

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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APPEAL FROM THE ADMINISTRATIVE LAW COURT

SC Court of Appeals

Ralph King Anderson, III, Chief Administrative Law Judge

Docket No. 2013-ALJ-17-0365-CC

Connery Properties, Inc., ... Respondent,

v.

Charleston County Assessor, ... Appellant.

RECORD ON APPEAL

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Bernard E. Ferrara, Jr., Deputy County Attorney
Austin A. Bruner, Assistant County Attorney
Bradley A. Mitchell, Assistant County Attorney
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**STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT**

Connery Properties, Inc.,)

Docket No. 13-ALJ-17-0365-CC

Petitioner,)

v.)

ORDER

Charleston County Assessor)

Respondent.)

APPEARANCES: For the Petitioner: Kerry W. Koon, Esq.
For the Respondent: Austin A. Bruner, Esq.

STATEMENT OF THE CASE

This matter comes before the South Carolina Administrative Law Court (ALC or Court) as a contested case brought by Petitioner Connery Properties, Inc. (Petitioner) challenging the Charleston County Assessor's (Respondent) valuation of real property located at 9 Miranda Holmes Street in Charleston, South Carolina in its tax assessment for tax year 2009. A hearing was held on February 19, 2014 at the offices of the ALC in Columbia, South Carolina.

FINDINGS OF FACT

The property at issue (Property) is a vacant lot located at 9 Miranda Holmes Street in downtown Charleston, South Carolina, on the peninsula, between Congress and Sumter Streets. The Property measures 4,880 square feet, having street frontage measuring forty (40) feet by a depth of 122 feet.

According to the derivation clause in the tax deed, the Property had belonged to Thomas and Emily Grant, who had acquired the Property from the City Council of Charleston in 1937. In October 2007, Petitioner purchased the Property for \$11,000 in a tax sale held in Charleston County. The Property was a vacant lot at the time of Petitioner's purchase and has remained in essentially the same condition since then.¹ The tax deed for the Property was issued on March

¹ The president of Connery Properties, Inc., Vernon Keller Staubes, Jr. (Keller), testified that the some shrubs and the grass of the Property had been cut and the front gate repaired, but that Property has otherwise remained unchanged since the purchase date.

FILED

March 3, 2014

SC ADMIN. LAW COURT

0003

27, 2009.² Respondent assessed taxes on the Property based on its estimate that the fair market value of \$87,000 as of December 31, 2009. Petitioner appealed this valuation to the Board of Assessment Appeals (Board), which determined that the value of the Property as of December 31, 2009 was \$60,000.³ Petitioner filed a contested case with this Court, contending that the fair market value of the property for the 2009 tax year was \$20,000 instead of \$60,000.

Steve Everman, a state-certified real estate appraiser and the appraisal supervisor for the Assessor's Office, prepared the January 2014 appraisal report for Property. He used the "sales comparison approach," comparing the sales of similar properties in the nearby area (i.e., within one mile of the Property) during that same year. His adjustments to the comparable property values included adjustments for the decline in property values during 2009. The first of five comparable properties (Comparable 1) was located at 194 Fishburne Street and had sold for \$45,000 on 12/14/09, and thus required no adjustment, having occurred near the end of the year. Comparable 2 was located at 5 Middleton Court and sold for \$45,000 on 11/4/09, adjusted down to \$44,000. Comparable 3 was located at 8 Kyle Place and sold for \$50,000 on 4/28/09, adjusted down to \$47,000. Comparable 4 was located at 101 America Street and sold for \$44,500 on 6/29/09, adjusted down to \$42,500. Comparable 5 was located at 49 Ashe Street and sold for \$55,000 on 3/30/09, adjusted down to \$51,000.

All of the comparable properties contained less square footage than the subject Property. Therefore, in order to arrive at the estimated valuation of the comparable properties, Everman took the difference between the square footage of the subject Property and that of each comparable property and multiplied that remaining number of square feet by \$6. The remaining number was then rounded up or down to the nearest thousand and added to the adjusted sales value for each comparable property. The adjusted values of the comparable properties were used to create a range of value for the subject Property. Everman arrived at the following values for the comparable properties: Comparable 1: \$62,000; Comparable 2: \$58,500; Comparable 3: \$58,000; Comparable 4: \$61,000; and Comparable 5: \$63,500. Thus, the range of value for the

² The reason for the gap in time between the purchase date of the Property and the issuance of the deed for the Property is that a person losing property in a tax sale has one year from the date of the sale to "redeem" and regain the property by paying the property taxes owed and the penalties assessed. In the event that the person losing the property fails to redeem the property, it takes the County about six (6) months to prepare the tax deed and issue it.

³ The Board arrived at this "compromised value of \$60,000 . . . since adjustments were incorrect to the subject property provided by the Assessor's Office." The Assessor found this same value when it had the Property appraised again on January 7, 2014 (date of appraisal report).

subject Property was estimated between \$58,000 and \$63,500. Therefore, the Respondent appraised the Property at a value of \$60,000, the average of the range of value. Importantly, however, this valuation did not take into account the negative impact of a defect in title.

Benjamin Peeples⁴ explained that defects in the title to the Property would depreciate the value of the Property. The Property was acquired by a tax deed, which will almost certainly not be insured by any title insurance company in the State (for at least ten years from the time of Petitioner's possession of the Property, anyhow). Having acquired the Property by tax deed will therefore limit the market of buyers willing to take the risk of buying property that has no insurable title; render the title useless as collateral for loans from commercial lenders for development of the property; and require an action to quiet title or quitclaim deeds from those losing the property (assuming they had good title) in order to make the title marketable, either of which will entail substantial costs.⁵

A search of the records in Charleston County failed to reveal probate records for Thomas or Emily Grant that list this Property as an asset, and the last deed transferring the property is from 1937, which suggests, given the time that has passed and likelihood that Thomas and Emily Grant are deceased, that the Property is heirs property.⁶ Attempting to quiet title to heirs property would entail expenses,⁷ such as locating and providing notice to all of the potential heirs who could claim an interest in the Property. In addition, the newly titled owner of the heirs property assumes the risk that an unnotified heir could appear at a later date and bring a claim or that one or more heirs owe taxes, judgments, or liens on the Property.

The Assessor valued the Property based upon it being zoned to either a single family dwelling or two residential dwelling units. The Property does qualify for two units due to the lot

⁴ Mr. Peeples was qualified as an expert in real estate law, title insurance, underwriting, and, to a lesser extent, real estate brokerage. He has also been a licensed attorney practicing real estate law for more than thirty-nine (39) years. I found his testimony persuasive.

⁵ A tax deed is a type of quitclaim deed. A quitclaim deed offers no warranty to the purchaser and does not profess that the title is valid, and thus poses much greater risk to a buyer than a general warranty deed, which binds the guarantor and his heirs or devisees after him, "guarantee[ing] the grantor's good, clear title and . . . contain[ing] covenants concerning the quality of title, including warranties of seisin, quiet enjoyment, right to convey, freedom from encumbrances, and defense of title against all claims." *Black's Law Dictionary* 424 (7th ed. 1999). Even a limited or "special" warranty deed provides some protection for purchaser, though only that the grantor will "defend the title against those claims and demands of the grantor and those claiming by and under the grantor." *Id.*

⁶ Heirs property is real property that is legally transferred to the heirs when a decedent dies intestate, i.e. an estate has not been filed and probated. The number of owners/interests multiplies with each successive generation of heirs.

⁷ Actions to quiet title especially in a heirs property cases can cost \$15,000 or more. Additionally, costs for advertisements in three or four newspapers alone can cost over \$5,000.

size, and it is possible to put two (2) residences on the Property. However, Petitioner would have to meet the setback requirements or else would have to get a variance permit to build two separate, single-family residences on the lot. Petitioner argues that building two residences would make parking difficult because the road running alongside the Property is only thirty feet wide, including space for parking, which would further diminish the value of the Property. For all of the aforementioned reasons, but particularly because of the cloud on the title, Petitioner asserts that the Property's value depreciated by 80%. Keller testified at the hearing that he had paid \$11,000 for the Property with the assumption that the Property was worth about \$60,000 and had depreciated by 80% because of the tax deed.⁸

Petitioner has not yet initiated an action to quiet title, but plans to in time. Therefore, for the following reasons, I find the value of the property to be \$20,000.

CONCLUSIONS OF LAW

Based upon the above Findings of Fact, I conclude the following as a matter of law:

S.C. Code Ann. § 1-23-600 (Supp. 2013) grants jurisdiction to the ALC to hear contested cases under the Administrative Procedures Act or Article I, Section 22, Constitution of the State of South Carolina, 1895, involving the departments of the executive branch of government. In this instance, a taxpayer may appeal a property tax assessment determination of a county board of assessment by requesting a contested case hearing before the ALC. S.C. Code Ann. § 12-60-2540(A) (2000). When a tax assessment valuation case reaches the ALC for a contested case hearing, the proceeding before the ALC is a *de novo* hearing. *Smith v. Newberry County Assessor*, 350 S.C. 572, 577, 567 S.E.2d 501, 504 (Ct. App. 2002). The party contesting the county board's determination generally has the burden of proving the actual value of the property at issue. See *Leventis v. S.C. Dep't of Health & Envtl. Control*, 340 S.C. 118, 132-33, 530 S.E.2d 643, 651 (Ct. App. 2000) (holding that the burden of proof in administrative proceedings generally rests upon the party asserting the affirmance of an issue); *Reliance Ins. Co. v. Smith*, 327 S.C. 528, 489 S.E.2d 674 (Ct. App. 1997) (the assessor bore the burden of proof because the party appealing the decision of the county board of assessment was the assessor).

⁸ The problem with Petitioner's 80%-depreciation contention is that if the value of the Property decreased by 80%, and the value of the Property absent the title defects would have been \$60,000, then the value of the Property as of 12/31/09 would have been \$12,000, not the \$20,000 that Petitioner contends is the present value.

Furthermore, an Assessor's valuation is presumed correct and the property owner bears the burden of proving the Assessor's determination is not correct. 84 C.J.S. *Taxation* 410 (1954). Ordinarily, this is done by proving the actual value of the property. The taxpayer may, however, show by other evidence that the assessing authority's valuation is incorrect. If he does so, the presumption of correctness is removed and the taxpayer is entitled to appropriate relief. *Cloyd v. Mabry*, 295 S.C. 86, 367 S.E. 2d 171 (Ct. App. 1988).

There appears to be no dispute that in the absence of any defect in the title affecting its marketability and insurability, the value of the Property was correctly appraised at \$60,000. The issue in this case is whether the marketability and insurability of the Property's title should be factors in determining the Property's value. Respondent argues that appraisals are based solely on fair market value, that fair market value does not include marketability and insurability of title, and that the Property was therefore correctly appraised at \$60,000. Contrarily, Petitioner argues fair market value does include marketability and insurability of title, and that the Property should have been appraised at a value of \$20,000 due to less marketability and lack of insurability of title. For the following reasons, I agree with Petitioner.

"In all cases of tax sale the deed of conveyance, whether executed to a private person, a corporation, or a forfeited land commission, is prima facie evidence of a good title in the holder, that all proceedings have been regular and that all legal requirements have been complied with. . . ." S.C. Code Ann. § 12-51-160 (Supp. 2012).

According to Section 12-37-930:

All property must be valued for taxation at its true value in money which in all cases is the price which the property would bring following reasonable exposure to the market, where both the seller and the buyer are willing, are not acting under compulsion, and are **reasonably well informed** of the uses and purposes for which it is adapted and for which it is capable of being used. . . .

(emphasis added). In *Long Cove Home Owners' Ass'n, Inc. v. Beaufort County Tax Equalization Bd.*, 327 S.C. 135, 141, 488 S.E.2d 857, 861 (1997), the South Carolina Supreme Court interpreted Section 12-37-930 to mean that "regardless of [the] method used to determine true value, deed restrictions affecting the use of the land must be considered when determining value."

In *Reeping v. JEBBCO, LLC*, 402 S.C. 195, 201, 740 S.E.2d 504, 507 (Ct. App. 2013), the South Carolina Court of Appeals cited *Donohue v. Ward*, 298 S.C. 75, 378 S.E.2d 261 (Ct. App. 1989) and *Leysath v. Leysath*, 209 S.C. 342, 40 S.E.2d 233 (1946) for the respective

principles that failure to provide notice was "the kind of jurisdictional defect that rendered the statute of limitations inapplicable" and that "all requirements of the law leading up to tax sales which are intended for the protection of the taxpayer against surprise or the sacrifice of his property are to be regarded mandatory and are to be strictly enforced." After setting forth these principles, the court held that "failure to give the required notice is a fundamental defect in tax proceedings which renders the proceedings absolutely void." *Reeping*, 402 S.C. at 201, 740 S.E.2d at 507.

In this case, Petitioner argues that marketability and insurability of title to real property are factors to consider in fair market value, and therefore should have been included in Respondent's appraisal of the Property. Petitioner also argues that having a tax deed and the likelihood that the Property is heirs property greatly diminish the marketability and insurability of the Property, and therefore greatly diminishes the value of the Property, specifically by 80%. Respondent did not present any evidence refuting the existence of any of the defects to Petitioner's title, but instead argues that those defects are not factors to consider in the fair market value used for appraisals of real property for tax assessments.

Though I do not find Petitioner's depreciation percentage of 80% to be credible (*see* footnote 8, *supra*), I nevertheless conclude, based on *Long Cove* and *Reeping*, that the risks inherent in a tax deed and specifically in heirs property are considerations when determining the value of the Property. These restrictions to the deed affect the use of the Property. The evidence reflects that a tax deed will almost certainly not be insured in this State (at least within ten years of the time of Petitioner's possession of the Property). The constraint of insurability of the title during the first ten years limits the market of buyers to those willing to take the risk of buying property with no insurable title and stifles development of the Property by not allowing the title to be used as collateral for loans from commercial lenders.

Moreover, the evidence reflects that the Property is likely heirs property. This defect in title will require an action to quiet title or quitclaim deeds from those losing the property (assuming they had good title) in order to make the title marketable, either of which will entail substantial costs. The quiet-title action in this case will thus entail additional expenses, such as locating and providing notice to all of the potential heirs who could claim an interest in the Property, and would impose a risk that an unnotified heir could appear at a later date and bring a claim (failure to provide all of the required notice would render the tax sale void and would

render the statute of limitations inapplicable) or that one or more heirs owe taxes, judgments, or liens on the Property. All of this affects the marketability and insurability of the title to the Property to a well-informed buyer.

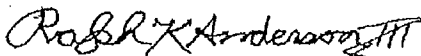
In conclusion, since Respondent's appraisal value of \$60,000 did not take these factors into consideration, I reject that value. However, as aforementioned, I also reject Petitioner's depreciation percentage of 80% on the value of the Property, which would actually have given the Property a value of \$12,000, contradicting Petitioner's own contention that the Property should be valued at \$20,000. Because the only other property value supported by the evidence is \$20,000, I conclude that this is the value of the Property.

ORDER

Based upon the foregoing Findings of Facts and Conclusions of Law, it is hereby:

ORDERED that Respondent issue within thirty (30) days from the date of this Order a refund to Petitioner in the amount of the difference between the amount assessed against the Property in this matter and the amount that would have been assessed against the Property had it been valued at \$20,000, plus interest at the rate provided in S.C. Code Ann. § 12-54-25(D) (Supp. 2012) from December 31, 2009 until the date of repayment.

AND IT IS SO ORDERED.

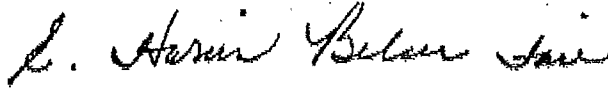


Ralph King Anderson, III
Chief Administrative Law Judge

March 3, 2014
Columbia, South Carolina

CERTIFICATE OF SERVICE

I, E. Harvin Belser Fair, hereby certify that I have this date served this Order upon all parties to this cause by depositing a copy hereof in the United States mail, postage paid, in the Interagency Mail Service, or by electronic mail, to the address provided by the party(ies) and/or their attorney(s).



E. Harvin Belser Fair
Judicial Law Clerk

March 3, 2014
Columbia, South Carolina

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Ralph King Anderson, III, Chief Administrative Law Judge

Docket No. 2013-ALJ-17-0365-CC

~~W/MA~~ Connery Properties, Inc., ... Respondent,

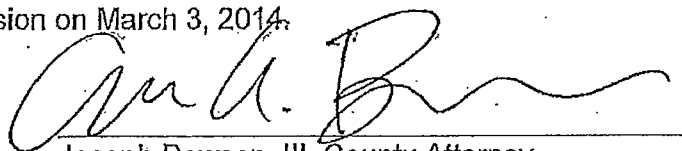
v.

Charleston County Assessor, ... Appellant.

NOTICE OF APPEAL

Appellant Charleston County Assessor appeals the Final Order and Decision of the Honorable Ralph King Anderson, III, dated March 3, 2014, a copy of which is attached hereto and incorporated herein by reference as Exhibit A. Appellant received written notice of entry of the Final Order and Decision on March 3, 2014.

March 31, 2014



Joseph Dawson, III, County Attorney
Bernard E. Ferrara, Jr., Deputy County Attorney
Austin A. Bruner, Assistant County Attorney
Bradley A. Mitchell, Assistant County Attorney
Johanna S. Gardener, Assistant County Attorney
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SC Court of Appeals

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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Ralph King Anderson, III, Chief Administrative Law Judge

Docket No. 2013-ALJ-17-0365-CC

Connery Properties, Inc., ... Respondent,

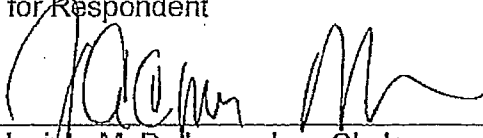
v.

Charleston County Assessor, ... Appellant.

PROOF OF SERVICE

I certify that I have served Appellant Charleston County Assessor's **Notice of Appeal** on Connery Properties, Inc. by depositing a copy of the same in the United States Mail, postage prepaid, on March 31, 2014, addressed to its attorney of record as follows:

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Charleston, South Carolina 29412
(843) 795-7000
Attorney for Respondent


Jacinta M. DeJesus, Law Clerk
CHARLESTON COUNTY ATTORNEY'S OFFICE

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SC Court of Appeals

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT DIVISION
Docket No. 13-ALJ-17-0365-CC

Connery Properties,
Petitioner,
v.
Charleston County Assessor,
Respondent.

COPY

ADMINISTRATIVE HEARING

Wednesday, February 19, 2014
12:00 p.m. - 3:36 p.m.

The hearing before the Honorable Ralph King Anderson, III, was taken at the Edgar A. Brown Building, 1205 Pendleton Street, Suite 224, Columbia, South Carolina, on the 19th day of February, 2014 before Cassandra E. Vance, Court Reporter and Notary Public in and for the State of South Carolina.



CREEL COURT REPORTING, INC.
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(Sales approach grid)

(The original exhibits were retained by Judge Anderson.)

STIPULATIONS

It is stipulated and agreed that this hearing is being taken pursuant to the rules of the Administrative Law Judge Division and the South Carolina Rules of Civil Procedure.



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1 **THE COURT:** All right. This is a hearing in the
2 matter of Connery Properties, Inc., Petitioner,
3 versus Charleston County Assessor, Respondent.
4 The docket number is 13-ALJ-17-0365-CC.

5 Are there any additional motions or
6 stipulations the parties wish to make before we
7 proceed?

8 **MR. KOON:** Your Honor, we have no objection to the
9 amended prehearing statement and substitution
10 of the appraisal that was filed by the County.

11 **MS. BRUNER:** Then, Your Honor, we have no objection
12 or any motions that need to be attended to.

13 **THE COURT:** Okay.

14 **MS. BRUNER:** Thank you.

15 **THE COURT:** All right. Well, I'll hear your opening
16 statement.

17 **MR. KOON:** Thank you, Your Honor.

18 **OPENING STATEMENT BY MR. KOON:**

19 **MR. KOON:** Your Honor, this is a dispute from
20 Charleston concerning a piece of property,
21 which has the address of 9 Miranda Holmes
22 Street. That sounds a little bit like a unit
23 in an apartment complex, but it's Miranda
24 Holmes, H-O-L-M-E-S; in other words, a street
25 named after someone, rather than Miranda Homes,



1 as in a complex.

2 It is a vacant lot located in Downtown
3 Charleston. It's in the area near to Johnson
4 Hagood Stadium. It is also close to Burke High
5 School. The lot is 40 feet by 122 feet, with
6 no buildings on the property.

7 The dispute is over the tax valuation and
8 there's no dispute as to the date evaluation,
9 which was 12/31/09, being the year in which the
10 last assessable transfer of interest took
11 place.

12 '09 is the year when my client, Connery
13 Properties, Inc., received a deed from the
14 delinquent tax collector as a result of being
15 the successful bidder in the 2007 tax sale.

16 The property has subsequently been valued at
17 \$60,000. My client appealed that value to the
18 Court of Assessment Appeals. The County
19 contended at that hearing that the property was
20 worth \$87,000. My client contended the value
21 was \$20,000. His contention is based upon two
22 factors, but the one is the primary reason
23 we're here today.

24 First of all, he stated that the character of
25 the property was not conducive to multi-family



1 construction, which is the County's opinion of
2 the highest and best use of the property, and
3 that the street was narrow; it's a one-way
4 street. There was parking issues on the street
5 and that it would be impractical to construct
6 a multi-family residence on this property
7 because there wouldn't be enough room for
8 off-street parking.

9 But the primary issue that drove this appeal
10 and still does is the fact that when Connery
11 Properties purchased the property at the tax
12 sale and subsequently received a tax deed, they
13 received a quit claim type deed with no
14 warranty of title -- as everyone who knows
15 participates in the tax sale process -- and,
16 therefore, in 2009, and still today, they
17 didn't have marketable or insurable title to
18 the property. And their contention is that the
19 lack of marketability of the title, lack of
20 insurability, lack of ability to finance the
21 property affects the value.

22 They paid \$11,000 at the tax sale, which they
23 think is close to the true value of the
24 property. During the tax appeal process, they
25 suggested the value at \$20,000 on the theory



1 that -- well, number one, they wanted to be as
2 reasonable as possible before the assessment
3 board, but also on the theory that they could
4 clean up the property, make it show a little
5 better and perhaps it would be worth a little
6 bit more than what they paid for it at the tax
7 sale.

8 But they also contend that the tax sale price
9 is -- should be considered in determining the
10 appraised value of the property. Tax sales, of
11 course, are advertised by law three times in
12 the newspaper and in Charleston County, I think
13 they advertise a couple months prior to the
14 sale, so it's not a -- so there's an orderly
15 fashion, the way it's done.

16 **THE COURT:** An orderly fashion, but it's not the
17 normal means by which property is sold.

18 **MR. KOON:** That's true. And -- but, of course, once
19 it is sold in that fashion and once you own the
20 property, you take it with a title that you
21 can't insure or market in the customary
22 fashion. So I would agree with --

23 **THE COURT:** That's back to the original.

24 **MR. KOON:** -- the Court's point on that that's not
25 the customary way of marketing properties. But



1 it is advertised. It's advertised by Internet
2 and not only that, it's posted. Tax sales draw
3 hundreds of bidders and this property, as well
4 as most others were a product of actual
5 competitive bidding.

