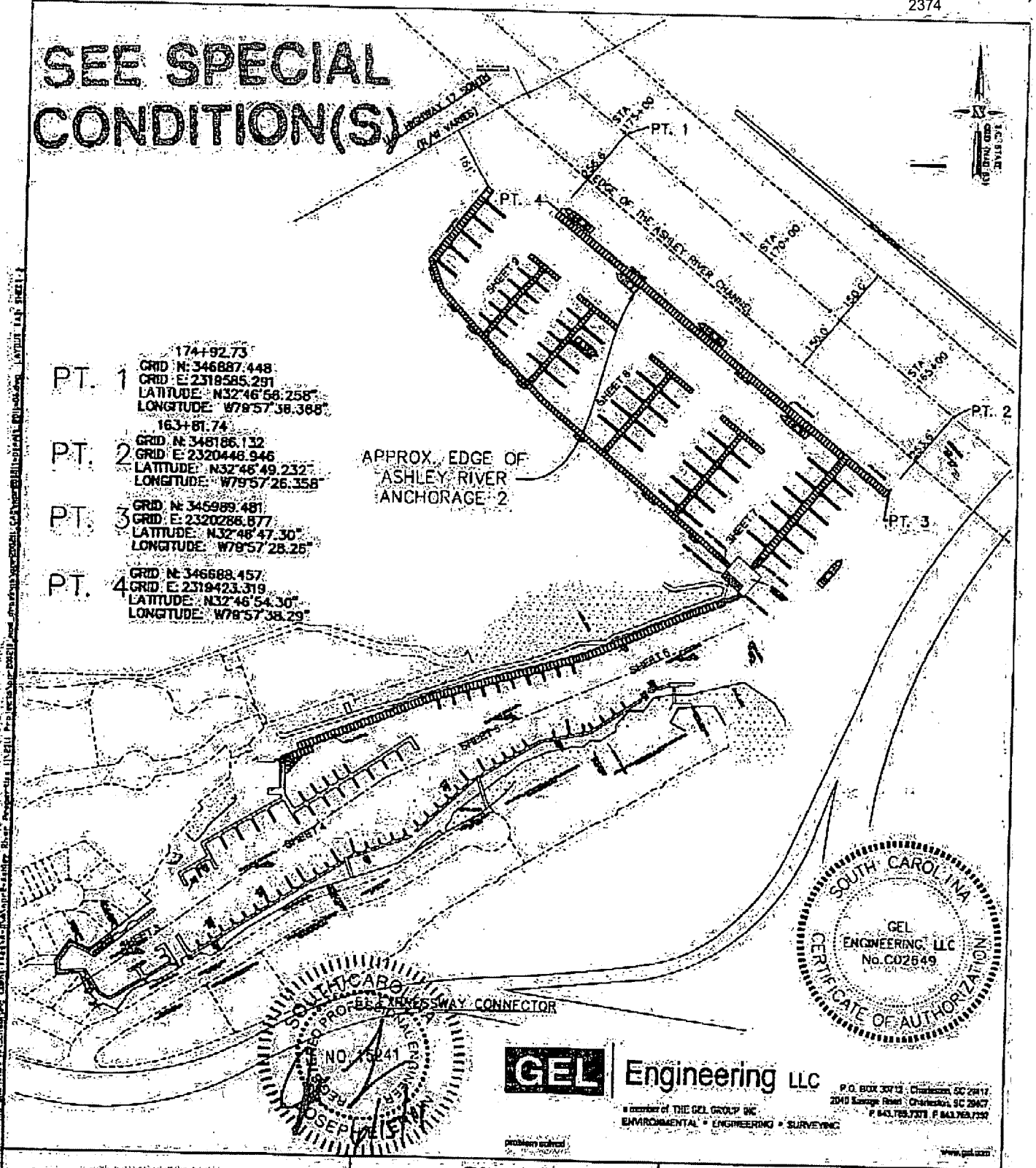
## *GENERAL CONDITIONS:*

This construction and use permit is expressly contingent upon the following conditions which are binding on the permittee:

1. That the permittee, in accepting this permit, covenants and agrees to comply with and abide by the provisions and conditions herein and assumes all responsibility and liability and agrees to save OCRM and the State of South Carolina, its employees or representatives, harmless from all claims of damage arising out of operations conducted pursuant to this permit.
2. That if the activity authorized herein is not constructed or completed within five years of the date of issuance, this permit shall automatically expire. A request, in writing, for an extension of time shall be made not less than thirty days prior to the expiration date.
3. That all authorized work shall be conducted in a manner that minimizes any adverse impact on fish, wildlife and water quality.
4. That this permit does not relieve the permittee from the requirements of obtaining a permit from the U.S. Army Corps of Engineers or any other applicable federal agency, nor from the necessity of complying with all applicable local laws, ordinances, and zoning regulations. This permit is granted subject to the rights of the State of South Carolina in the navigable waters and shall be subject, further, to all rights held by the State of South Carolina under the public trust doctrine as well as any other right the State may have in the waters and submerged lands of the coast.
5. That this permit does not convey, expressly or impliedly, any property rights in real estate or material nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.
6. That the permittee shall permit OCRM or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to ensure that the activity being performed is in accordance with the terms and conditions of this permit.
7. That any abandonment of the permitted activity will require restoration of the area to a satisfactory condition as determined by OCRM.
8. That this permit may not be transferred to a third party without prior written notice to OCRM, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit and thereby agreeing to comply.
9. That if the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and special signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.
10. That the permit construction placard or a copy of the placard shall be posted in a conspicuous place at the project site during the entire period of work.
11. That the structure or work authorized herein shall be in accordance with the plans and drawing attached hereto, and shall be maintained in good condition. Failure to build in accordance with the plans and drawings attached hereto, or failure to maintain the structure in good condition, shall result in the revocation of this permit.
12. That the authorization for activities or structures herein constitutes a revocable license. OCRM may require the permittee to modify activities or remove structures authorized herein if it is determined by OCRM that such activity or structures violates the public's health, safety, or welfare, or if any activity is inconsistent with the public trust doctrine. Modification or removal under this condition shall be ordered only after reasonable notice stating the reasons therefore and provision to the permittee of the opportunity to respond in writing. When the Permittee is notified that OCRM intends to revoke the permit, Permittee agrees to immediately stop work pending resolution of the revocation.
13. That OCRM shall have the right to revoke, suspend, or modify this permit in the event it is determined the permitted structure (1) significantly impacts the public health, safety and welfare, and/or is violation of Section 48-39-150, (2) adversely impacts public rights, (3) that the information and data which the permittee or any other agencies have provided in connection with the permit application is either false, incomplete or inaccurate, or (4) that the activity is not in compliance with the drawings submitted by the applicant. That the permittee, upon receipt of OCRM's written intent to revoke, suspend, or modify the permit has the right to a hearing. Prior to revocation, suspension, or modification of this permit, OCRM shall provide written notification of intent to revoke to the permittee, and permittee can respond with a written explanation to OCRM. (South Carolina Code Section 1-023-370 shall govern the procedure for revocation, suspension or modification herein described).
14. That any modification, suspension or revocation of this permit shall not be the basis of any claim for damages against OCRM or the State of South Carolina or any employee, agent, or representative of OCRM or the State of South Carolina.
15. That all activities authorized herein shall, if they involve a discharge or deposit into navigable waters or ocean waters, be at all times consistent with all applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to applicable federal, state and local laws.
16. That extreme care shall be exercised to prevent any adverse or undesirable effects from this work on the property of others. This permit authorizes no invasion of adjacent private property, and OCRM assumes no responsibility or liability from any claims of damage arising out of any operations conducted by the permittee pursuant to this permit.

8/24

# SEE SPECIAL CONDITION(S)




CONNECTOR

GEL Engineering LLC

a member of THE GEL GROUP INC
ENVIRONMENTAL • ENGINEERING • SURVEYING

P.O. BOX 30712, Charleston, SC 29417
2040 Savage Road, Charleston, SC 29407
P 843.769.7373, F 843.769.7332

www.gel.com

PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 2
OVERALL PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

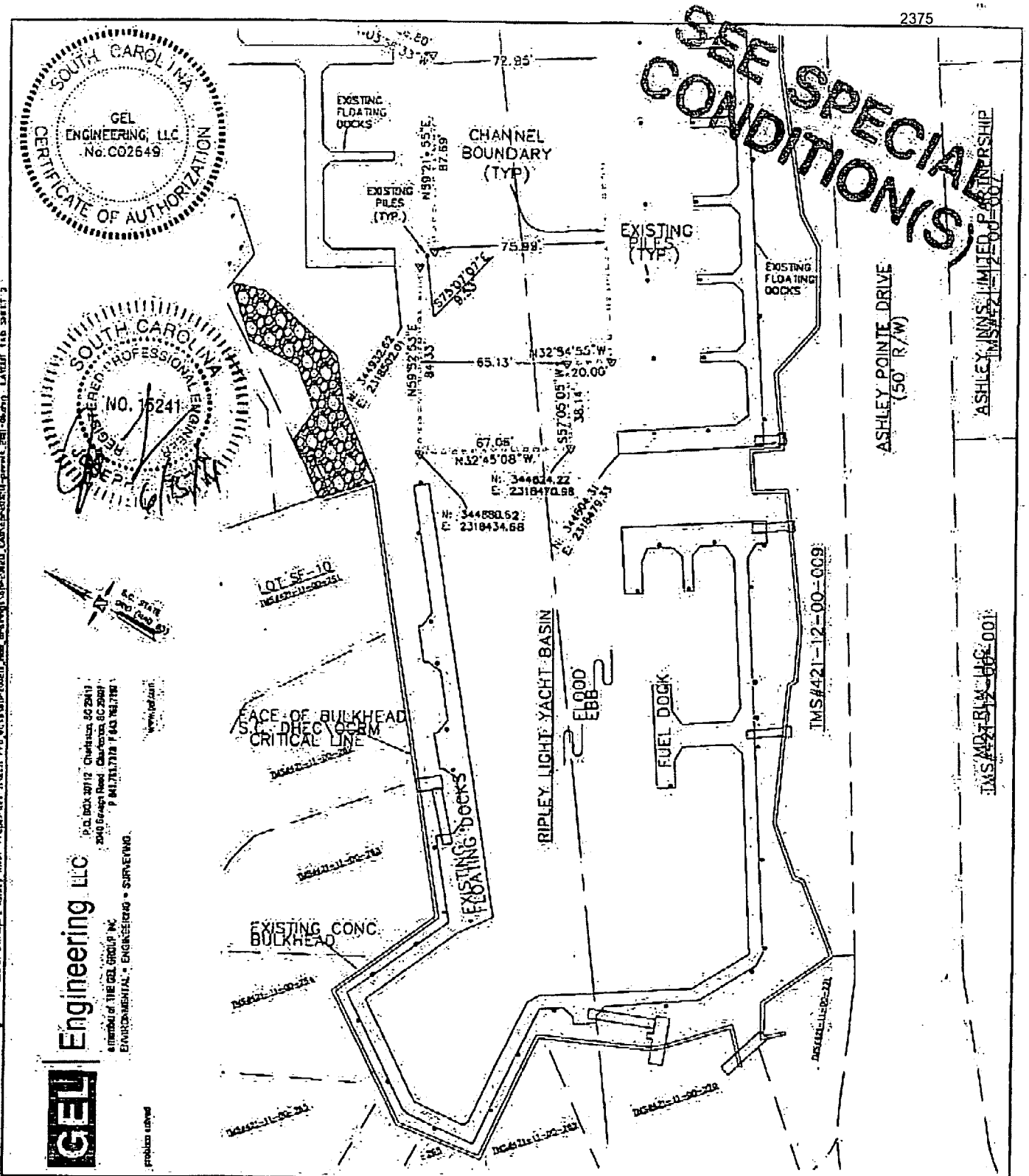
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 2 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a Member of THE GEL GROUP INC

9124

SEE SPECIAL CONDITIONS




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 3
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
185 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

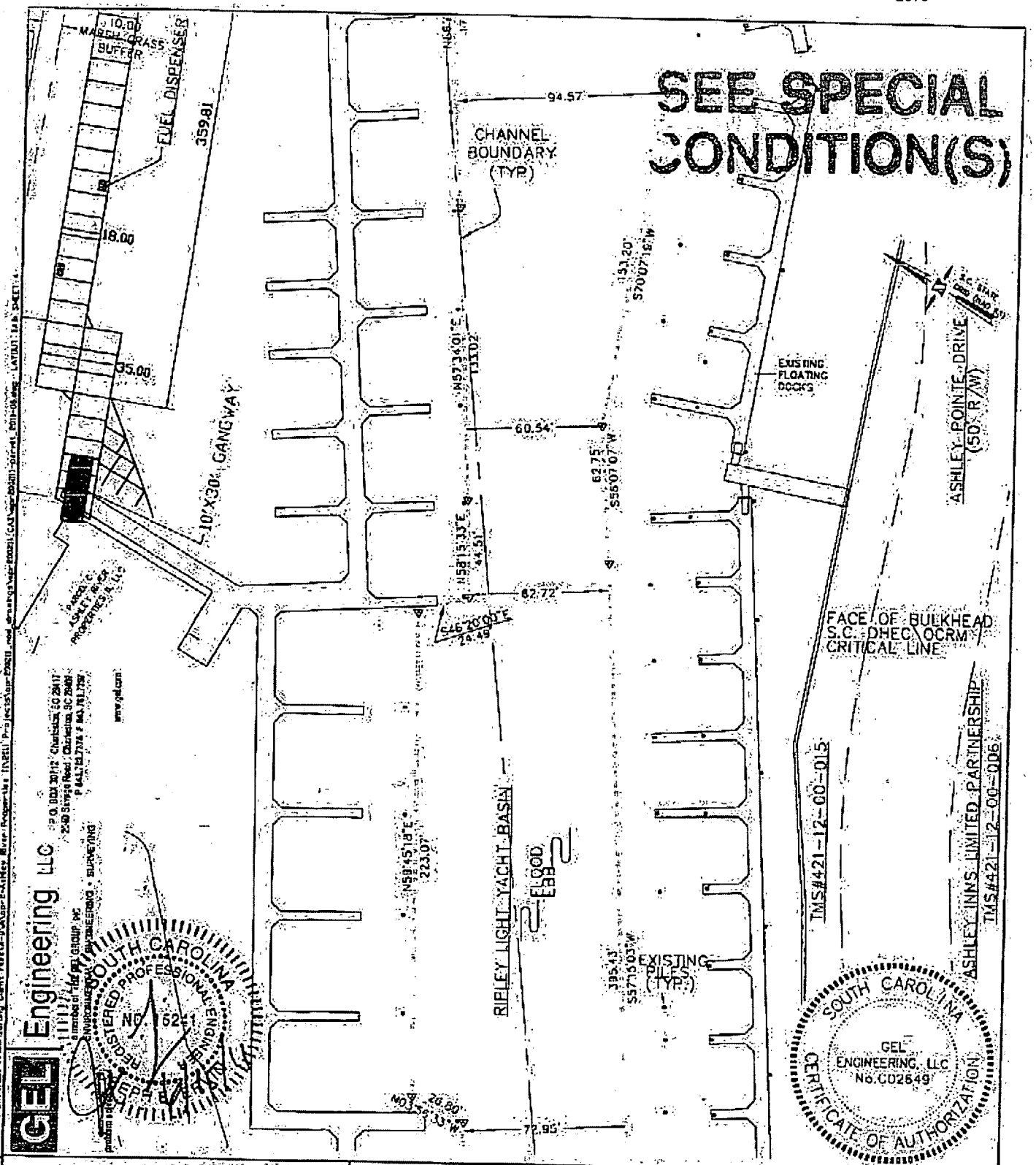
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 3 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08



10124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 4
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

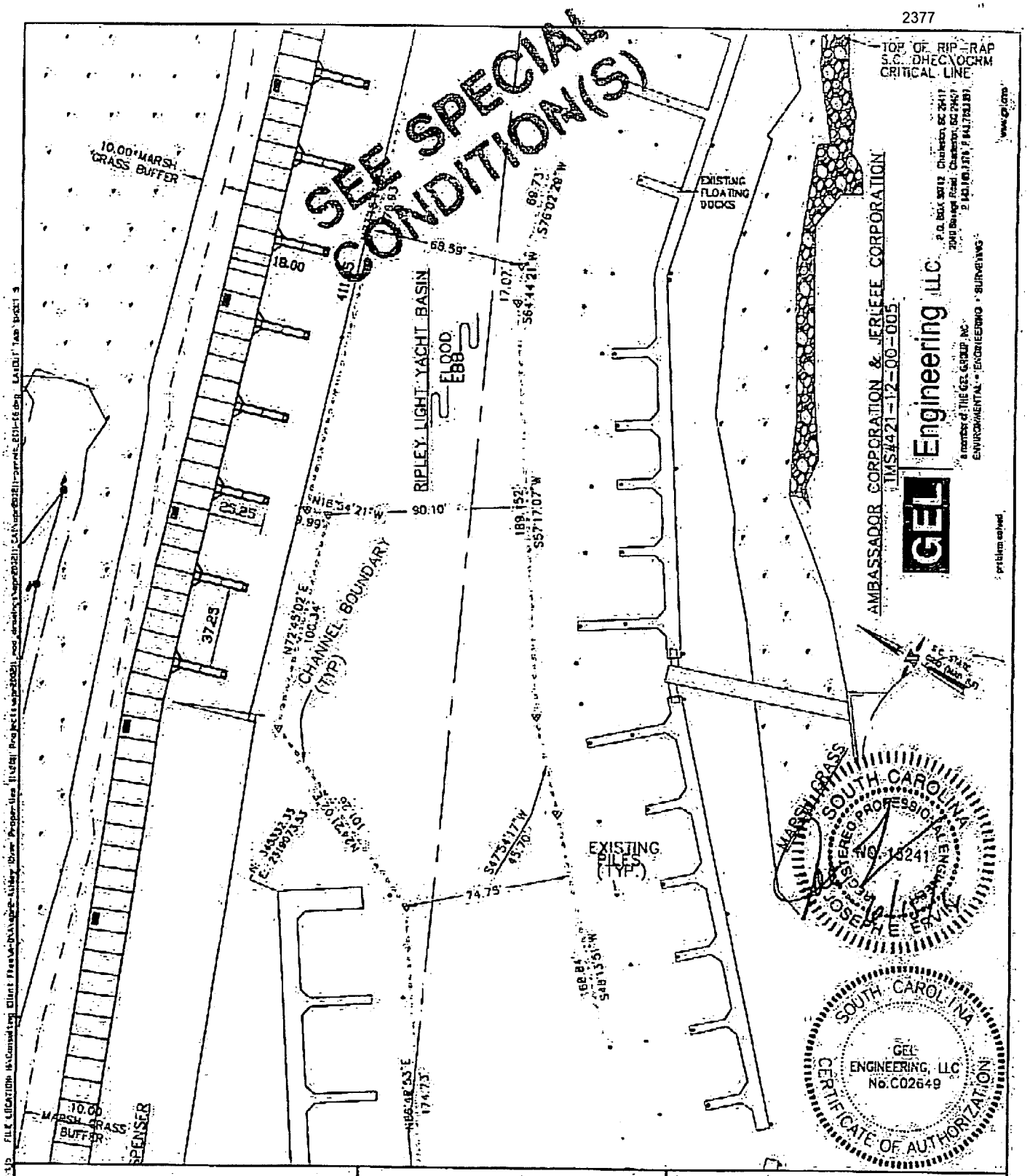
SHEET: 4 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

A Member of the GEL GROUP, INC.

11/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 5
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

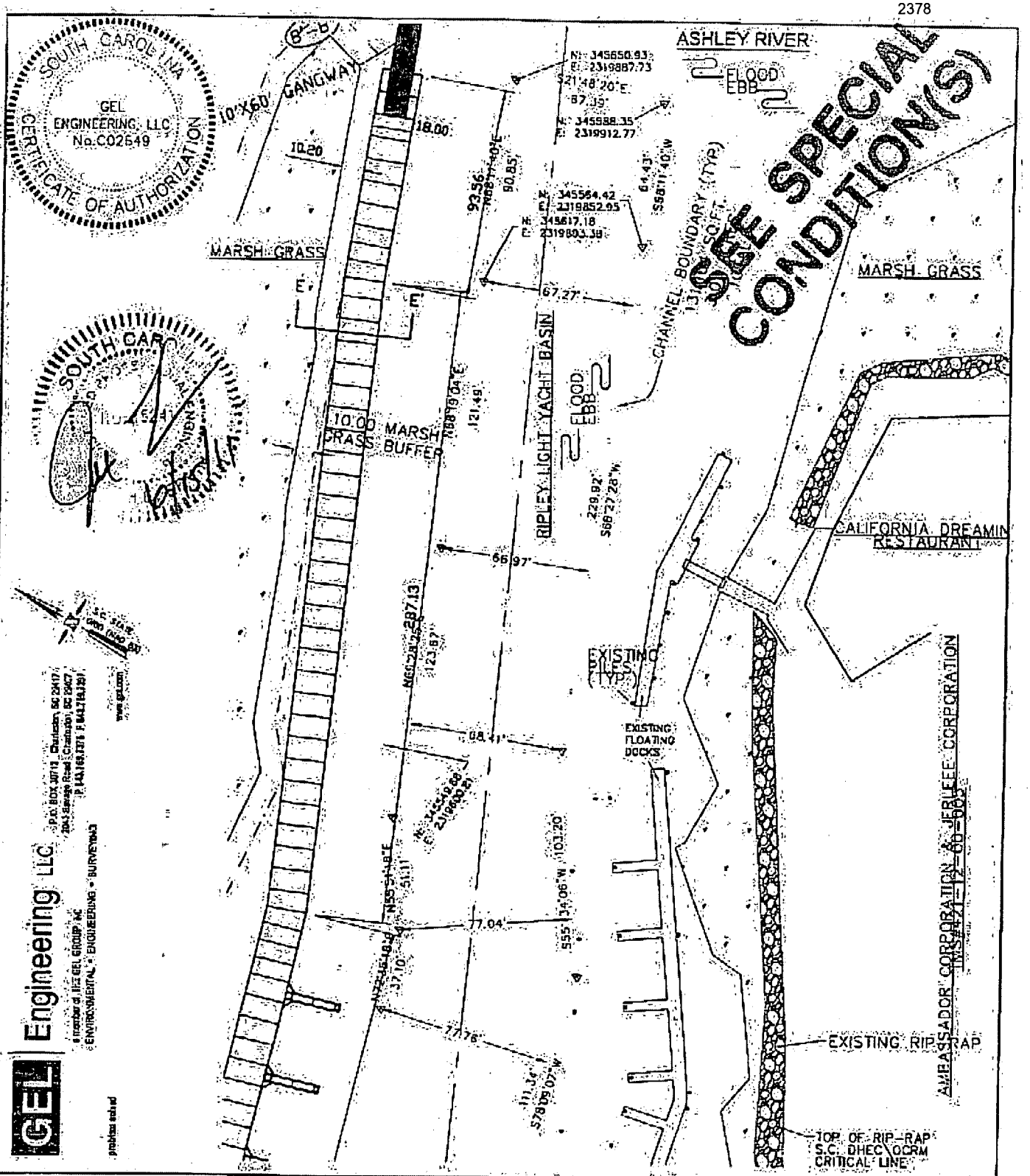
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 5 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08



12/24




GEL Engineering LLC
P.O. BOX 30712, Charleston, SC 29417
2043 Savage Road, Charleston, SC 29407
P (843) 769-7375 F (843) 769-7391
a member of the GEL GROUP INC
ENVIRONMENTAL • ENGINEERING • SURVEYING
www.gel.com

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 6
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

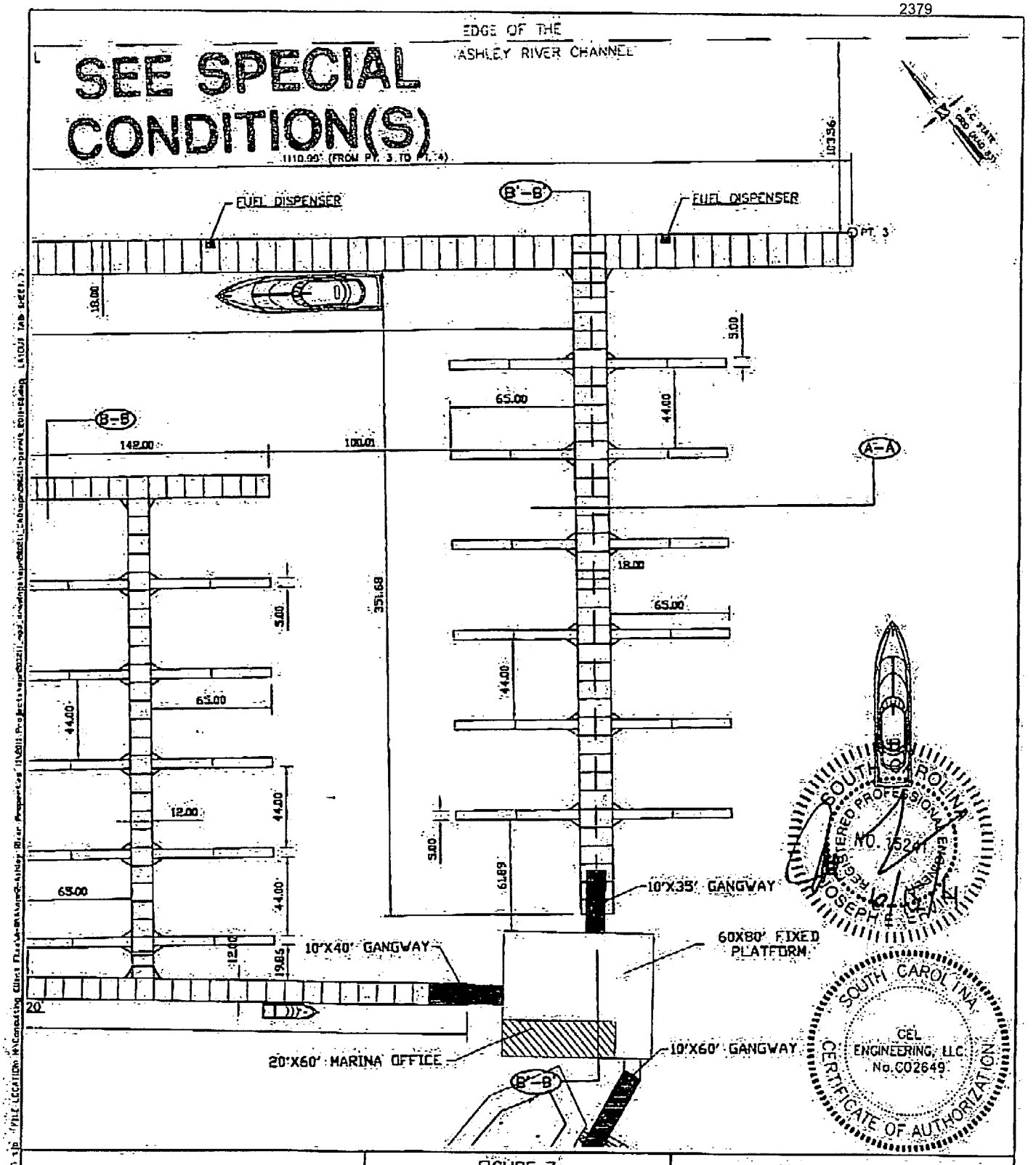
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 6 OF 13

REVISED DATE: 8/2/2011
DATE: 5/12/09

GEL ENGINEERING, LLC

a Member of THE GEL GROUP, INC.




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 7
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

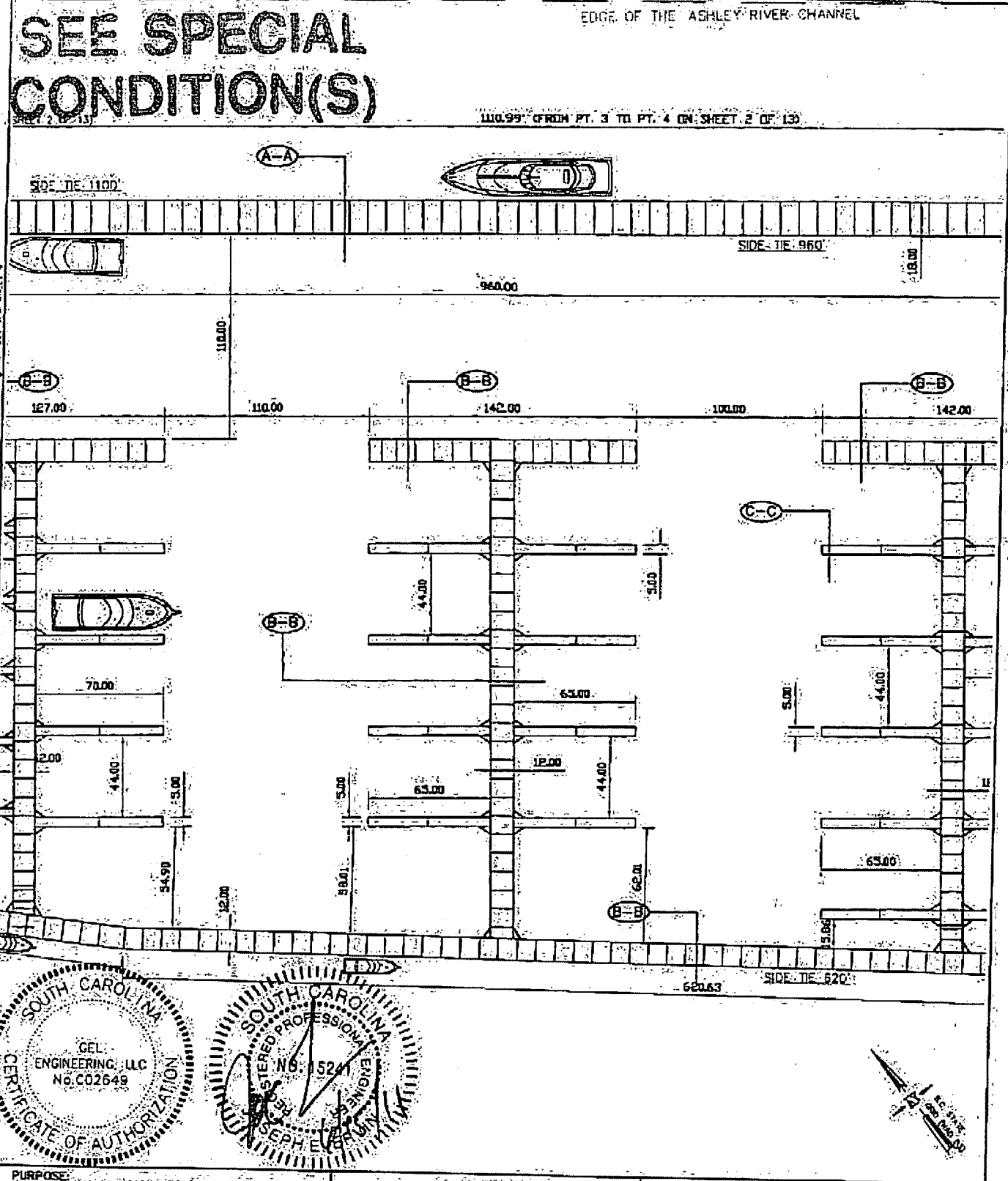
SHEET: 7 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

14|24

2380

# SEE SPECIAL CONDITION(S)




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 8
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

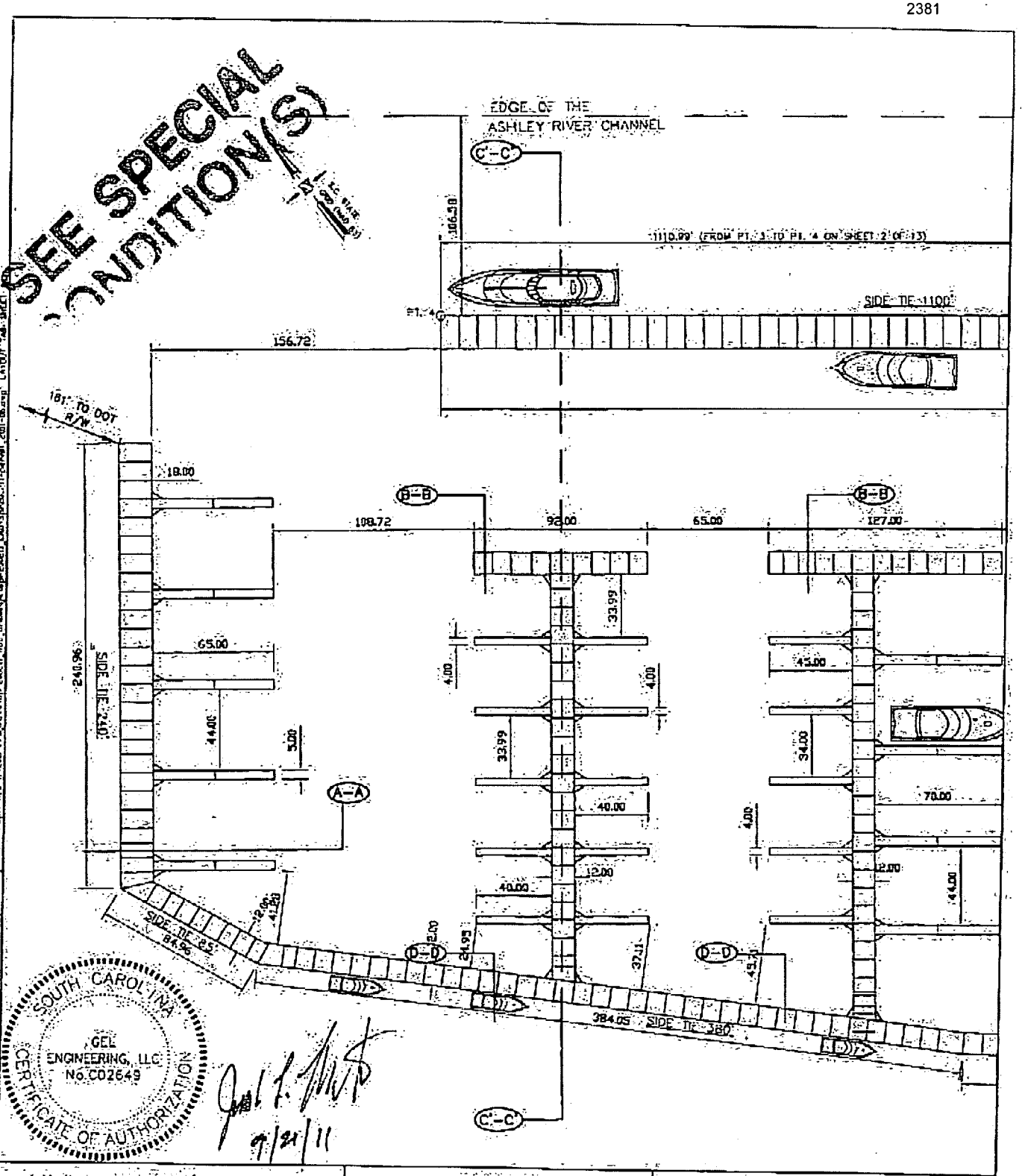
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 8 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a Member of THE GEL GROUP, INC.

