

THE STATE OF SOUTH CAROLINA
IN THE COURT OF APPEALS

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SC Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

The Honorable Carmen T. Mullen, Circuit Court Judge
Circuit Court Case No. 2022-CP-07-01978

Appellate Case No. 2025-000615

Broad Creek Development, LLC,

Appellant,

v.

Beaufort County,

Respondent.

**RECORD ON APPEAL
VOLUME 11 (Pages 3652-3838)**

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INDEX

Volume 1

Orders

1. Form Order Denying Condemnor's Motion for Priority entered February 27, 2023.....1
2. Case Management Order, entered September 7, 2023.....7
3. Order issued by The Honorable Carmen T. Mullen, entered February 18, 2025 10
4. Amended Order issued by The Honorable Carmen T. Mullen, entered March 7, 2025 28

Pleadings

5. Summons, Notice of Condemnation and Tender of Payment, filed September 15, 2022.....46
6. Lis Pendens, filed September 15, 2022.....51
7. Broad Creek's Summons and Complaint, filed October 12, 2022.....53
8. Beaufort County's Answer to Complaint, filed October 18, 2022.....65
9. Beaufort County's Amended Answer to Complaint, filed October 24, 2022.....71

Transcripts

10. Transcript and Exhibits of June 1, 2023 Deposition of Beaufort County 30(b)(6)
(David Wilhelm).....77
 Direct Examination by Mr. Bybee.....78

Volume 2

11. Transcript and Exhibits of July 7, 2023 Deposition of Beaufort County 30(b)(6)
(Hank Amundson).....346
 Direct Examination by Mr. Bybee.....347
12. Transcript and Exhibits of July 14, 2023 Deposition of Beaufort County 30(b)(6)
(Jared Fralix, PE).....601
 Direct Examination by Mr. Bybee.....601

Volume 3

13. Transcript and Exhibits of August 9, 2023 Deposition of Tony Martin.....738
 Direct Examination by Mr. Bybee.....738
 Cross-Examination by Mr. Murphy.....757
 Re-Direct Examination by Mr. Bybee.....758

Volume 4

14. Transcript and Exhibits of August 10, 2023 Deposition of Brittany Ward, individually and 30(b)(6) of Beaufort County.....	1031
Direct Examination by Mr. Tibbals.....	1032
Cross Examination by Mr. Ricard.....	1060
15. Transcript and Exhibits of August 18, 2023 Deposition of Beaufort County 30(b)(6) (Henry Amundson Volume II)	1305
Direct Examination by Mr. Bybee.....	1306
16. Transcript and Exhibits of August 28, 2024 Deposition of Beaufort County 30(b)(6) (Henry Amundson Volume III)	1417
Direct Examination by Mr. Bybee.....	1417
Cross Examination by Mr. Wallace.....	1447
Re-direct Examination by Mr. Bybee.....	1453
Re-cross Examination by Mr. Murphy.....	1453

Volume 5

17. Transcript and Exhibits of September 24, 2024 Deposition of Beaufort County 30(b)(6) (Henry Amundson Volume IV).....	1484
Direct Examination by Mr. Bybee.....	1485
18. Transcript and Exhibits of October 2, 2024 Deposition of Beaufort County 30(b)(6) (Jared Fralix Volume II).....	1707
Direct Examination by Mr. Bybee.....	1707
19. Transcript of October 8, 2024 Deposition of Broad Creek 30(b)(6) (Dean Pierce).....	1763
Direct Examination by Mr. Murphy.....	1763

Volume 6

20. Amended Transcript of October 21, 2024 Trial.....	1770
---	------

Other Material and Documents

21. Broad Creek’s Memorandum in Opposition to Motion for Priority, dated February 21, 2023.....	2007
22. Beaufort County’s Motion to Designate as Complex and Set a Date for Trial, dated March 10, 2023.....	2022
23. Broad Creek’s Memorandum in Opposition to Motion to Designate as Complex, dated March 29, 2023.....	2025
24. Broad Creek’s Motion to Alter or Amend Case Management Order	

dated September 15, 2023.....	2040
25. Affidavit of Henry Amundson with Exhibits dated October 19, 2023.....	2056
26. Broad Creek’s Pre-Trial Brief dated October 9, 2024.....	2109
27. Stipulation of Facts dated October 20, 2024.....	2139
28. Broad Creek’s Motion to Reconsider, dated February 28, 2025.....	2146

Volume 7

29. Broad Creek’s Trial Exhibits 1-106.....	2185
1. Notice of Condemnation and Lis Pendens.....	2185
2. Challenge Action Complaint.....	2193
3. Affidavit of Cantzon Foster.....	2203
4. 2016 DIFS Ferry Contract.....	2206
5. 2021 Ferry Contract.....	2213
6. George Owen, MAI Appraisal.....	2225
7. Anthony Martin, MAI Appraisal.....	2343
8. Ware Summons & Complaint.....	2414
9. Email between Wilhelm and Greenway.....	2428
10. Ware Form 4 Order.....	2429
11. Ware Beaufort County's Motion to Reconsider.....	2432
12. Ware Amended Order.....	2437
13. Ware Order for Preliminary Injunction.....	2440
14. Affidavit of Henry Amundson in Opposition to Plaintiffs' Motion and Renewed Motion for Preliminary Injunction.....	2452
15. Affidavit of Jared Fralix, PE, in Opposition to Plaintiffs' Motion and Renewed Motion for Preliminary Injunction.....	2456
16. Affidavit of David Wilhelm dated 5/16/2022.....	2462
17. Affidavit of Hank Amundson dated 2/22/2023.....	2467
18. Affidavit of Hank Amundson dated 10/19/2023.....	2469
19. Minutes from Beaufort County Council Meeting, 1 st Reading Ordinance 2022/35.....	2522
20. Minutes from Beaufort County Council Meeting, 2 nd Reading Ordinance 2022/35.....	2528
21. Email from Ward to Foster re Helmsman Way HHI Inquiry.....	2530
22. Email from Ward to Foster re Helmsman Way Offer.....	2536
23. Third Reading: Ordinance 2022/35.....	2539
24. Beaufort County's Answers to Plaintiff's First Requests for Admissions.....	2540
25. Beaufort County's Answers to Plaintiff's Second Requests for Admission.....	2544
26. Beaufort County's Answers to Plaintiff's Third Requests for Admission.....	2548
27. Beaufort County's Responses to Plaintiff's Fourth Request for Admissions.....	2551
28. Beaufort County's Answers to Plaintiff's First Set of Interrogatories.....	2554
29. Beaufort County's Amended Answers to Plaintiff's First Set of Interrogatories.....	2568
30. Beaufort County's Answers to Plaintiff's Third Set of Interrogatories.....	2581

31. Affidavit of Christopher L. Murphy.....	2585
32. Land Swap Ordinance 2022/45.....	2587
33. Town of Hilton Head Resolution 2022-29.....	2598
34. Email between Amundson and Wilhelm re Helmsman.....	2616
35. George Owen, MAI Updated Appraisal.....	2618

Volume 8

36. Tony Martin, MAI Updated Appraisal.....	2632
37. Email from Wilhelm re DI Ferry Action Plan.....	2702
38. Email between Martin and Ward re Appraisal Request Hilton Head Island.....	2704
39. Email between Owen and Wilhelm re Property appraisal.....	2705
40. Beaufort County Council Agenda Item Summary.....	2712
41. Email between Martin and Ward re Hilton Head Island appraisals.....	2714
42. Email between Wilhelm and Greenway re Property Appraisal.....	2716
43. Email between Passiment and Greenway.....	2717
44. Email between Wilhelm and Merchant re 10 Haig Point Circle Ownership.....	2721
45. Ferry Contract between DIFS and Haig Point.....	2727
46. Email between Wilhelm and Fralix re DI Ferry Embarkation Options.....	2739
47. Email between Wilhelm and Turano re Parking lot conceptual plan.....	2743
48. Email between Wilhelm and Godwin re follow up info.....	2745
49. Email between Wilhelm and Harris re Alliance Consulting Engineers proposal.....	2747
50. Email between Wilhelm and Godwin re Helmsman Way design.....	2751
51. Email between Wilhelm and Foot re CC Haig Ferry landing.....	2754
52. Beaufort County Council Agenda Item Summary.....	2757
53. Email between Wilhelm and Morgan re Daufuskie Ferry Map.....	2766
54. Email between Amundson and Fralix re questions for meeting with Hank/Eric.....	2769
55. Email between Wilhelm and Greenway re Follow up information-DI ferry terminal....	2773
56. Email between Wilhelm and Amundson re Helmsman.....	2774
57. Aerial photograph of dock.....	2778
58. Email between Amundson and Ward re Daufuskie Boat Ramp Inquiry.....	2779
59. Email between Amundson and Martin re Haig Point Embarkation Site Conceptual Planning Process.....	2785
60. Email between Ward and Foster re Helmsman Way Offer.....	2789
61. Email between Amundson and Antonacci re questions for meeting.....	2793
62. Email between Bauer, Gray, and Amundson re Haig Point Survey Estimates.....	2797
63. Letter from F&ME Consultants to McSweeney Engineers, LLC.....	2800
64. Letter from Amundson to Gray re Notice to Proceed-Survey Services for Helmsman Way Parking Project.....	2803
65. Email between Richland and Mead re Hank Amundson.....	2808
66. Email between Amundson and Ward re Haig Point parcel being surveyed by others....	2810
67. Email between Amundson and Martin re DPR-001542-2016.....	2812
68. Coronavirus State and Local Fiscal Recovery Funds, ARPA 31 CFR Part 35.....	2814
69. SCDOT Federal Transit Administration Programs State Management Plan.....	2820
70. Email between Amundson and Shotwell re MOU Details NEXT STEPS.....	2840
71. Daufuskie Island Ferry Procedures Manual.....	2852

72. Daufuskie Island Ferry County Council Presentation.....	2880
73. Options Summary.....	2887
74. Letter from Robinson to Martin re Notification of Embarkation Site Change from Buckingham Landing to CC Haigh Jr. Landing on January 1, 2024.....	2890
75. Post & Courier Article Hilton Head Island moves US 278 corridor project.....	2892
76. Town of Hilton Head Island Resolution authorizing Memorandum of Agreement with Beaufort County.....	2893
77. Town of Hilton Head Island Application Packet for Major Site Development Plan Review.....	2918
78. Davis & Floyd Parking Needs Analysis.....	3050
79. Davis & Floyd Daufuskie Ferry at Cross Island Plan Sheets.....	3051
80. Plan Corrections Report DPR-001914-2023 for Town of Hilton Head.....	3071
81. Email between Lowe and Luick re DPR-001914-2023.....	3073
82. Letter from Robinson to Senator Scott re US Fish and Wildlife conversations.....	3074

Volume 9

83. Letter from DHEC to Beaufort County re OCRM application.....	3078
84. Blocking of Entrance Photo.....	3093
85. Bloody Point Check-in Podium Photo.....	3094
86. Boarding Lane Block Fishing Photo.....	3095
87. Boat Ferry Dock Photo.....	3096
88. Boat Docking at Ferry Dock Photo.....	3097
89. Boat Tied up at Ferry Dock Photo.....	3098
90. Charter Captain Resisting Photo.....	3099
91. Charter Ops on Ferry Dock Photo.....	3100
92. Fishermen Blocking Embarkation Photo.....	3101
93. Fishing Charter Blocking the Ferry Dock Photo.....	3102
94. Fishing on Ferry Dock Photo.....	3103
95. Vandalism by Fishermen Photo.....	3104
96. No. 81-1 Ordinance to regulate the use of Pinckney Island Landing.....	3105
97. Mutual Agreement to Use Certain Properties within Pinckney Island National Wildlife Refuge.....	3108
98. Easement Exchange Agreement Pinckney Island National Wildlife Refuge.....	3113
99. Management Agreement between SC State Budget and Control Board and Beaufort County.....	3124
100. Email between Foster and Ward re Helmsman Way HHI Inquiry.....	3133
101. Email between Webb and Amundson re ARPA Ferry.....	3139
102. Letter from Murphy to Greenway re Representation Agreement.....	3143
103. Signed DHEC Application.....	3148
104. Aerial Views and Invoice-Andrews Engineering.....	3163
105. Email between Amundson and Ward re Haig Point parcel being surveyed.....	3170
106. Email between Wilhelm and Amundson re Commercial dock.....	3172

Volume 10

30. Beaufort County Trial Exhibits 1-42.....	3183
1. Ware v. Beaufort County Complaint.....	3183
2. Ware Form 4 Order: Ferry operations 5/24/22.....	3197
3. Transcript of Hearing with Judge Price re the injunction on September 5, 2022.....	3200
4. Notice of Condemnation and Lis Pendens.....	3210
5. Order Amending Form 4: Ferry operations 8/24/22.....	3214
6. Challenge Complaint filed 10/12/22.....	3217
7. Ware Order issued to stop ferry service on Jan. 1, 2024 2/21/23.....	3229
8. County Ordinance approving \$3.4 mill for the acquisition of the property 8/8/22.....	3241
9. SC Code Ann §6-21-50.....	3242
10. Email dated 8/12/20 re Skull Island (depo ex).....	3243
11. Wilhelm and Atherton Email looking at cost issues 12/4/20.....	3245
12. Email looking at Pinckney and asking about costs based on info 12/10/22.....	3247
13. Email with Costs Estimate Pickney 1/7/21.....	3253
14. Email Wilhelm - thinking looking at Helmsman property 6/8/21.....	3258
15. Email Wilhelm - looking at more options 8/31/21.....	3259
16. Email asking for cost estimates for Helmsman 9/1/21.....	3263
17. Email Wilhelm - looking for cost estimates for 3 options 9/2/21.....	3265
18. Email analyzing pros/cons of Pinckney Site 10/16/21.....	3267
19. Alliance Conceptual Plans 10/29/21.....	3270
20. Wilhelm and Daniel Morgan with the County.....	3273
21. Wilhelm Email - looking at costs of the Helmsman Site and the Dock 6/22/22.....	3276
22. GIS of the three parcels (2 pages) 10/10/22.....	3278
23. Agreement with Hilton Head re Cross Island Landing 10/24/22.....	3281
24. Daufuskie Island Ferry Capital Costs 3/15/23.....	3291
25. Contract Extension Letter 3/27/23.....	3292
26. SCDOT Lease/Encroachment Permit 6/2/23.....	3294
27. Contracts with McSweeney, O'Quinn and Andrews 6/6/23.....	3303
28. OCRM Permit - Phase I 8/7/23.....	3340
29. Davis & Floyd - plan for the DOT and Boat Landing 8/14/23.....	3349
30. Signed OCRM permit for the Boat Landing Extension 10/6/23.....	3359
31. Application to Town of Hilton Head by Davis & Floyd 10/2023.....	3368
32. Daufuskie Plans submitted by Davis & Floyd 10/2023.....	3390
33. Letter to Tim Scott asking for help 5/10/24.....	3520
34. Owen Appraisal for County in amount of \$3.9M for the property 8/18/21.....	3524
35. Owen Updated Appraisal in the amount of \$4.3M 12/1/23.....	3567
36. Martin Appraisal for the County in Amount of \$3.4M 8/20/21.....	3581

Volume 11

37. Martin Updated Appraisal in the amount of \$3.7M 12/3/23.....	3652
38. Deposition of Tony Martin 8/9/23.....	3723
39. Bishop Appraisal in amount of \$4.9M 12/1/23.....	3745

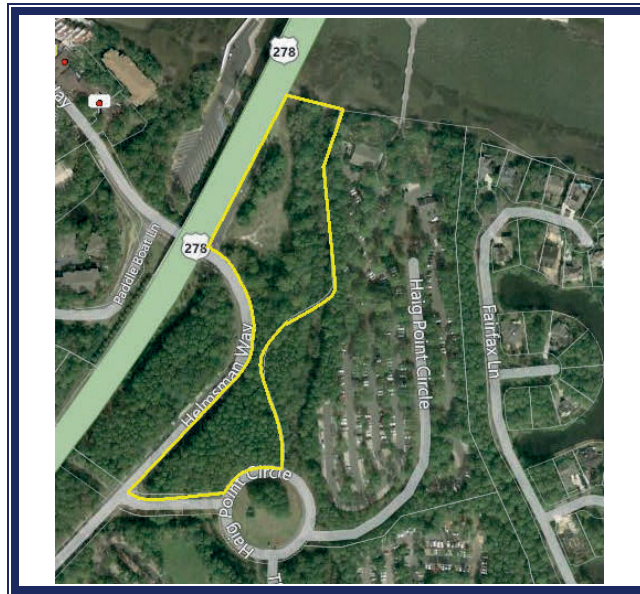
40. June/July 2021 selection of emails.....	3827
41. Affidavit of Cantzon Foster 10/2/23.....	3833
42. 9/27/22 email from Murphy to Bybee re Appraisal.....	3836
 Certificate of Counsel	 3838

A.R. Martin Co.

APPRAISAL REPORT OF:

4.979 ACRES COMMERCIAL LAND

Client Assignment ID:	Beaufort County vs. Broad Creek Development, LLC
Owner or Borrower:	Broad Creek Development, LLC
Subject Street:	Helmsman Way
Subject City, State, Zip:	Hilton Head Island, SC 29928
Subject County:	Beaufort



PREPARED FOR:

Christopher L. Murphy, Esquire
Resinick & Louis, P.C., Attorneys at Law
146 Fairchild Street, Suite 130
Charleston, SC 29492

DATE OF VALUE:

September 15, 2022

DATE OF REPORT:

December 3, 2023

APPRAISED BY:

Anthony R. (Tony) Martin, MAI
A.R. Martin Company
100-F Old Cherokee Road, Box 326
Lexington, SC 29072
803-960-4531-Office, 803-960-4531-Cell
tmartin@armartin.com

December 3, 2023

Christopher L. Murphy, Esquire
Resinick & Louis, P.C., Attorneys at Law
146 Fairchild Street, Suite 130
Charleston, SC 29492

Client Assignment #:	Beaufort County vs. Broad Creek Development, LLC
Owner:	Broad Creek Development, LLC
Subject Street:	Helmsman Way
Subject City, County, State:	Hilton Head Island, Beaufort County, SC 29928

Mr. Murphy:

Thank you so much for the opportunity to perform this appraisal assignment for you to aid in your work with Beaufort County. I greatly appreciate you contacting the A.R. Martin Company for this appraisal assignment.

As requested, I have appraised the fee simple market value of the subject property, which is two adjacent parcels located in Hilton Head Island, SC. Together the two parcels are indicated to total 4.979 acres. The parcels are wooded and undeveloped. One parcel, a 3.134 acre parcel, is a waterfront parcel and the other parcel, a 1.845 acre parcel, is located behind the water front parcel. Together, the parcels create a somewhat hourglass shape and there is only a very narrow area in the center where the parcels connect. Though adjacent, the parcels are effectively two distinctly separate parcels.

As you are aware, I originally appraised these parcels in August of 2021 for Beaufort County. This appraisal values the subject as of the date of filing the condemnation, which is September 15, 2022, and includes new sales information from that found in the original report. The new sales information as well as the market conditions adjustment, results in the value of the subject properties being higher in this report than that reflected in the 2021 report.

I have performed a sales comparison analysis to value the subject parcels individually and then I have also provided a value of the parcels as one total parcel. In real estate, the sum of the parts do not always equal the whole, and therefore, after consideration for entrepreneurial incentive and size, the value of the whole is slightly less than the sum of the two values. These values are presented on the following page.

All analyses and conclusions derived in this report are subject to the Assumptions and Limiting Conditions, the definition of *market value*, and other premises stipulated within this report. As a result of my analysis of the market data gathered during my investigation as well as my judgment and experience, the fee simple market value of the subject property, as of September 15, 2022 is determined to be:

3.134 Acre Waterfront Parcel: \$2,900,000

1.845 Acre Rear/Interior Parcel: \$1,070,000

Entrepreneurial Incentive should be considered when valuing the two parcels together. A downward adjustment is made to the value of the rear parcel to allow for entrepreneurial incentive/profit and size. This reflects a total value of the two parcels if sold together at:

4.979 Acre Total Tract: \$3,700,000

Respectfully submitted,



Anthony R. Martin, MAI
S.C. Appraisal License No. CG 1729

TABLE OF CONTENTS

CERTIFICATION	5
SUMMARY OF MAJOR CONCLUSIONS	7
PREMISES OF THE APPRAISAL	8
Extraordinary Assumptions and Limiting Condition	8
Summary Report Statements	9
Scope of Work	12
IDENTIFICATION OF THE SUBJECT PROPERTY	13
LOCATION OF SUBJECT	15
Subject Area	16
PROPERTY DESCRIPTION	21
THE LAND	21
AERIAL TAX MAP PHOTO	26
PLAT	27
GOOGLE 3D IMAGE OF SUBJECT	28
FLOOD ZONE	29
SUBJECT PHOTOS	30
SUBJECT PHOTOS	31
Real Estate Tax	32
HIGHEST AND BEST USE	33
Valuation Analysis	35
Valuation Methodology	35
LAND VALUATION – 3.134 ACRE PARCEL	36
Price Per Dwelling Unit	46
Reconciliation of Land Value – Price Per Dwelling Unit	48
LAND VALUATION – 1.845 ACRE PARCEL	49
Land Valuation – 4.979 acre total tract	59
RECONCILIATION OF VALUE	61
ADDENDUM	65
Appraiser Qualifications	65

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, nor any personal interest with respect to the parties involved.
- I have performed no other services (unless specified), as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- I, Anthony R. Martin, made a personal inspection of the property that is the subject of this report.

- No one provided significant professional assistance to the person signing this report.

Date: December 3, 2023



Anthony R. Martin, MAI
South Carolina State Certified General
Real Estate Appraiser #1729

SUMMARY OF MAJOR CONCLUSIONS

PROPERTY LOCATION	Helmsman Way, Hilton Head Island, SC 29928
PROPERTY OWNER(S)	Broad Creek Development, LLC
TAX MAP NUMBER	R552 010 000 0648 0000, R552 010 000 0649 0000
SITE SIZE: Acres / SF	4.979 acres or 216,885 SF
BUILDING SIZE	n/a SF
PROPERTY TYPE	4.979 Acres Commercial Land
YEAR BUILT / EFFECTIVE AGE	n/a / n/a years effective age (remaining economic life n/a years)
ZONING	WMU - Waterfront Mixed-Use District
HIGHEST & BEST USE: As Vacant	mixed use of multi-family and office
As Improved	n/a
ASSESSOR VALUE: LAND / IMP.	land: \$2,729,000 + imp.: \$0 = \$2,729,000 total for 2022
PROPERTY TAXES	Property taxes: \$144.45 Payment Status: indicated paid
VALUATION:	
Land Value – 3.134 Acre Parcel	\$2,900,000
Land Value – 1.845 Acre Parcel	\$1,070,000
Land Value – 4.979 Acre Total Parcel	\$3,700,000
DATE OF VALUE	September 15, 2022
DATE OF APPRAISAL REPORT	December 3, 2023

PREMISES OF THE APPRAISAL

All analyses and conclusions in this appraisal are based on the Assumptions and Limiting Conditions, Definitions and Concepts, and Identification of the Subject Property stated within this report. Recognizing the premises of the appraisal is vital to this appraisal assignment and to the analyses and conclusions that grow out of these premises. A list of the several standard Assumptions and Limiting Conditions are located at the end of the report. Special assumptions and conditions are listed here as well, for emphasis.

Extraordinary Assumptions and Limiting Conditions

This appraisal is to be made subject to the following Extraordinary Assumptions and Limiting Conditions:

- The subject property was inspected for the original appraisal of this property on August 9, 2021. This appraisal assumes the subject is physically similar to the condition observed on August 9, 2021, and as described in the original appraisal dated August 20, 2021. Should the subject be found to be significantly different than as described in this report, my opinion of value may change.

Summary Report Statements

The analyses and conclusions in this report are based on the following definitions and concepts.

Client and Intended User

The client is Christopher L. Murphy, Esquire. The client is also the intended user of this report.

Intended Use/Purpose of Report

The intended use of the appraisal report is to provide valuation information to aid the client in the purchase of the subject property for a government agency.

Type and Definition of Value

This appraisal is to provide an opinion of the market value of the fee simple interest in the subject property. *Market Value*¹, as used in this report, 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 a seller to buyer whereby:

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

¹ Definition has been agreed upon by agencies that regulate federal financial institutions in the United States including the Resolution Trust Corporation (RTC). (12 C.F.R. Part 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)

- 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.

Reasonable Exposure Time

Exposure time is defined as: *“The estimated length of time 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; a retrospective opinion based upon an analysis of past events assuming a competitive and open market.”*²

Information from Costar indicates time on market to sell a property like the subject is indicated to be 6-12 months.

Reasonable Marketing Time

Reasonable marketing time: *“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.”*³

The reasonable marketing time is a function of price, time, use, and anticipated market conditions such as changes in cost and availability of funds; not an isolated opinion of time alone.⁴

Current market conditions for a parcel like the subject are similar to those of the past year and marketing time is indicated to be similar to recent exposure time of 6-12 months.

Date of Value

The date of the value opinion is September 15, 2022.

² USPAP, as reprinted by the Appraisal Institute

³ USPAP (Advisory Opinion 7), as reprinted by the Appraisal Institute.

⁴ USPAP (Advisory Opinion 7).

Property Rights Appraised

The property rights appraised are the fee simple interest, defined by the *Dictionary of Real Estate Appraisal*, as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Appraiser's Competency

I, Anthony R. Martin, have a good understanding of the subject's property type and am familiar with the appropriate methodologies to appraise it. I also have a good understanding of the subject's geographic area and market.

Scope of Work

Listed below is a summary of the scope of work performed for this analysis. This summary will hopefully give the client a picture of the work performed in analyzing the market value of the interest appraised in the subject property. The scope outlines the actual work performed in determining value which has included gathering more data than what is only presented in this report.

- Identified the appraisal problem as: determine the fee simple market value of the subject property.
- Made an inspection of the subject property.
- Observed the surrounding neighborhood of the subject and noted the uses of neighboring properties, condition of neighborhood, development activity and any “for sale” or “for lease” signs.
- Utilized sales data within my files as well as paid data services (CoStar, Realquest) and local real estate professionals to identify recent and comparable sales of properties that would be most applicable to determine the value of the subject property.
- Visited the county deed office and/or online county website to copy deeds of sale transfers to identify exactly what was included in the sales price of the comps.
- Made a study of the current market trends. This is an ongoing process and includes discussions with other real estate professionals, reading various news sources and using fee-based sources for demographic and market information. These paid sources include Appraisal Institute data, CCIM/STDB Online data, CoStar and CoreLogic.
- Within this written report, I have summarized the pertinent market data and performed a sales comparison analysis to value of the fee simple interest of the subject property.

IDENTIFICATION OF THE SUBJECT PROPERTY

Location

The subject property is located at Helmsman Way, Hilton Head Island, Beaufort County, SC 29928. It is also identified as tax parcel number R552 010 000 0648 0000, R552 010 000 0649 0000.

Deed Description

All those certain parcels or tracts of land shown and designated as "Parcel E – 3.130 acres" and "Parcel C – 1.845 acres" on that certain plat entitled "Property of Plantation Land Co., Inc. to be conveyed to S.C. Dept. of Highways and Public Transportation," prepared by Niels Christensen IV, RLS, dated October 13, 1993 and recorded in the Register of Deeds Office for Beaufort County in Plat Book 50 at Page 53, and having such size, shape, buttings and bounding as will more fully appear by referenced to said plat.

This property is further shown and delineated on a plat prepared for Broad Creek Development by Surveying Consultants dated April 4, 2012 and revised on April 23, 2012, and recorded on April 26, 2012 in Plat Book 134 at Page 106 in the office for the Register of Deeds for Beaufort County as "Parcel C – 1.845 acres" and "Parcel E – 3.134 acres". Reference to said plat is made for a more complete and accurate description, be all measurements a little more or less.

Also, all of Grantor's right, title and interest, if any, in all lands lying east of the right of way for the Cross Island Expressway between the northernmost boundary line of Parcel E (as shown on that certain plat entitled "Property of Plantation Land Co., Inc. to be conveyed to S.C. Dept. of Highways and Public Transportation," prepared by Niels Christensen IV, RLS, dated October 13, 1993 and recorded in the Register of Deeds Office for Beaufort County in Plat Book 50 at Page 53) and the mean high water line of Broad Creek (as shown on a plat prepared for Broad Creek Development by Surveying Consultants dated April 4, 2012 and revised April 23, 2012, and recorded on April 26, 2012 in Plat Book 134 at Page 106 in the office for the Register of Deeds for Beaufort County) and as such mean high water line may change from time to time.

Tax Map No.: portion of R552-010-000-0309-0000

Grantee's Address: Attn: Charles C. Foster, II
3100 Devine Street
Columbia, SC 29205

This being a portion of the property acquired by the South Carolina Department of Transportation from Plantation Land Company, Inc. by General Warranty Deed dated August 5, 1994, and recorded August 17, 1994 in Book 725 at Page 320 in the office of the Register of Deeds for Beaufort County and filed in the South Carolina Department of Transportation Deed Vault in Columbia, South Carolina under Road S-80 (Cross Island Expressway), File 7.558, Tract 40.

Ownership

Broad Creek Development, LLC
3100 Devine Street
Columbia, SC 29205

History of Property

The subject property was purchased by the current owner in May of 2012 for \$2,665,000.

Information I received in 2011 regarding this property was that prior to this sale, the entire subject tract was offered for sale by SCDOT with an asking price of \$3,400,000. I was not told when or how long the site was marketed at this price, but I was told SCDOT eventually auctioned the property for sale and the winning bid was \$2,065,000. The winning bidder did not close within the time limit specified in the contract and then a new buyer, the Town of Hilton Head, attempted to purchase the site. I was told the winning bidder still intended to purchase the site and then took the matter to litigation. I do not know who the winning bidder was but given that the Town of Hilton Head did not purchase the property, it can be inferred the winning bidder was the current owner of the subject.

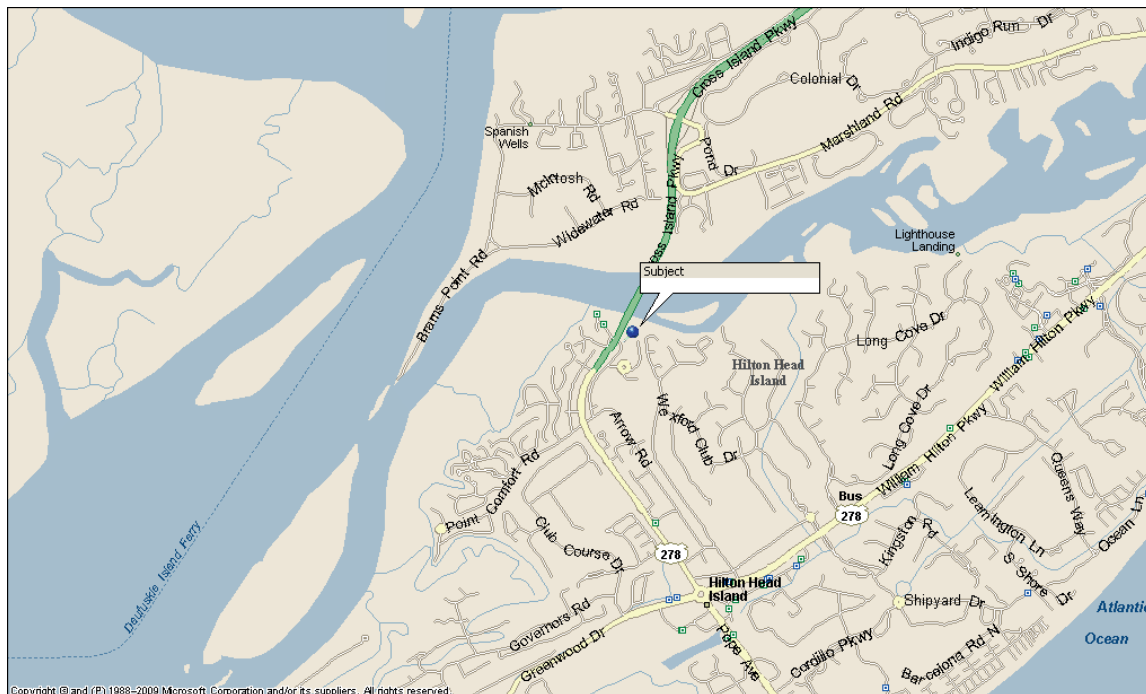
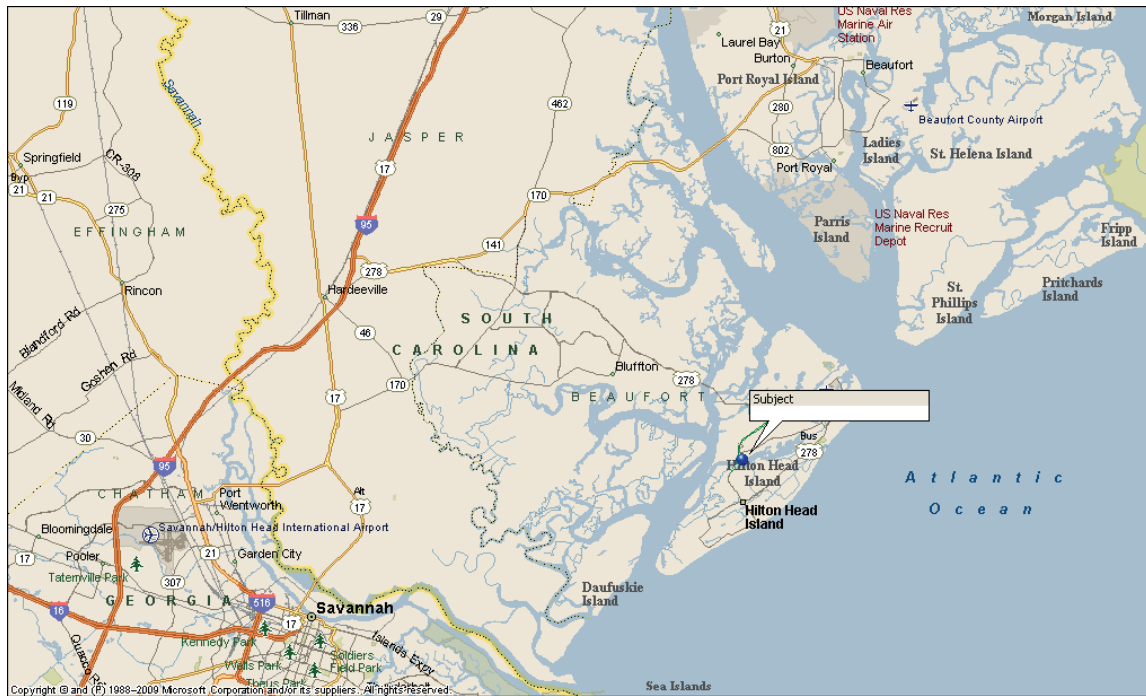
Present Use

The subject land is wooded and unimproved.

Current Listing or Contract

I am not aware of any current listing or contract for the subject property.

LOCATION OF SUBJECT



Subject Area

The subject property is located in Hilton Head Island, SC in the county of Beaufort. As the client, Beaufort County, is very familiar with the subject area, the following information is intended to highlight and summarize some of the factors that impact the subject.

The subject tract is located just off the Cross Island Parkway and is accessed via a lightly travelled two-lane road (Helmsman Way) that is primarily used by boaters using the public boat ramp adjacent to the subject and the marina located on the opposite side of the boat ramp. Helmsman Way separates into other roads on the opposite side of Cross Island Parkway but all eventually dead end.

The subject is not located in a commercially developed area and instead is surrounded by tracts that have more of a public use or destination commercial use. These include a public park, public boat ramp, the aforementioned marina and also an adjacent property used for a ferry boat operation to Haig Point on Daufuskie Island. Other land uses near the subject would include primarily vacant land and single family. The Cross Island Parkway eventually terminates at a traffic circle about 1.5 miles south of the subject. The traffic circle has significant commercial development and connects with the major thoroughfares on the island which include William Hilton Parkway, Pope Avenue and Greenwood Drive.

Residents are attracted to the area due to the proximity to the ocean, abundant boating opportunities in the various creeks, rivers and intracoastal waterway, the resort lifestyle and the other recreational activities which include golf, tennis and horseback riding.

Given the limited commercial development around the subject and with the subject being more destination oriented with regard to traffic, the most likely use of the subject has been concluded to be multi-family, and possibly office use. On the following pages is a market study of the subject area from Costar, a national real estate information services company. This market data is focused on the multi-family market in Hilton Head Island.

Economy

Hilton Head Island Multi-Family

With over 2.5 million visitors each year, Hilton Head's economy relies heavily on tourism as an economic driver. The metro's growth rates in income, population and labor force are all higher here than the U.S. averages, though most of these economic gains stem from the Bluffton area. Hilton Head's largest employment sectors, leisure and hospitality and retail trade, make up roughly 40% of total employment. For perspective, employment in the leisure and hospitality sector is twice as concentrated in Hilton Head as in the average U.S. metro.