6 So our contention is that the lack of
7 marketability of the title has an effect on the
8 value. The County's position is that it
9 doesn't and that's the issue that we're
10 primarily here about today.

11 We'll present to you the testimony of one or
12 both of the principals in Connery Properties,
13 who has a good bit of experience in the tax
14 sale process and is aware that there is a
15 market for tax sale properties, but the prices
16 are extremely depressed.

17 I want to be clear with the Court. We're not
18 claiming the property to be valueless, but
19 we're claiming that the value is greatly
20 affected by the property.

21 And then we'll present to you the testimony of
22 our expert witness, Attorney Ben Peeples, who
23 is a state underwriter for title insurance
24 company and experienced property lawyer for
25 over 30 years, who will testify concerning the



1 difficulties of titles with tax sale property.

2 **THE COURT:** Do you want to call him first?

3 **MR. KOON:** We can do that, Your Honor. I'm sure he
4 would appreciate it. If that's okay with Your
5 Honor, I'll be happy to do that. The only
6 thing about that is, I'll be showing him some
7 exhibits, if we have an agreement that the
8 deeds and such come in without objection out of
9 order.

10 **MS. BRUNER:** Your Honor, I don't have any objection
11 necessarily to the order in which the exhibits
12 come in, but the deeds, yes, they look they're
13 printed from the County office's and websites.
14 I don't have any --

15 **THE COURT:** They can be printed. They have to be
16 certified or you have to --

17 **MS. BRUNER:** Oh, no, sir. I just don't know how
18 they may be relevant. In other words, I might
19 need to look at each one as they come in.

20 **THE COURT:** All right.

21 **MR. KOON:** The only one he'd be testifying about is
22 the tax deed.

23 **MS. BRUNER:** Oh, the tax -- this one. Okay. Then,
24 I have no objection to that.

25 **MR. KOON:** But there may be other documents.



1 Well, thank you, Your Honor. We appreciate
2 that opportunity.

3 THE COURT: All right. Ms. Bruner.

4 OPENING STATEMENT BY MS. BRUNER:

5 MS. BRUNER: Good afternoon, Your Honor. May it
6 please the Court. My name is Austin Bruner and
7 I'm assistant county attorney for Charleston
8 County. With me, I have Bernard Ferrara, who
9 is the chief deputy county attorney, and also
10 I have Brad Mitchell, who is assistant county
11 attorney, as well.

12 And from our Assessor's Office, I have Bobby
13 Kale, who is the deputy county assessor, as
14 well as Steve Everman, who is the appraisal
15 supervisor for Charleston County Assessor's
16 Office.

17 And, Your Honor, this is a case about value.
18 It's about the value of a piece of property
19 located at 9 Miranda Holmes Street in
20 Charleston. It's downtown on the peninsula and
21 there are properties that are very similarly
22 situated, actually that are smaller, and have
23 two homes on them. So that contention the
24 Petitioner has, we will refute that.

25 Also, the Assessor's Office has performed an



1 updated appraisal because the one that
2 Petitioner speaks about that valued the
3 property at \$87,000 at the Board of Assessment
4 Appeals, the assessor -- the appraiser who
5 actually did that appraisal has left our office
6 and, also, there was a comp in there that our
7 current appraiser, Steve Everman, didn't feel
8 fit. So that's what drove the value back down
9 to the \$60,000. I just wanted to clear that up
10 and we acknowledge that.

11 And Mr. Everman is going to testify. He's a
12 certified mass general appraiser for South
13 Carolina and he can appraise any kind of
14 property in the State of South Carolina.

15 And you'll see it's really thorough. It uses
16 very good comparables and we believe that it
17 presents a good -- good evidence for why our
18 value is what it is.

19 The Petitioner claims that this case is about
20 tax deed and how that affects the property's
21 marketability, but marketability is not the
22 same thing as value and you know that. The
23 Petitioner has given a valuation -- has not
24 given a valuation --

25 **THE COURT:** Well, I agree, it's not the same thing.



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1 MS. BRUNER: Yes, sir.

2 THE COURT: It can affect it, can't it?

3 MS. BRUNER: Okay.

4 THE COURT: I'm not asking.

5 MS. BRUNER: I believe you could see it that way.

6 However, as you're also aware, there are a
7 couple statutes, South Carolina Code 12-51-160
8 states in part that all cases of tax --

9 THE COURT: Wait a second. Let me write that down.

10 MS. BRUNER: Yes, sir. And I've got a copy of it
11 for you, if you'd like it.

12 THE COURT: I can pull it up on --

13 MS. BRUNER: Okay. It's 12-51-160.

14 THE COURT: I'd be surprised if you pull something
15 up I'm not aware of. Go ahead.

16 MS. BRUNER: Oh, no, sir. I just wanted to have it
17 for ease if you'd like it.

18 It states in part that all cases of tax sale,
19 the deed of conveyance, whether executed to a
20 private person, a corporation or a forfeited
21 land commission is prima facie evidence of good
22 title in the holder that all proceedings have
23 been regular and all legal requirements have
24 been complied with.

25 And here, Petitioner is not contesting the tax



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1 sale and, thus, according to the General
2 Assembly, we would argue that the tax date is
3 prima facie evidence that this is good title.

4 South Carolina Code Section 12-37-930 states
5 that -- in part that all property must be
6 valued for taxation at its true value in money,
7 which in all cases is the price which the
8 property would bring following reasonable
9 exposure to the market for both the seller and
10 the buyer are willing, are not acting under
11 compulsion and are reasonably well informed of
12 the uses and purposes for which it is adapted
13 and for what it is capable of being used.

14 And the issue here is value, not what the
15 property would, you know, sell for with the tax
16 deed. It's valuing it at, you know, market
17 value according to the statute.

18 **THE COURT:** I agree with you on that.

19 **MS. BRUNER:** And let's see. And Petitioner did
20 bring up the fact the tax sale price should
21 have some effect on the value of the property
22 when doing an appraisal.

23 But, you know, the lowest bid on a tax sale, as
24 you're aware, is set by why taxes and fees are
25 due on the property. So it doesn't necessary



1 indicate value.

2 You could have a property out on Sullivans
3 Island that starts at \$20,000 and someone buys
4 it for a hundred thousand but it's valued at \$2
5 million. You know, I don't think that that has
6 a lot of relevance.

7 But, anyway, the County contends that the
8 Petitioner is attempting to muddy the waters
9 with the whole issue of tax deed and that it's
10 a case of valuation.

11 The Respondent asks that the Court affirm the
12 decision of the Charleston County Assessor and
13 find that the property is correctly valued for
14 2011 at \$60,000.

15 **THE COURT:** All right.

16 **MS. BRUNER:** Thank you.

17 **THE COURT:** Mr. Koon, just curious. If I was to
18 find that the deed didn't reflect the value of
19 the property at all, would you agree or dispute
20 that it's worth \$60,000? I'm going to ask her
21 a similar question, but ...

22 **MR. KOON:** I'm sorry, Your Honor. I'm not sure I
23 follow you.

24 **THE COURT:** If the deed does not effect the value of
25 the property at all --



1 MR. KOON: Yes, sir.

2 THE COURT: -- then would you dispute that the
3 property is worth \$60,000?

4 MR. KOON: I would, yes, sir.

5 THE COURT: All right. Okay. Then I don't need to
6 ask you the question. All right. Proceed.

7 MR. KOON: Thank you, Your Honor. O. Benjamin
8 Peeples, Your Honor.

9 OTIS BENJAMIN PEEPLES, having been duly sworn,
10 examines and testifies as follows:

11 MR. PEEPLES - DIRECT EXAMINATION BY MR. KOON:

12 Q: Mr. Peeples, would you state your full name,
13 please?

14 A: Otis Benjamin Peeples, Jr.

15 Q: And what is your age?

16 A: Sixty-nine.

17 Q: I don't ask women that, but I do ask men.

18 MR. KOON: I'm sorry, Your Honor. I'll get out of
19 that habit some day, I suppose.

20 Q: And your occupation, please, sir?

21 A: A lawyer.

22 Q: And what is your professional address?

23 A: 105 Wappoo Creek Drive, Suite 1A, Charleston,
24 29412.

25 Q: And how long have you been a practicing



1 attorney?

2 A: Since November of '74, some 38 years, 37 years.

3 Thirty-eight years.

4 Q: You're licensed in the State of South Carolina?

5 A: That is correct.

6 Q: All right. Have you ever been licensed in any
7 other states?

8 A: No.

9 Q: Are you --

10 THE COURT: How many years did you say you've been
11 practicing?

12 THE WITNESS: Hadn't done the math. Since November
13 of '74. I think it's 39 years.

14 THE COURT: I'll just say about 39. Go ahead.

15 Q: Do you also hold a current South Carolina real
16 estate brokers license?

17 A: Yes, I do.

18 Q: And is that associated with a real estate
19 brokerage company?

20 A: A real estate company I own.

21 Q: And what's the name of that?

22 A: It's the American Beach Company, Limited.

23 Q: Is that company actively engaged in
24 representing buyers and sellers in real estate
25 transactions?



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1 A: No.

2 Q: All right. So does it occasionally do
3 business?

4 A: Yes, it does. I have one agent and either I
5 buy or sell something or he buys or sells
6 something.

7 Q: And your license is in good standing with LLR?

8 A: Correct.

9 Q: All right. Would you tell the Court what your
10 educational background is, please?

11 A: I finished high school in 1963 in Estill, South
12 Carolina; graduated from the Citadel in 1967;
13 then after a four-year tour in the Army,
14 finished law school in 1974, USC.

15 Q: All right, sir. And what courts do you
16 customarily practice before or have you
17 practiced before in your career?

18 A: All of them in South Carolina. Actually, it's
19 my first time before an Administrative Law
20 Court, but all of the others and then -- pretty
21 much it.

22 Q: All right. And what fields --

23 A: I was admitted to the Court of Appeals, Federal
24 Court, and the U.S. Supreme Court.

25 Q: Thank you. What fields of law have you



1 practiced in in your career?

2 A: Very close to everything, except medical
3 malpractice, I guess, and products liability.
4 I started out by necessity representing every
5 client that walked in the door.
6 Some 15 years ago, I guess, I quit practicing
7 criminal defense; 20 years ago personal injury;
8 and moved it down now -- I've been a city
9 attorney for 37 and a half years, so I still
10 represent two cities. And I'm pretty well
11 limited now to probate, real estate, and
12 municipal law. And then I represent the
13 Security Title Guarantee Company of Baltimore
14 as their underwriter and since June of 2013 --
15 end of June, June 26th, 2013, also an estate
16 manager.

17 Q: All right. Now, how long have you been
18 practicing in the field of real estate law?

19 A: Since 1974.

20 Q: All right. And which municipalities do you
21 serve as city attorney for?

22 A: City of Folly Beach and the City of
23 McClellanville.

24 Q: Okay. And you indicated you've been city
25 attorney at one of those for quite sometime?



1 A: For Folly Beach since June of 1976.

2 Q: Okay. Does your practice as city attorney for
3 these municipalities sometimes also involve
4 real estate legal matters?

5 A: Yes, it does.

6 Q: And do you practice in the field of residential
7 and commercial closings as a real estate
8 practitioner?

9 A: Much more residential, but I don't turn down
10 any commercial closings.

11 Q: And would that be true during your entire
12 37 years of practice?

13 A: Correct.

14 Q: And explain what your job and duties are with
15 Security Title Insurance Company?

16 A: The principal job, the one I've had just over
17 two years, as an underwriter. It's when any of
18 our agents -- nearly all of our agents are
19 attorneys. But when they discover any problem,
20 most typically in a back title, defective deed,
21 conflicting surveys, unsatisfied mortgages,
22 probate issues, anything that could affect the
23 title, they call me or they should call me and
24 I either tell them it is a problem or it's not
25 a problem.



1 If it is a problem, then I suggest a remedy to
2 fix it so that we have a good insurable title
3 so hopefully we're not going to have a claim
4 come back on us. If I can't answer the
5 question and can't find the answer with
6 research, then I've got some smarter lawyers in
7 Baltimore and I call them.

8 Q: Please explain to us what the purpose and
9 theory behind title insurance is.

10 A: The purpose behind -- well, the reason it
11 exists is because land just hangs around. Your
12 1985 Volkswagen is not going to acquire that
13 many problems because it's going to go away.
14 Land just stays here and stays forever and
15 seems to acquire a lot of problems.

16 The lenders -- when I first started practicing
17 law, 30 percent of the lenders required title
18 insurance. Now virtually all of them do on any
19 kind of loan.

20 And the insurance will -- if someone comes up
21 and asserts a claim against that property, the
22 title insurance company has written a policy
23 that says we will take care of that claim and
24 we'll buy that person off or we will defend the
25 claim, fight the claim, resolve that issue so



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1 that the owner has a clear title to the
2 property and the lenders still is in a first
3 mortgage position.

4 Q: Now, does your work as an underwriter for a
5 title insurance company call upon you from time
6 to time to issue opinions on title defects and
7 marketability and insurability issues?

8 A: Yes, quite frequently.

9 Q: And would that answer also be true for your
10 work as a real estate practitioner conducting
11 closings in South Carolina?

12 A: Yes.

13 Q: All right. And how long have you been a title
14 insurance agent?

15 A: It was sometime probably after '85, but
16 somewhere -- I would say mid to early nineties.

17 Q: Okay. And what does it mean to be a title
18 insurance agent?

19 A: It means that you fill out an application with
20 one of the many title insurance companies and
21 they've done some sort of investigation on you
22 and they are comfortable with your competence
23 and to a degree with your -- well, now to a big
24 degree with your honesty, with your credit
25 rating and the way you practice law.



1 But you essentially -- the agent can bind the
2 company. I sign the policies. I have the
3 policies in my office already signed. And all
4 of our agents do, so they can bind the policy.
5 They can bind the company for up to a million,
6 some of them. Some agents have a limit of half
7 million. Some have a million and much more
8 than that, but they have to get approval.

9 Q: All right. Now, have you been a licensed agent
10 with other title insurance companies other than
11 Security?

12 A: Yes, I have. At one time, Lawyers Title
13 Insurance Company, and more recently Investors,
14 up until I took this underwriting job -- well,
15 I was licensed and wrote for both Investors and
16 Security until I started getting paid on more
17 or less a full-time basis by Security.

18 Q: Now, explain to the Court the difference
19 between the state underwriter and the state
20 manager of your title insurance company?

21 A: One thing I already explained, underwriter, I
22 have to be electronically available. It's a
23 wonderful job and you primarily deal with
24 lawyers who are then grateful for your help.
25 And you're available all of the time because



1 title issues come up at the last minute.

2 Lawyers do the title search late or very close
3 to closings because they want to catch anything
4 that might happen to the title. Tax lien
5 getting filed. So very often I get a call the
6 evening before the day of a closing and they
7 want to know if this is a problem or not.

8 The state manager is a completely different job
9 in that I'm supposed to ride around and make
10 our agents feel warm and fuzzy, take them
11 donuts or take them out to lunch or just let
12 them know we appreciate them and harass them a
13 little bit if they're slow getting the reports
14 in and hopefully recruit other agents.

15 Q: Okay. Now, as a real estate practicing
16 attorney, are you called upon to draw real
17 estate contracts, deeds, mortgages and other
18 related documentation?

19 A: Thankfully, yes.

20 Q: And are you also called upon to conduct
21 closings and handle money for the clients who
22 are closing real estate transactions?

23 A: Yes.

24 Q: Okay. Have you from time to time been called
25 upon to present or lecture at legal-related



1 seminars on title and title insurance issues?

2 A: Yes, I presented at seminars. I've also --
3 now, one of my duties as manager is to put on
4 a seminar.

5 Q: All right. In other words, you teach other
6 lawyers about title-related issues and title
7 insurance.

8 A: Yes.

9 Q: And are you experienced in reviewing and
10 interpreting title abstracts?

11 A: Yes.

12 MR. KOON: Your Honor, I would offer Mr. Peebles at
13 this time as an expert in South Carolina real
14 estate law and title insurance underwriting,
15 and real estate practice as a broker in South
16 Carolina. Any questions or objections?

17 THE COURT: I'm writing it down right now, so hold
18 on. South Carolina real estate law, title
19 insurance -- what was it?

20 MR. KOON: Underwriting.

21 THE COURT: Underwriting.

22 MR. KOON: And title-related issues, of course.

23 THE COURT: And a broker?

24 MR. KOON: And real estate brokerage in South
25 Carolina.



1 THE COURT: All right.

2 MS. BRUNER: Your Honor, I don't have -- the County
3 doesn't have any objections about Mr. Peeples
4 being an expert in title insurance
5 underwriting. Would it be -- could I ask
6 Mr. Koon for some clarification?

7 THE COURT: You could voir dire.

8 MS. BRUNER: Is that okay?

9 THE COURT: Yeah.

10 MR. PEEPLES - VOIR DIRE EXAMINATION BY MS. BRUNER:

11 Q: Now, Mr. Peeples, how long have you -- how many
12 real estate transactions have you done in the
13 last five years? And when I say "you,"
14 representing parties. As a real estate agent,
15 let me be more specific.

16 A: I wouldn't have any idea. It actually very
17 close to stopped August of '08. Cranked back
18 up '09. Slowed down again in '10 and has been
19 going again. So I would say right now, an
20 average would be two or three a week. In the
21 boom, it was pretty much an average of three a
22 day for a number of years. And then prior to
23 that it was slower.

24 Q: And those are properties that you personally
25 represented and sold --



1 A: Yeah.

2 Q: -- as agent --

3 A: Our Supreme Court says that a lawyer -- and
4 that's me; I'm the only lawyer in my office --
5 sit in the room for the whole process.

6 Q: Yes, sir.

7 MS. BRUNER: Now, Mr. Peebles, I apologize. Thank
8 you, Court, for letting me speak with my
9 co-counsel.

10 Q: Now, when you say you're doing these deals, are
11 acting as the broker or the attorney?

12 A: No, exclusively as the attorney.

13 Q: Okay. So not in the area of real estate like
14 you're the one going out and showing properties
15 or looking at MLS to ...

16 A: No, I did not do that. My real estate company
17 has not always been inactive. It's -- when I
18 formed it -- I'm trying to think when that
19 was -- '97, so it was probably in the very
20 early nineties. It was successful -- quite
21 successful for a while.

22 And I still -- I wasn't -- occasionally I would
23 show properties. My wife was the principal --
24 my wife at that time was the principal agent.
25 And if she was otherwise occupied or, I guess,



1 if she had a personality conflict with the
2 buyer or the seller, I would go show the
3 property.

4 Q: But most of the time your capacity has been as
5 a lawyer --

6 A: Correct.

7 Q: -- being in there, because that's what's
8 required of South Carolina law.

9 A: Yeah. I bought and sold my own properties.

10 Q: Yes, sir.

11 **MS. BRUNER:** Your Honor, the County doesn't have --
12 the only objection I have is being an expert on
13 real estate law, because I believe there's case
14 law that says that only the judge can be the
15 expert on law.

16 **THE COURT:** I may disagree with that --

17 **MS. BRUNER:** Okay.

18 **THE COURT:** -- but let me just respond to that. He
19 can be expert on real estate law. Whether he
20 can testify to the ultimate conclusion that I
21 will have to make is a different matter and so
22 I may not allow that particular testimony into
23 evidence, but I'll cross that bridge when I
24 come to it.

25 What I would qualify him from what I've heard



1 so far is he's an expert in real estate law and
2 title insurance underwriting and I recognize
3 that he's a real estate broker. But you
4 haven't laid a foundation about how he has
5 expertise in real estate brokering.

6 **MS. BRUNER:** That's the only objection, Your Honor,
7 that we have.

8 **MR. KOON:** All right. May I inquire about that?

9 **THE COURT:** Yeah.

10 **MR. PEEPLES - DIRECT EXAMINATION (Continued) BY MR.**
11 **KOON:**

12 **Q:** When your real estate brokerage firm was
13 active, were you the broker in charge?

14 **A:** Yes.

15 **Q:** And what does the broker in charge do in a real
16 estate brokerage firm?

17 **A:** Mostly -- well, you would train -- you'd be
18 responsible for the training and supervision of
19 the agents operating under you, review the
20 contracts, review the listing agreements prior
21 to putting -- making sure they're just --
22 they're done correctly and done pursuant to the
23 law.

24 In fact, when I took the exam, we didn't
25 have -- might have been earlier than I said



1 because I'm not sure we have computers. But we
2 did not have any kind of software that did
3 closing statements.

4 So you were involved in the -- really the
5 office part of putting together the closing
6 statements and seeing the transaction went as
7 it was supposed to go, at least until both
8 contracts were signed -- until the contract was
9 signed by both parties.

10 Q: Now, what do you have to do to become a
11 licensed real estate broker in South Carolina?

12 A: Well, if you're fortunate enough to have a law
13 degree, you just pay a little bit of money and
14 you come to Columbia and take the test. Take
15 the same test everybody else does.

16 If you don't have a law degree, then you go to
17 a school, become a real estate agent -- I think
18 a phase one or something for six months or a
19 year -- and then you take another real estate
20 agent license. That's what it used to be. And
21 after two or three years, then you take the
22 broker's license test.

23 Q: Did the American Beach Company maintain
24 listings?

25 A: Yeah.



1 Q: Did it show property?

2 A: Yeah.

3 Q: Did it --

4 A: It made money.

5 Q: Did its agents write the contracts --

6 A: Yes.

7 Q: -- when -- and were you and the -- well, was
8 the American Beach Company a member of the
9 Multiple Listing Service?

10 A: We might have been for a short period of time,
11 but we existed almost entirely on Folly Beach
12 and Folly Beach was a niche market and it just
13 wasn't necessary to be a member of the MLS, or
14 beneficial for that matter.

15 Q: How long was your real estate company active in
16 marketing properties?

17 A: I -- I'm trying to remember that. It was
18 probably formed somewhere around '83. I
19 probably took the broker -- so '83, '84. And
20 I would guess for about four or five years.

21 Q: And you've maintained your license since then?

22 A: Yes.

23 **MR. KOON:** Your Honor, an expert being someone who
24 has more knowledge in the subject than the
25 ordinary person, I would ask that he be



1 qualified as an expert in real estate
2 brokerage, as well.

3 THE COURT: Well, let me just ask: If anyone came
4 in here and -- because, I mean, he's got
5 expertise in a lot of areas.

6 MR. KOON: Yes, sir.

7 THE COURT: The broker is the only one I'm not clear
8 on.

9 MR. KOON: I understand.

10 THE COURT: If anyone came into this Court and said,
11 "I'm a broker; I've got the license," would all
12 those individuals be experts or would there
13 have to be more exhibited to reflect that that
14 broker is someone who has a higher level of
15 expertise in being a broker than that of the
16 normal broker?

17 MR. KOON: I don't think that's the test, Your
18 Honor.

19 THE COURT: That's what I'm asking.

20 MR. KOON: I think the test is that an expert is
21 someone who knows more than the ordinary person
22 in that field. Now, I would concede, Your
23 Honor, that somebody with minimal
24 qualifications might not be entitled to the
25 same weight of evidence.