15124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 9.
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 9 OF 13

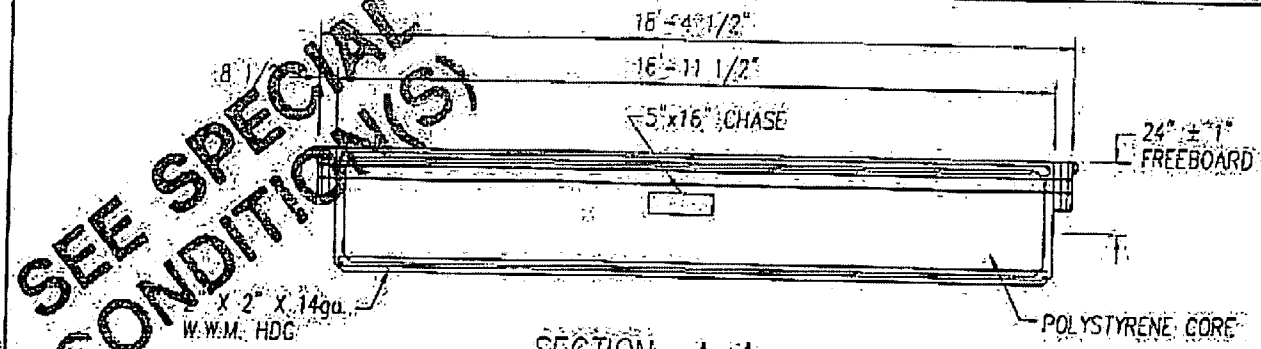
REVISED DATE: 8/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

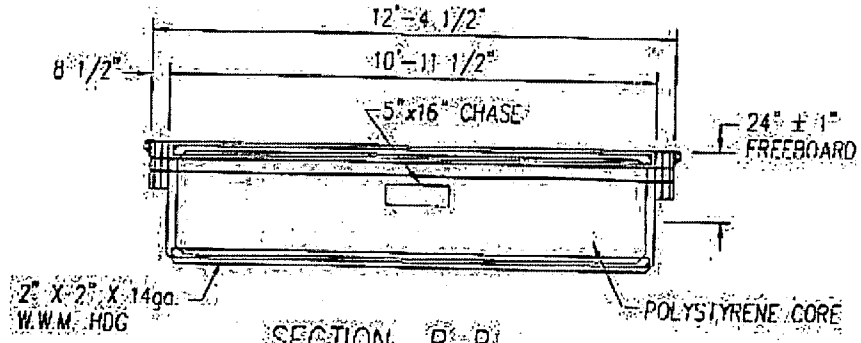
a Member of the GEL Group, Inc.

16/24

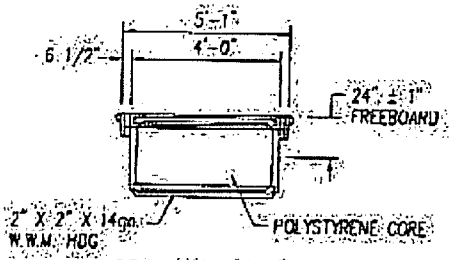
SEE SPECIAL CONDITION(S)



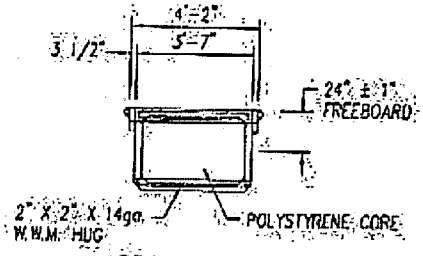

SECTION A-A




SECTION B-B




SECTION C-C




SECTION D-D

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problem solved
www.gel.com

SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER No. 15241

SOUTH CAROLINA GEL ENGINEERING, LLC No. C02649 CERTIFICATE OF AUTHORIZATION

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 10
FLOATING DOCK X-SECTIONS

NOT TO SCALE

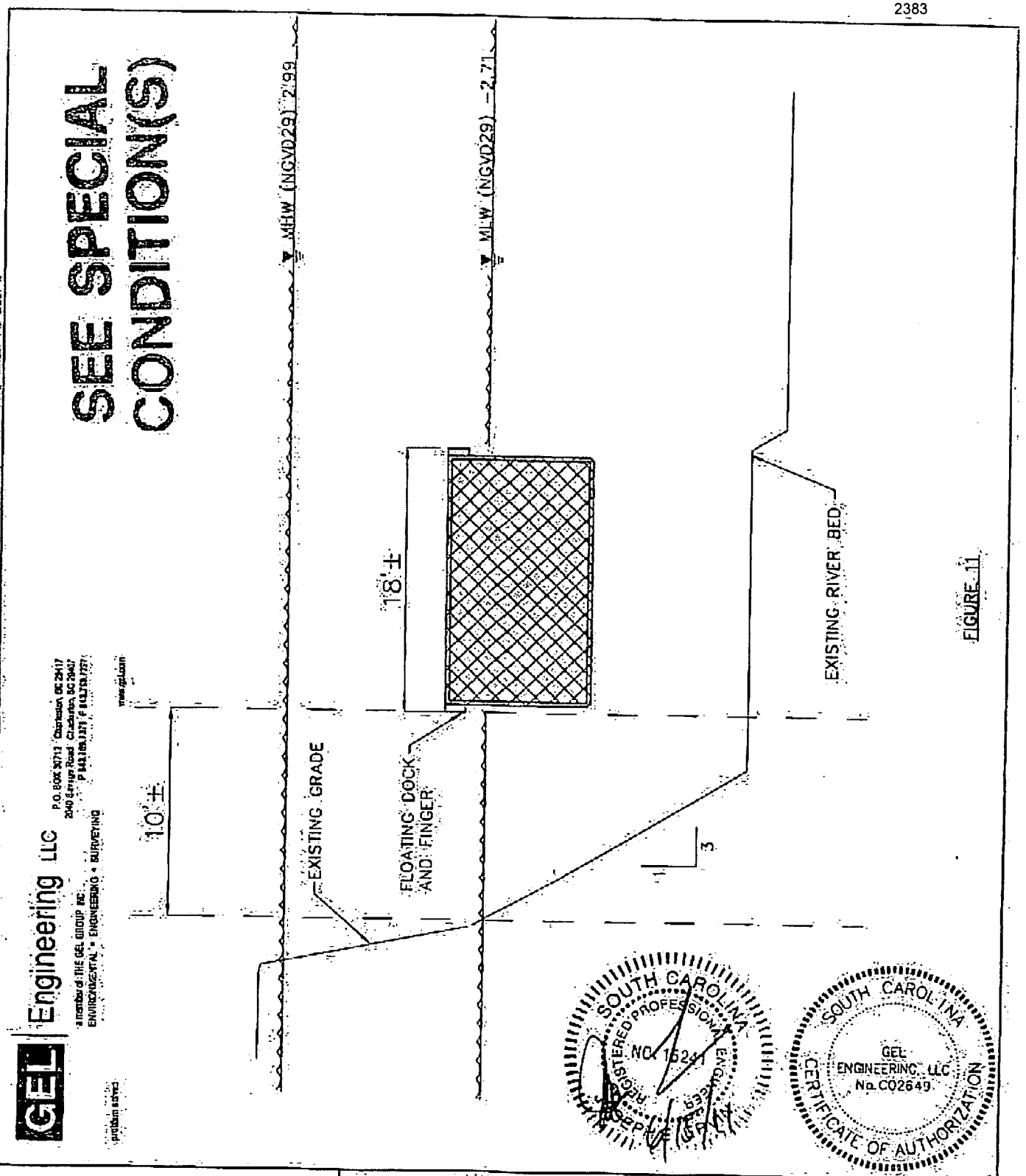
RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 10 OF 13
REVISED DATE: 6/2/2011
DATE: 6/12/08

GEL ENGINEERING, LLC
a Member of THE GEL GROUP, INC.

17/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 11
CROSS SECTION E'-E'

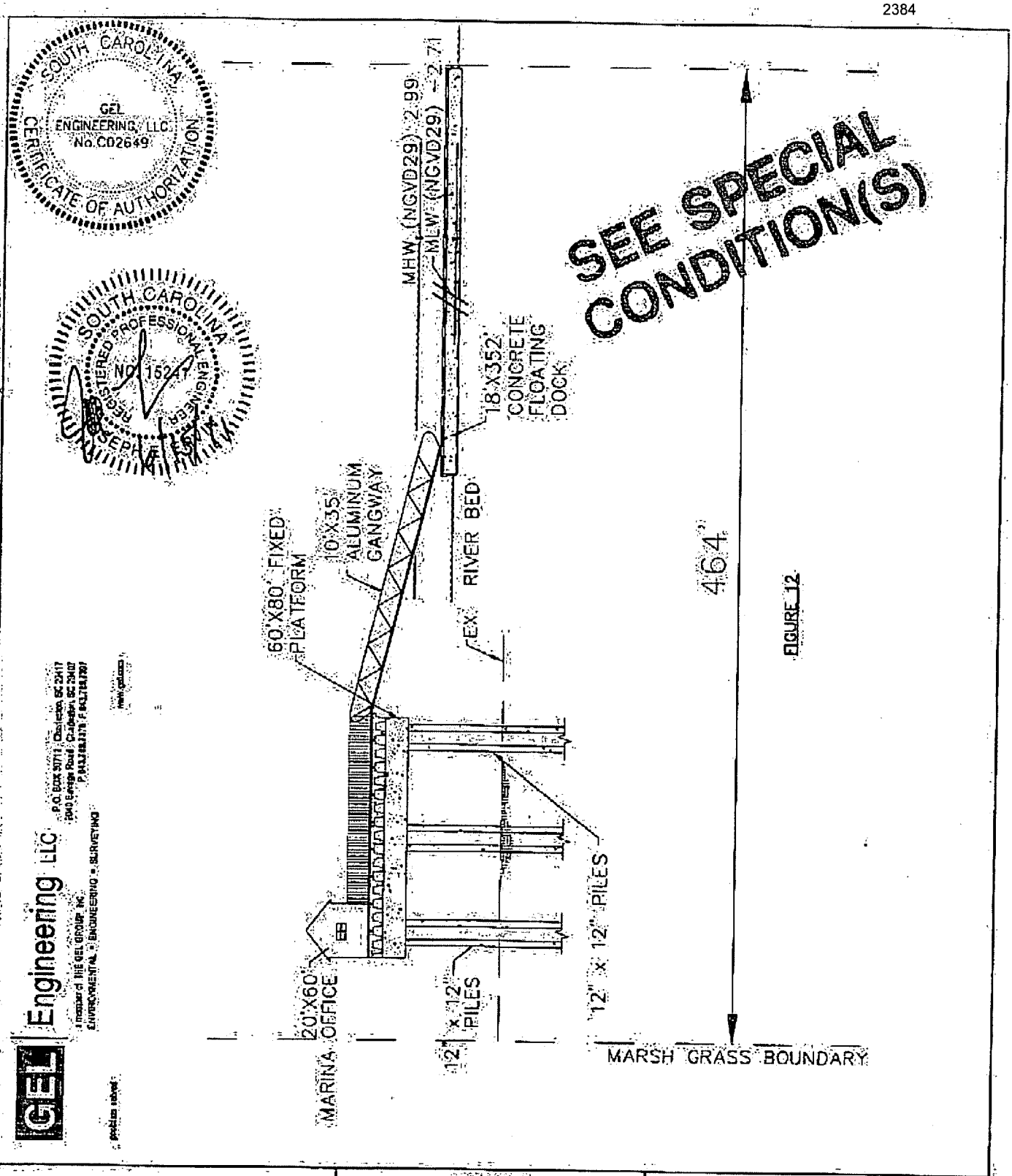
NOT TO SCALE

RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 11 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC
a Member of THE GEL GROUP, INC

18124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 12
CROSS SECTION B'-B'

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 12 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a member of the GEL GROUP, INC.

SEE SPECIAL
CONDITION(S)

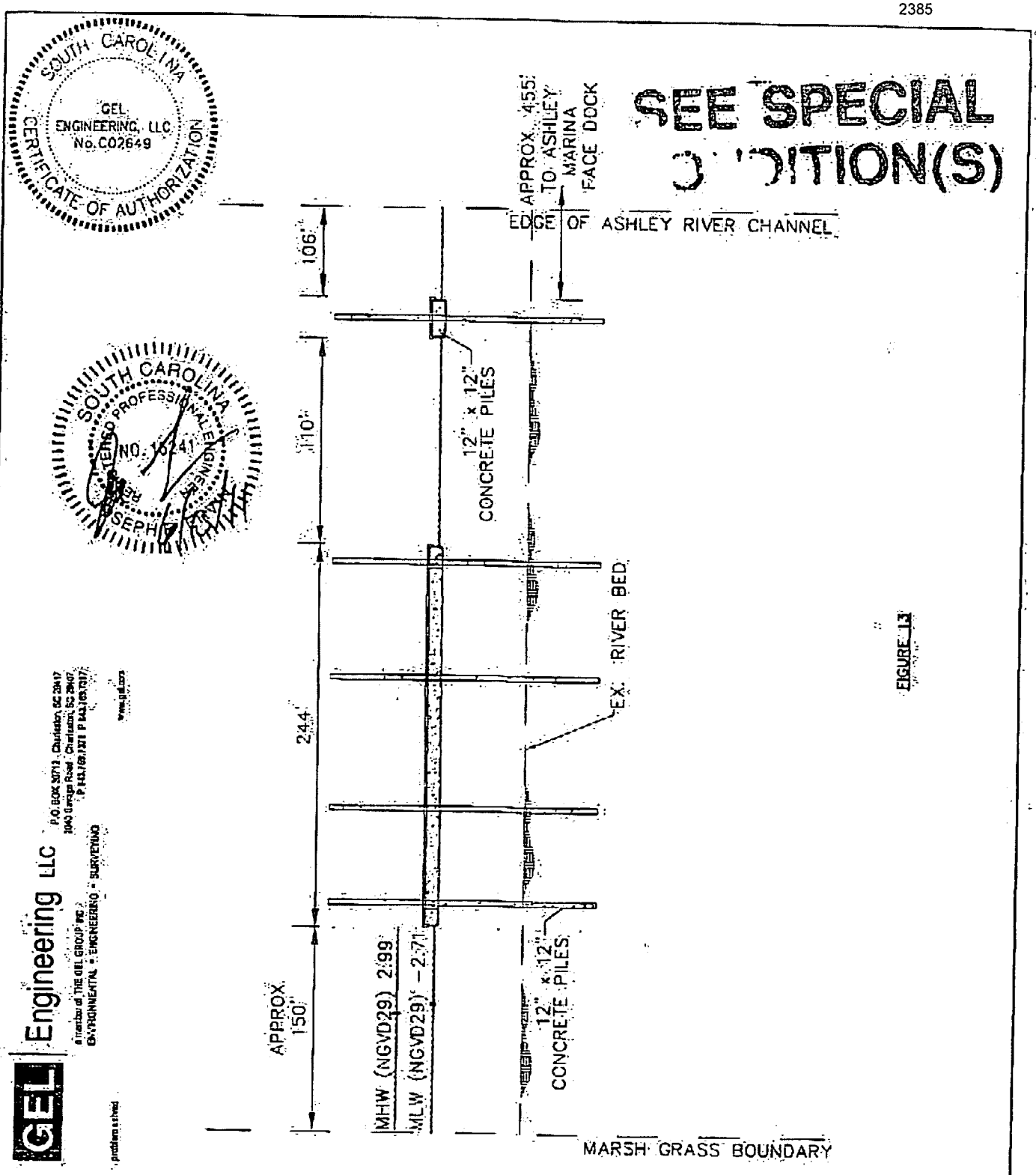
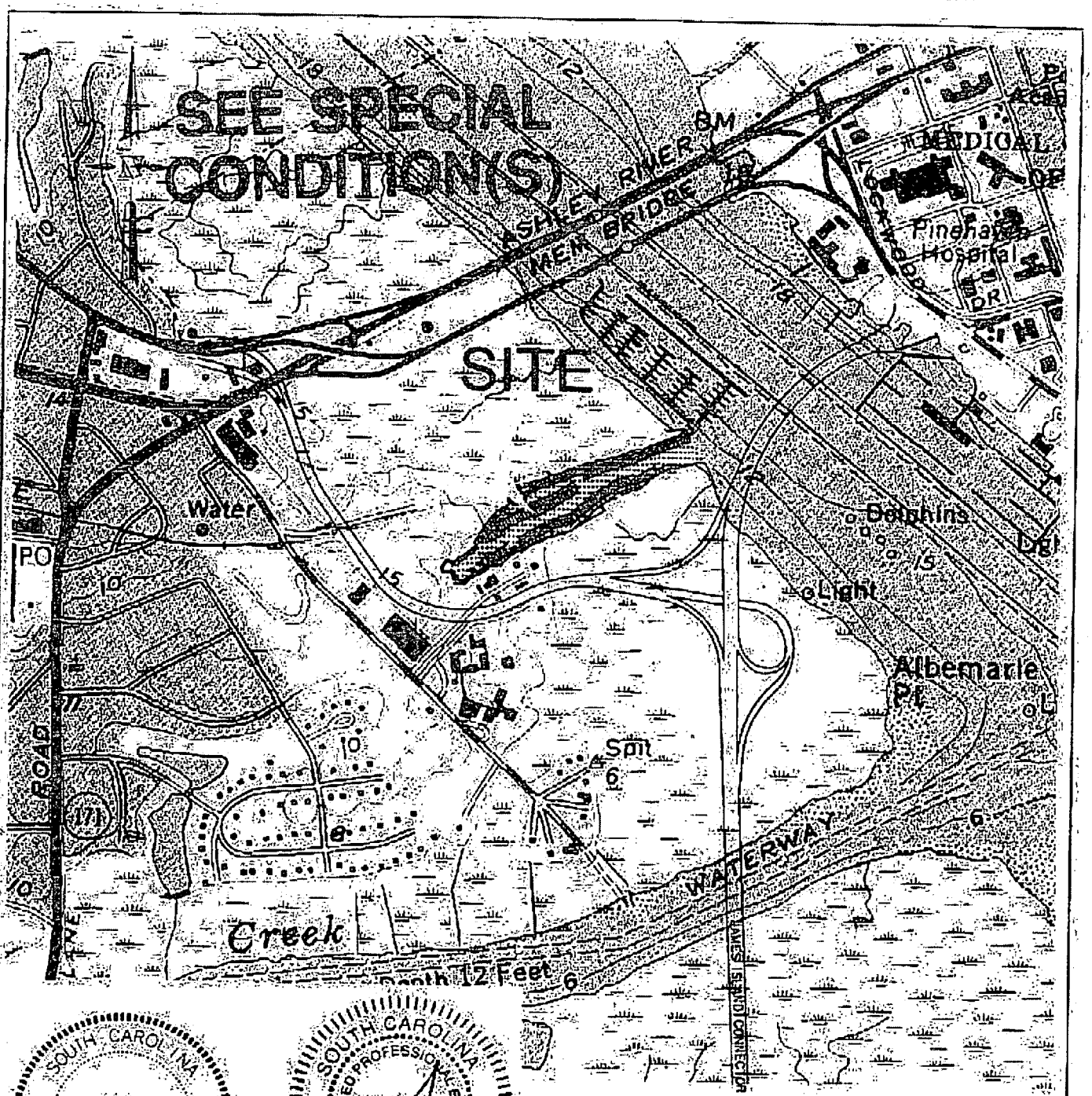



FIGURE 13

GEL Engineering LLC
P.O. BOX 30712, Charleston, SC 29417
1040 Orange Road, Charleston, SC 29407
P 843.769.7401 F 843.769.7917
a member of THE GEL GROUP INC.
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| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 13<br>CROSS SECTION C'-C'<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>58 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 13 OF 13<br>REVISED DATE: 6/2/2011<br>DATE: 5/12/08 |




SOUTH CAROLINA
GEL ENGINEERING, LLC
No. C02649
CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
NO. 18211
JOSEPH E. SERAFINI, JR.

GEL Engineering LLC
a division of THE GEL GROUP INC
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P.O. BOX 30712 Charleston, SC 29417
2040 Savage Road Charleston, SC 29407
P 843.769.7378 F 843.769.7367
www.gelcorp.com

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: CHARLESTON 7.5 QUAD

FIGURE 1
QUAD LOCATION MAP
SCALE: 1" = 1000'

0 500' 1000'

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 1 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

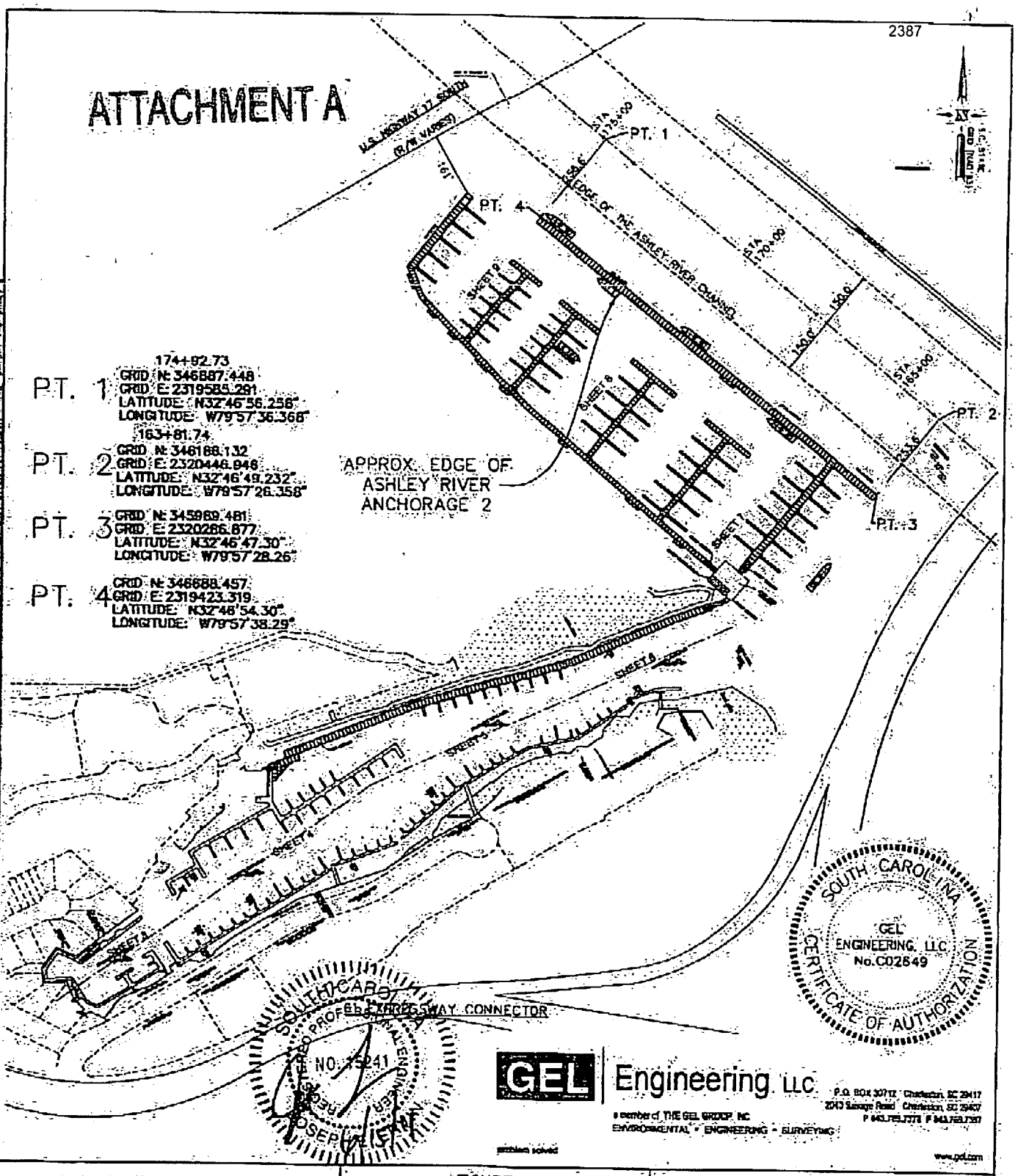
opr220211

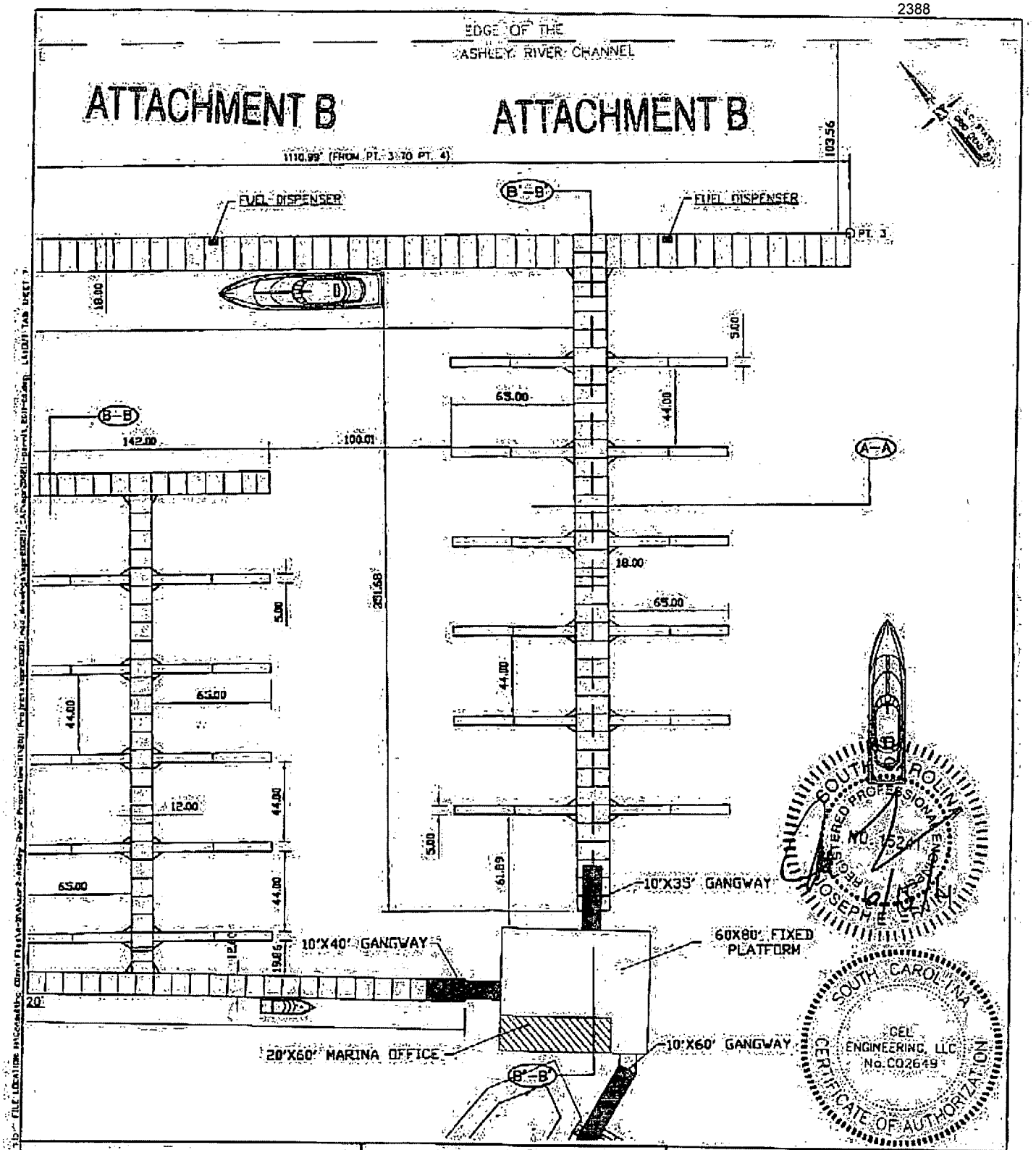
GEL ENGINEERING, LLC

a Member of THE GEL GROUP, INC.

21124

# ATTACHMENT A






PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 7
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

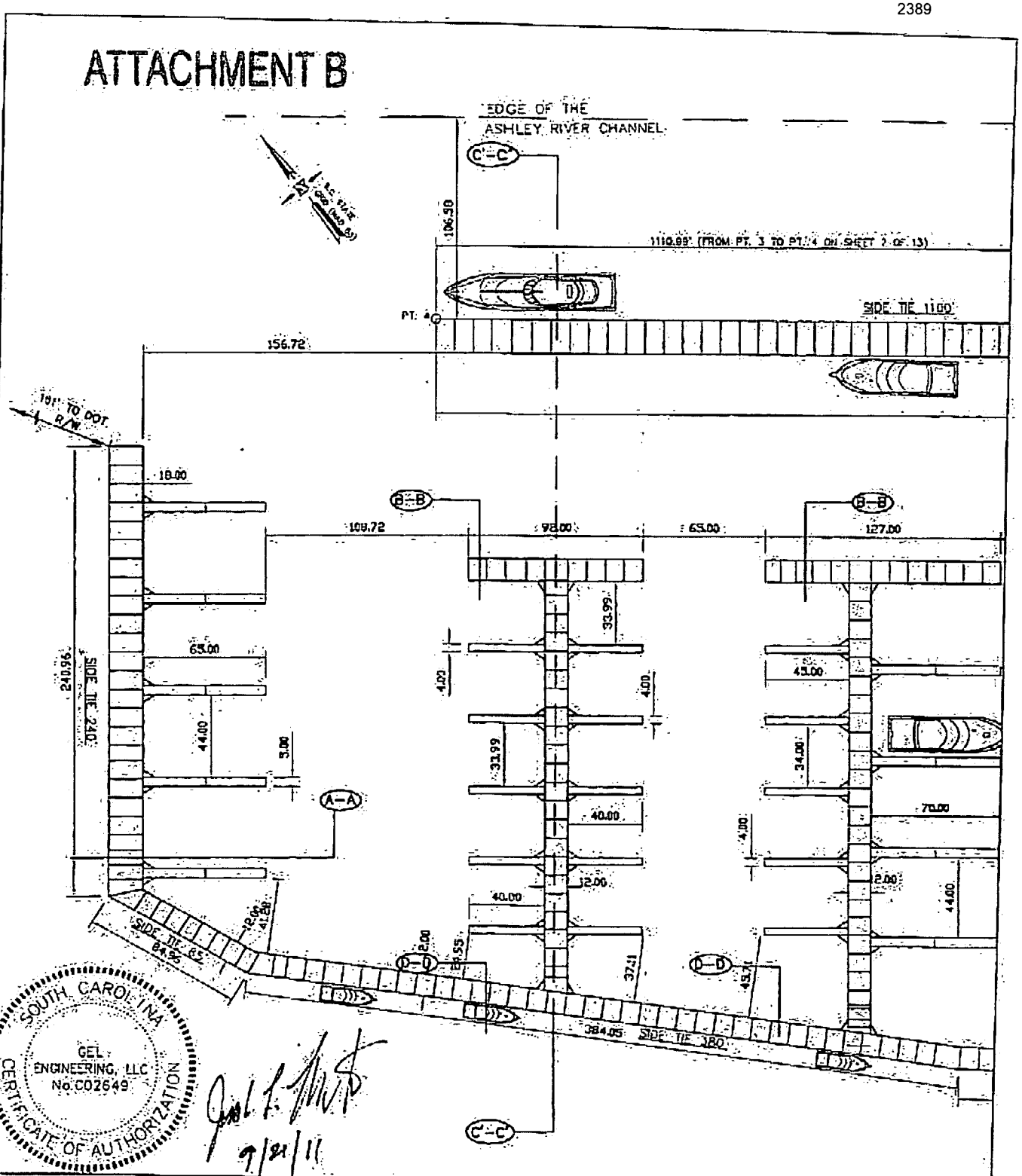
IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 7 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

# ATTACHMENT B




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 9
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 9 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

A MEMBER OF THE GEL GROUP, INC.

DEPARTMENT OF THE ARMY
CHARLESTON DISTRICT, CORPS OF ENGINEERS
69A Hagood Avenue
CHARLESTON, SOUTH CAROLINA 29403-5107

REPLY TO
ATTENTION OF:

February 29, 2012

Regulatory Division

Ashley River Properties II, LLC
Mr. Davidson Williams
95 Ripley Pointe Drive
Charleston, South Carolina 29407

Dear Mr. Williams:

PLEASE READ THIS LETTER CAREFULLY AND COMPLY WITH ITS PROVISIONS

This is in response to your application dated May 7, 2008, requesting a Department of the Army permit.

This is to inform you that the public interest review has been completed and it has been determined that the proposed activity is not contrary to the public interest. As such, a permit can be issued under the provisions of the Federal laws for the protection and preservation of the navigable waters of the United States.

Enclosed are two copies of Permit 2008-01005-2IR which have been prepared for the District Engineer's signature. Please review all of the conditions to which this permit is subject and, if acceptable to you, sign each copy and return all copies with your check or money order (NO CASH PLEASE) made payable to the Charleston District Finance and Accounting Officer for $100.00 to this office in the enclosed self-addressed envelope. Upon receipt of these properly signed permits and requisite processing fee, the District Engineer or his designee will sign each copy and return one copy to you. As you review the permit documents, be especially mindful that

IT SHALL NOT BE LAWFUL TO DEVIATE FROM THE PLANS EITHER BEFORE OR AFTER COMPLETION OF THE WORK,

unless a plan reflecting the modification has previously been submitted to and approved by the Department of Army.

In addition, please note that the permit not only authorizes the work but also its intended use. No use other than that specified in this document can be made of permitted work or structures.

MAR - 1 2012

Compliance with all conditions of the permit is essential. Failure to do so will tend to invalidate the permit and may result in its revocation.

Respectfully,

Tina B. Hadden
Chief, Regulatory Division

Concur: cmm
SOCHARDS
8167 1/7/12

CROSBY/RD-S

HADDEN/RD

OC STC. 3 FEB 12

DEPARTMENT OF THE ARMY
CHARLESTON DISTRICT CORPS OF ENGINEERS
69A Hagood Avenue
CHARLESTON, SOUTH CAROLINA 29403-5107

REPLY TO
ATTENTION OF

MAR 30 2012

March 30, 2012

Regulatory Division

Ashley River Properties II, LLC
Mr. Davidson Williams
95 Ripley Pointe Drive
Charleston, South Carolina 29407

Dear Mr. Williams:

This is in response to your application requesting a Department of the Army permit.

Enclosed is your Department of the Army permit 2008-1005-2IR. It authorizes you to perform the work specified on the attached drawings. This permit is issued under the provisions of the Federal laws for the protection and preservation of the navigable waters of the United States.

Please notify this office promptly, in writing, when you start and complete the work. The enclosed cards may be used for that purpose. You should also be aware that a special condition has been included in this permit which requires that a copy of the permit and drawings must be available at the work site during the entire time of construction.

Respectfully,

Tina B. Hadden
Chief, Regulatory Division

Enclosures

Concur, cmm
SOOHARD.P.
HADDEN.RD.