That being said, these employment sectors felt the effects of the coronavirus pandemic the hardest. And since they make up a large portion of jobs here, the

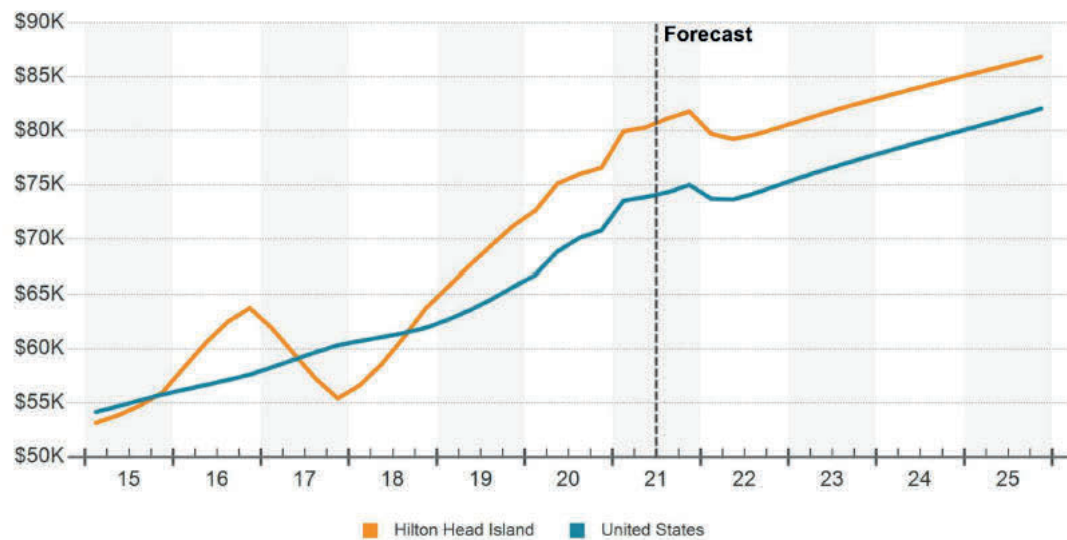
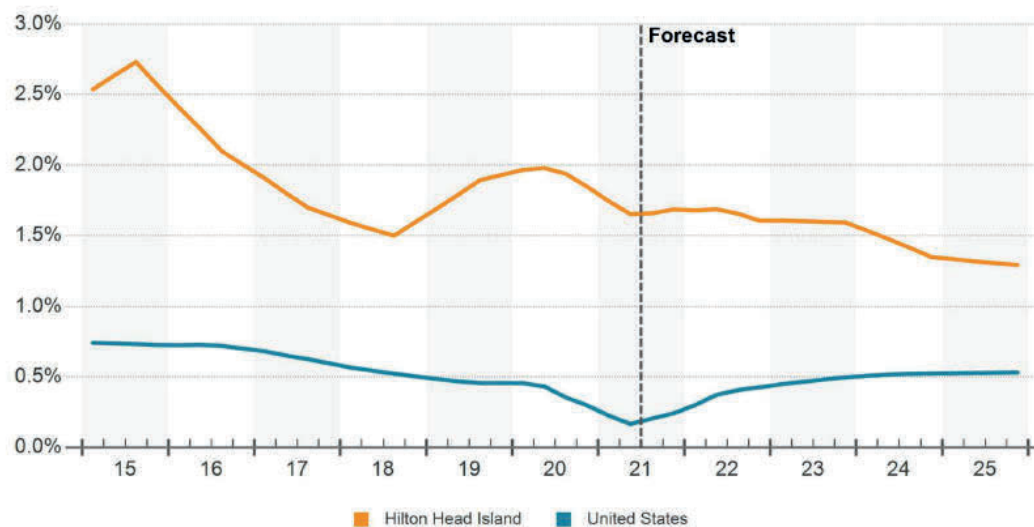
metro was particularly vulnerable to job losses. However, the local economy is well on its way to recovery and is one of the few South Carolina metros that has already returned to pre-pandemic employment levels.

Hilton Head Island boasts an unemployment rate below the national average and a higher median household income than many of its surrounding coastal cities. Popular tourist destinations, and also among the metro's top employers, include the Island's famous Salty Dog Café, Tanger Outlets, and the Sea Pines Resort, which hosts the RBC Heritage golf tournament. Reportedly, this tournament pumps over \$95 million into South Carolina's economy every year.

HILTON HEAD ISLAND EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	2	0.3	4.85%	5.14%	0.86%	0.65%	-1.00%	0.09%
Trade, Transportation and Utilities	15	0.9	3.35%	6.19%	1.95%	0.95%	0.58%	0.40%
Retail Trade	13	1.4	3.86%	6.48%	2.05%	0.45%	0.73%	0.34%
Financial Activities	5	0.9	-1.57%	2.45%	2.14%	1.42%	0.44%	0.59%
Government	11	0.9	1.01%	0.16%	0.18%	-0.16%	0.88%	0.85%
Natural Resources, Mining and Construction	5	1.0	9.59%	6.45%	5.04%	2.59%	-0.39%	0.78%
Education and Health Services	10	0.7	3.72%	6.10%	3.62%	1.70%	2.40%	1.45%
Professional and Business Services	13	1.1	11.90%	7.45%	5.39%	1.95%	2.18%	1.29%
Information	1	0.3	23.88%	6.05%	-3.60%	0.39%	3.95%	1.95%
Leisure and Hospitality	18	2.1	33.82%	24.14%	3.20%	1.01%	0.88%	2.97%
Other Services	5	1.4	5.90%	9.78%	0.06%	0.52%	-1.34%	0.88%
Total Employment	85	1.0	10.08%	6.78%	2.56%	1.09%	0.99%	1.09%

Source: Oxford Economics
LQ = Location Quotient

MEDIAN HOUSEHOLD INCOME**Economy****Hilton Head Island Multi-Family****POPULATION GROWTH (YOY %)**

The information indicates that Hilton Head Island has a population that is increasing at a rate faster than the country overall and Hilton Head Island has a higher median household income than the country overall. Both of these factors are positive influences on real estate markets and real estate values.

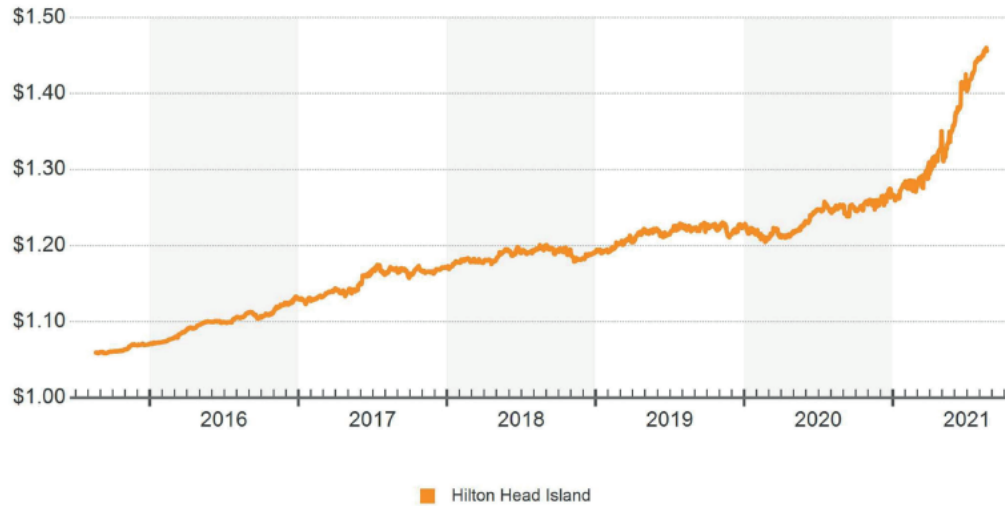
Rent

Hilton Head Island Multi-Family

Average asking rents are among the highest in the region, far above those of other coastal metros such as Savannah, Charleston, Myrtle Beach and Jacksonville. But despite the expensive rents, rent growth has also exceeded those of other neighboring metros. Strong demand for housing has allowed landlords to continue pushing rents and annual rent growth is near 16.6%.

Pre-pandemic, overall job growth has consistently outpaced the national average over the past several years, providing the steady stream of demand for rental housing. Hilton Head is also one of the few South Carolina metros that has returned to pre pandemic levels of employment.

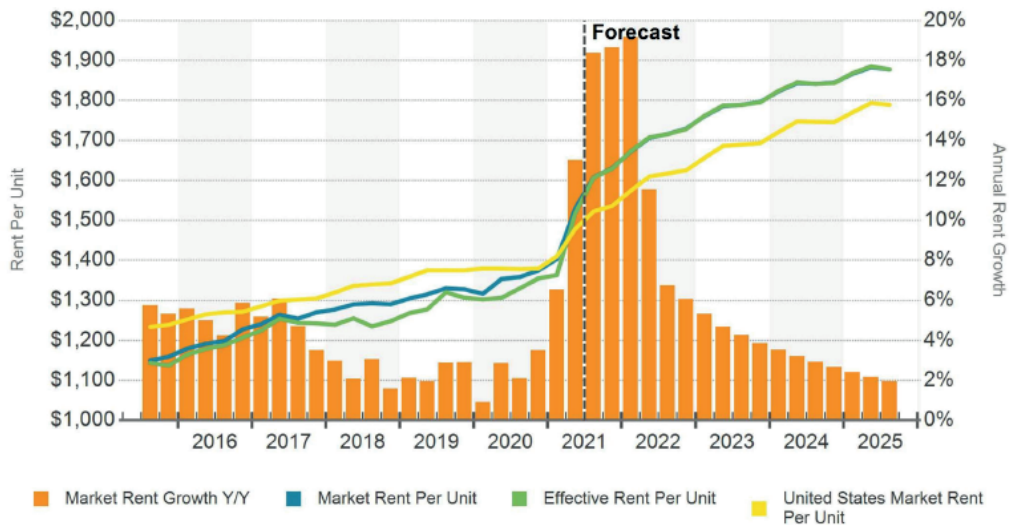
DAILY ASKING RENT PER SF



Rent

Hilton Head Island Multi-Family

MARKET RENT PER UNIT & RENT GROWTH



The market rent in the subject market is up about 17% in one year. This rate of increase is not expected to continue but market rents are expected to continue increasing 4%-6% per year through 2023. The indications are there is a tight housing market in Hilton Head Island. This is a positive influence on property values for properties like the subject which have a highest and best use of multi-family (condos) development.

Overview

Hilton Head Island Multi-Family

12 Mo. Delivered Units

181

12 Mo. Absorption Units

851

Vacancy Rate

4.6%

12 Mo. Asking Rent Growth

16.6%

Apartment rents in the Hilton Head Island Market were rising at a 16.6% annual rate during the third quarter of 2021, and have posted an average annual gain of 4.6% over the past three years. While 1,200 units have delivered over the past three years (a cumulative inventory expansion of 22.4%), nothing is currently underway. Vacancies in the metro were below the 10-

year average as of 2021Q3, and trended down over the past four quarters.

Nonfarm payrolls were recently increasing at an annual rate of 13.6%, or a gain of about 10,000 jobs. This represents the strongest rate of job creation in over a decade.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	4,069	5.3%	\$1,720	\$1,707	39	0	0
3 Star	2,302	3.5%	\$1,353	\$1,346	13	0	0
1 & 2 Star	164	3.7%	\$808	\$804	0	0	0
Market	6,535	4.6%	\$1,582	\$1,571	52	0	0

In summary, as of the date of value, economic conditions in the area are very good and there is a tight housing market. Rents are increasing at a rapid rate and conditions are expected to remain positive for the foreseeable future. These are positive factors for residential development and positive influences on the value of the subject property.

PROPERTY DESCRIPTION**THE LAND**

Location	68 Helmsman Way, Hilton Head Island , 29928
Land Area	4.975 acre or 216,711 SF total area Parcel E (waterfront parcel): 3.134 acres Parcel C (interior parcel): 1.845 acres
Shape	site has an irregular but functional hourglass shape
Topography	level
Elevation	on grade with adjacent roads
Drainage	assumed adequate
Vegetation/Landscaping	heavily wooded
Additional Comment	The site has about 110' of water frontage along the Broad Creek. The water view is negatively impacted by the Cross Island Parkway bridge which dominates the view.
<u>Environmental Hazards</u>	
Environmental evaluation is beyond my scope of expertise. If necessary, a qualified engineer should be consulted on this matter. The site was inspected and, to the untrained eye, no obvious hazardous materials or conditions were observed during my inspection.	
<u>Ground Stability</u>	
I was not provided a soil analysis to review but predicate that the soil's load bearing capacity is sufficient to support structures typical for the area. I did not observe any evidence to the contrary during my inspection of the property.	

Utilities

Public Water	Yes
Public Sewer	yes
Gas	not known
Well	n/a
Septic Tank	n/a

Roads

Street	<u>Helmsman Way</u>	<u>Haig Point Circle</u>
Frontage	854'+-	222'+-
Paving	asphalt	asphalt
Curbs/Gutters	yes	no
Sidewalk	yes	no
Lanes	2	2
Direction of Traffic	2-way	2-way
Condition of Road	good	good
Traffic Level	moderate	low
Signals/Traffic Control	none within 100'	none within 100'
Access	full r/l access	full r/l access
Exposure	average	typical for road

Zoning

Zoning Classification: WMU - Water Front Mixed Use district

Permitted Uses

The zoning description for WMU has been copied from the Town of Hilton Head Zoning Ordinance and is found on the following page. In addition, the portion of the zoning information that describes the allowable hotel rooms and dwelling units is included.

Conforming Use?: Yes.

Easements, Encumbrances, Encroachments and Moratoria

I am not aware of any other easements, encumbrances, or restrictions that would adversely affect the use of the site. A title search is recommended to determine whether any adverse conditions exist. I am not aware of any type of development moratorium that would affect the property.

WMU

Waterfront Mixed-Use District

1. Purpose

It is the purpose of the Waterfront Mixed-Use (WMU) District to recognize certain *lands* that are special water-oriented *sites*, and as such have a unique ability to provide an environment conducive to water-oriented commercial and residential *development*. In order to service the residents of these *lands*, and to serve the transient boat and minor tourist *use* component of the district, water-oriented commercial *uses* are permitted.

2. Allowable Principal Uses

USE CLASSIFICATION/TYPE		USE-SPECIFIC CONDITIONS	MINIMUM NUMBER OF OFF-STREET PARKING SPACES	
Residential Uses				
<i>Mixed-Use</i> ⁴	PC	Sec. 16-4-102.B.1.a	Residential	1.125 per du
			Nonresidential	1 per 650 sf
<i>Multifamily</i>	P		1 bedroom	1.4 per du
			2 bedroom	1.7 per du
			3 or more bedrooms	2 per du
<i>Recreational Vehicle</i>	PC	16-4-102.B.1.c	1 per <i>Recreational Vehicle</i>	
<i>Single-Family</i>	P		2 per du + 1 per 1,250 GFA over 4,000 GFA	
<i>Workforce Housing</i>	PC	16-4-102.B.1.d	See Sec. 16-5-107.D.2	

3. Development Form Standards			
MAX. DENSITY (PER <i>NET ACRE</i>) ^{1, 5}		LOT COVERAGE	
Residential ³	16 du	Max. <i>Impervious Cover</i>	50%
<i>Bed and Breakfasts</i>	10 rooms		
<i>Hotel</i>	35 rooms	Min. <i>Open Space</i> for Major Residential <i>Subdivisions</i>	16%
<i>Interval Occupancy</i>	16 du		

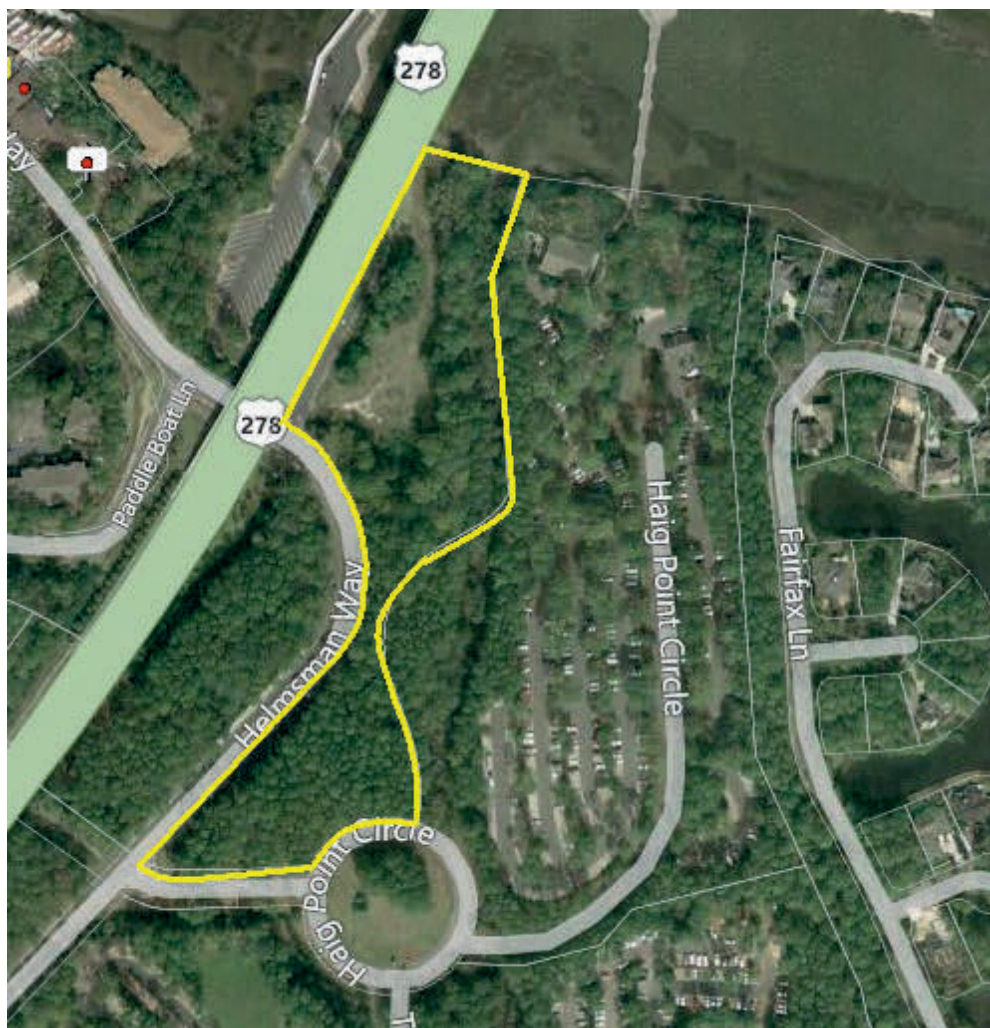
WMU Waterfront Mixed-Use District			
Nonresidential	8,000 GFA		
MAX. BUILDING HEIGHT ^{2, 3}			
All <i>Development</i>	75 ft		

Summary of Land Description

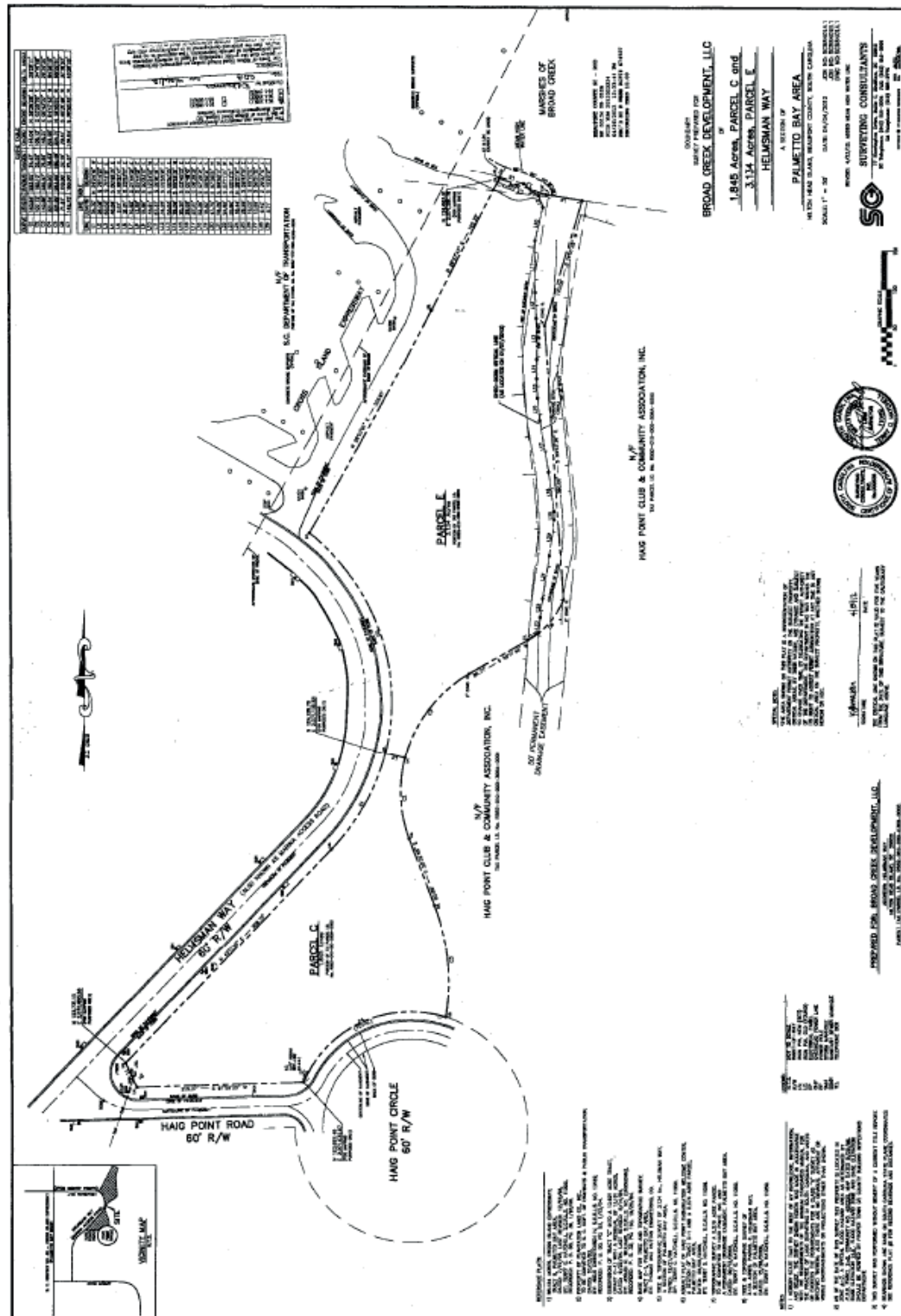
The subject site has adequate size and shape for development and public water and sewer are available. The shape of the subject resembles an hourglass and the middle of the tract is only 26' wide making the tract appear to resemble two separate parcels instead of one site. Each end of the hourglass shape has adequate size and shape for development. The tract has water frontage on the Broad Creek and is easily accessible from the Cross Island Parkway.

Helmsman Way is a moderately travelled road that is primarily used by boaters using the public boat ramp adjacent to the subject and the marina located on the opposite side of the boat ramp. Helmsman Way separates into other roads on the opposite side of Cross Island Parkway but all eventually dead end. The subject is not located in a commercially developed area and instead is surrounded by tracts that have more of a public use or destination commercial use. These include a public park, public boat ramp, the aforementioned marina and also an adjacent property used for a ferry boat operation to Haig Point on Daufuskie Island. Other land uses near the subject would include primarily vacant land and single family. The Cross Island Parkway eventually terminates at a traffic circle about 1.5 miles south of the subject. The traffic circle has significant commercial development and connects with the major thoroughfares on the island which include William Hilton Parkway, Pope Avenue and Greenwood Drive.

AERIAL TAX MAP PHOTO



PLAT



GOOGLE 3D IMAGE OF SUBJECT



FLOOD ZONE

HELMSMAN WAY HILTON HEAD ISLAND, SC 29928

LOCATION ACCURACY: *User-defined location*

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	450250	PANEL	0442G
PANEL DATE	March 23, 2021	MAP NUMBER	45013C0442G



SUBJECT PHOTOS



View of subject from Helmsman Way



View of subject from Helmsman Way



View of subject from Helmsman Way



View along Helmsman Way

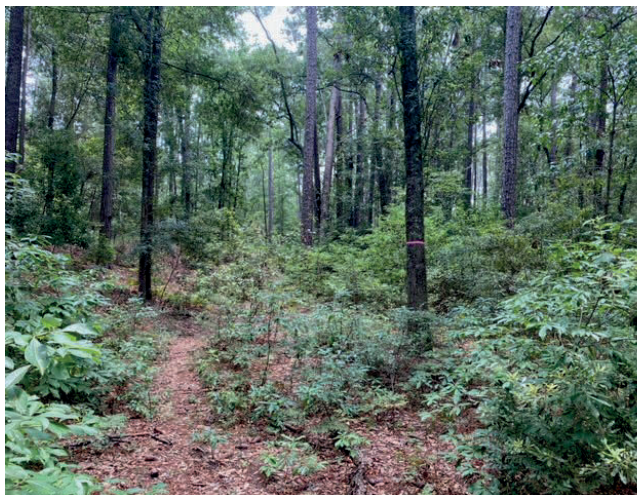


View of subject from Haig Point Circle



Interior view

SUBJECT PHOTOS



Interior view



Interior view



Water view from parcel



View of subject water frontage



View of subject from public boat landing



View of Haig Point Ferry adjacent to subject

Real Estate Tax

The total county assessor's values for the subject are as follows:

Land: \$2,729,000

Improvements: \$0

Total: \$2,729,000

The current taxes for the subject are indicated to be \$144.45.

HIGHEST AND BEST USE

Process

Before an opinion of value can be developed, the highest and best use of the property must be determined for both the subject site as though vacant, and for the property as currently improved (if applicable). The highest and best use must be:

- Legally permissible under the zoning laws and other restrictions that apply to the site.
- Physically possible for the site.
- Economically feasible.
- Capable of producing the highest net return on investment (i.e., highest value) from among the possible, permissible, and economically feasible uses.

As Vacant

Size of Site: 4.979 acre or 4.979 SF

Shape / Topography: site has an irregular but functional hourglass shape, level

Land Uses Bordering Subject

North: Broad Creek

South: Haig Point Circle

East: Ferry Boat use property

West: Helmsman Way and public boat landing

Other Land Uses in Close Proximity

The subject site has adequate size and shape for development and public water and sewer are available. There is not a significant amount of commercial development near the subject other than the marina and the boat ferry. Other uses are public, which include a park and the boat landing.

Zoning: WMU - Water Front Mixed Use district

Private Restrictions: None noted

Legal Use of the Site

The zoning allows for almost any use, including commercial and residential.

Physical Use of the Site

The site has an unusual hourglass shape but both ends of the hourglass have adequate size and shape to support commercial or residential development.

Financially Feasible Uses of the Site

Any use, which is capable of generating a positive return, is considered financially feasible. Given the location of the tract near the Cross Island Parkway, the water frontage, proximity to the commercial uses of marina and boat ferry, as well as the available legal uses of the site, commercial use is the most financially feasible use of the site as vacant. The most likely financially feasible commercial uses are multi-family and office, with multi-family (condo or apartment) development on waterfront parcel and office or multi-family on rear parcel.

Maximally Productive Uses of the Site

I have determined that the maximally productive use and highest and best use of the site as though vacant is: mixed use of multi-family and office.

As Vacant Conclusions	
Use:	mixed use of multi-family and office
Timing:	Now
User:	Developer

Valuation Analysis

Valuation Methodology

The traditional methods of processing market data into a value indication include:

- Cost Approach
- Income Approach
- Sales Comparison Approach

The cost approach assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land, or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The sales comparison approach assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data that can be verified from authoritative sources. The sales comparison approach is less reliable in an inactive market, or when estimating the value of properties for which no real comparable sales data is available. It is also questionable when sales data cannot be verified with principals to the transaction.

The income capitalization approach reflects the market's perception of a relationship between a property's potential income and its market value, a relationship expressed as a capitalization rate. This approach converts the anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value indication through capitalization. This approach is widely applied when appraising income-producing properties.

******Only a sales comparison analysis of the land value was performed in this analysis.**

LAND VALUATION – 3.134 ACRE PARCEL

Sales Summary

An extensive search for land comps was undertaken. The subject is an undeveloped, commercially zoned acreage parcel with water frontage on Hilton Head Island. The number of these types of properties is very low and the number of recent sales of these property types is very, very low. I have assembled several comps that I believe give the best indication of value of the subject.

LAND SALES SUMMARY											
#	Location	Zoning	Sale Date	Size(Ac.)	Size(SF)	Sale Price	Imprvmnts	Effective Sale Price	Price/Acre	Price/SF	
1	106 Helmsman Way, HHI	WMU	07/17/20	1.496	65,166	\$1,000,000	\$ -	\$1,000,000	\$668,449	\$15.35	
2	17 Mackerel Dr, HHI	RM-4	01/22/18	3.079	134,121	\$1,250,000	\$ -	\$1,250,000	\$405,976	\$9.32	
3	63 Skull Creek Dr, HHI	PUD	08/10/20	2.745	119,572	\$2,827,000	\$ -	\$2,827,000	\$1,029,872	\$23.64	
4	71 Shelter Cove LN, HHI	LC	07/27/23	3.040	132,422	\$3,938,000	\$ -	\$3,938,000	\$1,295,395	\$29.74	

Sales Map



Land Sale 1

Street Address: 106 Helmsman Way
County: Beaufort
City, State, Zip: Hilton Head Island, SC 29928
Tax Map #: R552 010 000 0313 0000

Land Description:

Gross Land Area: 1.496 Acre
Net Land: 1.496 Acre
Topography: Level
Corner / Interior: Interior
Road Frontage: Limited
Zoning Description: WMU
Water / Sewer: Water/sewer available

Sale Information:

Sale Status: Closed
Sale Price: \$1,000,000
Sale Date: 07-17-20
Deed: 3886 / 0587
Grantor: Keith A. Miller & Margaret M. Miller
Grantee: Palmetto Bay Marina, LLC
Sale Type: Fee Simple
Financing: Typical

Price / Acre: \$668,449

Price / SF: \$15.35

Remarks:

The grantor, Keith Miller, explained he purchased this property in 2012 to flip. He said the buyer, who owns the adjacent marina, intends to use the property to expand the marina and add more boat slips. Mr. Miller said the property was not being actively marketed and the buyer approached him with an offer and they negotiated a sale price.



Land Sale 2

Street Address: 17 Mackerel Drive
County: Beaufort
City, State, Zip: Hilton Head Island, SC 29928
Tax Map #: R510 011 000 0072 0000, 0139, 0152

Land Description:

Gross Land Area: 3.079 Acre
Net Land: 3.079 Acre
Topography: Level
Corner / Interior: Interior
Road Frontage: Limited
Zoning Description: RM-4
Water / Sewer: Water/sewer available

Sale Information:

Sale Status: Closed
Sale Price: \$1,250,000
Sale Date: 01-22-18
Deed: 3641 / 31
Grantor: Pine Field, LLC
Grantee: Harinderjit Singh
Sale Type: Fee Simple
Financing: Typical

Price / Acre: \$405,976

Price / SF: \$9.32

Remarks:

This parcel is an old mobile home park. The buyer's intentions are unknown as attempts to contact the buyer and seller were unsuccessful, however, the buyer appears to be assembling several parcels in the area to create a larger, waterfront, development parcel.



Land Sale 3

Street Address: 63 Skull Creek Drive
County: Beaufort
City, State, Zip: Hilton Head Island, SC 29928
Tax Map #: R510 003 000 0034 0000

Land Description:

Gross Land Area: 2.745 Acre
Net Land: 2.745 Acre
Topography: Level
Corner / Interior: Interior
Road Frontage: Typical for size
Zoning Description: PUD
Water / Sewer: Water/sewer available

Sale Information:

Sale Status: closed
Sale Price: \$2,827,000
Sale Date: 08-10-20
Deed: 4063 / 0349
Grantor: 6163 PUB, LLC
Grantee: The Charles, LLC
Sale Type: Fee Simple
Financing: Typical

Price / Acre: \$1,029,872

Price / SF: \$23.64

Remarks:

The listing broker, Tom DeMint of Sperry Van Ness, stated the buyer intends to develop the site with luxury condos. The site is entitled to construct 8 dwelling units per acre or 22 total units for this site.



Land Sale 4

Street Address: 71 Shelter Cove
County: Beaufort
City, State, Zip: Hilton Head Island, SC 29928
Tax Map #: R520 012 00C 0001 0000

Land Description:

Gross Land Area: 3.04 Acre
Net Land: 3.04 Acre
Topography: Level
Corner / Interior: Interior
Road Frontage: Typical for size
Zoning Description: LC
Water / Sewer: Water/sewer available

Sale Information:

Sale Status: Closed
Sale Price: \$4,450,000
Sale Date: 07-27-23
Deed: 4262 / 2561
Grantor: KLR, LLC
Grantee: Town of Hilton Head Island
Sale Type: Fee Simple
Financing: Typical

Price / Acre: \$1,463,816

Price / SF: \$33.60

Remarks:

This parcel was on the market for more than 6 years. The parcel was marketed primarily as a hotel site and marketing info indicates a site plan has been completed for a 106 room hotel. The Town of Hilton Head is indicated to have purchased the property as part of their ongoing effort to preserve greenspace on the island.



LAND SALES GRID - Price Per Acre					
Subject		1	2	3	4
Location		106 Helmsman Way, HHI	17 Mackerel Dr, HHI	63 Skull Creek Dr, HHI	71 Shelter Cove LN, HHI
Sale Date		7/17/2020	1/22/2018	8/10/2020	7/27/2023
Zoning		WMU	RM-4	PUD	LC
Sale Price		\$1,000,000	\$1,250,000	\$2,827,000	\$3,938,000
Size upland	Acre	3.134	1.496	3.079	2.745
Price Per	Acre	\$668,449	\$405,976	\$1,029,872	\$1,295,395
Property Rights		-	-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000	\$3,938,000
Financing		-	-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000	\$3,938,000
Conditions of Sale		-	-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000	\$3,938,000
Expenditures After Purchase		-	-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000	\$3,938,000
Market Conditions (months)		26	57	26	-11
Annual % Change		16.46%	35.35%	15.96%	-6.56%
Market Conditions \$		\$164,583	\$441,927	\$451,142	-\$258,431
Adj. Price		\$1,164,583	\$1,691,927	\$3,278,142	\$3,679,569
Price Per: Acre		\$778,465	\$549,505	\$1,194,223	\$1,210,384
ADJUSTMENTS FOR FEATURES					
Location/Exposure					
Dollar Adj.		-	-	(298,555.75)	(242,076.89)
Percentage Adj.		0.00%	0.00%	-25.00%	-20.00%
Size	Acre	3.134	1.496	3.079	2.745
Dollar Adj.		(116,769.72)	-	-	-
Percentage Adj.		-15.00%	0.00%	0.00%	0.00%
Topo / Access / Shape / Frontage					
Dollar Adj.		155,692.96	-	-	-
Percentage Adj.		20.00%	0.00%	0.00%	0.00%
Utilities					
Dollar Adj.		-	-	-	-
Percentage Adj.		0.00%	0.00%	0.00%	0.00%
Other					
Dollar Adj.		-	164,851.62	119,422.30	-
Percentage Adj.		0.00%	30.00%	10.00%	0.00%
NET ADJ. TOTAL		38,923.24	164,851.62	(179,133.45)	(242,076.89)
Net Adj. %		5.00%	30.00%	-15.00%	-20.00%
ADJ. PRICE	Acre	\$817,388	\$714,357	\$1,015,090	\$968,308
ADJ. PRICE	SF	\$18.76	\$16.40	\$23.30	\$22.23
GROSS ADJ.		272,462.68	164,851.62	417,978.04	242,076.89
Gross Adj. %		35.0%	30.0%	35.0%	20.0%

Explanation and Support of Adjustments:

Analysis and Adjustment of Sales

The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of the two. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales or statistical analysis. Qualitative adjustments are developed through relative comparisons (e.g., superior, inferior, etc.) and are often a realistic way to reflect the thought process of market participants when only limited data is available.

Adjustments are based on my rating of each comparable sale in relation to the subject. If the comparable is rated superior to the subject, the sale price is adjusted downward to reflect the subject's relative inferiority; if the comparable is rated inferior, its price is adjusted upward. Adjustments were considered under the elements of comparison discussed below.

Real Property Rights Conveyed

This adjustment is generally applied to reflect the transfer of property rights different from those being appraised, such as differences between properties owned in fee simple and in leased fee.

In this analysis, no adjustments were required.

Conditions of Sale

This adjustment category reflects extraordinary motivations of the buyer or the seller to complete the sale. Examples include a purchase for assemblage involving anticipated incremental value or a quick sale for cash. This adjustment category may also reflect a distress-related sale or a corporation recording at non-market price.

In this analysis, comp 4 is a current listing and has been on the market for more than 5 years. A downward adjustment is applied to reflect a reasonable negotiated sale price.

Financing Terms

This adjustment is generally applied to a property that transfers with atypical financing, such as having assumed an existing mortgage at a favorable interest rate. Conversely, a property may be encumbered with an above-market mortgage which has no prepayment clause or a very costly prepayment clause. Such atypical financing often plays a role in the negotiated sale price.

In this analysis, no adjustments were required.

Expenditures Immediately After Purchase

This adjustment is appropriate in situations where the sale price has been influenced by expenditures that the buyer intended to make immediately after purchase. Examples include buyer-paid sales commissions, buyer-paid back taxes, and costs to demolish obsolete structures to clear a site for redevelopment.

In this analysis, no adjustments were required.

Time - Market Conditions

Real estate values normally change over time. The rate of this change fluctuates due to investors' perceptions of prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sales date of a comparable, when values have appreciated or depreciated.

An upward adjustment for market conditions is applied. Values in highly desirable areas throughout the state have risen by as much as 10% or more over the past 12 to 18 months and the subject's location would be considered highly desirable. For this analysis, a 7.5% upward adjustment is considered reasonable for the comps.

Location

Location has a great impact on property values. This adjustment category considers general market area influences as well as a property's visibility from a main thoroughfare.

In this analysis, all the comps are located on Hilton Head Island and have water frontage. Comp 1 has an almost identical location to the subject and requires no

adjustment. Comp 2 is bordered by low quality residential properties but has a superior water frontage location/view than the subject. The offsetting factors imply no adjustment for location is required. Comp 3 has a superior residential location and water view and is given a downward adjustment. Comp 4 is located in a much more densely developed area with significantly greater commercial potential (hotel use) than the subject, and a downward adjustment is applied.