1 THE COURT: Probative value.

2 MR. KOON: But I would believe he would be
3 qualified. And I don't want to get too bogged
4 down in this because what --

5 THE COURT: Yeah, I don't think --

6 MR. KOON: -- what that qualifies him to testify in
7 is a very minor part of why he's here to
8 testify.

9 THE COURT: All right.

10 MS. BRUNER: And, Your Honor, the County would still
11 object to the -- just to the portion of him
12 being an expert in the area of real estate
13 broker.

14 THE COURT: Well, I think it's marginal. I think
15 you've got a lot of experience. But on the
16 broker, I'm going to qualify him as an expert.
17 Although, if he gets cross-examined heavily and
18 I find out otherwise, that is subject to being
19 withdrawn.

20 MR. KOON: I understand, Your Honor. I'll proceed
21 with that understanding.

22 THE COURT: All right.

23 MS. BRUNER: Thank you, Your Honor.

24 Q: All right. Mr. Peeples, would you describe the
25 practice -- the process of a real estate



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1 closing in South Carolina?

2 A: Sometimes it starts with a listing agreement.
3 But, at any rate, early in the program, a buyer
4 and a seller agree on a price or negotiate a
5 price and other terms for the sale.

6 You don't have a contract just with a price.
7 You have a contract regarding many details
8 about how that's going to happen. The
9 financing; the date is critical; what is going
10 to be conveyed is critical; when you're going
11 to transfer possession; who is going to be the
12 escrow agent; who's going to be the closing
13 attorney.

14 So when these agreements come together,
15 hopefully in a contract, that contract most
16 typically is not reviewed by a lawyer before
17 it's signed. Most typically it's a standard
18 board of realtors contract. But it is
19 forwarded to who will be the closing attorney.
20 In South Carolina, that is more often than not
21 the same person.

22 The closing attorney swims in a sea of conflict
23 of interest. He represents the bank or the
24 lender, represents the buyer, and represents
25 the seller and can do that with full disclosure



1 to everyone.

2 But the closing attorney would basically carry
3 out the terms of the contract. Needs to read
4 the contract, know what's in the contract.

5 As the loan is approved -- or anymore, frankly,
6 you do a title search fairly early because the
7 lenders want a title search early in the
8 process. But the loan at some point is
9 approved, hopefully, and then it comes to the
10 lawyer, gets a closing date, has an abstract
11 come back from more typically a paralegal -- I
12 guess there are a few lawyers still searching
13 their own titles -- reviews the abstract,
14 making sure that the buyer owns it; that there
15 aren't any other claims or potential claims;
16 identifies the liens, which can be unpaid
17 taxes, state or federal; various open
18 mortgages, the bane of my existence; and that
19 the title -- the title abstract, I always go by
20 60 years. I'll pay the extra the extra. The
21 requirement now is only 40 years for all title
22 insurance companies.

23 But we look at it from 60 years making --
24 verifying that every owner had a clear title
25 and when he sold it, he transferred a clear



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1 title to the next owner and the next owner and
2 the next owner and next owner. Check out any
3 estates, if anybody died owning the property.
4 Go into pretty good examination now on
5 foreclosures, which are not uncommon in the
6 chain of title. And at some point satisfy
7 yourself and the lender and your title
8 insurance company that, yes, the present
9 owner/seller can transfer a good clean title
10 without encumbrances or other claims to the
11 buyer.

12 And then you get them all in one room. The
13 buyer anymore wires the money in. There's been
14 so many counterfeit certified checks, believe
15 it or not, that a lot of offices won't even
16 take a certified check. I'd take one from
17 everybody in this room but strangers, I
18 wouldn't.

19 Wires the money in. The papers are signed:
20 The deed, the note, the mortgage. And the
21 outstanding monies escrowed or held back are
22 credited to the buyer for any taxes that might
23 be due or would be coming due, and then the
24 lawyer has all of the money, disperses the
25 money usually right -- sometimes up to 20 --



1 well, more typically now, I would say, ten
2 checks per closing going out to different
3 people, with one of them being to the seller.

4 Q: Now, typically in South Carolina, do real
5 estate contracts have provisions that require
6 the seller to convey marketable title?

7 A: Nearly all of the time.

8 THE COURT: Ask that question again.

9 Q: Do real estate contracts in South Carolina
10 typically include a clause requiring the seller
11 to convey --

12 THE COURT: Okay.

13 Q: -- marketable title to the buyer?

14 A: Yes, they do, but only a couple of exceptions.
15 A few of the bigger lenders limit that to an
16 insurable title.

17 Q: Now, who determines if a title is marketable or
18 insurable?

19 A: The closing -- well, who determines the quality
20 of the title would be the closing attorney.
21 And if the contract says marketable title and
22 the closing attorney in his or her judgment
23 concludes that that is not a marketable title,
24 we typically notify the seller and/or in
25 Charleston, where we're pretty courteous, you



1 would call the lawyer that did the last closing
2 and say, "Hey, I think we have a problem with
3 this title. Do you have a satisfied mortgage
4 or proof that you paid off that last mortgage,"
5 or whatever, "Or an affidavit that this person
6 who -- the seller who appears to have a
7 judgment against him, that there's an affidavit
8 that that judgment is not really against him
9 but someone else with a similar name?"

10 Q: And would you give us the definition of a
11 "marketable title"?

12 A: It's a title that a reasonably -- a reasonable
13 and informed person would accept a deed or a
14 title and would not anticipate -- after
15 examining the title anticipate that there's
16 going to be any liens or encumbrances or
17 problems with that title.

18 Q: Now --

19 A: I want -- just to clarify, that when we talk
20 about owning land -- again, when you own your
21 car, you can take your car where you want to
22 take it, do with it what you want to do with
23 it. When you own land, it comes with a fair
24 amount of restrictions on it, but also you
25 can't move it very much.



1 So ownership of land means that you have the
2 exclusive right to the use and possession of
3 that land; that's what you get. And any issue
4 that would limit that exclusivity would be a
5 cloud on the title.

6 Q: All right. Now, would you explain what the
7 term "insurable title" means?

8 A: An insurable title means that the -- while
9 there might be problems with the title, they're
10 usually either so small or so remote in time
11 that an insurance company, for the relatively
12 small premium that they get from title
13 insurance, is willing to take a risk that
14 that's just not going to happen, that there's
15 not going to be a problem.

16 An example would be if the house is built so
17 close to the property line that, say, the last
18 step lands in the street right away, and you
19 step off of the last step, you're in the
20 street, a company might see that and
21 therefore -- there a number of other houses
22 with that same situation, the -- a company
23 might insure over that because they just don't
24 see the town coming along and making you remove
25 your last step or if they do, they figure out



1 how to get around it. If the 15 -- if
2 ten percent of the house were in the street,
3 that would not be an insurable title.

4 **THE COURT:** So am I clear, then, "marketable title"
5 is more restrictive than "insurable title"?

6 **THE WITNESS:** Yes. It's a better quality title when
7 you -- when you look at it, you just don't see
8 any likelihood that there's going to be a
9 problem.

10 **Q:** Now, do the existence of liens and mortgages,
11 which can be satisfied by payment of money,
12 affect the title?

13 **A:** No.

14 **Q:** Why not?

15 **A:** Well, because you can make them go away if
16 there's enough money. And if the property is
17 selling for 100,000 and you got a mechanics
18 lien or a tax lien for 10,000 and a mortgage
19 for 30,000 and you've got a hundred thousand to
20 work with, obviously you can paid them off and
21 resolve those issues.

22 **Q:** All right. Now, does the title insurance
23 company frequently issue policies with what are
24 called "exceptions"?

25 **A:** Very often.



1 Q: What is that?

2 A: Well, an exception might be that there's and a
3 concern about the survey. It looks like you
4 have two surveyor from -- maybe two surveys
5 from two good surveyors and they do not agree.
6 They overlap or -- that would be one example.
7 Or another example might be, very common, is
8 somebody builds a doghouse and it goes in
9 the -- way in the backyard where they don't
10 want to hear the barking dog, but they don't
11 mind the neighbor hearing it. So they -- part
12 of the doghouse goes over the line into the
13 neighbor's backyard.

14 The lender -- so you take an exception to any
15 claim regarding this particular line, the exact
16 location of this line, or take an exception --
17 if there's a claim comes up about the location
18 of the doghouse say, "No, we're accepting to
19 that. We know that's a problem and we're not
20 going to insure for any damages or loss
21 sustained to that -- regarding the doghouse."

22 Q: Now, is there a threshold where an exception in
23 a title insurance policy may be okay and a
24 threshold above which it would create a title
25 that could not be certified to a purchaser or



1 a lender?

2 A: Well, in the case of the doghouse exception,
3 you'd always take an exception, but then with
4 the lender, you would insure over it. You'd
5 say, okay, if there is a fight over it -- we
6 can take an exception to the doghouse, but if
7 there's a fight and you lose money as a
8 function of the doghouse, then we'll pay that
9 money that you've lost, because the
10 likelihood's so small.

11 For the lender, the policy would expose the
12 lender to risk. The owner would have to
13 default on the loan. The seller would -- the
14 lender would foreclose. The lender would try
15 to sell the property and the lender would be
16 unable to sell the property or would suffer a
17 loss, not just of the value of the property,
18 but a loss on their loan because of the
19 doghouse.

20 So all of that would have to happen before the
21 title insurance would have any exposure. The
22 title insurance company would not insure the
23 doghouse for the owner, would not insure, would
24 take an exception and that would be it because
25 an owner's policy is forever.



1 Q: Now, are these the kind of examples of judgment
2 calls that a closing attorney in South Carolina
3 are frequently called to make in title-related
4 matters?

5 A: Yes.

6 Q: And I would ask you the same question as to a
7 title underwriter working in your position as
8 a state underwriter for a title insurance
9 company.

10 A: Yes. If a closing agent runs upon an issue and
11 he makes a call himself and it goes bad, and
12 the title insurance company pays off on the
13 claim, they might -- they are contractually
14 able to and they might require him to
15 contribute to that -- that loss. If the
16 closing agent calls me and I say, "Yeah, this
17 is what you need to do; go ahead and take an
18 exception, insure over it," and there's a loss,
19 that agent's off the hook.

20 Q: Now, I think you stated earlier that there was
21 a near universal requirement in South Carolina
22 for -- that lenders require title insurance
23 before they will loan money on a mortgage on a
24 piece of property?

25 A: Yeah, the very rare exception seems to be the



1 equity lines... They will -- on some equity
2 lines they don't require title insurance and
3 those actually more the exception now.
4 Generally, almost every loan requires title
5 insurance.

6 Q: And the purchasers acquire title insurance
7 customarily for themselves in real estate
8 closings?

9 A: Only the smart ones do. Occasionally, you've
10 got someone who wants to save a little bit of
11 money, save a few hundred dollars and they
12 don't get title -- the bulk of the premiums
13 charged on the lender loan, anyway, so the
14 ownership coverage is pretty cheap and, like I
15 say, can last forever.

16 Q: Now, do you have an opinion to a reasonable
17 degree of professional certainty what the duty
18 of a real estate practitioner is when you
19 review a title abstract and determine that
20 there's a problem either with the marketability
21 of the title?

22 A: Well, yeah, first and foremost, you have to
23 inform your client, the buyer, and then -- that
24 is your first duty. And I guess the -- given
25 that the contract requires a marketable -- the



1 seller deliver a marketable attorney --
2 marketable title, you notify the seller and if
3 the seller cannot fix it, then it offers the
4 buyer, generally is allowed out of the
5 contract, very often will leave.

6 Q: Now, are you familiar with the types of deeds
7 that are often conveyed in South Carolina?

8 A: I think I am.

9 Q: All right. And what is the general warranty
10 deed?

11 A: General warranty deed says that the seller --
12 binds the seller, his heirs, his executors, his
13 administrators and everyone following after him
14 or her to defend the title. I've got a good
15 title and there's nothing wrong with it and
16 I'll defend it forever.

17 Q: In other words, the seller who conveys the
18 general warranty deed, not only owes the
19 liability to the purchaser, but subsequent
20 owners of the property; is that correct?

21 A: Yeah.

22 Q: Okay. Now, what is a limited warrantee deed?

23 A: A limited warranty deed is the seller -- this
24 is more common with the bank -- with a bank or
25 a lender selling a foreclosed property.



1 They'll say we'll guarantee you that during
2 this period of time when we had it, we didn't
3 do anything to damage the title and we'll
4 defend anything, any cloud against the title
5 that arose while we owned the property.

6 Q: Now, obviously, a limited warranty deed is less
7 favorable to the purchaser than a general
8 warranty deed; is that correct?

9 A: Correct.

10 Q: All right. Now, what is a quit claim deed?

11 A: I mentioned -- a quit claim deed just says I'm
12 going to sell you whatever I have in this
13 property. I mentioned that Joe Mendelsohn, a
14 very smart, funny lawyer in Charleston said a
15 quit claim deed is nothing but a receipt for
16 your money. It's a little more than that but
17 not a whole lot more. I may own nothing.
18 Offer it and I'll offer you a quit claim to the
19 Ravenel Bridge. I don't own it, but if you
20 want to pay me 50 bucks, I'll deed whatever
21 I -- portion I own to you. So I'm giving up my
22 claim in it, but I'm not promising anything.

23 Q: And are you familiar with a tax deed in South
24 Carolina?

25 A: Yes.



1 Q: What kind of deed is tax deed as far as the
2 warranty?

3 A: I think it's a quit claim deed.

4 Q: All right. And have you had an opportunity to
5 review the tax deed to the property that is the
6 subject of this action?

7 A: Yes.

8 MR. KOON: All right. I think without objection,
9 I'll move to admit this, Your Honor. It is
10 marked as Plaintiff's Exhibit Eight, out of
11 order.

12 THE COURT: Petitioner's? It's admitted.

13 MR. KOON: Petitioner's, I'm sorry.

14 (Petitioner's Exhibit Number Eight was admitted into
15 evidence.)

16 Q: Does that appear to be the tax deed to the
17 property that was purchased at the 2007 tax
18 sale by Connery Properties and later deeded by
19 the delinquent tax collector?

20 A: Correct.

21 Q: And is there a legal description on the first
22 page?

23 A: Yes.

24 Q: Is there a lot number?

25 A: Yeah, Lot G, number 11, Court Street now known



1 as Miranda, H-O-L-M-E-S -- Miranda,
2 H-O-L-M-E-S, Street -- Holmes Street.

3 Q: All right. What is the consideration stated on
4 the deed?

5 A: \$11,000.

6 Q: Now, are there special problems when a chain of
7 title contains a recent tax deed?

8 A: Or any kind of tax deed, yes.

9 Q: All right. And what are those problems?

10 A: The biggest problem is that the authority that
11 the County has to sell the property, how the
12 Supreme Court has ruled over and over and over
13 is entirely statutory. The statute has to be
14 followed with strict -- strictly complied to.
15 It is a very complicated process requiring
16 multiple notices, advertisements, and that
17 because this process has to be -- has to be
18 followed exactly or the County doesn't have the
19 power to sell -- I mean, doesn't have the
20 jurisdiction, so it's a jurisdictional -- if --
21 if there's any glitch in the process anywhere,
22 if the notice is -- an actual example, if the
23 notices are sent -- the first notice is sent to
24 the husband and wife, second notice is sent to
25 the husband and wife, both of which are on the



1 deed, the third notice is just sent to the
2 husband, that's a defective sale.

3 It's jurisdictional, so the statute of
4 limitation doesn't run. So if somebody were to
5 buy that property for \$11,000, put a
6 200,000-dollar home on it, ten years, 20 years
7 down the line, they could lose both the
8 property and the home because it is not -- it
9 was a void deed.

10 Q: Do you have an opinion to a reasonable degree
11 of professional certainty as to whether or not
12 a chain of title on a piece of property that
13 contains a tax deed is capable of being
14 conveyed as marketable title?

15 A: I believe it is not capable of being conveyed
16 as marketable title absent a suit to quiet
17 title or a subsequent quit claim deeds or deeds
18 from the people who lost it and assuming that,
19 you know, the title is clear and they had good
20 title.

21 Q: Absent those circumstances, do you have an
22 opinion to a reasonable degree of professional
23 certainty as to whether or not a deed with a
24 chain of -- in a -- a piece of property with a
25 tax deed in the chain of title is an insurable



1 title in South Carolina?

2 A: Yeah, I don't think it's insurable.

3 Q: Will your company insure a tax deed?

4 A: Our company will not insure it. I don't --

5 Investors very recently started insuring. And

6 I was looking for their memo. I couldn't find

7 it yesterday. I'm sure it has some very strict

8 compliances. They will insure one, I believe,

9 that's ten years old that probably tax a lot of

10 other bases, too, but --

11 Q: All right. And --

12 A: They just did that as a market decision.

13 Q: The title in this case is not ten years old.

14 A: No.

15 Q: Is that correct? All right. Do you have an

16 opinion to a reasonable degree of professional

17 certainty as to whether or not the tax title

18 obtained by Connery Properties to the Miranda

19 Holmes Street property is a marketable title?

20 A: I would say it is not a marketable title, you

21 know, absent a suit to quiet title.

22 Q: And have you reviewed the title abstract of

23 this property?

24 A: You showed me one at my deposition, yes, and

25 had a number of open estates --



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1 Q: What --

2 A: -- and other issues.

3 Q: All right. What does the existence of open
4 estates say about the property and the title to
5 the property?

6 A: Well, I mean, somebody died and someone died
7 with the -- still owning the property. And if
8 they died with a will, we know -- well, you'd
9 have to have an estate probated to know who
10 their successor was going to be, their
11 designee. If they died without a will, you'd
12 have to have an estate probated to know who
13 their heirs were, to know who the subsequent
14 owners were.

15 Q: Now, I got off track just a little bit. Let me
16 ask you this question and then I'll go into
17 that a bit more. Do you have an opinion to a
18 reasonable degree of professional certainty as
19 to whether or not Connery Properties has an
20 insurable title to the Miranda Holmes Street
21 property?

22 A: Yes, I don't think they do.

23 Q: All right. Now, you mentioned that there was
24 the likelihood of open estates. Do you -- can
25 you explain what a derivation clause is in a



1 deed?

2 A: Yeah, the derivation clause says -- well, the
3 granting clause says seller is selling to buyer
4 and the derivation clause says this -- it's at
5 the end of the legal description, but it says
6 this is the same property that the seller got
7 from Joe Smith in 1967.

8 Q: Is that a requirement of all deeds currently
9 recorded in South Carolina?

10 A: Yes, it has been since well before '85.

11 Q: All right. Now, what does the derivation
12 clause reveal about the prior history of the
13 title in this case?

14 A: It says it's the same property that Thomas and
15 Emily Grant -- I guess the people that owned it
16 before the tax sale -- that they got it from
17 the City Council of Charleston in 1937. It
18 tells you that the last deed in the chain was
19 1937.

20 Q: Now, does that raise any issues in your mind as
21 an experienced title examiner and title
22 underwriter?

23 A: Well, yeah. Yeah, it does. I mean, if they're
24 both alive -- if Thomas and Emily are both
25 alive, you know, and you can find them, they'll



1 say, yes, they are the people that got this
2 deed, then that would create a comfort level.
3 But if they aren't alive, then just the -- the
4 distance between the time or the number of
5 years -- passage of years between the time '37,
6 40 -- deed 40 would be, what, 74 years. They
7 got this property 77 years ago. If they were
8 adults, then there's an excellent chance both
9 of them are not still alive.

10 Q: Now, in the title, the abstract that you
11 reviewed, did it have information about estates
12 in either the name of Thomas and Emily Grant?

13 A: I think it had -- it had several different
14 estates, but it wasn't clear whom was who and
15 none of the -- this particular property that
16 they got in '37 was not listed as an asset in
17 any of the estates.

18 Q: Does that indicate that this -- property is
19 also not only subject to a tax deed, but likely
20 to be considered heirs property?

21 A: Yes.

22 Q: And explain to the Court what heirs property
23 is.

24 A: Well, heirs property happens fast in
25 Charleston, but heirs property is property



1 where someone dies, more typically, and the
2 estate is not probated. It's not distributed
3 to the existing heirs.

4 Of course, they own it in South Carolina and
5 probably every -- all of the original 13 but
6 Louisiana. Property is transferred, at least
7 legally, pretty close to the time of death. So
8 everybody owns property. You don't know who
9 owns it. Somebody owns it.

10 Well, with heirs property, with no estate
11 having been filed, we don't know who those
12 heirs are. But somebody owns it. Those heirs
13 subsequently die with children and their
14 children own it. The number of owners
15 multiplies.

16 Q: Now, does the likelihood that this property
17 is -- well, first of all, based upon what you
18 have reviewed and what you know about this
19 property, do you have an opinion to a
20 reasonable degree of professional certainty as
21 to whether this -- the title to this property
22 is most probably held as heirs property?

23 A: Yes, I would say it is.

24 Q: All right. Now, what problems are created from
25 a title marketability and insurability



1 standpoint by heirs property?

2 A: Well, the first -- the first problem is, you
3 don't know who owns it. So you don't know --
4 if you wanted to buy it, you don't know who you
5 could buy it from.

6 And then if they do own it -- if you could
7 identify who owned it, then you have the
8 expanding issues of: Did they pay their taxes?
9 Do they have judgments against them? Could
10 they have tax liens against them? The list
11 goes on.

12 Q: Might they also have legitimate claims to the
13 property?

14 A: Of course, they own it.

15 Q: Now, you mentioned earlier that one way to cure
16 the problem created by a tax deed in a chain of
17 title is a suit to quiet title. Would you
18 explain to the Court what that is?

19 A: Well, yeah, you hire somebody, you hire a
20 lawyer in South Carolina -- if I wanted to buy
21 a piece of heirs property and if the price were
22 right, I might front the money, which is more
23 often the case, because you don't know who the
24 heirs are and they don't have enough money to
25 do it.



1 But you hire a lawyer to do an extremely
2 detailed real estate search, finds some
3 relatives, constructs a genealogical tree of
4 the family trying to track down everybody that
5 might be a potential heir -- yeah, going back
6 to the family, when so-and-so got married, they
7 had six kids; two died without children; one
8 moved to California; one moved to Chicago. We
9 think they had children.

10 Then you identify everyone who might be an
11 potential owner. You could have a couple of
12 nominee defendants -- John Doe, Jane Roe -- and
13 then you appoint guardians to represent them.
14 You serve everybody you can, because that's the
15 cheap way, but you aren't going to find them
16 all. So you file affidavits with the court
17 saying I've chased everybody and I can't find
18 them, so I need an order, but I believe two of
19 them live on Long Island, one lives in Chicago,
20 one lives in Atlanta, and a few are still in
21 Charleston.

22 And the judge signs an order based on your
23 affidavit and your diligence authorizing you to
24 advertise in newspapers of general circulation
25 in those areas telling these people that



1 you're -- that they are being sued or named in
2 a lawsuit to determine who owns this property
3 and what their interest might be. And it's
4 expensive.

5 Q: All right. Do you have an opinion to a
6 reasonable degree of professional certainty as
7 to what the average cost of a title -- suit to
8 quiet title involving tax deeds and heirs
9 property might be?