2393

**ASHLEY RIVER PROPERTIES II, LLC** 03/09
**DBA RIPLEY LIGHT YACHT CLUB**
95 RIPLEY POINTE DR.
CHARLESTON, SC 29407-7598

BANK OF AMERICA, NA
CHARLESTON, SC 29404
67-448/539

1138

3/30/2012

PAY TO THE ORDER OF Charleston District Finance and Accountin $**100.00

One Hundred and 00/100********** DOLLARS

Charleston District Finance and Accountin
69A Hagood Av.
Charleston, SC 29403-5107

Permit 2008-01005-21R

⑈001138⑈ ⑆053904483⑆ 223008447926⑈

## Socha, Robin C SAC

**From:** Socha, Robin C SAC
**Sent:** Thursday, February 02, 2012 10:15 AM
**To:** 'mallette@dhec.sc.gov'
**Subject:** Ashley River Properties Marina SAC#2008-01005-2IR (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Hi Fred,

Would you do me a favor and please send me a final copy of the State permit for the subject project. I have a copy signed by you, but didn't get a final copy signed by you AND the applicant. Thanks so much.

Robin

Robin Coller Socha
U.S. Army Corps of Engineers
Regulatory Division
69A Hagood Avenue
Charleston, SC 29403-5107

Robin.C.Socha@usace.army.mil
843-329-8167 telephone
843-329-2332 fax

Classification: UNCLASSIFIED
Caveats: NONE

JUN 21 2011

**Ashley River Properties II, LLC**
**95 Ripley Point Drive**
**Charleston, SC 29407**

June 17, 2011

**By Email & Fedex**

Mr. Fred Mallet
Project Manager
SC Dept of Health and Environmental Control
Office of Ocean and Coastal Resource Management
1362 McMillan Avenue, Suite 400
Charleston, SC 29405

Re: SAC #2008-01005-2IR

Dear Fred:

I am following up my meeting with Steve Brooks and Tess Trumbull in Charleston last week and our telephone conversation two weeks ago concerning the above permit application.

As I explained to Steve and Tess last week, we have decided not to enter into an agreement with The City Marina Company concerning the use of the Ashley River waterway and our respective permit applications. Instead, we have decided to unilaterally reduce the size of our proposed marina by pulling back our proposed Ashley River face dock an additional 40' from the edge of the existing federal navigation channel edge, and create a channel setback of 103' to 106' instead of 63' to 66'. Corresponding reductions have also been made to the interior dock trees.

This layout change will eliminate the conflict presented by City Marina's proposal to re-align the Ashley River federal navigation channel. The proposed channel realignment would move the channel edge too close to the southeast corner of our proposed marina expansion. By pulling back 40', we create a minimum channel setback of at least 40" at the southeast corner and 163' at the northeast corner in the event the proposed channel realignment is approved. (see attached ATM drawing dated 03/19/11).

The reason we have decided not to enter into an agreement with City Marina at this time is because one of the conditions is that we withdraw all of our comments and objections to their permit application. After careful consideration,

we think it is inappropriate to do this because: (1) many of our comments and objections are consistent with those submitted by other members of the public, and (2) there has been a recent development regarding Critical Area activities on the Ashley River.

The recent development is the application submitted by the US Coast Guard for a permit to dredge the waters around its Tradd Street pier, which sits immediately southeast of The City Marina. The City Marina contends that it is not practical or feasible to dredge their existing marina due to, among other things, contaminated sediment and cost. They ask for permission to re-align the existing channel and expand into the old channel in order to recover slips lost to sedimentation. However, they have been unwilling to prove their assertions. The US Coast Guard is about to begin sediment sampling and analysis. The results of the Coast Guard's sampling and analysis and the success or failure of the Coast Guard dredge permit application should be considered as they have an obvious bearing on The City Marina's statements and their permit application.

I attach a revised set of permit drawings prepared and stamped by our engineer reflecting the setback and other changes described above. The drawings bear a revision date of June 2, 2011.

I would be grateful if DHEC/OCRM would process and decide our permit application based on these revised drawings and the reduced marina layout. Please let me know whether you require original stamped drawings; if so, I will arrange for delivery of an original to your attention.

As regards the City Marina application (SAC #2009-01311-2IR (Revised)), we withdraw our objections only insofar as their proposed channel realignment plan conflicts with our proposed marina, as revised. Our other comments and objections stand.

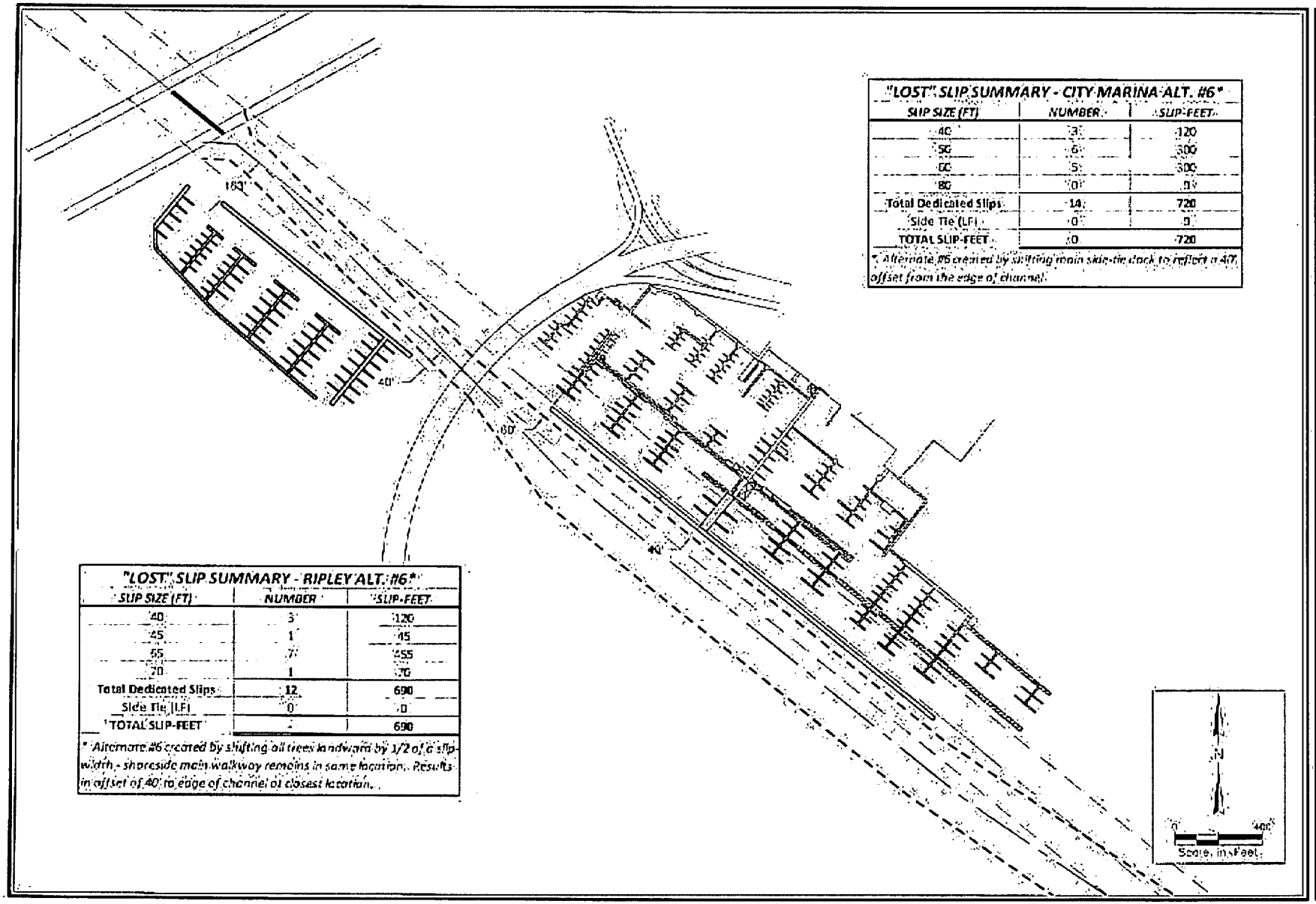
Sincerely yours,

Davidson D. Williams
Managing Member

Attachments

cc: Ms. Tess Trumbull, DHEC/OCRM
Mr. Steve Brooks, DHEC/OCRM
Ms. Robin Socha-Coller, USACE
Mr. Jack Walker, GEL

2397




| "LOST" SLIP SUMMARY - CITY MARINA ALT. #6* | | |
|---|---|---|
| SLIP SIZE (FT) | NUMBER | SLIP-FEET |
| 40 | 3 | 120 |
| 50 | 6 | 300 |
| 60 | 5 | 300 |
| 80 | 0 | 0 |
| Total Dedicated Slips | 14 | 720 |
| Side Tie (LF) | 0 | 0 |
| TOTAL SLIP-FEET | 0 | 720 |

* Alternate #6 created by shifting main side-tie dock to reflect a 40' offset from the edge of channel.

| "LOST" SLIP SUMMARY - RIPLEY ALT. #6* | | |
|---|---|---|
| SLIP SIZE (FT) | NUMBER | SLIP-FEET |
| 40 | 3 | 120 |
| 45 | 1 | 45 |
| 55 | 7 | 455 |
| 70 | 1 | 70 |
| Total Dedicated Slips | 12 | 690 |
| Side Tie (LF) | 0 | 0 |
| TOTAL SLIP-FEET | - | 690 |

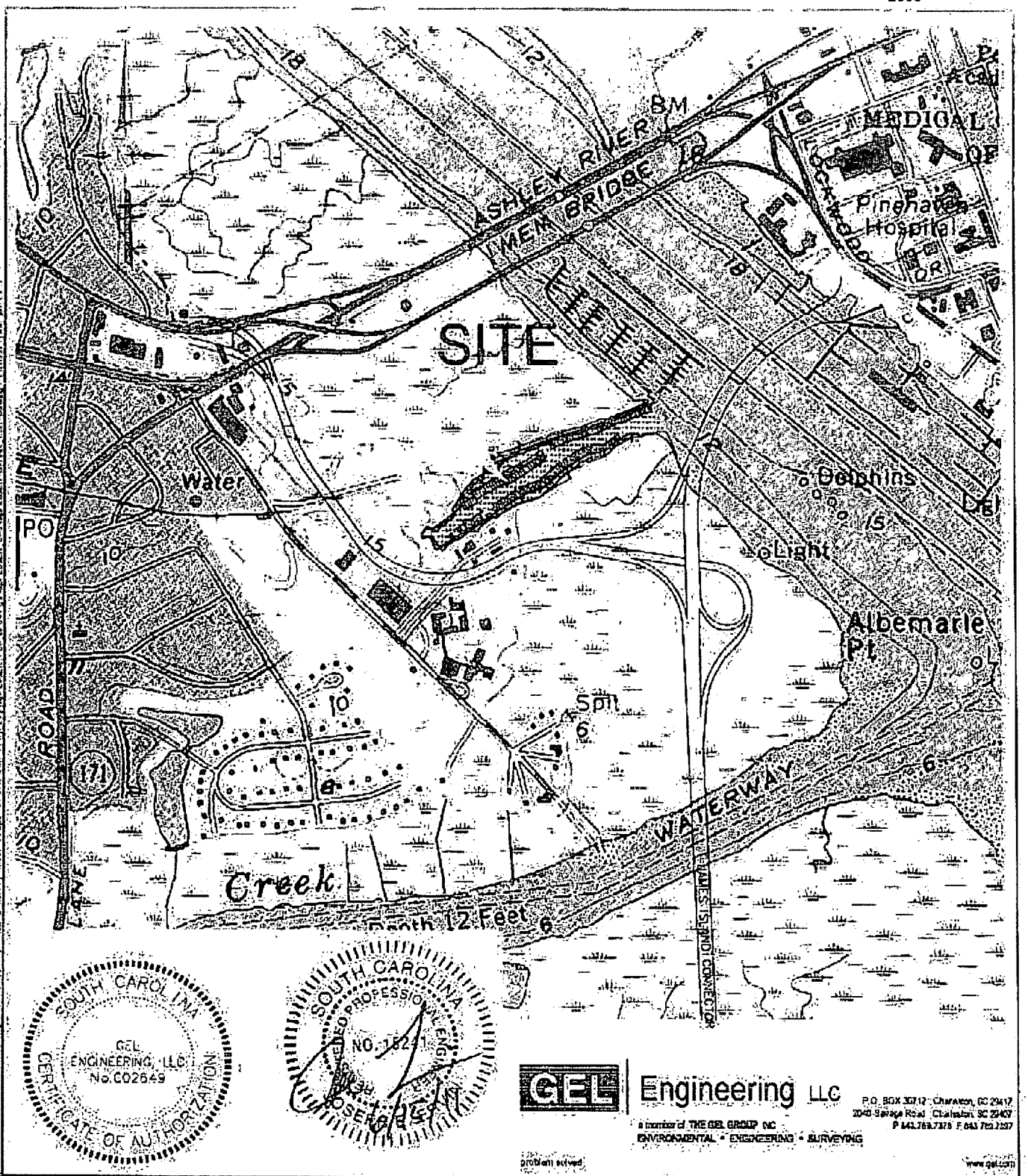
* Alternate #6 created by shifting all trees landward by 1/2 of a slip-width, - shoreside main walkway remains in same location. Results in offset of 40' to edge of channel at closest location.

CITY MARINA/RIPLEY POINT COMPARISON
Alternate #6

JOB NO. 20-135
DATE: 03.16.21
SCALE: 1" = 60'
CHECKED BY:
DRAWN BY: JDC
SHEET NO. 6

REVISIONS

ATM
ARCHITECTURE
Ripley City Marina Comparison 03-11-21.dwg, ALT 6, 3:56:06 PM




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problem solved.

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PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: CHARLESTON 7.5 QUAD.

FIGURE 1
QUAD LOCATION MAP
SCALE: 1" = 1000'

0 500 1000

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

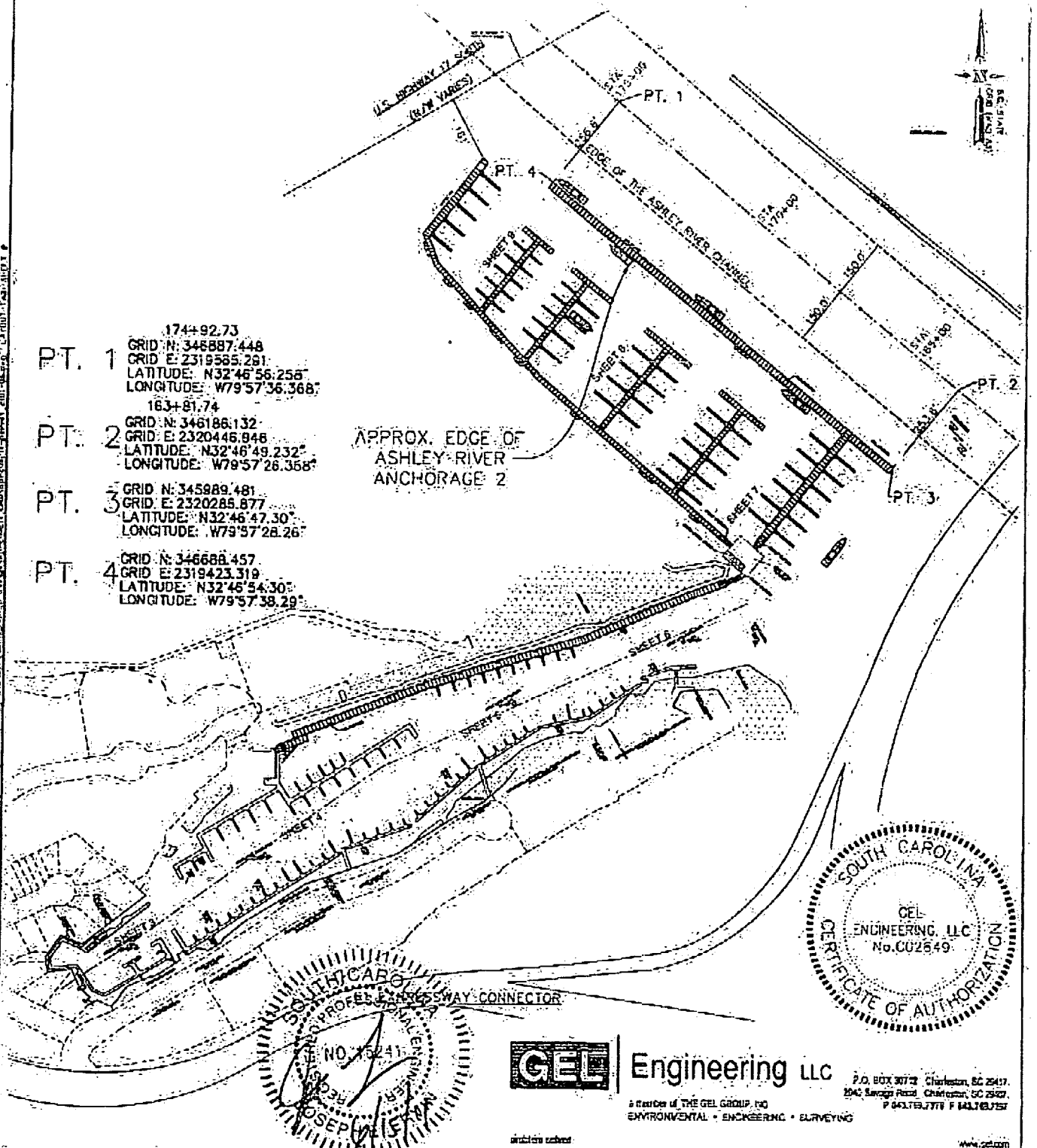
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 1 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08




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PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 2.
OVERALL PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

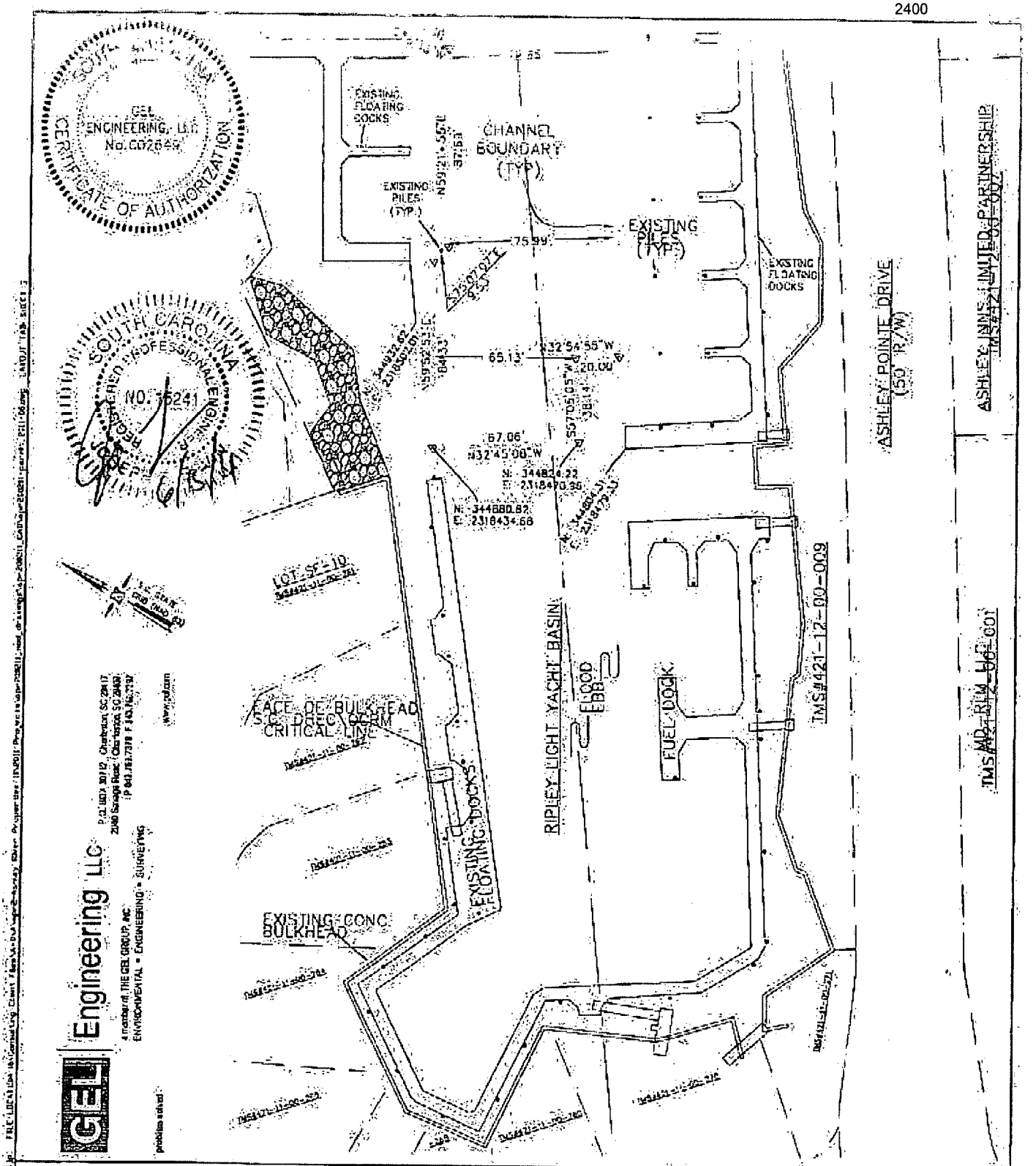
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 2 OF 13

REVISED DATE: 8/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 3
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

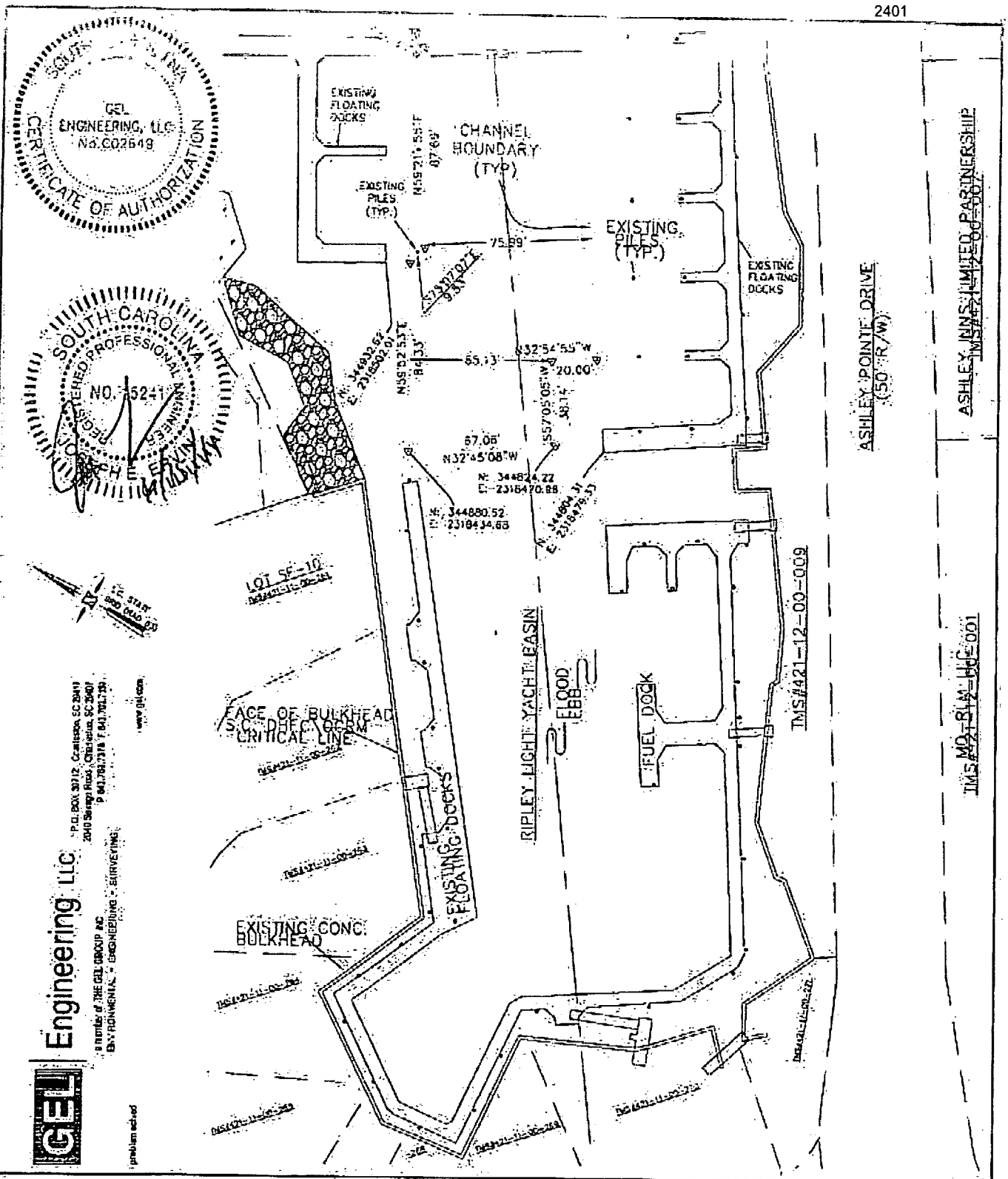
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 3 OF 13

REVISED DATE: 8/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 3
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

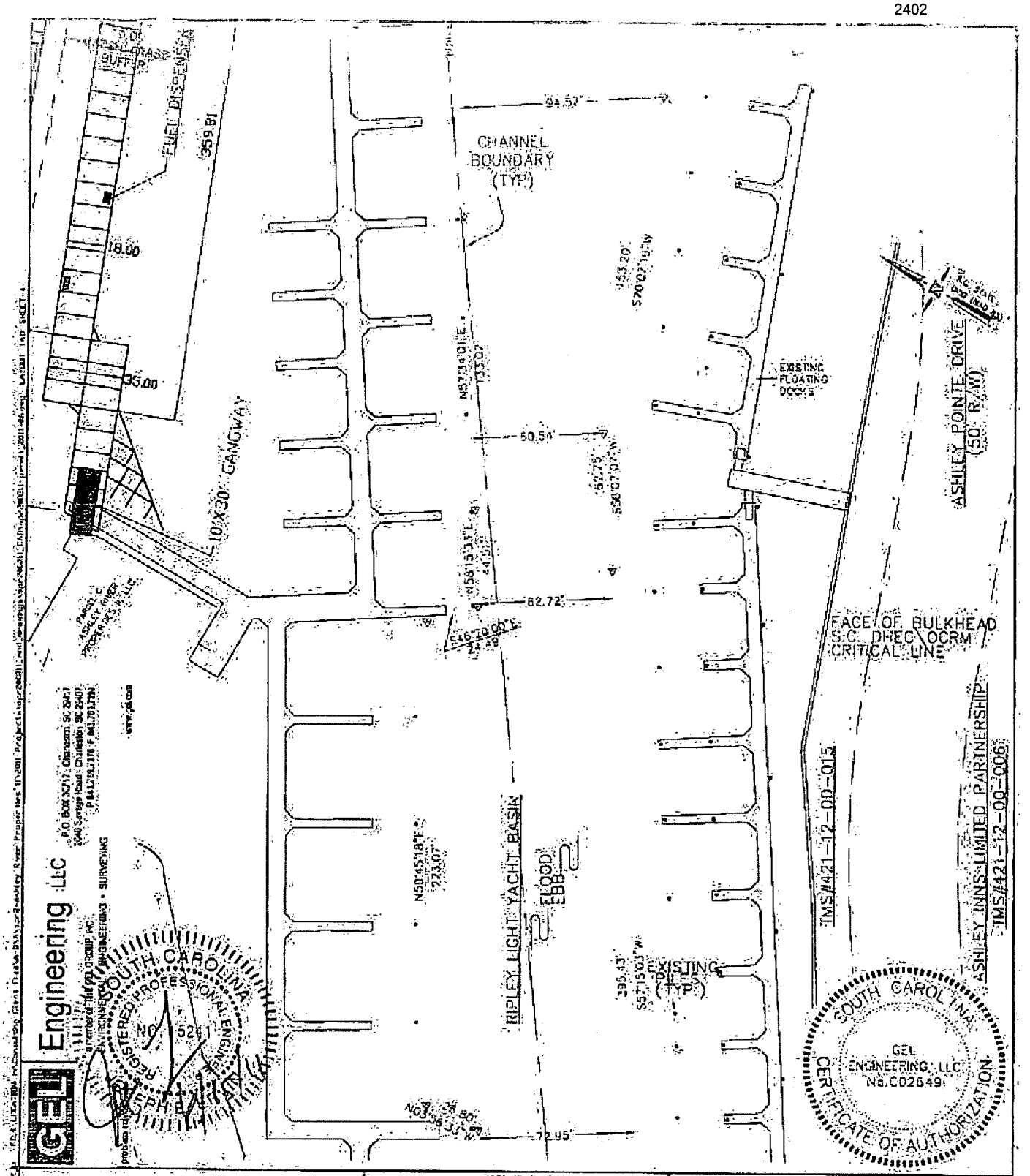
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 3 OF 13:

REVISED DATE: 8/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 4
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

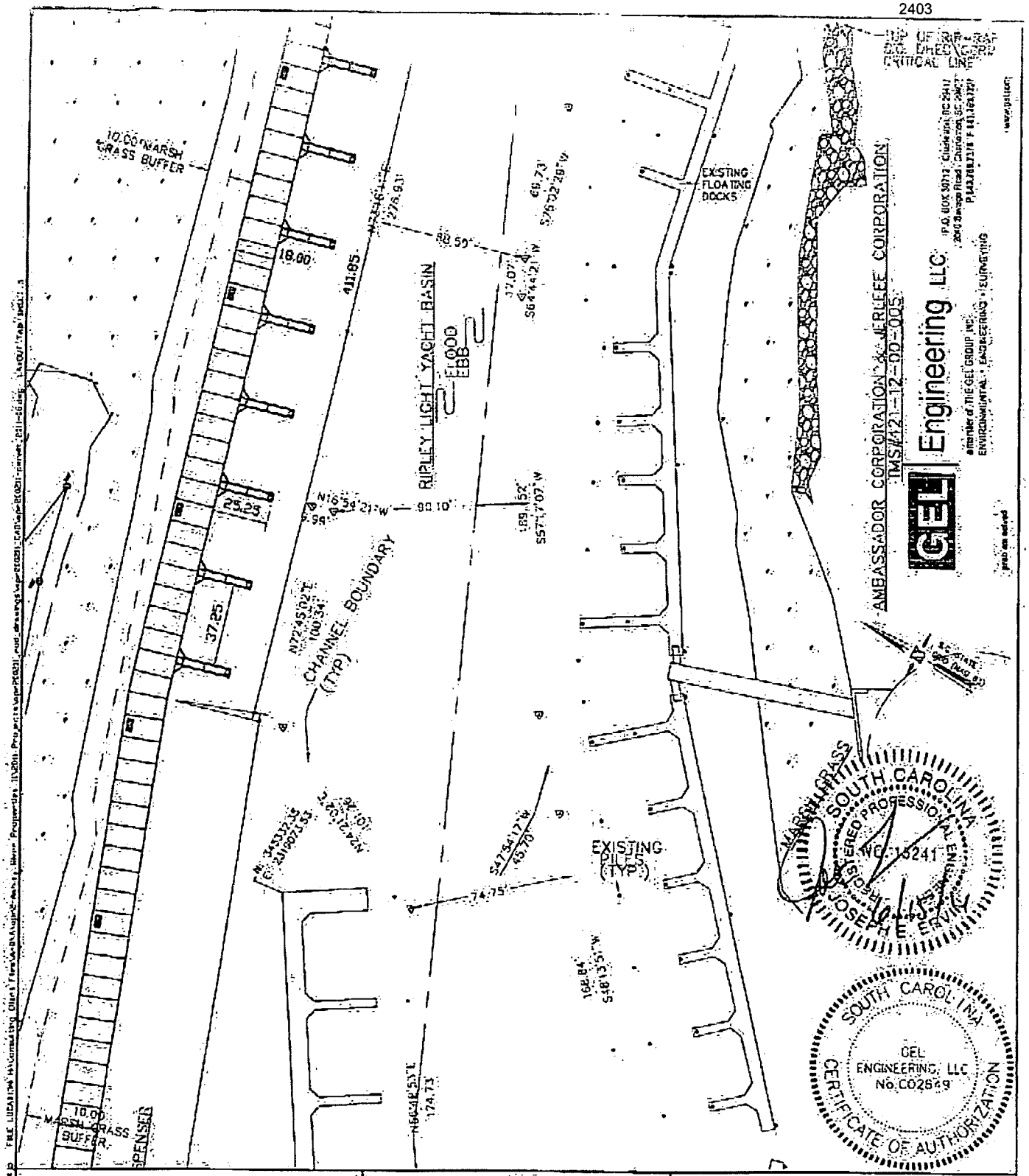
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF CHARLESTON, SOUTH CAROLINA

SHEET: 4 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 5
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

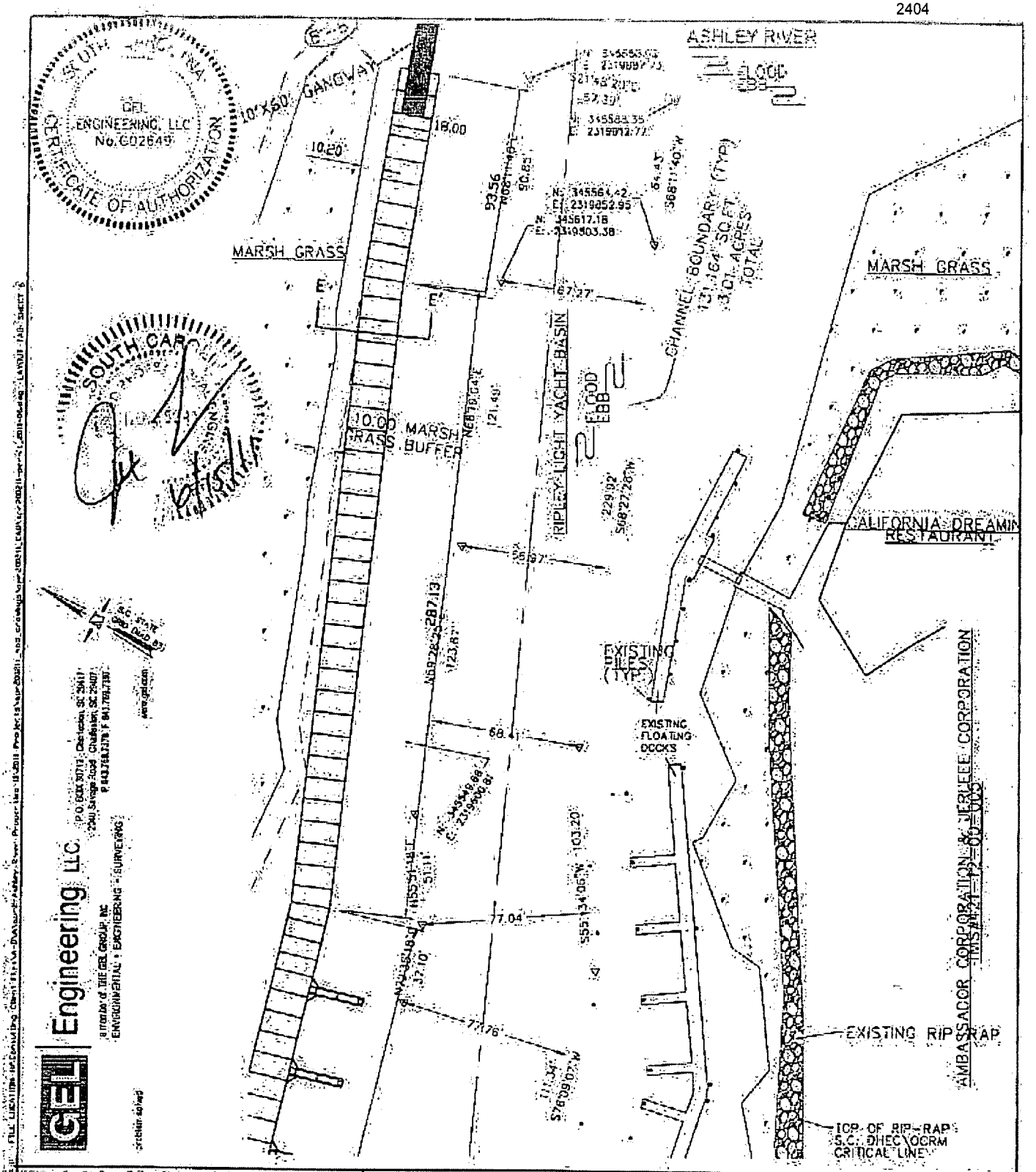
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 5 OF 13