Size

Historically, smaller properties sell for more per unit than larger properties with all other factors being equal.

In this analysis, the comps were adjusted for size difference relative to the subject.

Topography, Access, Shape, Frontage

A site's **topography** is an important factor in development cost. Poor topography can increase development cost and result in a lower value for the site due to the increased costs to develop it. **Access** can have a great effect on the highest and best use of a property. Access can determine the difference between a convenience/impulse location and a destination location. The most common adjustment for access reflects the difference between a corner and an interior site. A site's **shape** can affect the value per unit of the property. An unusual shape may reduce the overall development potential of a site as a portion of the site may not be suitable for development and add little to the overall value of the site. **Frontage** offers good exposure to traffic along heavily travelled roads and parcels with better frontage can be considered superior to similar properties with less frontage.

In this analysis, comp 1 has a very irregular shape and is given an upward adjustment for inferior shape.

Utilities

The availability of water and sewer increases the development potential for a site. Public water availability is an important factor when considering the development potential of sites, especially commercial or industrial sites in rural areas. In addition, lack of either public water or sewer requires a portion of the

site be devoted to well or septic and therefore reduces the amount of the site that can be developed with building or parking improvements.

In this analysis, no adjustments were required.

Other

This adjustment category includes any aspect of superior or inferiority not addressed in the previous adjustments.

In this analysis, no adjustments were required.

Reconciliation

The sales reflected a range of values as noted below.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Acre	\$817,388	\$714,357	\$1,015,090	\$968,308
SF	\$18.76	\$16.40	\$23.30	\$22.23
Gross Adj.	35.0%	30.0%	35.0%	20.0%

COMP VALUE INDICATIONS		
Range Per:	Acre	SF
Maximum	\$1,015,090	\$23.30
Minimum	\$714,357	\$16.40
Average	\$878,786	\$20.17
Median	\$892,848	\$20.50

The comps, though limited, give a reasonable indication of the potential range of value for the subject land. For a property like the subject, there are many variables that can affect value and as such, the limited number of comps combined with the numerous variables to consider, can result in a somewhat wide range of potential value.

Considering the overall range, I have reconciled the value of the subject near the mean and median values of the range at \$890,000 per acre. This reflects a value for the subject land as follows:

Land Value - Value Per Acre					
3.134	acre	x	\$890,000	=	\$2,789,260 or \$2,800,000 rd.

Additional Sales Analysis

The subject property and the comparable sales are all development parcels and given the zoning in the area and the limited amount of available land for development, another significant factor that drives value for land in the area is what a developer can do with a property, i.e., what is the maximum number of residential units, or hotel rooms, etc. that could be developed on a parcel. Given this, comps 1, 2 and 3 are also analyzed on a price per dwelling unit.

Price Per Dwelling Unit

On the following page the sales grid is presented again. However, this analysis compares the subject to the comps on a price per dwelling unit.

A detailed discussion of each of the adjustments is not necessary as most of the adjustments or non-adjustments are the same as in the previous price per acre analysis. The two adjustments that are different in this analysis are the adjustments for dwelling units and zoning (line item "other").

Dwelling Unit Adjustment

This adjustment is similar to a land size adjustment, where economies of scale result in a lower price per unit. Since the unit of comparison is a price per dwelling unit, then the greater the number of dwelling units available to a property then the lower the price per unit. Just as with a price per acre where a smaller acreage parcel will typically sell for more per acre (unit) than a larger acreage parcel, the lower the number of dwelling units the higher the price per unit.

In this case, given zoning, the subject has potential for 50 dwelling units to be constructed at the subject. Comp 1 has 23 units potential, comp 2 has 18 units potential and comp 3 has 22 units potential.

The subject has a significantly higher number of dwelling units allowed than the comps. All the comps are given downward adjustments for less dwelling units since a higher price per unit is paid (economies of scale).

Shape

Comp 1 is given an upward adjustment for irregular shape.

Zoning (Other) Adjustment

An adjustment for zoning is not required in this analysis. A zoning that limits units to a low number is an “inferior” zoning but adjusting up for inferior zoning in this analysis would offset the Dwelling Unit Adjustment. For example, a one acre residential lot that only allows one dwelling unit might have a value of say \$100,000, while a similar sized lot that allows four residential units may have a value of \$200,000. The single dwelling lot has a value of \$100,000 per dwelling unit while the four-unit lot has a value of only \$50,000 per dwelling unit. Therefore, adjusting for the inferior zoning defeats the purpose of this analysis, and a zoning adjustment is not applied.

LAND SALES GRID - Price Per Dwelling Unit				
Subject		1	2	3
Location		106 Helmsman Way, HHI	17 Mackerel Dr, HHI	63 Skull Creek Dr, HHI
Sale Date		7/17/2020	1/22/2018	8/10/2020
Zoning	WMU - Waterfront Mixed-Use	WMU	RM-4	PUD
Sale Price		\$1,000,000	\$1,250,000	\$2,827,000
DU's	50	23	18	22
Price Per DU		\$43,478	\$69,444	\$128,500
Property Rights		-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000
Financing		-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000
Conditions of Sale		-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000
Expenditures After Purchase		-	-	-
Adj. Price		\$1,000,000	\$1,250,000	\$2,827,000
Market Conditions (months)		26	57	0
Annual % Change	7.50%	16.46%	35.35%	0.00%
Market Conditions \$		\$164,583	\$441,927	\$0
Adj. Price		\$1,164,583	\$1,691,927	\$2,827,000
Price Per:	0	\$50,634	\$93,996	\$128,500
ADJUSTMENTS FOR FEATURES				
Location/Exposure				
Dollar Adj.		-	-	(32,125.00)
Percentage Adj.		0.00%	0.00%	-25.00%
DU's	50	23	18	22
Dollar Adj.		(10,126.81)	(23,498.99)	(25,700.00)
Percentage Adj.		-20.00%	-25.00%	-20.00%
Topo / Access / Shape / Frontage				
Dollar Adj.		10,126.81	-	-
Percentage Adj.		20.00%	0.00%	0.00%
Utilities				
Dollar Adj.		-	-	-
Percentage Adj.		0.00%	0.00%	0.00%
Other				
Dollar Adj.		-	-	-
Percentage Adj.		0.00%	0.00%	0.00%
NET ADJ. TOTAL		-	(23,498.99)	(57,825.00)
Net Adj. %		0.00%	-25.00%	-45.00%
ADJ. PRICE		\$50,634	\$70,497	\$70,675
GROSS ADJ.				
Gross Adj. %		20,253.62	23,498.99	57,825.00
		40.0%	25.0%	45.0%

Reconciliation of Land Value – Price Per Dwelling Unit

The adjusted unit values of the comps reflected the following range of values.

	<u>1</u>	<u>2</u>	<u>3</u>
DU	\$50,634	\$70,497	\$70,675
Gross Adj.	40.0%	25.0%	45.0%

COMP VALUE INDICATIONS	
Range Per:	DU
Maximum	\$70,675
Minimum	\$50,634
Average	\$63,935
Median	\$70,497

Comp 1 is most similar to the subject, but comps 2 and 3 are closer in value to each other. I have weighted the values of comps 2 and 3 together at 50% and the value of comp 1 at 50% and reconciled the value of the subject on a price per dwelling unit at \$60,000 per dwelling unit.

Land Value - Value Per Dwelling Unit					
50	DU's	x	\$60,000	=	\$3,000,000 or \$3,000,000 rd.

Reconciliation – Value of 3.134 Acre Parcel

The two analyses of this parcel reflected the following values:

Land Value - Value Per Acre					
3.134	acre	x	\$890,000	=	\$2,789,260 or \$2,800,000 rd.

Land Value - Value Per Dwelling Unit					
50	DU's	x	\$60,000	=	\$3,000,000 or \$3,000,000 rd.

I have given each analysis equal weight and reconciled the value of the 3.134 acre parcel at:

\$2,900,000

LAND VALUATION – 1.845 ACRE PARCEL

Sales Summary

The 1.845 acre parcel of the subject is a more typical commercial parcel that is best suited for office or multi-family development. An extensive search for similar parcels on Hilton Head Island was undertaken but few recent comparable sales were located, so the search was expanded to the Bluffton area.

LAND SALES SUMMARY										
#	Location	Zoning	Sale Date	Size(Ac.)	Size(SF)	Sale Price	Imprvmnts	Effective Sale Price	Price/Acre	Price/SF
1	20 Palmetto Bay Rd, Hilton Head	GC	02/12/18	2.800	121,968	\$1,500,000	\$ -	\$1,500,000	\$535,714	\$12.30
2	Bleecker Street, Bluffton	PUD	11/29/21	6.967	303,483	\$2,500,000	\$ -	\$2,500,000	\$358,835	\$8.24
3	103 Persimmon St, Bluffton	PUD	07/11/22	2.079	90,561	\$1,200,000	\$ -	\$1,200,000	\$577,201	\$13.25
4	132 Bluffton Rd, Bluffton	CCMU	02/26/21	1.059	46,130	\$750,000	\$ -	\$750,000	\$708,215	\$16.26

Sales Map



Land Sale 1

Name\Location

Street Address: 20 Palmetto Bay Road
County: Beaufort
City, State, Zip: Hilton Head Island, SC 29928
Tax Map #: R552 015 000 0102 0000 and R552 015 000 0417 0000

Land Info:

Gross Land: 2.80 acres
Net Land: 2.80 acres
Topo / Shape: Level
Corner / Int: Interior (not true corner)
Road Frontage: Typical for size
Zoning: GC
Water / Sewer: Both available
VPD 26,295

Transaction Info:

Sale Status: Closed
Sale Price: \$1,500,000
Sale Date: 02-12-18
Deed: 3644 / 1971
Grantor: Pinnacle Bank
Grantee: Palmetto Bay SP, LLC
Sale Type: Fee Simple
Financing: Cash to seller
Price / Acre: \$535,714
Price / SF: \$12.30

Remarks:

This sale was brokered by Spain Kelly of MSK Commercial Services. The intentions of the buyer are not known.



Land Sale 2

Name\Location

Street Address: Bleecker Street
County: Beaufort
City, State, Zip: Bluffton, SC 29910
Tax Map #: R614 022 000 1132 0000 and parcel 1133

Land Info:

Gross Land: 6.967 acres
Net Land: 6.967 acres
Topo / Shape: Level
Corner / Int: Interior
Road Frontage: Typical for size
Zoning: PUD

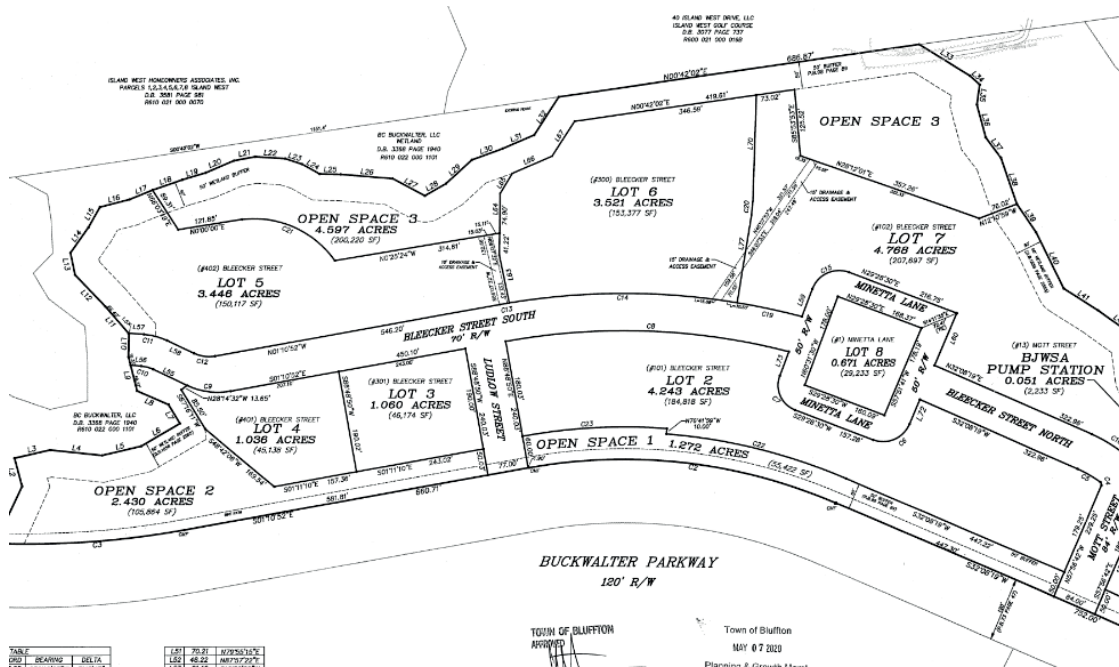
Water / Sewer: Both available

Transaction Info:

Sale Status: Closed
Sale Price: **\$2,500,000**
Sale Date: 11-29-21
Deed: 4089 / 2869
Grantor: Speyside Partners, LLC
Grantee: Washington Square Holdings, LLC
Sale Type: Fee Simple
Financing: Cash to seller
Price / Acre: **\$358,835**
Price / SF: **\$8.24**

Remarks:

This tract was purchased for development with 58 townhomes (Washington Square Townhomes). The sale includes lots 5 and 6 on the plat below.



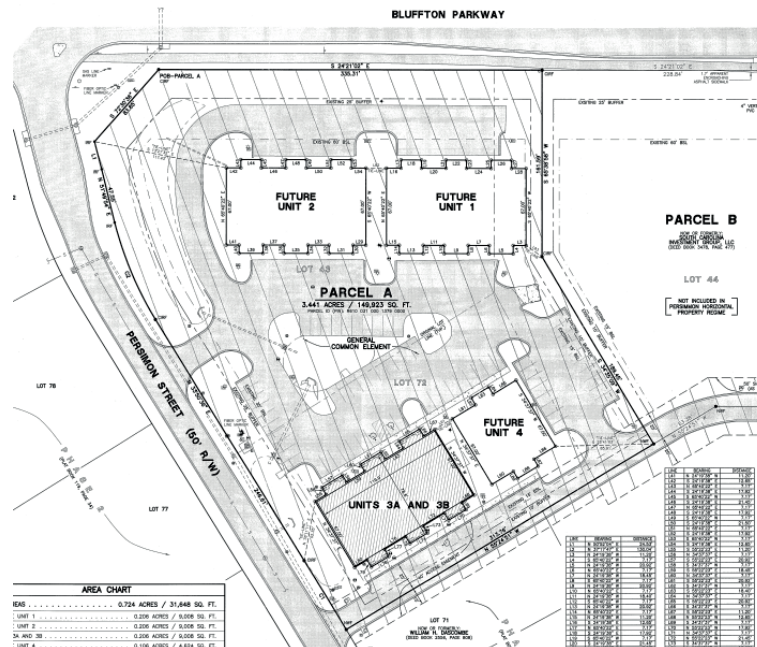
Name\Location

Land Info:

Transaction Info:

Remarks:

This is the sale of two office pad sites which together total 15,600 SF (Units 1 and 2 on plat below). The pad sites are part of a POA that has use of a 3.441 acre paved parking area. There are two other office pad sites that will be using the parking area. Dividing the common area parking by half and adding to the pad site size, reflects an effective size for this sale of approximately 2.079 acres. The parking area is already paved and this is an additional benefit for this sale. The sale was broked by Tom DeMint of SVN; Mr. DeMint confirmed the effective size and paved parking of the sale.



Land Sale 4

Name\Location

Street Address: 132 Bluffton Road
County: Beaufort
City, State, Zip: Bluffton, SC 29910
Tax Map #: R600 039 000 0215 0000

Land Info:

Gross Land: 1.059 acres
Net Land: 1.059 acres
Topo / Shape: Level
Corner / Int: Interior
Road Frontage: Typical for size
Zoning: Community Center Mixed Use
Water / Sewer: Both available
VPD: 14,561

Transaction Info:

Sale Status: Closed
Sale Price: \$750,000
Sale Date: 02-26-21
Deed: 3977 / 1072
Grantor: Robin G. Fornari
Grantee: 132 Bluffton Road, LLC
Sale Type: Fee Simple
Financing: Cash to seller
Price / Acre: \$708,215
Price / SF: \$16.26

Remarks:

The listing agent for this sale was Baker Wilkins of NAI Carolina Charter. This parcel included a 1,674 SF mobile unit used as a doctor's office along with paved parking. The parcel is indicated to have sold for land value only.



LAND SALES GRID - 1.845 Acre Parcel					
<u>Subject</u>		1	2	3	4
Location		20 Palmetto Bay Rd, Hilton Head	Bleecker Street, Bluffton	103 Persimmon St, Bluffton	132 Bluffton Rd, Bluffton
Sale Date		2/12/2018	11/29/2021	7/11/2022	2/26/2021
Zoning		WMU	GC	PUD	CCMU
Sale Price		\$1,500,000	\$2,500,000	\$1,200,000	\$750,000
Size upland	Acre	1.845	2.800	6.967	2.079
Price Per	Acre	\$535,714	\$358,835	\$577,201	\$708,215
Property Rights		-	-	-	-
Adj. Price		\$1,500,000	\$2,500,000	\$1,200,000	\$750,000
Financing		-	-	-	-
Adj. Price		\$1,500,000	\$2,500,000	\$1,200,000	\$750,000
Conditions of Sale		-	-	-	-
Adj. Price		\$1,500,000	\$2,500,000	\$1,200,000	\$750,000
Expenditures After Purchase		-	-	-	-
Adj. Price		\$1,500,000	\$2,500,000	\$1,200,000	\$750,000
Market Conditions (months)		56	10	2	0
Annual % Change		7.50%	34.92%	6.04%	1.38%
Market Conditions \$		\$523,750	\$151,042	\$16,500	\$0
Adj. Price		\$2,023,750	\$2,651,042	\$1,216,500	\$750,000
Price Per: Acre		\$722,768	\$380,514	\$585,137	\$708,215
ADJUSTMENTS FOR FEATURES					
Location/Exposure					
Dollar Adj.		(180,691.96)	38,051.41	(58,513.71)	(70,821.53)
Percentage Adj.		-25.00%	10.00%	-10.00%	-10.00%
Size					
Acre		1.845	2.800	6.967	2.079
Dollar Adj.		72,276.79	76,102.82	58,513.71	(70,821.53)
Percentage Adj.		10.00%	20.00%	10.00%	-10.00%
Topo / Access / Shape / Frontage					
Dollar Adj.		-	-	-	-
Percentage Adj.		0.00%	0.00%	0.00%	0.00%
Utilities					
Dollar Adj.		-	-	-	-
Percentage Adj.		0.00%	0.00%	0.00%	0.00%
Other					
Dollar Adj.		-	76,102.82	-	-
Percentage Adj.		0.00%	20.00%	0.00%	0.00%
NET ADJ. TOTAL		(108,415.18)	190,257.05	-	(141,643.06)
Net Adj. %		-15.00%	50.00%	0.00%	-20.00%
ADJ. PRICE		Acre	\$614,353	\$570,771	\$585,137
ADJ. PRICE		SF	\$14.10	\$13.10	\$13.43
GROSS ADJ.			252,968.75	190,257.05	117,027.42
Gross Adj. %			35.0%	50.0%	20.0%

Explanation and Support of Adjustments:

Analysis and Adjustment of Sales

The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of the two. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales or statistical analysis. Qualitative adjustments are developed through relative comparisons (e.g., superior, inferior, etc.) and are often a realistic way to reflect the thought process of market participants when only limited data is available.

Adjustments are based on my rating of each comparable sale in relation to the subject. If the comparable is rated superior to the subject, the sale price is adjusted downward to reflect the subject's relative inferiority; if the comparable is rated inferior, its price is adjusted upward. Adjustments were considered under the elements of comparison discussed below.

Real Property Rights Conveyed

This adjustment is generally applied to reflect the transfer of property rights different from those being appraised, such as differences between properties owned in fee simple and in leased fee.

In this analysis, no adjustments were required.

Conditions of Sale

This adjustment category reflects extraordinary motivations of the buyer or the seller to complete the sale. Examples include a purchase for assemblage involving anticipated incremental value or a quick sale for cash. This adjustment category may also reflect a distress-related sale or a corporation recording at non-market price.

In this analysis, no adjustments were required.

Financing Terms

This adjustment is generally applied to a property that transfers with atypical financing, such as having assumed an existing mortgage at a favorable interest rate. Conversely, a property may be encumbered with an above-market

mortgage which has no prepayment clause or a very costly prepayment clause. Such atypical financing often plays a role in the negotiated sale price.

In this analysis, no adjustments were required.

Expenditures Immediately After Purchase

This adjustment is appropriate in situations where the sale price has been influenced by expenditures that the buyer intended to make immediately after purchase. Examples include buyer-paid sales commissions, buyer-paid back taxes, and costs to demolish obsolete structures to clear a site for redevelopment.

In this analysis, no adjustments were required.

Time - Market Conditions

Real estate values normally change over time. The rate of this change fluctuates due to investors' perceptions of prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sales date of a comparable, when values have appreciated or depreciated.

An upward adjustment for market conditions is applied. Values in highly desirable areas throughout the state have risen by as much as 10% or more over the past 12 months and the subject's location would be considered highly desirable. For this analysis, a 7.5% upward adjustment is considered reasonable for the comps.

Location

Location has a great impact on property values. This adjustment category considers general market area influences as well as a property's visibility from a main thoroughfare.

In this analysis, all the comps except comp 2 are located in more developed commercial areas than the subject. Comp 1, is located on Hilton Head Island with frontage along the heavily travelled Highway 278 and is surrounded by dense development. Comps 3 and 4 are located in Bluffton and although also surrounded by more commercial development than the subject, are given lower

downward adjustments due to the Bluffton location. Comp 2 is in a lightly developed area of Bluffton and is given an upward adjustment.

Size

Historically, smaller properties sell for more per unit than larger properties with all other factors being equal.

In this analysis, the comps were adjusted for size difference relative to the subject.

Topography, Access, Shape, Frontage

A site's **topography** is an important factor in development cost. Poor topography can increase development cost and result in a lower value for the site due to the increased costs to develop it. **Access** can have a great effect on the highest and best use of a property. Access can determine the difference between a convenience/impulse location and a destination location. The most common adjustment for access reflects the difference between a corner and an interior site. A site's **shape** can affect the value per unit of the property. An unusual shape may reduce the overall development potential of a site as a portion of the site may not be suitable for development and add little to the overall value of the site. **Frontage** offers good exposure to traffic along heavily travelled roads and parcels with better frontage can be considered superior to similar properties with less frontage.

In this analysis, no adjustments were required.

Utilities

The availability of water and sewer increases the development potential for a site. Public water availability is an important factor when considering the development potential of sites, especially commercial or industrial sites in rural areas. In addition, lack of either public water or sewer requires a portion of the site be devoted to well or septic and therefore reduces the amount of the site that can be developed with building or parking improvements.

In this analysis, no adjustments were required.

Other

This adjustment category includes any aspect of superior or inferiority not addressed in the previous adjustments.

In this analysis, comp 2 was purchased for and is indicated to have a PUD use intended for multi-family development. The subject has both multi-family and office use potential; comp 2 is given an upward adjustment for inferior zoning/use.

Reconciliation

The sales reflected a range of values as noted below.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Acre	\$614,353	\$570,771	\$585,137	\$566,572
SF	\$14.10	\$13.10	\$13.43	\$13.01
Gross Adj.	35.0%	50.0%	20.0%	20.0%

COMP VALUE INDICATIONS		
Range Per:	Acre	SF
Maximum	\$614,353	\$14.10
Minimum	\$566,572	\$13.01
Average	\$584,208	\$13.41
Median	\$577,954	\$13.27

The adjusted values of the comps give a good indication of the value range and the value potential for the subject land. Considering the overall range, I have reconciled the value of the subject near the mean and median values of the range at \$580,000 per acre. This reflects a value for the subject land as follows:

Land Value					
1.845	acre	x	\$580,000	=	\$1,070,100 or \$1,070,000 rd.

Land Valuation – 4.979 acre total tract

The subject parcel is an hourglass shaped parcel and both ends of the hourglass have been analyzed in this report. The highest and best use of the two separate parcels is mostly similar, with the rear parcel likely tending to be more office use than multi-family. A purchaser would likely intend to utilize just one of the two parcels and then sell the other; this is primarily due the fact the two parcels are almost physically separated already and the fact each parcel could physically support a commercial development as a stand-alone site.

Essentially, it is my opinion that the problem of solving the value of the entire tract can be solved by taking the two values already established for each of the separate parcels, and then apply some adjustment for entrepreneurial incentive to buy the entire tract instead of buying just one of the parcels. The maximally productive use for the entire site would be for a developer to develop the waterfront parcel and then sell the rear/interior parcel. This means a downward adjustment should be applied to the value of the rear/interior parcel for entrepreneurial incentive (profit to be made from the sale of this tract).

Alternatively, this adjustment could be looked at as a size adjustment from the sum of the two values since the whole parcel is larger than the two smaller parts of the whole. In either case, a downward adjustment should be applied to the sum of the parts to reflect the value of the whole. The total value is analyzed on the following page.

The values already established for the two separate sections of the subject are as follows:

3.134 acre waterfront parcel = **\$2,900,000**

1.845 interior parcel = **\$1,070,000**

The adjustment for entrepreneurial incentive should be applied to the interior parcel since this is the parcel that should be sold to yield the maximally productive value of the site. A 25% downward adjustment is applied to the value of the interior site.

1.845 acre	\$1,070,000
Profit Adj.	<u>0.75</u>
1.845 adj.	\$802,500

Now that the value of the rear/interior parcel has been adjusted for entrepreneurial incentive, the two values can be added together to reflect the value of the whole.

3.134 acre	\$2,900,000
1.845 acre	<u>\$802,500</u>
4.979 acre total	\$3,702,500
	\$3,700,000 rd.

RECONCILIATION OF VALUE

The subject property has been analyzed using the sales comparison approach to value. The two parcels that make up the subject property have been valued individually and then the subject has been valued as a whole.

I have reconciled the fee simple market value of the subject parcels and the subject as a whole, as of the date of valuation, at:

3.134 Acre Waterfront Parcel:	\$2,900,000
1.845 Acre Rear/Interior Parcel:	\$1,070,000
4.979 Acre Total Tract:	\$3,700,000

PREMISES OF THE APPRAISAL

All analyses and conclusions in this appraisal are based on the following Assumptions and Limiting Conditions, Definitions and Concepts, and Identification of the Subject Property. Recognizing the premises of the appraisal is vital to this appraisal assignment and to the analyses and conclusions that grow out of these premises. In conducting this appraisal, it is assumed, except as otherwise noted in the report, as follows:

Assumptions and Limiting Conditions

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
7. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
8. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
9. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
10. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
11. We are not required to give testimony or to be in attendance in court or any government or other hearing with reference to the property without written contractual arrangements having been made relative to such additional employment.
12. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in

this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
14. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
15. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This appraisal report shall be considered only in its entirety. No part of this appraisal report shall be utilized separately or out of context.
16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the A.R. Martin Company) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without prior written consent from the A.R. Martin Company.
17. Information, estimates and opinions contained in this report, obtained from sources outside of the office of the undersigned, are assumed to be reliable and have not been independently verified.
18. Any income and expense estimates contained in this appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
19. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
20. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
21. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
22. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
23. The analyses contained in this report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local

business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

24. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
25. This appraisal report has been prepared for the exclusive benefit of the client referenced in this report. It may not be used or relied upon by any other party. All parties who use or rely upon any information in this report without our written consent do so at their own risk.
26. No studies have been provided to us indicating the presence or absence of hazardous materials on the site or in the improvements, and our valuation is predicated upon the property being free and clear of any environment hazards.
27. We have not been provided with any evidence or documentation as to the presence or location of any floodplain areas and/or wetlands. Wetlands generally include swamps, marshes, bogs, and similar areas. We are not qualified to detect such areas. The presence of floodplain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal, unless otherwise noted in the report.

ADDENDUM

Appraiser Qualifications

ANTHONY R. MARTIN, MAI**A.R. Martin Company**

100-F Old Cherokee Road, # 326, Lexington, SC 29072

803-359-4398 office – 803-960-4531 cell – tmartin@armartin.com**EXPERIENCE**

A real estate appraiser since 1993, Mr. Martin has appraised commercial, residential and special use properties with extensive experience in eminent domain appraisal work. Mr. Martin has appraised a variety of public works projects for government agencies and has served as an expert witness testifying in numerous counties throughout South Carolina.

TYPES OF PROPERTIES APPRAISED

<u>Commercial:</u>	retail, retail strip, office, restaurant
<u>Special Purpose:</u>	church, convenience store, self-storage, auto service, trucking facility, golf course
<u>Industrial:</u>	office warehouse, warehouse, manufacturing
<u>Residential:</u>	apartment community, mobile home park, subdivision development
<u>Land:</u>	all property types and sizes

Sample Assignments: Various valuation assignments include:

Commercial Lending:	A variety of commercial property types appraised for financial institutions.
Road Projects:	Appraisal of numerous road right-of-way projects which include road widening projects, new road corridor projects and dirt road paving projects. Sample of major road projects include: I-73/Dillon County, Bluffton Parkway/Beaufort County, Hwy 378/Florence County, Aynor Overpass/Horry County, I-520/Aiken County, Hwy 1/Richland County, Hwy 68 Hampton County, Hwy 17 Colleton County, Hwy 501/Marion County, Hwy 302/Lexington County, Hwy 101/Spartanburg County, Hwy 521/Clarendon County, Carolina Bays Prkwy/Horry County.
Utility Projects:	Appraisal work in new sewer line right-of-way, new water line right-of-way and new power line right-of-way has been performed in numerous counties throughout the state.
Litigation:	Mr. Martin has testified as an expert witness at trial under cross examination more than 15 times, testified in judge decision hearings more than 20 times and has been deposed and written appraisals for litigation dozens of times, all in various counties.

EDUCATION

Bachelor of Science in Business Administration - Finance Minor, Winthrop University.

Appraisal Institute Courses:	110 – Appraisal Principles, 120 – Appraisal Procedures, 310 Basic Income Capitalization, 320 General Applications, USPAP, 510 – Advanced Income Capitalization, 520 – Highest and Best Use and Market Analysis, 530 – Advanced Sales Comparison and Cost Approach, 540 – Report Writing and Valuation Analysis, 550 – Advanced Applications, various seminars.
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APPRAISAL LICENSE AND PROFESSIONAL AFFILIATIONS

South Carolina Certified General Real Estate Appraiser #1729; MAI (Member of the Appraisal Institute)

SAMPLE OF CLIENTS

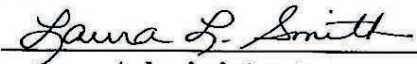
National banks, community banks, South Carolina state government, various city governments, various county governments, cooperative utilities, attorneys and private individuals.

Appraisal License

BCD 1434082

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
ANTHONY RAY MARTIN
Is hereby entitled in practice as a:
Certified General Appraiser
License Number: **1729**

Expiration Date: 06/30/2024
OFFICE COPY


Administrator

A.R. Martin Company

The A.R. Martin Company is a real estate appraisal and real estate consulting company centrally located in South Carolina just outside of Columbia. Established in 2002, the president and owner (Tony Martin) has been appraising real estate since 1993 and holds the MAI designation from the Appraisal Institute. The company's primary work involves performing commercial real estate appraisals for lending institutions and eminent domain appraisals for government agencies.

The company performs appraisals statewide throughout South Carolina. In addition to a variety of bank assignments in various counties, the company has appraised numerous road widening and new road corridor projects, as well as power-line right-of-way and water/sewer line right-of-way projects. Anthony (Tony) Martin is on the approved appraiser list for all major banks in South Carolina, as well as the approved appraiser list for the South Carolina Department of Transportation, and has performed appraisals for numerous local government entities and utilities throughout the state. A sample of recent major road projects appraised include: Interstate 73 (Dillon County), Palmetto Parkway / Interstate 520 (Aiken County), Bluffton Parkway (Beaufort County), Carolina Bays Parkway (Horry County), Hungry Neck Blvd. (Charleston County), US Highway 17 widening (Colleton County), US Highway 501 / 38 (Marion County), US Highway 378 widening (Florence County), Boundary Street widening (city of Beaufort), Sweetgrass Basket Parkway (Town of Mt. Pleasant), Leesburg Road widening (Richland County), US 1 widening (Lexington County), Clearwater Road widening (Aiken County), Port Access Road (Charleston County).

The A.R. Martin Company also provides real estate appraisal and consulting work for litigation purposes; Mr. Martin has been qualified as an expert witness in numerous counties throughout the state and has extensive experience testifying in condemnation cases as well as lawsuits between private companies and individuals. Appraisal review work is also offered.

ANTHONY R. (TONY) MARTIN – APPRAISAL EXPERIENCE IN LITIGATION

Year	Event	Description
2020	Trial	Expert testimony and cross examination for condemnation on Clearwater Road Widening Project. Aiken County
2020	Deposition	Deposed regarding appraisal for Clements Ferry Road Project. Berkeley County
2019	Deposition	Deposed regarding appraisal for Port Access Road Project. Charleston County
2019	Trial	Expert testimony and cross examination for condemnation on Atlas Road Widening Project. Richland County
2019	Deposition	Deposed regarding appraisal for Atlas Road Widening Project. Richland County
2017	Trial	Expert testimony and cross examination in reduced access condemnation case for Boundary Street project. Beaufort County, SC
2017	Deposition	Deposed regarding appraisal for Boundary Street project. Beaufort County, SC
2017	Deposition	Deposed regarding appraisal for Boundary Street project. Beaufort County, SC
2015	Deposition	Deposed regarding appraisals for Boundary Street project. Beaufort County, SC
2014	Deposition	Deposed regarding appraisal for Aynor Overpass project. Horry County
2014	Trial	Expert testimony and cross examination for Aynor Overpass project. Horry County
2014	Trial	Expert testimony and cross examination in condemnation case for Interstate 73 project. Dillon County
2012	Trial	Expert testimony and cross examination in condemnation case for Bluffton Parkway project. Beaufort County, SC
2012	Trial	Expert testimony and cross examination in condemnation case for City of Columbia ditch improvement project. Richland County
2011	Deposition	Deposed regarding appraisal for Bluffton Parkway project. Beaufort County, SC
2011	Deposition	Deposed regarding appraisals of 26 single family homes for lawsuit due to flooding of homes not in flood zone. Charleston County, SC
2011	Deposition	Deposed regarding a ground contamination case involving a Pizza Hut. Kershaw County, SC
2011	Trial	Expert testimony and cross examination in case of 26 single family homes which flooded but were not in flood zone. Charleston County, SC
2010	Deposition	Deposed regarding appraisal for Bluffton Parkway project. Beaufort County, SC
2010	Trial	Expert testimony and cross examination in condemnation of a golf

		course impacted by Bluffton Parkway project. Beaufort County, SC
2009	Deposition	Deposed regarding appraisal for Hungry Neck Blvd. project. Charleston County, SC
2009	Trial	Expert testimony and cross examination in condemnation case for Hwy 501/Hwy 38 project. Marion County, SC
2008	Trial	Expert testimony and cross examination in condemnation case for land impacted by Aynor Overpass project. Horry County, SC
2008	Deposition	Deposed regarding appraisal of subdivision impacted by new transmission power line right of way. Hampton County, SC
2008	Trial	Expert testimony and cross examination in condemnation of acquisition needed for Hwy 68 project. Hampton County, SC
2007	Trial	Expert testimony and cross examination in condemnation case. Beaufort County, SC
2007	Deposition	Deposed regarding appraisal of parcel impacted by new Interstate 520 project. Aiken County, SC
2007	Mitigation	Appraised and participated in mitigation for acquisition of land being acquired for transmission power line right of way. Florence County, SC
2007	Deposition	Deposed regarding appraisals of parcels impacted by Aynor Bypass road project. Horry County, SC.
2007	Deposition	Deposed regarding appraisal of single-family home impacted by flooding but which was not in flood zone. Richland County, SC
2006	Trial	Expert testimony and cross examination in condemnation of acquisition needed for Hwy 101 project. Spartanburg County, SC
2005	Trial	Expert testimony and cross examination in condemnation of acquisition for Hwy 521 project. Williamsburg County, SC
2004	Hearing	Expert testimony in a leasehold interest case. Richland County, SC
2003	Trial	Expert testimony and cross examination in condemnation of acquisition for Hwy 1 project. Richland County, SC
2002	Trial	Expert testimony and cross examination in condemnation of acquisition needed for Hwy project. Chesterfield County, SC

In addition to the items noted above, there have been more than 20 appearances at court hearings to testify to value for condemnation cases involving cloudy titles. Also, dozens of appraisals have been written for litigation in which a settlement was achieved without deposition or trial.

End of Report

Page 1

IN THE COURT OF COMMON PLEAS
FOR THE STATE OF SOUTH CAROLINA
BEAUFORT COUNTY

DEPOSITION OF ANTHONY MARTIN, MAI

TMS: R552 010 000 0648 0000
R552 010 000 0649 0000

BROAD CREEK DEVELOPMENT, LLC,

Plaintiff/Landowner,

vs. Case No. 2022-CP-07-01978

BEAUFORT COUNTY,

Defendant/Condemnor.

DEPONENT: ANTHONY MARTIN, MAI

DATE: August 9, 2023

TIME: 10:09 a.m.