10 A: I call -- I've always referred to cases to one
11 lawyer in Charleston, Barry Baker, who's very,
12 very, very good with it and very reasonably
13 priced. So his paralegal informed me that
14 their minimum fee was \$15,000. And it may well
15 be -- I should have asked -- if cost is going
16 to be on top of that. I would assume so
17 because the advertising cost to three or four
18 newspapers can push past 5,000 in a heartbeat.

19 Q: Okay. And what do you do if heirs are
20 identified who are under the age of majority?

21 A: If they're under the age of majority, then a
22 guardian has to be appointed for them.

23 Q: Does that also involve a matter of expense?

24 A: Yeah. Yeah, you've got several other lawyers
25 that you're paying -- somebody is paying --



1 that if the transaction goes through and the
2 court after a hearing determines that these six
3 people do, in fact, own this property or we --
4 and the deal goes through, the cost would
5 probably be paid out of the -- out of the sale
6 before the money is distributed. But, yeah,
7 you have to hire additional guardians and
8 additional lawyers.

9 Q: Now, what is the date of the deed that is
10 before you?

11 A: I don't understand.

12 Q: The date of the execution of the deed.

13 A: Oh, you said what is the date.

14 Q: Yes.

15 A: My bad hearing. I thought you said "state."
16 March the 27th, '09.

17 Q: And if the valuation, the date that we're here
18 to argue about were assumed to be December
19 31st, 2009, would there be any possibility in
20 your opinion, again, to a reasonable degree of
21 professional certainty to clear the title by
22 that date with a suit to quiet title?

23 A: No, even less during this period. You wouldn't
24 be able to anyways, but this was at the height
25 of the foreclosure mess.



1 Q: Do you have an opinion to a reasonable degree
2 of professional certainty as to whether or not
3 Connery Properties' title to the Miranda Holmes
4 Street property could borrowed against with a
5 commercial lender in the state of the title as
6 you found it?

7 A: I'm sure it could not.

8 Q: And do you have an opinion to a reasonable
9 degree of professional certainty as to whether
10 or not a diligent and properly informed real
11 estate practitioner would so-call "pass title"
12 to the property owned by Connery Properties and
13 located on Miranda Holmes Street?

14 A: I'm sure they would not.

15 **THE COURT:** Now, when you say "pass title," there's
16 three types of title. Which one are you saying
17 they would not pass? You could pass a quit
18 claim deed, so ...

19 **THE WITNESS:** Right.

20 Q: Well, what does the term "pass title" mean to
21 a real estate practitioner?

22 A: Well, it -- to me it means good title. Now, if
23 somebody came in with this title, if one of the
24 members of Connery Property came in and said,
25 "I want to deed this property to my grandson



1 and I'm just giving it to him," but you prepare
2 a deed, yes, I would prepare a deed with title
3 lot search or certified in bright red letters
4 across the top.

5 Q: Let me ask the question a little bit -- perhaps
6 a little bit better way. Based upon that
7 definition of the term "pass title," in an
8 arm's length transaction between a buyer and
9 seller, do you have an opinion as to whether or
10 not a diligent and reasonably informed real
11 estate practitioner would pass title in such a
12 transaction?

13 A: Well, it wouldn't -- it wouldn't guarantee a
14 clean title at all and we'd tell them -- we'd
15 have to disclose to the buyer/client, "This
16 title's got a lot of problems with it. It's
17 got issues that I'm not going to certify you're
18 getting a good title."

19 Q: Now, do you have an opinion to a reasonable
20 degree of professional certainty as to whether
21 or not the title issues that you see regarding
22 the Miranda Holmes property affect the value of
23 the property?

24 A: Yes, it does. Yes, I do have an opinion and,
25 yes, it does.



1 MS. BRUNER: Your Honor, I would object to that last
2 question, because he hasn't been qualified as
3 an appraiser.

4 THE COURT: Response?

5 MR. KOON: Your Honor, I think he's experienced --

6 THE COURT: But the question was would it affect the
7 value.

8 MR. KOON: Would it affect the value of the
9 property.

10 THE COURT: He hasn't testified to the value.

11 MR. KOON: I'm not going to ask him to appraise this
12 particular piece of property.

13 THE COURT: Ask him --

14 MS. BRUNER: You're right, Your Honor, he has not
15 testified to the value.

16 THE COURT: Okay.

17 MS. BRUNER: I just believe in terms of his
18 qualifications as an expert that, you know,
19 he's testified to the deeds, but I just don't
20 think that falls into the category of real
21 estate.

22 THE COURT: All right. Under your general --

23 MR. KOON: But, Your Honor, he's handled real estate
24 transactions as an attorney and as a broker,
25 although less so as a broker, but as an



1 attorney for 30-odd years. I think he would be
2 well-qualified to say that the title defects,
3 as serious as he just identified to the Court,
4 would affect the value of the property. I'm
5 not going to ask him to appraise it.

6 **THE COURT:** I'll let him testify to whether it will
7 affect the value. How much or what the value
8 of the property would be, you know, that
9 remains to be seen, but I'll let him go that
10 far. So I'll overrule your objection.

11 **MR. KOON:** All right.

12 **Q:** Again, Mr. Peeples, do you have an opinion to
13 a reasonable degree of professional certainty
14 as to whether or not the title issues that
15 you've identified regarding the Miranda Holmes
16 Street property owned by Connery Properties
17 would affect the value of the property?

18 **A:** Yes, it would. Yes, I have an opinion and,
19 yes, it would.

20 **Q:** Okay. And would it affect -- how would it
21 affect it?

22 **A:** Well, it's going to limit the number of people
23 willing to buy it enormously. Most people when
24 they buy property, they want to do somebody
25 with it, so -- and you couldn't say -- other



1 than mow the grass -- I mean, if it backed up
2 next to -- the guy you could sell it to would
3 be the guy next door because he just wants to
4 keep it an empty lot.

5 But you wouldn't want to invest any money in it
6 because of all of the issues I was talking
7 about, the jurisdictional issues, you might
8 well use it. You need to clean it up -- clean
9 up the title, in my opinion, with a suit for
10 quiet title.

11 For one thing, you don't know that you own it.
12 There may be a host of people out there that
13 have a claim far superior to yours. So
14 wouldn't -- you are a prudent person would not
15 put additional money into this until they could
16 resolve that issue.

17 And to resolve that issue is going to cost a
18 minimum of \$20,000 and it might not get
19 resolved. You might in a suit to quiet title
20 find out that somebody else does own it, that
21 you don't own it, that your claim is not
22 superior to theirs.

23 And then -- so the number of people willing to
24 take that risk or willing to roll the dice with
25 real money limits your pool of buyers and then



1 further limited, you're limited by somebody
2 that's going to have -- that's got the money,
3 that's going to do it out of pocket with cash.
4 And the overwhelming majority of real estate
5 closings involve a loan. There aren't that --
6 there simply aren't that many Tony Sopranos
7 around that buy everything with cash. So
8 that -- those two, just off the top of my head,
9 would limit the value. A limited market of
10 buyers, number one, willing to take the risk
11 and, number two, just playing with their own
12 cash.

13 Q: Now, do you have an opinion to a reasonable
14 degree of professional certainty as to what
15 percentage a tax deed might -- and other title
16 issues such as this might devalue a property?

17 A: Yeah. And I can't speak to this one particular
18 property, but, yeah, I think that's reflected
19 pretty much -- I've been to tax liens. I
20 haven't bought anything, but it's reflected to
21 the price paid at the auction.

22 And before I would consider putting my own
23 money in it or -- and I advise clients --
24 clients call all the time and say, "Oh, they're
25 selling a piece of property on Johns Island or



1 on Kiawah or on Seabrook or on Folly Beach at
2 a tax sale. And I tell them, "Here's some
3 issues you need to look at and I wouldn't pay
4 more than 20 percent of, you know, the value it
5 would have had it had a clean title."

6 **MR. KOON:** Thank you. Please answer any questions
7 Counsel might have.

8 **MS. BRUNER:** Thank you.

9 **MR. PEEBLES - CROSS-EXAMINATION BY MS. BRUNER:**

10 **Q:** Now, Mr. Peeples, you don't have to have title
11 insurance to purchase property in South
12 Carolina; is that correct?

13 **A:** You do not if you aren't using -- if you're
14 using cash you do not.

15 **Q:** So if I have the cash for it, I don't have to
16 have title insurance.

17 **A:** Correct.

18 **Q:** Okay. And marketability doesn't affect your
19 ability to use the property; isn't that
20 correct?

21 **A:** Correct.

22 **Q:** And South Carolina codes states that a tax deed
23 is prima facie evidence of title being good.
24 How do you refute that?

25 **A:** Well, all that -- all that means is that you've



1 shifted the burden of proof in any kind
2 of -- in any kind of suit to quiet title or any
3 claim.

4 If someone has a claim against you -- if,
5 hypothetically, I live on farm next door and I
6 noticed that you, a stranger, have come in and
7 bought my grandfather's farm, adjoining farm,
8 at a tax sale and I choose to attack that, the
9 fact that your deed is considered a prima facie
10 proof that it's a valid deed just simply means
11 that the burden is not on you, the buyer, to
12 prove you have a good deed, so -- but that --
13 that is a -- I think a preponderance of the
14 evidence, if not beyond a reasonable doubt.
15 It's my job to prove you don't have a good
16 deed.

17 Q: And you talked unmarketable title. Does that
18 mean you can't get title insurance if a deed --
19 if the title is unmarketable?

20 A: No. If it's not a marketable title, it's --
21 I'm saying most real estate contracts obligate
22 the seller to provide a marketable title. Of
23 course, you could negotiate otherwise, but
24 some -- some of the big lenders now, the best
25 they'll offer is an insurable title. They're



1 trying to avoid this argument.

2 So, no, you can sell property that doesn't have
3 a marketable title that has an insurable title.
4 And you can sell property that's got an
5 enormously defective title, but you're not
6 going to get as much money for it.

7 Q: And you don't have to -- title insurance isn't
8 the only thing that fits into -- or makes a
9 property marketable; is that correct?

10 A: No, no.

11 Q: And marketability and value are not the same
12 thing; is that correct?

13 A: I would say they are related. I would say
14 that ...

15 Q: But they're not the same thing.

16 A: No, they have different definitions.

17 Q: And do you know -- other attorneys in South
18 Carolina will insure a tax deed; isn't that
19 correct?

20 A: There is an enormous amount of bad lawyer work
21 in South Carolina and I am sure there's one of
22 them out there that will. He's not going to be
23 one of our agents.

24 Q: And how do you get around the idea of this tax
25 deed being such a bad thing when the taxes were



1 paid on the property up until 2006? In other
2 words, this was sold at a 2007 tax sale,
3 correct?

4 A: Yeah.

5 Q: So somebody was paying the taxes on the
6 property up until then, correct?

7 A: But -- yeah.

8 Q: Okay.

9 A: And that is very common and I see that all the
10 time when one of the distant heirs or
11 relatives -- in one case, a nephew-in-law by an
12 ex-marriage is living on the property and he or
13 she or the heirs, either they think that
14 somehow or another the title would best with
15 them if they keep paying taxes. That's a
16 common misconception. If I pay the taxes,
17 eventually I'll own this property. Or the
18 other, it's just in their interest to pay it
19 because that's where they were living and they
20 aren't paying any rent. Or they're farming it.

21 MS. BRUNER: Your Honor, may I have a moment,
22 please?

23 Q: Just one more question. Are you aware that in
24 South Carolina there is a statute about statute
25 of limitations in terms of someone trying to



1 contest a tax deed?

2 A: I'm aware -- I think it's a 203 statute. I'm
3 aware the Supreme Court has an extremely long
4 line of cases saying that it doesn't have any
5 application.

6 MS. BRUNER: Nothing further, Your Honor.

7 THE COURT: Redirect?

8 MR. KOON: I don't believe so, Your Honor. I
9 just -- no, sir. Thank you.

10 THE COURT: You may step down.

11 (Witness excused.)

12 MR. KOON: May Mr. Peeples be excused?

13 MS. BRUNER: Yes, Your Honor.

14 (Off the Record)

15 MR. KOON: Proceed, Your Honor?

16 THE COURT: Yep.

17 MR. KOON: Keller Staubes.

18 VERNON KELLER STAUBES, JR., having been duly sworn,
19 testifies and examines as follows:

20 MR. STAUBES - DIRECT EXAMINATION BY MR. KOON:

21 Q: Mr. Staubes, do you -- you go customarily by
22 the name "Keller"?

23 A: Yes, sir.

24 Q: All right. Thank you. And not to break my
25 string, what is your age?



- 1 A: Thirty-seven, Your Honor.
- 2 Q: And what is your occupation?
- 3 A: I'm a real estate investor.
- 4 Q: Are you an officer in a company known as
- 5 Connery Properties, Incorporated?
- 6 A: Yes, sir.
- 7 Q: All right. What is the business of Connery
- 8 Properties, Incorporated?
- 9 A: It's an investment company.
- 10 Q: And what does it invest in?
- 11 A: Real estate.
- 12 Q: And how long has the company been in business?
- 13 A: Twenty, twenty plus years, '92 maybe.
- 14 Q: And did it ever operate by any other names?
- 15 A: I believe it did under Maybank Properties.
- 16 Q: And who started Connery Properties?
- 17 A: My father did.
- 18 Q: As Maybank Properties?
- 19 A: As Maybank Properties, yes.
- 20 Q: And this is your father who was here a minute
- 21 ago?
- 22 A: Yeah, he's here. He had to feed the meters.
- 23 Q: All right. And his name also is Vernon
- 24 Staubes; is that correct?
- 25 A: He's Vernon Keller Staubes, so I'm junior.



1 Q: All right. And what office do you hold in
2 Connery Properties, Incorporated?

3 A: I'm the president.

4 Q: And does your father also participate in the
5 management of the company?

6 A: Yes, he does.

7 Q: All right. And do you basically manage
8 properties and obtain properties as a team?

9 A: Yes, we do. Yes, we commonly work together.

10 Q: All right. Now, do you own properties in any
11 other names other than Connery Properties,
12 Incorporated?

13 A: Yes, I do.

14 Q: And is that in your individual name or do you
15 have other corporate parties that you
16 represent?

17 A: Both, individually and other corporations.

18 Q: About how many properties does Connery
19 Properties own?

20 A: Right around 30.

21 Q: And about how many properties do you own in
22 other title entities?

23 A: Another 20 or so.

24 Q: Okay. Now, what is the business of Connery
25 Properties as an real estate investment



1 company? What do you do?

2 A: We buy properties and if they're homes, we
3 generally try to fix them up and rent them back
4 out.

5 Q: Okay.

6 A: Generally try to hold; although, there is
7 occasion for us to sell.

8 Q: All right. Are you active in marketing
9 properties for sale?

10 A: Yeah.

11 Q: All right. Do you market properties for
12 rental?

13 A: Yes.

14 Q: Does Connery Properties frequently deal in
15 distressed-type properties?

16 A: Yes.

17 Q: All right. And do they -- if they have
18 structures on them that you wish to rent, do
19 they often require rehab?

20 A: Yes, they do.

21 Q: Okay. And who performs that?

22 A: I do a lot of the work myself.

23 Q: All right.

24 A: Yeah.

25 Q: All right. Is Connery in the business of



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1 . construction on properties?

2 A: No.

3 Q: Does Connery own properties that are
4 undeveloped?

5 A: Yes.

6 Q: All right. What would you say the ratio of
7 undeveloped or raw land properties to
8 properties in which there's a structure built
9 on it would be?

10 A: Twenty-five percent, 30 percent of the ones
11 that we own are vacant land and that's just an
12 estimate.

13 Q: Okay. Now, does Connery Properties customarily
14 participate in tax sales?

15 A: Yes, we do.

16 Q: And do you participate in tax sales in more
17 than one county?

18 A: Yes, we do.

19 Q: And do you often participate in the tax sale in
20 Charleston County?

21 A: Yes, we do.

22 Q: How long have you personally been involved in
23 the participation and tax sales in Charleston
24 County?

25 A: When I was younger, I used to run around the



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1 back of the King Street house when they had a
2 tax sale there back in the late eighties. But
3 since 1998, I've been more active and I've gone
4 to every Charleston County tax sale since 1998.

5 Q: And does your father usually accompany you?

6 A: Yes.

7 Q: All right. And do you sometimes identify
8 properties that you might be interested in that
9 are coming up for tax sale?

10 A: Yes.

11 Q: All right. Are you familiar with the tax sale
12 process in Charleston County, for example?

13 A: Yes, I am.

14 Q: All right. Now, did you purchase -- when I say
15 "you," I mean Connery Properties -- purchase 9
16 Miranda Holmes Street at a tax sale?

17 A: Yes, we did.

18 Q: What year tax sale was that?

19 A: '07, 2007.

20 Q: All right. Do you remember how much the
21 successful bid was?

22 A: It was \$11,000.

23 Q: All right. Now, what is the description,
24 generally, of that property?

25 A: Number Nine Miranda Holmes.



1 Q: I didn't mean the legal description, excuse me.

2 I meant the physical description of it.

3 A: Oh, it's a rectangular-shaped piece of property
4 40 feet wide by 115 or so feet deep vacant
5 piece of land.

6 Q: All right. Do you recognize that document?

7 A: Yes, I do.

8 Q: And what is that?

9 A: This is a tax map of the property.

10 Q: And is the property shown with that blue arrow?

11 A: Yes, it is. It's circled in red.

12 MR. KOON: All right. I think without objection,
13 Your Honor, Plaintiff's Exhibit Number Two.

14 MS. BRUNER: No objection, Your Honor.

15 THE COURT: Petitioner's Exhibit Two is admitted.

16 MR. KOON: I apologize.

17 THE COURT: I just want the record to be clear.

18 MR. KOON: I understand. I'm sorry, Your Honor.

19 (Petitioner's Exhibit Number Two was admitted into
20 evidence.)

21 THE COURT: We could just have a standing statement
22 that every time you refer to "Plaintiff's
23 Exhibit," we'll presume it means "Petitioner."

24 MR. KOON: Thank you. That would be very kind of
25 you.



1 Q: Do you recognize that document?

2 A: Yes, it's a little bit more detailed of the
3 same thing.

4 Q: All right. And does it show a little broader
5 scale of where the property is located?

6 A: Yeah, it does, shows a lot more of the
7 surrounding area.

8 Q: Tell the Court where the property is located.

9 A: Johnson Hagood Stadium is right maybe south of
10 it, Hampton Park is just a few blocks away, and
11 Burke High School is a block away.

12 Q: Now, this is in the peninsula area of
13 Charleston; is that correct?

14 A: It is.

15 Q: All right. And so it's an urban -- densely
16 populated urban area.

17 A: Yes, it is.

18 Q: Is that correct?

19 A: Yes, it is.

20 Q: All right.

21 MR. KOON: Your Honor, Petitioner's Exhibit Number
22 Three.

23 (Off the Record)

24 THE COURT: Any objection?

25 MS. BRUNER: Oh, no, Your Honor.



1 THE COURT: It's admitted.

2 (Petitioner's Exhibit Number Three was admitted into
3 evidence.)

4 Q: And do you recognize that photograph?

5 A: Yeah, this is a color overhead shot showing
6 more details of homes..

7 Q: Is that the same property --

8 A: Oh, it is.

9 MR. KOON: Any objection?

10 MS. BRUNER: Oh, no.

11 THE COURT: It's admitted.

12 (Petitioner's Exhibit Number Four was admitted into
13 evidence.)

14 MR. KOON: Your Honor, I probably should let the
15 Court know that I didn't take credit for these.
16 These are all out of the County's appraisal, so
17 I don't want to misrepresent my authority with
18 these documents.

19 Q: Do you recognize that?

20 A: Yeah, this is a -- front of the property, two
21 different photos of the front.

22 MR. KOON: Any objection?

23 MS. BRUNER: No, none. No objection, Your Honor, to
24 any of the pages out of the appraisal.

25 MR. KOON: Petitioner's Number Five.



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1 THE COURT: Well, let's just go through Petitioner's
2 Five -- you got Six and Seven in your hand?

3 MR. KOON: Six and Seven, yes.

4 THE COURT: Any others that you intend to offer like
5 that?

6 MR. KOON: Well, I have some more, but they'll come
7 later in this --

8 THE COURT: Any objection to Six or Seven?

9 MS. BRUNER: No, Your Honor.

10 THE COURT: They're admitted.

11 (Petitioner's Exhibit Numbers Five, Six and Seven
12 were admitted into evidence.)

13 MR. KOON: Thank you, Your Honor.

14 Q: All right. Now, is the property today in the
15 same condition that it was in at the time you
16 were the successful bidder in the tax sale?

17 A: Roughly, give or take, yes.

18 Q: Meaning what?

19 A: Meaning I'm sure some shrubs have been changed,
20 cut back a little bit, grass cut, but roughly
21 the same shape.

22 Q: All right. And there were no structures on the
23 property when it was purchased?

24 A: No, there was not.

25 Q: All right. Now, can you describe for the Court



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1 how property is advertised and taken into the
2 tax sale process? I'm not asking you for the
3 details, the legal details, but for a bidder --
4 for yourself, what do you observe the process
5 of the tax sale is?

6 A: Well, I know that the properties are
7 advertised, I think, three times several weeks
8 before the tax sale and then they also --

9 Q: And they're advertised how?

10 A: I'm sorry, they're advertised in the newspaper,
11 the local newspaper, the Post and Courier.

12 Q: Is that the -- is the Post and Courier the
13 largest newspaper in Charleston?

14 A: Yes, it is.

15 Q: Okay.

16 A: Yes, it is. And then they are also
17 additionally advertised on the Charleston
18 County's website, the front page when it gets
19 to that point close to the tax sale. They
20 offer a PDF or an Excel spreadsheet of all the
21 properties that are for sale.

22 And then I know if you are a delinquent
23 taxpayer, they will also post a large 11 by 17
24 poster board sign on the property stating this
25 property is for sale and it's black and red,



1 big bold lettering.

2 Q: Now, did Connery Properties, either you or your
3 father, identify this property as a property
4 you might be interested in prior to the tax
5 sale?

6 A: We did.

7 Q: And how did you learn about its potential for
8 sale?

9 A: I honestly don't remember. Probably a drive-by
10 and probably that sign posted on the property.
11 We do -- we will drive around and look for the
12 signs when we know they're going up.

13 Q: All right. Now, do you know approximately when
14 the 2007 tax sale was conducted?

15 A: October? First week of October, I believe?
16 The first Monday?

17 Q: And where are the tax sales conducted in
18 Charleston County?

19 A: The main county building, Council Chambers.

20 Q: All right. And how many days customarily do
21 the tax sales run?

22 A: Three days plus. There have been occasion to
23 go over.

24 Q: All right. And about how many people
25 customarily attend tax sales?



1 A: Always standing room only the first day or two.
2 So how many the Chambers fill, several hundred
3 at least show up.

4 Q: All right. Now, do you remember anything about
5 the bidding on the Miranda Holmes Street
6 property that is the subject of this action?