REVISED DATE: 5/2/2011
DATE: 5/12/08




GEL ENGINEERING, LLC
No. G02649
CERTIFICATE OF AUTHORIZATION
SOUTH CAROLINA

GEL Engineering LLC
P.O. BOX 30712, Charleston, SC 29417
2341 Savage Road, Charleston, SC 29407
P. 843.766.2376 F. 843.766.2390
a member of THE GEL GROUP INC
ENVIRONMENTAL • ENGINEERING • SURVEYING
www.gelinc.com

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

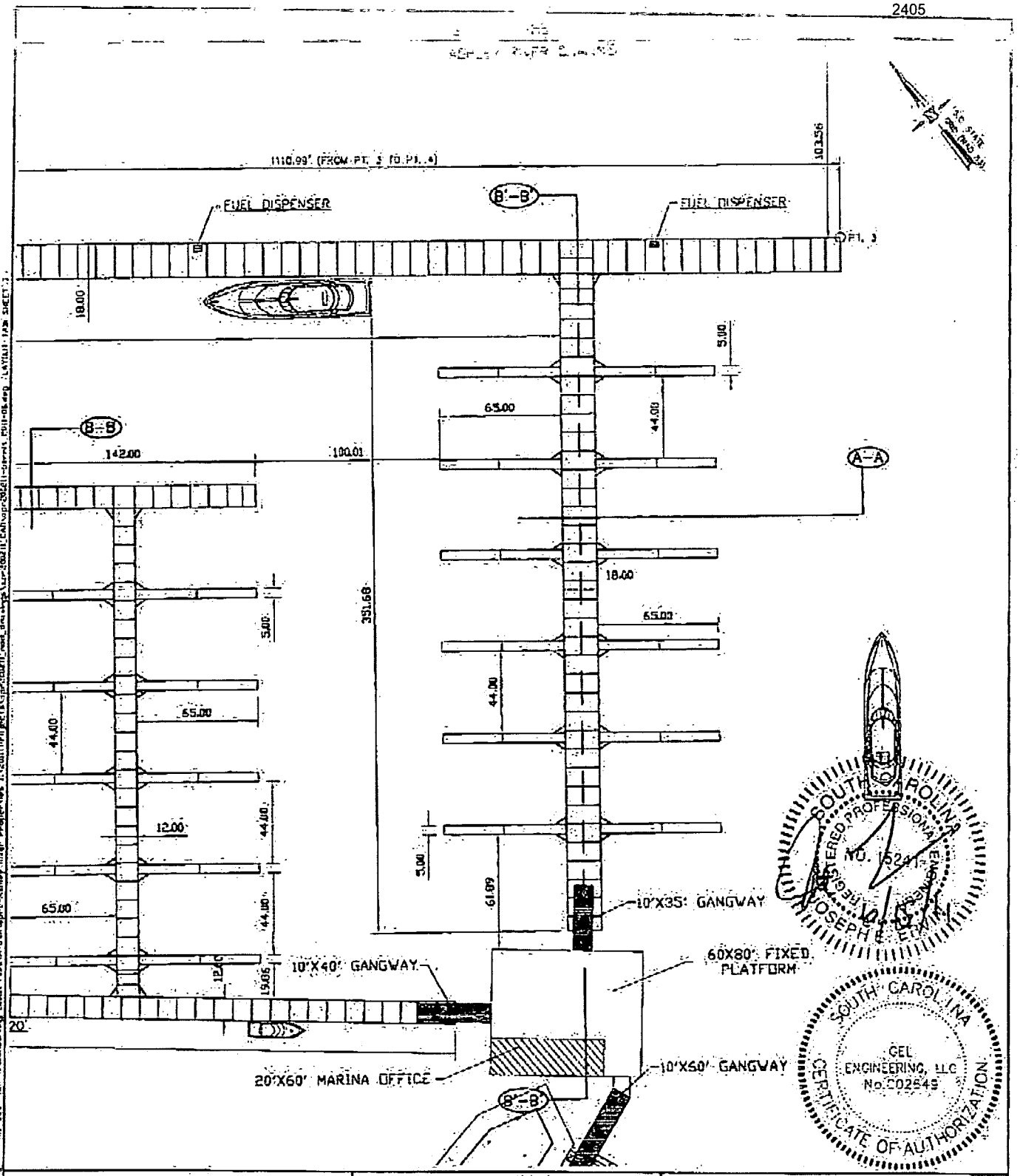
FIGURE 6
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
98 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
ON: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 6 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 7
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

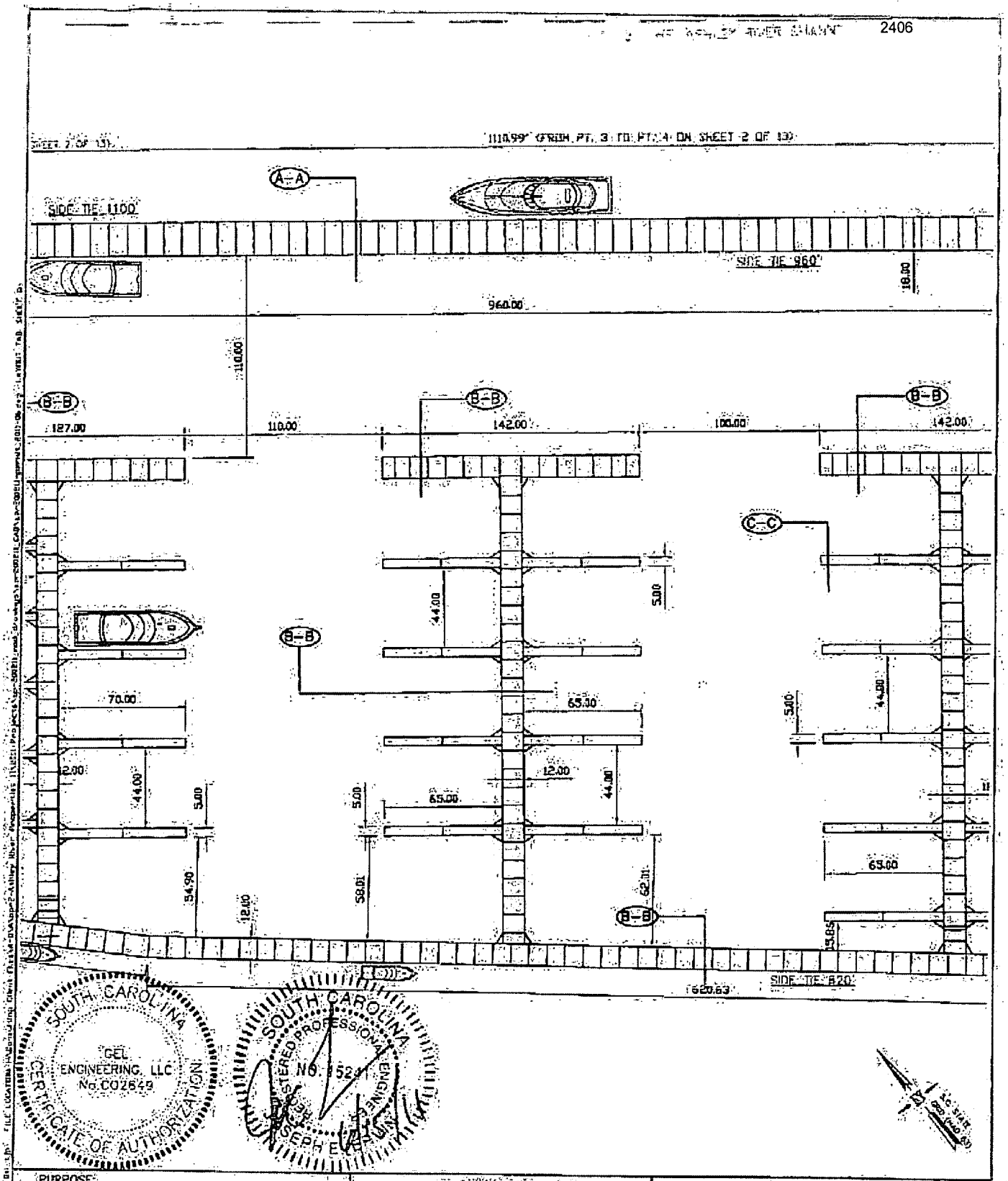
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 7 OF 13

REVISED DATE: 8/2/2011
DATE: 5/12/08




PURPOSE:
MARINA EXPANSION

ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST

SURVEY DATUM: MLW

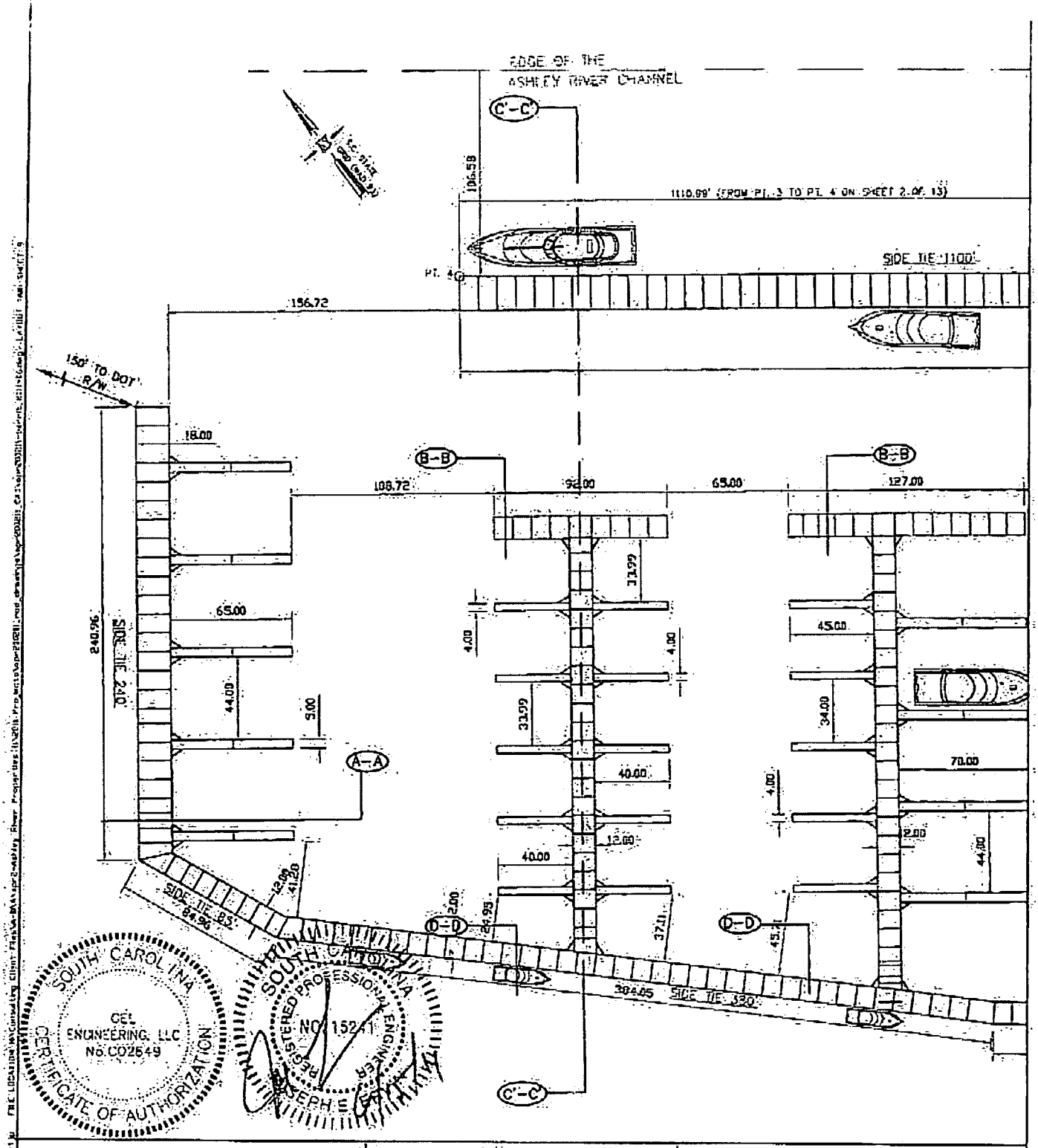
FIGURE 8:
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 8 OF 13
REVISED DATE: 8/2/2011
DATE: 5/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 9:
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

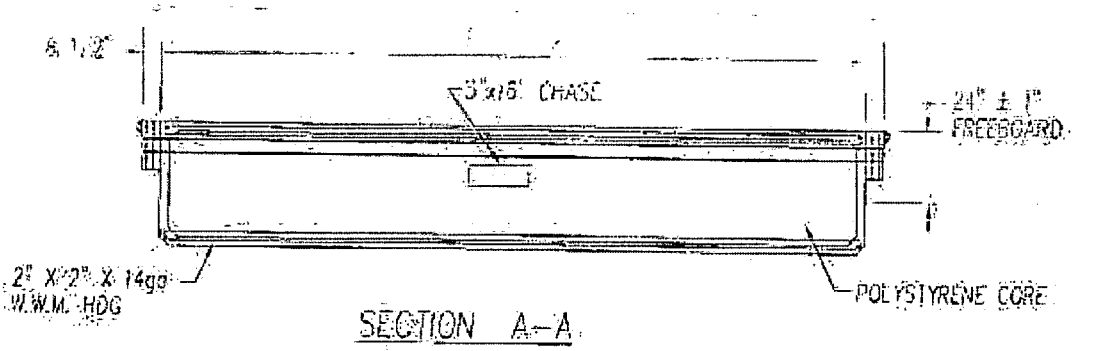
SHEET: 9 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

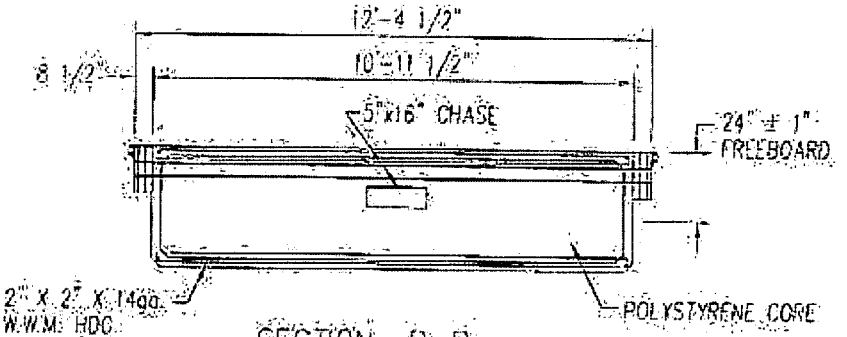
cp:2007111

GEL ENGINEERING, LLC

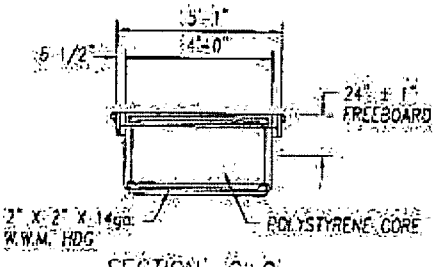
a Member of THE GEL GROUP, INC.



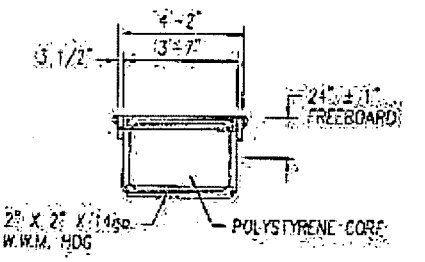

SECTION A-A




SECTION B-B




SECTION C-C




SECTION D-D

GEL Engineering LLC
a member of THE GEL GROUP INC
ENVIRONMENTAL • ENGINEERING • SURVEYING
P.O. BOX 30712 Charleston, SC 29417
2040 Savage Road Charleston, SC 29407
P 843.769.7378 F 843.769.7597
www.gel.com

SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER NO. 5241 JOSEPH E. ERVIN

SOUTH CAROLINA GEL ENGINEERING, LLC NO. C02549 CERTIFICATE OF AUTHORIZATION

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 10
FLOATING DOCK X-SECTIONS

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 10 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

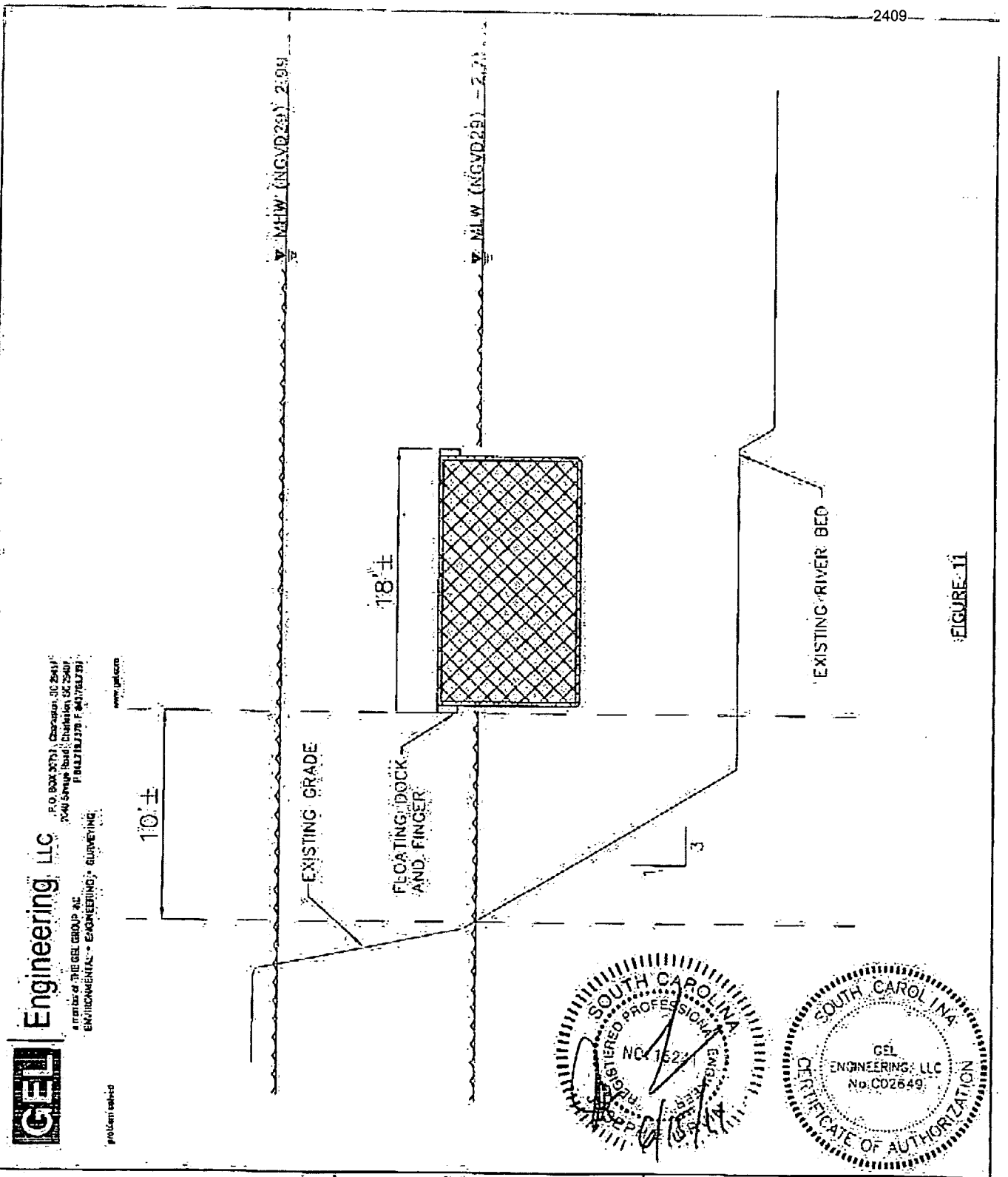



FIGURE 11

GEL Engineering LLC
P.O. BOX 30791, Charleston, SC 29417
2040 Savage Road, Charleston, SC 29407
P 843.766.2376 F 843.766.2391
a member of THE GEL GROUP INC
ENVIRONMENTAL • ENGINEERING • SURVEYING
www.gelcorp

SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER NO. 16221

SOUTH CAROLINA GEL ENGINEERING, LLC No. C02649 CERTIFICATE OF AUTHORIZATION

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST.

SURVEY DATUM: MLW

FIGURE 11
CROSS SECTION E'–E'

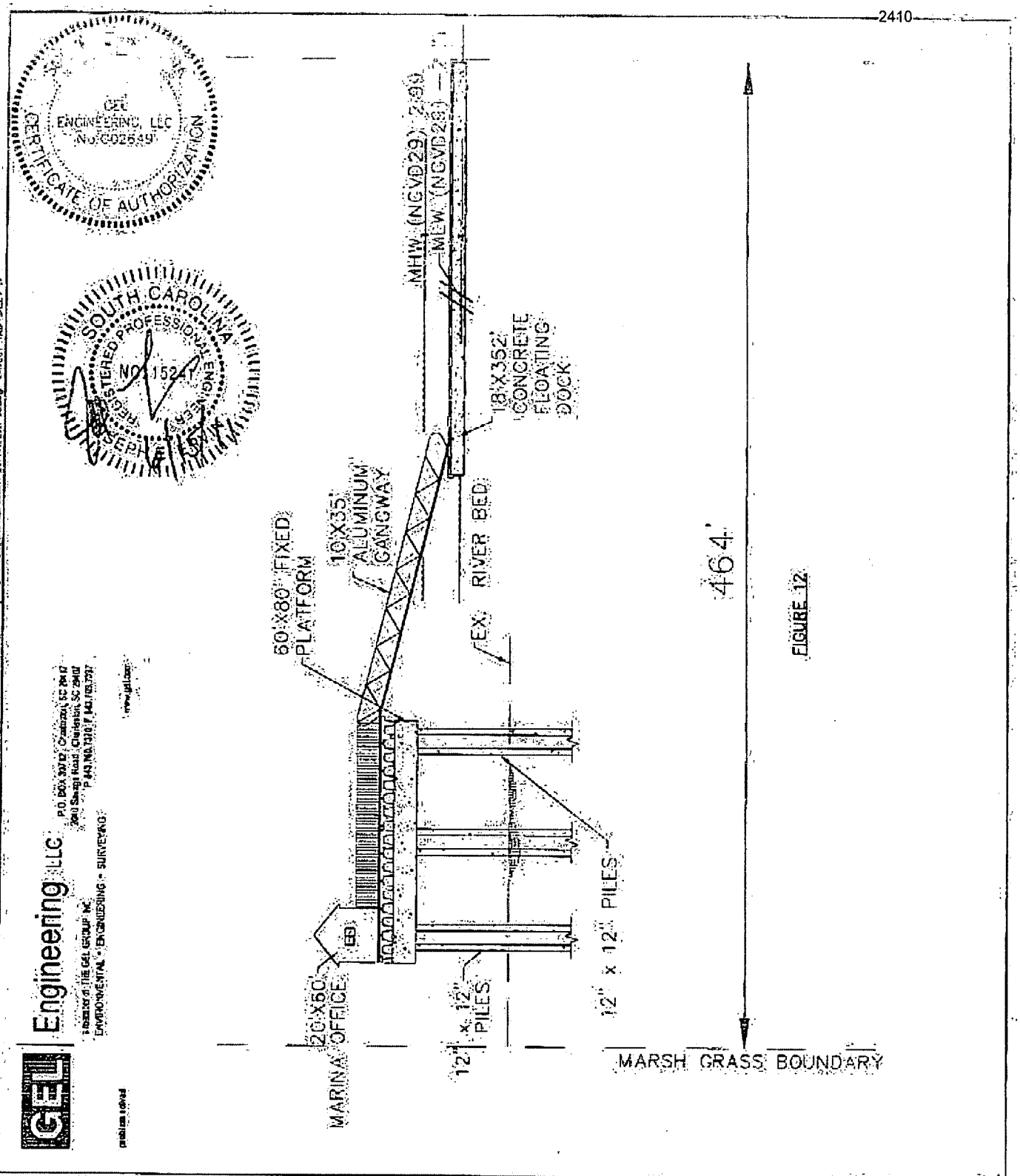
NOT TO SCALE

RIPLEY LIGHT MARINA, POA
56 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 11 OF 13

REVISED DATE: 5/2/2011
DATE: 8/12/08




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 12
CROSS SECTION B'-B'

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
56 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

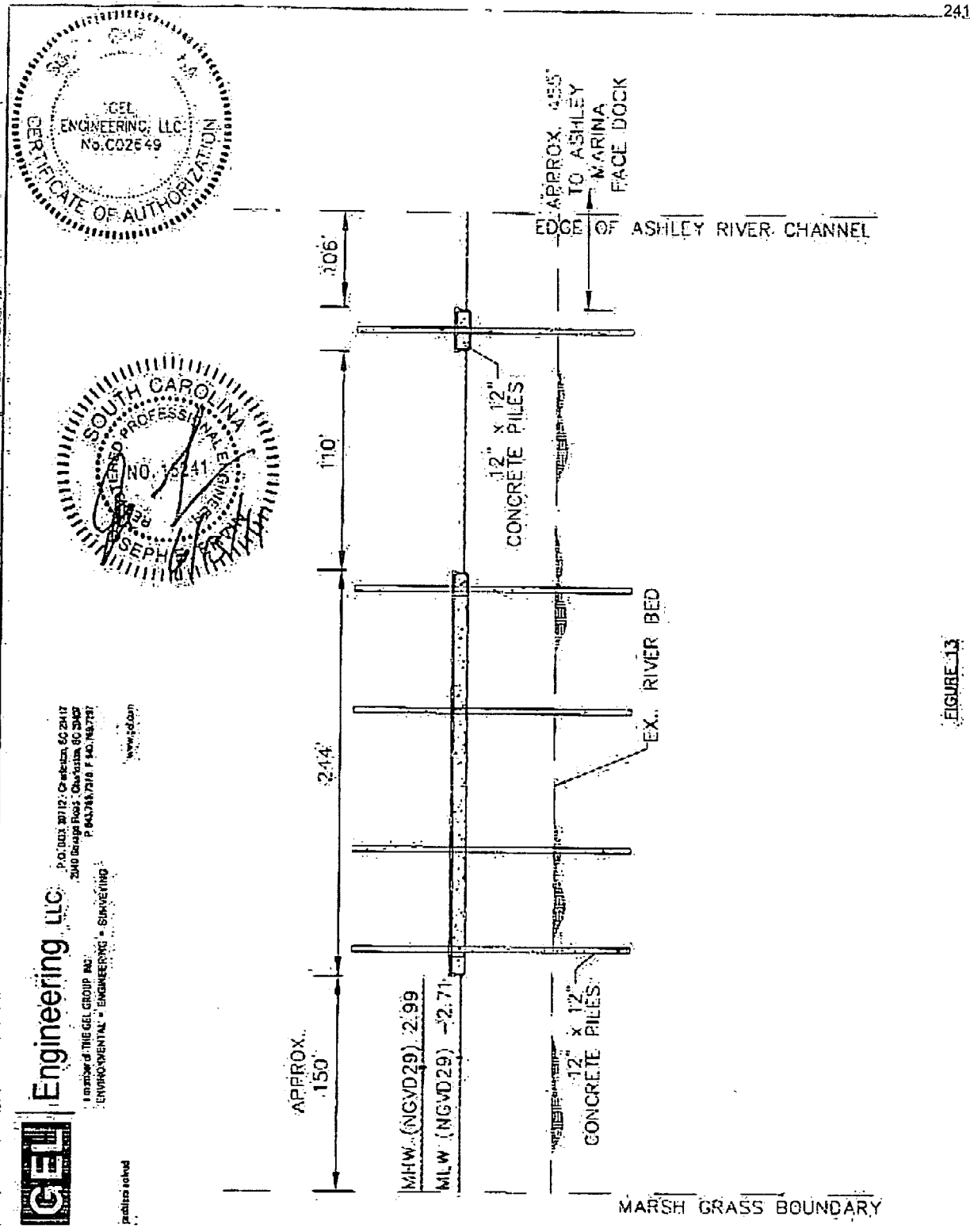
AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 12 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08




GEL Engineering LLC
P.O. Box 30712 Charleston, SC 29417
2040 Savage Road Charleston, SC 29407
P 843.769.7310 F 843.769.7397
a member of THE GEL GROUP INC
ENVIRONMENTAL • ENGINEERING • SURVEYING
www.gel.com

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 13
CROSS SECTION C'-C"

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
58 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 13 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

OCT 2 1 2011
SEE SPECIAL CONDITION(S)

D H E C
PROMOTE PROTECT PROSPER

C. Earl Hunter, Commissioner
*Promoting and protecting the health of the public and the environment.*

October 6, 2011

Ashley River Properties II, LLC
C/o Mr. Davidson Williams
95 Ripley Pointe Drive
Charleston, SC 29407

Re: 2008-01005-2IR-P - Ashley River Properties II, LLC

Dear Mr. Williams:

The SCDHEC Office of Ocean and Coastal Resource Management has reviewed your application to expand an existing marina at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina and has issued a permit for this work. You should carefully read the description of the authorized project and any special conditions that have been placed on the permit, as these conditions may modify the permitted activity. In addition, there are a series of general conditions that should be reviewed. The original and one photocopy of the permit, as issued, are enclosed. After carefully reading the permit, if you wish to accept the permit as issued, sign and date in the signature block entitled "PERMITTEE" on the original version of the permit **and return it to this Department. Keep the photocopy for your records.**

**PLEASE READ CAREFULLY: You are required to sign and return the original version of your permit to this Department. If this permit is not signed and returned within thirty (30) days of issuance, *OR* appealed within 15 days as described on the enclosed "Notice of Appeal Procedure", the Department reserves the right to cancel this permit. Please carefully review the enclosed "Notice of Appeal Procedure" for information and deadlines for appealing this permit.**

**We have also enclosed a "request for a construction placard" card. You must send in this card before the time you wish to start construction. At that time a construction placard will be sent to you to post at the construction site.**

**PLEASE NOTE:** You are not authorized to commence work under the permit until we have received the original version of the entire permit signed and accepted by you, and a construction placard has been issued and posted at the construction site. The receipt of this permit does not relieve you of the responsibility of acquiring any other federal or local permits that may be required.

Sincerely,

Fred Mallett
Wetland Section Project Manager

Enclosure
cc: Mr. Blair Williams, Wetland Section Manager

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
Ocean and Coastal Resource Management
Charleston Office · 1362 McMillan Ave. Suite 400 · Charleston, SC 29405-2047
Phone: 843-953-0200 · Fax: 843-953-0201 · www.scdhec.gov

D H E C

PROMOTE PROTECT PROSPER

C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

## Notice of Appeal Procedure
Pursuant to S.C. Code Section 44-1-60

1. This decision of the S.C. Department of Health and Environmental Control (Department) becomes the final agency decision 15 calendar days after notice of the decision has been mailed to the applicant or respondent, unless a written request for final review accompanied by a filing fee in the amount of $100 is filed with the Department by the applicant, permittee, licensee, or affected person.

2. An applicant, permittee, licensee, or affected person who wishes to appeal this decision must file a timely written request for final review with the Clerk of the Board at the following address or by facsimile at 803-898-3393. A filing fee in the amount of $100 made payable to SC DHEC must also be received by the Clerk within the time allowed for filing a request for final review. However, if a request for final review is filed by facsimile, the filing fee may be mailed to the Clerk of the Board if the envelope is postmarked within the time allowed for filing a request for final review.

   Clerk of the Board
   SC DHEC
   2600 Bull Street
   Columbia, SC 29201

3. In order to be timely, a request for final review must be received by the Clerk of the Board within 15 calendar days after notice of the decision has been mailed to the applicant or respondent. If the 15th day occurs on a weekend or State holiday, the request is due to be received by the Clerk of the Board on the next working day. The request for final review must be received by the Clerk of the Board by 5:00 p.m. on the date it is due. A request for final review will be returned to the requestor if the filing fee is not received on time as described above.

4. The request for final review should include the following:
   a. the grounds on which the Department's decision is challenged and the specific changes sought in the decision
   b. a statement of any significant issues or factors the Board should consider in deciding whether to conduct a final review conference
   c. a copy of the Department's decision for which review is requested

5. If a timely request for final review is filed with the Clerk of the Board, the Clerk will provide additional information regarding procedures. If the Board declines in writing to schedule a final review conference, the Department's decision becomes the final agency decision and an applicant, permittee, licensee, or affected person may request a contested case hearing before the Administrative Law Court within 30 calendar days after notice is mailed that the Board declined to hold a final review conference.