LOCATION: VIA VIDEOCONFERENCE

REPORTED BY: PAULA MAXWELL

CLARK BOLEN

Charleston, SC 29412

843-762-6294

WWW.CLARKBOLEN.COM

Page 2

A P P E A R A N C E S

(All appearances via videoconference)

ON BEHALF OF PLAINTIFF/LANDOWNER:

BYBEE & TIBBALS, LLC

BY: RICHARD D. BYBEE

735 Johnnie Dodds Boulevard

Suite 104

Mount Pleasant, SC 29464

ON BEHALF OF DEFENDANT/CONDEMNOR:

RESNICK & LOUIS, PA

BY: CHRISTOPHER L. MURPHY

146 Fairchild Street, Suite 130

Charleston, SC 29492

ALSO PRESENT: Attorney Bruce Wallace

MAYNARD NEXSEN, PC

PO Box 486

Charleston, SC 29402

Page 3

INDEX

EXAMINATION PAGE

BY MR. BYBEE 4

BY MR. MURPHY 79

BY MR. BYBEE 83

CERTIFICATE 86

EXHIBITS

EXHIBIT DESCRIPTION PAGE

Exhibit No. 70 Amended Notice of Deposition 4

Exhibit No. 71 E-mail string 14

Exhibit No. 72 E-mail string 29

Exhibit No. 73 Appraisal 34

Exhibit No. 74 49 CFR 24.102 60

Exhibit No. 75 SCDOT Acquisition Manual 64

Exhibit No. 76 SCDOT Appraisal Manual 71

Page 4

ANTHONY MARTIN, MAI,

having been first duly sworn, was examined and
testified as follows:

MR. BYBEE: Madam Court Reporter,
you should have an exhibit being the Amended
Notice of Deposition. That will be Exhibit 70.
(Exhibit No. 70 marked for
identification.)

MR. BYBEE: Chris, you caught up on
all the exhibits?

MR. MURPHY: Yeah, we're fine.

MR. BYBEE: All right. Bruce, you
good?

MR. WALLACE: Yep.

EXAMINATION

BY MR. BYBEE:

Q. All right, Tony. I know you've been
through depositions before. I know you've given
me depositions, the last one about a year or so
ago. But I'm required by the rules to instruct
you on some provisions that I know you've heard
before, but we're going to have to go through
them again. All right, sir?

A. Okey doke.

Q. If you have any questions about my

Page 5

1 questions, direct your question to me, not to
 2 other counsel. Agreed?
 3 A. Yes.
 4 Q. If you answer questions, do so verbally,
 5 yeses, nos. I'll give you an opportunity to
 6 explain, but you cannot fall into colloquialisms
 7 or uh-huhs or nods of the head, that kind of
 8 thing. Do you understand?
 9 A. Yes.
 10 Q. If you need time to read a document,
 11 just tell me and we'll let you read the document.
 12 Is that agreed?
 13 A. Yes.
 14 Q. If you need to take a break during the
 15 course of the day, you just let us know, and that
 16 courtesy extends to everybody in this conference,
 17 okay?
 18 A. Yes.
 19 Q. Finally, the last instruction is that if
 20 you have an opportunity to take a break, you're
 21 not to communicate with counsel about the
 22 substance of your testimony while you're on that
 23 break, and if you engage in such discussions on
 24 that break, I'm entitled to inquire about those
 25 discussions. Do you understand that?

Page 6

1 A. Yes.
 2 Q. Good. In reviewing your file, I did not
 3 find an agreement as to testimony, an hourly
 4 charge as to testimony. Do you have any such
 5 agreement with Beaufort County?
 6 A. No. I don't have an agreement, but I
 7 assume I would bill you or Beaufort County.
 8 Q. I want you to bill me for this time.
 9 What would your rate be?
 10 A. I believe \$200 an hour.
 11 Q. Okay. I'm going to now focus on some
 12 qualifications, experience, and expertise. Can
 13 you tell us where you graduated from high school,
 14 please?
 15 A. Brookland-Cayce High School, West
 16 Columbia, Cayce, South Carolina.
 17 Q. What year?
 18 A. '83.
 19 Q. What did you do thereafter?
 20 A. Repeat that, Rick, please.
 21 Q. Did you go to school after you graduated
 22 high school?
 23 A. I did. I graduated from Winthrop
 24 University.
 25 Q. And what year?

Page 7

1 A. '88.
 2 Q. And what did you do thereafter very
 3 briefly?
 4 A. Very briefly, went to work for the
 5 Department of Transportation in their
 6 right-of-way -- South Carolina Department of
 7 Transportation in their right-of-way department,
 8 trained to be an appraiser, became a licensed
 9 appraiser.
 10 Eventually left DOT, went out into
 11 private practice as a real estate appraiser in
 12 the late '90s and have been working -- I worked
 13 briefly for about two years for Integra Realty in
 14 the early 2000s, and then have been on my own as
 15 a real estate appraiser for most of my career.
 16 Q. All right. When did you join the DOT as
 17 a right-of-way agent?
 18 A. '89 or '90, maybe. '90. I'm not sure.
 19 Q. And during the course of that
 20 employment, did they provide you training with
 21 respect to acquisition policies of the DOT?
 22 A. As a right-of-way agent?
 23 Q. Yes.
 24 A. Some training, yeah, I guess.
 25 Q. Okay. And eventually you became an

Page 8

1 appraiser within the DOT; is that correct?
 2 A. I did, yes.
 3 Q. And you became familiar with the DOT
 4 acquisition manual?
 5 A. I did, yes.
 6 Q. And you became familiar with the DOT
 7 appraisal manual?
 8 A. I did, yes.
 9 Q. And you became a licensed appraiser in
 10 what year?
 11 A. '93, I think.
 12 Q. And have you ever performed appraisal
 13 reviews for DOT projects?
 14 A. Yes, I have.
 15 Q. And would you agree with me that an
 16 appraisal review scope is a very limited one?
 17 You're just looking at logic, whether there's an
 18 absence of errors, and that the -- whatever
 19 conclusions are supported was for the adequate
 20 data; is that not correct?
 21 A. I would agree with that, yes.
 22 Q. Have you performed restricted appraisals
 23 or cost estimates during the course of your
 24 employment for the DOT?
 25 A. I have. During my employment or during

Page 9

1 my -- just like as an appraiser consultant or an
2 independent appraiser?

3 Q. Well, let's do them both. Did you do
4 that at the DOT itself?

5 A. I don't think I ever did when I was an
6 appraiser for DOT. I mean, it's a long time ago,
7 but I've done quite a few as an independent
8 appraiser.

9 Q. And those appraisal -- restricted
10 appraisals or cost estimates would have been
11 developed for entities that are authorized to
12 acquire a line by a condemning authority; is that
13 correct?

14 A. Say that again, Rick, the very end
15 there.

16 Q. The cost estimates or the appraisal --
17 restricted appraisals or the cost estimates, if I
18 understand your testimony, you would have been
19 employed by right-of-way agents or right-of-way
20 firms who are contracting with government to
21 acquire property?

22 A. I think usually those restricted cost
23 estimate, restricted appraisals, the client
24 listed is usually the condemning authority or the
25 acquiring authority, whether that be the County

Page 10

1 or DOT. That's my memory of all of those anyway.

2 I don't think I've ever really listed a
3 right-of-way negotiator company as the client.

4 Q. I see. So your contract would have been
5 with whatever entity that that right-of-way firm
6 was employed by?

7 A. Yeah. I mean, the right-of-way
8 negotiating firm may request it on behalf of the
9 County, and I don't really have a contract with
10 the County or DOT. But, you know, they're the
11 ones that are approving those tracts for either
12 offers for -- cost estimate offers, what they
13 used to call it, or, you know, below -- what do
14 they call it -- low-value offers or tracts that
15 would require an appraisal. So the restricted
16 report, formerly known as a cost estimate, is
17 usually addressed to the acquiring authority.

18 Q. Understood. You were licensed in what
19 year?

20 A. I think it was '93.

21 Q. And eventually you became an MAI?

22 A. I did, yes.

23 Q. Would you briefly summarize what
24 training and demonstrations you had to conduct in
25 order to become an MAI?

Page 11

1 A. Well, you have to take your license --
2 excuse me. Once you become licensed with the
3 State, you have to take more classes and more --
4 it requires more experience to become certified,
5 and in my case, I was a certified general, which
6 is a commercial certification.

7 And then from there, if you want to
8 become an MAI, which is a member -- actually, I
9 just learned that -- I don't even know what it
10 stands for. It's just MAI. Currently, it's not
11 a member of the Appraisal Institute.

12 But anyway, a member of the Appraisal
13 Institute is a -- one of the designations is an
14 MAI, and if you wish to become an MAI, you join
15 the institute as an associate member, and then
16 you take -- you can take anyone's classes up to
17 certified general.

18 But then after that, your MAI classes,
19 you have to take those through the institute.
20 And the best way I can describe it -- and I don't
21 mean it to sound equal to any kind of master's
22 degree or CPA designation for an accountant, but
23 that's kind of what it is.

24 It's a couple-year process to become
25 designated with the classes and the experience

Page 12

1 that they require. And then, you know, you just
2 essentially have a postgraduate degree in real
3 estate appraisal, which is your MAI designation.

4 Q. And in your -- your practice as an
5 appraiser, it's my understanding you do
6 commercial appraisals; is that correct?

7 A. Yes.

8 Q. You do eminent domain valuations; is
9 that correct?

10 A. Yes.

11 Q. You've been qualified as an expert in
12 the courts in South Carolina; is that correct?

13 A. Yes.

14 Q. On a number of occasions?

15 A. Yes.

16 Q. And you've testified in a number of
17 depositions concerning at least your eminent
18 domain appraisals and perhaps others; is that
19 correct?

20 A. Yes.

21 Q. And you were engaged in this matter to
22 conduct a commercial appraisal by Beaufort
23 County; is that correct?

24 A. Yes. Well, which one are we talking
25 about?

Page 13

1 Q. That's a fair question. We're starting
2 with Broad Creek.
3 A. With -- which one is that, Rick?
4 Q. Broad Creek.
5 A. Okay. The one on -- the one on Hilton
6 Head? The one on Hilton Head Island?
7 Q. The one on Hilton Head Island.
8 A. Okay.
9 Q. All right?
10 A. All right.
11 MR. BYBEE: Chris and Bruce, I
12 would propose that the testimony to this point be
13 used in both depositions, both Broad Creek and
14 Redfish, so that we don't have to repeat this
15 when we turn to the Redfish matter. Is that
16 acceptable to both of you?
17 MR. MURPHY: Yes, it is.
18 MR. WALLACE: Yes, it is.
19 MR. BYBEE: So, Madam Court
20 Reporter, you're going to have to incorporate
21 into the Redfish transcript this testimony to
22 this point and a little bit beyond. All right?
23 COURT REPORTER: All right.
24 MR. BYBEE: I would request, Chris,
25 if you could stipulate Mr. Martin is a qualified

Page 14

1 appraisal expert?
2 MR. MURPHY: Yeah. No problem with
3 that.
4 MR. BYBEE: And also stipulate that
5 he's qualified to provide testimony on government
6 acquisition and appraisal process and procedures
7 in South Carolina?
8 MR. MURPHY: Well, that's -- for
9 DOT or for -- I mean, that's a legal issue that I
10 don't think he's qualified to talk about.
11 MR. BYBEE: All right. That's your
12 position. We'll argue that later.
13 MR. MURPHY: Yep.
14 MR. BYBEE: All right. Madam Court
15 Reporter, we're now going to move into the
16 exhibits on Broad Creek, and you should have the
17 e-mail string -- I think it's labeled Item 2 on
18 your list. Do you see that?
19 COURT REPORTER: I do, yes.
20 MR. BYBEE: And what I would like
21 to do is take that e-mail string from the back of
22 the -- from the earliest date forward. Can you
23 display that for the witness, please?
24 (Exhibit No. 71 marked for
25 identification.)

Page 15

1 Q. Tony, can you see the e-mail of July 1,
2 2021, which is on the screen?
3 A. I can, yes.
4 Q. This is from Brittany Ward to yourself,
5 and she's asking you to -- or asking you -- or
6 telling you she's in need of an appraisal for two
7 commercial lots on Hilton Head Island, and I
8 represent to you that those are the TMS numbers
9 for Broad Creek Development. Do you agree with
10 that?
11 A. Yes, sir.
12 Q. Had you done work for Brittany Ward in
13 the past?
14 A. Prior to this appraisal?
15 Q. Yes.
16 A. I think I have. I'm not sure. This may
17 have been the first time she engaged me for --
18 I'm sure I have. I don't -- I've done a lot
19 since, quite a few since, but there may have only
20 been one or two prior to this, I think.
21 Q. Does the airport expansion in Hilton
22 Head ring a bell? Did you not do commercial
23 appraisals for --
24 A. I did a bunch for the Hilton Head
25 expansion, but I was never in conversation with

Page 16

1 Brittany. She didn't handle that. But I was
2 doing those with PAN, Incorporated. They were
3 doing the acquisitions, and I don't recall
4 Brittany's name on any of the communication.
5 Q. Okay. Do you know how she knew about
6 you to generate this e-mail?
7 A. Probably -- yeah, probably the work I
8 did with Beaufort County in the past.
9 Q. And your work in Beaufort County not
10 only included that airport expansion project but
11 also Boundary Street; is that correct?
12 A. Yes.
13 Q. And the Boston Parkway?
14 A. Yes.
15 MR. BYBEE: Okay. Madam Court
16 Reporter, if you go to the next e-mail in that
17 string.
18 Q. Tony, would you review the e-mail of
19 July 6, 2021, from yourself to Brittany Ward?
20 A. Is that a question? I didn't hear it.
21 Q. Would you review that e-mail and let me
22 know when you're ready to answer questions
23 concerning it?
24 A. I'm ready.
25 Q. All right. When you told her that you

Page 17

1 appraised the parcel as a surplus property,
2 parcel for the DOT, would you explain that
3 process, please?

4 A. DOT has parcels that they often obtain
5 title to that are left over from road projects.
6 A lot of times, these are remnant parcels that
7 the owner has a right to either take the offer
8 that DOT gives them for the remnant and sell it
9 to DOT or they can take the damages that are
10 offered to the property and retain ownership.
11 And so I guess the ones that are sold to DOT,
12 they end up in their surplus property.

13 How this one came to be owned by DOT, I
14 don't know. But it may have been part of that
15 bridge project. I can't recall the name of that
16 bridge, but it's right beside the bridge. And I
17 was engaged by the chief appraiser back in maybe
18 2012 to appraise the land for DOT as I assume
19 they were putting it up for sale.

20 Q. Very good. And the chief appraiser at
21 that time was whom? Do you remember?

22 A. I think it was Rick Callahan.

23 Q. The third sentence in the first
24 paragraph indicates that you thought this would
25 be a tough appraisal. Would you explain why?

Page 18

1 A. Because you're appraising property on an
2 island, and the property is a commercial acreage
3 tract. And given the age of Hilton Head, there's
4 just not a lot of those type of properties that
5 are going to be found that have sold recently.

6 So trying to find comps, I just know it
7 would be a bit difficult, and what comps, you
8 know, that might be found might require some
9 adjustment that, you know, makes it just tougher
10 than appraising something that is along a densely
11 developed road with lots of resales of similar
12 properties.

13 So in that regard, it was just going to
14 be a lot tougher than a lot of commercial
15 appraisals would -- appraisals would be.

16 Q. And was that experience somewhat
17 informed by your prior work with the DOT surplus
18 property?

19 A. No, it really didn't have anything to do
20 with the fact that it was surplus property that
21 would make it a tough appraisal. It was just the
22 fact that it's, you know, however many acres this
23 was -- I forget. Almost 5 acres of waterfront on
24 an island. There's just not a lot of resales.

25 Q. Okay. The last part of this e-mail

Page 19

1 indicates a fee. Apparently at this point you
2 were thinking about doing two different reports;
3 is that correct?

4 A. Yes.

5 Q. And so the fee for the waterfront parcel
6 was \$3,500; is that correct?

7 A. Yes.

8 Q. And the fee for the landward side parcel
9 is \$1,500, correct?

10 A. Yes.

11 Q. For a total of \$5,000?

12 A. Yes.

13 Q. And you were proposing to turn the
14 report around in four weeks?

15 A. Yes.

16 MR. BYBEE: All right. Madam Court
17 Reporter, would you go to the next e-mail in the
18 chain, please?

19 Q. Ms. Ward responds to your proposal by
20 telling you that she's got an approval for the
21 expenses. Did you actually have a telephone
22 conversation with her, or did you just
23 communicate with her by e-mail at this point?

24 A. We've spoken by phone and e-mail, so I
25 don't -- but I mean, I don't know what -- phone

Page 20

1 conversation with regard to what, Rick? What do
2 you mean?

3 Q. At this point, this is July 9, 2021. Do
4 you recall any phone calls relevant to your
5 engagement process with Brittany Ward?

6 A. Not for this, no.

7 Q. All right. She's indicated that she has
8 approval for your fee quote and requests that you
9 get it done quicker, and she's also telling you
10 that she's trying to line up some projects and
11 that the projects are dependent on those
12 appraisals. Did you inquire as to what kind of
13 projects she was talking about?

14 A. No, I didn't. I don't know what those
15 are.

16 MR. BYBEE: Madam Court Reporter,
17 if you would move on to the next e-mail in this
18 string.

19 Q. All right. Tony, we now have displayed
20 an e-mail of July 9, 2021. This is from you to
21 Brittany. And just to quickly summarize -- and
22 if you need to read it, go ahead.

23 A. Okay.

24 Q. But what I'm seeing here is that you're
25 providing her with a list of appraisers. Can you

Page 21

1 tell me what caused you to provide Ms. Ward a
2 list of appraisers?
3 A. So I believe this e-mail -- I can't
4 scroll, but this e-mail would have been prior to
5 the one where I provided fees, I believe. I was
6 trying not to do this appraisal for Brittany, so
7 I told her I wouldn't be able to get to it. And
8 that may have been a phone call. I don't recall.
9 But -- so she said, Would you send me some names
10 of appraisers that might be able to do the
11 appraisal? So that's what I did.

12 And then at some point, she said that
13 she couldn't get a reply maybe from a couple and
14 that one was not going to be able to get to it
15 very soon, so she reached back out to me asking
16 me to do the appraisal.

17 Q. Okay. Let me ask the court reporter to
18 scroll back down to the prior e-mail.

19 Looking at the prior e-mail from
20 Brittany Ward, it was July 9, 2021, at
21 10:00 a.m., correct?

22 A. Yeah, it looks like it.

23 MR. BYBEE: All right. Scroll back
24 up, Madam Court Reporter, please.

25 A. I see that, yeah. It looks like that

Page 22

1 was after, but I don't recall it that way. I
2 don't know how that came to be that way, but
3 maybe we had a phone call. But my memory is
4 that, you know, I couldn't get to it, so I was
5 giving her some names and then she reached back
6 out to me again --

7 Q. Okay. Let's be clear here. The second
8 e-mail from you to Brittany Ward is 15 minutes
9 later --

10 A. Yeah.

11 Q. -- after her e-mail.

12 A. Yeah.

13 Q. Does that jog your memory as to whether
14 or not you actually spoke to Brittany Ward in the
15 interim period?

16 A. I mean, it seems like we must've had a
17 phone conversation, but I don't recall it.

18 Q. Okay. But the end result, the phone
19 conversation was that you then gave her
20 additional appraisers' names; is that not
21 correct?

22 A. Yes, I did.

23 Q. And do you recall discussing with
24 Ms. Ward at any point the need or the idea that,
25 because of the value of the subject property,

Page 23

1 that you thought it would be a good idea to get
2 two appraisers?

3 A. Yeah, I think I did do that. I think I
4 did recommend that to her.

5 Q. All right. Now that you've reflected a
6 little more, is it more than likely that that
7 conversation -- that oral, verbal conversation
8 occurred by phone in between these two e-mails
9 we're focused on today?

10 A. That makes sense, Rick. I think you're
11 right.

12 Q. And what caused you to suggest getting
13 an additional appraiser?

14 A. The fact, as we discussed earlier, that
15 the property is unique, and given the limited
16 data, there could be a wide range of value, and
17 it might be best for her to get another appraiser
18 opinion so she could weigh the two appraisals --
19 or maybe -- I think I may have even suggested a
20 third. But just the more, the better to get a
21 better idea of what Beaufort County may want to
22 pay for the property.

23 Q. Do you remember the numbers that you
24 came up with for the DOT appraisals as far as --

25 A. The value?

Page 24

1 Q. -- the surplus numbers?

2 A. The value from 2012?

3 Q. Yes.

4 A. I mean, I don't recall. It's --

5 Q. Didn't it exceed a million dollars?

6 A. Yeah, was that in the documents, Rick?
7 I don't -- I don't -- I'll have to look, so if
8 you've got it -- but --

9 Q. Well, let's save that thought for later.

10 A. Okay.

11 Q. But let's assume for the purpose of my
12 question they exceeded a million dollars.

13 A. Okay.

14 Q. By your prior work, you thought that
15 they had substantive value, correct?

16 A. Yes.

17 Q. And the policy, at least in the DOT, is
18 if it exceeds a certain amount, that you can get
19 a second appraiser for the same parcels that
20 you're about to appraise; is that not correct?

21 A. I believe DOT's policy is for a taking,
22 for an acquisition, if the value -- yeah, if the
23 value of the acquisition is over -- I believe
24 it's \$500,000, they have to order a second
25 appraisal.

Page 25

1 Q. Okay.

2 A. But this wouldn't be the case for that.
3 This was just simply them selling a surplus
4 property.

5 Q. Thank you. I understand. But my point
6 to you is, is that the value, as you understood
7 it, your prior experience with the property,
8 would have suggested that because of that value,
9 that it would be prudent to obtain a second
10 appraisal. Is that not a fair summary of what
11 transpired?

12 A. Yeah, I think it was more to the fact of
13 how unique the property is because it's just --
14 you know, if you've got a neighborhood where all
15 the houses are very similar, there's not a lot of
16 room for -- there's not going to be a very wide
17 range of value because it's pretty evident what
18 the value would be.

19 When you have something this unique with
20 such limited data, there could be somewhat of a
21 wide range of value. So it had less to do with
22 the value, even though it is high, and more to do
23 with the fact you could have a wide range of
24 value.

25 Q. Okay. So that was the basis for your

Page 26

1 recommendation on this commercial appraisal set?

2 A. Yes.

3 Q. Thank you. Madam Court Reporter, I'm
4 finished with that e-mail string. If you can
5 proceed to the next one. I think you have it on
6 your list as Number 3. We're going to mark this
7 one as -- excuse me, this one is already marked.
8 It's Exhibit 25.

9 All right, Tony. Can you see the
10 screen, the e-mail string that's been marked as
11 Exhibit 25?

12 A. I do, yes.

13 MR. BYBEE: And, Madam Court
14 Reporter, I think you've got it all in front of
15 you.

16 So the first string that I -- or the
17 first e-mail I'm asking about, Tony, is dated
18 August 15, 2021, at 3:01 p.m. And you're
19 informing her that you're working on completing
20 these appraisals, and you are asking if you could
21 contact the owner or if she prefers that you
22 don't do it. Is that a fair summary of that
23 e-mail?

24 A. Yes.

25 Q. Why would you want to contact the owner?

Page 27

1 A. Just with any commercial appraisal, it's
2 always good to know as much about a property as
3 you can when you're appraising it. So just
4 wanted to have a general conversation with the
5 owner to discuss his possible plans, anything he
6 found out about the property, anything he could
7 tell me to help me value the property.

8 Q. Okay. So if he had development plans,
9 that would be of interest to you, correct?

10 A. Yes.

11 Q. If he had communications with the zoning
12 authority, that would be of interest to you,
13 correct?

14 A. Yes.

15 Q. If he had communications with regulatory
16 authorities such as OCRM or dock permits, that
17 kind of thing, that would have been of interest
18 to you, correct?

19 A. Yes.

20 Q. Were you ultimately provided permission
21 to contact the owner?

22 A. I don't recall. I don't know if I
23 reached out. I'm curious what the e-mail says
24 above it. I don't know. I don't recall
25 actually.

Page 28

1 Q. All right. So you -- to your

2 recollection, you can't recall contacting the
3 owner?

4 A. I do not recall.

5 Q. And you have no recollection, at least
6 to this point, as to why you didn't contact the
7 owner, correct?

8 A. I do not.

9 Q. And, you know, just to contrast the
10 difference between a commercial and an eminent
11 domain appraisal, in an eminent domain appraisal,
12 you would have been required to contact the
13 owner; is that not correct?

14 A. If federal funds are involved, you are
15 required, yes.

16 Q. And you have to do that by certified
17 letter, do you not?

18 A. For DOT you do, yes.

19 Q. Yeah. Somebody has to, correct?

20 A. Yes.

21 MR. BYBEE: All right. So Madam
22 Court Reporter, if you'd scroll up to the next
23 e-mail, please.

24 Q. Tony, look at Brittany Ward's e-mail to
25 you, Sunday, August 15, 2021, at 8:54 p.m., and

Page 29

1 review that, please.

2 A. I did. I see it, yes.

3 Q. Does that refresh your recollection as
4 to whether or not you were given permission to
5 contact --

6 A. I mean, I don't recall if I -- I'm still
7 curious what the next e-mail says because I don't
8 recall.

9 MR. BYBEE: Madam Court Reporter,
10 if you'd move through that string, please.

11 Q. All right. Now, this response is Sunday
12 night, again, August 15, 2021, 9:26 p.m., and
13 you're explaining to Brittany what it was that
14 you wanted to talk to the owner about, correct?

15 A. Yes.

16 Q. And we've already gone over that,
17 correct?

18 A. Yes.

19 MR. BYBEE: All right. So then,
20 Madam Court Reporter, if you would next go to
21 what has been labeled Number 4, and we're going
22 to mark this as Exhibit 72.

23 (Exhibit No. 72 marked for
24 identification.)

25 Q. All right. So, Tony, the first e-mail

Page 30

1 in this string is August 15, 2021, at 3:01 in the
2 afternoon. And you had indicated by this e-mail
3 that you were working on completing the
4 appraisals; is that correct?

5 A. Yes.

6 Q. And this is, again, the same e-mail
7 where you were asking to contact the owner,
8 correct?

9 A. Yes.

10 MR. BYBEE: Madam Court Reporter,
11 if you would move to the next e-mail.

12 Q. This is, again, the same thing with
13 respect to Ms. Ward informing you she'd have to
14 defer to the administrator. Do you know who the
15 administrator was at --

16 A. I do not. I do not.

17 Q. Have you ever talked to the Beaufort
18 County administrator in the course of this
19 appraisal assignment?

20 A. No. I don't recall because I think I
21 just wrote an article and he got removed, and I
22 don't think I remember ever speaking to that
23 person.

24 Q. Yeah. His name was Eric Greenway.

25 A. Yeah.

Page 31

1 Q. Do you recall ever talking to him
2 about --

3 A. I do not.

4 Q. -- this appraisal assignment?

5 A. No, I don't.

6 Q. All right. Next e-mail up, please.

7 And this one, again, is an explanation
8 of why you wanted to request permission.

9 MR. BYBEE: So let's move up one
10 more, Madam Court Reporter.

11 Q. This e-mail, she's indicating to you
12 that she needs the appraisal by the end of the
13 day and that she had received the second
14 appraisal that you suggested we obtain, and that
15 the administrator -- that would be
16 Mr. Greenway -- plans to discuss this project
17 with County Council on Monday, and she's just
18 trying to get your timing down.

19 Is that a fair summary of this exchange?

20 A. Yes.

21 Q. And, again, to this point -- now, this
22 is fast-forwarding a bit here. You don't recall
23 ever getting a response from Ms. Ward as to
24 whether or not you had permission to contact the
25 owner?

Page 32

1 A. I do not.

2 Q. But you never contacted the owner; is
3 that not correct?

4 A. It doesn't appear I did. Yes.

5 Q. You've got no notes to that effect,
6 correct?

7 A. I don't.

8 Q. I didn't see any in your files. You
9 typically would take notes of such a meeting,
10 would you not?

11 A. I would, yes.

12 MR. BYBEE: And then, Madam Court
13 Reporter, if you scroll up to the last e-mail in
14 this string.

15 Q. Go ahead and review that, Tony. Tell me
16 when you're ready.

17 A. Okay. I'm ready.

18 Q. So this e-mail is Friday, August 20,
19 2021, at 7:30 in the morning. Your deadline for
20 submitting the appraisal so that they could have
21 a conference between Mr. Greenway and County
22 Council was the following Monday, and you were
23 having some health issues or a COVID shot
24 reaction; is that correct?

25 A. Apparently, yes.

Page 33

1 Q. And -- but you intended to complete the
2 report before you and your family were leaving on
3 vacation. Is that a fair summary?

4 A. Yes.

5 Q. And then in the next paragraph, you tell
6 her that instead of doing two separate reports,
7 you have placed both values in one report and
8 then a value of them as combined so that there
9 would be three values in your report. Is that a
10 fair summary?

11 A. Yes.

12 Q. And that's, in fact, what you did when
13 you ultimately issued the report, correct?

14 A. Yes.

15 Q. You also tell her that you're going to
16 call her that Friday morning to discuss and make
17 sure that works for the County. Did you do --
18 did you engage Ms. Ward in that conversation, a
19 telephone conversation?

20 A. I don't recall.

21 Q. The last part of the e-mail, you say, I
22 think it's better than two values alone, but
23 maybe I'm not clear on what the County needs.

24 Had you been given any information about
25 what purpose the County was to make of its

Page 34

1 appraisals, its commercial appraisals it was --

2 A. No. My understanding was the County was
3 just looking to make an offer to buy these
4 properties.

5 Q. Okay. And then you indicate to her that
6 you're going to reduce the fee because you're
7 going to be giving one report and that you
8 apparently were a little behind in delivery on
9 the report. Is that fair?

10 A. Yes.

11 MR. BYBEE: Madam Court Reporter,
12 we can move to the next exhibit.

13 Q. The next one on your list is Exhibit 5.
14 Is that the appraisal itself?

15 A. Yes.

16 Q. So the appraisal we're going to mark as
17 Exhibit 73.

18 (Exhibit No. 73 marked for
19 identification.)

20 Q. Tony, do you have your hard copy of your
21 appraisal in front of you, or are you just going
22 to scroll with --

23 A. I have both. I mean, I can scroll with
24 you. I have a hard copy here.

25 Q. Okay. Hang on a minute, Tony.

Page 35

1 All right, sir. The cover sheet for
2 this appraisal reflects a date of value and a
3 date of report. Could you explain for the record
4 what the difference between those two dates are?

5 A. The date of the value was the day I
6 visited the property for inspection, and the date
7 of the report is the date the report was signed,
8 finalized, and completed.

9 Q. So on August 9, 2021, you actually went
10 to the site; is that correct?

11 A. August 9th of 2021, yes.

12 Q. And there are photographs contained in
13 your report. Can I assume that you took those
14 photographs on August 9, 2021?

15 A. Yes. Yes.

16 Q. Now, would you agree with me that a
17 valuation on August 9, 2021, would need an update
18 if it was going to reflect a true date of
19 valuation of September 15, 2022?

20 A. Like, in other words, if there's a date
21 of filing a condemnation on September 15, 2022?

22 Q. Yes.

23 A. Yes -- yes, you would -- my
24 understanding, legally, there would need to be a
25 value as of the date of filing the condemnation.

Page 36

1 Q. Okay. And scrolling through your
2 report, on the second page of the letter, the
3 numbers reflect two different estimates of value,
4 one for the 3.134-acre waterfront parcel at
5 \$2,700,000, correct?

6 A. Yes.

7 Q. And then the other is for 1.845 acre,
8 which you label as the rear or interior parcel,
9 of \$960,000?

10 A. Yes.

11 Q. And so for the total estimate, you have
12 estimated \$3,400,000; is that correct?

13 A. Hang on one second, Rick.

14 Q. Yep.

15 A. Yes. That's as a total -- as a one
16 property -- the total acreage as one unit.
17 4.979 acres would be 3.4 million. Separately --
18 yeah, it's two separate parcels. The value, if
19 you add the two together, is slightly higher than
20 3.4 million.

21 But as stated later in the report,
22 there's a discount for the rear property as it
23 was my opinion that a buyer would primarily be
24 interested in developing the waterfront property,
25 and given the buyer's needs as developer, he

Page 37

1 would be more likely to sell the rear property to
2 an owner user for maybe an office development or
3 something like that.

4 So there would have to be a discount
5 applied to the rear parcel because typically an
6 investor doesn't pay what they hope to sell a
7 property for, so that's why the two numbers don't
8 add up to 3.4 million.

9 Q. Yes, sir. They add up -- if you add up
10 the 3.134 acre and the 1.845 acre, it comes to
11 \$3,660,000, correct?

12 A. Yes.

13 Q. And if this were a condemnation
14 appraisal and the authority -- condemning
15 authority had given you two tracts, you would
16 have actually done two appraisals, correct?

17 A. Yes, I would have.

18 Q. And in your experience thereafter once
19 they had approved appraisals, then a right-of-way
20 agent would offer two different offers for the
21 two different tracts; is that not correct?

22 A. Yes.

23 Q. Okay.

24 A. Of course you know this, but I mean, if
25 for some reason the two parcels could be

Page 38

1 combined, they had obviously similar ownership,
2 which they do similar use, similar highest and
3 best use and all that, you could combine them
4 into one appraisal and one offer. But typically
5 right-of-way companies like to bill for a lot of
6 individual tracts, so keeping them separate
7 allows people to make more money.

8 Q. Okay.

9 A. Just the way the business works.

10 Q. Understood.

11 A. And usually that -- also, that gives
12 landowners more money because smaller properties,
13 individual lots, those are going to be more
14 values in acquisition dollars than if you combine
15 them, so it works out better for everybody.

16 Q. But, again, in an eminent domain
17 appraisal, you would have the concept of a larger
18 parcel to wrestle with in your report, correct?

19 A. Yes. You would have, yes.

20 Q. And that analysis never got done in this
21 report, did it?

22 A. The larger parcel?

23 Q. Yes.

24 A. I'm kind of doing that, if I understand
25 what you're asking, because what I've done is

Page 39

1 I've presented as two separate parcels -- I've
2 given each parcel a value as a standalone parcel,
3 and then if I were going to do the larger parcel
4 as a combined 4.979-acre total parcel, I
5 presented that value as well.

6 Q. Okay. Did you ever talk to Ms. Ward
7 about doing a condemnation appraisal at this
8 point?

9 A. I didn't know that they were going to
10 end up in a condemnation for this tract. I
11 thought they were just -- maybe they had an
12 agreement with the owner to buy the land and, you
13 know, they just needed an appraisal to kind of
14 support what they might be paying. I had no idea
15 that this was an adverse acquisition.

16 Q. Okay. That's what I thought.

17 All right. So you were focusing on a
18 voluntary acquisition, correct?

19 A. Well, it doesn't -- the appraisal would
20 have -- the opinion of value would have been the
21 same. It just was, you know, surprising when I
22 got, you know, a subpoena from you for this
23 because I didn't know that it was in
24 condemnation.

25 Usually, as you mentioned earlier, there

Page 40

1 would be a request of doing the appraisal and all
2 of that, so it was just -- I didn't know that
3 this was not a voluntary sale by the owner.

4 Q. Okay. But your point is taken. If they
5 were going to use this appraisal as a basis for a
6 condemnation offer, they needed to update the
7 appraisal, correct?

8 A. Yeah, that would be -- that's how I've
9 always understood it to -- you know, what would
10 be required.

11 Q. Okay. Let's go to page 8. There is a
12 term called extraordinary assumptions and
13 limiting conditions. Could you explain what an
14 extraordinary assumption is?

15 A. Extraordinary assumption is an unknown
16 about a property that an appraiser can assume is
17 the case. I'm trying to think of an example.

18 Let's say that, you know, an appraiser is
19 appraising a house but can't go in the house, so
20 he may make an assumption that the interior of
21 the house is in overall good or average condition
22 and then go from there and finish the appraisal.
23 But that's an assumption because the appraiser
24 knows that the house has an interior, but he
25 doesn't know what kind of condition it is.

Page 41

Page 43

1 There's also something called a
2 hypothetical condition, which is when you know
3 something is not the case but the client has
4 asked you to appraise the property with a certain
5 condition in place.

6 So let's stay in that same example.
7 There is a lot that an appraiser is appraising,
8 but there is no house on it but the client asked
9 to appraise the lot as if there is a particular
10 type house and the appraiser would be given plans
11 for that house, that would be a hypothetical
12 condition that that house actually exists on the
13 property.

14 So those are the extraordinary
15 assumption/hypothetical conditions that are part
16 of an appraisal or can be part of an appraisal.

17 Q. Is there another example of a limiting
18 condition except -- aside from a hypothetical
19 condition that you just described?

20 A. Limiting condition example? I can't
21 think of one right now. I'm actually not even
22 sure how to define that.

23 Q. Okay. If this report were done for
24 condemnation purposes, you would have had some
25 kind of assumption with respect to before and

Page 42

1 after conditions; is that not correct?

2 A. I would have had an assumption? Oh.
3 Oh. You mean for condemnation. Yeah.

4 MR. MURPHY: Object to the form.

5 Q. Go ahead and answer, please.

6 A. Yeah. For this appraisal, there is no
7 after. I mean, there is -- it's just the date of
8 value is the date -- what the land is worth as of
9 that date of value.

10 Q. I mean, let me rephrase the question,
11 Tony.

12 A. Okay.

13 Q. If you were asked to update this
14 appraisal where you were informed it was going to
15 be used for a condemnation, your hypothetical
16 condition or extraordinary assumption would have
17 been the before and after condition of the
18 property, correct?

19 MR. MURPHY: Same objection.

20 Q. Tony?

21 MR. BYBEE: Gentlemen, why don't we
22 take a break in the moment while Tony gets back
23 on board, and we'll resume in about five. Is
24 that fine?

25 MR. MURPHY: Tony is trying to log

1 back in now.

2 MR. BYBEE: That's fine. Let's
3 take a break. We'll get the witness back on.

4 MR. MURPHY: Okay.

5 (A recess was held.)

6 (Question read back.)