7 A: The way the bidding works, it starts off with
8 an opening bid for the FLC.

9 Q: I'm sorry?

10 A: Forfeited Land Commission.

11 Q: All right.

12 A: Inserts the minimum bid of two years taxes.

13 Q: Okay.

14 A: So it'd be the year that are delinquent and the
15 subsequent year. Forfeited Land Commission
16 opens up with that bid. So the next bid above
17 that would be \$100 more and it goes in
18 hundred-dollar increments until it hits a
19 threshold of, I think, two or three thousand
20 dollars. Then it goes in three -- in \$1,000
21 increments, in this case until we hit \$11,000.
22 So there was some competitive bidding up and
23 down on this property.

24 Q: All right. Would the -- typically the opening
25 bid on a property such as this be in the



1 hundreds or in the thousands?

2 A: Probably in the hundreds, yeah.

3 Q: All right. And is that your recollection?

4 A: It is my recollection, yes.

5 Q: In regards to this case, we did obtain the
6 delinquent tax collector's files from a Freedom
7 of Information request. Does the execution
8 notice tell you what the delinquent -- amount
9 of delinquent taxes were due?

10 A: Yeah, \$408.45.

11 Q: And is the opening bid that amount --

12 A: It does go a little bit higher than that in
13 this case, I'm sorry. Yeah, the -- it says
14 after a certain date it's \$518.

15 Q: And does the opening bid placed by the
16 Forfeited Land Commission also include the
17 following year's taxes?

18 A: Yes, it does.

19 Q: So the opening bid would likely have been
20 approximately twice what's on that notice; is
21 that correct?

22 A: Yeah.

23 Q: All right.

24 A: Yeah, so just right at a thousand.

25 Q: All right. And describe the process of bidding



1 to have a property sell for \$11,000?

2 A: They would read out the property identification
3 number and then they'd open the bidding up at
4 the -- whatever the opening bid was. In this
5 case it would be a thousand dollars. And the
6 next bid would be 1100, 1200, 1300, 1400, 1500.
7 They would go around the room to all the people
8 who are bidding on it. And then if it got to
9 2,000, go to 3,000, 4,000, 5,000, 6,000, 7,000,
10 8,000, 9,000, 10,000, 11,000 and then sold to
11 our bidder number for 11,000.

12 Q: All right. So in this case, you had to bid
13 competitively against other persons who were
14 interested in this specific property?

15 A: Yes.

16 Q: All right. Now, describe how many square feet,
17 if you know, are contained in this lot?

18 A: I don't know. It's 40 times 115.

19 Q: Does the figure 4880 sound about right?

20 A: Oh, yes, it does. Yes, that is the threshold.
21 Yes, you're right.

22 Q: All right.

23 A: I'm sorry, my mind went blank.

24 Q: All right. Now, what has Connery Properties
25 done with this property since it obtained



1 title?

2 A: Might have cut the grass once, if I remember.

3 It repaired the front fence and that might be
4 about it.

5 Q: Okay.

6 A: We paid the taxes on it.

7 Q: All right. Now, do you recollect --

8 THE COURT: If I could back up. When you said 4880,
9 is it 48,800?

10 THE WITNESS: 4,880, Your Honor.

11 THE COURT: Oh.

12 THE WITNESS: Yeah.

13 THE COURT: The square feet of the whole property?

14 THE WITNESS: Yeah.

15 Q: And is Exhibit Eight, which was previously
16 introduced, does that appear to be the deed
17 that Connery Properties received from the
18 delinquent tax collector?

19 A: Yes, it does.

20 Q: And the date of that deed was what?

21 A: 3/27/09.

22 Q: Why is there such a gap between the 2007 tax
23 sale date and the date of the issuance of the
24 tax deed?

25 A: At the tax sale, the person who loses the



1 property has one year from the date of sale to
 2 pay the taxes and penalties that might be
 3 assessed on there. And then after that date,
 4 it does take the County six months or so to get
 5 all their deeds prepared and get them sent out.

6 Q: All right. Now, let's talk a little bit more
 7 about the character of the property. What is
 8 Miranda Holmes Street like?

9 A: It is a one-way street. It's one block long.
 10 Parking's available on one side. It is a
 11 densely populated street. There might be two
 12 vacant lots on it or three vacant lots on it.
 13 And the homes are -- it's an older area,
 14 probably about -- generally, probably about 80
 15 years old or so.

16 Q: Okay. Do you -- can you describe the homes on
 17 either side of your lot?

18 A: The home on the left has been boarded up since
 19 we've owned the lot. So it's in a state of
 20 just being boarded up and kind of getting a
 21 little bit more rundown as time goes on. The
 22 one on the right is occupied.

23 Q: Now, during the assessment -- I mean, the
 24 appeal to the Board of Assessment Appeals, did
 25 the City come up with a position of what could



1 be done with that property?

2 A: My understanding is because it is over 4,000
3 square feet -- it meets the threshold above
4 4,000 -- the City will allow multiple units; I
5 believe two units on the property.

6 Q: And what is your opinion of the practicality of
7 that as a real estate investor and property
8 owner?

9 A: Well, I would question the layout of such a
10 small property having two separate units on
11 there with parking and, you know, some
12 semblance of a yard.

13 The street, again, is a one-way street. It's
14 about, give or take, 30-feet wide with parking
15 on one side, so it's very narrow. There's
16 sidewalks on both sides, as well. So it's a
17 tight street. So off-street parking is going
18 to be very limited. I'm sorry, street parking
19 will be limited.

20 Q: All right. Now, does Connery Properties have
21 any intention of attempting to build anything
22 on that property?

23 A: Not at this point, no.

24 Q: Okay. Now, did you -- first of all, Connery
25 Properties has received title to property by



1 tax deeds before?

2 A: Yes, we have.

3 Q: Are you aware as a property owner of the
4 difficulties involved in deed issues concerning
5 tax deeded properties?

6 A: Yes, I am.

7 Q: And what is your understanding as a property
8 owner?

9 A: It's got to be aware that there will probably
10 be a lengthy fight. Even if it's not a fight,
11 you will need to pay money to hire an attorney
12 to go through the process, all the process of
13 notifying the people that had or deemed to have
14 claim to that property.

15 Q: Okay. Now, you're not claiming that this
16 property has no value, are you?

17 A: No, I'm not.

18 Q: But what is your claim relative to the County's
19 appraised value of \$60,000?

20 A: Well, I put a claim in of 20,000.

21 Q: And did you file an appeal with the Board of
22 Assessment Appeals?

23 A: Yes, I did.

24 MR. KOON: Any objection?

25 MS. BRUNER: Oh, no.



1 Q: All right. Do you recognize what's been marked
2 as Plaintiff's Exhibit Number One --
3 Petitioner's Exhibit Number One?

4 A: Yes, I do.

5 Q: What is that?

6 A: This is a decision by the Board of Assessment
7 Appeals.

8 Q: All right. And what was their decision?

9 A: Well, they had -- during my appeals process,
10 the property went from a 60,000-dollar value
11 that the County had assessed up. They went up
12 to \$87,000.

13 Q: Who went up?

14 A: The County. The County changed their mind and
15 say, "Hey, we want more money for this, more
16 value for this." So they went up to \$87,000.
17 So when we got to the Board of Assessment
18 Appeals, the Assessment Appeals just came down
19 and said, "Well, we think it's worth 60,000."
20 Their consideration is -- it doesn't answer the
21 questions that we need to answer.

22 Q: And what did you present to the Board of
23 Assessment Appeals as the reason why you felt
24 that \$60,000 was inappropriate and that the
25 property was in actuality worth 20,000?



1 A: The unclear -- the tax title, the tax deed.

2 Q: Did you also mention the problems with the
3 street and parking issues?

4 A: They had brought up the multiple units and
5 highest best use being multiple buildings on
6 the property and I felt like that was a tight
7 squeeze to put that on there and then the
8 street is narrow. On-street and off-street
9 parking are very limited.

10 Q: Well, what is the primary basis for Connery
11 Properties' objection to the value?

12 A: It is a tax deed.

13 Q: Okay. Now, did you raise that before the Board
14 of Assessment Appeals?

15 A: Yes, I did.

16 Q: And did that lead to this action in this Court?

17 A: Yes, it did.

18 Q: Okay. Now, why did you present to the Board of
19 Assessment Appeals that the property was worth
20 \$20,000?

21 A: This process is usually a negotiation, so I
22 wanted to start off being reasonable, hoping
23 they would see it my way in the beginning.

24 Q: Did they?

25 A: No, no.



1 Q: All right.

2 A: Again, they went up.

3 Q: All right. Are you -- "they" meaning the
4 County?

5 A: The County.

6 Q: All right. Are you still satisfied with your
7 estimate of value of \$20,000?

8 A: Yes, I am.

9 Q: And is that what you're asking the Court to
10 find today is the value of the property?

11 A: Yes, I am.

12 Q: All right. And, again, tell the Court what
13 that is based on, other than your obvious
14 reasonableness?

15 A: Well, the -- you know, the tax deed does create
16 problems and people who are willing to purchase
17 property in this fashion want a consideration
18 in reduction of value.

19 Q: Now, you're aware that there are risks in
20 obtaining properties at a tax sale.

21 A: Yes, I am.

22 Q: And Connery Properties are -- is willing to
23 take those risk; is that correct?

24 A: I took a risk for \$11,000, yes, I did.

25 Q: Okay. Would you be willing to take that risk



1 for \$60,000?

2 A: Probably not.

3 Q: Okay. And what is the risk that you undertake
4 when you purchase properties at a tax sale?

5 A: It's a risk of the unknown. You don't know if
6 you actually own this property.

7 Q: Okay. Is there a time element, as well?

8 A: Yeah, there's -- the process for the research,
9 the title research, and the proper notification
10 and advertising, once you find the people
11 you're supposed to advertise to, it's very
12 lengthy --

13 Q: Now --

14 A: -- and expensive.

15 Q: Now, has Connery Properties attempted a suit to
16 quiet title on this property?

17 A: No, we have not.

18 Q: Okay. What --

19 **THE COURT:** Do you intend to?

20 **THE WITNESS:** Given time.

21 **MR. KOON:** I'm sorry, Your Honor, did you have
22 another question?

23 **THE COURT:** (Shakes head negatively.)

24 **THE COURT REPORTER:** Is that a "no"?

25 **THE COURT:** I'm supposed to verbally respond.



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1 THE COURT REPORTER: Sorry.

2 THE COURT: No.

3 Q: What effect do you believe the sales price at
4 the tax sale and what correlation does that
5 have to the value of the property? Is that
6 significant in your mind?

7 A: I think it is. I think it should be considered
8 at any point that this property transferred
9 ownership for \$11,000 at a public auction that
10 was duly advertised and people were made aware
11 of it in multiple venues, being on site both
12 with the signage, the Post and Courier
13 newspaper, local paper, multiple times, and, of
14 course, the Internet, which is accessible
15 anywhere -- prominently on the front page of
16 the Internet.

17 Q: Have you been involved in the purchase of
18 properties from other companies or individuals
19 that were involved in tax sale processes at a
20 previous time?

21 A: Yes.

22 Q: And is there a market for those properties?

23 A: It is depressed but, yes, there is.

24 Q: All right. And what do you mean by
25 "depressed"?



1 A: Well, when I purchase properties, I know that
2 I'm going to only get a quit claim deed and I
3 make my offer and my negotiations according to
4 the quit claim deed.

5 Q: All right. And how much do you typically see
6 properties devalued if they are subject to
7 recent tax deeds?

8 A: The devaluation of 80 percent or so. Bounce
9 around 20 percent value.

10 Q: All right. Now, you brought some examples of
11 properties that you have purchased from others
12 who have acquired the property at tax deeds.
13 So you do have experience in that --

14 A: Yes, I do.

15 Q: -- process; is that correct?

16 A: Yes.

17 Q: Okay. Now, do you and your father, albeit
18 titled in different names, own adjoining
19 properties out on Cane Slash Road?

20 A: Yes, we do.

21 Q: All right. Did both of those
22 properties -- describe those two properties.

23 A: The purchasing of them?

24 Q: Just the physical characteristics.

25 A: They're both single-family homes in rural Johns



1 Island.

2 Q: All right. And did one of them have a tax deed
3 in a chain of title?

4 A: Yes, it did.

5 Q: And did the other have a clear title?

6 A: Yes, it did.

7 Q: All right. Let me show you what's been
8 previously marked as Plaintiff's Exhibit Number
9 Nine. Do you recognize that?

10 A: Yes, I do.

11 Q: And what is that?

12 A: This is the title for 2922 Cane Slash Road.
13 It's the one that I bought with the clear
14 title.

15 Q: And whose name is that titled in?

16 A: Oh, Connery Properties.

17 Q: All right. And what is the date of the deed?

18 A: July 23rd, 2002.

19 Q: All right. And what was the consideration of
20 the deed?

21 A: \$32,500.

22 Q: All right.

23 **MS. BRUNER:** And, Your Honor, I don't object to the
24 fact that this is a recorded deed. I just --
25 I'm not sure of the relevance of it at this



1 point.

2 **MR. KOON:** This is corroborative of his opinion of
3 the deflation in value of a property with a tax
4 deed in its chain. I'm going to show the Court
5 one right next door that brought a higher
6 percentage of appraised value than the
7 next-door property, which was encumbered by a
8 tax deed.

9 **MS. BRUNER:** Your Honor, it's --

10 **MR. KOON:** I think it's relevant -- I think it's
11 relevant as corroborative of his opinions of
12 the value of property that's encumbered by tax
13 deeds.

14 **MS. BRUNER:** It's a 2002 deed, so I would just ...

15 **MR. KOON:** Well, I'm going to show the Court the
16 2002 appraisal, as well.

17 **THE COURT:** Well, the problem about your request,
18 from my perspective, is that you're, number
19 one, utilizing deeds which doesn't reflect the
20 nature of what's on either property and it's
21 not a uniform appraisal about, you know, this
22 particular property has these characteristics
23 and this one has another, so ...

24 **MR. KOON:** That's true. We're only offering this as
25 a comparison to the tax appraisal. Of course,



1 that's what we're arguing about. In other
2 words, we're assuming the tax appraisal to be
3 appropriate.

4 **THE COURT:** Any further response?

5 **MS. BRUNER:** Well, I mean, I do have an objection
6 because the appraisal value and the assessment
7 value are two different things, so -- anyway,
8 I'm not sure I understand -- I'm not sure I
9 understand apples to apples at this point.

10 **THE COURT:** He owns both of the properties?

11 **MR. KOON:** Connery Properties owns one and his
12 father, Vernon Staubes -- actually his sister
13 owns the other one, but both of -- both
14 Mr. Staubeses were involved in the acquisition.
15 Mr. Staubes, Sr., took title to one of them and
16 then immediately conveyed it as a gift to his
17 daughter. But he will testify that they were
18 both involved in the decisions and the process
19 of purchasing these properties.

20 **THE COURT:** Well, he can testify to the value of the
21 property he owns.

22 **MR. KOON:** Well, I can -- I can link it up through
23 Mr. Staubes.

24 **THE COURT:** And you'll have to do it through another
25 path. At this point in time, I'm not -- I'll



1 let the deeds in, but I won't let the deeds --
2 and they'll speak for themselves.

3 **MR. KOON:** Well, the next exhibit is the
4 contemporaneous county tax appraisal. If that
5 doesn't come in, the deeds have no relevance,
6 Your Honor.

7 **THE COURT:** Well, the tax appraisal is not a
8 sufficient assessment of the value of property,
9 I don't believe. Unless you've got something
10 otherwise, but at least not in this Court.

11 **MR. KOON:** I would agree with you but, of course,
12 the County says that it is.

13 **MS. BRUNER:** Well ...

14 **THE COURT:** Now, that's an interesting situation.

15 **MS. BRUNER:** In terms --

16 **THE COURT:** What is your position on whether the --
17 his subsequent offering about the tax
18 assessments on these two properties is
19 reflective of the value of the property?

20 **MS. BRUNER:** Well, Your Honor, the problem is with
21 the deed. I don't know if this was an arm's
22 length transaction. I don't know what happened
23 with that, so --

24 **THE COURT:** The only thing I let the deed in is --

25 **MS. BRUNER:** Yes, sir.



1 THE COURT: -- only for what -- that it's a deed,
2 but not as to the --

3 MS. BRUNER: Yes, sir.

4 THE COURT: -- truth of anything that was asserted
5 in it.

6 MS. BRUNER: Usually -- and you're asking about the
7 appraised value versus the assessed --

8 THE COURT: Well, that's what he says he's going to
9 offer next.

10 MS. BRUNER: -- value? You know, I think the County
11 would just have the same standing objection to
12 the rest of these in terms of relevance. But,
13 you know, the appraised value -- in order to
14 get the assessed value, there's a percentage
15 multiplied taken out of that. I think it's six
16 percent or four percent depending upon what
17 your -- how you are classified --

18 THE COURT: Yeah.

19 MS. BRUNER: -- what kind of property it is. So,
20 you know ...

21 THE COURT: All right. So the exhibits will not be
22 offered for -- to verify the value of the
23 properties themselves.

24 MR. KOON: Your Honor, what I'm offering --

25 THE COURT: It's offered for the purpose of the



1 value of the property will verify his opinion.

2 MR. KOON: In relation to the appraised value.

3 THE COURT: Yeah.

4 MR. KOON: In other words, in one you will see that

5 Connery Properties paid about 75 percent of the

6 appraised value because there was a good title.

7 It was an arm's length transaction.

8 THE COURT: Yeah.

9 MR. KOON: And then the property immediately next

10 door, they bought a property -- that property

11 from a company who had acquired it at a tax

12 sale and paid approximately 25 percent of the

13 appraised value.

14 THE COURT: I'll let the owners of the property

15 testify as to its value, but I'm not going to

16 utilize the assessed value to establish the

17 values of those properties.

18 MR. KOON: All right, sir.

19 THE COURT: All right?

20 MR. KOON: All right. So is there an objection to

21 the deed or has that been ruled on?

22 THE COURT: I don't -- my ruling on the deed if

23 you're offering it --

24 MR. KOON: I'm offering the deed, yes, sir.

25 THE COURT: I said I would let it in for.



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1 MR. FERRARA: The value of the property.

2 THE COURT: No, I said for the -- for it to speak
3 for itself and not any truth of the matters
4 asserted therein. All right?

5 MR. KOON: Yes, sir. So he can testify to his
6 recollection, I'm sure.

7 THE COURT: Yeah. That's Petitioner's ...

8 MR. KOON: Petitioner's Number ...

9 MS. BRUNER: Nine.

10 MR. KOON: Number Nine.

11 THE COURT: It's admitted.

12 (Petitioner's Exhibit Number Nine was admitted into
13 evidence.)

14 (Off the Record)

15 MR. KOON: Any objection to the Board of Assessment
16 Appeal ruling?

17 MS. BRUNER: No, there's no objection.

18 MR. KOON: Offer Petitioner's Number One, Your
19 Honor.

20 THE COURT: It's admitted.

21 (Petitioner's Exhibit Number One was admitted into
22 evidence.)

23 Q: Now, do you recollect that, the transaction
24 when the property evidence by that deed was
25 purchased by Connery Properties?



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- 1 A: Yes.
- 2 Q: Okay. And how did you learn about that
3 property?
- 4 A: It was a sign in the yard saying "for sale" by
5 a real estate agent.
- 6 Q: Okay. And did you know the owner or have any
7 relationship with the prior owner of the
8 property?
- 9 A: No, I did not. I owned -- we owned -- I was
10 responsible for or worked with the property
11 next door.
- 12 Q: Okay.
- 13 A: Purchased that one first.
- 14 Q: All right. And that's the one that was -- the
15 next door property was actually owned by your
16 father in his name.
- 17 A: Yes.
- 18 Q: Okay. All right. Now, was the purchase of the
19 property at -- what was -- tell the address
20 again, please?
- 21 A: 2922 Cane Clash Road.
- 22 Q: Was that an arm's length transaction subject to
23 negotiations concerning the price?
- 24 A: Yes, it was.
- 25 Q: All right. And --



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1 A: There were other parties who were looking at
2 buying it at the same time.

3 Q: All right. And did you commission a title
4 examination?

5 A: Yes, I did.

6 Q: And does that deed show the name of the
7 attorney that handled the transaction for you?

8 A: (No response.)

9 Q: Look on the last page.

10 A: (Witness complies.) Is it Ashley Witherspoon?

11 Q: No, look on the last page.

12 A: (Witness complies.)

13 Q: Is that Mr. Bell's office from St. George?

14 A: Oh, yes, Mr. Bell's office in St. George,
15 that's right.

16 (Off the Record)

17 Q: Do you have an opinion as to whether or not the
18 amount -- how much did Connery Properties pay
19 for that property?

20 A: 32,500.

21 Q: And do you have an opinion as to whether or not
22 that was the actual true market value of the
23 property?

24 A: It was on the market and I outbid some other
25 people that were interested in purchasing the



1 property.

2 Q: Okay.

3 A: So I would say "yes."

4 Q: All right. So you feel like that property was
5 worth \$32,000.

6 A: Yes, I do.

7 Q: All right. Now, did Connery
8 Properties -- well, before I leave that, is
9 this a copy of the tax map showing the location
10 of the Cane Slash Road properties?

11 A: Yes, both of them.

12 Q: All right.

13 A: Shows both of them.

14 Q: And the one we haven't testified about was one
15 that was purchased earlier by your father.

16 A: That's right.

17 Q: And he's here to testify about it.

18 A: That's right.

19 Q: All right. Now, which one is the one that
20 you're now testifying about that's owned by
21 Connery's?

22 A: I might have used the wrong address earlier.
23 The one I'm testifying now is 2914 Cane Slash.
24 The other one that my dad owns is 2922 Cane
25 Slash.



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1 Q: All right. Let me give you a pen --

2 A: I was confused.

3 Q: -- and you write "C" for Connery on the one
4 that Connery bought.

5 A: (Witness complies.)

6 Q: Okay. All right. Thank you.

7 MR. KOON: Any objection?

8 (Off the Record)

9 MR. FERRARA: What are you offering it for?

10 MR. KOON: To show the location of the properties.

11 MS. BRUNER: No objection in terms of showing the
12 location of the properties, Your Honor.

13 MR. FERRARA: Then why do you need this?

14 MR. KOON: Without objection, Plaintiff --
15 Petitioner's Number Thirteen, Your Honor.

16 THE COURT: It's admitted.

17 (Petitioner's Exhibit Number Thirteen was admitted
18 into evidence.)

19 Q: Now, did Connery Properties purchase some
20 property in Charleston County on Railroad
21 Avenue from a company known as TA Escrow 97,
22 Incorporated?

23 A: Yes, we did.

24 Q: All right. And do you recognize this as the
25 deed of transfer?



1 A: Yes, this is a quit claim deed from TA Escrow
2 97.

3 Q: And how much did you pay for that property?

4 A: Consideration -- oh, \$4,000, I'm sorry.

5 Q: Now, do you have an opinion of the value of
6 that property -- well, first of all, does the
7 deed indicate that TA Escrow acquired the
8 property at a tax sale?

9 A: Yes, it does.

10 Q: And is that in the derivation clause of that
11 deed?

12 A: It is in the derivation clause.

13 Q: All right. So you paid \$4,000 for it?

14 A: I did.

15 Q: And do you have an opinion of the value of the
16 property were it not to be included -- were it
17 not to be subject to a tax deed in the chain of
18 title?