**The above information is provided as a courtesy; parties are responsible for complying with all applicable legal requirements.**

July 1, 2010

SEE SPECIAL CONDITION(S)

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
*OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT*

# CRITICAL AREA PERMIT & COASTAL ZONE CONSISTENCY CERTIFICATION

| | |
|---|---|
| **Permittee(s):** | **Ashley River Properties II, LLC** |
| **Permit Number(s):** | **2008-01005-2IR-P** |
| **Date of Issuance:** | **October 6, 2011** |
| **Expiration Date:** | **October 6, 2016** |
| **Location:** | **On and adjacent to Ripley Canal and the Ashley River at 95 Ripley Pointe Drive, Charleston, Charleston County, South Carolina** |

This permit is issued under the provisions of S. C. Code Ann. Section 48-39-10, *et seq.*, and 23A S.C. Code Ann. Regs. 30-1 through 30-18 (Supp. 2005). Please carefully read the project description and any special conditions that may appear on this permit/certification as they will affect the work that is allowed. If there are no special conditions, then the work is authorized as described in the project description and as modified by the general conditions. The general conditions are also a part of this permit/certification and should be read in their entirety. The S. C. Contractor's Licensing Act of 1999, enacted as S.C. Code Ann. Section 40-11-5 through 430, requires that all construction with a total cost of $5,000 or more be performed by a licensed contractor with a valid contractor's license for marine class construction, except for construction performed by a private landowner for strictly private purposes. Your signature on and acceptance of this permit denotes your understanding of the stated law regarding use of licensed contractors. **All listed special and general conditions will remain in effect for the life of the project if work commences during the life of the permit. This applies to permittee, future property owners, or permit assignees.**

SEE SPECIAL CONDITION(S)

## DESCRIPTION OF THE PROJECT, AS PERMITTED

This permit has been issued to expand the existing marina with minor changes. Specifically, the permittee will expand the existing facility by adding approximately 11,510 linear feet of additional floating dock structure to accommodate 186 additional pleasure craft. The project will include replacing the previously permitted 8' wide floating dock that runs parallel to the main channel in the Ripley Light Marina basin with an 18' wide by 1,125 linear foot structure. The additional 10' of new floating dock width will be created by locating the new structure no closer than 10' from the adjacent marsh grass boundary. In addition, all affected boat slips will be shortened so that no further encroachment into the marina basin channel will occur. This floating dock will be attached to a 60' by 80' fixed platform at the mouth of Ripley Cove. Additional floating docks attached to the fixed platform will provide 4,835 linear feet of dock for 65- boat slips, 3,420 linear feet of dock for 55-boat slips, 1,000 linear feet of dock for 40-foot boat slips, 585 linear feet for 45-foot boat slips, 770 linear feet of dock for 70 boat slips, 500 linear feet of T-head dock and 90 linear feet of dock for 1 slip. The fixed platform will house the operation offices and restrooms. The proposed marina expansion will include both gasoline and diesel fueling services. It is also noted that the proposed expansion will be located on the now disestablished Ashley River Anchorage Area #2. The purpose of the permitted activity is to expand the existing public marina to accommodate 186 additional boats for recreational boating in the Charleston Harbor.

## SPECIAL CONDITIONS

1. Provided operations of the marina shall be reviewed by the Department as deemed appropriate, but at least every five years. Based on this review, the Department may require, among other things, changes or additions to the Operations and Maintenance Manual (manual) to address any water quality or other environmental problems, and a reduction in the size of, or a change in the configuration of, the marina. Such action may be taken at any time the Department determines that significant state water quality compliance or other problems exist, at the time the Department enlarges the closure area, or at the time of a review. The manual submitted for this facility is made a part of this permit and must be followed in the operation of this facility unless otherwise amended in writing by OCRM. The manual must be reviewed and revised to keep it up-to-date with existing facilities and operations. The manual must be in accordance with R. 30-12(E)(6) or the Rules and Regulations for Permitting in the Critical Areas of the Coastal Zone and with OCRM's Marina/Commercial Dock Operations And Maintenance Manual Requirements.

2. Provided the marina is revised in accordance with Attachment "A" and both drawings labeled Attachment "B"

3. Provided the Operations and Maintenance Manual is modified to reflect the changes indicated on the drawings labeled Attachment "A" and both drawings labeled Attachment "B".

SEE SPECIAL CONDITIONS(S)

4. Provided the work is conducted during periods of decreased biological activity between November 1st and March 30th, whenever possible.

5. Provided a functional wastewater pumpout system must be provided at the marina and must be adequate to handle all wastewater generated at the marina. The design and installation of the pumpout and disposal system must be approved by SCDHEC's Division of Domestic Wastewater, Construction Management Section. No dock may be occupied until the pumpout and disposal system has been built and given a final permit to operate by SCDHEC.

6. Provided the wastewater pumpout services are provided to permanent tenants and transients or other users of the marina.

7. Provided the discharge of any kind of waste into state waters, including, but not limited to, garbage, refuse, trash or debris, will be prohibited at the marina. Any lease agreement used to rent dock space shall include a statement prohibiting the discharge of these items or general garbage or other deleterious substances into the waters of the marina. It will also stress the need to maintain good water quality within the marina.

8. Provided the storage and disposal of new or used batteries, oil or lubrication containers, fuel containers, solvents, toxic cleaners, paint cans, etc., on the marina docks is prohibited.

9. Provided if power washing of boats is to be conducted at the marina then it must be conducted on a designated upland area and is not allowed over the water. Wastewater from this operation must be properly treated and cannot be directly discharged into the adjacent waters.

10. Provided the marina must provide additional adequate bathroom facilities at a location to encourage their use. The additional bathrooms must be at a ratio of one toilet, and one lavatory for women and one toilet, one urinal, and one lavatory for men for every additional 100 boat slips or fraction thereof. No dock may be occupied until the additional bathrooms have been given final approval by SCDHEC.

11. Provided adequate parking for users of the marina shall be demonstrated as either one parking space for every three wet slips or the spaces required by the applicable local government parking regulation, whichever is greater. The approved parking plan must be submitted to OCRM and given written approval prior issuance of the construction placard.

12. Provided one reasonably sized dock master's office may be constructed within the permitted marina. This office will be limited to water dependent use only such as fuel sales. Restroom facilities may be placed in this office, however, food and beverage services, clothing sales and other non-water dependent uses are prohibited.

13. Provided the plans for potable water supplied to the marina docks must be approved in writing by SCDHEC.

SEE SPECIAL CONDITION(S)

14. Provided the marina must have adequate booms available to isolate any oil or fuel spill around the fuel dock, a leaking boat, or a sunken boat. These booms must be stored in a location where they are quickly and easily accessible.

15. Provided the marina must have absorbent pads available for boat use and for removing incidental spills during fueling operations.

16. Provided an experienced operator shall be in charge of the marina and be responsible for compliance with the Operations and Maintenance Manual and with all conditions of the permit.

17. Provided the marina lease agreement with boat owners must include a provision requiring the boat owners comply with all applicable State and Federal regulations. The marina shall ensure that violations are reported promptly to the proper authorities.

18. Provided the marina shall promptly display and distribute material pertaining to the maintenance of water quality standards at the marina and report violations of such standards to the proper authorities.

19. Provided a complete copy of the marina permit, including the Operations and Maintenance Manual and all conditions or requirements placed on the permit, shall be readily available at the marina.

20. Provided all parts of the docking structure are used for water dependent purposes only. No food or beverage service, vending machines, T-shirt sales, concessions, etc. are allowed on or across these dock facilities.

21. Provided the facilities and services within the marina are the responsibility of the marina owner/operator (permittee) unless otherwise legally authorized.

22. Provided that if dock boxes are allowed at the marina then they should be of a type that is leak-proof so that any material that spills or leaks inside the box will not leak out onto the marina docks and into the waters of the marina.

23. Provided that nonwater dependent structures, including buildings, houses, or offices that float, shall be prohibited at the marina unless specifically authorized by OCRM. OCRM shall at its discretion determine on a case-by-case basis whether or not a floating structure is a boat and thus exempt from the Act or in fact is a nonwater dependent structure. This shall be based upon the primary function of the floating structure. The mere fact that a structure is registered as a vessel or capable of being propelled does not mean it is exempt from the Department regulations.

4/24

SEE SPECIAL CONDITION(S)

24. Provided that an as-built survey of the marina must be submitted to the Department within 90 days of the expiration date of the final construction placard. The survey must be performed by a registered land surveyor, must show all components of the marina, and must list the starting and ending coordinates of the dock walkway in the SC State Plane Coordinate System, which can be obtained by survey-grade Global Positioning System equipment.

25. Provided that in the event that archaeological or paleontological remains are found during the course of work, the applicant should notify the South Carolina Institute of Archaeology and Anthropology (Mr. James Spirek at 803-777-8170) pursuant to South Carolina Underwater Antiquities Act of 1991, (Article 5 Chapter 7, Title 54, Code of Laws of South Carolina, 1976). Archaeological remains consist of any materials made or altered by man, which remain from past historic or prehistoric times (ie, older than 50 years). Examples include old pottery fragments, metal, wood, arrowheads, stone implements or tools, human burials, historic docks, structures, or non-recent vessel remains. Paleontological remains consist of old animal remains, original or fossilized, such as teeth, tusks, bone, or entire skeletons.

## SCDHEC-401 WATER QUALITY CONDITIONS

1. Provided the applicant must implement Best Management Practices on the upland portion of the project during construction to minimize pollutant runoff, erosion and migration of sediments on and off the project site during and after construction. These practices should include the use of appropriate grading and sloping techniques, mulches, vegetative buffer zones, runoff diversion measures, temporary stabilization, silt fences, source controls and other devices and practices capable of reducing or preventing pollutant runoff, erosion, migration of sediments, and bank failure. All disturbed land surfaces and sloped areas affected by the project must be stabilized and sloped with a minimum 3 to 1 slope upon completion.

2. Provided the applicant must develop a spill prevention and clean-up plan for this project. The plan should contain the names of the appropriate officials to contact in case of a reportable spill and outline measures to be taken. Clean up materials, such as absorbent pads, and booms must be kept at the project site for small spills. This plan must be submitted to the Department Of Health And Environmental Control for review and approval prior to initiation of the project.

3. Provided all necessary measures must be taken to prevent oil, sewage, tar, trash, debris and other pollutants from entering the adjacent waters or wetlands during construction.

SEE SPECIAL CONDITION(S)

4. Provided any lease agreement used to rent dock space shall include a statement prohibiting the discharge of oil, and gas; paint; litter, debris, wastewater, or other deleterious substances into the waters of the marina. It will also stress the need to maintain good water quality within the marina.

5. Provided anti-fouling paint must be used on any bulkheads, pilings, docks, or dock supports within the confines of the facility.

6. Provided litter receptacles must be located on the areas approaching the dock or on the fixed pierhead. Containers for toxic substances shall not be placed over or near the water.

7. Provided the floating docks must be constructed with encased or encapsulated flotation devices.

8. Provided signs must be posted on all docks, piers and areas adjacent to the facility stating the following:

*It is against both Federal and State Laws to discharge raw, untreated sewage from any description of watercraft into the waters of South Carolina.*

These signs should be at least 14" by 18" in size so they can be read clearly.

9. Provided to insure the fueling system will not result in adverse water quality conditions, the following measures should be incorporated:

a) The marina fueling system must be equipped with emergency pump cutoffs in the Harbor Master's facility and with manual cutoff valves at the tank, at the edge of the dock, and at the dispenser.
b) Shear valves should be installed at all dispensers.
c) Containment pans must be installed under all dispensers.
d) All product piping which is not underground must be double-walled. Do not use fiberglass reinforced piping in an above ground (or under/over water) application. The secondary containment must be of non-corrosive material compatible with hydrocarbons. The interstitial area of the double-walled piping should be monitored by either (1) piping sloped toward a sump where a sensor will shut off the product flow in the event of a primary piping leak, or (2) hydrocarbon sensors along the entire length of this piping if a slope is impossible to maintain.

10. Any painting, major engine repair, or other maintenance, which may result in a discharge to the water, must be performed in a designated upland site.

11. Provided all efforts must be made to protect existing native riparian vegetation in and along the shoreline areas.

12. Provided the marina expansion must be located and constructed with care to minimize disturbance and encroachments to shellfish beds and emergent marsh vegetation.

SEE SPECIAL CONDITION(S)

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS FOUR (4) AND FIVE (5). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS THE DEPARTMENT MAY CONSIDER APPROPRIATE.

Permit Number: 2008-01005-2IR-P

**Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.**

Lawrence L. Williams 10/21/11

PERRMITTEE(S)) (DATE)
**Ashley River Properties II, LLC**

**This permit becomes effective when the State official, designated to act for the Office of Ocean and Coastal Resource Management, has signed below.**

Fred Mallett Oct 06 2011

(WETLAND SECTION PROJECT MANAGER) (DATE)
**Fred Mallett**
**Or his Designee**
**Other Authorized State Official**

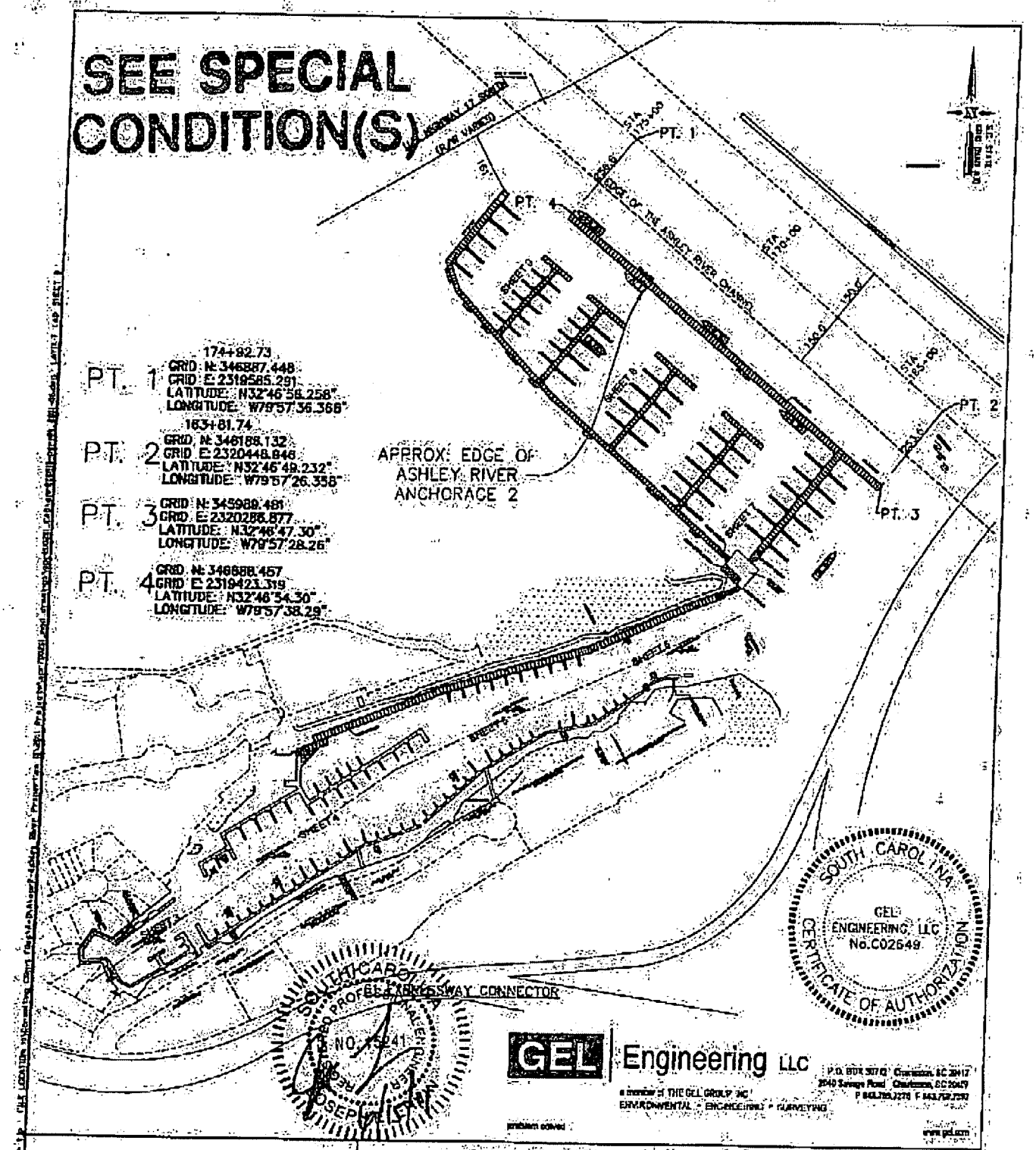
SEE SPECIAL CONDITION(S)

## *GENERAL CONDITIONS:*

This construction and use permit is expressly contingent upon the following conditions which are binding on the permittee:

1. That the permittee, in accepting this permit, covenants and agrees to comply with and abide by the provisions and conditions herein and assumes all responsibility and liability and agrees to save OCRM and the State of South Carolina, its employees or representatives, harmless from all claims of damage arising out of operations conducted pursuant to this permit.
2. That if the activity authorized herein is not constructed or completed within five years of the date of issuance, this permit shall automatically expire. A request, in writing, for an extension of time shall be made not less than thirty days prior to the expiration date.
3. That all authorized work shall be conducted in a manner that minimizes any adverse impact on fish, wildlife and water quality.
4. That this permit does not relieve the permittee from the requirements of obtaining a permit from the U. S. Army Corps of Engineers or any other applicable federal agency, nor from the necessity of complying with all applicable local laws, ordinances, and zoning regulations. This permit is granted subject to the rights of the State of South Carolina in the navigable waters and shall be subject, further, to all rights held by the State of South Carolina under the public trust doctrine as well as any other right the State may have in the waters and submerged lands of the coast.
5. That this permit does not convey, expressly or implicitly, any property rights in real estate or material nor any exclusive privileges, nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public, nor shall this permit be interpreted as appropriating public properties for private use.
6. That the permittee shall permit OCRM or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to ensure that the activity being performed is in accordance with the terms and conditions of this permit.
7. That any abandonment of the permitted activity will require restoration of the area to a satisfactory condition as determined by OCRM.
8. That this permit may not be transferred to a third party without prior written notice to OCRM, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit and thereby agreeing to comply.
9. That if the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and special signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.
10. That the permit construction placard or a copy of the placard shall be posted in a conspicuous place at the project site during the entire period of work.
11. That the structure or work authorized herein shall be in accordance with the plans and drawing attached hereto, and shall be maintained in good condition. Failure to build in accordance with the plans and drawings attached hereto, or failure to maintain the structure in good condition, shall result in the revocation of this permit.
12. That the authorization for activities or structures herein constitutes a revocable license. OCRM may require the permittee to modify activities or remove structures authorized herein if it is determined by OCRM that such activity or structures violates the public's health, safety, or welfare, or if any activity is inconsistent with the public trust doctrine. Modification or removal under this condition shall be ordered only after reasonable notice stating the reasons therefore and provision to the permittee of the opportunity to respond in writing. When the Permittee is notified that OCRM intends to revoke the permit, Permittee agrees to immediately stop work pending resolution of the revocation.
13. That OCRM shall have the right to revoke, suspend, or modify this permit in the event it is determined the permitted structure (1) significantly impacts the public health, safety and welfare, and/or is violation of Section 48-39-150, (2) adversely impacts public rights, (3) that the information and data which the permittee or any other agencies have provided in connection with the permit application is either false, incomplete or inaccurate, or (4) that the activity is not in compliance with the drawings submitted by the applicant. That the permittee, upon receipt of OCRM's written intent to revoke, suspend, or modify the permit has the right to a hearing. Prior to revocation, suspension, or modification of this permit, OCRM shall provide written notification of intent to revoke to the permittee, and permittee can respond with a written explanation to OCRM. (South Carolina Code Section 1-023-370 shall govern the procedure for revocation, suspension or modification herein described).
14. That any modification, suspension or revocation of this permit shall not be the basis of any claim for damages against OCRM or the State of South Carolina or any employee, agent, or representative of OCRM or the State of South Carolina.
15. That all activities authorized herein shall, if they involve a discharge or deposit into navigable waters or ocean waters, be at all times consistent with all applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to applicable federal, state and local laws.
16. That extreme care shall be exercised to prevent any adverse or undesirable effects from this work on the property of others. This permit authorizes no invasion of adjacent private property, and OCRM assumes no responsibility or liability from any claims of damage arising out of any operations conducted by the permittee pursuant to this permit.

8/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 2
OVERALL PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

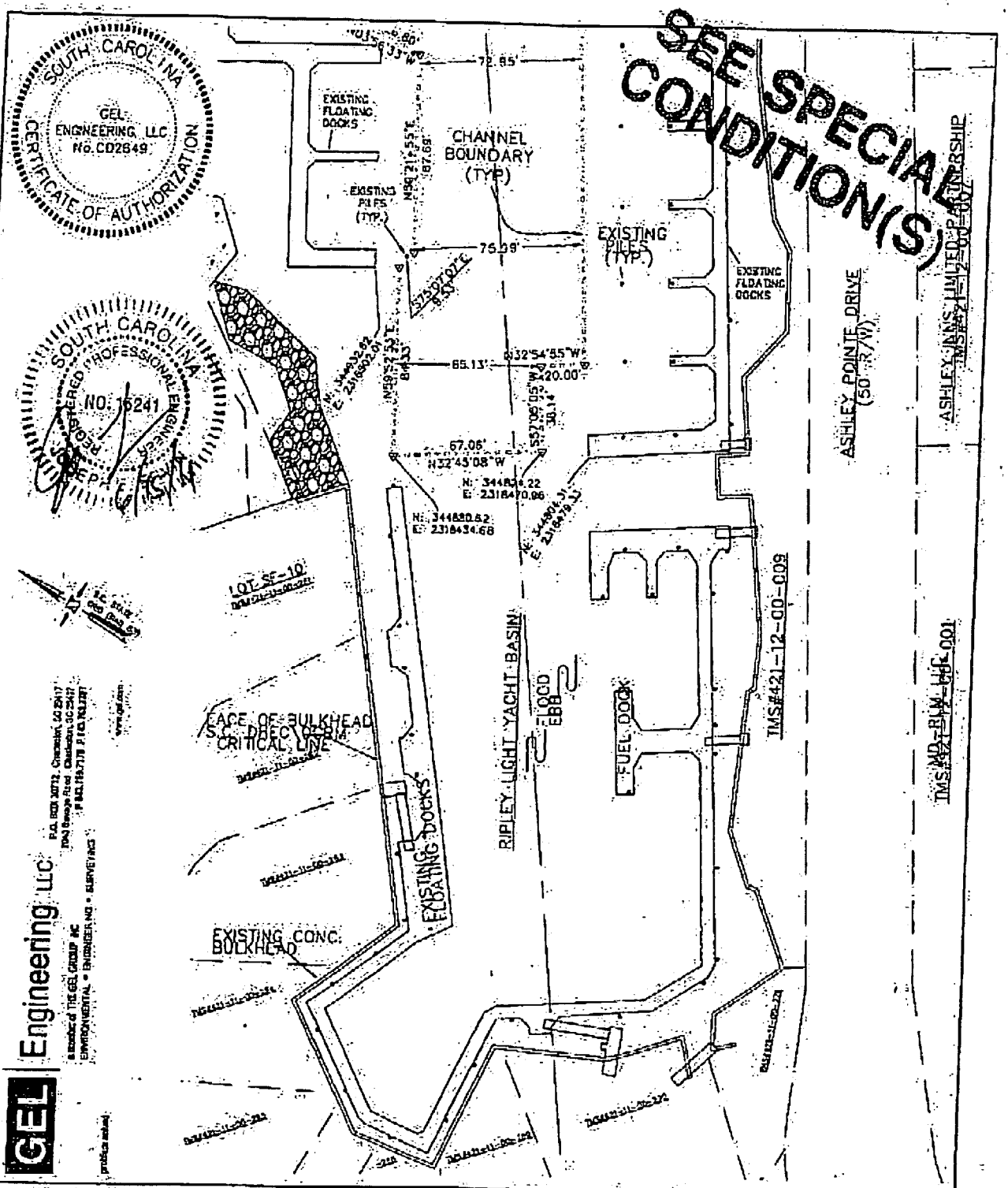
SHEET: 2 OF 13

REVISED DATE: 8/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a member of THE GEL GROUP, INC.

9124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 3
PLAN VIEW

NOT TO SCALE

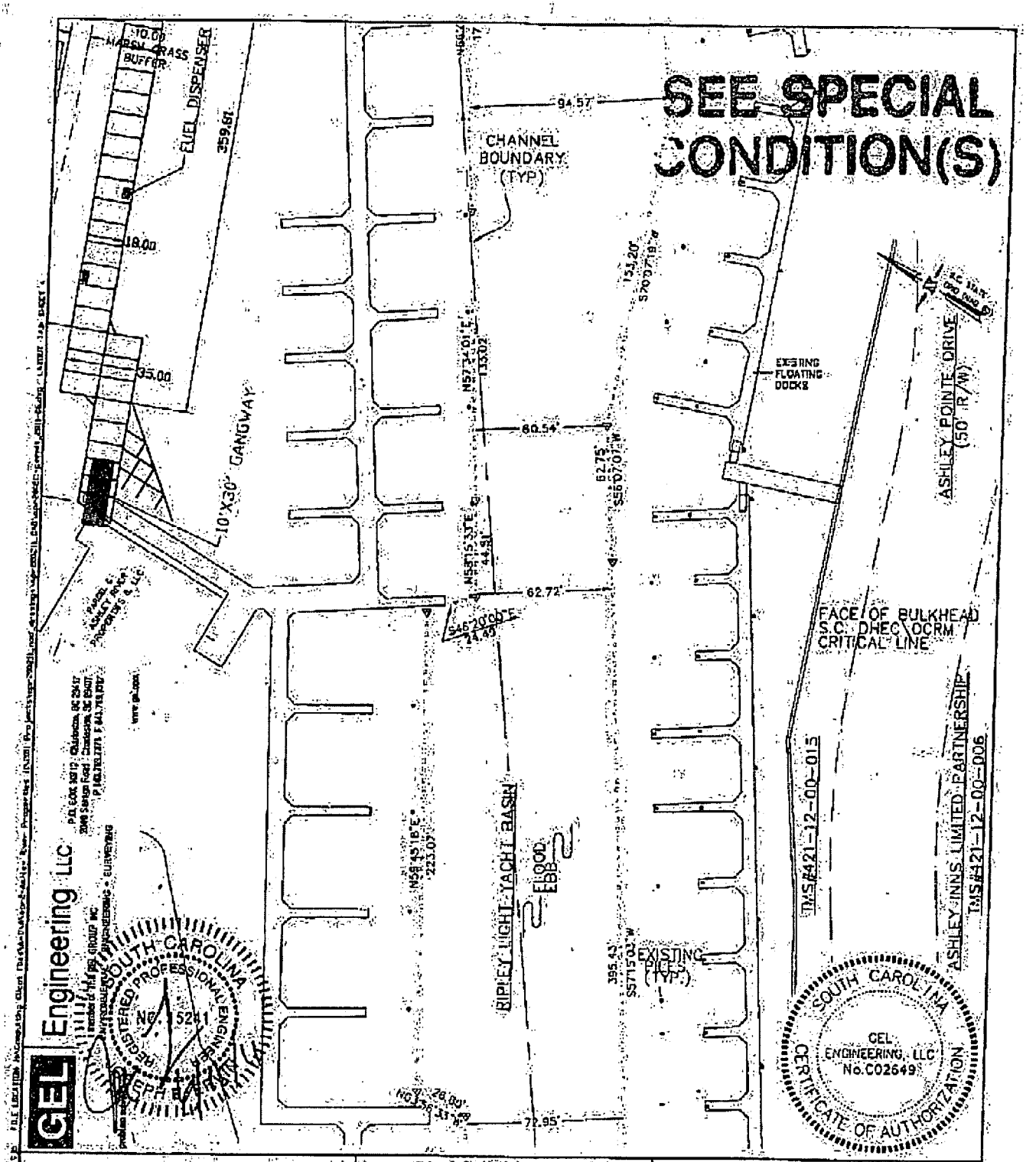
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON SOUTH CAROLINA
SHEET: 3 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a Member of THE GEL GROUP, INC.

10124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 4
PLAN VIEW

NOT TO SCALE

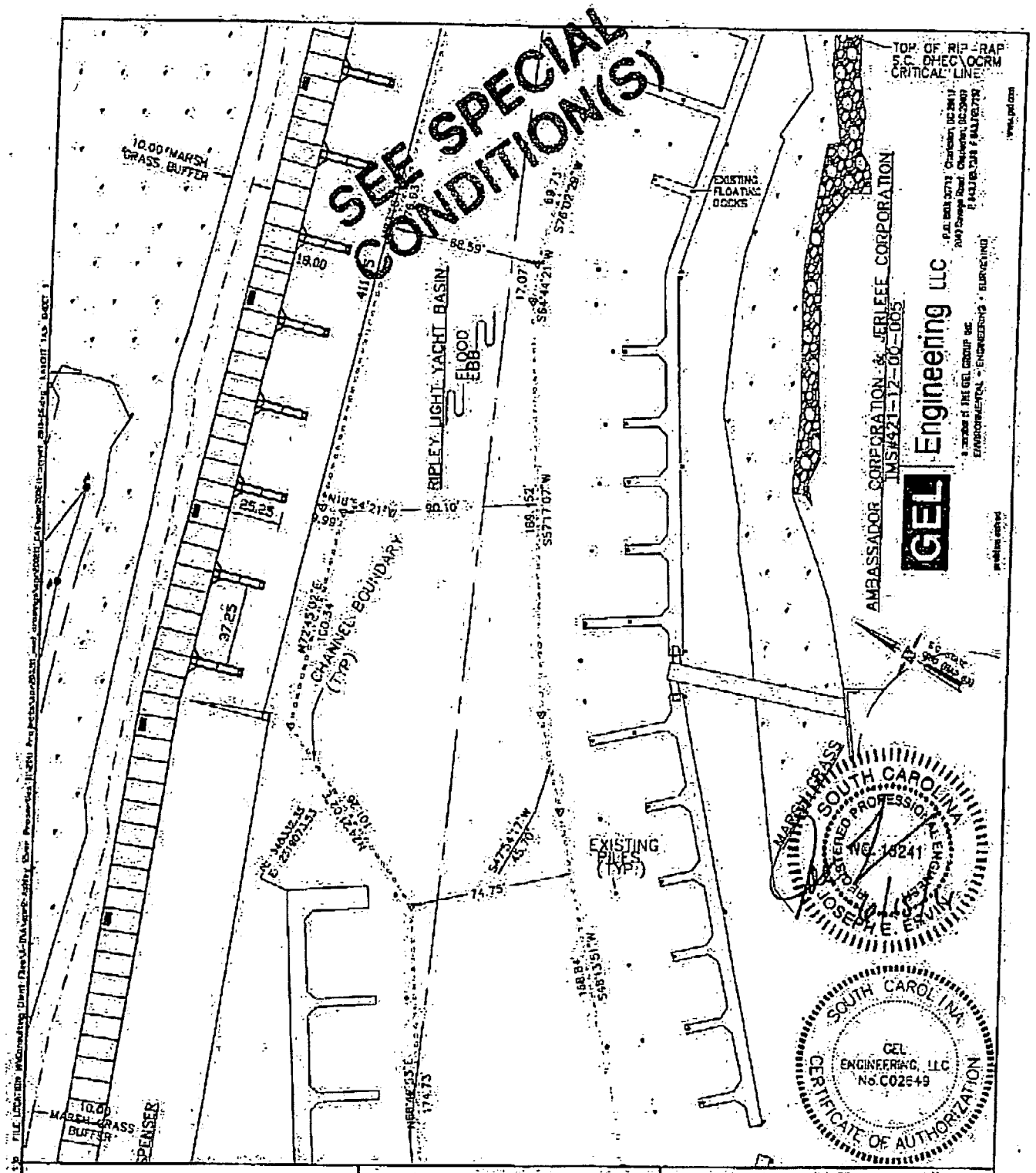
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 4 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/09

CEL ENGINEERING, LLC

A Member of THE CEL GROUP, INC.

11124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 5
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 5 OF 13

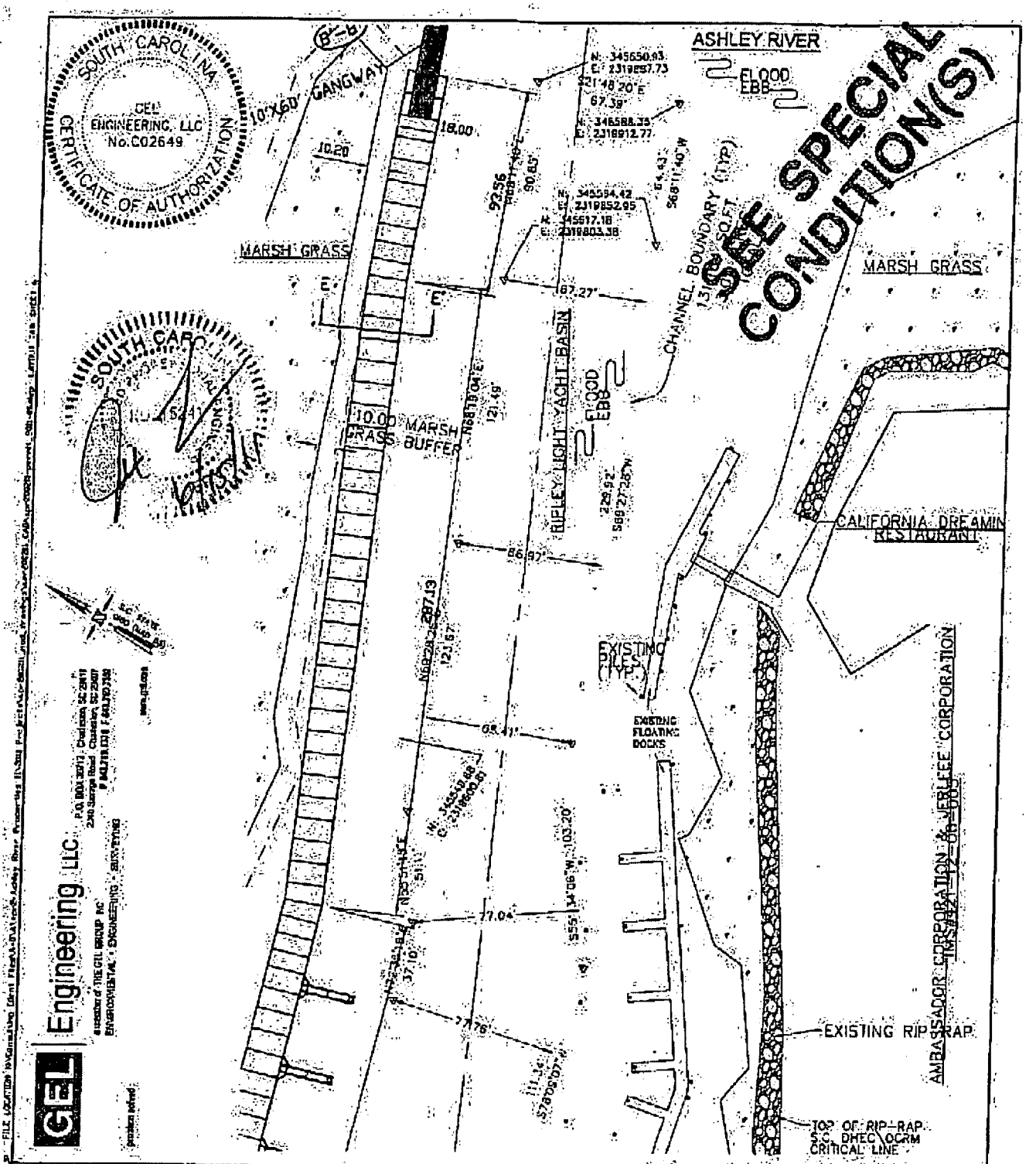
REVISED DATE: 6/2/2011

DATE: 5/12/08

GEL ENGINEERING, LLC

a Member of the GEL GROUP, INC.