7 A. Yeah, I got that question, Rick. And so
8 my understanding of your question -- I think
9 you're referring to in an eminent domain where
10 there's a partial taking, so there would be a --
11 when you have an eminent domain appraisal with a
12 partial taking, the appraisal should make a
13 hypothetical condition for the after value that
14 the property is in the condition that it will be
15 in in the after situation, which is whatever the
16 purpose of that taking was, which could be the
17 construction of a road or installation of a sewer
18 main or something like that, that the value, even
19 though that doesn't exist, the new road or the
20 sewer or whatever, that value in the after would
21 make the hypothetical -- would be based on the
22 hypothetical condition that that project has been
23 completed and the property is in the condition it
24 would be in once the project is completed.

25 With this case, there is no project, so

Page 44

1 I don't know that there needs to be a
2 hypothetical condition for an after value because
3 there isn't really an after value. It's just the
4 value of the property as it is.

5 Q. And by this case, you mean as far as
6 your appraisal was concerned as it sat at the
7 time you submitted it, you were not aware of a
8 project?

9 A. No. I'm not aware of any project.

10 Q. And you would agree, however, that a
11 year-old appraisal -- more than a year-old
12 appraisal would be stale for condemnation
13 purposes, would you not?

14 A. I would say that it depends on the
15 market whether or not there's -- the value is
16 changing over a period of time, but my
17 understanding just legally, it has to have a date
18 of value that reflects the date of filing the
19 condemnation.

20 Q. But notwithstanding whatever the legal
21 problem is, if you had a year-old appraisal and
22 you wanted to provide an updated estimate as of a
23 year and a month later, your ethics, your
24 standards would require you to update that
25 appraisal, correct?

Page 45

1 A. If the client wanted a value as of that
 2 date, yes.
 3 Q. Okay. Let's go to page 9. Under the
 4 heading of, Intended Use/Purpose of Report, can
 5 you publish that phrase underneath that heading,
 6 please?
 7 A. Did you ask me to publish? What was
 8 that, Rick?
 9 Q. Yes. Read what you wrote.
 10 A. Oh. The intended use of the appraisal
 11 report is to provide valuation information to aid
 12 the client in the purchase of the subject
 13 property for a government agency.
 14 Q. And then consistent with your prior
 15 testimony, what you're referring to there is a
 16 voluntary purchase, correct?
 17 A. Yes. Yes.
 18 Q. Go to page 10, please. And, again, you
 19 are stating under that heading at the bottom of
 20 that page, the date of value is as of August 9,
 21 2021, correct?
 22 A. Yes.
 23 Q. Go to the scope of work at page 12,
 24 please. And in the second -- I'm going to call
 25 it bullet, it says, Made an inspection of the

Page 46

1 subject property.
 2 That's the same testimony you provided
 3 earlier that you did inspect this property
 4 on-site and took the photographs that are
 5 contained in your report on August 9, 2021,
 6 correct?
 7 A. Yes.
 8 Q. And then page 30, these are the
 9 photographs, page 30, 31, that you took relative
 10 to your inspection or at the same time of your
 11 inspection; is that correct?
 12 A. Yes.
 13 Q. And then at page 41, you have a land
 14 sales grid, correct?
 15 A. Yes.
 16 Q. Your approach in this appraisal was a
 17 sales comparison analysis only; is that not
 18 correct?
 19 A. That's correct.
 20 Q. Let's go to page 46, please. There is a
 21 reference or a heading called, Price Per Dwelling
 22 Unit. Could you describe what you're doing and
 23 explaining in that phraseology, please?
 24 A. I'm getting -- trying to get an
 25 alternate method of making an adjustment or I

Page 47

1 should say a valuation based on dwelling units.
 2 And so developers for multi-family don't pay a
 3 lot of attention in areas that have very
 4 restricted zoning. They'll pay a lot of
 5 attention to the density of development that is
 6 allowed on a piece of property because the more
 7 units that can be put on a property, typically
 8 the greater value that property will have because
 9 the developer can, you know, make more money
 10 because they can sell more units, and that's all
 11 I'm trying to do there.
 12 Q. You came up with a number of 50 dwelling
 13 units at the subject?
 14 A. Yes.
 15 Q. How did you estimate 50 units?
 16 A. Let me see here. Hang on one second,
 17 Rick. We're working with our Internet provider.
 18 My wife's on the phone with him. Let me put
 19 you-all on mute for a second. I'm trying to make
 20 sure we keep what we've got.
 21 Q. Okay.
 22 (A recess was held.)
 23 A. Okay. I'm back. Let me see if I can --
 24 the question is the dwelling units.
 25 Q. Do you need me to restate the question?

Page 48

1 A. No. I'm good. Thanks.
 2 Okay. The subject that I'm appraising
 3 in that -- that grid is 3.14 acres, and so on
 4 page 24, it says, Maximum density per net acre,
 5 residential, 16 dwelling units. So multiplying
 6 16 times 3.14, you get 50.24.
 7 Q. And you did not undertake that analysis
 8 with the smaller parcel?
 9 A. I believe the smaller parcel -- let me
 10 check, but that's being appraised as an office
 11 property, so there wasn't a multi-family scenario
 12 for that.
 13 Q. All right. And, again, you had no
 14 contact with the owner as to their intentions,
 15 correct?
 16 A. Apparently I did not.
 17 Q. And you had no contact with the zoning
 18 authorities as to whether they had been
 19 approached about densities on those two parcels?
 20 A. No. I don't recall doing that.
 21 Q. All right. And the calculation that you
 22 provided to me, I found nothing in your notes on
 23 that calculation. Is that typical?
 24 A. Yeah, that's -- that's why I sat here
 25 and made sure I was right. That's where that

Page 49

1 came from.

2 Q. Okay. And then you later -- two pages
3 over, page 48, you estimate a \$57,000 per
4 dwelling unit value to come up with \$2,850,000;
5 is that correct?

6 A. Yes.

7 Q. And describe how you arrived at your
8 unit value of \$57,000 per unit.

9 A. It's the sales grid on page 47, so
10 instead of making adjustments to these comps
11 based on the value per acre, I was making
12 adjustments based on unit values. So each one of
13 those comps, based on the allowable units at each
14 comp, there was a value per unit, and then I made
15 my adjustments to the unit value.

16 And so after making the adjustments, I
17 had a range of value between the three comps, and
18 I reconciled a value of \$57,000 per unit for the
19 subject.

20 Q. And that's reflected on that sales grid,
21 correct?

22 A. Yes.

23 Q. Did you contact the buyer or the seller
24 in either of these two comps to confirm that
25 information?

Page 50

1 A. Of the three comps?

2 Q. I'm sorry, yes. All three comps, did
3 you contact the buyer or the seller to confirm
4 that information?

5 A. So comp 1 and 3 -- I did speak with the
6 grantor for comp 1, and I spoke with Tom Bennett
7 who was the broker for comp 3, but the actual --
8 I mean, I don't have it in my notes that I
9 verified the units allowed or if I was just using
10 the zoning -- what the zoning stated.

11 Q. And you have no recollection of talking
12 to him about valuation per unit, correct?

13 A. No, I don't.

14 Q. And what about the second comp, did you
15 talk to anybody in verifying that comp?

16 A. No. My notes indicate I wasn't able to
17 reach anyone.

18 Q. Okay. Let's go to the reconciliation.
19 That would be page 48. Walk me through what
20 you're doing here, Tony.

21 A. I'm just looking at my two valuations,
22 methodologies, one with the dwelling units and
23 the other with the value per acre. And those two
24 values, I was -- in reconciling, I'm going to
25 reconcile between the two values, and I

Page 51

1 reconciled closer to the unit value at \$2,700,000
2 for the 3.134-acre parcel.

3 Q. This is your opinion and judgment,
4 correct?

5 A. Yes.

6 Q. And you could have chose 2 million 850,
7 correct?

8 A. Yes.

9 Q. And then page 59, is it fair to say,
10 Tony, this is your logic as to why you treated
11 the two parcels differently as far as valuation
12 and highest and best use?

13 A. It is, yes.

14 Q. Again, we're talking about your opinion
15 and your observations in the market as opposed to
16 direct communications with the developer or owner
17 of this parcel, correct?

18 A. That's all the appraisal is, is an
19 appraiser's opinion supported by the data.

20 Q. And then page 62 under Assumptions and
21 Limiting Conditions, Item 7 restates what you
22 just testified to, does it not?

23 A. Item 7?

24 Q. An appraisal is inherently subjective
25 and represents our opinion as to the value of the

Page 52

1 property appraised, correct?

2 A. Correct.

3 Q. And number 11, We are not required to
4 give -- that'd be the royal "we," right?

5 A. The royal "we," yes.

6 Q. We are not required to give testimony or
7 be in attendance in court or any government or
8 other hearing without a written contractual
9 arrangement made relative to such additional
10 employment; is that correct?

11 A. That's what it says, yes.

12 Q. At the time you did this appraisal, you
13 had no such written agreement, correct?

14 A. I rarely do.

15 Q. And at this time, you do not have such a
16 written agreement?

17 A. I do not.

18 Q. And then page 68, which is a summary of
19 your company's qualifications and history?

20 A. Yes.

21 Q. You list a number of appraisals you've
22 undertaken in Beaufort County, correct?

23 A. Yes.

24 Q. Bluffton Parkway is one of them,
25 correct?

Page 53

1 A. Correct.

2 Q. And you did that one as an independent
3 appraiser for Beaufort County; is that correct?

4 A. Yes.

5 Q. But there was DOT and state and federal
6 funds in that project, were there not?

7 A. I don't know.

8 Q. Do you remember following the processes
9 of the DOT as far as performing your appraisal?

10 A. Yes, but we do that -- I do that on

11 almost every road project because the client
12 typically wants to follow DOT protocol, but
13 whether or not there's any federal funds
14 involved, I don't know.

15 Q. Okay. That's road projects and
16 transportation projects, correct?

17 A. Say that again, Rick. I'm sorry.

18 Q. Road projects and other kinds of
19 transportation projects, correct?

20 A. For what? I mean, I don't know what you
21 mean.

22 Q. Do you not understand there are other
23 kinds of transportation projects aside from a
24 road project?

25 A. Oh, I do, but I mean, I'm not clear what

Page 54

1 you're asking.

2 Q. If you had a ferry project, would you
3 not follow the same process?

4 A. What process? The DOT process?

5 Q. Yes.

6 A. I can't say that I would. I don't know
7 what the circumstances of that would be.

8 Q. You would have to inquire as to the
9 proper procedure before proceeding, correct?

10 A. Yes.

11 Q. You would want to know whether there's
12 state or federal funds involved, correct?

13 A. I would just want to know how the client
14 would want me to go about -- you know, whether I
15 need to contact the owner. And sometimes the
16 client isn't aware that, you know, federal funds,
17 if they're going to have federal funds, that they
18 need to contact the owner, and so I try to
19 explain that if I'm dealing with a county or a
20 municipality.

21 And so, you know, they would just let me
22 know whether or not I needed to follow the
23 federal regs, and the DOT protocol is basically
24 the federal regs per eminent domain acquisitions.

25 Q. So Bluffton Parkway is -- you did follow

Page 55

1 the DOT process, did you not?

2 A. My memory is I did, yes, that the owners
3 were contacted by letter prior to the appraisal.

4 Q. And that would have been --

5 A. And all -- and the appraisals were

6 written on -- as I recall -- well, actually, I

7 don't recall. I can't recall if I wrote those

8 appraisals on my own narrative format or if it

9 was DOT's format. I can't recall.

10 Q. Either way, you would have notified the
11 owner by a certified letter?

12 A. I think I did. Actually, I don't

13 recall, but I think we did.

14 Q. And how about on the Boundary Street
15 project, which is also listed there?

16 A. I believe that was -- the owners were

17 notified by letter probably.

18 Q. Certified letter, correct?

19 A. I don't recall if it was certified

20 because that's a new thing that DOT started, I

21 don't know, five or six years ago. It wasn't

22 required to be certified prior to that. You just

23 had to make a phone call or send them a letter.

24 Q. Right. But your training with respect
25 to your experience with right-of-way acquisitions

Page 56

1 and DOT, you always would have approached the
2 landowner with an offer based on an appraisal,
3 correct?

4 A. It's just -- my understanding is the

5 owner has to have an opportunity -- if there is

6 an eminent domain acquisition with federal funds,

7 the appraiser is required to contact the owner to

8 give the owner an opportunity to meet with the

9 appraiser at the site if the owner wishes to so

10 they can discuss the appraisal or the owner's

11 concerns about the acquisition so the owner can

12 tell the appraiser, you know, what it is -- I

13 mean, you know, different things about the

14 property. Whatever the owner wishes to discuss

15 with the appraiser, the federal regs require that

16 the appraiser gives the owner that opportunity.

17 Q. And then thereafter, once the appraisal

18 was complete and you were acting as a

19 right-of-way agent, you would have to make an

20 offer based upon the approved appraisal, correct?

21 A. That I'm acting as a right-of-way agent?

22 Q. In the circumstance of your being

23 trained as a right-of-way agent, I'm asking,

24 isn't that not the process?

25 A. Oh, well, a right-of-way agent would

Page 57

Page 59

1 receive the approved appraisal and then make an
2 offer to the owner.

3 Q. Based on the approved appraisal,
4 correct?

5 A. That's my understanding.

6 Q. He would be provided the opportunity for
7 a copy of the appraisal, correct?

8 A. The opportunity to copy the appraisal?

9 Q. Have a copy of the appraisal.

10 A. That's my understanding, yes.

11 Q. That was the process you were trained
12 on, correct?

13 A. Yes, I guess. I mean, I don't recall
14 the training, but that's my understanding to
15 their process; that if the owner wishes to have a
16 copy of the appraisal, they'd be provided a copy.

17 Q. And then in the event that the
18 condemning authority elected to have two
19 appraisers, what's the mechanism for deciding
20 which of the appraisals to make an offer upon?

21 A. Repeat the question, Rick. I'm sorry.

22 Q. In the circumstance where the government
23 has decided to appraise -- or secure two
24 different appraisals of the same property, how is
25 the government deciding which of the appraisals

Page 58

1 to make an offer upon?

2 A. I don't know.

3 Q. You don't recall the process?

4 A. I do not, no.

5 Q. When you were a review appraiser, do you
6 recall ever doing that?

7 A. I do not, no.

8 Q. You do not recall if the manuals require
9 that a review appraiser review both of those
10 appraisals and make a determination if both of
11 them are otherwise acceptable as to what the
12 appropriate amount would be?

13 A. I believe it may say that. I've never
14 had two appraisals on the same property and then
15 had to select which one was the more appropriate
16 that I recall. I believe that's often done by
17 the chief appraiser at DOT.

18 Q. And it's your testimony that you don't
19 understand that process?

20 A. That I don't understand it? I don't
21 know how they make their decision between the two
22 appraisals. I don't recall that.

23 Q. But we can look in the manual, right?

24 A. I assume, yeah.

25 Q. I mean, that's where you would go to

1 figure it out?

2 A. Okay. I take your word for it. Again,
3 if I had to -- if I were put -- if that were put
4 towards me as an assignment, then I would figure
5 out, you know, what the manual says and how to go
6 about doing it. I don't recall ever having to do
7 that.

8 Q. Understood. And then your list of
9 qualifications is at pages 66 through 68, and I
10 see therein you offer appraisal review services.

11 A. I do.

12 Q. And in those circumstances, you would
13 have to rely upon the appraisal manual and the
14 acquisition manual, whatever governmental
15 authority provided you, correct?

16 A. Well, I mean, if I'm doing appraisal
17 review work for SCDOT or a government entity that
18 is following SCDOT guidelines, then, yes, I would
19 refer to the SCDOT appraisal manual.

20 Q. Okay. And similarly on the Bluffton
21 Parkway and the Boundary Street projects, if
22 there was an IGA agreement, the governmental
23 entities decided to follow the DOT process,
24 that's where you would look for that, correct?

25 A. Correct.

Page 60

1 Q. So you just don't have any recollection
2 of confronting the process of where more than one
3 appraiser was engaged to --

4 A. No.

5 Q. -- evaluate the same tract of land?

6 A. No. I don't recall ever doing that as a
7 reviewer.

8 MR. BYBEE: Okay. Madam Court
9 Reporter, I'm now moving from the appraisal
10 itself and ask you to put to the screen what is
11 Number 6, and I think that will be Exhibit 74.
12 (Exhibit No. 74 marked for
13 identification.)

14 Q. Mr. Martin, can you look at the screen
15 for me, please?

16 A. Yes, sir.

17 Q. Do you recognize these federal
18 regulations?

19 A. I've seen these in the past, yes.

20 Q. In the course of your work for the DOT,
21 you've used and applied these regulations,
22 correct?

23 A. Yes.

24 Q. And they are implementing the uniform
25 relocation assistance and real property

Page 61

1 acquisition statute, are they not?

2 A. For federal land acquisitions, yes.

3 Q. And DOT follows them for state land
4 acquisitions, correct?

5 A. My understanding is they do when federal
6 funds are involved, yes.

7 Q. What about in the event that just State
8 funds are involved? What is your understanding
9 then?

10 A. They would probably still follow the
11 same federal regulations.

12 Q. And is that your experience?

13 A. Yes.

14 Q. Okay. And these regulations implement
15 the basic acquisition policies for condemnors to
16 follow when they are condemning property using
17 State and federal funds, correct?

18 A. My understanding is it is only when
19 there's federal funds involved.

20 Q. I thought you just said the DOT follows
21 the policy for State funds.

22 A. Well, you didn't specify. You just said
23 a condemning authority, so I don't -- I know that
24 I've done lots of work for condemning authorities
25 that don't require me to contact the owner.

Page 62

1 Q. All right. The circumstances in which
2 you have been involved with DOT projects, you
3 always contact the owner, do you not?

4 A. Correct. Yes.

5 Q. And can you give me some examples of
6 entities which do not require you to follow these
7 regulations, whether there are State or federal
8 funds involved?

9 A. When there are federal funds involved?

10 Q. No. Either.

11 A. Oh, if there are federal funds involved,
12 then I would be required to contact the owner,
13 and that's why I ask clients often before
14 starting a project, appraising a project if there
15 are federal funds involved; and if so, you know,
16 I should contact the owners because they're not
17 always aware that that's a requirement.

18 If they are sure that federal funds are
19 not involved, then they'll just say, No, don't
20 worry about contacting the owner oftentimes. And
21 those projects are waterline and sewer line
22 projects for utilities, municipalities that do
23 waterline and sewer line of their own.

24 I've done, as you know, transmission
25 power lines for co-ops in the past, and I don't

Page 63

1 recall having to contact owners for those.

2 So those are some examples of not having
3 to contact the owner, but it was a condemning
4 authority that was doing the acquisitions.

5 Q. Okay. Are you familiar with ARPA funds?

6 A. Could you spell that or say that again?

7 Q. It's an acronym that some people refer
8 to them as legislation related and COVID-related
9 legislation, A-R-P-A.

10 A. No. I'm not familiar with that.

11 Q. Assume that that means federal funds and
12 -- for the following question. Are you aware
13 that there were federal funds involved in the
14 subsequent condemnation of these properties by
15 Beaufort County?

16 A. No.

17 Q. If there were, you would have had to
18 follow these regs, correct?

19 A. I should have. An appraiser would need
20 to follow the regs.

21 MR. MURPHY: Object to the form.

22 MR. BYBEE: Madam Court Reporter,
23 if you would go to the next exhibit. I think
24 it's your Number 7, and we're going to mark that
25 as Exhibit 75.

Page 64

1 (Exhibit No. 75 marked for
2 identification.)

3 Q. Mr. Martin, do you recognize this cover
4 sheet?

5 A. I do.

6 Q. You've used it many times in the course
7 of your work, correct?

8 A. Yes, sir.

9 Q. I will represent to you that this is not
10 a complete document. I'm just -- I didn't copy
11 the entire manual, okay?

12 A. Okay.

13 Q. Madam Court Reporter, would you go to
14 the Chapter 6-1. Do you see that chapter, Tony?
15 Are you familiar enough to go forward with
16 questioning, or do you need to review it?

17 A. No. You can go forward with the
18 questioning.

19 Q. Okay. So this provides the process for
20 contacting the landowner, the preliminary contact
21 process in order to acquire land under the
22 Department's -- the SCDOT's right-of-way
23 acquisition manual, correct?

24 A. Oh, this is the acquisition manual?

25 Q. Yes, sir.

Page 65

1 A. No, I'm not familiar with this. At
2 first glance, I thought it was the appraisal
3 manual.

4 Q. Okay. We're going to get to that in a
5 minute. Are you testifying that you've never
6 seen the acquisition manual?

7 A. No, I haven't looked at it.

8 Q. Well, read the first contact with the
9 landowner and see if that doesn't just summarize
10 exactly what you just testified to me about the
11 process for initial contact that you learned when
12 you were a right-of-way agent.

13 A. I mean, I don't recall learning -- I
14 don't recall seeing a right-of-way acquisition
15 manual when I was a right-of-way agent, but that
16 was a long time ago. But --

17 Q. Read the --

18 A. I mean, I'm reading it. I didn't know
19 that their first contacts shall be made in person
20 unless circumstances require the preliminary
21 contact package to be mailed such as an
22 out-of-state landowner. So, no, I didn't know
23 what the right-of-way agent's requirements were.

24 Q. But your experience was -- as you
25 testified earlier, your practice was to contact

Page 66

1 them by certified mail, and you've already
2 described the reason why you did that, correct?

3 A. I described what, Rick? That last part.

4 Q. The process that you undertook when you
5 were a right-of-way agent, the first contacts
6 with landowners.

7 A. I -- describe my process when I was a
8 right-of-way agent?

9 Q. Yes, sir.

10 A. I mean, I don't recall what my process
11 was as a right-of-way agent for DOT, and I was
12 only a right-of-way agent for a short period of
13 time. And my memory is, you know, they gave me
14 some plans, and I was going out there acquiring
15 land to pave a dirt road. I think that's all I
16 ever did was a couple of dirt road projects. And
17 I called some people and asked them if they
18 wanted to meet so I could explain that their road
19 was going to be paved. So that was the extent of
20 my right-of-way training as I recall.

21 Q. The plans that you had been provided,
22 they would have been right-of-way plans, correct?

23 A. Yes.

24 Q. They would have reflected at least some
25 percentage of completeness so that you could

Page 67

1 ascertain where the right-of-way lines would be?

2 A. Yes.

3 Q. You would be able to take those plans
4 and explain them to the owner as to what was
5 being acquired in order for him to understand the
6 acquisition that was going forward; is that
7 correct?

8 A. Yes.

9 Q. You were provided no plans with respect
10 to this appraisal assignment from Ms. Ward, were
11 you?

12 A. I was just simply asked to appraise this
13 property. I wasn't aware of any projects.

14 Q. Understood. On the next page, 6-2, are
15 you aware of what a right-of-way certification
16 is?

17 A. Only that I've heard the term. I don't
18 know what it involves.

19 Q. Can you tell me what you understand it
20 involves?

21 A. I just heard the term. I don't
22 understand anything other than it probably means
23 the plans have been approved for right-of-way
24 acquisition, I think.

25 Q. There's a certification that is being

Page 68

1 referenced; is that correct?

2 A. Yes. It says, Meet letting dates and
3 provide clear right-of-way certification.

4 Q. So do you know what the right-of-way
5 certificate is affirming?

6 A. Do I know what it is?

7 Q. Do you know what a right-of-way
8 certification is certifying?

9 A. I do not.

10 Q. On page 6-3 in the document where it
11 indicates under the note, Preliminary contacts --

12 A. I'm not seeing it. Are we on page 6-3?
13 Oh. Preliminary contacts, okay, include
14 verification of title, complete review of
15 cross-sections -- okay. I see that.

16 Q. Do you remember that process when you
17 were working at the DOT?

18 A. No, I don't. I mean, it's 30 years ago.
19 I mean, I know that's -- you know, you need to
20 look at that as a right-of-way agent so you can
21 explain how the project is going to impact the
22 property to the landowner. I think that's what
23 that's referring to. Again, this is the
24 right-of-way negotiator manual.

25 Q. Yes, sir. And then on page 6-5, do you

Page 69

1 recognize the process for advising the landowner
2 of the acquisition procedure?

3 A. I see that it says that.

4 Q. But you don't remember doing this in the
5 past. Is that what you're telling me?

6 A. I don't remember doing what
7 specifically? Any of this? Like meeting -- I
8 mean, the agent will explain to the...

9 I mean, I remember meeting -- when I was
10 a right-of-way agent, I remember meeting with
11 some landowners telling them about their dirt
12 road being paved. I recall that I -- one
13 morning, I had my wife and baby in the car, and
14 the person that I was -- showed up at his door
15 and knocked on his door met me at the door with a
16 shotgun. I remember that. But I don't remember
17 much detail about being a right-of-way agent.

18 Q. On page 7-4 of the document, under Roman
19 numeral VIII, are you familiar with the offer of
20 just compensation process, which is outlined
21 therein?

22 A. Just -- what I'm familiar with is that
23 the appraisal is reviewed by our reviewer -- a
24 reviewing appraisal [sic], and then once the
25 reviewer approves it, it is sent to someone in

Page 70

1 right-of-way at DOT or at the County who has
2 authority to approve the value for making the
3 offer to the landowner, which is the just
4 compensation.

5 But I mean, my understanding is there is
6 -- that that is what the acquiring authority
7 concludes as just compensation, which is usually
8 whatever the appraised value is.

9 Q. Right. The appraised value -- for
10 example, in your circumstance here, this
11 appraisal that you performed, if it were
12 attempted to be used for an eminent domain
13 matter, you would expect that they would have
14 offered your full amount of your appraisal,
15 correct?

16 A. Yeah, that would be -- that is typically
17 what is -- just compensation is based on the
18 appraisal. I think they can conclude, you know,
19 if it -- if they need to, that a higher offer
20 than the appraisal would be -- could be just
21 compensation. I don't know, but I -- I know just
22 compensation is different from market value.

23 Q. Okay. But it's never less than the
24 approved appraisal amount, correct?

25 A. I don't know. I've never made those

Page 71

1 decisions.

2 Q. Let's flip the page over to 8-16,
3 please. And then under the heading of
4 Significant Condemnations, would you read that to
5 yourself?

6 A. Okay.

7 Q. You testified earlier you thought the
8 amount of money necessary for a significant
9 condemnation was a half million. This says
10 \$250,000. Does this refresh your recollection as
11 to the appropriate amount?

12 A. No. I mean, I still think it's
13 \$500,000. I don't know that significant
14 condemnation is the same thing as what is I think
15 stated in the appraisal manual that triggers a
16 second appraisal. I don't know what significant
17 condemnation -- I've never -- this is the first
18 I've ever heard of that term.

19 MR. BYBEE: All right. Madam Court
20 Reporter, if you would go to Item Number 8, which
21 is the appraisal manual. I believe that's going
22 to be Exhibit 76.

23 (Exhibit No. 76 marked for
24 identification.)

25 Q. Mr. Martin, do you recognize this

Page 72

1 manual?

2 A. I do, yes.

3 Q. Are you familiar with it, correct?

4 A. I am.

5 Q. This is -- as an appraiser, you have to
6 be familiar with it, correct?

7 A. Yes.

8 Q. Under 1-1, do you see the second
9 paragraph of subpart A?

10 A. I see that, yes.

11 Q. And when you conduct an appraisal, do
12 you understand that the appraisal reports in
13 these circumstances would be to assist in
14 determining compensation and used to support the
15 DOT in its negotiation with the property owners?
16 Correct?

17 A. Yes.

18 Q. As well as to request the right-of-way
19 costs from the Federal Highway Administration,
20 correct?

21 A. As well as to -- yeah, right-of-way
22 costs. Okay. Yes.

23 Q. And that would be where that
24 right-of-way certification came from, right?

25 A. I don't -- I don't know that. I mean, I

Page 73

1 don't know what that is, Rick, but -- I don't
2 know how to answer that.
3 Q. Okay. The rest of that section says, As
4 well as receiving federal financial assistance
5 for public programs and projects that require the
6 acquisition of real property and that they must
7 comply with the policies and provisions set forth
8 in the Uniform Act.

9 The Uniform Act is The Uniform
10 Relocation and Real Property Acquisition Act,
11 correct?

12 A. That's my understanding, yes.

13 MR. BYBEE: And then at Roman
14 numeral III-9, Madam Court Reporter, under the
15 section paragraph 13a -- excuse me, 13, Intended
16 User -- or Intended Use.

17 Q. The purpose of the appraisal is to be
18 used in negotiations with the property owner,
19 correct?

20 A. Yes.

21 Q. And it's your understanding that the
22 property owner actually gets a copy of the
23 appraisal so they can read it and digest it and
24 understand it, correct?

25 A. That's my understanding, yes.

Page 74

1 Q. At page III-24, number 9, that's
2 requiring, in the appraisal report you do for the
3 DOT in accordance with this manual, is that you
4 have a certificate of -- it says certificate of
5 appraiser, correct?

6 A. Yes.

7 Q. You had such a certificate for Ms. Ward,
8 but that was for commercial purpose, correct?

9 A. My appraisal has a certificate of
10 appraisal -- appraisal in it, yes.

11 Q. And then at page IV-1 of this manual,
12 this concerns appraisal review, correct?

13 A. Yes.

14 Q. You would have to follow this manual
15 with respect to appraisal reviews you did for the
16 DOT, correct?

17 A. Yes.

18 Q. And number 4 at the bottom, this is the
19 type of review that you would be undertaking as
20 you testified previously, correct?

21 A. For DOT?

22 Q. Yes.

23 A. Yes.

24 Q. And then at page IV-3, Item 7, that
25 describes the process one has to follow if two or

Page 75

1 more appraisals are prepared for the same parcel,
2 does it not?

3 A. Yes, it does. I've never done that.

4 Q. Okay. But that's the process you're
5 supposed to follow?

6 A. Yes, for DOT.

7 Q. Yes, sir. Can you tell me what an
8 uneconomic remnant is, Mr. Martin?

9 A. The uneconomic remnant is basically for
10 DOT purposes -- I shouldn't even say basically.

11 It is uneconomic to the owner. So it can still
12 have market value. It can have value to the
13 market. But if it is determined it doesn't have
14 any value or use to the owner, the appraiser can
15 state in the appraisal that the remainder is
16 uneconomic.

17 And when there is an uneconomic
18 remainder, the appraisal should include the value
19 of the uneconomic remainder so that the reviewer
20 can put in the review the value of the
21 acquisition with the damages to the remainder and
22 then the value of the acquisition alone with
23 damages and an offer to buy the uneconomic
24 remainder.

25 So basically when there's an uneconomic

Page 76

1 remainder, the right-of-way agent can make or
2 will make two offers to the owner. One is they
3 keep the uneconomic remainder. The other offer
4 is DOT buying the uneconomic remainder. And the
5 owner can, you know, choose which one they
6 prefer. Obviously if they keep it, there's a
7 little bit less money offered to the owner, but
8 there are -- there are two offers.

9 Q. But it's the landowner's right to choose
10 one of those offers?

11 A. Yes.

12 Q. And can you tell me what percentage of
13 decline in value --

14 A. Yeah.

15 Q. -- an uneconomic --

16 A. Uneconomic usually has a value that is
17 75 percent to 90 percent less than it would
18 otherwise have were it not economic.

19 Q. And that process involves an analysis of
20 sales, et cetera, before you can apply that
21 percentage, correct?

22 A. It should, yes.

23 MR. BYBEE: All right. Let's take
24 a short break. I have to make sure I have
25 covered things that I need to cover on this Broad

Page 77

1 Creek appraisal, so give me five minutes, please.
 2 THE WITNESS: All right.
 3 (A recess was held.)
 4 Q. So, Tony, your appraisal of August 9,
 5 2011, would be stale -- excuse me, 2021, would be
 6 stale if it were attempted to be used to appraise
 7 the property on September 15, 2022, correct?
 8 A. Well, the point really is, is that if
 9 the client wants a value as of the September
 10 date, then there would need to be a new
 11 appraisal.
 12 Q. Yes. That's what state law would
 13 contemplate if it were going to be condemned,
 14 correct?
 15 A. That's my understanding is that there
 16 would need to be a value as of the date of filing
 17 the condemnation.
 18 Q. You would not be comfortable in
 19 testifying as to an August 9, 2021, value in a
 20 case where the date of value was by statute
 21 September 15, 2022, would you?
 22 A. The value would need to be as of the
 23 date of filing the condemnation.
 24 Q. And so you would, in your update
 25 process, have to research additional market data,

Page 78

1 market sales, perhaps conduct interviews that you
 2 had not conducted before. Those are all things
 3 you would conduct if you were asked to do an
 4 update, correct?
 5 A. Yes. Correct.
 6 Q. And you'd have to be fair to both the
 7 landowner and the government, correct?
 8 A. Yes.
 9 Q. Because you don't know what happened in
 10 the market between August 9, 2021, and
 11 September 5, 2022, as you sit here today, do you?
 12 A. I don't know what happened in the
 13 market?
 14 Q. Yes.
 15 A. I've done quite a few appraisals on
 16 Hilton Head since then, so I've got market
 17 conditions data to make adjustments. So I mean,
 18 I've got a pretty good idea of how the market has
 19 changed over that period of time.
 20 Q. But you have to reflect that change in
 21 any update, correct?
 22 A. Yes. And just to clarify, when you said
 23 fair to the client and the landowner, that's not
 24 really a factor. It's just a matter of the
 25 appraiser offering his opinion of the market

Page 79

1 value. Fairness to either entity isn't really a
 2 factor.
 3 Q. Right. But you need to undertake, if
 4 you're going to testify to a value, September 15,
 5 2022, an update to understand whether the market
 6 has increased, correct?
 7 A. Yes.
 8 Q. Based on your experience, has the market
 9 increased?
 10 A. Yes.
 11 MR. BYBEE: All right. I have no
 12 further questions on this particular case. We're
 13 now going to focus on --
 14 MR. MURPHY: Do you want to wait
 15 until the end for questions, or do you want to
 16 just go in between? I have a couple for him.
 17 MR. BYBEE: If you have questions
 18 on Broad Creek, I think it's appropriate, Chris,
 19 if you do that now.
 20 MR. MURPHY: All right. Well,
 21 let's do that now.
 22 EXAMINATION
 23 BY MR. MURPHY:
 24 Q. Tony, I'm going to ask you some
 25 questions, okay?

Page 80

1 A. Okay.
 2 Q. So, Tony, Rick has gone through great
 3 lengths to differentiate between a condemnation
 4 appraisal versus a commercial appraisal. Did you
 5 pick up on those questioning -- that line of
 6 questioning?
 7 A. Very much so.
 8 Q. All right. And do you know what he
 9 means or what is the distinction between a
 10 condemnation appraisal versus a commercial
 11 appraisal?
 12 A. I do.
 13 Q. What is it?
 14 A. Well, you just have different
 15 requirements when there's federal funds involved
 16 with regard to how to engage the landowner as we
 17 discussed. And then with a condemnation
 18 appraisal, if there's a partial acquisition, you
 19 have an after value. So you would need to state
 20 the after value in the appraisal and, you know,
 21 consider any impacts that the project will have
 22 on the remainder of the property. So there's a
 23 before value and an after value, and a -- any
 24 benefits or damages to the remainder are
 25 considered in the after value.

Page 81

1 A commercial appraisal -- a typical
2 commercial appraisal, I mean, that's kind of a
3 vague term, but it can be an appraisal for an
4 eminent domain acquisition that might be done for
5 a landowner or an attorney or just whomever. And
6 there's no requirement if the client is not using
7 funds -- federal funds to buy the land for
8 eminent domain, but typically a commercial
9 appraisal is done for a bank or an owner to
10 determine value for financing or purchase.

11 So that -- when I was engaged, it was my
12 understanding that this was a commercial -- a
13 basic single value of the property, no before and
14 after consideration, for Beaufort County to make
15 a purchase decision for this property.

16 Q. All right. And so in the event of a
17 total taking, since that's what we have here, do
18 you do a before and after scenario in a
19 condemnation action?

20 MR. BYBEE: Object to the form of
21 that question. Go ahead.

22 A. A total taking or a total acquisition,
23 you could state an after value if the client
24 requested it, but it would be zero because --
25 well, let me rephrase that.

Page 82

1 There is no -- it is -- it goes without
2 saying that the value is zero.

3 Q. And would the value always be zero in
4 the total taking?

5 A. Well, there's nothing to value because
6 it's not there, so it's --

7 Q. Right. I understand that.

8 A. Yes. Okay.

9 Q. All right. And then would you do a
10 benefits analysis if there was a total taking in
11 a condemnation case?

12 A. You would not.

13 Q. All right. And just in terms of your
14 values, would your values change if -- in this
15 case if you understood it to be a condemnation
16 appraisal versus a commercial appraisal?

17 A. It would not.

18 Q. And would your methodologies change?

19 A. Well, there's -- so this would be -- in
20 your -- your question would be this would be a
21 total acquisition for an eminent domain that the
22 methodology wouldn't change. There would be
23 nothing to value after.

24 Q. And likewise, if this was a voluntary
25 transaction versus an involuntary transaction,

Page 83

1 would your numbers change or your values change
2 at all?

3 A. They would not.

4 Q. And what about would your methodologies
5 change if it were voluntary versus involuntary?

6 A. It would not.

7 MR. MURPHY: That's all I have.

8 Thank you.

9 EXAMINATION

10 BY MR. BYBEE:

11 Q. Mr. Martin, those last series of
12 questions that Mr. Murphy asked you was not
13 telling you a different date of take, okay? You
14 appraised this in August of '21, and you've
15 testified that you need to update in the event
16 you are to appraise the property as of a
17 different date, and I gave you the proposed date
18 of September 15, '22.

19 A. Yes.

20 Q. Nothing that Mr. Murphy has asked you
21 has changed your answers that you previously
22 provided to me, has it?

23 A. Nothing -- well, I mean, I don't believe
24 I've answered any -- in anything that I've said,
25 I don't recall answering anything that is in

Page 84

1 conflict of how I just answered Mr. Murphy's
2 questions.