19 A: Yeah, I would say in the vicinity of \$25,000 --

20 Q: All right.

21 A: -- rural single-family home.

22 MR. KOON: All right. Your Honor, as a Offer of
23 Proof, I would like to present the year 2002
24 tax appraisal of the property and assessment.

25 THE COURT: That's fine. Petitioner's?



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1 **MR. KOON:** Unless there's not an objection.

2 **THE COURT:** Well, now it doesn't matter if there's
3 an objection to an Offer of Proof.

4 **MR. KOON:** I understand.

5 **MS. BRUNER:** Right.

6 **THE COURT:** That's Petitioner's what? Wait a
7 second, you were offering an Offer of Proof.

8 **MR. KOON:** I wanted him to tell how he acquired it.

9 **THE COURT:** Oh, okay.

10 **MR. STAUBES - OFFER OF PROOF BY MR. KOON:**

11 **Q:** What's been marked for identification as
12 Petitioner's Number Fifteen, did you acquire
13 that information from the County of Charleston?

14 **A:** Yes, I did.

15 **Q:** Where did you get it from?

16 **A:** I went to the treasurer's office. The lady was
17 kind enough to print this out for me.

18 **Q:** Okay.

19 **A:** It's historical information.

20 **Q:** All right. And does that correspond to the
21 Railroad Avenue property?

22 **A:** It does.

23 **Q:** And when did you purchase -- did Connery
24 Properties purchase Railroad Avenue property?

25 **A:** In 2002.



1 Q: All right. And is that the 2002 tax screen
2 that shows the appraisal and assessment of the
3 property?

4 A: Yes, it is.

5 Q: And what is the appraisal of the property?

6 A: 33,000..

7 Q: All right. And you paid how much for it?

8 A: \$4,000.

9 Q: All right. Thank you.

10 MR. KOON: For identification Your Honor,
11 Petitioner's Number Fifteen.

12 THE COURT: Presented as an Offer of Proof? And all
13 the testimony that was conducted until it was
14 offered or up to the time that it was presented
15 to the witness was a component of the Offer of
16 Proof?

17 MR. KOON: Well, his opinion -- his own opinion of
18 value was presented --

19 THE COURT: I said up to -- you offered that
20 exhibit --

21 MR. KOON: Yep.

22 THE COURT: That was all part of the Offer of Proof,
23 correct?

24 MR. KOON: I'm not sure -- I'm not sure I know how
25 to answer accurately, Your Honor. The part



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1 that I presented as an Offer of Proof was --

2 **THE COURT:** Well, I'll tell you what. I'll just
3 make the record clear. Any testimony offered
4 regarding the contents of that exhibit are
5 considered by the Court to be an Offer of Proof
6 because the exhibit itself is not -- in
7 evidence is only as an Offer of Proof.

8 **MR. KOON:** Well said.

9 (Petitioner's Exhibit Number Fifteen was admitted
10 into evidence.)

11 **MR. STAUBES - DIRECT EXAMINATION (Continued) BY MR.**

12 **KOON:**

13 Q: Now, did Connery Properties also acquire in
14 2002 a piece of property located on -- in the
15 Dorchester Terrace area of Charleston County
16 from TTCC Properties?

17 A: Yes, we did.

18 Q: And what is that?

19 A: This is a property I believe on Aintree Avenue.

20 Q: All right. Is that the deed to the property?

21 A: I believe it is.

22 Q: And is that a quit claim or a warranty deed?

23 A: It's a quit claim deed.

24 Q: Now, who is TTCC Properties?

25 A: TTCC is also known -- or at one point they were



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1 related to TA Escrow 97.

2 Q: All right. Are these companies that
3 customarily participate in the tax sale?

4 A: Yeah. You'll find that companies come in to
5 invest in the tax sale without the -- they
6 don't really want the properties. They want
7 the interest that is accrued over the year.
8 And sometimes when they get ahold of the
9 properties, they have several of them, and I
10 made contact with them and asked if they were
11 interested in selling.

12 Q: And is there a process of negotiation
13 customarily for the purchase?

14 A: There is.

15 Q: All right. And how much was the purchase of
16 that particular property located on Aintree?

17 A: This is \$1,000.

18 MR. KOON: All right. And offer the deed,
19 Petitioner's Exhibit Number Sixteen.

20 MS. BRUNER: And, Your Honor, we don't have any
21 objection to the deed itself; standing
22 objection to relevance.

23 THE COURT: It's admitted.

24 (Petitioner's Exhibit Number Sixteen was admitted
25 into evidence.)



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1 Q: And do you have an opinion of the value of that
2 property if it had not been encumbered by a tax
3 deed?

4 A: Yeah, it would be in the 30,000-dollar range.

5 **MR. KOON:** All right. And, again, as an Offer of
6 Proof, Your Honor, I'll show him Petitioner's
7 Exhibit Number Seventeen, which is the
8 Charleston County tax screen for the year 2002.

9 **MR. STAUBES - OFFER OF PROOF BY MR. KOON:**

10 Q: Did you acquire that from the County in a
11 similar fashion?

12 A: Yes, I did.

13 Q: Okay. And identify for the record what that
14 is.

15 A: This is the Charleston County tax system --
16 this is a screen print -- is that what it's
17 known as -- for 2002 showing the appraised
18 value in 2002, the year that I purchased the
19 property.

20 Q: And what does it show is the appraised value?

21 A: The appraised value is 31,800.

22 Q: All right. And, again, you paid how much for
23 the property?

24 A: \$1,000.

25 Q: Again, as an Offer of Proof, Your Honor,



1 Petitioner's Number Seventeen.

2 (Petitioner's Exhibit Number Seventeen was admitted
3 into evidence.)

4 MR. KOON: Your Honor, I think I need to go back and
5 offer as a matter of proof Petitioner's Exhibit
6 Number Ten, which was the property that I
7 initially asked him about that was not
8 encumbered by the tax sale on Cane Slash Road.
9 So, again, as an Offer of Proof, Petitioner's
10 Number Ten.

11 THE COURT: Where the record will be clear, he can
12 testify to the value of any property he or his
13 company owns.

14 MR. KOON: Yes, sir.

15 THE COURT: All right.

16 MR. KOON: All right. You know, I think he did, but
17 I'm not a hundred percent sure.

18 Q: Did you tell the Court what you felt the value
19 of Cane Slash Road that you closed through
20 Mr. Bell's office, what the title search was?

21 A: Well, this was an arm's length transaction. I
22 was happy with it at 32.5.

23 Q: All right. And, again, as an Offer of Proof,
24 is this a copy of the tax screen for the year
25 2002 when the Cane Slash Road property was



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1 purchased through Attorney Bell?

2 A: Yes, it is.

3 Q: And what does the County appraisal say this
4 property --

5 A: It has a 42 -- 45,200. 45,200.

6 **MR. KOON:** Petitioner's Number Ten offered as an
7 Offer of Proof, Your Honor.

8 (Petitioner's Exhibit Number Ten was admitted into
9 evidence.)

10 **MR. STAUBES - DIRECT EXAMINATION (Continued) BY MR.**

11 **KOON:**

12 Q: Have you marketed the Miranda Holmes Street
13 property at all?

14 A: No, I have not.

15 Q: Now, does your company have any ability to
16 build on that property by paying cash where it
17 would not involve the taking out of a mortgage?

18 A: Do we have the right to or the money to?

19 Q: Do you have the ability to do that?

20 A: No.

21 Q: Do you have any desire to do that?

22 A: Not until it is clear.

23 Q: Do you think the -- do you have an opinion as
24 to whether the value of the property has
25 diminished in as far as its potential use as a



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1 single or two single-family dwellings by the
2 tax deed?

3 A: (No response.)

4 Q: In other words, is it practical to build as a
5 single or two single-family dwellings?

6 A: It's not possible to build anything on it --

7 Q: Okay.

8 A: -- at this point --

9 Q: All right.

10 A: -- or in '09.

11 Q: Now, we've gotten a little bit off track, but
12 if you would testify to taking into all account
13 all issues concerning the status of the title
14 and the potential, if Connery decided to
15 attempt to clear the title as most likely heirs
16 property and a tax deed in the chain of title,
17 what do you believe the value of that property
18 is in the limited market that you've described
19 for resale of tax sale properties?

20 A: As it is now?

21 Q: As it is now.

22 A: \$20,000.

23 Q: All right.. Now, when you go to a tax sale,
24 does the County give any kind of disclaimer or
25 warranty about the status of title?



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1 A: Yeah, there is a couple paragraphs they read at
2 the beginning of the tax sale in the morning
3 describing some of the pitfalls with this
4 process.

5 Q: Okay. And does that tell you what kind of
6 warranty, if any, that the title -- that the
7 County will give you?

8 A: The gist of it is they're not giving any
9 warranty.

10 **MR. KOON:** All right. Beg Your Honor's indulgence
11 for one moment.

12 Q: Has Connery Properties ever had occasion to get
13 into a legal dispute with someone attempting to
14 set aside a tax deed?

15 A: (No response.)

16 Q: Mr. Middleton?

17 A: Oh, yes, I'm sorry. Yes, we have and even that
18 wasn't completely cleared up.

19 Q: And in that case, I believe it resulted in a
20 decision favorable to Connery Properties; is
21 that correct?

22 A: It did.

23 Q: But you had to go all the way to the Supreme
24 Court to get it, didn't you?

25 A: It did go to the Supreme Court to get that.



1 Q: And about what did you spend on that?

2 A: Twelve thousand, thirteen thousand dollars and
3 that was four years ago.

4 Q: All right. And that was not a suit to quiet
5 title. That was just to fend off the prior
6 owner; is that correct?

7 A: That's right. That's right. Yes, that's
8 right.

9 MR. KOON: All right. Thank you. Please answer any
10 questions Counsel has.

11 MR. STAUBES - CROSS-EXAMINATION BY MS. BRUNER:

12 Q: Mr. Staubes, are there any other quiet title
13 actions that you have currently?

14 A: No.

15 Q: Okay. And do you -- have you completed any
16 other quiet title actions to any of the
17 properties that you've purchased?

18 A: In the past?

19 Q: Yes.

20 A: Yes.

21 Q: And how many of those would you say?

22 A: Two or three.

23 Q: So not a hundred?

24 A: No.

25 Q: Okay.



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1 A: It's a minimal amount.

2 Q: Okay. Is this the first property that you have
3 purchased at a tax sale that you've contested
4 the value?

5 A: No, it is not.

6 Q: Would it surprise you to know that this is the
7 first time that someone has contested the value
8 based on a tax deed with Charleston County
9 assessment?

10 A: Not now, because I've done some research on it.
11 I would have been surprised you told me that
12 three years ago.

13 Q: Okay. And you talked about the tax sales.
14 You're familiar with how the price is set.

15 A: Uh-huh (affirmatively responds).

16 Q: Do you believe that has a bearing on the value
17 of property?

18 A: I think it does because of the title that
19 you're given. If you were given clear title,
20 then I'm sure the prices would go up, the bids
21 would go higher. But the risk involved -- and,
22 again, they remind you in the morning, remind
23 all bidders in the morning, of what the risks
24 are each morning of the tax sale.

25 Q: Have you ever sold any property that you have



1 purchased at a tax sale?

2 A: Yes.

3 Q: How many of those would you say?

4 A: Three or four; not many.

5 Q: But, I mean, there has to be some profit in
6 this; is that correct?

7 A: There's really not -- there's a potential for
8 profit, yes, but not much. And that's not --
9 you don't hang your hat on that, on that
10 profit.

11 Q: And you did testify earlier when Mr. Koon asked
12 that you said somewhere in the 80 percent range
13 is what you believe a tax deed effects property
14 value?

15 A: Yeah.

16 Q: So would you say this property is worth
17 \$100,000 if you're only asking for 20?

18 A: No, again, I paid \$11,000, which puts it in
19 that 20 percent range if it was 60. I was
20 trying to be -- the assessor can be notoriously
21 unforgiving and unreasonable. I started off
22 trying to be reasonable with my bid and I did
23 not want to bring it this far. I came up with
24 a reasonable proposal of value and the assessor
25 did not see it my way and as you say, they



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1 actually increased the value at the time.

2 Q: But you're not a real estate appraiser; is that
3 correct?

4 A: I'm a realtor investor who's invested for a
5 number of years.

6 Q: But you're not an appraiser, correct?

7 A: No, I'm not a certified appraiser.

8 Q: And you haven't had an appraisal done on this
9 property?

10 A: No, I've not had an appraisal of that property.

11 MS. BRUNER: Okay. I don't have anything further,
12 Your Honor.

13 THE COURT: Any redirect?

14 MR. KOON: No, Your Honor. I don't believe I have
15 any.

16 THE COURT: You may step down.

17 THE WITNESS: Thank you, Your Honor.

18 (Witness excused.)

19 MR. KOON: Vernon Staubes, Sr.

20 (Off the Record)

21 MR. KOON: Your Honor, I apologize. I thought I'd
22 move the deed marked as Exhibit Fourteen into
23 evidence, but apparently I have not, so I would
24 do that at this time.

25 MS. BRUNER: Your Honor, same.



1 THE COURT: It's admitted.

2 (Petitioner's Exhibit Number Fourteen was admitted
3 into evidence.)

4 VERNON KELLER STAUBES, SR., having been duly sworn,
5 testifies and examines as follows:

6 MR. STAUBES - DIRECT EXAMINATION BY MR. KOON:

7 Q: You're Vernon Keller Staubes, Sr.?

8 A: Yes, sir.

9 Q: And you're also an officer of Connery
10 Properties; is that correct?

11 A: Yes, sir.

12 Q: And you're the father of Mr. Staubes, Jr., who
13 just testified; is that correct?

14 A: Yes, that's correct.

15 Q: Now, are you familiar with the Cane Slash Road
16 properties that are side by side?

17 A: Yes, I am.

18 Q: And did you acquire the smaller of the two
19 pieces of property identified by --

20 A: On the corner?

21 Q: The one on the corner. Let me see if I can
22 find the -- all right. The one identified as
23 the corner lot on Plaintiff's Exhibit Thirteen?

24 A: Okay. Yes, sir, I did.

25 Q: All right. And is -- do you have in front of



1 to be demolished.

2 Q: Okay. And how do you account for that?

3 A: The \$3,500 was the demolition cost on the
4 permit, so that's what I attributed to the cost
5 to demo that house after the purchase of the
6 sale.

7 Q: Okay. So you took that out of the value,
8 basically.

9 A: Added it to --

10 Q: Added it to, I mean.

11 A: -- the value, because the buyer had to --

12 Q: Because that was something the buyer had to do.
13 I gotcha.

14 A: -- expend those funds after the sale to make
15 the property vacant like the subject.

16 Q: Okay. Now, in terms of the comps, now do any
17 of the other comps -- for instance, you know,
18 comp one, comp two, any of them have houses on
19 them that have been subsequently built?

20 A: Comparable one has a house on it.

21 Q: Okay. Do we have a picture of that?

22 A: We do have a picture of that.

23 MS. BRUNER: Picture of comp one, please?

24 A: That's the house that was built after the
25 purchase of the subject property.



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1 Q: Okay. And, again, this is a lot that's half
2 the size -- less than half the size of the
3 current lot.

4 A: It's smaller, yes, ma'am. It's 2010 square
5 feet and it has less front footage, too. It
6 only has 30 front feet.

7 Q: But this --

8 **THE COURT:** Hold on one moment.

9 (Off the Record)

10 Q: So this house was constructed after and it's a
11 smaller lot, much smaller in terms of the
12 frontage.

13 A: The frontage and the overall size, correct.

14 Q: And one of these comps -- what's the
15 smallest -- okay. So comp four, what's the
16 frontage on that?

17 A: Comp four, if you look at the top of the
18 grid ...

19 Q: Yeah.

20 **THE WITNESS:** Rick, please help her. There you go.

21 A: Comparable four, if you look at the top portion
22 of the grid, right above where it says DR2F?

23 Q: Uh-huh (affirmatively responds).

24 A: You see that on there?

25 Q: Yeah.



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1 A: It's 26 front feet.

2 Q: Okay. So that's 14 feet different than the
3 subject property. In other words, the subject
4 property has 14 feet more than this.

5 A: Correct.

6 Q: Now, did you take into account the fact that
7 this is on a one-way street?

8 A: I did.

9 Q: Are there a lot of one-way streets?

10 A: There are a number of one-way streets in
11 Downtown Charleston.

12 Q: Okay. Well, how about parking, did you take
13 that into account?

14 A: I did take that into account. I went by the --
15 I went by all the comparables and I went by the
16 subject and what I found when I went by the
17 subject property is, they've got a curb-cut, as
18 you see is the photo here, which allows them
19 access to the property. They've got a gate,
20 also. So they would not have to park on the
21 street. They could access their property by
22 the curb-cut.

23 Q: Now, the contention that this is a small lot,
24 what do you think about that?

25 A: Compared to the comparables, it's a large lot.



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1 And when we first looked at the surrounding
2 neighborhood, the overhead photo of the
3 surrounding neighborhood, you saw that this
4 lot -- the one in red is bigger than some of
5 the ones around it, larger.

6 Q: Okay. So you factored in the size of the lot
7 in your appraisal.

8 A: Yes, we -- that's what we just went over was
9 the adjustments for lot size.

10 Q: Okay. And you obviously -- I mean, did you
11 factor in the fact that it only has 40 feet of
12 street frontage?

13 A: I looked at it, but then when I looked at the
14 comparables, I saw that a lot of them had less
15 street frontage. They built on -- built new
16 houses on comparable one, comparable two, and
17 comparable five, I believe, so ...

18 Q: But these -- when these were sold, with the
19 exception of comparable two, they were vacant
20 and, comparable two, the structure was
21 demolished shortly thereafter; is that correct?

22 A: That's correct. The older structure was
23 demolished and the new structure was built on
24 the site.

25 Q: Okay.



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1 THE COURT: Can I stop you? When you said they
2 built new houses, did they build two dwellings
3 or -- because you asked -- she said this
4 property is capable of having two dwellings
5 upon it, I think is the phrase.

6 THE WITNESS: Two living units, yes.

7 THE COURT: Living units.

8 THE WITNESS: Yes, sir. These sites weren't big
9 enough to warrant two units, according to
10 current zoning.

11 THE COURT: Okay.

12 THE WITNESS: So they -- and then even on some of
13 these, they had to get variances to build the
14 single-family units on it.

15 Q: And that's under the City of Charleston zoning?

16 A: Correct.

17 Q: Okay. But there is something in your appraisal
18 that's attached. How big do they have to be to
19 be able to build two units?

20 A: Depending upon the zoning, if you -- if you
21 look at the bottom half of the graph on
22 the -- go back, please. There you go. If you
23 look at the bottom half of the graph, you'll
24 see zoning. Subject is zoned DR2F.

25 Q: Okay.



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1 A: And so is comparable one, comparable four and
2 comparable five.. They can -- I'd have to look
3 at the numbers, but I believe it's 2,000 square
4 feet per living unit for DR2F where SR -- there
5 it is.

6 Q: Now, are all of the comparables located in
7 Downtown Charleston?

8 A: Well, let me go back to the zoning because I
9 can see it now.

10 Q: Okay.

11 A: If you're going to have two families -- and it
12 doesn't necessarily mean there has to be two
13 buildings. There can be two living units in
14 the same building -- requires 2,000 square feet
15 per unit. A single-family would require 2,500
16 square feet. So if you're only going to put
17 one family, you would only need 2,500 under
18 DR2F zoning.

19 **THE COURT:** When she says "living units," the
20 provision says "dwellings." They're the same?

21 **THE WITNESS:** Dwellings, yes, sir.

22 **THE COURT:** Same thing as living unit?

23 **THE WITNESS:** Yes, sir. If -- if --

24 **THE COURT:** Okay.

25 **THE WITNESS:** If we -- because we conferred with the



1 City of Charleston about that and at the back
2 of the appraisal, you'll see some emails back
3 and forth confirming that.

4 **THE COURT:** All right.

5 **MS. BRUNER:** Okay. Now, will you go back to the
6 chart, please, Brad? I just have a couple more
7 questions about the comps.

8 **Q:** I see in comp four and comp five down at the
9 bottom, there's some adjustments. Four, I see
10 ten percent upwards and ten percent downwards
11 for comp five. What does that mean?

12 **A:** Those are location adjustments. Again, we're
13 trying to make the comparables compare to the
14 subject.

15 **Q:** Okay.

16 **A:** Just the comparables so they'd be like the
17 subject. Comp four is in an area that is --
18 doesn't have this good of -- high of values as
19 the subject. It's not -- so there was a
20 ten percent adjustment that was needed, because
21 it's inferior to the subject location.
22 Comp five is in a superior location. It is --
23 it's located where there is a lot of student
24 housing, so there's a lot of demand for
25 property in that area. So it's in a superior



1 location, so you have to take that down and I
2 adjusted that one ten percent down.

3 Q: And where are these comparables? You said
4 they're Downtown Charleston. Where are they in
5 relation to the subject property?

6 A: If you turn to page 49 or look at the screen,
7 you'll see that -- where the comparables are.
8 The subject, as stated earlier, is next to the
9 Citadel. The yellow line going through there
10 is what is referred to as the Crosstown; it
11 kind of divides the peninsula.

12 Comparable one is about a block and a half.
13 It's .17 miles from the subject as you can see.
14 You can see the distance from them. Comparable
15 four and comparable five are on the other side
16 of the Crosstown and the interstate, so they're
17 a little bit further from the subject and are,
18 as I discussed, in a little different
19 neighborhoods than the subject.

20 Q: But all within a mile?

21 A: Correct.

22 MS. BRUNER: Okay. Just a moment, please.

23 (Off the Record)

24 Q: Just a few more questions and I think we're
25 done with the comps for my portion, at least



1 for a second. Tell me -- again, you said you
2 don't look at the title of the property.

3 A: That's correct.

4 Q: And that's why again?

5 A: It's because we're not trained as attorneys.
6 We're trained in the valuation of properties.
7 It would be misleading for me to try to -- and
8 I don't even know if it would be legal for me
9 to try to interpret whether a title is good or
10 not.

11 Q: But, obviously, you -- as an appraiser, I'm
12 sure -- do you ever make adjustments for
13 circumstances, I mean, about a property?

14 A: Define "circumstances," if you would.

15 Q: I mean, the parking, the -- the location. I
16 mean, you look at --

17 A: Yes.

18 Q: -- the different circumstances.

19 A: Yes, and that's what we were doing on the grid.

20 **MS. BRUNER:** I think that's all I have, Your Honor.
21 Please answer any questions from Petitioner.

22 **MR. EVERMAN - CROSS-EXAMINATION BY MR. KOON:**

23 Q: Mr. Everman --

24 **THE COURT:** Before you even start --

25 **MR. KOON:** Yes, sir.



1 THE COURT: -- I've got -- you did an adjustment on
2 comp four and comp five. Ten percent on both
3 of them; one went up and one going down.

4 THE WITNESS: Correct.

5 THE COURT: How did you derive that ten percent? I
6 want to know if it's just guessing or if
7 it's --

8 THE WITNESS: No, what I -- what I did was, I
9 tried -- what appraisers do is we -- they've
10 got something that's -- and they've told me not
11 to use appraisal terms but it's called "mass
12 paired sales." And what I try to do is I try
13 to find sales of properties in the subject's
14 neighborhood or close to the subject's
15 neighborhood and a sale of a property where
16 comp four is.