12/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 6
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

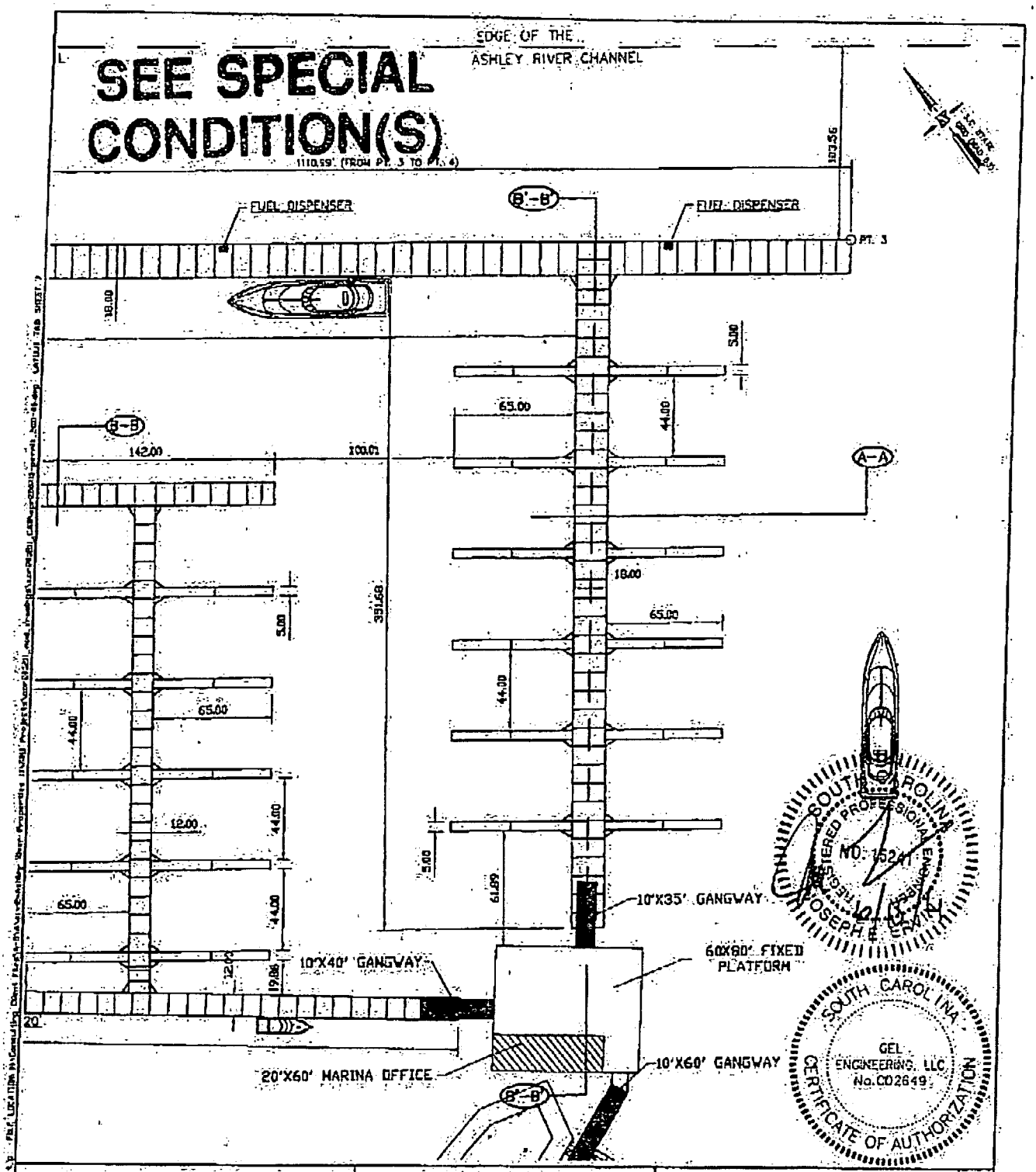
SHEET: 6 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

A Member of THE GEL GROUP, INC.

13124




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST.

SURVEY DATUM: MLW

FIGURE 7
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

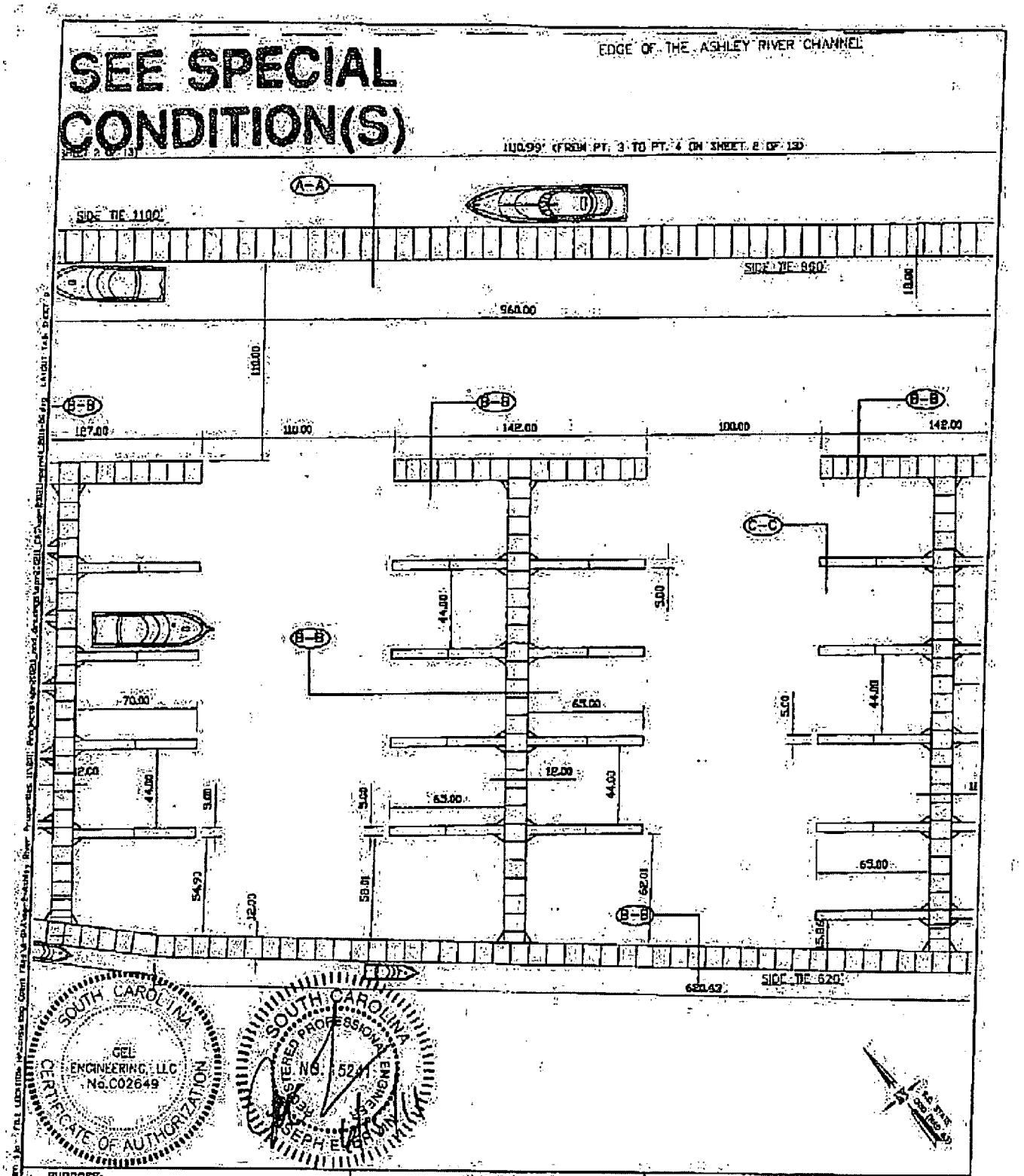
SHEET: 7 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

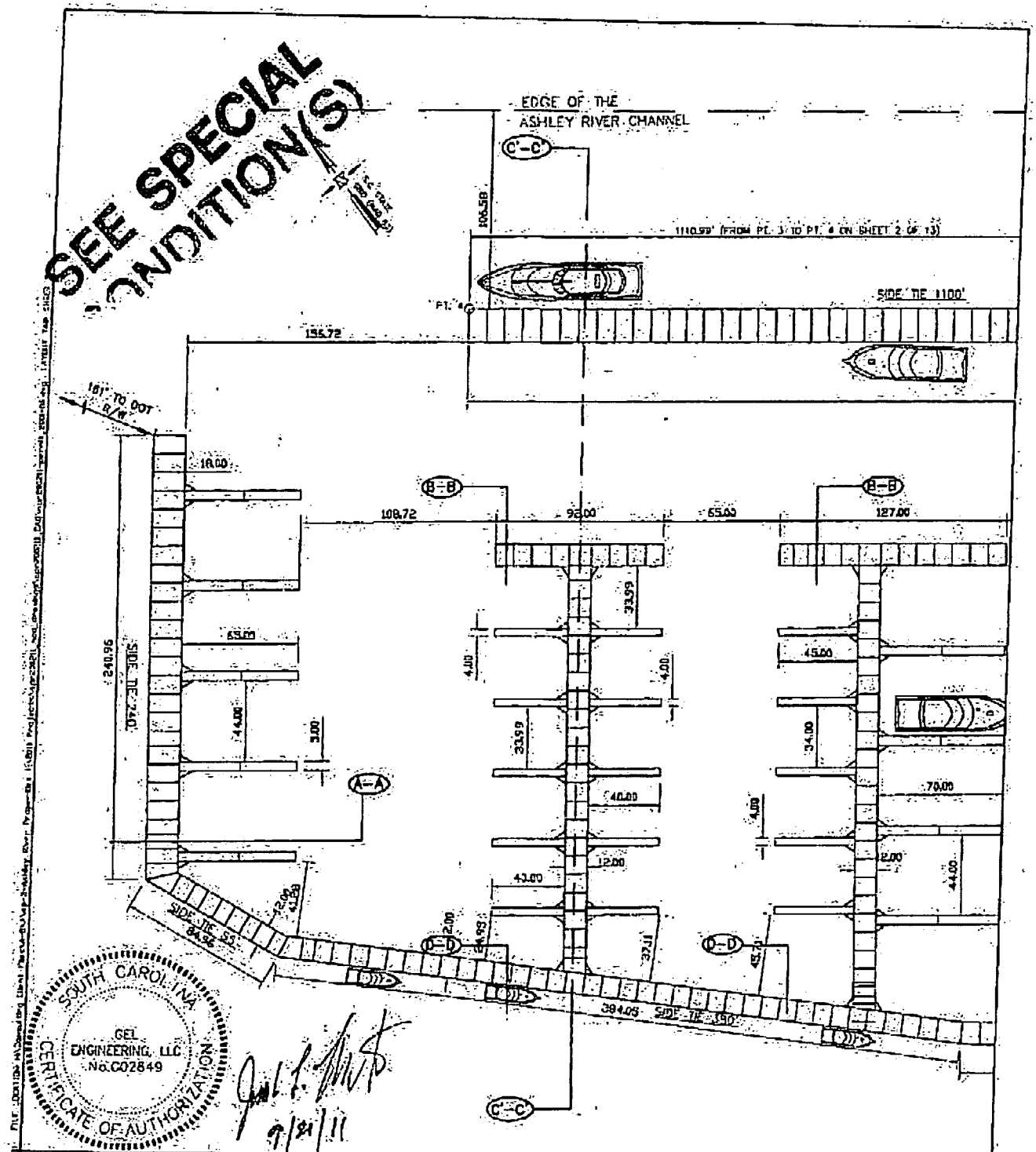
GEL ENGINEERING, LLC

14124

# SEE SPECIAL CONDITION(S)

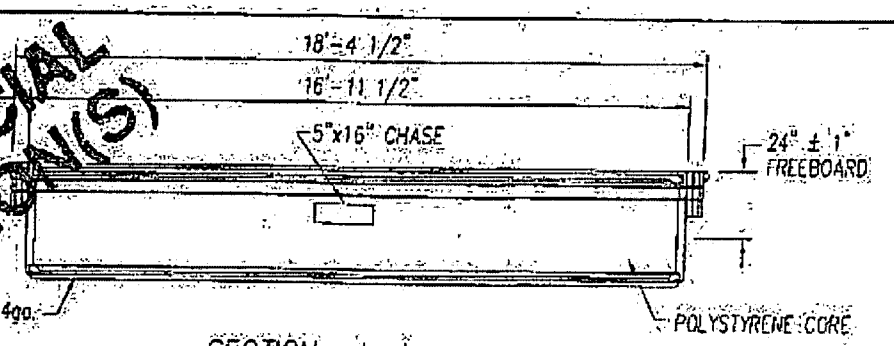



LS 124

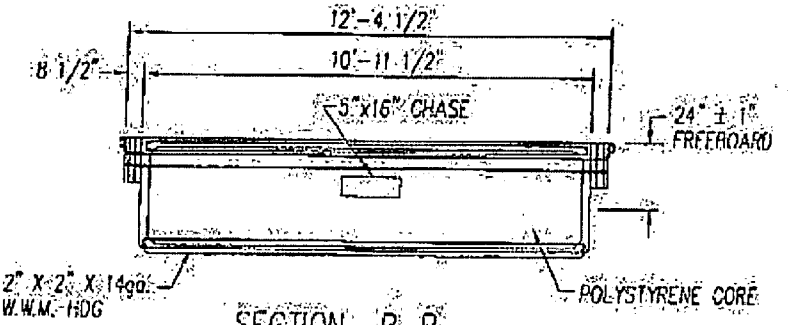

SEE SPECIAL CONDITION(S)
EDGE OF THE ASHLEY RIVER CHANNEL
C'-C'
106.58
1110.99' (FROM PT. 3 TO PT. 4 ON SHEET 2 OF 13)
SIDE TIE 1100'
PT. 4
155.72
181' TO DOT R/W
18.00
B-B
108.72
93.00
65.00
127.00
240.96
SIDE TIE 240'
65.00
44.00
3.00
33.99
4.00
45.00
34.00
A-A
40.00
70.00
12.00
43.00
44.00
SIDE TIE 84.36
D-D
394.05' SIDE TIE 390'
C'-C'
SOUTH CAROLINA
GEL ENGINEERING, LLC
No. C02849
CERTIFICATE OF AUTHORIZATION
9/21/11
PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST
SURVEY DATUM: MLW
FIGURE 9
PLAN VIEW
NOT TO SCALE
RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407
PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 9 OF 13
REVISED DATE: 9/2/2011
DATE: 5/12/08
CEL ENGINEERING, LLC
a Member of THE CEL GROUP, INC.

16/24

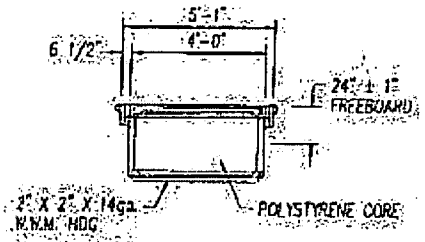
SEE SPECIAL CONDITION(S)



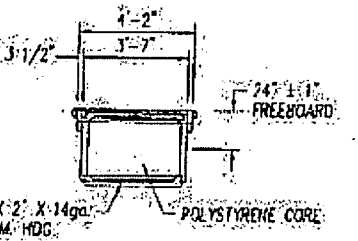

SECTION A-A




SECTION B-B




SECTION C-C




SECTION D-D

GEL Engineering LLC
a member of THE GEL GROUP, INC
ENVIRONMENTAL • ENGINEERING • SURVEYING
P.O. BOX 30711, Charleston, SC 29417
2040 Savage Road, Charleston, SC 29407
P 843.769.7318 F 843.769.7391
www.gel.com

SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER NO. 16241 JOSEPH E. ERVIN

SOUTH CAROLINA GEL ENGINEERING, LLC No.C02049 CERTIFICATE OF AUTHORIZATION

PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 10
FLOATING DOCK X-SECTIONS

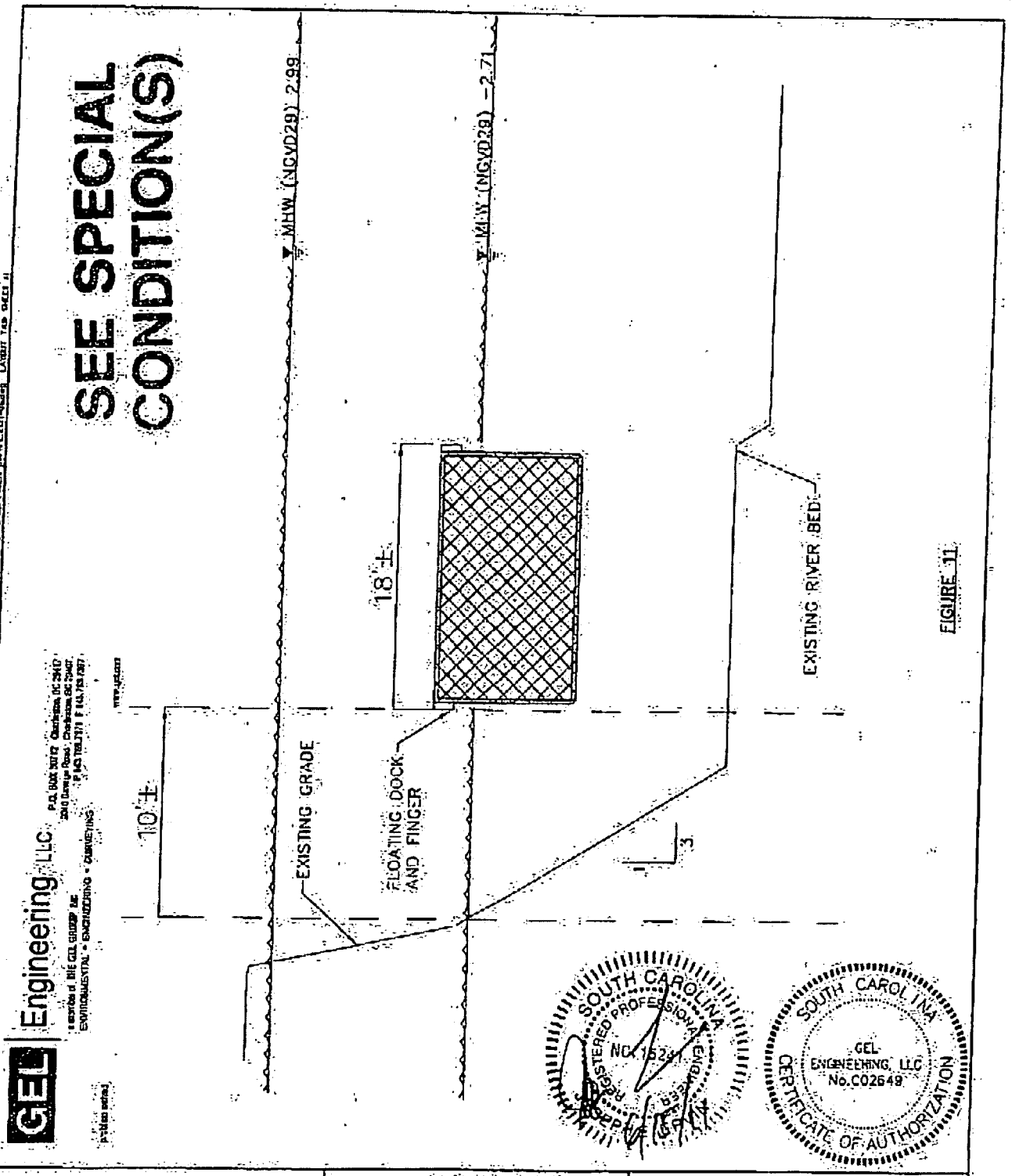
NOT TO SCALE

RIPLEY LIGHT MARINA, POA
56 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 10 OF 13
REVISED DATE: 6/2/2011
DATE: 5/12/08

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17/24



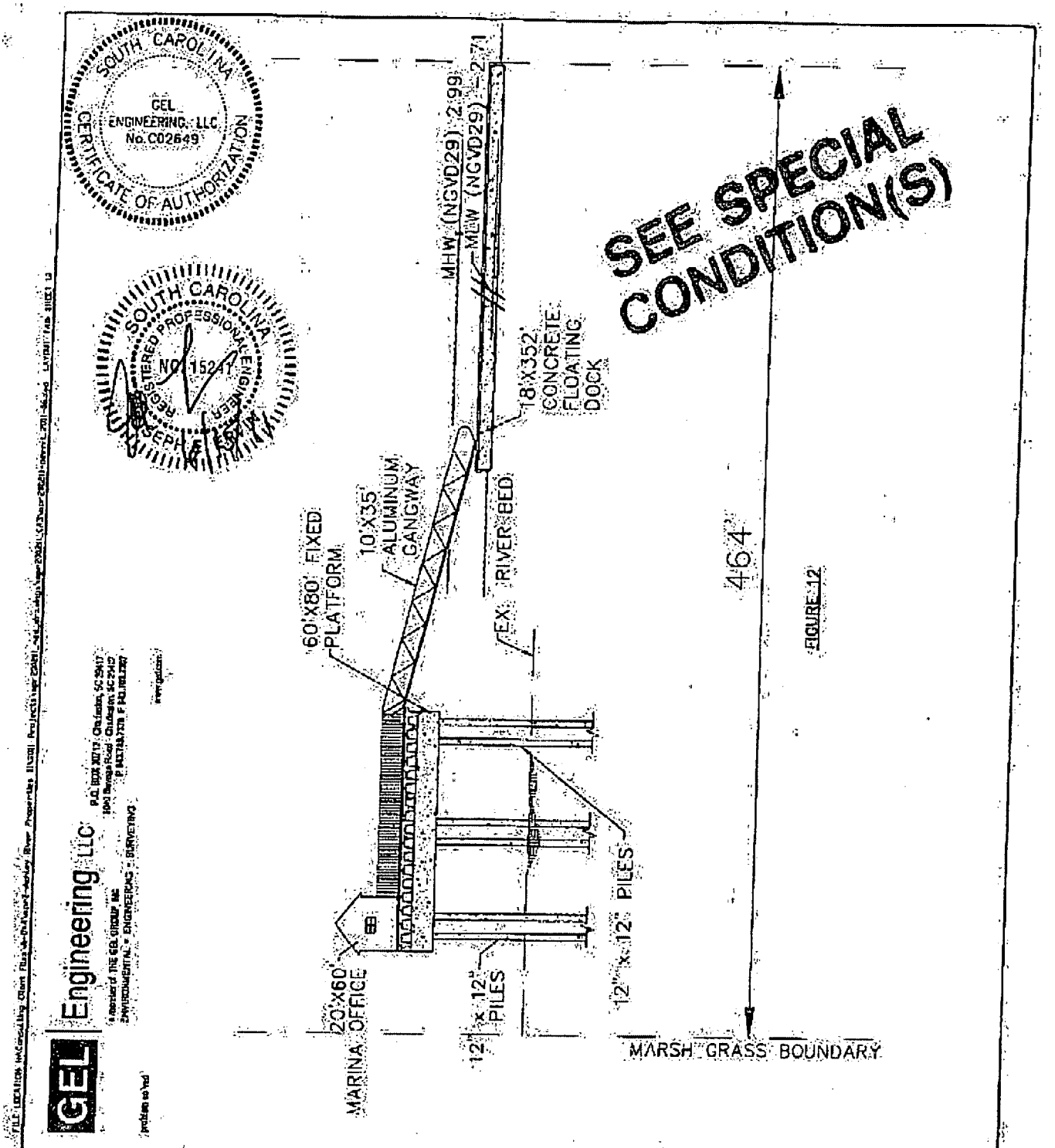

| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 11<br>CROSS SECTION E'-E'<br>NOT TO SCALE<br>RIPLEY LIGHT MARINA, POA<br>56 ASHLEY POINTE DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 11 OF 13<br>REVISED DATE: 8/2/2011<br>DATE: 6/12/09 |

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18/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST.

SURVEY DATUM: MLW

FIGURE 12
CROSS SECTION B - B'

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
56 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET: 12 OF 13

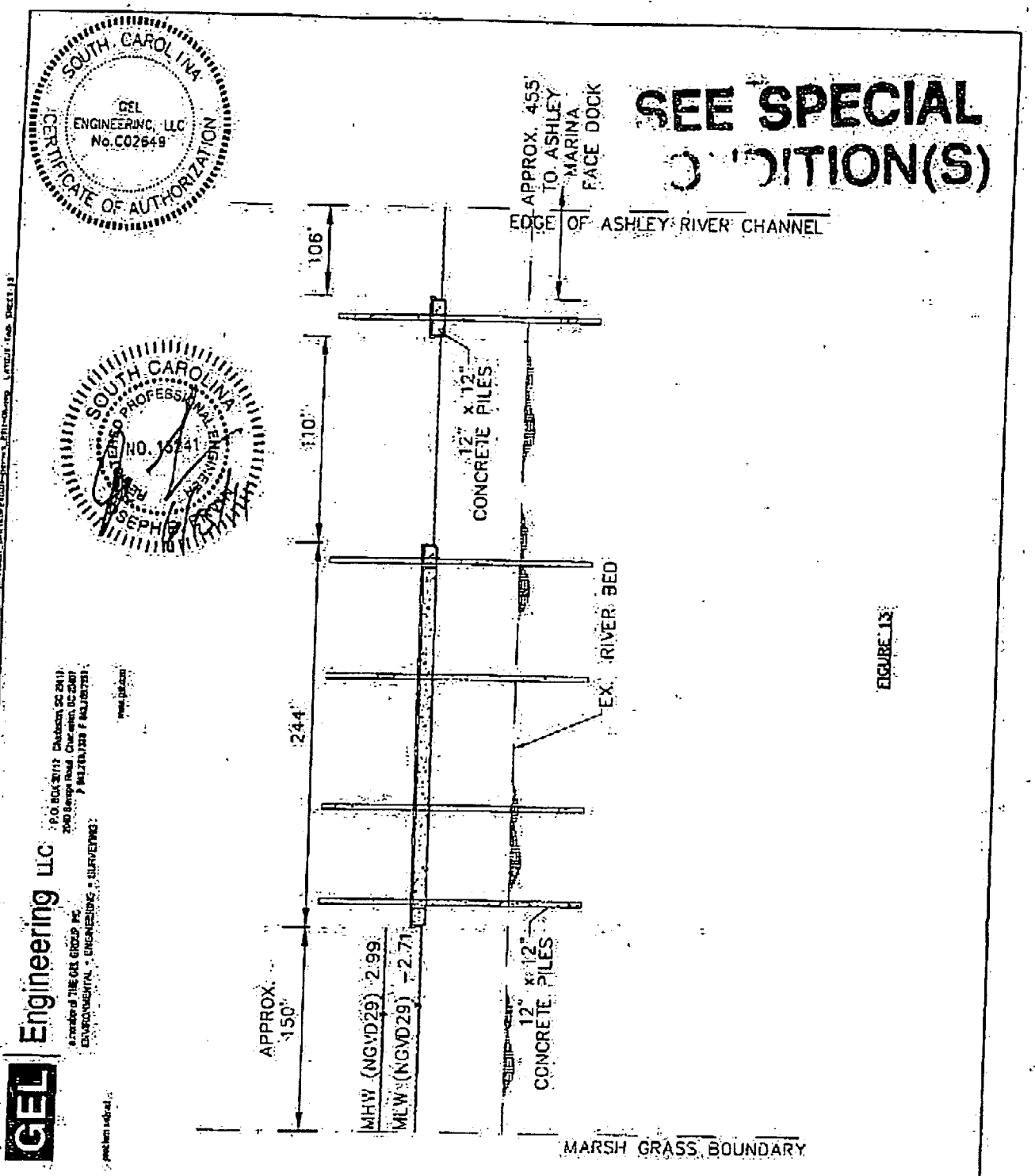
REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a Member of THE GEL GROUP, INC

19124

SEE SPECIAL
CONDITION(S)




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 13
CROSS SECTION C'-C'

NOT TO SCALE

RIPLEY LIGHT MARINA, POA
56 ASHLEY POINTE DRIVE
CHARLESTON, SOUTH CAROLINA, 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
ON: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

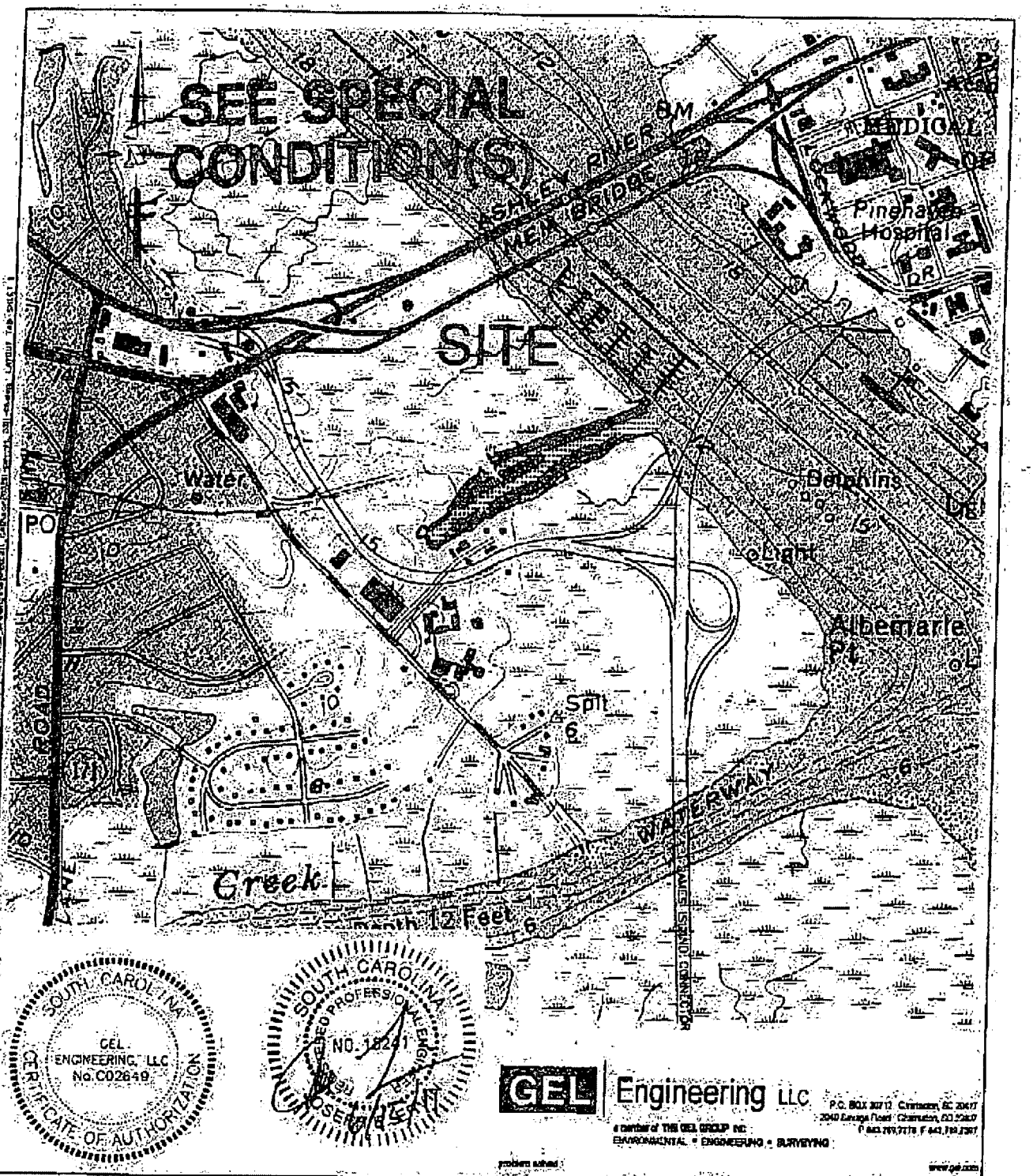
SHEET: 13 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

GEL ENGINEERING, LLC

a Member of the GEL GROUP, INC

20/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: CHARLESTON 7.5 QUAD

FIGURE 1
QUAD LOCATION MAP
SCALE: 1" = 1000'

0 500 1000

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA

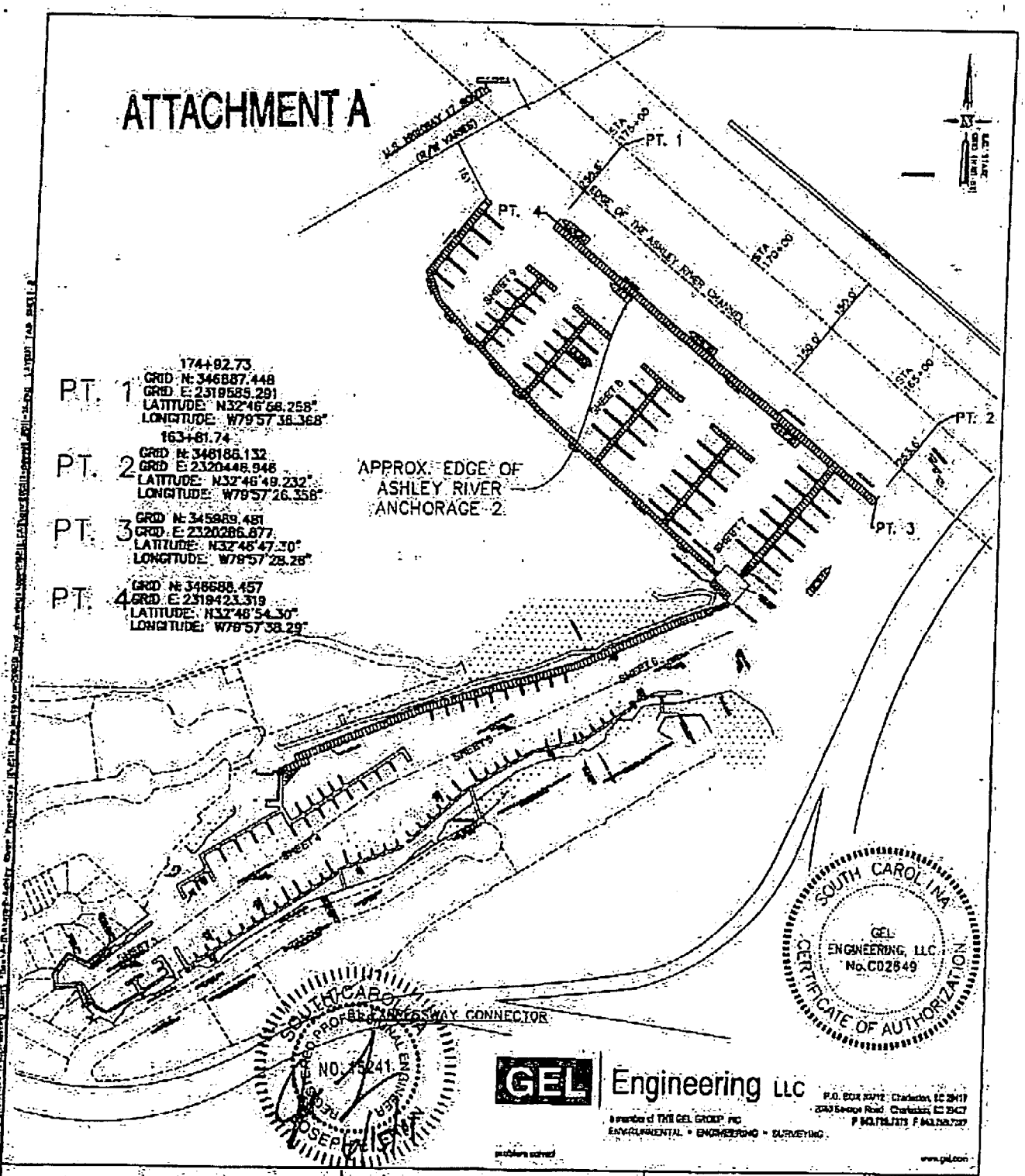
SHEET: 1 OF 13

REVISED DATE: 6/2/2011
DATE: 8/12/08

GEL ENGINEERING, LLC — a Member of THE GEL GROUP, INC.