3 Q. But I mean, you would have to go through
4 the process of analyzing the market in the event
5 that you were having a date of value different
6 than your August 9, 2021, value, correct?

7 A. There would be a new appraisal for the
8 September valuation, yes.

9 MR. BYBEE: That's all I have.

10 Thank you very much.

11 MR. MURPHY: And, Rick, I would
12 just ask you, do we agree the date of valuation
13 is September 15, 2022?

14 MR. BYBEE: We're in a challenge
15 action, Chris. We're not -- I'm not --

16 MR. MURPHY: Well, I understand
17 that. Do you have a position as to what the date
18 of valuation is?

19 MR. BYBEE: I have the position
20 that you've wrongfully taken this property, and
21 that valuation date is false. So I think I set
22 that out in the pleadings. Do we need to debate
23 that before we move on?

24 MR. MURPHY: No. I'm just trying
25 to tie up loose ends. If you're talking about a

Page 85

1 specific date, if we can agree on it, that's
2 great. If not, then --
3 MR. BYBEE: I'm not going to get
4 into that nonsense.
5 (The deposition was concluded at
6 12:29 p.m.)
7
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Page 86

1 CERTIFICATE

2
3 I, Paula Maxwell, Notary Public at
4 Large, do hereby certify that the witness in the
5 foregoing deposition was duly sworn to testify to
6 the truth, the whole truth and nothing but the
7 truth in the within-entitled cause; that said
8 deposition took place virtually via video
9 conference. The testimony of the witness and all
10 objections made at the time of the examination
11 were recorded stenographically by me and were
12 thereafter transcribed by computer-aided
13 transcription. The foregoing is a full, complete
14 and true record of the testimony of the witness
15 and of all objections made at the time of the
16 examination.

17 I further certify that I am neither
18 related to nor counsel for any party to the cause
19 pending or interested in the events thereof.

20 Witness my hand, I have hereunto
21 affixed my official seal on August 17, 2023.
22
23

24 PAULA MAXWELL
25 My Commission expires
November 3, 2031

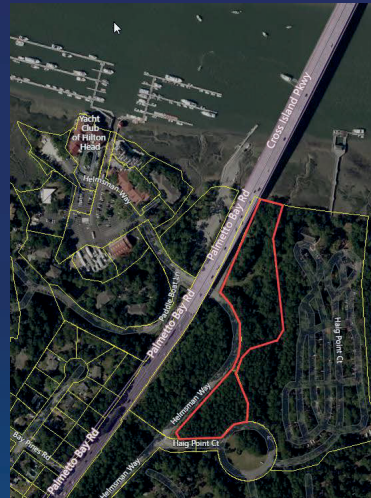


Valbridge
PROPERTY ADVISORS

Appraisal Report

4.98 Acres
Helmsman Way
Hilton Head, Beaufort County, South Carolina 29928

Report Date: November 21, 2023



FOR:

Mr. Richard D. Bybee
Bybee & Tibbals, LLC
735 Johnnie Dodds Blvd, Suite 104
Mt. Pleasant, SC 29464

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SC02-23-0025-000



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November 21, 2023

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735 Johnnie Dodds Blvd, Suite 104
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RE: Appraisal Report
4.98 Acres
Helmsman Way
Hilton Head, Beaufort County, South Carolina 29928

Dear Mr. Bybee:

In accordance with your request, an appraisal of the referenced property was prepared. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The referenced property is an undeveloped 4.98-acre tract off Helmsman Way on Hilton Head Island with frontage along Broad Creek. The property owners have filed an application with the Town of Hilton Head for multi-family development in 2, four story buildings with parking below and 80 condominium units. The property is further identified on Assessor's tax map R552 010 000 as tax parcel numbers 0648 0000 & 0649 0000.

On September 15, 2022, Beaufort County filed a condemnation notice and tender of payment seeking to acquire both parcels for public purposes. This eminent domain action is to ".....acquire the property for public purposes, more particularly to establish a permanent embarkation and public parking on the mainland in order to provide public ferry service to and from Daufuskie Island".

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client.

The client in this assignment is Broad Creek Development LLC and the intended users of this report are the client and Richard D. Bybee and Jeffrey Tibbals with Bybee & Tibbals LLC and no others. The intended use is for litigation support in an eminent domain proceeding. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- The date of this report is November 21, 2023, and the effective date of value is September 15, 2022, so this is a retrospective appraisal. The property was inspected on June 24, 2023, so the assumption is made that the property condition has not significantly changed between the effective date of value and the date of inspection. If subsequent information is produced suggesting a significant difference, the conclusion could be impacted.

Hypothetical Conditions:

- None



Mr. Richard D. Bybee
Bybee & Tibbals, LLC

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusion	
Component	Retrospective - As of the Effective Date of Value
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	September 15, 2022
Value Conclusion	\$4,900,000
	\$61,250 per Potential Unit

Respectfully submitted,
Valbridge Property Advisors | Charleston

A handwritten signature in blue ink, appearing to read 'Pledger M. Bishop III', with a stylized flourish at the end.

Pledger M. "Jody" Bishop III, MAI, SRA, AI-GRS, CRE
Senior Managing Director
South Carolina Certified General CG 795
License Expires 6/30/2024

Table of Contents

Cover Page	
Letter of Transmittal	
Table of Contents	5
Summary of Salient Facts	6
Aerial Views	7
Location Map	8
Introduction	9
Scope of Work	12
Regional and Market Area Analysis	14
City and Neighborhood Analysis	19
Site Description	22
Property Photographs	26
Assessment and Tax Data	30
Highest and Best Use Analysis	31
Land Valuation – Sales Comparison Approach	33
Land Valuation – Development Approach (Land Residual)	50
Reconciliation	56
Exposure Time and Marketing Period	56
General Assumptions and Limiting Conditions	57
Certification – Pledger M. Bishop, III	62
Addenda	64
Notice of Condemnation	65
Glossary	70
Qualifications	78
Valbridge Property Advisors Information / Office Locations	80

Summary of Salient Facts

Summary of Salient Facts

Property Identification

Property Address	Helmsman Way Hilton Head, Beaufort County, South Carolina 29928
Latitude & Longitude	32.176076, -80.769065
Tax Parcel Numbers	R552 010 000 0648 0000 & 0649 0000
Property Owners	Broad Creek Development

Site

Zoning	Water-oriented mixed use (WMU)
Gross Land Area	4.979 acres
Usable Land Area	4.679 acres

Valuation Opinions

Highest & Best Use - As Vacant	Multi-family development
Reasonable Exposure Time	3 to 6 months
Reasonable Marketing Time	3 to 6 months

Value Indications

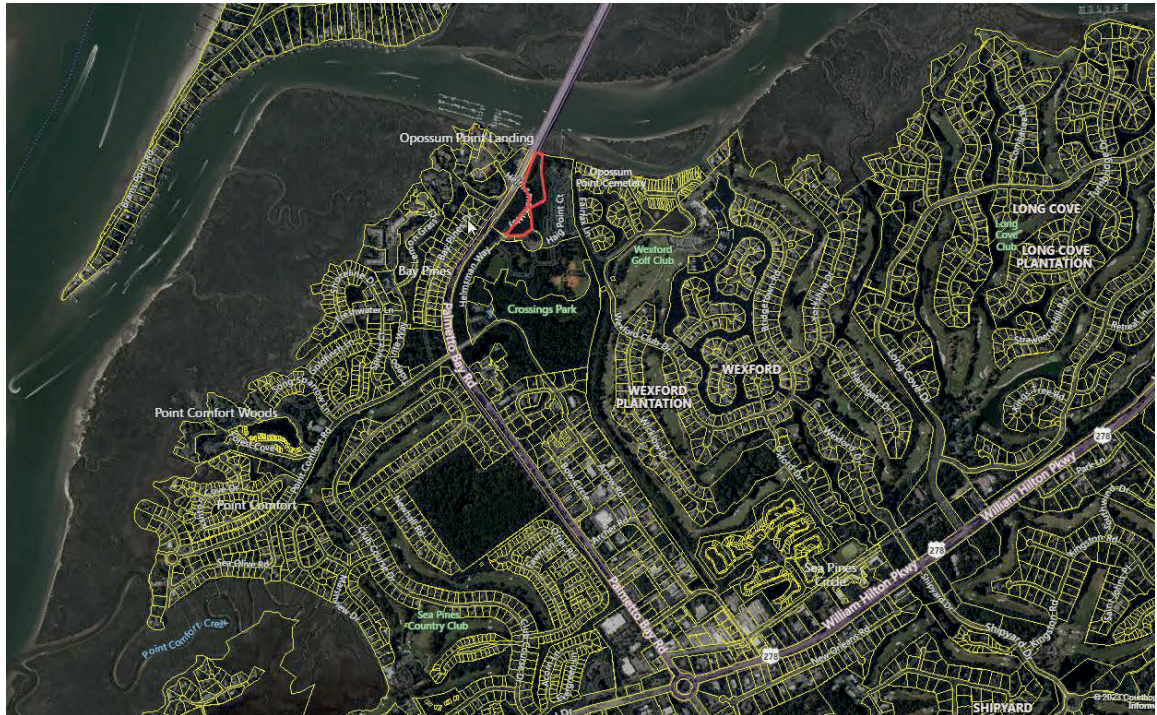
Approach to Value	Retrospective - As of the Effective Date of Value
Sales Comparison Approach - Land Only	\$4,800,000
Development Approach	\$5,000,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

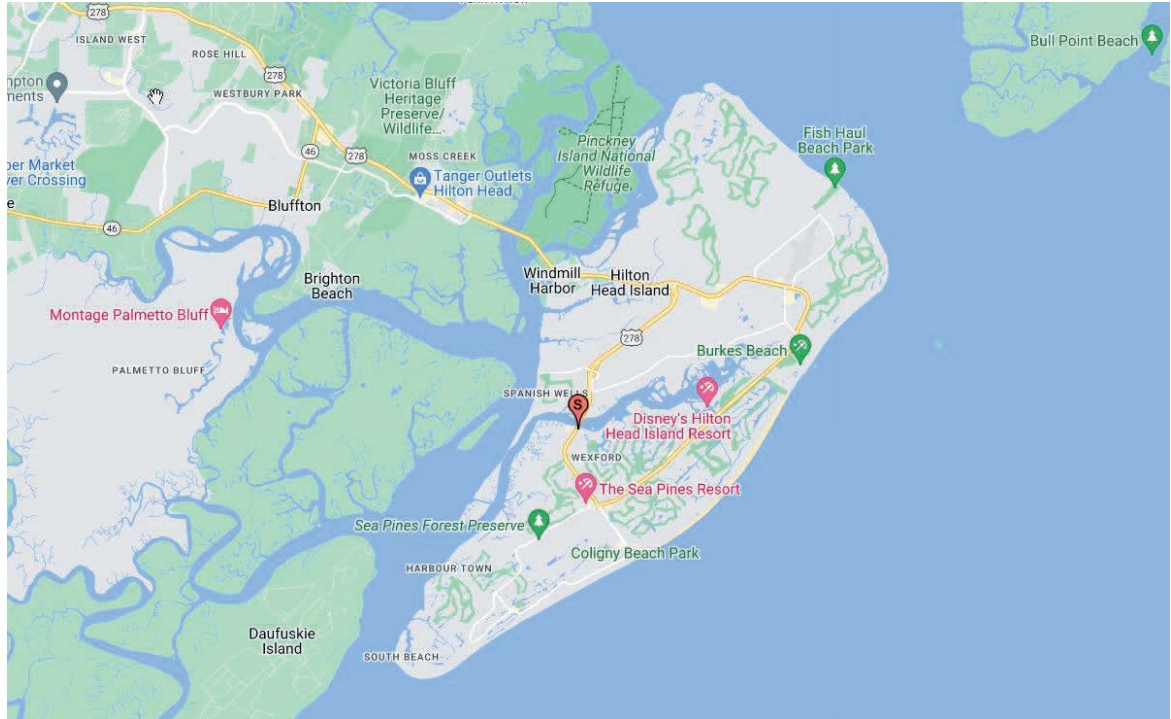
Component	Retrospective - As of the Effective Date of Value
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	September 15, 2022
Value Conclusion	\$4,900,000
	\$61,250 per Potential Unit

Aerial Views

AERIAL VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Broad Creek Development LLC and the intended users of this report are the client and Richard D. Bybee with Bybee & Tibbals LLC.

Intended Use of the Appraisal

The intended use of this report is for litigation support in an eminent domain proceeding.

Real Estate Identification

This property is off Helmsman Way in Hilton Head, Beaufort County, South Carolina 29928. It is further identified on Assessors tax map R552 010 000 as parcels 0648 0000 & 0649 0000.

Legal Description

- All those certain parcels or tracts of land shown and designated as “Parcel E – 3.130 acres” and “Parcel C – 1.845 acres” on that certain plat entitled “Property of Plantation Land Co., Inc. to be conveyed to S.C. Dept. of Highways and Public Transportation,” prepared by Niels Christensen IV, RLS, dated October 13, 1993 and recorded in the Register of Deeds Office for Beaufort County in Plat Book 50 at Page 53, and having such size, shape, buttings and bounding as will more fully appear by referenced to said plat.

This property is further shown and delineated on a plat prepared for Broad Creek Development by Surveying Consultants dated April 4, 2012 and revised on April 23, 2012, and recorded on April 26, 2012 in Plat Book 134 at Page 106 in the office for the Register of Deeds for Beaufort County as “Parcel C – 1.845 acres” and “Parcel E – 3.134 acres”. Reference to said plat is made for a more complete and accurate description, be all measurements a little more or less.

Also, all of Grantor’s right, title and interest, if any, in all lands lying east of the right of way for the Cross Island Expressway between the northernmost boundary line of Parcel E (as shown on that certain plat entitled “Property of Plantation Land Co., Inc. to be conveyed to S.C. Dept. of Highways and Public Transportation,” prepared by Niels Christensen IV, RLS, dated October 13, 1993 and recorded in the Register of Deeds Office for Beaufort County in Plat Book 50 at Page 53) and the mean high water line of Broad Creek (as shown on a plat prepared for Broad Creek Development by Surveying Consultants dated April 4, 2012 and revised April 23, 2012, and recorded on April 26, 2012 in Plat Book 134 at Page 106 in the office for the Register of Deeds for Beaufort County) and as such mean high water line may change from time to time.

Tax Map No.: portion of R552-010-000-0309-0000

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, this is an undeveloped tract with potential for several residential and commercial development concepts.

Use of Real Estate as Reflected in this Appraisal

The conclusion reflects the same use.

Ownership of the Property

According to public record, this property is owned by Broad Creek Development, LLC.

History of the Property

Property ownership has not changed within the past three years.

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of this property. Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale with the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *buyer and seller are typically motivated;*
- *both parties are well informed or well advised, and acting in what they consider their own best interest;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *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 sale¹*

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

The conclusions are developed under the following scenarios:

Valuation Scenario	Effective Date of Value
Retrospective Report - As of the Effective Date of Value	September 15, 2022

Date of Report

The date of this report is November 21, 2023.

List of Items Requested but Not Provided

- None

¹ FIRREA Code of Federal Regulations, Title 12, Part 34 Subpart C - 34.42, 1990; also Interagency Appraisal and Evaluation Guidelines, Federal Register / Vol.75, No. 237, 2010

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- The date of this report is November 21, 2023, and the effective date of value is September 15, 2022, so this is a retrospective appraisal. The property was inspected on June 24, 2023, so the assumption is made that the property condition has not significantly changed between the effective date of value and the date of inspection. If subsequent information is produced suggesting a significant difference, the conclusion could be impacted.

Hypothetical Conditions

- None

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the property is identified, (2) the extent to which the property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The property was legally identified via public record.
- Economic Characteristics - The economic property characteristics were identified via Valbridge database and internal records, CoStar, and Hilton Head MLS.
- Physical Characteristics - The physical property characteristics were identified via a general property inspection for real estate appraisal purposes.

Extent to Which the Property Was Inspected

A general property inspection for real estate appraisal purposes was completed on June 24, 2023.

Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the property, and relevant legal limitations were observed in the process of concluding a highest and best use for the property. The property was then valued based on the highest and best use conclusion.

There are four primary methods available to develop a land value estimate: (1) sales comparison, (2) land residual method, (3) ground rent capitalization, and (4) subdivision development method (discounted cash flow). While other methods, such as extraction and allocation, are applicable under limited conditions, one or more of these approaches are used in most circumstances to derive an indication of land value.

- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the property appraised and the comparable sales.
- Direct Capitalization: Land Residual Method - The land residual methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.

- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as discounted cash flow analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of this property, along with the needs and requirements of the client, were assessed. Since this is undeveloped land, the sales comparison and the land residual or development approach are employed. The traditional cost and income approaches are not applicable and are not employed. The lack of those value methods does not weaken the conclusion. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

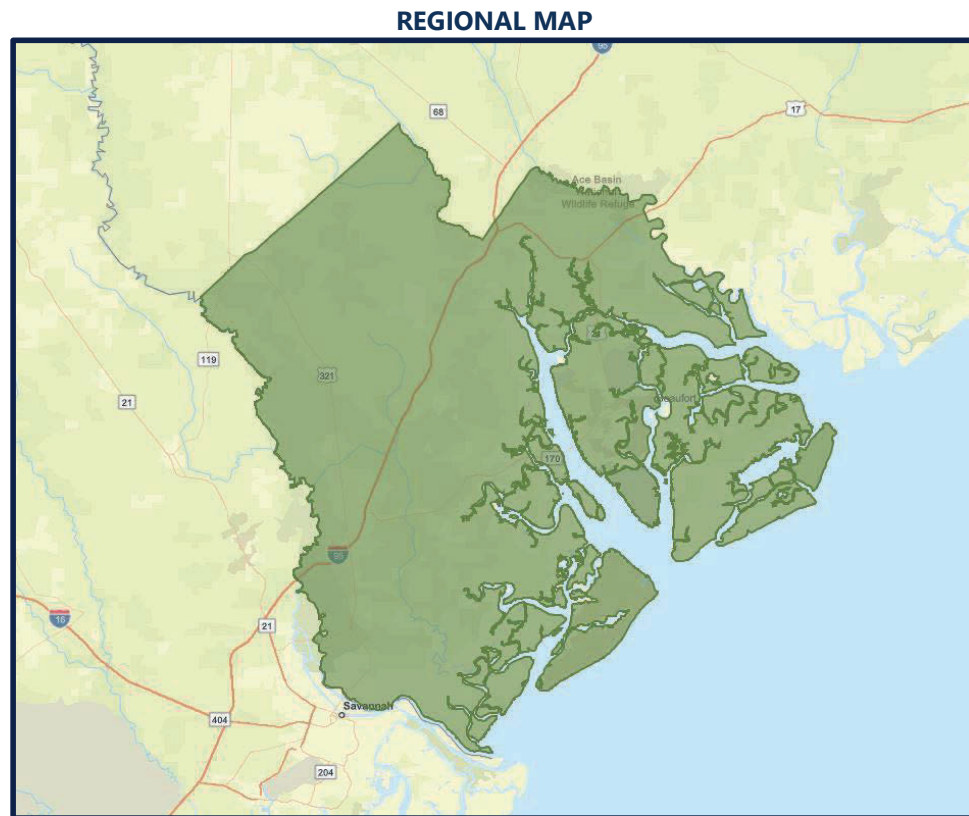
Appraisal Conformity and Report Type

The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional and Market Area Analysis



Overview

This property is in The Town of Hilton Head Island, in Beaufort County. It is part of the Beaufort / Hilton Head / Bluffton metropolitan statistical area (MSA). This area of South Carolina is part of the Lowcountry of South Carolina consisting of Beaufort and Jasper Counties and the City of Beaufort, the Town of Bluffton, and the Town of Hilton Head Island.

The MSA offers a wide variety of careers and opportunities for entrepreneurs. Excellent infrastructure and reliable utilities have made Hilton Head Island and Bluffton an attractive place to be for new businesses.

Industry in the MSA is driven by the robust tourism and hospitality sectors that include more than 250 restaurants, 3,000 hotel rooms, and thousands more vacation rentals. In 2021, the MSA was awarded #1 Island by both Travel and Leisure and Condé Nast.

Located in the coastal Lowcountry region of South Carolina along Interstate 95, Beaufort County and the eastern edge of Jasper County are comprised of the towns of Hilton Head Island, Bluffton, Port Royal the City of Beaufort, Hardeeville, and Ridgeville. It is home to the Hilton Head Island Airport, and easily accessible within 50 miles to the north and south of the Charleston International Airport, the Savannah/Hilton Head International Airport, the Port of Charleston, and the Port of Savannah.

Many successful industries enjoy low operation costs, a business-friendly environment, and access to domestic and international markets.

The United States Marine Corps Air Station and Paris Island are in Beaufort County with more than 2,100 marines exiting the Paris Island Marine Training Center annually. This large Military presence provides a natural workforce with the skills and leadership for growing business desires.

Since 2013, Beaufort County has averaged over 275 new residents every month. In addition to tourism and hospitality, opportunities in aerospace & defense, healthcare, and manufacturing are plentiful. One of the advantages the city offers to facilitate new growth is the Southern Carolina Alliance and Beaufort County Economic Development Corporation's 10,000 square foot office facility that enables global companies to put feet on the ground by offering services and assistance on business and living issues as well as local business services and knowledge. Companies wanting to establish here have the option of taking advantage of this offer free for 90 days.

Tourism

Although 2022 continues to show a significant shift towards normalcy for the hospitality and tourism sector, the Town of Hilton Head Island adopted a Destination Marketing 10-year plan to improve future outcomes. The plan outlines strategies and budgets for working with the community to grow local businesses, increase community engagement, and energize destination development. The plan consists of directing marketing and professional campaigns that are centered towards the target demographics of visitors, residents, and new businesses.

In 2021, a total of 3.13 million visitors came to Hilton Head Island with an overall economic impact for Beaufort County of \$2.80 billion. This economic impact represents not just the direct expenditure by visitors, but also the secondary ripple effects of such economic activity that occur as tourism businesses spend operating funds and as tourism dollars are spent within the region.

Hilton Head Island tourism supported about 36,919 jobs representing 34.1% of all jobs in Beaufort County. Like the economic impact figure, this employment figure does not refer solely to jobs within the tourism sector, but rather to a combination of full-time, part-time, and seasonal jobs that are both directly and indirectly supported by the broader tourism economy and its secondary effects on non-tourism industries and enterprises.

According to The Town of Hilton Head Island Revenue Services, the Town of Hilton Head earned an additional \$39.64 million in accommodations tax, hospitality tax, and beach preservation fees. In 2021-2022, total economic impact on Beaufort County from tourist spending was approximately \$1.4 billion, generating \$32.9 million in taxes and fees for local governments. Tourism in Beaufort County creates a total of 14,140 full time jobs in the industry.

This large economic impact, offsets somewhat the level of tax residents pay while enjoying the amenities tourism sustains. A combined revenue of \$3,807,657, derived annually from the Hospitality/Tourism Industry, directly supports key city services that include Police Staffing, Public Operations, Waterfront Park, Marina Operations, Parking Improvements, and more.

Six of the top 10 employers on the island are in the accommodations and food services sector: SERG Restaurant Group, Marriott Vacation Club International, The Sea Pines Resort, The Westin Hilton Head Island Resort & Spa, Palmetto Dunes Oceanfront Resort and Omni Hilton Head Oceanfront Resort. In neighboring Bluffton, accommodations and food service is also a major economic driver, creating up to 13% of jobs. Among the biggest employers is Montage Palmetto Bluff, the area's only Forbes Five Star resort. The Sea Pines Resort features four golf courses, hosts the RBC Heritage Classic. It boasts an AAA Four Diamond rated resort. This resort, along with other upscale lodging accommodations is what the Hilton Head MSA is known for on a regional and national level. In 2022, Average Daily rates for hotels were at \$267.00 and \$351.00 for Home(s)/Villa(s) & Hotel room(s).

Retail Trade accounts for another 12,657 local jobs, with Publix Super Markets, Kroger, Walmart, Parker's and Lowes Home Centers among the primary employers in the county. Health Care and Social Assistance, bolstered by Beaufort Memorial Hospital, and Tenet Health System's Hilton Head and Coastal Carolina hospitals and healthcare offices, rounds out the top employment sectors.

Hilton Head's booming vacation rental market and the region's dramatic population growth also help fuel the economy. Construction, real estate, and rental leasing, make up nearly 15% of the area's largest industries by number of employees; and 20% is educational, health care, and governmental services.

RBC Heritage Classic

Since 1969, the Professional Golf Association (PGA) Tour event has been held on the Harbour Town Golf Links at the Sea Pines Resort on Hilton Head Island. The first tournament was held in 1969 and it has had a variety of Sponsor names since then and is currently known as RBC Heritage Tournament. The Harbour Town course frequently appears on several "Best Courses" lists and it was designed by famed golf course architect Pete Dye, with assistance from Jack Nicklaus.

According to a survey Clemson University's Department of Parks, Recreation and Tourism Management conducted survey, the 2022 PGA TOUR golf tournament had a total output attributable to visitor spending of \$102-105 million during tournament week. This included a direct spending estimate of \$65.259 million a net state and local government revenue of \$6.72 million and 1,200+ jobs.

Military

The fourth largest military presence in South Carolina, with an annual economic impact of approximately \$2.5 billion supported by 21,241 jobs are the Marine Corps Air Station (MCAS) Beaufort, the Marine Corps Recruit Depot (MCRD) Parris Island, and the Naval Hospital Beaufort. They are home to more than 24,330 active-duty military members, retirees, veterans, DoD civilians and their families, portions of the SC National Guard and The US Army reserve, while the US Marine Corps Recruit Depot at Parris Island transforms 20,000 recruits a year into Marines. These installations are home to many jobs, both military and civilian, and they provide workers with income that is then returned to the local economy. The economic impact is felt far beyond the military base borders.

The total economic impact of MCAS Beaufort on the state of South Carolina, including all operations, in-state procurement, and military and civilian payroll employment totals \$746.2 million and is associated with approximately 6,877 jobs and \$354.2 million in labor income.

The total economic impact of MCRD Parris Island on South Carolina, including all operations, in-state procurement, military and civilian payroll employment, and visitor spending, totals \$805.6 million in economic activity annually. This is associated with approximately 6,675 jobs and \$374.9 million in labor income.

The total economic impact of Naval Hospital Beaufort on South Carolina, including all operations, in-state procurement, and military and civilian payroll employment, totals \$221.8 million in economic activity annually. This is associated with approximately 1,568 jobs and \$109.2 million in labor income.

Transportation

The main access to the city of Bluffton and Hilton Head Island is U.S. Highway 278 which provides access to the mainland and connects with major north-south arteries, including U.S. Interstate 95 and U.S. Highway 17.

Air transportation is available from the Savannah Municipal Airport, and the Hilton Head Airport with direct Atlanta flights and services for small private aircrafts. The island is easily accessible by water via the Intracoastal Waterway to the west; and by rail with the Amtrak railroad services in Savannah. The Cross Island Expressway was completed in 1998. This was a former toll roadway that has significantly improved transportation and traffic on Hilton Head island.

US Highway 21 is the main access to the city of Beaufort and is the principal route to the Sea Islands. It is also known as Trask Parkway, Parris Island Gateway, Ribaut Road (in Port Royal) and Lady's Island Drive. US 21 is the major hurricane evacuation route for the area.

US 17 runs along the northern portion of Beaufort County as Trask Parkway between Interstate 95 exit 33 and U.S. Highway 21. This is also the primary route used between Beaufort and Charleston.

I-95 is the closest interstate highway and is located about 25 miles (40 km) away.

Local public transportation and dial-a-ride service is provided by Palmetto Breeze, a regional transportation authority run by the Lowcountry Regional Transit Authority.

The Downtown Marina is Beaufort's nautical gateway to the Intracoastal Waterway and the surrounding Sea Islands. Additional marinas are located on Lady's Island and in Port Royal. Several boat landings exist in the city and in the surrounding areas.

Greyhound operates an inter-city bus terminal, connecting Beaufort with the national Greyhound bus network.

The Beaufort County Airport, located three miles (5 km) east of downtown on Lady's Island, provides general aviation services. The closest airports served by commercial carriers are found in Hilton Head Island, Charleston and Savannah, GA.

Employment

Distribution of employment by sector reflects the area's economic character. Traditionally, hospitality, health care, retail trade, public administration, and manufacturing have been the dominant industries.

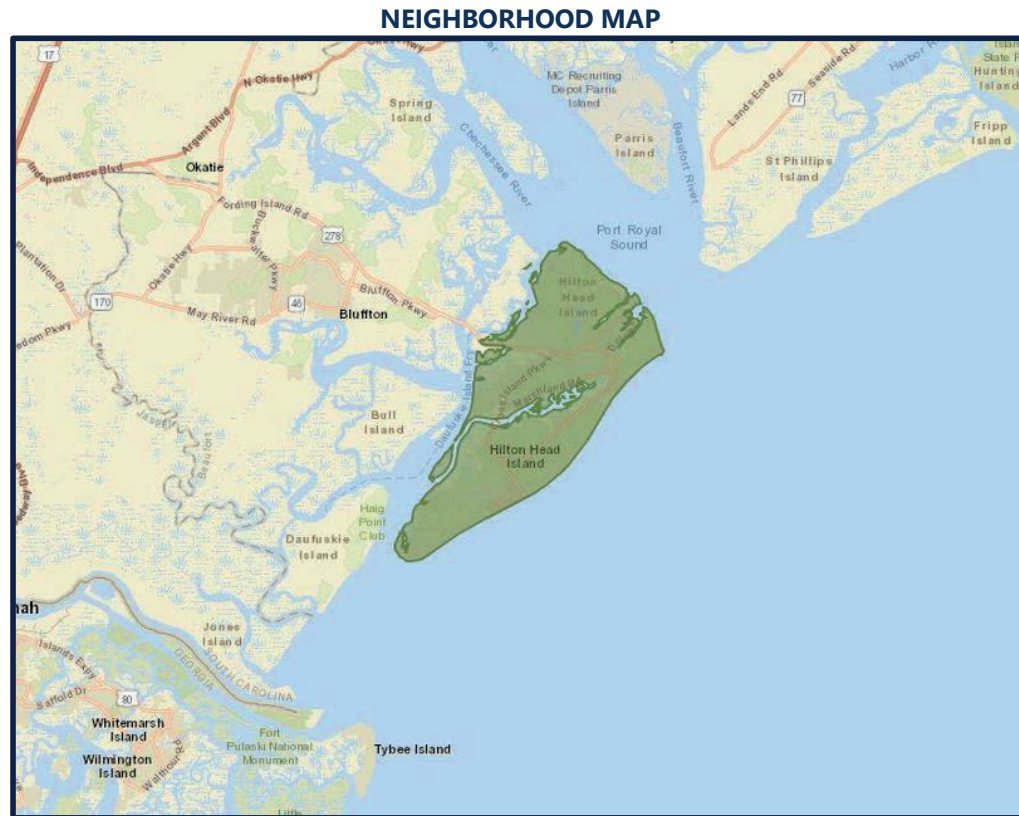
Largest Employers

Employer	Product	# of Employees
Hilton Head Regional Medical Center	Healthcare	547
Marriott Vacation Club International	Hospitality	500
Beaufort County School District	Education	445
Cypress of Hilton Head	Reitment Community	360
Salty Dog	Retail/Distribution	350
Westin Hotel and Resorts	Hospitality	266
Hilton Head Marriott Gof and Beach Resort	Hospitality	245
Town of Hilton Head Island	Government	243

Conclusions

This MSA has many positive attributes such as a strong tourism industry, a solid military presence and an anticipated continuation of population growth and diverse economy. Cultural, social, recreational, and educational opportunities are readily available to the influx of new households into the region. New and existing businesses are also supported by an excellent network of transportation routes and the physical features bolstering the tourism/food service industries. These attributes should help provide relative stability in the real estate market. The MSA should continue to attract residents and businesses to this region.

City and Neighborhood Analysis



Overview

This property is in the Town of Hilton Head Island which is locally referred to as simply Hilton Head. It is a Lowcountry resort town and barrier island in Beaufort County, South Carolina, United States and is 20 miles (32 km) northeast of Savannah, Georgia, and 95 miles (153 km) southwest of Charleston. The island is named after Captain William Hilton, who in 1663 identified a headland near the entrance to Port Royal Sound, which mapmakers named "Hilton's Headland." The island features 12 miles (19 km) of beachfront on the Atlantic Ocean and is a popular vacation destination. The year-round population was 38,377 in 2022, although during the peak of summer vacation season the population can swell to 150,000. The Town of Hilton Head Island is considered a primary city within the Hilton Head Island-Bluffton-Beaufort metropolitan area.

Hilton Head Island offers an unusual number of arts and entertainment opportunities for a community its size, including plays at the Arts Center of Coastal Carolina, the 120-member full chorus of the Hilton Head Choral Society, the Hilton Head Symphony Orchestra, one of the largest annual outdoor, tented wine tasting events on the east coast, and several other annual community festivals. It also hosts the Heritage Golf Classic, a PGA Tour tournament played on the Harbour Town Golf Links in Sea Pines Resort.

Hilton Head's economy is characterized by its resort orientation to tourism and as a retirement community with extensive high-quality recreational facilities. Throughout the past decade, tourism has remained strong with approximately 2.6 million people visiting the island annually. Travel + Leisure magazine readers voted Hilton Head Island "Best Island" in the continental United States in 2019 for the fourth year in a row.

A record total of 3.13 million visitors came to Hilton Head Island in 2021 which was a significant increase over 2020 and a 16.9% increase of pre pandemic 2019. Those numbers have remained steady throughout 2022 going into 2023. The overall impact tourism has economically on Beaufort County is \$2.80 billion. The tourism economy supports approximately 34,000 related jobs on the island.

Neighborhood Location and Boundaries

Hilton Head is bordered by Port Royal Sound and Parris Island to the north, Bluffton and Bull Island to the west, and the Atlantic Ocean to the south and east.

Transportation Access

Transportation and access into and around Hilton Head Island is very good. U.S. Highway 278 provides access to the mainland and connects with major north-south arteries, including U.S. Interstate 95 and U.S. Highway 17. Air transportation is available from the Savannah Municipal Airport, and the Hilton Head Airport with direct Atlanta flights and services for small private aircrafts. The island is easily accessible by water via the Intracoastal Waterway to the west, and by rail with the Amtrak railroad services in Savannah. The Cross Island Parkway has significantly improved transportation and traffic on the island.

Road Improvements

The South Carolina Department of Transportation (SCDOT) is proposing to make improvements to the US 278 corridor between Bluffton and Hilton Head Island, from Moss Creek Drive to Spanish Wells Road. The purpose of this project is to address structural deficiencies at the existing eastbound MacKay Creek bridge, to increase capacity, and reduce congestion along US 278 from Moss Creek Drive to Spanish Wells Road. The eastbound Mackay Creek Bridge, originally built in 1956, will be replaced.

Additional studies for potential improvements include:

- Modifications to the remaining three bridges
- Improved access to Pinckney Island National Wildlife Refuge
- Improved access to the C.C. Haigh, Jr. boat ramp

The \$240 million project will start in 2023 and take four to five years to complete.

Nuisances & External Obsolescence

Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

Immediate Area Uses

Uses in the immediate area consist of residential villas / condominiums, Broad Creek Marina and shops / restaurants, the Haig Point embarkation center, and a variety of neighborhood commercial uses.

Analysis and Conclusions

The outlook for Hilton Head Island is positive as tourism is on the rise and Island residents are enjoying significant redevelopment. Anticipating future trends in migration and natural change Hilton Head Island and the Bluffton metro area is projected to grow by 59.3% over the next several decades and its current growth is the 25th highest of all U.S. metro areas. Employment is also expected to grow by 92.4% in that same time period. The metro area has announced more than \$250 million in investments and thousands of new jobs in place by 2025, including Skydrive, a Japanese firm launching two-person drones, RXIndustries made a 9\$ million investment of a full-service CNC shop on Hilton Head Island, Watterson Brands in investing \$27 million on a new entertainment center and brewery.

Site Description

The site characteristics are summarized as follows:

Site Characteristics

Gross Land Area:	4.979 Acres
Usable Land Area:	4.679 Acres
Usable Land %:	94.0%
Shape:	Irregular
Average Depth:	525.00 feet
Topography:	Level
Drainage:	Assumed to be adequate
Grade:	At street grade
Utilities:	Nearby
Off-Site Improvements:	None

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	Helmsman Way	Haig Point Circle
Street Type:	Secondary street	Secondary
Frontage (Linear Ft.):	850.00	435.00

Other Site Conditions

Soil Type:	Assumed to be adequate for allowable uses
Environmental Issues:	Assumed to be free and clear of adverse soil or subsoil conditions
Easements/Encroachments:	Portion of a 50' drainage easement along east property line. There is an open drainage area within this easement.

Site Ratings

Access:	Good
Visibility:	Average

Zoning Designation

Zoning Jurisdiction:	Town of Hilton Head
Zoning Classification:	WMU, Water-oriented mixed use
General Plan Designation:	Multi-family development - 16 units per acre
Permitted Uses:	Most multi-family development
Zoning Comments:	It is the purpose of the Waterfront Mixed-Use (WMU) District to recognize certain lands that are special water-oriented sites, and as such have a unique ability to provide an environment conducive to water-oriented commercial and residential development. To

service the residents of these lands, and to serve the transient boat and minor tourist use component of the district, water-oriented commercial uses are permitted.

Allowable uses - Family compound, family subdivision, mixed-use, multi-family, recreational vehicle, single family, workforce housing, Bed and breakfasts, hotel, interval occupancy, indoor and outdoor commercial recreational uses, office and retail uses

Max density - residential - 16 units per net acre - non-residential 8,000 sf

Analysis/Comments on Site

This is an undeveloped acreage tract which overlooks Broad Creek. There is about 50' of marsh frontage with potential for a community dock but not for marina type development. Because of the narrowing near the Creek, the amenity is limited.