17 And then I would make all other adjustments to
18 the property as far as the time adjustment that
19 we discussed earlier, the size of the lot, and
20 those type of things. And once I get all those
21 adjustments made, the only "X" factor that I
22 would have would be location that I would be
23 looking at.

24 So what I did was look at the location, did
25 that with both of these, and it -- I think one



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1 of them worked out to be 11 percent and another
2 one worked out to be eight or nine percent, so
3 I just rounded them to ten percent for the
4 adjustment.

5 **THE COURT:** All right. Proceed.

6 **MR. KOON:** Thank you, Your Honor.

7 **Q:** Looking at these properties -- and I understand
8 about your adjustments, but of the properties
9 that you considered comparable to the subject
10 property, you didn't find a single one that
11 sold for \$60,000, did you?

12 **A:** No, sir.

13 **Q:** All right. And I think you were very clear
14 earlier that you did not take into account the
15 fact that the title to this property might be
16 unmarketable, did you?

17 **A:** I did not, no, sir, not in this appraisal.

18 **Q:** And, in fact, you did note that the property
19 was transferred by a delinquent tax sale tax
20 deed on page five of your appraisal; is that
21 correct?

22 **A:** That is correct.

23 **Q:** So that must be a significant factor or else
24 you would not have noted it; is that correct?

25 **A:** It doesn't necessarily have to be a significant



1 factor. I'm required in most cases to disclose
2 any -- under my due diligence any transfers
3 that have occurred on the subject property.

4 Q: Now, did I understand you to say that you were
5 not qualified to evaluate the effect that an
6 unmarketable or uninsurable title might have on
7 this property; is that a correct statement?

8 A: No, it's not.

9 Q: So you can -- you can evaluate that but you
10 chose not to; is that correct?

11 A: You're asking me if that's what I said and
12 that's not what I said.

13 Q: Are you qualified to determine how much an
14 unmarketable title or an uninsurable title
15 would affect the value of property?

16 A: If they were sales of similar type properties,
17 yes.

18 Q: Okay. Did you discover any such thing?

19 A: That was not in the scope of the appraisal that
20 I was doing.

21 Q: Okay. So you weren't asked to do that.

22 A: That is correct.

23 Q: So you're not prepared to give any opinion on
24 that issue today; is that correct?

25 A: As to marketability of titles and the effects,



1 no.

2 Q: All right. But you do recognize that
3 marketability and insurability of title would
4 have some effect.

5 A: I can't say that without doing more research.

6 Q: Oh, okay. Do you -- well, let's look at the
7 definition of "value." It's what a -- true
8 value in money of what a willing and informed
9 buyer and seller would agree upon; is that
10 correct?

11 A: That is correct.

12 Q: And are you familiar with the fact that
13 informed buyers customarily have title
14 examinations done of properties that they are
15 going to buy?

16 A: Typically they would, yes.

17 Q: Okay. And do you believe that an unclear title
18 or an unmarketable title would reduce the
19 number of buyers that might be potentially
20 interested in a piece of property?

21 A: It would depend upon the property.

22 Q: Well, as a general rule, would you accept that
23 as a matter of logic?

24 A: I wouldn't want to comment as a general rule.

25 Q: Well, a property such as this, do you think



1 buyers might be scared off if they were
2 informed that they couldn't get a clear title?

3 A: I don't know. I haven't done that research.

4 Q: Okay. So you just don't -- you're just not
5 qualified to give that opinion; is that
6 correct?

7 A: I'm qualified to give that opinion but I
8 haven't done the research to determine whether
9 it would or not.

10 Q: And you're not going to give that opinion
11 today; is that correct?

12 A: Not just by going off the top of my head, no,
13 sir, not without doing any research on it.

14 Q: Okay. And had you been tasked to do that,
15 would you have attempted to make those
16 adjustments?

17 A: If it was warranted in the market, if the
18 marketplace showed it.

19 Q: Okay. But you weren't asked to do that for
20 your testimony here today.

21 A: I was asked to appraise the property, yes.

22 Q: But you weren't asked to make any adjustments
23 based upon lack of marketability of titles.

24 A: That is correct.

25 Q: Now, do you have any evidence that this -- the



1 title to Miranda Holmes property is any other
2 than what was represented here today?

3 A: I don't have any evidence on title. I don't --
4 I don't look at titles.

5 Q: Okay. And, in fact, your appraisal says so.

6 A: That is correct.

7 Q: Okay. But let me ask you this. So your
8 evaluation of \$60,000 is irrespective to any
9 issues of title, whether it's marketable,
10 insurable, whether the property can be borrowed
11 against, that has no bearing in the opinion of
12 \$60,000 value that you've given here today.

13 A: That's correct.

14 MR. KOON: Thank you.

15 THE COURT: Redirect?

16 MS. BRUNER: Thank you, Your Honor.

17 MR. EVERMAN - REDIRECT EXAMINATION BY MS. BRUNER:

18 Q: Throwing all these terms around, "marketable"
19 and "fair market" -- I mean, is "marketable
20 title," does that mean fair market value?

21 A: Not necessarily.

22 Q: What are you charged with doing as an
23 appraiser?

24 A: Getting the fair market value of the property,
25 what the property would sell for.



1 Q: And why do you look for the fair market value?

2 A: By state statutes, that's what I'm charged to
3 do.

4 Q: Okay. And are there any other regulations that
5 govern you? Is there anything you adhere to
6 to, you know, come to that other than the state
7 statute?

8 A: Well, when we're, of course, doing an
9 appraisal, we're bound by -- not bound by it,
10 but -- USPAP, which is Uniform Standard
11 Professional Appraisal Practice tells us
12 guidelines or gives us guidelines on how to
13 prepare appraisals.

14 Q: And what is the USPAP?

15 A: It's a national -- I don't want to say rules
16 and regulations, but it's a national guidelines
17 that appraisers are expected to use --

18 Q: Well, is it -- I'm sorry, I didn't mean to
19 interrupt you. Go ahead.

20 A: -- when completing appraisals.

21 Q: Now, national, does that mean everybody follows
22 it? Do people in South Carolina -- how does --
23 what does that mean?

24 A: Yes.

25 Q: So both everybody in South Carolina follows it



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1 and --

2 A: Everybody in South Carolina.

3 Q: -- everybody in the United States?

4 A: All appraisers follow it that are licensed,
5 licensed appraisers.

6 Q: Okay. Now, are you aware of any appraisers
7 when they're doing fair market value that look
8 at deed issues, title issues?

9 A: No, I'm not aware of any appraisers, again,
10 because I said we're not -- appraisers are not
11 trained in law. We're trained in valuation.

12 Q: And that's the standard you're supposed to
13 adhere to, just that you appraise everything as
14 if it is what?

15 A: You have to -- you have to disclose that the
16 type of appraisal you're doing and -- and like
17 we discussed earlier, you have to state how
18 you're doing the appraisal.

19 Q: Okay. But this appraisal is what you would do
20 for any property that you're required to
21 appraise for the Assessor's Office; is that
22 correct?

23 A: That's correct.

24 MS. BRUNER: And this is the USPAP they use for
25 appraisals. I'm not going to enter it.



1 MR. KOON: Okay.

2 Q: Can you tell me what this is?

3 A: That's the Appraisal of Real Estate sent out
4 by -- or published by the Appraisal Institute.

5 Q: And what is that? I mean, what does it do?
6 What's the point of it?

7 A: Well, it -- it kind of explains what appraisers
8 are doing and, again, gives guidelines and
9 explanations of how we make adjustments and how
10 we select comps and how we value properties.

11 Q: Okay. This page talks about the limiting
12 conditions, page 580; is that correct?

13 A: Correct, general assumptions and limiting
14 conditions.

15 Q: Is there anything about a deed in there, what
16 you're required to do?

17 A: It's very similar. The first -- the first --
18 or the first bullet point here is very similar
19 to what we saw earlier on the appraisal. It
20 says, "No responsibility is assumed for the
21 legal description provided or the matters
22 pertaining to the legal or title
23 considerations. Title to property is assumed
24 to be good and marketable unless otherwise
25 stated."



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1 Q: And you're required to assume that the title is
2 good.

3 A: I'm making -- yes, I'm making that assumption.

4 Q: Okay. And all appraisers are making that
5 assumption when they're doing their own
6 appraisals.

7 A: Unless their scope of work requires them to do
8 something else.

9 Q: But the scope of work to determine fair market
10 value, nobody would look at a deed issue; is
11 that correct?

12 A: That would be correct.

13 MS. BRUNER: Okay.

14 MR. KOON: Don't take your finger out of that.

15 MS. BRUNER: Oh, I'm sorry. It's 580. I apologize.

16 MR. EVERMAN - RECROSS-EXAMINATION BY MR. KOON:

17 Q: Did I hear you say that you would assumed the
18 title to be good unless otherwise stated?

19 A: I don't -- I don't remember if we read that.
20 Is that what it says? If I could read again,
21 I'd be glad to look at it for you.

22 Q: (Tendering.)

23 A: "Title of property is assumed to be good unless
24 otherwise stated."

25 Q: But you did state it when you noted that this



CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 163

1 property was derived by a tax deed.

2 A: I don't know that the title --

3 Q: You stated it right here, didn't you?

4 A: I don't know that the title's not good.

5 Q: Okay. Do you know that it is good?

6 A: I'm assuming it is good.

7 Q: You knew that it was being challenged when you
8 came here today.

9 A: Whether it's being challenged or not doesn't
10 affect my appraisal. My appraisal would be the
11 same.

12 Q: But if it's being challenged and you, by your
13 own manual, you assume only unless otherwise
14 stated, and you came here knowing that that was
15 an issue. You just ignored a factor; is that
16 correct?

17 A: No, that's not correct. If you look at the
18 assumptions and limiting conditions of my
19 appraisal, page 67....

20 Q: You chose not to -- not to evaluate that issue.

21 A: I'm telling you how I'm appraising this
22 property.

23 Q: That's right. And this is your document and
24 you chose not to evaluate it; isn't that
25 correct, sir?



CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 164

1 A: I did not chose not to evaluate it. Under the
2 scope of work, I was appraising the property --

3 Q: Then somebody who directed you chose not to
4 have you evaluate it; is that correct?

5 A: No, sir.

6 Q: But you didn't evaluate it.

7 A: I did not.

8 Q: And your own guidelines say if you know about
9 it, you ought to evaluate it.

10 **MS. BRUNER:** Objection, Your Honor. That's not what
11 he said.

12 **MR. KOON:** Well, that's just what he read.

13 That's all I have, Your Honor.

14 **THE COURT:** Redirect? On new issues he raised.

15 **MS. BRUNER:** Well, Your Honor, yes, I believe so.

16 **THE COURT:** Okay.

17 **MR. EVERMAN - FURTHER REDIRECT EXAMINATION BY MS.**

18 **BRUNER:**

19 Q: And, specifically, if you don't mind,
20 Mr. Everman, you said that you were supposed to
21 mention how the property was so transferred.

22 A: Correct.

23 Q: Is that correct?

24 A: Correct.

25 Q: So even if it was, I don't know, general



1 warranty deed, would you put that in there?

2 A: Yes.

3 Q: But just because something's a general warranty
4 deed doesn't mean that subsequent to the
5 appraisal -- or before the appraisal something
6 hasn't happened; couldn't that be true?

7 MR. KOON: Objection, leading, Your Honor.

8 THE COURT: Well ...

9 MS. BRUNER: It's --

10 THE COURT: Yes, I would sustain that.

11 Q: But you are aware -- well, for fair market
12 value, are you supposed to look at a deed?

13 A: For fair market value?

14 Q: Yes.

15 A: I look at all the deeds, yes.

16 Q: Okay. But are you supposed to factor that in
17 in terms of determining fair market value?

18 A: I will look at it to see whether it is a fair
19 market sale, the deed, whether it's a fair
20 market sale.

21 MS. BRUNER: Okay. Nothing further, Your Honor.

22 MR. KOON: No further redirect.

23 THE COURT: Recross?

24 MR. KOON: Recross, I'm sorry.

25 THE COURT: You may step down.



CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 166

(Witness excused.)

THE COURT: Any other witnesses?

MS. BRUNER: No, Your Honor; the County rests.

THE COURT: All right.

MR. KOON: No rebuttal, Your Honor.

THE COURT: All right. Well, I want to take a break
for -- to give y'all time to prepare for
closing.

MR. KOON: Thank you, Your Honor.

(Off the record from 3:13 p.m. to 3:20 p.m.)

THE COURT: All right. Mr. Koon?

MR. KOON: Thank you, Your Honor.

CLOSING STATEMENT BY MR. KOON:

MR. KOON: Your Honor, I would suggest that an
appropriate way to view the evidence in this
case is that the two sides presented evidence
that are -- was as different as apples and
oranges.

The Petitioner presented evidence from a highly
qualified expert source that the title to the
Miranda Holmes property is unmarketable,
uninsurable, unmortgageable and that that would
affect a willing and properly informed buyer,
reduce the pool of buyers that might be
interested in the property.



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1 And when you look at the definition of "market
2 value," you will see that the -- it is the
3 value -- the true value in money where both the
4 seller and buyer are willing, not acting under
5 compulsion, and reasonably well-informed would
6 pay for the property.

7 The -- both the expert witness, Mr. Peeples,
8 and the property owner testified that a tax
9 sale property where the title was unmarketable
10 would bring something on the order of
11 20 percent of the value that it might bring if
12 the property had a clear title. That's the
13 apple.

14 The orange is that the County Assessor's sole
15 witness said that although he could have taken
16 that into account and although his manual said
17 that he assumes the title to be good, unless
18 otherwise informed, he just assumed the title
19 to be good and didn't even look at that issue.
20 Now, we can't dispute the adjustments and the
21 comps and all that and we really don't dispute
22 that. You know, if we did, it might make a few
23 thousand dollars difference.

24 But the elephant in the living room is that you
25 can't sell this property to the overwhelming



1 majority of people looking for unimproved lots
2 in Charleston.

3 And the valuation date is important. That's
4 not really an issue. But the fact that Your
5 Honor has to determine the valuation as of
6 December 31st, 2009, I would suggest does not
7 permit you to speculate on what the property
8 might be worth five years from now, ten years
9 from now or at some future time if the title
10 can be cleaned up.

11 And if you remember, we've got two problems
12 with the title. Number one is that it's got a
13 tax sale and the tax sale is not insurable by
14 anybody within ten years, and by some title
15 insurance companies, never. And if a title is
16 not insurable, of course, I think we know as
17 attorneys that you can't borrow money against
18 it from a commercial bank.

19 Sure, there might be some avenue of financing,
20 but that limits the market so much that it has
21 to have an effect on the value of the property.

22 And the valuation that was put on by the expert
23 and by the property owner is reasonable and
24 it's in line with what the other tax sale
25 properties that we showed to you sold for, some



1 as little as ten percent of the value of what
2 the property would otherwise have been.

3 But I would suggest to Your Honor that this was
4 basically an uncontested case, because the only
5 evidence from the Assessor is that we didn't
6 even look at an issue, that there is
7 overwhelming evidence in the record, has a
8 tremendous amount of impact on the value.

9 So I would suggest, Your Honor, that if you
10 find Mr. Peeples' testimony credible and if you
11 find that Mr. Staubes' credibly told you what
12 his opinion of value was, then you will have to
13 rule in our favor because there was no evidence
14 to the contrary.

15 The evidence to the contrary did not take into
16 account an important factor. It was noted in
17 the appraisal and then ignored; simple as that.

18 Now, at first I was willing to just accept
19 that, that that's what appraisers do: "We
20 don't even -- we don't even look at that." But
21 then we saw that stipulation in the appraisal
22 manual that had the proviso on the end that
23 said "unless otherwise informed" or some
24 similar words.

25 Well, the County has known about this dispute



1 since the date of the reassessment -- the Board
2 of Assessment hearing. The County appraiser
3 knew about that. The Assessor knew about it.
4 And they chose not to respond to that issue.
5 And I'm sure that I heard Mr. Everman say that
6 he could have evaluated that, but he did not do
7 so, not because he didn't choose to, because
8 that's what he wasn't told to do.

9 Now, Your Honor, there's hardly any law on this
10 that I could find. The closest that I could
11 find was *Long Cove Homeowners' Association*
12 *versus Beaufort County Tax Equalization Board*
13 in which --

14 **THE COURT:** Can you give me the South Carolina site
15 on that?

16 **MR. KOON:** Yes. Yes, sir. 337 SC 135. I'd be
17 happy to hand up a copy. But in that case, the
18 Supreme Court determined that deed restrictions
19 were -- which are matters of title, of
20 course -- deed restrictions were an issue that
21 should have been taken into account in the
22 valuation of property.

23 And the only other case that I found that was
24 even remotely applicable was *South Carolina Tax*
25 *Commission versus South Carolina Tax Board of*



CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 171

1 Review, 287 SC 415 before the Court of Appeals,
2 where the Court said that the value for sales
3 purposes and the market value for taxation
4 purposes were the same.

5 And, of course, our evidence is that the
6 property would not sell for what the otherwise
7 market value would be. And let's assume that
8 would be \$60,000. All of the evidence in the
9 case that was qualified to and did speak to
10 that issue was that this property would not
11 sell for \$60,000 if that was the value. It
12 would sell for something on the order of
13 20 percent less -- 20 percent of that; in other
14 words, 80 percent less.

15 So I would suggest to Your Honor that that is
16 just the uncontested evidence in the case and
17 the determination of value should be in
18 accordance with the testimony presented by the
19 Petitioner.

20 **CLOSING ARGUMENT BY MS. BRUNER:**

21 **MS. BRUNER:** Thank you, Your Honor. Petitioner
22 talks a lot about evidence and their, you know,
23 expert didn't give any opinion of value. I
24 realize that's not what he was qualified for.
25 But at the same time, you know, we keep hearing



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CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 172

1 all these words like "marketability" and "title
2 insurance" and those are all great, but they
3 don't go to the determination of fair market
4 value, which is what our Assessor and her
5 appraisers are charged with doing pursuant to
6 the state statute.

7 You know, the reason that we do this is really
8 for tax purposes. An appraiser is supposed to
9 appraise the total bundle of rights, not
10 isolate one small issue, be it deed or not.
11 They're supposed to look at the entirety of the
12 whole bundle, everything you get.

13 And state law tells us that unless someone's
14 contesting the underlying tax sale that the
15 deed's good. Title to tax property is good.
16 And that's not being contested here.

17 Also, as Mr. Everman testified, he's supposed
18 to appraise the property fair market value and
19 that is outlined in the statute, as well, as a
20 willing buyer, willing seller.

21 You know, there's been no evidence that the
22 title's not good and Mr. Staubes even testified
23 that he's planning to clear it at some point,
24 so that issue is out.

25 Heirs property? I'm not sure that that really



CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 173.

1 works here because, you know, why is it not
2 listed in any of the estates? Why was someone
3 paying taxes on it until 2007?

4 And then they throw out this contention of
5 80 percent, which really doesn't jive with what
6 they're saying, that it's worth 20,000 or
7 11,000. Because if you were to look at \$20,000
8 as the value, 80 -- that's 80 percent of a
9 hundred thousand.

10 So I realize that his testimony kind of went
11 around that, but it just doesn't work out and
12 they have no basis for any reason that they're
13 using that.

14 In the County's case, we put up an appraisal
15 from a certified mass appraiser who used
16 comparables right in the area and he did what
17 he was supposed to do according to the statute.
18 You know, assessors don't go out and charge
19 people to assess -- appraise properties based
20 on certain items.

21 **THE COURT:** Let me stop you right there if you don't
22 mind.

23 **MS. BRUNER:** Yes, sir.

24 **THE COURT:** He did testify that he could have taken
25 into consideration the effect of a tax sale,



1 but he wasn't asked to do so; therefore, he did
2 not do so. So that was not part of his
3 opinion. How does that affect my evaluation?

4 **MS. BRUNER:** Well, Your Honor, I believe that the
5 USPAP standards govern how he is supposed to do
6 appraisals and that is not taking into account
7 the titles.

8 I realize that it seems like you could probably
9 go and do other properties based on tax deeds,
10 but that doesn't have any real relevance here
11 because I believe that you can't necessarily
12 take the fact that this was communicated
13 through a tax deed that the title is not good
14 or, you know, not marketable or not insurable.
15 I mean --

16 **THE COURT:** I would agree with you on that in
17 principal. Now, the problem I have in this
18 case is -- because if they came in and made
19 that argument, they would have lost. The
20 problem I have is, we've got an expert,
21 Mr. Peebles, that came in and said under the
22 facts of this case, it is -- it is not a
23 marketable title. So I've got that evidence to
24 weigh. How does that affect --

25 **MS. BRUNER:** Well, I mean, it's -- I wished I'd



1 asked Mr. Peeples if he'd been to the property.
2 He hadn't as of our deposition of December
3 19th.

4 But, you know, Your Honor I would say that I,
5 again, don't think that it has anything to do
6 as much with marketability.

7 And that's just his company. He's just
8 speaking for his company. He didn't say
9 that -- he did say, I believe, in his testimony
10 to the Petitioner, actually, that he's sure
11 there are people in -- no, he actually said it
12 to me, I apologize -- that there are lawyers in
13 the state that would probably insure the title.
14 He didn't qualify that they were necessarily
15 good or bad, but that's not up to him.

16 **THE COURT:** He said there was one company that would
17 loan, but it would only be after ten years and
18 I assume that's on color of title, but ...

19 **MS. BRUNER:** But, Your Honor, we would go back to
20 the state statutes that require our appraisers
21 to appraise things at fair market value and,
22 again, it's that whole bundle of rights.
23 I think that a ruling about any kind of tax
24 deed and taking that into consideration, you
25 know, it -- I think it's interesting that the



1 County has not had any other people contest
2 this issue.

3 But, Your Honor, we would just ask that based
4 on our evidence that we've presented, which is
5 a certified appraisal using great comps, that
6 you would confirm the value that the Assessor
7 has put on it for the 2011 tax year, \$60,000.
8 Thank you.

9 REPLY STATEMENT BY MR. KOON:

10 MR. KOON: Briefly, Your Honor. One point was made
11 that the 20 percent figure does not relate to
12 the \$60,000 new appraised figure.

13 But if you remember, the evidence was that at
14 the Board of Assessment Appeals, the County was
15 contending that the property was worth \$87,000.
16 So that's close -- that's a lot closer to
17 20 percent when you measure \$20,000 contended
18 price as against 80,000 that was the County's,
19 we assume, expert opinion at that time.

20 Now, they've modified their opinion. I guess
21 we could have come back and modified our
22 counter opinion, but that didn't seem to be the
23 good faith thing to do.

24 But -- so I don't think that argument really is
25 on point, unless you consider the higher value



CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 177

1 that was being debated at the time of the Board
2 of Assessment Appeals.

3 And then, of course, the argument about the
4 bundle of rights that we all go back to in law
5 school, we learn about the bundle of sticks.
6 Well, when you have a tax title, and just as
7 Mr. Peeples said, you don't have all the
8 sticks. So you can't appraise the property as
9 if you did when you don't.