21124

# ATTACHMENT A

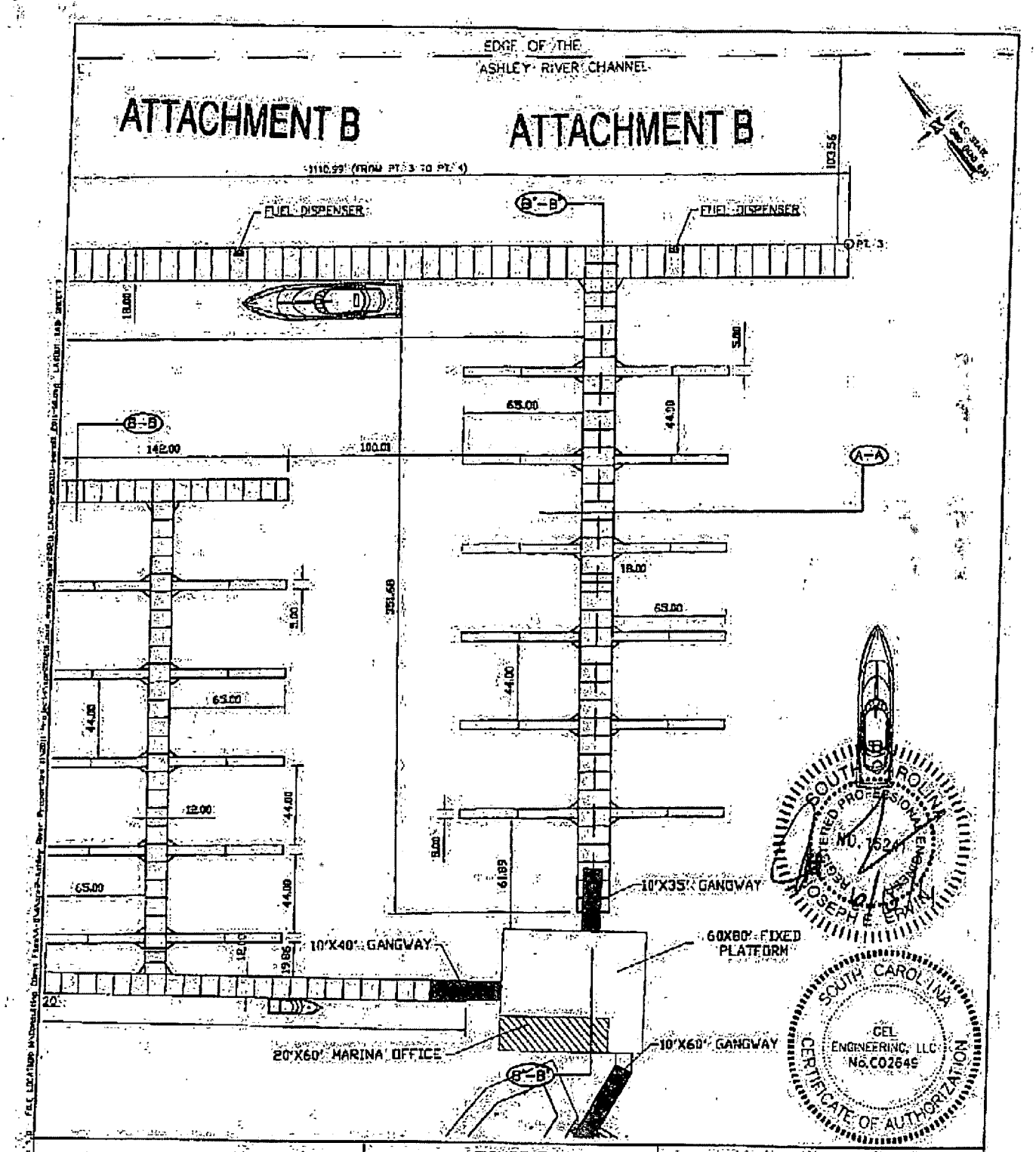



| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 2<br>OVERALL PLAN VIEW<br>NOT TO SCALE<br>RIPLEY LIGHT YACHT CLUB<br>95 RIPLEY POINT DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 2 OF 13<br>REVISED DATE: 6/2/2011<br>DATE: 5/12/08 |

GEL ENGINEERING, LLC

A Member of THE GEL GROUP, INC.

22/24




PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 7
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION

AT: RIPLEY LIGHT MARINA BASIN

IN: ASHLEY RIVER

COUNTY OF: CHARLESTON, SOUTH CAROLINA

SHEET 7 OF 13

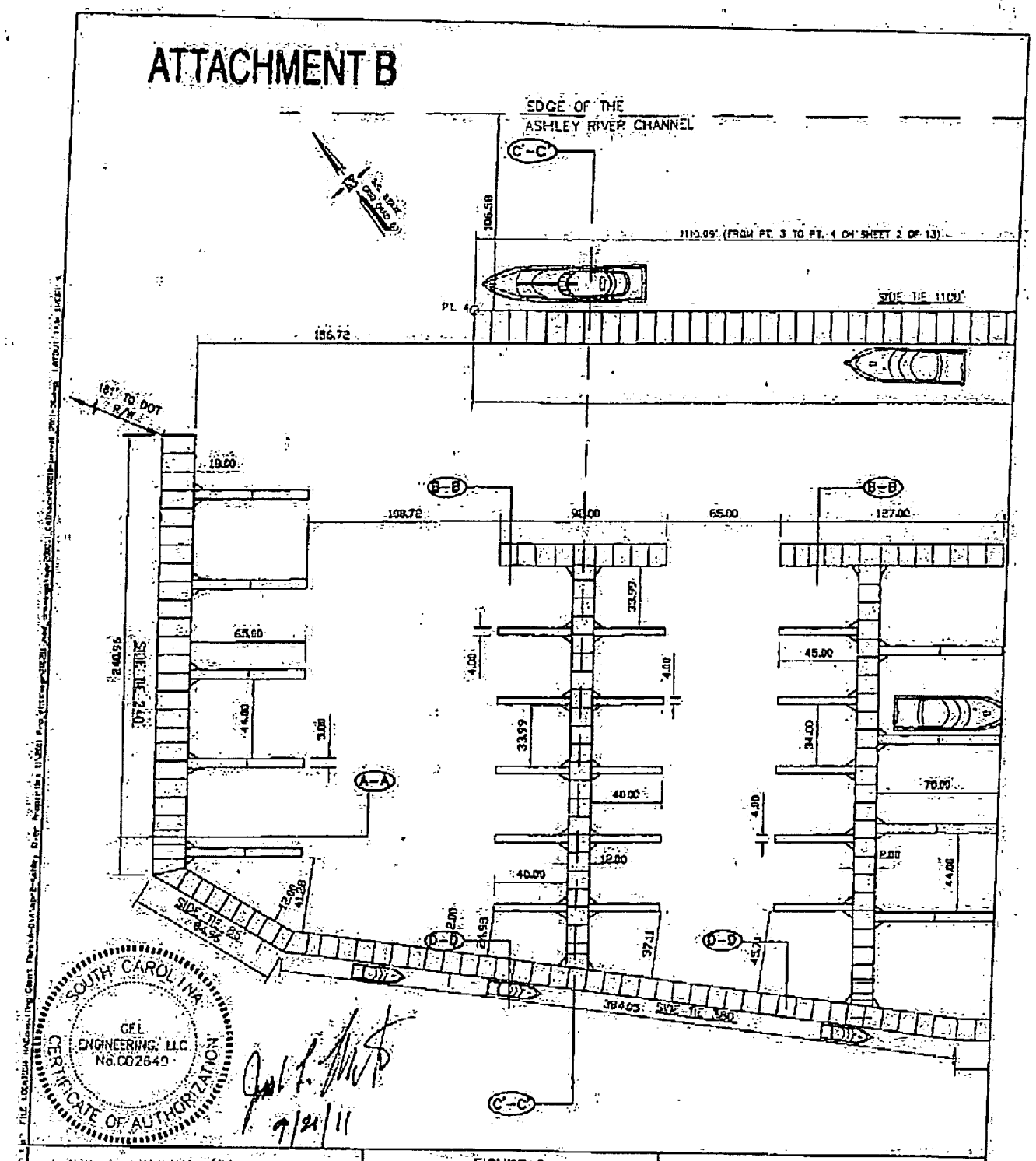
REVISED DATE: 6/2/2011
DATE: 5/12/06

GEL ENGINEERING, LLC

A MEMBER OF THE GEL GROUP, INC.

23/24

# ATTACHMENT B




PURPOSE: MARINA EXPANSION
ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST

SURVEY DATUM: MLW

FIGURE 9
PLAN VIEW

NOT TO SCALE

RIPLEY LIGHT YACHT CLUB
85 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB
MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON,
SOUTH CAROLINA

SHEET: 9 OF 13

REVISED DATE: 6/2/2011
DATE: 5/12/08

CEL ENGINEERING, LLC

a Member of THE CEL GROUP, INC.

**Socha, Robin C SAC**

**From:** Socha, Robin C SAC
**Sent:** Wednesday, February 01, 2012 2:24 PM
**To:** 'Davidson Williams'
**Subject:** RE: Ashley River Marina Permit (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Davidson,
The issue of public vs private marinas has been an issue within our District for some time. It involves a "change of use" as permittees have sold slips making marinas that were issued a permit to operate as "public marinas" into "private marinas".
The application for the proposed expansion of the Ashley River Marina, when it was submitted stated, "The proposed marina expansion will be to offer the general public access to the waters of the Charleston Harbor and surrounding waters of Charleston, South Carolina." There was no mention in the application of "private" berths. Therefore, the project was not advertised as a combination public/private marina. It was just advertised as "public". After discussions with Tina, our permit will have to be issued for a public marina. If you want to make it a combination public/private marina we will have to advertise it as a "change of use". We have done that with other marinas and it hasn't been a problem.
I'm finalizing this permit now, and I wanted you to be aware that the permit will include a special condition reading, "The permittee understands and agrees that the marina will remain a public marina. Any changes from public to private (through the sale of boat slips) must be addressed through the permitting process prior to those changes occurring."

--Robin

-----Original Message-----
From: Davidson Williams [mailto:ddwilliams@Krittmgmt.com]
Sent: Tuesday, January 24, 2012 11:12 AM
To: Socha, Robin C SAC
Subject: RE: Ashley River Marina Permit (UNCLASSIFIED)

Hi Robin,

I thought I flagged your earlier email for follow-up, but evidently I didn't, and it fell off my radar scope over the holidays. Thank you for your reminder.

This will be a combination marina. The exact mix is not known, because much of that is market driven. Right now there is almost no market for private dockage. The original concept, before the market turned, was that the face dock areas would be primarily public, and the slip areas would be primarily private.

Best regards,
David

-----Original Message-----
From: Socha, Robin C SAC [mailto:Robin.C.Socha@usace.army.mil]
Sent: Monday, January 23, 2012 12:39 PM
To: Davidson Williams

Subject: RE: Ashley River Marina Permit (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Hi Davidson, I did not receive a response to my e-mail below and I can't issue this permit until I have an answer. Can you clarify for me whether this will be a public, private, or combination marina. Thanks.

-Robin

-----Original Message-----
From: Socha, Robin C SAC
Sent: Thursday, December 15, 2011 8:09 AM
To: Davidson Williams
Subject: Ashley River Marina Permit (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Hi Davidson,

I'm trying to get your permit issued and one question has come up. The original permit was issued in 2002 for "the exclusive use of Ripley Light Yacht Club homeowners and their guests...". The permit was modified in 2003 "changing the intended use of the permitted facilities from the exclusive use of the Ripley Light Yacht Club Homeowners to the leasing of slips to the general public." Your letter of September 24, 2008, mentioned that the existing facility was private and the proposed expansion will be mixed use - public and private.

Can you please clarify...is the existing facility private...have the existing slips been sold? And is the planned use of the proposed facility to be both public use (leased) and private (sold)? This may be just a difference in definitions of what private and public means. For us, "private" means that the slips have been sold to someone. "Public" means that they are leased either long-term or short-term, or available for transient boaters to stay temporarily. This has been a huge issue in the past with other marinas, and we need to make sure it is very clear in our permit what is planned. Thanks.

-Robin

Robin D. Coller Socha
U.S. Army Corps of Engineers
69A Hagood Avenue
Charleston, S.C. 29403-5107

Robin.C.Socha@usace.army.mil <mailto:Robin.C.Socha@usace.army.mil>
843-329-8167 (telephone)
843-329-2332 (fax)

In order to assist us in improving our service to you, please complete the survey found at:
http://per2.nwp.usace.army.mil/survey.html
<http://per2.nwp.usace.army.mil/survey.html>

Classification: UNCLASSIFIED
Caveats: NONE

Classification: UNCLASSIFIED
Caveats: NONE

Classification: UNCLASSIFIED
Caveats: NONE

## Socha, Robin C SAC

**From:** Julie.E.Blanchfield@uscg.mil on behalf of Blanchfield, Julie LT [Julie.E.Blanchfield@uscg.mil]
**Sent:** Tuesday, March 01, 2011 1:08 PM
**To:** trumbumt@dhec.sc.gov; Socha, Robin C SAC
**Subject:** Ashley River Prop - Ripley Light Yacht Club Expansion

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

Good Afternoon Tess & Robin,
I wanted to update you both on the Ripley Light expansion & the CG's effort to remove the anchorage which I realize is holding up the permitting process.

First, I must tell you that this information should remain internal to government agencies. It is not allowed to be shared with Mr. Williams or anyone of the general public b/c of the rulemaking process. With that, I expect our D7 Admiral to sign the regulation disestablishing the Anchorage soon - it is in his hands. Once signed it will only take ~ 1 week to be published in the Federal Register. So my guess (and it is just a guess) is that it will be done by the end of the month. It is this timeframe that we are not allowed to divulge w/ the public.

On another note, one thing that came from our regulatory review was a comment from HQ recommending that our agencies try to act around the same time - aka, if we could disestablish the anchorage and issue the permit for the expansion around the same time, it would behoove all our agencies. That being said, I don't know how much more it'll take for the permits.

Also, in our discussions w/ Mr. Williams of Ashley River Properties, we asked him if his company would remove abandoned/sunk vessels in both anchorage areas as their construction persisted. The reason why we asked him this was because some of the comments to our disestablishment pointed out that w/o the little anchorage, the bigger anchorage (across from City Marina) would be overfull and would not be able to accommodate the "refugees" from disestablished Anchorage 2. This was a viable concern, and to counter this, we asked Mr. Williams to remove abandoned/sunk vessels from the bigger anchorage (across from City Marina) so that there'd be more space to accommodate those displaced by their expansion. This was just an agreement that he made with us - we cannot make it into a true requirement. If it is something that either of you could slide into your permits, we would be happy to see it, because removing abandoned/sunk vessels from both anchorages behooves all our agencies. But again, we can't make the requirement.

Hope that all makes sense? My concern here in the near future is when the anchorage is disestablished and Ripley Light begins their expansion. It must be clear to the boaters left in the "old" anchorage that they are being displaced b/c of Ripley Light, not b/c of the Coast Guard. In actuality, disestablishing the anchorage doesn't mean vessel's can't anchor there - they can still anchor wherever they want, they would just have to have on their anchor-light. So when Ripley Light is ready to construct, it will be their approved permits that give them permission (I assume) to displace those vessels. I know we'll get a lot of pissed off phone calls either way and I'm trying to avoid that.

I think that is all I wanted to pass along to both of you - if you want we could meet if there's need to discuss, b/c I know City Marina's permit is in the works as well. Let me know, I'll be in for all of March!

V/r,

Julie

**Ashley River Properties II, LLC**
**95 Ripley Point Drive**
**Charleston, SC 29407**

February 26, 2010

Mr. Fred Mallet
Project Manager
SC Dept of Health and Environmental Control
Office of Ocean and Coastal Resource Management
1362 McMillan Avenue, Suite 400
Charleston, SC 29405

Re: SAC #2008-01005-2IR

Dear Fred:

As you know, the above application involves the proposed expansion of our marina into the Ashley River in and upon Special Anchorage Area #2, which was established by and is administered by the U.S Coast Guard. The proposed project therefore is subject to and conditioned upon the abandonment of this anchorage by the Coast Guard.

The Coast Guard has proposed the disestablishment of this anchorage. A Notice of Proposed Rulemaking (NPRM) was published on June 5, 2009 (copy attached). We have recently been advised by the Coast Guard that a final rulemaking decision will be made on or about the first anniversary of the NPRM.

Inasmuch as a decision is expected soon, we respectfully request that our application be held in abeyance pending a final rulemaking decision. A decision on this issue will give us all clear guidance on whether our application should be completed and reviewed, or withdrawn.

Please let me know whether DHEC agrees with our request.

Sincerely yours,

Davidson D. Williams
Managing Member

Concerning The City Marina application, we have had off and on discussions with Mr. Robbie Freeman about our respective expansion plans. As you will see from the attached memo dated September 1, 2009 from Robbie to your colleagues Tina Hadden and Joe Wilson, Robbie wants us to agree to modify our permit application to accommodate their permit plans, and in particular the "functional" channel they would like to create. Contrary to what this memo says, we have never agreed to this for two reasons: (1) The City Marina wants us to bear the burden of any costs associated with moving our marina to accommodate their plans, and (2) we think this "functional" channel concept is a bad idea, mainly because of the impact it will have on navigation and traffic in this busy section of the Ashley River and the continued accretion risk. It's sort of like a developer asking the City of Charleston for permission to encroach on Calhoun Street: the traffic and accident risk is potentially huge.

I met with Robbie most recently in March to revisit the above issues. We didn't make a whole lot of progress, but the meeting was cordial and neither of us ruled out the possibility of some future compromise. We just haven't found something yet that makes sense to both of us.

Thank you for talking with me. Feel free to call or email if you have any questions.

Sincerely yours,

Davidson D. Williams
Managing Member
Kriti Ripley, LLC
as managing member of
Ashley River Properties II, LLC

Attachments

AUG 5 2010
2458

**Ashley River Properties II,LLC**
**95 Ripley Point Drive**
**Charleston, SC 29407**
**(843) 766-0908**

August 2, 2010

**By Email & U.S. Mail**

Ms. Robin Coller-Socha
Project Manager
Department of the Army
Charleston District, Corps of Engineers
69-A Hagood Avenue
Charleston, SC 29403-5107

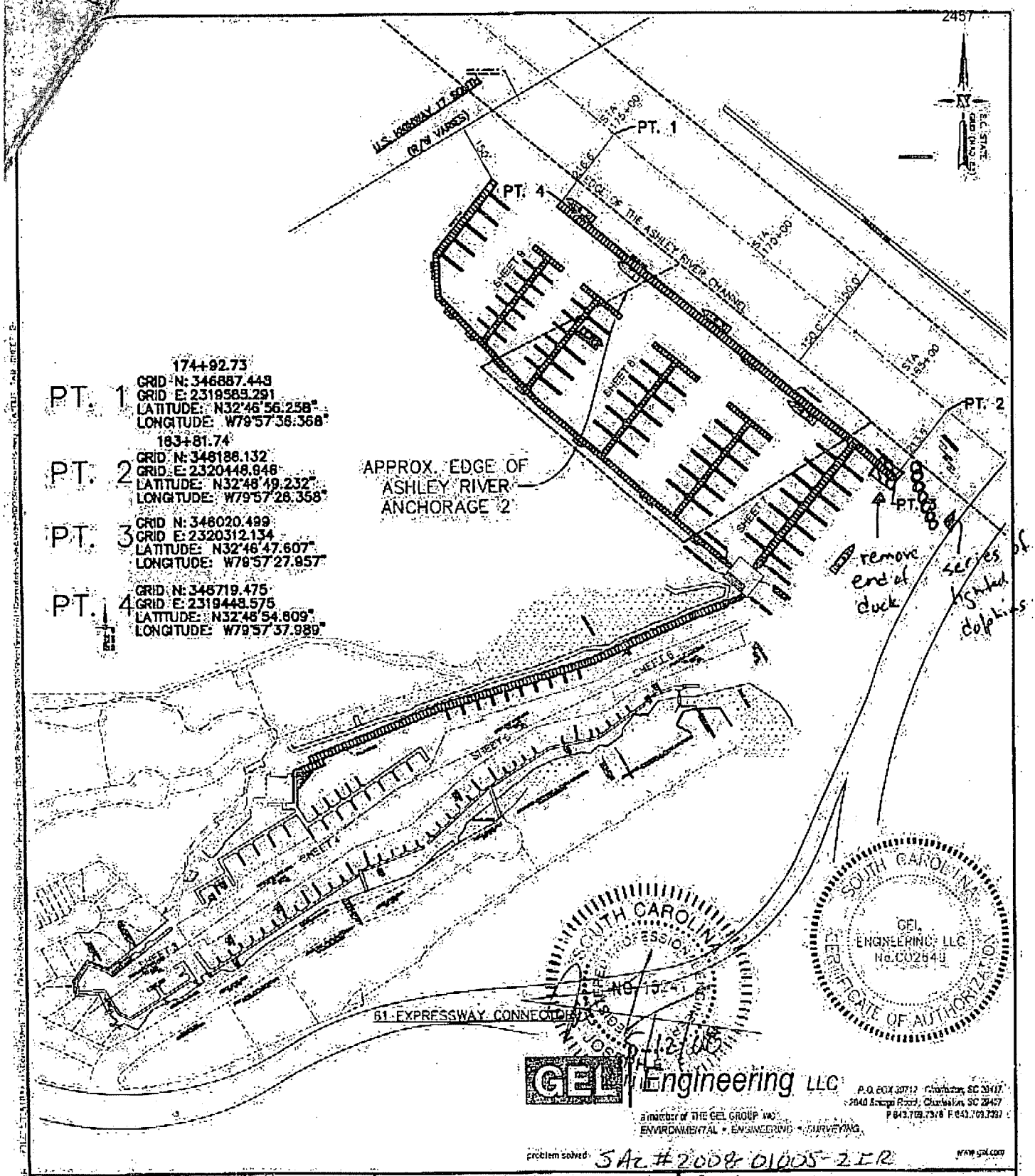
Re: Application P/N# 2008-01005-2IR

Dear Robin:

You asked that I summarize our conversation of some two weeks ago concerning the status of our permit application (reference number above) and the status of our conversations with The City Marina concerning their permit application (P/N #2009-01311-2IR). I apologize for the delay in getting back to you.

With regard to our application, I wrote to Fred Mallet of DHEC/ OCRM on February 26, 2010 and asked that DHEC/OCRM hold our application in abeyance pending the outcome of our request to the US Coast Guard to dis-establish anchorage area #2. I copied you on this letter, but in case you did not receive it, I attach another copy.

As you will see from my letter to Fred, the US Coast Guard went out on public notice recommending disestablishment of anchorage area #2 by a Notice of Proposed Rulemaking dated June 5, 2009. No final decision has been made yet. I exchanged emails with Lt. Julie Blanchfield of the US Coast Guard, Sector Charleston, not long after you and I spoke two weeks ago; she had noth-ing new to report to me, and could not (or would not) explain why this is taking so long.




GEL Engineering LLC

P.O. BOX 30712 Charleston, SC 29417
2040 Savage Road, Charleston, SC 29407
P 843.769.7378 F 843.769.7397

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www.gel.com

problem solved SAC #2008-01005-2IR

| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br><br>ADJACENT PROPERTY OWNERS:<br>SEE ATTACHED LIST<br><br>SURVEY DATUM: MLW | FIGURE 2<br>OVERALL PLAN VIEW<br><br>NOT TO SCALE<br><br>RIPLEY LIGHT YACHT CLUB<br>93 RIPLEY POINT DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 2 OF 13 DATE: 5/12/08 |

**Socha, Robin C SAC**

**From:** Socha, Robin C SAC
**Sent:** Monday, December 13, 2010 2:12 PM
**To:** 'Davidson Williams'
**Subject:** Marina permits (UNCLASSIFIED)
**Attachments:** drawing ARP City Marina 121310.pdf

Classification: UNCLASSIFIED
Caveats: NONE

Good Afternoon Mr. Williams:

I wanted to touch base with you and let you know that I had a meeting with our Regulatory Division Chief, Tina Hadden, a week ago to discuss the issues between the Ashley River Properties Marina and the City Marina, and how we can proceed from a Regulatory framework. I am working on a letter which will cover the information we discussed, but I wanted to give you a heads up that it will be coming. The main points that we covered were: 1) The Corps does not settle water use disputes. Basically the two marinas are in competition for the same general area. We will not choose one project as being more important than the other. We can facilitate a meeting in January if both parties want a meeting to try to work out the differences. However, neither side may be happy with our solution. 2) We will be requesting a hydrographic survey across the river from bank to bank from both parties.

I discussed this with the consultants for the City Marina recently and mentioned something that I had brought up before, but no one has followed up with. This may or may not be feasible, but it is a suggestion. Please see the attached drawing. If you could remove the very end of the your dock closest to the James Island Connector and the City install a series of lighted mooring dolphins to ensure that boaters follow the channel instead of plowing into the end of the ARP marina, that may help solve part of the problem. Just a suggestion…

I will hopefully have the letter ready this week for signature.

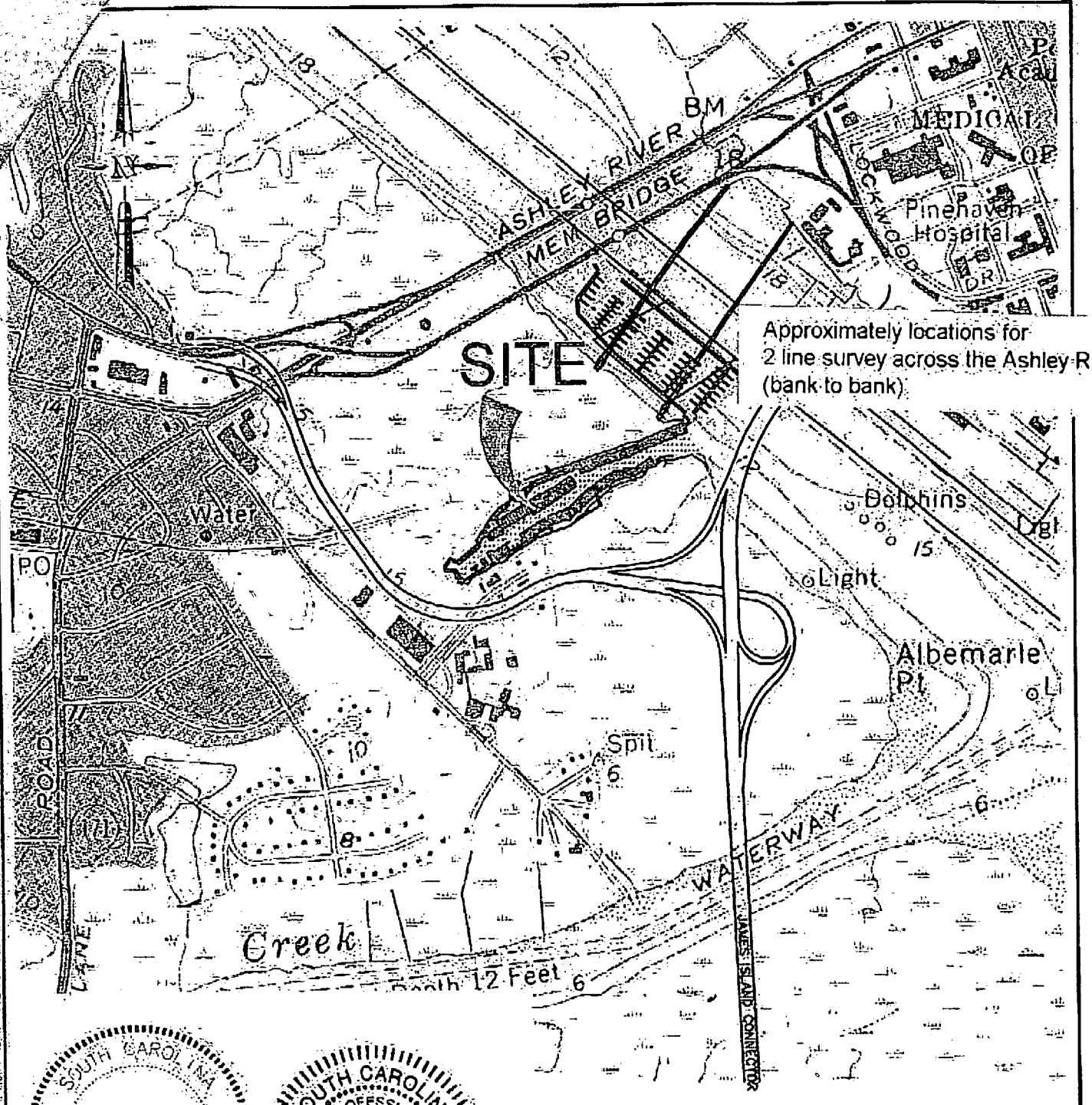
-Robin

Robin D. Coller-Socha
U.S. Army Corps of Engineers
69A Hagood Avenue
Charleston, S.C. 29403-5107

Robin.C.Socha@usace.army.mil <mailto:Robin.C.Socha@usace.army.mil>
843-329-8167 (telephone)
843-329-2332 (fax)

In order to assist us in improving our service to you, please complete the survey found at: http://per2.nwp.usace.army.mil/survey.html <http://per2.nwp.usace.army.mil/survey.html>

Classification: UNCLASSIFIED
Caveats: NONE




SOUTH CAROLINA
GEL ENGINEERING, LLC
No: C02649
CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
No. 15241
JOSEPH E. BROOM

GEL Engineering LLC
a member of THE GEL GROUP, INC
ENVIRONMENTAL • ENGINEERING • SURVEYING
P.O. BOX 30712, Charleston, SC 29417
2040 Savage Road, Charleston, SC 29407
P 843.769.7375 F 843.769.7397
www.gel.usa

permits advised: SAC# 2008-01005-2IR

PURPOSE: MARINA EXPANSION

ADJACENT PROPERTY OWNERS:
SEE ATTACHED LIST

SURVEY DATUM: CHARLESTON 7.5 QUAD

FIGURE 1
QUAD LOCATION MAP
SCALE: 1" = 1000'

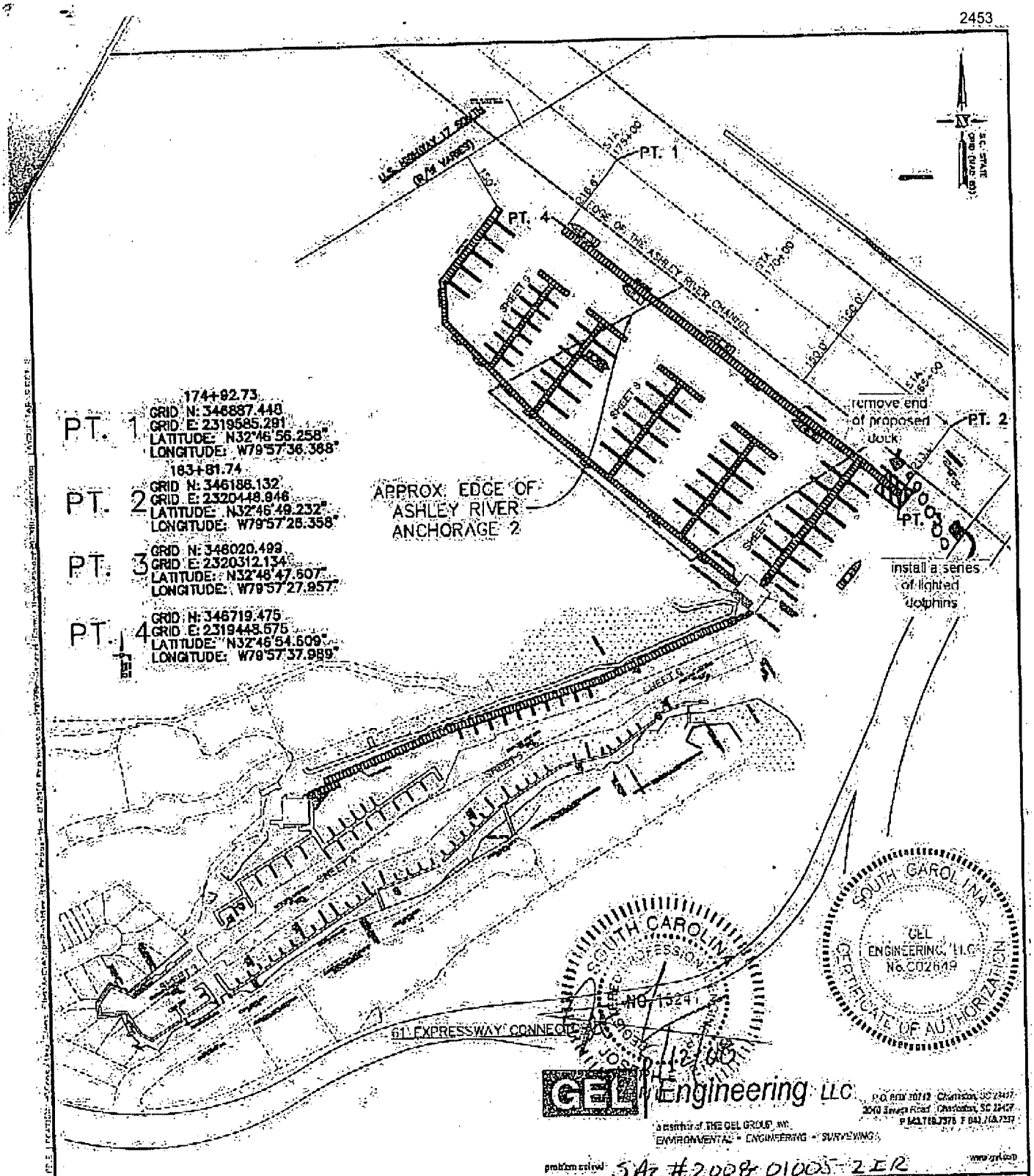
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RIPLEY LIGHT YACHT CLUB
95 RIPLEY POINT DRIVE
CHARLESTON, SOUTH CAROLINA 29407

PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION
AT: RIPLEY LIGHT MARINA BASIN
IN: ASHLEY RIVER
COUNTY OF: CHARLESTON, SOUTH CAROLINA
SHEET: 1 OF 13 DATE: 5/12/08



Enclosure 2




| | | |
|---|---|---|
| PURPOSE: MARINA EXPANSION<br>ADJACENT PROPERTY OWNERS: SEE ATTACHED LIST<br>SURVEY DATUM: MLW | FIGURE 2<br>OVERALL PLAN VIEW<br>NOT TO SCALE<br>RIPLEY LIGHT YACHT CLUB<br>95 RIPLEY POINT DRIVE<br>CHARLESTON, SOUTH CAROLINA 29407 | PROPOSED: RIPLEY LIGHT YACHT CLUB MARINA EXPANSION<br>AT: RIPLEY LIGHT MARINA BASIN<br>IN: ASHLEY RIVER<br>COUNTY OF: CHARLESTON, SOUTH CAROLINA<br>SHEET: 2 OF 13 DATE: 5/12/08 |



Enclosure 1

Should you fail to respond to this letter within the time frame specified above, or to keep this office advised of your on-going efforts to resolve the concerns, I will conclude that you have either elected not to actively pursue this application or have elected to pursue the requisite State authorizations and certifications prior to requesting a sequential final decision by this office. In either event, your application will be placed in an inactive status. However, our Project Manager will retain your application for one (1) year to facilitate reinstatement of processing upon your request.