The property narrows to about 26' near the middle. There is adequate street frontage and depth for multi-family residential development.

The Cross Island Connector right of way is about 35' to 40' from the northwest side of this property and at the property it is an above grade ramp to the bridge crossing Broad Creek. There are visual and noise impacts. I have reviewed sales activity in the Villas and condominiums on the opposite side of the Connector and compared the sales of units in 70 Helmsman Way (about 270' from Connector with noise and visual impacts) to sales of units in 90 and 100 Helmsman Way (which are further and have fewer noise and visual impacts) and there does not appear to be any significant adverse factors.

At the Creek, the property to the west is a public boat landing and adjacent to that on the west side is Broad Creek Marina and related Villas and shops / restaurants (comparable sale 2 is in Broad Creek Marina and has similar characteristics). There is adequate room for mature trees and heavy landscape buffering on all sides of the property appraised.

On the east side of the property appraised is an embarkation center for Haig Point which is a development on Daufuskie Island. This is essentially a private parking lot for members and owners with the staff and vendors parking on the side of the road near the entrance. Parking appears to be a premium in the immediate area.

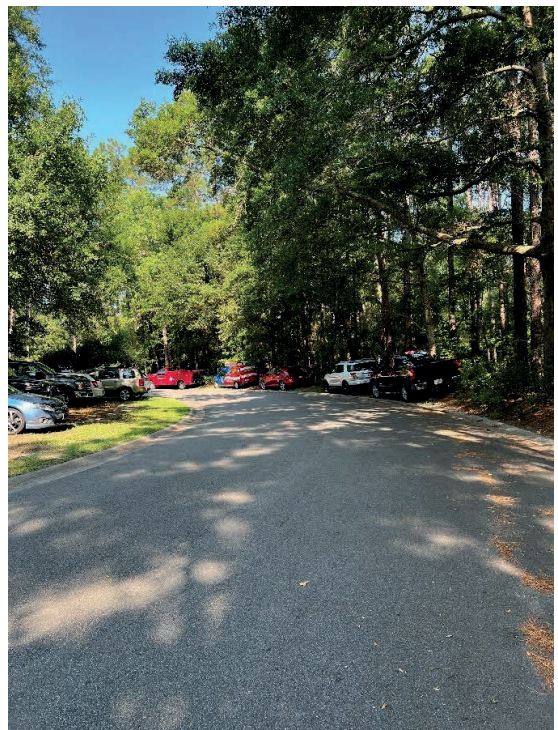
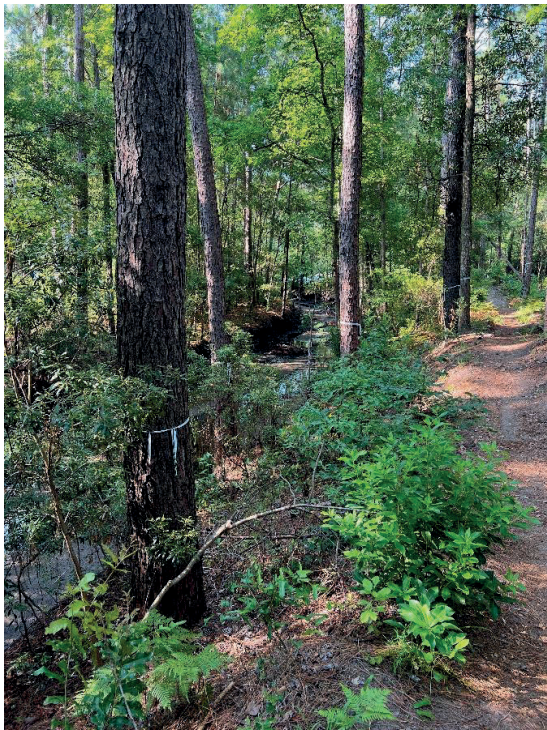
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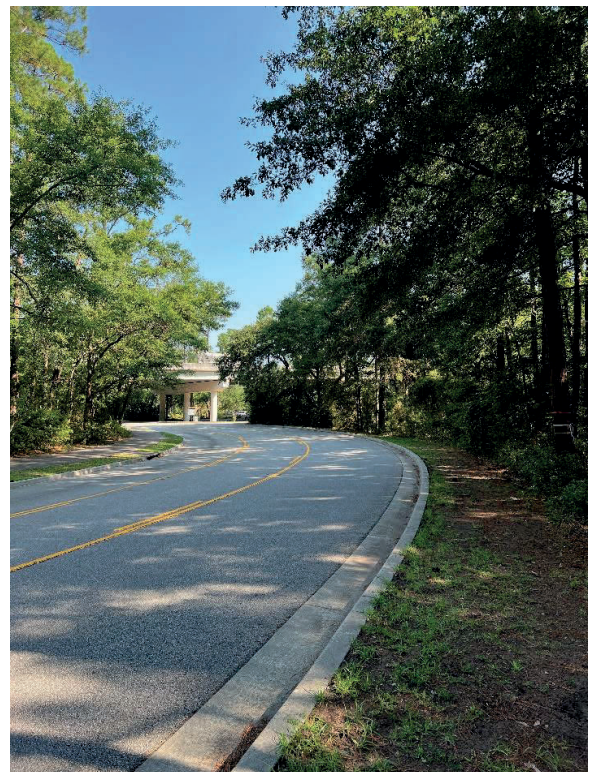
TAX PLAT



Property Photographs









Assessment and Tax Data

Assessment Methodology

Property taxes are based upon an appraisal of the property prepared by the Beaufort County Tax Assessor's Office. An appraisal is conducted every five years on properties located within Charleston County and the values are in theory appraised at 100% of market value. This is commonly known as an "equalization" program.

Under the current Law, a property's tax appraisal will increase no more than 3% per year or 15% during each 5-year Equalization cycle, unless there is transferable interest (ATI). An ATI includes sales, gifts, inheritance, and long-term leases (those more than 20 years). When any property encounters an ATI, the Assessor is required to re-appraise it at market value for the following tax year.

Current law provides for an exemption of up to 25% of any increase in property tax re-appraisal because of an ATI and it only applies to properties that are taxed at a 6% assessment ratio. To obtain this exemption, the purchaser must submit a written request to the Assessor between January 1 and January 30 of the tax year following the ATI. If a written request is not made or is submitted after January 30, there will be no 25% exemption.

The exemption cannot result in a reduction in the property tax that is less than the property tax due (using Assessor's market value appraisal) at the time of the ATI. Therefore, if the market value re-appraisal based on the ATI is not greater than 25% of the market value appraisal when an ATI occurs, property tax will not change.

At the same time, if an ATI occurs and market value re-appraisal is less than the Assessor's market value appraisal at the time of the ATI property taxes will decrease in the year following the ATI.

This tax system has been in place for enough time that buyers and sellers understand the effects of an ATI. This appraisal is made assuming a buyer would anticipate an ATI and make timely written application for the 25% exemption.

Assessed Values and Property Taxes

The appraised value(s) are shown in the accompanying chart.

Tax Schedule

	Tax Year	Parcel Number	Assessor's Market Value - Land	Assessor's Taxable Value	Assessment Ratio	Assessed Value	Tax Rate	Rate per	Effective Tax Rate	Special Assessments	Tax Expense
1	2022	R552 010 000 0648 0000	\$1,164,000	\$1,035	6.00%	\$62	249.8	\$1,000	1.4988%	\$0	\$16
2	2022	R552 010 000 0649 0000	\$1,505,000	\$1,600	6.00%	\$96	249.8	\$1,000	1.4988%	\$0	\$24
Total			\$2,669,000	\$2,635		\$158				\$0	\$39

Highest and Best Use Analysis

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Highest and Best Use As Vacant

The primary determinants of the highest and best use as vacant are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The property is zoned WMU, Water-oriented mixed use. The purpose of the Waterfront Mixed-Use (WMU) District is to recognize certain lands that are special water-oriented sites, and as such have a unique ability to provide an environment conducive to water-oriented commercial and residential development. To service the residents of these lands, and to serve the transient boat and minor tourist use component of the district, water-oriented commercial uses are permitted.

Allowable uses - Family compound, family subdivision, mixed-use, multi-family, recreational vehicle, single family, workforce housing, Bed and breakfasts, hotel, interval occupancy, indoor and outdoor commercial recreational uses, office, and retail uses

Max density - residential - 16 units per net acre - non-residential 8,000 sf

Physically Possible

The physical characteristics of the property are presented in the Site Description and allow for several potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. The property owner has made an application for approval of a 80 unit condominium development in 2, four story buildings with parking below. The response from the Town of Hilton Head did not reveal any significant concerns or issues.

Financially Feasible

There have been relatively few land sales for multi-condominium development in the past 5 or 6 years but that is due to Hilton Head being nearly completed in terms of development. Many properties are being acquired for demolition of existing structures and in-fill redevelopment.

The waterfront influence cannot be overlooked as this is typically a driver of multi-lot or unit residential development as it provides an attractive and desirable natural amenity. The land sales acquired for residential multi-unit development on Hilton Head suggest that to be a feasible use.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as vacant is for multi-unit development.

Highest and Best Use As Vacant Conclusion

The conclusion of the highest and best use as vacant is residential multi-unit development.

Most Probable Buyer

As of the date of value, the most probable buyer is a multi-unit residential developer.

Land Valuation – Sales Comparison Approach

Methodology

Land is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties like this property, focusing on the difference between it and the comparable sales. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The unit of comparison selected depends on the appraisal problem and nature of the property and is intended to explain or mirror market behavior. The primary unit of comparison in the market and applied in this analysis is price per proposed unit.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

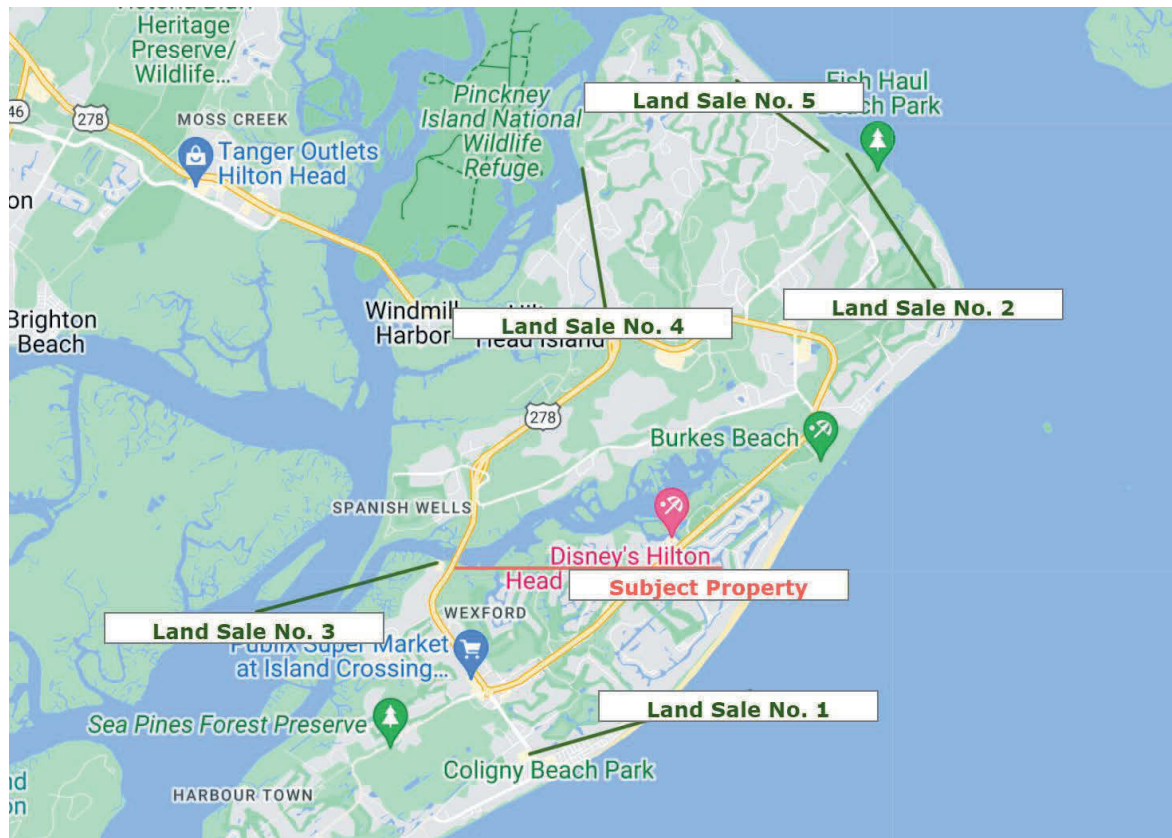
Comparable Sales Data

I have identified sales of comparable properties located on Hilton Head and acquired for residential unit development and one sale that was zoned to allow a residential multi-tenant use at a similar density acquired by a group of developers and then placed under contract to the Town of Hilton Head. Three of the five enjoy waterfront views like this property. These comparable sales are summarized in the following chart and a location map follows the summary chart. Individual transaction sheets are presented after the location map.

Land Sales Summary

Comp. No.	Date of Sale	Proposed Units		Location	Zoning	Proposed Use	Sales Price Actual	Per Unit
1	October-23	28	72 Pope Avenue	Hilton Head Island, South Carolina	CR	28 Residential units - allowed - Purchased for control & assemblage	\$4,000,000	\$142,857
2	December-20	25	202 Mitchelville Road	Hilton Head Island, South Carolina	MV	25 Residential units - allowed - Purchased for 3 lot / unit family compound	\$1,200,000	\$48,000
3	July-20	12	106 Helmsman Way	Hilton Head Island, South Carolina	WMU	12 Residential Units allowed - Purchased for Marina expansion	\$1,000,000	\$83,333
4	August-20	22	63 Skull Creek Drive	Hilton Head Island, South Carolina	PD1	22 Luxury Residential Condominiums	\$2,830,000	\$128,636
5	January-22	68	280 Fish Haul Road	Hilton Head Island, South Carolina	RM-12	68 Residential units	\$2,000,000	\$29,412

COMPARABLE SALES MAP



LAND COMPARABLE 1



Property Identification

Property/Sale ID	11388630/1708239
Property Type	Commercial
Property Name	Former Wild Wing Cafe
Address	72 Pope Avenue
City, State Zip	Hilton Head, South Carolina
County	Beaufort
MSA	Charleston-North Charleston
Latitude/Longitude	32.145493/-80.754689
Tax ID	R553-018-000-065C

Transaction Data

Sale Date	10-26-2023	Conditions of Sale	Typical
Sale Status	Closed	Recording Number	4286 / 177
Grantor	Coligny Plaza LP	Sale Price	\$4,000,000
Grantee	Town of Hilton Head	Sale Conditions Adj.	-\$500,000
Property Rights	Fee Simple	Adjusted Price	\$3,500,000
Financing	Assumed cash to seller		

Property Description

Gross Acres	1.800	Water/Port Access	No
Gross SF	78,408	Visibility	Average
Usable Acres	1.800	Corner/Interior	Interior
Usable SF	78,408	Shape	Irregular
No. of Units	28	Topography	Level
Density (Units/Ac)	15.56	Utilities	Nearby
Proposed Use	Assemblage for parking and development control	Drainage	Assumed to be adequate
Rail Access	No	Zoning Code	CR
		Zoning Description	Coligny Resort

Indicators

\$/Gross Acre	\$1,944,444	\$/Usable SF	\$44.64
\$/Gross SF	\$44.64	\$/Unit	\$125,000
\$/Usable Acre	\$1,944,444	\$/SF of Bldg Area	\$624.78

Verification

Confirmed With	Shawn Coleman - Town of Hilton Head
Confirmed By	Pledger M. Bishop, III

Remarks

This is a one-story, concrete block and steel frame structure over a concrete slab foundation with split face block and wood trim on the exterior walls. The flat roof is also steel-framed and surrounded by a mansard style front with prefabricated metal panels. The design of this full-service restaurant is functional and efficient for the intended use.

This is the former Wild Wing Cafe restaurant site improved with a 5,200 square foot full-service restaurant built in 1993. It was acquired in April of 2023 for continued restaurant use under a different brand for \$3,500,000.

Across Nassau Street to the south is The Lowcountry Celebration Park, owned by The Town of Hilton Head and developed in 2020. This is Hilton Head Island's newest park on a 10-acre site off Pope Avenue and near the Coligny Beach parking lot. The park provides active and passive recreational activities, amenities, and scenic views for families and individuals, organizations, and community groups.

The Town of Hilton Head is acquiring this 1.80-acre former restaurant site for assemblage and control to allow more parking and opportunities for public use of Lowcountry Celebration Park. The zoning allows mixed use residential density development at 16 units per acre or a maximum of 28 units. As a vacant site, that was the development potential. The Town was motivated to acquire this property so a condition of sale adjustment of \$500,000 is applied. The balance reflects the same price paid by the restaurant group.

LAND COMPARABLE 2



Property Identification

Property/Sale ID	11193799/1563242
Property Type	Residential (Single-Family)
Address	202 Mitchelville Road
City, State Zip	Hilton Head Island, South Carolina 29926
County	Beaufort
MSA	Hilton Head Island-Bluffton-Beaufort
Latitude/Longitude	32.244612/-80.692423
Tax ID	R510 005 000 001B 0000

Transaction Data

Sale Date	12-29-2020	Conditions of Sale	Typical
Sale Status	Closed	Deed Book/Page	3955/1851
Grantor	Capitol Storage, LLC	Recording Number	3955 / 1851
Grantee	Lisa and Steven Weston	Sale Price	\$1,200,000
Property Rights	Fee Simple	Adjusted Price	\$1,200,000
Financing	Cash to Seller		

Property Description

Gross Acres	2.130	Street Access	Average
Gross SF	92,783	Rail Access	No
Usable Acres	2.130	Visibility	Average
Usable SF	92,783	Corner/Interior	Interior
Front Feet	124.00	Shape	Rectangular
Depth	709.00	Zoning Jurisdiction	Town of Hilton Head Island
No. of Units	25	Zoning Code	MV
Density (Units/Ac)	11.74	Zoning Description	Mitchelville
Proposed Use	Single-family residential		

Indicators

\$/Gross Acre	\$563,380	\$/Usable SF	\$12.93
\$/Gross SF	\$12.93	\$/FF	\$9,677.42
\$/Usable Acre	\$563,380	\$/Unit	\$48,000

Verification

Confirmed With	Public records and secondary sources
Confirmed By	Adam Norman
Confirmation Date	11-09-2021

Remarks

Sale of a 2.13-acre parcel along Mitchelville Road that backs up to the Port Royal Sound. Parcel can support up to 25 units under current zoning standards however, the buyers purchased to construct 3 homes for personal/family use.

LAND COMPARABLE 3



Property Identification

Property/Sale ID	1039868/1649697
Property Type	Planned Development (PUD)
Address	106 Helmsman Way
City, State Zip	Hilton Head Island, South Carolina 29928
County	Beaufort
MSA	Hilton Head Island-Bluffton-Beaufort
Latitude/Longitude	32.177068/-80.772881
Tax ID	R552-010-000-0313-0000

Transaction Data

Sale Date	07-17-2020	Financing	Conventional
Sale Status	Closed	Conditions of Sale	Typical
Grantor	Keith A & Margaret M Miller	Recording Number	3886 / 0587
Grantee	Palmetto Bay Marina LLC	Sale Price	\$1,000,000
Property Rights	Fee Simple	Adjusted Price	\$1,000,000

Property Description

Gross Acres	1.496	Visibility	Average
Gross SF	65,166	Corner/Interior	Interior
Usable Acres	1.496	Shape	Irregular
Usable SF	65,166	Topography	Level
No. of Lots	1	Utilities	Nearby
No. of Units	12	Drainage	Assumed to be adequate
Density (Units/Ac)	8.02	Flood Hazard Zone	Zone A7 (EL14)
Proposed Use	Marina Expansion	Zoning Jurisdiction	Town of Hilton Head Island
Street Access	Average	Zoning Code	WMU
Rail Access	No	Zoning Description	Water-Oriented Mixed Use
Water/Port Access	Yes		

Indicators

\$/Gross Acre	\$668,449	\$/Usable SF	\$15.35
\$/Gross SF	\$15.35	\$/Lot	\$1,000,000
\$/Usable Acre	\$668,445	\$/Unit	\$83,333

Verification

Confirmed With	Secondary sources and public record
Confirmed By	Pledger M. Bishop, III

Remarks

This was the original Chart House Restaurant. After Chart House was torn down, the property was permitted for 12 luxury water front condominiums in a five story high rise. It's Water-Oriented Mixed-Use zoning allows many residential and commercial uses; including hotels (w/ conditions), restaurants, shops and multifamily residential. It is adjacent to the Haig Point embarkation Center and public boat ramps athletic fields. This waterfront commercial site is in the heart of Palmetto Bay Marina surrounded by wide marsh and water views, many of the Island's outstanding restaurants and interesting shops as well as several large condominium projects. Palmetto Bay Marina is one of the largest floating dock facilities on Hilton Head Island.

In 2015, the property was pending contract for sale for \$1,395,000 to build residences. The Marina was damaged by a storm in 2017 and the contract was voided.

The purchaser has expanded the Marina space significantly since the purchase and is using this site for parking and a Marina related laydown and storage area.

LAND COMPARABLE 4



Property Identification

Property/Sale ID	11107914/1510985
Property Type	Multi-Family
Property Name	Old Fort Pub Estate
Address	63 Skull Creek Drive
City, State Zip	Hilton Head Island, South Carolina 29926
County	Beaufort
MSA	Hilton Head Island-Bluffton-Beaufort
Latitude/Longitude	32.242340/-80.744415
Tax ID	R510 003 000 0033 0000, 0046 0000, 0079 0000, 0083 0000

Transaction Data

Sale Date	08-10-2020	Financing	Cash to Seller
Sale Status	Closed	Conditions of Sale	Typical
Grantor	6163 Pub LLC	Days on Market	14
Grantee	The Charles LLC	Sale Price	\$2,830,000
Property Rights	Fee Simple	Adjusted Price	\$2,830,000

Property Description

Gross Acres	3.040	Water/Port Access	No
Gross SF	132,422	Visibility	Good
Usable Acres	2.750	Corner/Interior	Interior
Usable SF	119,790	Shape	Irregular
Front Feet	300.00	Topography	Level
No. of Lots	1	Utilities	All Available
No. of Units	22	Drainage	Average
Density (Units/Ac)	7.24	Use Designation	Mixed Use
Proposed Use	22 Luxury Residential Condominiums	Zoning Jurisdiction	Town of Hilton Head Island
Street Access	Average	Zoning Code	PD1
Rail Access	No	Zoning Description	Planned Development District

Indicators

\$/Gross Acre	\$930,921	\$/FF	\$9,433.33
\$/Gross SF	\$21.37	\$/Lot	\$2,830,000
\$/Usable Acre	\$1,029,091	\$/Unit	\$128,636
\$/Usable SF	\$23.62		

Verification

Confirmed With	Tom DeMint
Confirmed By	Shaun C. Payne
Confirmation Date	12-09-2020

Remarks

This is 2.75-acre (net) tract that overlooks Skull Creek inside Hilton Head Plantation, so it is protected by a community gate. The site is nearly fully entitled for the construction of 22 luxury residential condominium units in a 3-story building with parking below. The units are ranging in size from 2,200 to 2,400 square feet and proposed pricing is \$1,000,000 plus. The property was listed for approximately two weeks before being placed under contract in 2019. There were initial proposals for a community dock, but this was not achievable. The sunset views are exceptional.

LAND COMPARABLE 5



Property Identification

Property/Sale ID	11206864/1571801
Property Type	Multi-Family
Address	280 Fish Haul Road
City, State Zip	Hilton Head Island, South Carolina 29926
County	Beaufort
MSA	Hilton Head Island-Bluffton-Beaufort
Latitude/Longitude	32.245196/-80.696369
Tax ID	R510 004 000 0016 0000

Transaction Data

Sale Date	01-05-2022	Conditions of Sale	Typical
Sale Status	Closed	Deed Book/Page	Not Recorded
Grantor	Perry White Trustees	Days on Market	73
Grantee	Plumridge Partners LLC	Sale Price	\$2,000,000
Property Rights	Fee Simple	Adjusted Price	\$2,000,000
Financing	Cash to Seller		

Property Description

Gross Acres	6.220	Rail Access	No
Gross SF	270,943	Water/Port Access	No
Usable Acres	6.220	Visibility	Average
Usable SF	270,943	Utilities	All are available
Front Feet	545.00	Flood Hazard Zone	Zone X
No. of Units	68	Zoning Jurisdiction	Town of Hilton Head Island
Density (Units/Ac)	10.93	Zoning Code	RM-12
Proposed Use	Multi-family	Zoning Description	Moderate to High Density Residential
Street Access	Average		

Indicators

\$/Gross Acre	\$321,543	\$/Usable SF	\$7.38
\$/Gross SF	\$7.38	\$/FF	\$3,669.72
\$/Usable Acre	\$321,543	\$/Unit	\$29,412

Verification

Confirmed With Olympia Rymko, Buyers
Confirmed By Adam Norman
Confirmation Date 01-11-2022

Remarks

Sale of a 6.22-acres at the corner of Fish Haul Road and Mitchelville Road on the northern side of Hilton Head Island. The lot consists of two portions separated by Fish Haul Road. Buyers are residential developers who own two other nearby properties along the Port Royal Sound. The buyers purchased this lot to develop 68 condos.

Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is superior, a negative adjustment was applied. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a comparable sale. The property rights appraised reflect the fee simple interest so no adjustments are necessary.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms.

All the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value.

The purchaser of Sale 1 is motivated to secure control of the property. It was a recent sale for continued restaurant use so the difference between that sale and the more recent sale is the adjustment for motivations.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. The parties to these transactions did

not anticipate expenditures were required immediately after purchase; therefore, no adjustments were warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Discussions with market participants and a review of market data indicated overall market conditions for villa / condominium properties have been improving significantly. According to the Hilton Head MLS the median price in January 2020 was about \$400,000 and in September 2022 about \$600,000. This indicates an average property appreciation rate of about 15.8% over this 2.75-year period.

Improved properties do not trend at the same rate as land. Normally land trends at a higher rate but at the same time can decrease at a greater rate. The comparable sales and the property appraised are residential villa / unit development concepts so they should increase as the unit prices increase. However, there has been increasing construction costs during this same period that were unprecedented in terms of levels of increase. Several contractors indicate the rate of increase was in the 7% to 10% range. The increased construction costs can offset the land appreciation rate. Understanding this, each comparable sale is adjusted annually at 5.00% to reflect changes in market conditions.

Since Sale 1 sold well after the effective date of value, it is a negative adjustment.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments. The reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each applicable adjustment category.

Location

Location adjustments may be required when the locational characteristics of a comparable are different. The property appraised and sale 3 are in similar locations with both overlooking Broad Creek. Sale 3 is further from the Connector but is part of Broad Creek Marina and complex which is highly public and transient so overall they are similar.

Sale 1 is closer to the beach which is superior overall.

Sale 4 overlooks Skull Creek in a section of Hilton Head and is part of Hilton Head Plantation. This section of Hilton Head is not as populated, there are limited walking and dining options, and the beaches are further, so no adjustment is necessary.

Sales 2 and 5 are in the northern section of Hilton Head where there has been the least growth and new construction and development. The residents have been vocally resistant to this change which

has made development problematic. Finally, there are some difficulties obtaining clean title to land in this section of Hilton Head and uses are varied and inconsistent. The sales are adjusted accordingly.

Natural Amenity

The property appraised has frontage and views of Broad Creek but not as wide or expansive as comparable sale 3. Sales 2 overlooks Port Royal Sound and sale 4 overlooks Skull Creek. Sale 5 has no natural amenity short of a small lake and Sale 1 has no natural amenity.

Density

As the density increases, the price per unit decreases. Generally, this is because the lower density developments offer larger lots / units so more land area is necessary which increases the value of the underlying land on a unit basis.

Zoning Entitlements

Land sale 4 was nearly fully entitled at the time of sale. The other comparable sales are not entitled.

Summary of Adjustments

A summary of the adjustments made to the comparable sales is presented in the following table:

LAND SALES ADJUSTMENT GRID

Land Sales Adjustment Grid

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		973845	1563242	1649697	1510985	1571801
Date of Value & Sale	September-22	October-23	December-20	July-20	August-20	January-22
Unadjusted Sales Price		\$4,000,000	\$1,200,000	\$1,000,000	\$2,830,000	\$2,000,000
Potential Units	80	28	25	12	22	68
Unadjusted Sales Price per Potential Unit		\$142,857	\$48,000	\$83,333	\$128,636	\$29,412
Transactional Adjustments						
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjusted Sales Price		\$142,857	\$48,000	\$83,333	\$128,636	\$29,412
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Conventional</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>
Adjusted Sales Price		\$142,857	\$48,000	\$83,333	\$128,636	\$29,412
Conditions of Sale	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjusted Sales Price		\$125,000	\$48,000	\$83,333	\$128,636	\$29,412
Expenditures after Sale						
Adjusted Sales Price		\$125,000	\$48,000	\$83,333	\$128,636	\$29,412
Market Conditions Adjustments						
Elapsed Time from Date of Value		<i>-1.11 years</i>	<i>1.71 years</i>	<i>2.16 years</i>	<i>2.10 years</i>	<i>0.69 years</i>
Market Trend Through	September-22	-5.6%	8.6%	10.8%	10.5%	3.5%
Analyzed Sales Price		\$118,048	\$52,110	\$92,352	\$142,134	\$30,431
Physical Adjustments						
Location	<i>Helmsman Way</i>	<i>72 Pope Avenue</i>	<i>202 Mitchelville Road</i>	<i>106 Helmsman Way</i>	<i>63 Skull Creek Drive</i>	<i>280 Fish Haul Road</i>
	<i>Hilton Head, South Carolina</i>	<i>Hilton Head Island, South Carolina</i>	<i>Hilton Head Island, South Carolina</i>	<i>Hilton Head Island, South Carolina</i>	<i>Hilton Head Island, South Carolina</i>	<i>Hilton Head Island, South Carolina</i>
Adjustment		-15.0%	30.0%	-	-	30.0%
Natural Amenity	<i>Broad Creek</i>	<i>None</i>	<i>Superior - Port Royal Sound</i>	<i>Broad Creek - Superior</i>	<i>Skull Creek - Superior</i>	<i>Pond - Inferior</i>
Adjustment		10.0%	-15.0%	-15.0%	-15.0%	30.0%
Density	<i>16 per AC</i>	<i>15.56 per AC</i>	<i>11.74 per AC</i>	<i>8.02 per AC</i>	<i>8.00 per AC</i>	<i>10.93 per AC</i>
Adjustment		-	-5.0%	-10.0%	-10.0%	-10.0%
Zoning Entitlements	<i>Limited</i>	<i>Limited</i>	<i>Limited</i>	<i>Limited</i>	<i>Nearly Full</i>	<i>Limited</i>
Adjustment		-	-	-	-35.0%	-
Net Physical Adjustment		-5.0%	10.0%	-25.0%	-60.0%	50.0%
Adjusted Sales Price per Proposed Unit		\$112,146	\$57,321	\$69,264	\$56,854	\$45,647

Conclusion

The comparable sales were adjusted based on pertinent elements of comparison with the unadjusted and adjusted unit sales prices presented in the following table:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Min. Sale Price per Potential Unit	\$29,412	\$30,431	\$45,647
Max. Sale Price per Potential Unit	\$142,857	\$142,134	\$112,146
Median Sale Price per Potential Unit	\$83,333	\$92,352	\$57,321
Mean Sale Price per Potential Unit	\$86,448	\$87,015	\$68,246

Sales 3 and 4 are the most similar overall and a reasonable conclusion is \$60,000 per unit.

Land Value Conclusion

Reasonable Adjusted Comparable Range				
80 potential units	x	\$47,500 per potential unit	=	\$3,800,000
80 potential units	x	\$75,000 per potential unit	=	\$6,000,000
Market Value Opinion				(Rounded)
80 potential units	x	\$60,000 per potential unit	=	\$4,800,000

Land Valuation – Development Approach (Land Residual)

A development approach is a land residual technique. It considers the anticipated sales revenue from retail unit prices after completion of construction over the sellout period. All construction and development costs and developer incentive are deducted. In theory, the remainder or net cash flow is the highest price a developer can afford to pay for the land and receive the anticipated return. Since the construction and unit sell out period is anticipated to take more than a year, discounting is employed.

The first step is to determine an average retail unit price for the 80 lots after they are completed. I have spoken with several real estate brokers on Hilton Head Island and from that understand residential condominium prices are at historic levels. To determine an average unit price, the Hilton Head Multiple Listing system was utilized. A summary of current listings of two-bedroom units are presented here along with a summary of recent two-bedroom condominium sales. These sales are not located inside any of the Plantations on Hilton Head and include both units situated on natural amenity sites and those without natural amenity characteristics.

Off Plantation - 2 Bedroom Listings							
# Listings		Beds	FB	HB	SqFt	List Price	LP/SqFt
72	Maximum	2	2	1	1,359	\$639,000	\$570.54
	Minimum	2	1	0	831	\$199,000	\$178.57
	Average	2	2	0	1,012	\$336,264	\$335.99
	Median	2	2	0	1,019	\$320,000	\$340.40

Off Plantation - 2 Bedroom									
# Listings		Beds	FB	HB	SqFt	List Price	LP/SqFt	Sold Price	SP/SqFt
160	Maximum	2	2	1	1,665	\$565,000	\$473.31	\$565,000	\$478.05
	Minimum	2	1	0	725	\$150,000	\$133.93	\$150,000	\$133.93
	Average	2	2	0	1,018	\$312,616	\$311.29	\$304,096	\$302.57
	Median	2	2	0	1,000	\$310,000	\$301.42	\$300,000	\$298.51

The average list price is about \$320,000 (\$340.00 psf) and the average sale price is about \$300,000 (\$300.00 psf). The twin buildings shown on the proposed drawings face to the east. The units in the building closest to Broad Creek will have views of the creek but as they transition away from the Creek the views will be diminished. Also, the higher the floor, the better the views.

The units in the second building away from the Creek will likely have minimal or limited views of the Creek.

Understanding the high demand for new construction on Hilton Head and the lack of inventory, it is reasonable to expect the two-bedroom units to be in the upper end of this range or an average of \$500,000 per unit or \$381.00 per square foot.

A similar summary of sales and listings is made for the three-bedroom units. This is presented here:

Off Plantation - 3 Bedroom Listings							
# Listings		Beds	FB	HB	SqFt	List Price	LP/SqFt
18	Maximum	3	3	1	1,813	\$569,000	\$370.99
	Minimum	3	2	0	1176	\$299,500	\$187.19
	Average	3	2	0	1,472	\$432,956	\$296.40
	Median	3	2	0	1,477	\$434,500	\$309.21

Off Plantation - 3 Bedroom									
# Listings		Beds	FB	HB	SqFt	List Price	LP/SqFt	Sold Price	SP/SqFt
37	Maximum	3	3	1	1,905	\$799,000	\$472.46	\$759,000	\$447.50
	Minimum	3	1	0	1142	\$179,000	\$156.74	\$175,000	\$153.24
	Average	3	2	0	1,482	\$444,767	\$300.13	\$436,676	\$294.22
	Median	3	2	0	1,000	\$425,000	\$283.51	\$425,100	\$283.51

The average list price is about \$435,000 (\$300.00 psf) and the average sale price is about \$425,000 (\$285.00 psf). Like the two-bedroom condominiums, a reasonable value is in the upper end of the range or \$445.00 per square foot which is \$800,000 per unit.

Total revenue from sales is calculated here:

Type	Avg Unit Price	Price psf	# Units	Sales Revenue
Avg 2 BR	\$500,000	\$381.68	64.00	\$32,000,000
Avg 3 BR	\$800,000	\$444.44	16.00	\$12,800,000
			Total	\$44,800,000
			Average Unit Price	\$560,000

The absorption or sell out period is considered next. The 22 units completed in the new construction condominium development on Skull Creek (Land comparable sale 4) were 100% pre-sold before completion of construction. There are 80 potential units in the development on the property appraised so at the same rate, about 22 would be pre-sold, leaving 58 for sale after completion. Local Brokers suggest 100% pre-sale in the proposed development or 80 units.

Recent increases in interest rates do not appear to have softened this market. Local Brokers confirm this. Assuming 22 units are pre-sold during construction and another 3 per month over the first year of sales after completion, there would be 58 sales in the first year after a 1-year construction period and 22 units sold in the second year after construction. Therefore, the absorption period would be 3 years with a 1-year construction period and sales over the next 2 years.