If you have any questions concerning this matter, please contact Robin Coller-Socha at 843-329-8044 or toll free at 1-866-329-8187.

Respectfully,

Tina B. Hadden
Chief, Regulatory Division

Enclosures:

Copy Furnished:

Ms. Tess Trumbull
SCDHEC/OCRM
1362 McMillan Ave, Suite 400
Charleston, South Carolina 29405

Ms. Erin Owens
DHEC
Bureau of Water Pollution Control
2600 Bull Street
Columbia, South Carolina 29201

Concur: cmm
SOCHA/RD-S
CROSBY/RD
Hadden

DEPARTMENT OF THE ARMY
CHARLESTON DISTRICT, CORPS OF ENGINEERS
69-A Hagood Avenue
CHARLESTON, SOUTH CAROLINA 29403-5107

REPLY TO
ATTENTION OF:

December 14, 2010

Regulatory Division

Mr. Davidson D. Williams
Ashley River Properties II, LLC
95 Ripley Point Drive
Charleston, South Carolina 29407

Dear Mr. Williams:

This is in response to your application for a Department of the Army permit (SAC#2008-01005-2IR) to expand the Ripley Light Yacht Club Marina (RLYCM) located on Ripley Point Drive on James Island, South Carolina.

For your information, the Corps of Engineers is the sole Federal agency responsible for making a decision on the merits of your Department of the Army permit application. As you are aware, the City Marina has also applied for a permit to reconfigure and relocate the City Marina further into the Ashley River. As such, there are navigational concerns that must be addressed before this office can finalize our review of either permit application. The two marinas are in competition for the same general area of the Ashley River, and the Corps will not choose one project as having a priority over the other. The Corps does not settle water use disputes. We can, however, facilitate a meeting in January 2011, if both parties want a meeting to try to work out the differences. You should be aware, however, that neither side may be happy with our resolution. Therefore, it would benefit both parties to resolve these concerns yourselves. In the event you wish to pursue a meeting at our office, please contact Robin Coller-Socha, Project Manager, to discuss this further.

As described in a recent e-mail to you, our office has proposed a suggestion regarding the navigation concerns at the location where the proposed functional channel will align within 15 feet of the outer corner of the proposed RLYCM dock closest to the James Island Connector (see Enclosure 1). The suggestion included the removal of the end of the RLYCM outer dock closest to the Connector and the installation of a series of lighted dolphins that would angle boaters along the channel to prevent collisions with the proposed marina. This is merely a suggestion that may or may not be practicable when reviewed or considered by your office.

In order for our office to complete our evaluation of the proposed marina expansion, we are requesting a hydrographic survey of the Ashley River. The survey must include two lines from the area of the proposed expansion of the RLYCM to the opposite bank as shown on the enclosed map (Enclosure 2). Please submit the survey data by February 1, 2011. A decision on a Department of the Army permit application for this project will be held in abeyance pending receipt of the survey data.

1/4/2011

Received call from Davidson Williams. He stated that he received my e-mail and December 14, 2010 letter. He did not object to a meeting and suggested meeting the first week of February, after they had time to complete the survey work and send in the information. He has called GEL about getting the survey done and should have the info to us by the end of the January. He also stated that the Coast Guard had sent him an e-mail regarding the abandoning of the Anchorage Area #2. He is forwarding a copy of the e-mail from the CG to me.

-Robin Socha

Just a short note to wish you and your family all the best for the holidays and next year. Of course, I can't resist the opportunity to inquire, any news?

Thanks and Merry Christmas,
David

## Socha, Robin C SAC

**From:** Davidson Williams [ddwilliams@kritimgmt.com]
**Sent:** Tuesday, January 04, 2011 2:38 PM
**To:** Socha, Robin C SAC
**Subject:** FW: Ashley River Anchorage Update

Hi Robin,

This is the message that I received from Commander Marcy. It would appear we are close to getting this done.

As advised, I have asked GEL to perform the hydro that Tina requested in her letter dated December 14. We will have this done by February 1. I am also available to meet with representatives of the ACOE and City Marina to discuss the conflicts presented by our separate permit applications. It would make sense that we hold this meeting after each side has delivered to the ACOE the information/studies requested from each of us.

Thank you and kind regards,
David

-----Original Message-----
From: Chris.K.Marcy@USCG.mil [mailto:Chris.K.Marcy@USCG.mil]
Sent: Thursday, December 23, 2010 5:36 PM
To: Davidson Williams
Subject: Ashley River Anchorage Update

David,

The final ruling to remove the Ashley River Anchorage is undergoing final review by the Admiral's staff in Miami. There is no set deadline for this process, but considering the holidays, my guess would be on or around the end of January.

For planning purposes, if signed, the ruling would go into effect 90 days after publication in the federal register.

I will be out of the office next week, but will be back after the New Year holiday.

Sincerely,
Christopher K. Marcy
Commander, U.S. Coast Guard
Chief, Prevention Department
USCG Sector Charleston
W: 843.771.3177

-----Original Message-----
From: ddwilliams@kritimgmt.com [mailto:ddwilliams@kritimgmt.com]
Sent: Tuesday, December 21, 2010 5:43 PM
To: Marcy, Chris CDR
Subject: Season's Greetings and ?

Hi Chris,

In order to assist us in improving our service to you, please complete the survey found at: http://per2.nwp.usace.army.mil/survey.html

-----Original Message-----
From: Julie.E.Blanchfield@uscg.mil [mailto:Julie.E.Blanchfield@uscg.mil]
Sent: Wednesday, January 05, 2011 4:19 PM
To: Socha, Robin C SAC
Subject: Ashley River Properties expansion project

Hello Robin, hope you had a happy holidays! We are in our next state of routing the rulemaking to disestablish the Ashley River Anchorage 2 that would allow the Ripley Light Yacht club to continue w/ their marina expansion. Can you send me a copy of the approved permit - or, if not, let me know what the status is? Thanks!!

Julie

V/r,
LT Julie Blanchfield
U.S. Coast Guard
Chief, Waterways Management Division
Coast Guard Sector Charleston
(843) 740-3184
sectorchasn-wwm@uscg.mil
http://homeport.uscg.mil/charleston

Classification: UNCLASSIFIED
Caveats: NONE

## Socha, Robin C SAC

**From:** Socha, Robin C SAC
**Sent:** Thursday, January 06, 2011 9:28 AM
**To:** 'Julie.E.Blanchfield@uscg.mil'
**Subject:** RE: Ashley River Properties expansion project (UNCLASSIFIED)
**Attachments:** SAC-2009-01311-2IR_(Revised)_Charleston_County.pdf

Classification: UNCLASSIFIED
Caveats: NONE

Hi Julie,

Happy New Year.

We have not issued a permit yet. Our permit cannot be issued until the State permit is issued and the State won't issue their permit until the anchorage basin is de-authorized. Catch 22 kind of thing, unfortunately. :) In addition, the City Marina has now applied for a permit to extend their marina into the Federal Channel. There are navigation concerns regarding what the City wants to do and the location of the proposed extended dock by Ripley Light Yacht Club. The edge of the new "functional" channel proposed by the City will come within a few feet of the new dock extension proposed by Ripley Light. The Coast Guard responded to the first public notice about the extension of the City Marina that there were navigation concerns. We re-noticed that project with a revised plan where the City proposes to reconfigure Anchorage Basin #1 across from the City Marina. We received no comments from the Coast Guard on that notice so I can only assume that ya'll still have navigation concerns. And I don't know if ya'll plan to revise Anchorage Basin #1 as per the City's plan. Their plan would extend the anchorage basin to the northwest toward the James Island Connector and southeast in front of Wappoo Cut. In case you haven't seen their plan, I'm attaching a copy of the revised PN. The proposed extensions are shown on Sheet 6.

I actually would have moved forward with the permit for Ripley Light long ago if I had had the state permit. But presently, I can't do anything with either application. We have offered to have a meeting with both applicants to address our concerns and work out the problems. We rarely deny a permit providing we can hammer out a resolution. Ripley Light is interested in meeting. The City has not responded yet.

That said...It would help me to know the Coast Guard's position on the reconfiguration of Anchorage Basin #1 across from the City Marina. Do ya'll have to publish these alterations in the Federal Register like you did with the Anchorage Basin #2 de-designation? And can you tell me if the Coast Guard still has concerns regarding navigational safety of either or both of these marina's plans?

Sorry Julie, I know this is probably more information/questions than you really wanted, but the City keeps telling me that the Coast Guard is ok with their plan, but I haven't received anything from the Coast Guard confirming that. We have to address all concerns that are submitted to our office before we can issue a permit. So it would be very helpful to know if the Coast Guard's position has changed regarding the first PN for the City. Give me a call if you want to discuss. My phone number is listed below. Thanks.

-Robin

Robin D. Coller-Socha
U.S. Army Corps of Engineers
69A Hagood Avenue
Charleston, S.C. 29403-5107

Robin.C.Socha@usace.army.mil
843-329-8167 (telephone)
843-329-2332 (fax)

843-329-8167 (telephone)
843-329-2332 (fax)

To: Socha, Robin C SAC
Subject: Ashley River Properties expansion project

## Socha, Robin C SAC

**From:** Julie.E.Blanchfield@uscg.mil on behalf of Blanchfield, Julie LT [Julie.E.Blanchfield@uscg.mil]
**Sent:** Friday, January 14, 2011 8:53 AM
**To:** Socha, Robin C SAC
**Cc:** nick@megadock.us; trumbumt@dhec.sc.gov
**Subject:** City Marina permit

Hello Robin, sorry to take so long to get back with you - we thought we had responded to the second permit from City Marina, but were mistaken.

The Coast Guard concurs with the City Marina's revised permit application provided that it maintains the same size (width) navigational channel as currently exists. Also, we would like to ensure that any changes to the dimensions of Ashley River Anchorage 1 yields zero changes in the size; in other words we are OK with changing the dimensions as long as it maintains the same amount of space for anchoring vessels.

Yes, the Coast Guard would have to begin a regulatory project if there were any changes made to Ashley River Anchorage 1. This process can take some time (1+ year).

If you need anything more formal, please let me know - thanks!

V/r,
LT Julie Blanchfield
U.S. Coast Guard
Chief, Waterways Management Division
Coast Guard Sector Charleston
(843) 740-3184
sectorchasn-wwm@uscg.mil
http://homeport.uscg.mil/charleston

-----Original Message-----
From: Robin.C.Socha@usace.army.mil [mailto:Robin.C.Socha@usace.army.mil]
Sent: Thursday, January 06, 2011 9:28 AM
To: Blanchfield, Julie LT
Subject: RE: Ashley River Properties expansion project (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Hi Julie,
Happy New Year.
It would help me to know the Coast Guard's position on the reconfiguration of Anchorage Basin #1 across from the City Marina. Do ya'll have to publish these alterations in the Federal Register like you did with the Anchorage Basin #2 de-designation? And can you tell me if the Coast Guard still has concerns regarding navigational safety of either or both of these marina's plans?

-Robin

Robin D. Coller-Socha
U.S. Army Corps of Engineers
69A Hagood Avenue
Charleston, S.C. 29403-5107

Robin.C.Socha@usace.army.mil

## Socha, Robin C SAC

**From:** Davidson Williams [ddwilliams@kritimgmt.com]
**Sent:** Wednesday, January 26, 2011 10:31 AM
**To:** Socha, Robin C SAC
**Cc:** Jack Walker; malletfe@dhec.sc.gov; trumbumt@dhec.sc.gov
**Subject:** SAC #2008-01005-2IR -- ACOE Hydrographic Survey Request
**Attachments:** 2011.01.17 GEL Hydro Survey per ACOE Request.pdf

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

Dear Robin:

Attached please find a pdf copy of a hydrographic survey recently performed by GEL on our behalf in fulfillment of the survey request set forth in Tina Hadden's letter to me dated December 14, 2010. I have asked Jack Walker of GEL to arrange for three hard copies of the survey to be hand delivered to you today.

GEL was approached by the City Marina about performing the survey requested by Tina in their section of the river. GEL asked if we would agree to joint survey of both areas, and we did. However, City Marina ultimately decided they would prefer an independent survey of their area. I have no information as to the status of that survey.

Since Tina copied her December 14 letter to Tess Trumbull of DHEC/OCRM, I am copying Tess on this email as well as Fred Mallett, who is the DHEC/OCRM project manager for our permit application.

I remain open to the meeting suggested in Tina's letter. Please let me know what dates are convenient for you and representatives of City Marina and I will try to arrange my schedule accordingly.

Kind regards,
David Williams

Managing Member

Ashley River Properties II, LLC

Attachment

cc: Ms. Robin Socha-Collier, USACE
Mr. Jack Walker, GEL

**§ 103.11 Meaning of terms.**

* * * * *

(n) * * *

(9) An introducing broker in commodities;

(10) A mutual fund.

* * * * *

(ccc) *Mutual fund* means an "investment company" (as the term is defined in section 3 of the Investment Company Act (15 U.S.C. 80a–3)) that is an "open-end company" (as that term is defined in section 5 of the Investment Company Act (15 U.S.C. 80a–5)) registered or required to register with the Securities and Exchange Commission under section 8 of the Investment Company Act (15 U.S.C. 80a–8).

**Subpart C—Records Required To Be Maintained**

3. Amend § 103.33 by revising paragraphs (e)(6)(i)(J) and (f)(6)(i)(J) and by adding paragraphs (e)(6)(i)(K) and (f)(6)(i)(K) to read as follows:

**§ 103.33 Records to be made and retained by financial institutions.**

* * * * *

(e) * * *

(6) * * *

(i) * * *

(J) A Federal, State or local government agency or instrumentality; or

(K) A mutual fund; and

* * * * *

(f) * * *

(6) * * *

(i) * * *

(J) A Federal, State or local government agency or instrumentality; or

(K) A mutual fund; and

* * * * *

Dated: June 1, 2009.

William F. Baity,

*Acting Director, Financial Crimes Enforcement Network.*

[FR Doc. E9–13136 Filed 6–4–09; 8:45 am]

BILLING CODE 4810–02–P

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**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 110**

**[Docket No. USCG–2008–0852]**

**RIN 1625–AA01**

**Disestablishing Special Anchorage Area 2; Ashley River, Charleston, SC**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to disestablish the Ashley River Anchorage 2 in Charleston, South Carolina. The removal of the anchorage would accommodate an expansion to the Ripley Light Yacht Club.

**DATES:** Comments and related material must be received by the Coast Guard on or before August 4, 2009. Requests for public meetings must be received by the Coast Guard on or before July 6, 2009.

**ADDRESSES:** You may submit comments identified by docket number USCG–2008–0852 using any one of the following methods:

(1) *Federal eRulemaking Portal: http://www.regulations.gov.*

(2) *Fax:* 202–493–2251.

(3) *Mail:* Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590–0001.

(4) *Hand delivery:* Same as mail address above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202–366–9329.

To avoid duplication, please use only one of these four methods. See the "Public Participation and Request for Comments" portion of the **SUPPLEMENTARY INFORMATION** section below for instructions on submitting comments.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this proposed rule, call or e-mail Lieutenant Julie Miller, Sector Charleston Office of Waterways Management, at (843) 720–3273 or *Julie.E.Miller@uscg.mil.* If you have questions on viewing or submitting material to the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.

**SUPPLEMENTARY INFORMATION:**

**Public Participation and Request for Comments**

We encourage you to participate in this rulemaking by submitting comments and related materials. All comments received will be posted without change to *http://www.regulations.gov* and will include any personal information you have provided.

**Submitting Comments**

If you submit a comment, please include the docket number for this rulemaking (USCG–2008–0852), indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online (via *http://www.regulations.gov*) or by fax, mail or hand delivery, but please use only one of these means. If you submit a comment online via *http://www.regulations.gov*, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your comment, it will be considered received by the Coast Guard when it is received at the Docket Management Facility. We recommend that you include your name and a mailing address, an e-mail address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to *http://www.regulations.gov*, select the Advanced Docket Search option on the right side of the screen, insert "USCG–2008–0852" in the Docket ID box, press Enter, and then click on the balloon shape in the Actions column. If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit comments by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period and may change the rule based on your comments.

**Viewing Comments and Documents**

To view comments, as well as documents mentioned in this preamble as being available in the docket, go to *http://www.regulations.gov*, select the Advanced Docket Search option on the right side of the screen, insert USCG–2008–0852 in the Docket ID box, press Enter, and then click on the item in the Docket ID column. You may also visit the Docket Management Facility in Room W12–140 on the ground floor of the Department of Transportation West Building, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. We have an agreement with the Department of Transportation to use the Docket Management Facility.

**Privacy Act**

Anyone can search the electronic form of comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor

union, etc.). You may review a Privacy Act notice regarding our public dockets in the January 17, 2008, issue of the Federal Register (73 FR 3316).

## Public Meeting

We do not now plan to hold a public meeting. But, you may submit a request for a public meeting on or before July 6, 2009, using one of the four methods specified under ADDRESSES. Please explain why you believe a public meeting would be beneficial. If we determine that a public meeting would aid this rulemaking, we will hold one at a time and place announced by a later notice in the Federal Register.

## Background and Purpose

Ashley River Properties and the Ripley Light Yacht Club submitted a permit with the Army Corps of Engineers to construct additional boat slips at the Ripley Light Yacht Club; however, the expansion would extend into an area currently designated as the Ashley River Anchorage 2. Removal of the anchorage would allow for the expansion to continue. The marina plans to add additional floating dock space to accommodate approximately 200 additional pleasure craft. Ripley Light Yacht Club intends to reserve a portion of the new boat slips for transient recreational boaters. The remaining anchorage, currently designated Ashley River Anchorage 1, remains a viable and convenient location for recreational vessel anchorage.

## Discussion of Proposed Rule

The proposed rule would disestablish the Ashley River Anchorage 2 set forth in 33 CFR 110.72d(b). The planned expansion of the Ripley Light Yacht Club extends into Ashley River Anchorage 2. In order to complete the expansion project, the anchorage must be disestablished.

The proposed rule also would update the name of the marina used in describing the remaining anchorage.

## Regulatory Analyses

We developed this proposed rule after considering numerous statutes and executive orders related to rulemaking. Below we summarize our analyses based on 13 of these statutes or executive orders.

## Regulatory Planning and Review

This proposed rule is not a significant regulatory action under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order.

We expect the economic impact of this rule to be so minimal that a full Regulatory Evaluation is unnecessary. The limited geographic area impacted by this disestablishment will not restrict the movement or routine operation of a large number of commercial or recreational vessels in the Ashley River. Furthermore, a second and larger anchorage already exists nearby.

## Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered whether this proposed rule would have a significant economic impact on a substantial number of small entities. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities. This proposed rule would affect the following entities, some of which might be small entities: the owners or operators of recreational vessels intending to anchor in the Charleston harbor. This rule would not have a significant impact on a substantial number of small entities because the current anchorage is small and cannot accommodate many vessels, there is another nearby location in which small vessels can anchor, and the marina expansion will accommodate at least as many transient vessels as could fit in the current anchorage.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this rule would have a significant economic impact on it, please submit a comment (*see* ADDRESSES) explaining why you think it qualifies and how and to what degree this rule would economically affect it.

## Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact Lieutenant Julie Miller, listed in the FOR FURTHER INFORMATION CONTACT section. The Coast Guard will not retaliate against small entities that question or complain about this proposed rule or any policy or action of the Coast Guard.

## Collection of Information

This proposed rule would call for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520.).

## Federalism

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on State or local governments and would either preempt State law or impose a substantial direct cost of compliance on them. We have analyzed this proposed rule under that Order and have determined that it does not have implications for federalism.

## Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or Tribal government, in the aggregate, or by the private sector of $100,000,000 or more in any one year. Though this proposed rule would not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

## Taking of Private Property

This proposed rule would not effect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

## Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

## Protection of Children

We have analyzed this proposed rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and would not create an environmental risk to health or risk to safety that might disproportionately affect children.

**Indian Tribal Governments**

This proposed rule does not have Tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it would not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

**Energy Effects**

We have analyzed this proposed rule under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not a "significant energy action" under that order because it is not a "significant regulatory action" under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy. The Administrator of the Office of Information and Regulatory Affairs has not designated it as a significant energy action. Therefore, it does not require a Statement of Energy Effects under Executive Order 13211.

**Technical Standards**

The National Technology Transfer and Advancement Act (NTTAA) (15 U.S.C. 272 note) directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through the Office of Management and Budget, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., specifications of materials, performance, design, or operation; test methods, sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies.

This proposed rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

**Environment**

We have analyzed this proposed rule under Department of Homeland Security Management Directive 023–01 and Commandant Instruction M16475.1D, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321–4370f), and have made a preliminary determination under the Instruction that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This proposed rule involves the disestablishment of a special anchorage area, which is categorically excluded under section 2.B.2 Figure 2–1, paragraph 34(f), of the Instruction. We seek any comments or information that may lead to the discovery of a significant environmental impact from this proposed rule.

**List of Subjects in 33 CFR Part 110**

Anchorage grounds.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 33 CFR part 110 as follows:

## PART 110—ANCHORAGE REGULATIONS

1. The authority citation for part 110 continues to read as follows:

**Authority:** 33 U.S.C. 471, 1221 through 1236, 2030, 2035, 2071; 33 CFR 1.05–1; Department of Homeland Security Delegation No. 0170.1.

2. Revise section 110.72d to read as follows:

**§ 110.72d Ashley River Anchorage Area, SC.**

The following location is a special anchorage area: The waters lying within an area across the Ashley River Channel from the Charleston City Marina bounded by the southwest side of the channel beginning at latitude 32°46'42.7" N, longitude 079°57'19.3" W; thence to latitude 32°46'38.0" N, longitude 079°57'24.0" W; thence to latitude 32°46'32.0" N, longitude 079°57'15.5" W; thence to latitude 32°46'28.0" N, longitude 079°57'00.9" W; thence back to the beginning following the southwest boundary of the Ashley River Channel. All coordinates referenced use datum: NAD 1983.

Dated: May 6, 2009.

R.S. Branham,

*Rear Admiral, U.S. Coast Guard, Commander, Seventh Coast Guard District.*

[FR Doc. E9–13108 Filed 6–4–09; 8:45 am]

BILLING CODE P

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 51**

**[EPA–HQ–OAR–2008–0348; FRL–8913–7]**

**RIN 2060–AO58**

## Methods for Measurement of Filterable $PM_{10}$ and $PM_{2.5}$ and Measurement of Condensable Particulate Matter Emissions From Stationary Sources

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule; announcement of reopening of comment period.

**SUMMARY:** EPA is reopening the comment period for the proposed rule entitled "Methods for Measurement of Filterable $PM_{10}$ and $PM_{2.5}$ and Measurement of Condensable Particulate Matter Emissions From Stationary Sources" that was proposed in the Federal Register on March 25, 2009. The 60-day comment period in the proposed rule ended on May 26, 2009. The reopened comment period will close on June 26, 2009. EPA is reopening the comment period because of a request we received in a timely manner.

**DATES:** *Comments:* The comment period for the proposed rule published March 25, 2009 (74 FR 12970), is reopened. Comments must be received on or before June 26, 2009.

**ADDRESSES:** Submit your comments, identified by Docket ID Number EPA–HQ–OAR–2008–0348, by one of the following methods:

- *http://www.regulations.gov.* Follow the on-line instructions for submitting comments.
- *E-mail:* Send your comments via electronic mail to *a-and-r-docket@epa.gov.*
- *Fax:* (202) 566–9744.
- *Mail:* Methods for Measurement of Filterable $PM_{10}$ and $PM_{2.5}$ and Measurement of Condensable Particulate Matter Emissions from Stationary Sources, Environmental Protection Agency, Mailcode 2822T, 1200 Pennsylvania Ave., NW., Washington, DC 20460. Please include a total of two copies.
- *Hand Delivery:* EPA Docket Center EPA Headquarter Library, Room 3334, EPA West Building, 1301 Constitution Ave., NW., Washington, DC 20460. Such deliveries are accepted only during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

*Instructions:* Direct your comments to Docket ID No. EPA–HQ–OAR–2008–0348. EPA's policy is that all comments

# THE CITY MARINA

CHARLESTON, SOUTH CAROLINA

TO: TINA HADDEN & JOE WILSON

FROM: ROBBIE FREEMAN

SUBJECT: ASHLEY RIVER CHANNEL MEETING SUMMARY

DATE: 9/1/2009

CC: DAVIDSON WILLIAMS, RYAN BLACK, & NICK MCGINTY

---

Tina –

Again, I would like to thank you and Joe for taking some time to meet with Ryan, Nick & me last week regarding the potential for City Marina to relocate further into the Ashley River, and how that would relate to the pending Ripley Light Yacht Club permit. I have provided a summary of our meeting below. Please let me know if I have missed anything or if I have addressed anything incorrectly.

- The City Marina (TCM) is proposing to expand its footprint westward into the Ashley River channel. The goal of this plan is to regain slippage by relocating existing slips and add slippage that has been lost due to siltation along the edge of the river. This plan would require TCM to encroach into the Federally Authorized Ashley River Channel. The primary reason TCM is pursuing this option instead of dredging is the levels of dioxin currently in the river bed as well as the lack of adequate spoiling locations make dredging cost prohibitive for the foreseeable future
- Ripley Light Yacht Club (RLYC) currently has a marina permit in process; the location of which is generally between the James Island Connector and the Ashley River Bridges on the west side of the river. This marina plan, as designed, would make relocation of the functional channel difficult. Therefore RLYC has agreed to modify their permit to accommodate certain changes made to the *functional* channel. (This agreement by RLYC could be made a special condition of their permit).
- The USACOE proposed deauthorizing the *Federal* Channel in the Ashley River (generally) north of Wapoo Cut in December 2008. Due to certain property conditions related to past spoil areas and lack of funding the USACOE abandoned this plan in Q1 2009.
- Due to difficulties in deauthorizing or relocating the *Federal* Channel the recommendation by the USACOE at last weeks meeting was to allow TCM to "encroach" into the *Federal* Channel and subsequently reroute and remark a "*Functional Channel*". This functional channel is overlaid against the existing channel on the attachment and is represented by the bold dashed lines
- In order to allow TCM to encroach into the federal channel and develop a functional channel it is necessary for the navigation division to review this plan and provide guidance to all parties. Particularly, whether or not the navigation division would object to the encroachment and whether the encroachment would be subject to special conditions.
- It was understood by both TCM & RLYC that if navigation agreed not to object to the proposed plan that a special condition would be required whereby TCM & RLYC would be required to move docks at the request of the USACOE in the event future dredging of the federal channel becomes necessary.

BUSINESS OFFICE: P.O. BOX 759 • CHARLESTON, SC 29402 • (843) 577-7702 • FAX (843) 577-7704
MARINA OFFICE: 17 LOCKWOOD DRIVE • CHARLESTON, SC 29401 • (843) 723-5098 • FAX (843) 853-1840
www.charlestoncitymarina.com

  - As a subsection to this discussion, it was mentioned by Joe that the federal channel in the Ashley River had not been dredged since 1958.
  - Additionally, only one commercial entity remains upstream of the sites discussed and their operations would likely not be impacted by this change.
- Joe was asked to address this plan with his department and provide response to Tina, TCM, & RLYC as to their position on the encroachment into the Federal Channel and subsequent establishment of a functional channel.
- All parties are requesting an expedient read on this plan so that The Mayor's Office, TCM & RLYC can come to terms on outstanding items related to the anchorages, RLYC can resolve and complete their pending permit request, and so that TCM can submit their permit request in a timely manner.

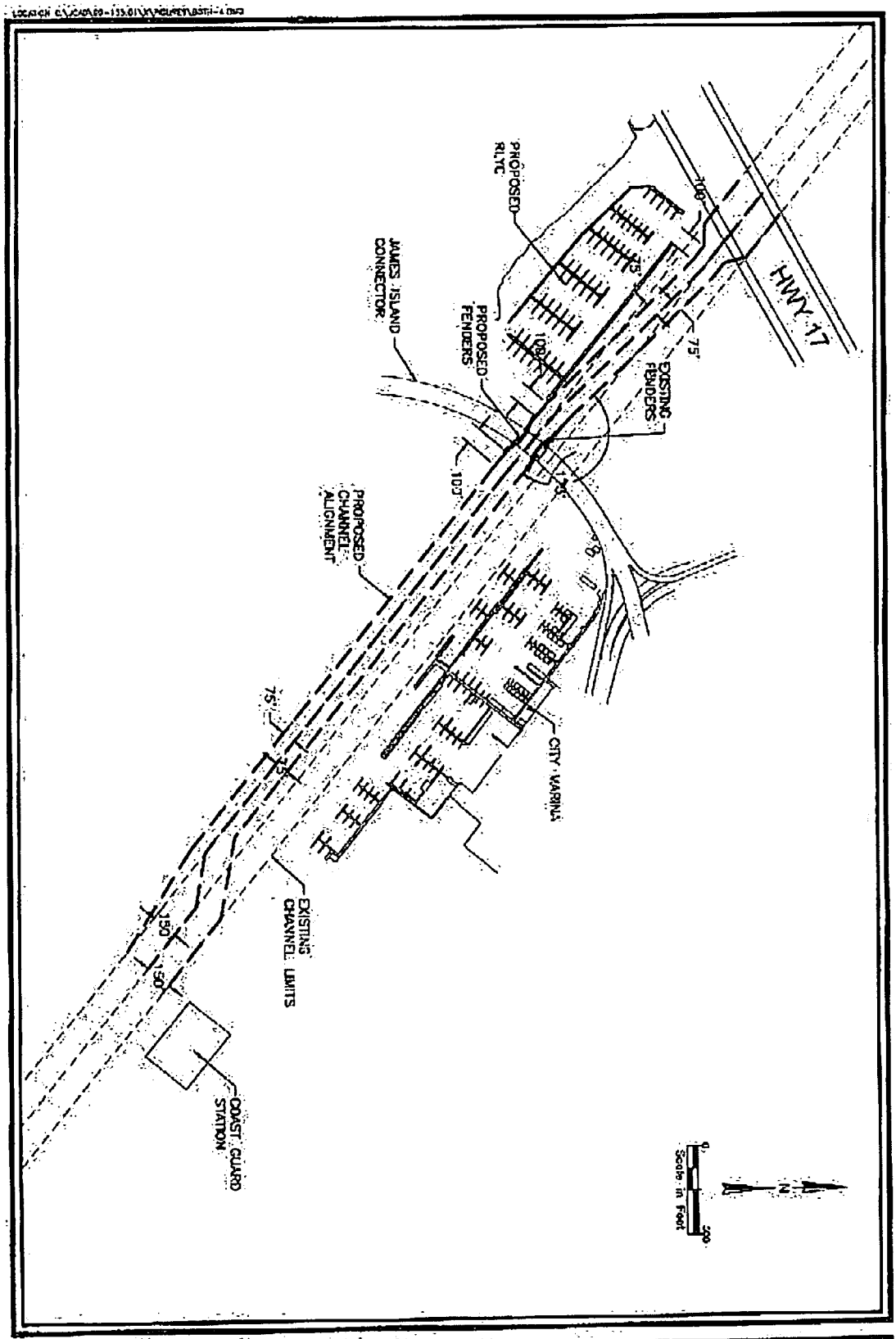
I know this is a long recap but I want to be sure and provide adequate detail of today's events and address the actionable items that came from today's meeting.

If you have any questions please don't hesitate to give me a call.

Thanks

Robbie

Robert L. Freeman
Managing Partner
The City Marina Company
843.577.7702
rfreeman@megadock.us




ATM

OPTION 4
PROPOSED REALIGNMENT

THE STATE OF SOUTH CAROLINA
In the Supreme Court

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APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

Kristi Lea Harrington, Circuit Court Judge
2008-CP-10-2344

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Case Tracking No.: 2011201949

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KRITI RIPLEY, LLC AND ASHLEY RIVER PROPERTIES II, LLC,

Appellants,

v.

EMERALD INVESTMENTS, LLC AND STUART LONGMAN,

Respondents.

---

**CERTIFICATE OF COUNSEL**

---

The undersigned hereby certifies that the Appendix to the Record on Appeal contains additional material agreed to be included by the parties and not any other material.

**WOMBLE CARLYLE SANDRIDGE & RICE, PLLC**

By: William C. Cleveland

William C. Cleveland, SC Bar No. 1284
Five Exchange Street
Charleston, SC 29402
Telephone: (843) 722-3400
Facsimile: (843) 723-7398
Email: wcc@buistmoore.com
Attorneys for the Appellants

Charleston, South Carolina
Dated: April 15, 2013

STATE OF SOUTH CAROLINA
In the Supreme Court

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APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas
Kristi Lea Harrington, Circuit Court Judge

---

Case Tracking No. 2011201949

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KRITI RIPLEY, LLC AND ASHLEY RIVER PROPERTIES II, LLC,

Appellants,

v.

EMERALD INVESTMENTS, LLC AND STUART LONGMAN,

Respondents.

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**PROOF OF SERVICE**

---

I do hereby certify that on the 15th day of April 2013, I served a copy of the **APPENDIX TO RECORD ON APPEAL** in the within entitled matter by sending a copy of the same via hand delivery to:

Daniel F. Blanchard, III
Rosen Rosen & Hagood, LLC
134 Meeting Street, Suite 200
P.O. Box 893
Charleston, SC 29402-0893

**WOMBLE CARLYLE SANDRIDGE & RICE, PLLC**



William C. Cleveland, III
Post Office Box 999, Charleston, SC 29402
(843) 720-4606
Attorneys for Appellant