The cost of construction must be considered next. The developer provided a cost pro forma, and it is reproduced here:

Item	Building A	Building B	Leasing Building	Pool	Cost per Unit
General Conditions	\$319,724	\$319,724	\$0	\$22,000	\$8,094
Quality Control Inspections	\$30,767	\$30,767	\$0	\$1,600	\$779
Water & Sewer Fees	\$0	\$0	\$0	\$1,200	\$0
Surveying	\$5,206	\$5,206	\$0	\$750	\$132
Concrete	\$175,466	\$175,466	\$0	\$115,000	\$4,442
Gypcrete	\$65,600	\$65,600	\$0	\$0	\$1,661
Stone Cladding	\$92,536	\$92,536	\$0	\$16,000	\$2,343
Masonry	\$132,228	\$132,228	\$0	\$29,000	\$3,348
Structural Steel	\$66,613	\$66,613	\$0	\$0	\$1,686
Metal Railing	\$86,600	\$84,600	\$0	\$0	\$2,167
Steel Stairs	\$73,985	\$73,985	\$0	\$0	\$1,873
Rough Carpentry	\$1,222,588	\$1,172,588	\$0	\$9,000	\$30,319
Trusses	\$214,390	\$214,390	\$0	\$14,000	\$5,428
Exterior siding	\$83,869	\$83,869	\$0	\$0	\$2,123
Water Proofing	\$30,490	\$30,490	\$0	\$0	\$772
Finish Carpentry	\$196,682	\$191,682	\$0	\$0	\$4,916
Cabinets	\$224,490	\$214,490	\$0	\$0	\$5,557
Caulking	\$21,065	\$21,065	\$0	\$0	\$533
Roof & Gutters	\$135,233	\$135,233	\$0	\$12,000	\$3,424
Window & Patio Door	\$275,897	\$275,897	\$0	\$1,800	\$6,985
Insulation	\$61,664	\$58,664	\$0	\$0	\$1,523
Exterior Doors	\$101,279	\$100,279	\$0	\$0	\$2,551
Interior Doors	\$74,437	\$74,037	\$0	\$0	\$1,879
Door Hardware	\$42,058	\$41,058	\$0	\$0	\$1,052
Drywall	\$334,735	\$324,735	\$0	\$0	\$8,348
Stucco	\$452,120	\$452,120	\$0	\$0	\$11,446
Ceramic Tile	\$129,708	\$126,708	\$0	\$0	\$3,246
Cultured Marble	\$65,193	\$64,193	\$0	\$0	\$1,638
Paint	\$289,465	\$283,465	\$0	\$0	\$7,252
Final Clean	\$22,300	\$22,300	\$0	\$0	\$565
Corner Gaurds	\$1,154	\$1,154	\$0	\$0	\$29
Louvers	\$3,365	\$3,365	\$0	\$0	\$85
Signage	\$6,235	\$6,135	\$0	\$2,200	\$157
Fire Extinguishers	\$4,640	\$4,640	\$0	\$450	\$117
Knox Box	\$1,484	\$1,484	\$0	\$0	\$38
Shelving	\$3,990	\$3,990	\$0	\$0	\$101
Toilet Accessories	\$9,600	\$9,600	\$0	\$0	\$243
Shower Doors	\$15,930	\$14,930	\$0	\$0	\$391
Set Appliances	\$199,268	\$195,268	\$0	\$0	\$4,994
Elevator	\$119,390	\$119,390	\$0	\$0	\$3,023
Trash Chute	\$26,800	\$26,800	\$0	\$0	\$678
Fire Sprinkler	\$126,650	\$126,650	\$0	\$0	\$3,206
Plumbing	\$534,550	\$531,550	\$0	\$39,500	\$13,495
HVAC	\$242,244	\$236,244	\$0	\$0	\$6,057
Electrical	\$529,411	\$525,411	\$0	\$3,400	\$13,352
Clearing & Rough Grading	\$192,076	\$192,076	\$0	\$0	\$4,863
Soil Poison	\$12,085	\$12,085	\$0	\$0	\$306
Site Concrete	\$66,846	\$62,846	\$0	\$0	\$1,642
Asphalt Paving	\$51,785	\$48,785	\$0	\$0	\$1,273
Retaining Wall	\$9,000	\$9,000	\$0	\$0	\$228
Fence	\$45,208	\$45,208	\$0	\$24,500	\$1,145
Water & Sewer Fees	\$51,854	\$51,854	\$0	\$0	\$1,313
Storm Drain	\$72,467	\$72,467	\$250,000	\$0	\$1,835
Total	\$7,352,420	\$7,234,920	\$250,000	\$292,400	\$184,650
Builders Risk	\$226,000				
Payroll Burden	\$218,940				
Payroll Taxes	\$58,915				
General & Umbrella Insurance	\$214,244				
Project Fees	\$32,204				
Payment & Performance Bond	\$0				
Building Permit	\$117,078				
Total Soft Costs	\$867,381				
Total Development Cost	\$15,997,121				
per Potential Unit	\$202,495				

To balance this, Marshal Valuation Service was employed for development cost. A summary of that is presented here:

Direct Base Building Cost

Building Identification/Name	
Gross Building Area	112,640 sf
Building Class	C
Building Quality	Good
Exterior Wall	Concrete Tilt Up
Number of Stories	5
Height per Story	10'
Average Floor Area (GBA)	22,528 sf
Average Perimeter	300'
Year Built	2024
Effective Age	0 years

MVS Base Cost Identification

Date	Nov-20
Section	11
Page	15
Type	High Rise Apartments

Base Square Foot Cost	\$133.00
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dpCost_BaseCost_Table

Direct Building Cost Refinements

Building Identification/Name		0
Base Square Foot Cost		\$133.00
Refined Square Foot Cost		\$133.00
Number of Stories Multiplier	x	1.005
Height per Story Multiplier	x	1.000
Floor Area/Perimeter Multiplier	x	0.959
Combined Multiplier	x	0.964
Refined Square Foot Cost		\$128.18

Direct Cost - Site Improvements

Item		Total Base Cost
Site Costs	Lump Sum =	\$500,000
Pool	Lump Sum =	\$292,400
Total Site Improvement Costs		\$792,400

Additional Indirect Cost

Item	Building + Site		Rate		Total Cost
	Direct Costs				
MVS Exclusions	\$19,560,477	x	8.00%	=	\$1,564,838
Additional Indirect Costs					\$1,564,838

Marshall Valuation Service Direct and Indirect Cost

Component	Cost Estimate
Direct Building Cost	\$18,768,077
Direct Site Improvement Cost	\$792,400
Additional Indirect Cost	\$1,564,838
Total Direct and Indirect Cost	\$21,125,315

Cost Indicator Comparison

Cost Indicator	Direct and Indirect Cost
Marshall Valuation Service	\$21,125,315
Developer's Budget	\$15,997,121
Indicator Average	\$18,561,218
Variance	32.1%
Appraiser's Estimate	\$20,000,000

Average retail prices are inflated over the holding period 5% per year and the cost of holding units and selling them over the absorption period is 10% of sales.

Developer incentive is what motivates an investor to take on this project and be rewarded for the risk involved. Given the location, product, and current demand, 30% is reasonable.

A reasonable discount factor is 11%.

The discounted cash flow model is summarized here:

Period	0	1	2	Total
# Sales	0	58	22	80
Avg Retail Price	\$560,000	\$588,000	\$617,400	
Retail Lot Sales	\$0	\$34,104,000	\$13,582,800	\$47,686,800
Development Expenses	\$20,000,000	\$3,410,400	\$1,358,280	\$24,768,680
Developer Incentive	\$0	\$10,231,200	\$4,074,840	\$14,306,040
Total Costs	\$20,000,000	\$13,641,600	\$5,433,120	\$39,074,720
Net Cash Flow	(\$20,000,000)	\$20,462,400	\$8,149,680	\$8,612,080
Discount Factor	1.00000	0.90090	0.81162	
Present Value Cash Flow	(\$20,000,000)	\$18,434,595	\$6,614,463	\$5,049,058

Market Value	\$5,049,058
Rounded to	\$5,000,000
Price per Potential Unit	\$63,113
Price per Gross Acre	\$428,816

Assumptions	
Avg Lot Increase	5%
Developer Costs	10%
Developer Incentive	30%
Discount Rate	11%

Reconciliation

Summary of Value Indications

The conclusion is summarized in the following table.

Value Indications	
Approach to Value	Retrospective - As of the Effective Date of Value
Sales Comparison Approach - Land Only	\$4,800,000
Development Approach	\$5,000,000
Cost	Not Developed
Income Capitalization	Not Developed
Value Conclusion	
Component	Retrospective - As of the Effective Date of Value
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	September 15, 2022
Value Conclusion	\$4,900,000
	\$61,250 per Potential Unit

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- The date of this report is November 21, 2023, and the effective date of value is September 15, 2022, so this is a retrospective appraisal. The property was inspected on June 24, 2023, so the assumption is made that the property condition has not significantly changed between the effective date of value and the date of inspection. If subsequent information is produced suggesting a significant difference, the conclusion could be impacted.

Hypothetical Conditions:

- None

Exposure Time and Marketing Period

Marketing and exposure time estimates of 3 to 6 months and 3 to 6 months, respectively, are reasonable and appropriate.

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Charleston will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Charleston is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Charleston and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Charleston.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Charleston both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Charleston and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Charleston or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Charleston for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Charleston shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Charleston. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Charleston and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Charleston harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Charleston in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Charleston. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.
41. The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

Certification – Pledger M. Bishop, III

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

1. The statements of fact 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. The undersigned Pledger M. Bishop, III has 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 the 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 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. Pledger M. Bishop, III has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to those signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, Pledger M. Bishop, III completed the continuing education program for Designated Members of the Appraisal Institute.



Pledger M. "Jody" Bishop III, MAI, SRA, AI-GRS, CRE
Senior Managing Director
South Carolina Certified General CG 795
License Expires 6/30/2024

Addenda

Notice of Condemnation

Glossary

Qualifications

- Pledger M. Bishop, III, MAI, SRA, AI-GRS, CRE - Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

Notice of Condemnation

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	C/A NO.: 2022-CP-07-_____
COUNTY OF BEAUFORT	)	
	)	TMS: R552 010 000 0648 0000
Beaufort County,	)	R552 010 000 0649 0000
	)	
Condemnor,	)	SUMMONS
	)	
vs.	)	
	)	
Broad Creek Development, LLC,	)	
	)	
Landowner.	)	

TO: THE LANDOWNER ABOVE NAMED:

YOU ARE HEREBY SUMMONED, advised and notified, that pursuant to the South Carolina Eminent Domain Procedures Act, Section 28-2-10, et seq., the within Condemnation Notice and Tender of Payment, a copy of which is herewith served upon you, has been filed with the Clerk of Court for Beaufort County. The purpose of this lawsuit is to enable the Condemnor, Beaufort County, to acquire a certain real property interest for its public purposes, as is more fully stated in the attached Condemnation Notice and Tender of Payment. Responsive pleadings to the Condemnation Notice and Tender of Payment are not necessary.

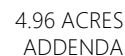
/s/Christopher L. Murphy
Christopher L. Murphy, Esquire
Resnick & Louis, P.A.
146 Fairchild Street, Suite 130
Charleston, SC 29492
Phone: (843) 800-1187
Email: cmurphy@rlattorneys.com

Attorney for Condemnor

September 15, 2022

Charleston, South Carolina

ELECTRONICALLY FILED - 2022 Sep 15 5:00 PM - BEAUFORT - COMMON PLEAS - CASE#2022CP0701762



TMS #: R552 010 000 0648 0000 & R552 010 000 0649 0000

4. Beaufort County Public is vested with the power of eminent domain pursuant to Section 57-5-320, Section 57-17-10 *et seq* and Section 28-2-60, Code of Laws of South Carolina, 1976, as amended.

5. The property sought herein is to be acquired for public purposes, more particularly to establish a permanent embarkation location and public parking on the mainland in order to provide public ferry services to and from Daufuskie Island.

6. This action is brought pursuant to Section 28-2-240, Code of Laws of South Carolina, 1976, as amended.

7. Beaufort County has complied with the requirements set forth in Section 28-2-70(a), Code of Laws of South Carolina, 1976, as amended, by having the subject property appraised and making the appraisal available to the Landowner where required by law, and certifies to the Court that a negotiated resolution has been attempted prior to the commencement of this action, or pursuant to Section 12-28-2940, Code of Laws of South Carolina, 1976, as amended, an appraisal of this property was not required.

8. There are no project plans at this time and but they will be made available in the as soon as available. However this is a total take and the project plans are not relevant because the scope of the project does not impact any remaining property.

9. **THE CONDEMNOR HAS DETERMINED JUST COMPENSATION FOR THE PROPERTY AND RIGHTS TO BE ACQUIRED HEREUNDER, TO BE THE SUM OF THREE MILLION, FOUR HUNDRED THOUSAND AND NO/100 DOLLARS**

(\$3,400,000.00) AND HEREBY TENDERS PAYMENT THEREOF TO THE LANDOWNERS.

10. Payment of this amount will be made to the Landowners if within thirty (30) days of service of this Condemnation Notice, the Landowners in writing requests payment, and agrees to execute any instruments necessary to convey to the Condemnor the property interests and rights described hereinabove. The Agreement and Request for Payment must be sent by first class certified mail with return receipt requested or delivered in person Christopher L. Murphy at Resnick & Louis, P.A., 146 Fairchild Street, Suite 130, Daniel Island, SC 29492. If no Agreement and Request for Payment is received by the Condemnor within the thirty (30) day period, the tender is considered rejected.

11. If the tender is rejected, the Condemnor has the right to file this Condemnation Notice with the Clerk of Court of the County where the property is situated and deposit the tender amount with the Clerk. The Condemnor shall give the Landowner and Other Condemnee (if applicable) notice that it has done so and may then proceed to take possession of the property interests and exercise the rights described in this Condemnation Notice.

12. AN ACTION CHALLENGING THE CONDEMNOR'S RIGHT TO ACQUIRE THE PROPERTY AND RIGHTS DESCRIBED HEREIN MUST BE COMMENCED IN A SEPARATE PROCEEDING IN THE COURT OF COMMON PLEAS WITHIN THIRTY DAYS OF THIS CONDEMNATION NOTICE, OR THE LANDOWNER WILL BE CONSIDERED TO HAVE WAIVED THE CHALLENGE.

13. THE CONDEMNOR HAS ELECTED NOT TO UTILIZE THE APPRAISAL PANEL PROCEDURE. Therefore, if the tender herein is rejected, the Condemnor shall notify the Clerk of Court and shall demand a trial to determine the amount of just compensation to be

paid. A copy of that notice must be served on the Landowners. That notice shall state whether the Condemnor demands a trial by jury or by the Court without a jury. The Landowners have the right to demand a trial by jury. The case may not be called for trial before sixty (60) days after the service of that notice, but it may thereafter be given priority for trial over other civil cases. The Clerk of Court shall give the Landowners written notice by mail of the call of the case for trial.

14. THEREFORE, IF THE TENDER HEREIN IS REJECTED, THE LANDOWNERS ARE ADVISED TO OBTAIN LEGAL COUNSEL AT ONCE, IF NOT ALREADY OBTAINED.

15. In the event the Landowners accept the amount tendered in this Notice, the attached Agreement and Request for Payment form should be signed and returned to the Condemnor within thirty (30) days of your receipt of this Notice.

/s/Christopher L. Murphy
Christopher L. Murphy, Esquire
Resnick & Louis, P.A.
146 Fairchild Street, Suite 130
Charleston, SC 29492
Phone: (843) 800-1187
Email: cmurphy@rlattorneys.com

Attorney for Condemnor

September 15, 2022

Charleston, South Carolina

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may

permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called *deprival value* in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI \div I_m$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation;
3. Both the buyer and seller are acting prudently and knowledgeably;
4. The seller is under compulsion to sell;
5. The buyer is typically motivated;
6. Both parties are acting in what they consider to be their best interests;

7. An adequate marketing effort will be made during the exposure time;
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
9. 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.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or

index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the 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. (USPAP, 2020-2021 ed.)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the

governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Sellout Value (Sum of the Retail Values)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform

Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest (Leasehold Estate)

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and

assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that 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 United States 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. (Dictionary; 12 C.F.R. Part 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)

Marketing Time

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 differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)

Qualifications



Valbridge
PROPERTY ADVISORS

**INDEPENDENT VALUATIONS FOR
A VARIABLE WORLD**



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STATE CERTIFICATIONS

South Carolina
North Carolina
Georgia

EDUCATION

Bachelor of Science
Business Administration
University of South Carolina

www.valbridge.com

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Senior Managing Director
Valbridge Property Advisors | Charleston

MEMBERSHIPS & AFFILIATIONS

Appraisal Institute, Member

- 2022 President of The Appraisal Institute
- 2021 President Elect
- 2022 Vice President
- AI-GRS Designation, 2018
- MAI Designation, 1995
- SRA Designation, 1989
- Chair General Demonstration Appraisal Grading Panel, 2017-2020
- Audit Committee Member, 2018-2019
- Edward W "Lalo" Adams Outstanding Board Service Award, 2018
- AI Presidents Award, 2017
- Region IX Director, 2014-2018
- ADQC Member 2009-2012
- South Carolina Chapter President, 2010
- SC Chapter 1st Vice President, 2009
- SC Chapter 2nd Vice President, 2008
- SC Chapter Treasurer, 2007
- SC Chapter Secretary, 2006
- LDAC Discussion Leader 2005

National Association of Realtors

- CRE Designation, 2003

Charleston Trident Board of Realtors

- Board of Director Multiple Listing System
- Board of Realtors Professional Standards Committee
- Board of Realtors Grievance Committee

Elder Mount Pleasant Presbyterian Church, 1998-2002

Member Charleston County Board of Assessment Appeals, 1993-1996

EXPERIENCE

Valbridge Property Advisors | Charleston - Senior Managing Director, 2013-Present

Atlantic Appraisals, LLC - Associate 1990-1995 - Principal 1995 - 2013

Appraisal Consultants, Inc - 1986 - 1990

Charleston County Assessor's Office - 1984 - 1986

Testified before Congress - House Rep Maxine Waters HFSC Hearing in 2022

Recognized as Expert Witness in various Courts of Law
Experienced in valuation of various commercial and residential Real Estate property

Experienced with property valuations for Preservation and Conservation Easements

Experienced with Valuation Review and Consulting assignments

Experienced with Valuations and Consultation for Property Tax Appeal



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FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent commercial property valuation and advisory service firm in North America.
 - Total number of MAI-designated appraisers (200+ on staff)
 - Total number of office locations (80+ across the U.S.)
 - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

Valbridge Property Advisors, Inc.

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valbridge.com





Valbridge
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17 Covewood Dr.
Norwalk, CT 06853
(860) 246-4606

15 Concord St.
Glastonbury, CT 06033
(860) 246-4606

FLORIDA

10950 San Jose Blvd.
Jacksonville, FL 32223
(904) 608-2948

301 Almeria Ave., Ste. 350
Coral Gables, FL 33134
(305) 639-8029

734 Rugby St.
Orlando, FL 32804
(407) 493-6426

2711 Poinsettia Ave.
West Palm Beach, FL 33407
(561) 833-5331

3033 Riviera Dr., Ste. 106
Naples, FL 34103
(239) 514-4646

2601 West Horatio St., Unit 6
Tampa, FL 33609
(321) 228-6488

GEORGIA

2675 Paces Ferry Rd., Ste. 425
Atlanta, GA 30339
(404) 354-2331

IDAHO

1875 N. Lakewood Dr., Ste. 100
Coeur d'Alene, ID 83814
(208) 292-2965

ILLINOIS

566 W. Lake St., Ste. 240
Chicago, IL 60661
(312) 429-0132

INDIANA

6801 Lake Plaza Dr., Ste. C-301
Indianapolis, IN 46220
(317) 687-2747

KANSAS

10990 Quivira Rd., Ste. 100
Overland Park, KS 66210
(913) 451-1451

KENTUCKY

1890 Star Shoot Pkwy.
Lexington, KY 40509
(502) 585-3651

9401 Williamsburg Plaza, Ste. 204
Louisville, KY 40222
(502) 585-3651

LOUISIANA

2030 Dickory Ave., Ste. 200
Elmwood, LA 70123
(504) 541-5100

MARYLAND

11100 Dovedale Ct.
Marriottsville, MD 21104
(443) 333-5525

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260 Bear Hill Rd., Ste. 106
Waltham, MA 02451
(781) 790-5645

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1420 Washington Blvd.
Detroit, MI 48226
(313) 986-3313

2127 University Park Dr.
Okemos, MI 48864
(517) 336-0001

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St. Paul, MN 55101
(651) 370-1475

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1010 Ford St.
Gulfport, MS 39507
(228) 604-1900

224 Avalon Cir.
Brandon, MS 39047
(601) 853-0736

MISSISSIPPI (CONT'D)

501 Highway 12 W., Ste. 150-M
Starkville, MS 39759
(662) 617-2350

MISSOURI

1118 Hampton Ave., Ste. 208
St. Louis, MO 63139
(314) 255-1323

NEVADA

3034 S. Durango Dr., Ste. 100
Las Vegas, NV 89117
(702) 242-9369

6490 S. McCarran Blvd., Ste. 51
Reno, NV 89509
(775) 204-4100

NEW MEXICO

7000 Prospect Pl. NE, Ste. B
Albuquerque, NM 87110
(505) 884-4721

NORTH CAROLINA

5950 Fairview Rd., Ste. 405
Charlotte, NC 28210
(704) 376-5400

412 E. Chatham St.
Cary, NC 27511
(919) 859-2666

OHIO

1655 W. Market St., Ste. 130
Akron, OH 44313
(330) 899-9900

8291 Beechmont Ave., Ste. B
Cincinnati, OH 45255
(513) 785-0820

1422 Euclid Ave., Ste. 1160
Cleveland, OH 44115
(216) 367-9690

OKLAHOMA

6666 S. Sheridan Rd., Ste. 104
Tulsa, OK 74133
(918) 712-9992

3121 Quail Springs Pkwy., Ste. 150
Oklahoma City, OK 73134
(405) 603-1553

PENNSYLVANIA

150 S. Warner Rd., Ste. 440
King of Prussia, PA 19406
(215) 545-1900

4701 Baptist Rd., Ste. 304
Pittsburgh, PA 15227
(412) 881-6080

SOUTH CAROLINA

1250 Fairmont Ave.
Mt. Pleasant, SC 29464
(843) 884-1266

11 Cleveland Ct.
Greenville, SC 29607
(864) 233-6277

920 Bay St., Ste. 26
Beaufort, SC 29902
(843) 884-1266

TENNESSEE

3500 Ringgold Rd., Ste. 3
Chattanooga, TN 37412
(423) 206-2677

213 Fox Rd.
Knoxville, TN 37922
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225
Memphis, TN 38120
(901) 753-6977

5205 Maryland Way, Ste. 202
Brentwood, TN 37027
(615) 369-0670

TEXAS

901 Mopac Expy. S., Bldg. 1, Ste. 300
Austin, TX 78746
(737) 242-8585

10210 North Central Expy., Ste. 115
Dallas, TX 75231
(214) 446-1611

974 Campbell Rd., Ste. 204
Houston, TX 77024

(713) 467-5858

2731 81st St.
Lubbock, TX 79423
(806) 744-1188

9901 IH-10 West, Ste. 1035
San Antonio, TX 78230
(210) 227-6229

UTAH

527 E. Pioneer Rd., Ste. 240
Draper, Utah 84020
(801) 262-3388

20 North Main St.
St. George, UT 84770
(435) 773-6300

321 N. County Blvd., Ste. D
American Fork, UT 84003
(801) 492-0000

VIRGINIA

656 Independence Pkwy., Ste. 220
Chesapeake, VA 23320
(757) 410-1222

1231 Alverser Dr.
Midlothian, VA 23113
(757) 345-0010

5107 Center St., Ste. 2B
Williamsburg, VA 23188
(757) 345-0010

WASHINGTON

8378 W. Grandridge Blvd., Ste. 110-D
Kennewick, WA 99336
(509) 221-1540

324 N. Mullan Rd.
Spokane Valley, WA 99206
(509) 747-0999

WISCONSIN

12660 W. North Ave.
Brookfield, WI 53005
(262) 782-7990

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Date: Tue, 26 Jul 2022 1:49:21 PM (UTC)
Sent: Tue, 26 Jul 2022 1:49:14 PM (UTC)
Subject: RE: Helmsman Way HHI Inquiry
From: Foster Law Real Estate <re@fostersc.com>
To: Ward, Brittany <bward@bcgov.net>;
CC: Shotwell, Briana <briana.shotwell@bcgov.net>;

[EXTERNAL EMAIL] Please report any suspicious attachments, links, or requests for sensitive information to the Beaufort County IT Division at helpdesk@bcgov.net or to 843-255-7000.

I have you down.

Anna Bouknight - *Paralegal*
FOSTER LAW OFFICES, LLC
3100 Devine Street
Columbia, SC 29205
803-400-1921 ext 1 – Office
803-400-1951 Facsimile
Cantzon@FosterSC.com Litigation
RE@FosterSC.com Real Estate
www.FosterSC.com

NOTICE: Our office has no current plan to close as a result of COVID-19 virus concerns. However, it is a fluid situation, and that could change. If you become aware of anyone associated with the transaction that exhibits symptoms of the virus please let us know immediately.

BEWARE OF CYBER-FRAUD Before wiring any funds, call the intended recipient at a number you know is valid to confirm the instructions - and be very wary of any request to change wire instructions you already received.

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*****ALL FUNDS FOR CLOSING OVER \$500.00 MUST BE IN THE FORM OF A WIRE TRANSFER or CERTIFIED CHECK. FUNDS UNDER \$500.00 MAY BE IN THE FORM OF A PERSONAL CHECK***

From: Ward, Brittany <bward@bcgov.net>
Sent: Tuesday, July 26, 2022 9:29 AM
To: Foster Law Real Estate <re@fostersc.com>
Cc: Shotwell, Briana <briana.shotwell@bcgov.net>
Subject: Re: Helmsman Way HHI Inquiry

Thank you, that works for me.

Sincerely,



Brittany Ward
Beaufort County Deputy Attorney
Cell: (843) 592-4695
Office: (843) 255-2059

On Jul 26, 2022, at 9:26 AM, Foster Law Real Estate <re@fostersc.com> wrote:

[EXTERNAL EMAIL] Please report any suspicious attachments, links, or requests for sensitive information to the Beaufort County IT Division at helpdesk@bcgov.net or to 843-255-7000.

I can mark Mr. Foster's calendar for Tuesday August 2nd at 10:30 am for him to give you a call on your cell.

Anna Bouknight - *Paralegal*
FOSTER LAW OFFICES, LLC
3100 Devine Street
Columbia, SC 29205
803-400-1921 ext 1 – Office
803-400-1951 Facsimile
Cantzon@FosterSC.com Litigation
RE@FosterSC.com Real Estate
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From: Ward, Brittany <bward@bcgov.net>
Sent: Monday, July 25, 2022 5:02 PM
To: Foster Law Real Estate <re@fostersc.com>
Subject: Re: Helmsman Way HHI Inquiry

I am available majority of the week with the exception of Friday whereby am unavailable. Please know a convenient time and phone number to call him at.

Thank you,

Brittany Ward
Beaufort County Deputy Attorney
Cell: (843) 592-4695
Office: (843) 255-2059

On Jul 25, 2022, at 4:50 PM, Foster Law Real Estate <re@fostersc.com> wrote:

[EXTERNAL EMAIL] Please report any suspicious attachments, links, or requests for sensitive information to the Beaufort County IT Division at helpdesk@bcgov.net or to 843-255-7000.

He I not interested in selling but I ca set up an apt for next week.

From: Ward, Brittany <bward@bcgov.net>
Sent: Monday, July 25, 2022 3:39 PM
To: Foster Law Real Estate <re@fostersc.com>
Subject: RE: Helmsman Way HHI Inquiry
Importance: High

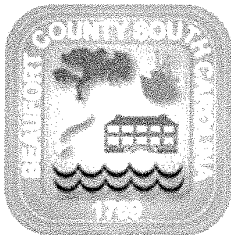
Ms. Bouknight,

Pursuant to your previous communication, Mr. Foster was not interested in selling the properties located on Helmsman Way at that time. The County desires to obtain ownership of the two (2) properties for a public purpose, and I would appreciate speaking to Mr. Foster about selling the properties to the County. If he is willing, please let me know a day/time he is available to discuss.

Thank you in advance,

Brittany Ward
Beaufort County Deputy Attorney

102 Industrial Village, Bldg. 2
P.O. Drawer 1228
Beaufort, SC 29901
Cell: (843) 592-4695
Office: (843) 255-2059
Fax: (843) 255-9414



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From: Foster Law Real Estate <re@fostersc.com>
Sent: Tuesday, June 21, 2022 3:17 PM
To: Ward, Brittany <bward@bcgov.net>
Subject: RE: Helmsman Way HHI Inquiry

[EXTERNAL EMAIL] Please report any suspicious attachments, links, or requests for sensitive information to the Beaufort County IT Division at helpdesk@bcgov.net or to 843-255-7000.

Mr. Foster is who asked me to respond, he is aware of your inquire and stated he is not interested in selling.

Anna Bouknight - *Paralegal*
FOSTER LAW OFFICES, LLC
3100 Devine Street
Columbia, SC 29205
803-400-1921 ext 1 – Office
803-400-1951 Facsimile
Cantzon@FosterSC.com Litigation
RE@FosterSC.com Real Estate
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From: Ward, Brittany <bward@bcgov.net>
Sent: Tuesday, June 21, 2022 3:09 PM
To: Foster Law Real Estate <re@fostersc.com>
Subject: RE: Helmsman Way HHI Inquiry

Ms. Bouknight,

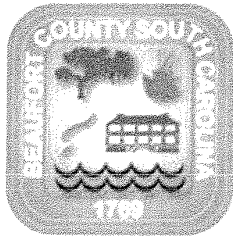
Are you the representative or agent for Broad Creek Development, LLC? I want to be sure Mr. Foster has been informed of the County's interest if you would have him respond to confirm I would appreciate it.

Thank you,

Brittany Ward

Beaufort County Deputy Attorney

102 Industrial Village, Bldg. 2
P.O. Drawer 1228
Beaufort, SC 29901
Cell: (843) 592-4695
Office: (843) 255-2059
Fax: (843) 255-9414



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From: Foster Law Real Estate <re@fostersc.com>
Sent: Tuesday, June 21, 2022 3:05 PM
To: Ward, Brittany <bward@bcgov.net>
Subject: RE: Helmsman Way HHI Inquiry

[EXTERNAL EMAIL] Please report any suspicious attachments, links, or requests for sensitive information to the Beaufort County IT Division at helpdesk@bcgov.net or to 843-255-7000.

Thank you, but no interest in selling.

Anna Bouknight - *Paralegal*
FOSTER LAW OFFICES, LLC
3100 Devine Street
Columbia, SC 29205
803-400-1921 ext 1 – Office
803-400-1951 Facsimile
Cantzon@FosterSC.com Litigation
RE@FosterSC.com Real Estate
www.FosterSC.com

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immediately by email and delete this communication and all copies.

*****ALL FUNDS FOR CLOSING OVER \$500.00 MUST BE IN THE FORM OF A WIRE TRANSFER or CERTIFIED CHECK. FUNDS UNDER \$500.00 MAY BE IN THE FORM OF A PERSONAL CHECK***

From: Ward, Brittany <bward@bcgov.net>
Sent: Tuesday, June 21, 2022 3:03 PM
To: Foster Law Real Estate <re@fostersc.com>
Subject: Helmsman Way HHI Inquiry

Mr. Foster,

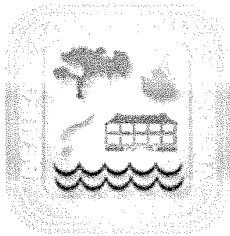
I am emailing you because I believe you are the property owner of two (2) properties located on Helmsman Way, Hilton Head Island. I have attached the tax bills associated with these properties for your reference.

Beaufort County would like to discuss these two properties with you as the County is interested in potentially purchasing these properties. If you would please contact me to discuss.

Sincerely,

Brittany Ward
Beaufort County Deputy Attorney

102 Industrial Village, Bldg. 2
P.O. Drawer 1228
Beaufort, SC 29901
Cell: (843) 592-4695
Office: (843) 255-2059
Fax: (843) 255-9414



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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOURTEENTH JUDICIAL CIRCUIT
COUNTY OF BEAUFORT	)	CHALLENGE ACTION 2022-CP-07-01978
BROAD CREEK DEVELOPMENT, LLC,	)	
	)	
Plaintiff/Landowner,	)	
	)	
v.	)	AFFIDAVIT OF
	)	CANTZON FOSTER
BEAUFORT COUNTY,	)	
	)	
Defendant/Condemnor.	)	

PERSONALLY APPEARED before me Charles Cantzon Foster, II, who, being first duly sworn, says and deposes:

1. I am over the age of eighteen (18) and am competent to testify regarding the matters contained in this affidavit.

2. I am an attorney, and have been licensed to practice law in South Carolina since November 20, 2001. I also serve as the registered agent for Broad Creek Development, LLC ("Broad Creek"). I am familiar with the real property owned by Broad Creek (the "Property") which is the subject of the dispute regarding Beaufort County's right to condemn the Property.

3. Beaufort County, via email from Brittany Ward, first contacted my office regarding the Property on June 21, 2022. Ms. Ward stated that the "County is interested in potentially purchasing these properties." I instructed Anna Bouknight, my paralegal, to respond that the owner had no interest in selling.

4. Ms. Ward again contacted my office regarding the County's interest in acquiring the Property on July 25, 2022 and asked to set an appointment for a telephone conference to discuss the issue.

EXHIBIT

3

5. I spoke with Ms. Ward on August 2, 2022 regarding the County's interest in acquiring the Property. I again informed her that the owner had no interest in selling.

6. On August 8, 2022, Ms. Ward emailed me stating the County "desires to obtain ownership of your two properties located on Helmsman Way on Hilton Head Island for the purpose of establishing an [sic] permanent embarkation location for public ferry services. The County would like to offer a purchase price of \$3,200,000 for both properties, contingent on County Council approval."

7. In response, I asked Ms. Ward for additional time to consider the offer.

8. On September 28, 2022, I received by certified mail a Notice of Condemnation filed by the County seeking to take the Property by eminent domain.

9. No person other than Brittany Ward contacted me on behalf of the County prior to the filing date of the Notice of Condemnation, September 15, 2022 (the "Date of Condemnation").

10. At no time prior to the Date of Condemnation was I contacted by appraisers Anthony Martin or George Owen.

11. At no time prior to the Date of Condemnation did Ward, or anyone else on behalf of the County, offer to provide me with a copy of any appraisal of the Property.

12. At no time prior to the Date of Condemnation did Brittany Ward, or anyone else on behalf of the County offer more than \$3,200,000 for the Property.

13. At no time prior to the Date of Condemnation did Brittany Ward, or anyone else on behalf of the County, state that the Property was under threat of condemnation, or that the County was considering taking the Property by the power of eminent domain. Neither Brittany Ward, nor anyone else on behalf of the County, even used the words "condemnation" or "eminent domain" with respect to the Property.

14. In April of 2013, I appealed a dock permit issued on behalf of Broad Creek Development, LLC. The Office of Coastal and Resource Management (OCRM) did not issue the permit as requested, rather it restricted the size and position of the dock to such an extent as to render any dock constructed in accordance unusable at low tide.

FURTHER THE AFFIANT SAYETH NAUGHT.

Executed this 2 day of October, 2023.



Charles Cantzon Foster, II
Foster Law Offices, LLC
3100 Devine St.
Columbia, SC 29205
T: 803-400-1921
cantzon@fostersc.com

SWORN to before me this 2ND

day of OCTOBER, 2023.


Notary Public for South Carolina

Print Name: ROSE ANN KHOURY

My Commission Expires: 6-8-2031



Christopher L. Murphy

From: Christopher L. Murphy
Sent: Tuesday, September 27, 2022 12:55 PM
To: Richard Bybee; Christopher L. Murphy
Cc: Caroline McLaughlin; Jeff Tibbals
Subject: RE: Beaufort County v Broad Creek
Attachments: Helmsman Way parcels, Hilton Head Island - appraisal.pdf

Attached is the appraisal.

Christopher L. Murphy, Esquire
Admitted in South Carolina

146 Fairchild Street, Suite 130
Charleston, SC 29492

cmurphy@rlattorneys.com
direct line 843-800-1187
cell 843-926-0146

Contact Information



ALBUQUERQUE | BAKERSFIELD | BURBANK | CHARLESTON | DALLAS | DENVER | FT LAUDERDALE | HIDALGO
COUNTY (THE VALLEY) | HOUSTON | JACKSON | JACKSONVILLE | LAS VEGAS | LOS ANGELES | MIAMI | ORANGE
COUNTY | ORLANDO | PHOENIX | RIVERSIDE | SACRAMENTO | SALT LAKE CITY | SAN ANTONIO | SAN DIEGO |
SARASOTA | TAMPA | LONDON, UK

From: Richard Bybee <rdb@bybeetibbals.com>
Sent: Monday, September 26, 2022 3:48 PM
To: Christopher L. Murphy <cmurphy@rlattorneys.com>
Cc: Caroline McLaughlin <cmclaughlin@bybeetibbals.com>; Jeff Tibbals <jst@bybeetibbals.com>
Subject: Beaufort County v Broad Creek

Chris: Confirming out phone call this afternoon, please send us a copy of any appraisal done by the County for this property. Also confirm that we have 30 days from today to respond to the tender in the Notice of Condemnation. Finally please confirm that you have deposited the estimated compensation amount with the Clerk of Court. Thanks Rick

Richard D. Bybee

735 Johnnie Dodds Blvd. Suite 104, Mt. Pleasant, SC 29464

O: 843-881-1623 E: rdb@bybeetibbals.com

BYBEE & TIBBALS
EMINENT DOMAIN & PROPERTY
RIGHTS LITIGATION

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ELECTRONICALLY FILED - 2023 Oct 06 9:19 PM - BEAUFORT - COMMON PLEAS - CASE#2022CP0701978

THE STATE OF SOUTH CAROLINA

IN THE COURT OF APPEALS

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

The Honorable Carmen T. Mullen, Circuit Court Judge
Circuit Court Case No. 2022-CP-07-01978

Appellate Case No. 2025-000615

Broad Creek Development, LLC

Appellant,

v.

Beaufort County

Respondent.

RULE 210(g) CERTIFICATE

I, the undersigned counsel for Appellant, pursuant to Rule 210(g), SCACR, certify that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

Respectfully submitted,

s/ Jeffrey S. Tibbals

Jeffrey S. Tibbals (SC Bar No. 72628)

BYBEE & TIBBALS, LLC

1100 Queensborough Blvd., Suite 202

Mt. Pleasant, SC 29464

Tel: (843) 881-1623

*Attorney For Appellant Broad Creek
Development, LLC*

April 29, 2026