10 And the Board of Assessment Appeals knew that
11 from the start and they chose not to have the
12 appraiser determine that issue.

13 And I just don't think they have presented any
14 evidence to contradict Mr. Peeples and
15 Mr. Peeples said he relied on a title
16 examination, he reviewed title notes and
17 records from the probate court.

18 And the essence of heirs property is that there
19 are not sufficient probate records. And if you
20 remember, he testified that there were several
21 estates for people with similar names, but none
22 of them mentioned the property that is the
23 subject of this action; therefore, there is no
24 estate that would serve to assist in clearing
25 the title to the property.



CONNERY PROPERTIES V. CHARLESTON COUNTY ASSESSOR 178

1 You know, when you look at -- I don't know if
2 Your Honor did title exams when you were
3 younger like I did when I was in law school,
4 but you go to the probate court and what you
5 want to find is you want to find that Emily
6 Grant died in 1985 -- sorry for her, but what
7 you want to find is a record and that the
8 estate -- the probated estate mentioned 9
9 Miranda Holmes Street and who the heirs were.
10 But that is not detectible under probate court
11 records, as Mr. Peeples testified. So the
12 argument that there are estates that didn't
13 show the property is not an argument that the
14 title is good. It's a further argument that
15 the title is no good.
16 So we've got two problems. One being that the
17 tax deed, which is not insurable for at least
18 ten years, and, of course, the critical date is
19 2009, so that's really not a factor.

20 **THE COURT:** It would be --

21 **MR. KOON:** But most title insurance companies will
22 not insure the title at all.

23 **THE COURT:** All right. The appraisal's 12/31 what
24 date?

25 **MR. KOON:** 2009.



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1 MS. BRUNER: 2009, Your Honor.

2 THE COURT: 2009.

3 MR. KOON: And the tax deed was 3/27/2009.

4 THE COURT: All right.

5 MR. KOON: Thank you, Your Honor.

6 THE COURT: All right. Well, I'm going to have to
7 think about this, so I'm going to issue a
8 decision in writing later on. I may ask for
9 proposed orders, but --

10 MR. KOON: Be happy to.

11 THE COURT: -- I have to think about it first. So
12 thank y'all for time. This hearing is
13 adjourned.

14 (The hearing concluded at 3:36 p.m.)
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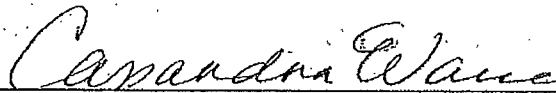
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CERTIFICATE

This is to certify that the within hearing consisting of one hundred seventy-nine (179) pages, is a true and correct transcript of the testimony given by said witnesses after being duly sworn; said hearing was reported by the method of Stenotype with Backup.

I further certify that I am neither employed by nor related to any of the parties in this matter or their counsel; nor do I have any interest, financial or otherwise, in the outcome of same.

IN WITNESS WHEREOF I have hereunto set my hand and seal on May 1, 2014.



Cassandra E. Vance
Court Reporter

Notary Public for South Carolina
My Commission Expires: February 26, 2018

CHARLESTON COUNTY
BOARD OF ASSESSMENT APPEALS
DECISION



OWNER: CONNERY PROPERTIES, INC.
PID#: 11/460-07-01-077
BAA#: 11:0060
Date of Decision: 7/1/2013

The subject property is a 4,880 square foot vacant lot located on 9 Maranda Holmes Street, Charleston. The subject property is zoned DR-2F, and has street parking, and possible off street parking due to the size of the lot. The Assessor's Office was represented by Lawana Schulze, Residential Appraiser Supervisor. The Appellant appeared on his behalf.

Ms. Lawana Schulze began by stating that the subject property is a 4,880 square foot vacant lot that is zoned DR-F2. She stated that this property could have two to three single family residences built on the land. Ms. Schulze stated that the issues the appellant wanted addressed were that the subject property's street has very limited parking, has an unclear title, and was purchased at a tax sale. Ms. Schulze utilized the Sales Comparison Approach to determine the value. She used six comparable sales, making adjustments for the market, location, use and zoning, and the city's approval to build on the property. With the adjustments factored in, the indicated range of value was between \$75,000 and \$122,000. Based on the analysis and conclusions from the report, Ms. Schulze determined the value for the subject property for date of value of December 31, 2009, to be \$87,000.

Mr. Keller Staubes began by stating that due to the width of the street, parking was only available on one side, making it hard for multiple homes to be built on the lot. He stated that he was only 880 square feet over the 4,000 square foot limit to build more than two residences on the lot. He explained that the subject property had a tax title and it was unmarketable. He stated that it showed in his exchange the amount of money already spent to correct the title was more than what he purchased the property for. He stated that he could not place up to three residences on the property due to the lack of parking and that two residences would make it tight for parking as well. He stated that the road was only thirty feet wide, including space for parking, where the subject property was a total of forty feet wide. He asked the Board to set the value of the subject property at a value of \$20,000.

The Board allowed cross-examination from both parties. Mr. Staubes did ask why the subject property was not utilized as a comparable sale due to him purchasing it within the date of valuation. Ms. Schulze stated that there were six comparable sales already utilized. Ms. Toy Glennon, Charleston County Assessor, asked the Board if Jessica DeWeerth, Paralegal, Charleston County Assessor's Office, could explain the law on tax deeds. The Board allowed this, and Ms. DeWeerth explained the tax deed law, and also explained that owners could place residences on the property, or even mobile homes. Ms. Glennon explained some on the law as well. Mr. Staubes did state that it is difficult to place residences on the property due to not knowing if the property is solely owned since purchased at the tax sale. He stated that he agreed that mobile homes may be easier to place on the property since they are able to be moved, where a home is not.

After carefully considering the information presented, the Charleston County Board of Assessment Appeals sets a compromised value of \$60,000 as of December 31, 2009. The Board rendered this decision since the size adjustments were incorrect to the subject property provided by the Assessor's Office.

Lynn Carmody, Chair
Chaud Plug, Vice Chair
Lolly Fabian
David Wernan
Michael Buhmeyer
Ben Bryson
Joe Good, III
Lydia Pruitt Brooks
Thomas E. Lucy, III



Mr. Ryan Neville
Shawn Wallis
James H. Martin
Michael J. Ferrer
Glenn Goodwin

843-958-4190
Fax: 843-958-4191
P.O. Box 1868
Charleston, SC 29402

BOARD OF ASSESSMENT APPEALS

7/1/2013

CERTIFIED MAIL - RRR

Mr. Keller Staubes
PO Box 12121
Charleston, SC 29422-2121

Re: PID#: 11/460-07-01-077
BAA#: 11-0060
OWNER: CONNERY PROPERTIES, INC.

Dear Mr. Staubes:

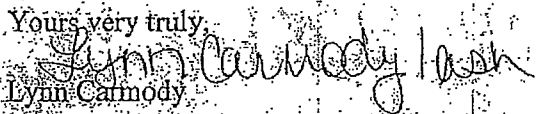
In accordance with your conference before the Charleston County Board of Assessment Appeals held on 6/26/2013, concerning the above-described property, the Board has directed me to advise you of its decision. Therefore, the Board's decision is outlined in the attached "Charleston County Board of Assessment Appeals Decision", dated 7/1/2013.

Either the owner or the Assessor may contest this decision of the Board to the South Carolina Administrative Law Court, Edgar A. Brown Building, 1205 Pendleton Street, Suite 224, Columbia, SC 29201, within thirty (30) days after the date of the Board's written decision. A copy of the Request for Contested Case Hearing must be mailed or delivered to the other parties at the same time. The written request must contain the following:

- A. The name and address of the party requesting the hearing and the issue(s) for which the hearing is requested.
- B. A copy of the County Board's decision from which the contested case is being requested.
- C. The relief requested.

If the Board's decision is not appealed, the Assessor must certify the final value to the County Auditor for entry upon the property tax assessment rolls.

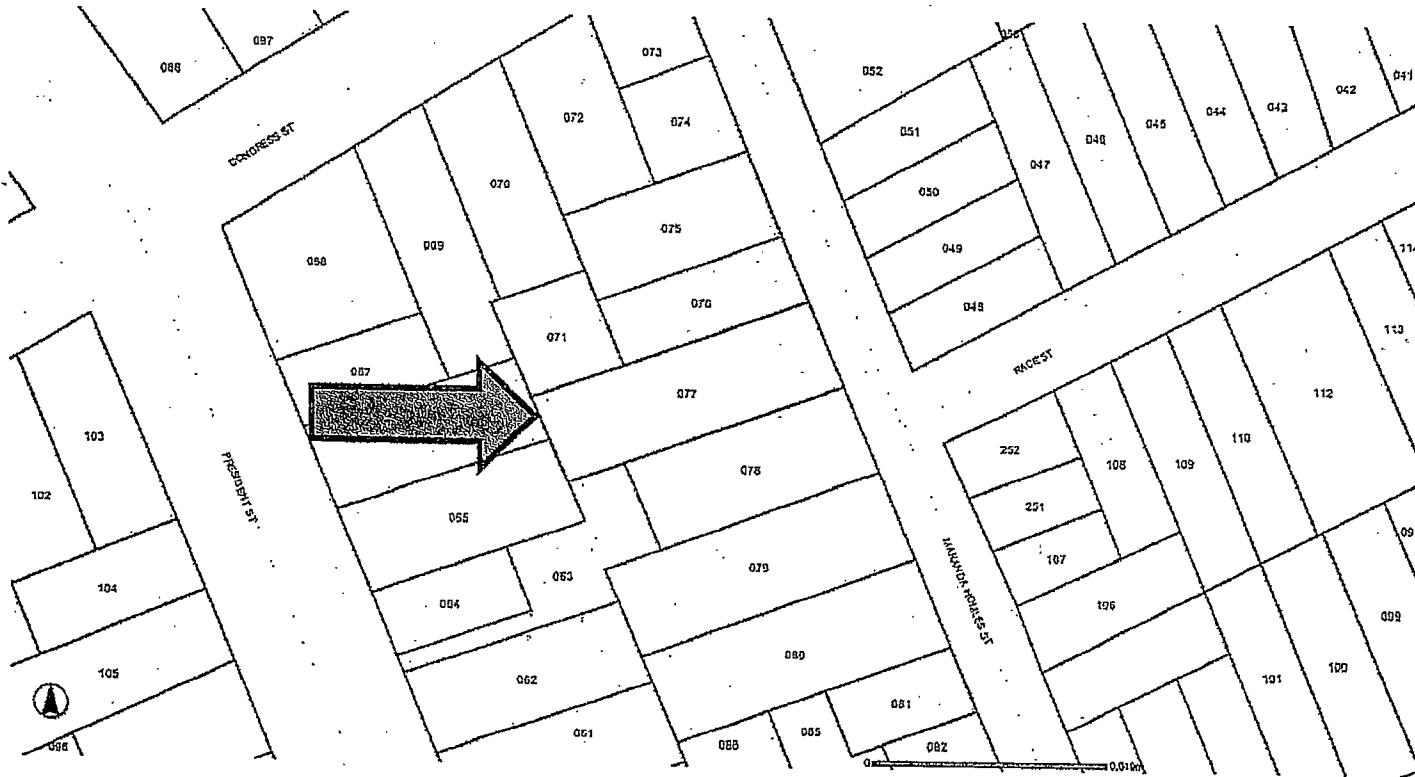
Yours very truly,


Lynn Carmody
Chair

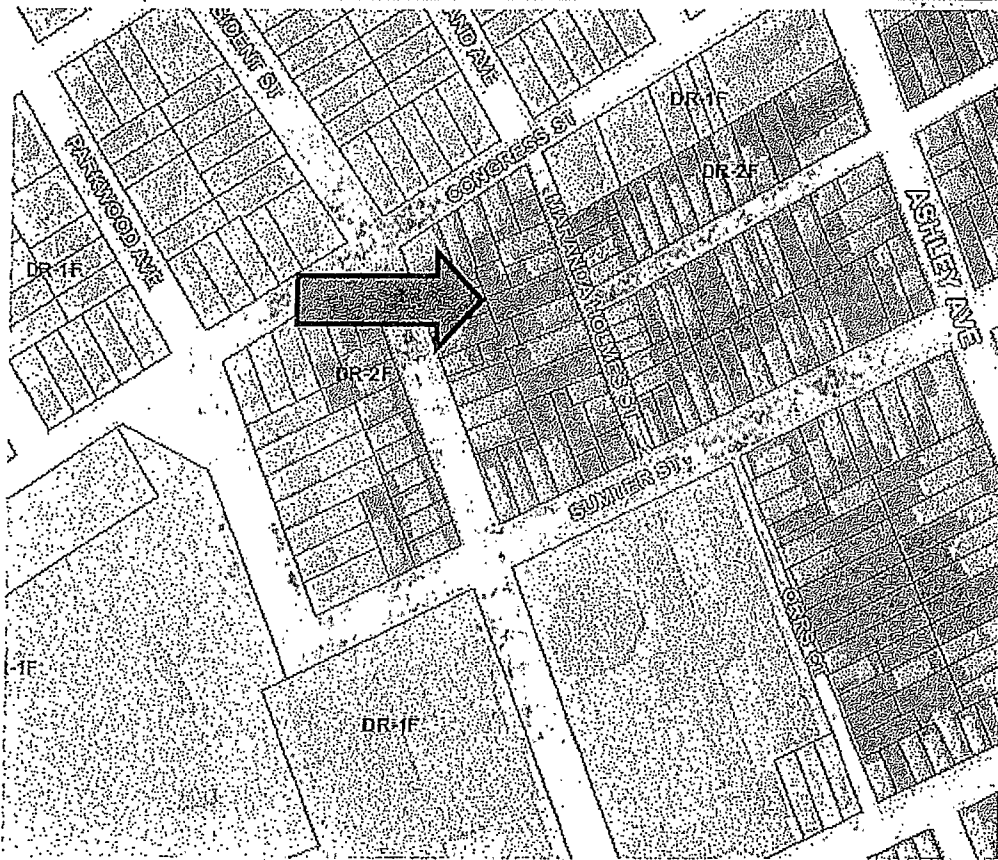
cc: Members, BAA; Toy S. Glennon, Assessor; Joseph Dawson III, County Attorney

9 Maranda Holmes Street, Vacant Residential Lot, Westside - City of Charleston, SC

TAX MAP OF SITE



ZONING MAP - CITY OF CHARLESTON - PORTION OF WESTSIDE NEIGHBORHOOD



The map and data provided on this site should be used for general information purposes only. Please consult the Zoning Department for site specific details such as, Old City, Height District boundaries and limits. [View our full disclaimer.](#)

▪ **Address: 9 MARANDA HOLMES ST - TMS: C460-07-01-077**

Base Zoning Layer

- Property may be included in additional zoning district.
- **Code : DR-2F**

Zoning Overlay Layers

- *Property is included in the following:*
- Old City Height Districts - **50/25**
- Amusement & Recreation Overlay

Map Layers

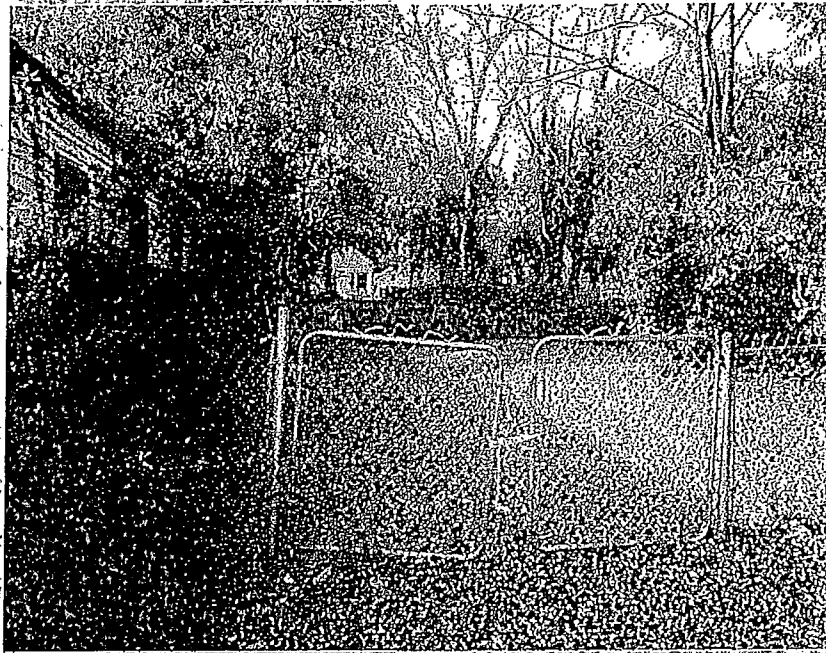
- *Additional Property Details:*
- **Subdivisions :** Gadsden Green
- **Neighborhood Councils :** Westside

SUBJECT PHOTOS



SUBJECT AERIAL PHOTO





VIEW OF SUBJECT LOT FROM FRONT GATE



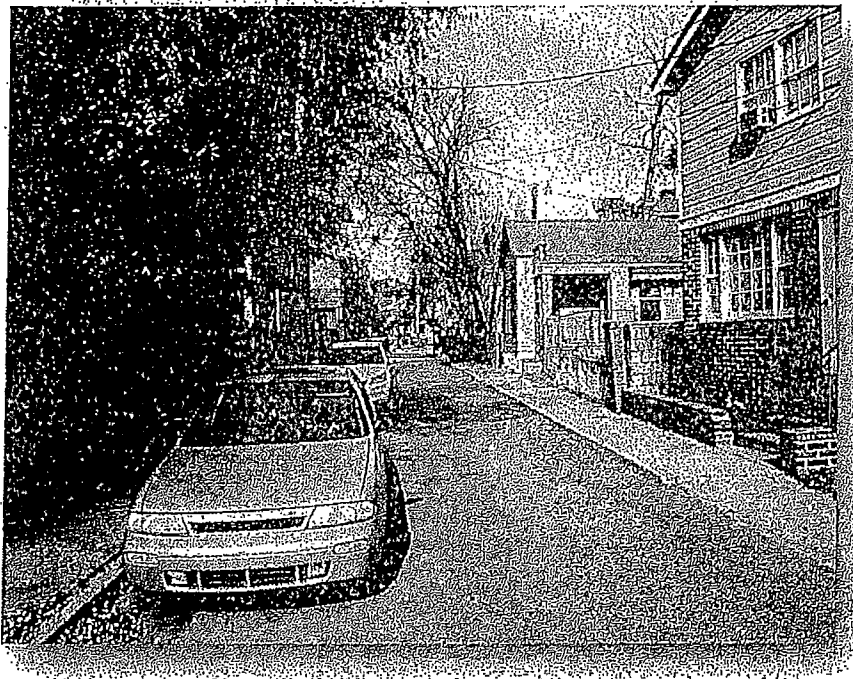
FRONT VIEW OF LOT SHOWING CURB CUT



VIEW FROM REAR OF LOT TOWARD FRONT



VIEW OF STREET – LOOKING SOUTH
(Taken from previous appraisal)



VIEW OF STREET – LOOKING NORTH

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TAX DEED



RMC BK 0044 Pg 300 : 091 *

BP0044300

WHEREAS, by the Acts of the General Assembly of the State of South Carolina and the Statutes of this State, it is provided that hereafter the County Treasurer of Charleston County shall and is hereby authorized and directed to issue in the name of the State a tax execution against each defaulting taxpayer in Charleston County directed to the Delinquent Tax Collector requiring and commanding either to levy the same by distress and sell so much of the defaulting taxpayer's estate, real or personal, or both, as may be sufficient to satisfy the delinquent taxes, assessments, penalties and costs for their collection; and

WHEREAS, it is further provided by said Acts of the General Assembly and Statutes of this State that under and by virtue of said tax execution the Delinquent Tax Collector shall seize and take exclusive possession of so much of the defaulting taxpayer's real property to collect delinquent taxes, assessments, penalties and costs for their collection as provided by law and after due advertisement sell the same at a public auction on a regular sales day and within the usual hours for public sales for legal tender and give to the purchaser (upon his complying with the terms of sale) a receipt for the purchase money but not make title to the purchaser until the expiration of twelve months from the date of sale, if the property sold be not redeemed as provided by law, and attach a copy of the receipt to the tax execution with the endorsement thereon of his action; and

WHEREAS, Andrew C. Smith, CPA, the County Treasurer of Charleston County, has issued a tax execution directed to the Delinquent Tax Collector, by authority of said Acts of the General Assembly of South Carolina and Statutes of this State, against defaulting taxpayer Thomas And Emily Grant, strictly charging the Delinquent Tax Collector of Charleston County to levy by distress and sell so much of the defaulting taxpayer's estate to satisfy the delinquent taxes, assessments, penalties and costs for their collection; and

WHEREAS, by virtue of said tax executions issued for tax year(s) 2006 the Delinquent Tax Collector of Charleston County sent a copy of the tax execution to the aforementioned defaulting taxpayer(s) and further sent on May 31, 2007, via certified mail a notice of delinquent taxes, assessments, penalties and costs to Thomas And Emily Grant, 75 Poplar Street, Unit #10, Charleston, SC 29403-3754, where notice was not received; and

WHEREAS Dionne Brown and Lourenza Greene, deputy delinquent tax collectors, did post proper notice on July 27, 2007 on one or more conspicuous places on the property against which delinquent taxes were assessed and levied; and

WHEREAS, on October 1, 2007, during the usual hours of sale, the Delinquent Tax Collector, after due advertisement, did sell the same and gave receipt to Connery Properties, Inc, the highest bidder, at such sale for the sum of \$11,000.00 dollars; and

WHEREAS, on September 9, 2008, the Delinquent Tax Collector did send via certified mail final notice before end of redemption to Thomas Grant where such notice(s) was not received; and to Emily Grant where such notice(s) was not received; and

WHEREAS, the twelve month redemption period, provided by law, has expired.

NOW, therefore, know all men by these presents that I, Mary M. Scarborough, Delinquent Tax Collector of Charleston County, in the State aforesaid, in consideration of the sum of Eleven Thousand (\$11,000.00) Dollars, to me in hand paid by Connery Properties, Inc the receipt of which is hereby acknowledged, have remised, released and forever quitclaimed and by these presents do remise, release and forever quitclaim unto the said Connery Properties, Inc the property to wit:

All that lot, piece or parcel of land, situate, lying and being on the West side of Court Street between Congress and Sumter Streets in the City of Charleston, County of Charleston and State aforesaid, and known as Lot G, No. 11 Court Street (now known as Maranda Holmes Street).

Measuring and Containing in front on Court Street forty (40) feet by one hundred and twenty-two (122) in depth be the said dimensions more or less.

Being the same property conveyed to Thomas and Emily Grant by deed of The City Counsel of Charleston dated 4/29/1937, and recorded 5/19/1937, in Book S39, at Page 116.

TMS Number: 4600701077
 Grantee's Address: Connery Properties, Inc
 PO Box 12121
 James Island, SC 29422

TO have and to hold, all and singular the premises unto said Connery Properties, Inc, its heirs and assigns, forever.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to said property belonging or in any wise incident or appertaining.

WITNESS my hand and seal this date 3/27/09

Signed, Sealed and Delivered in the Presence of us:

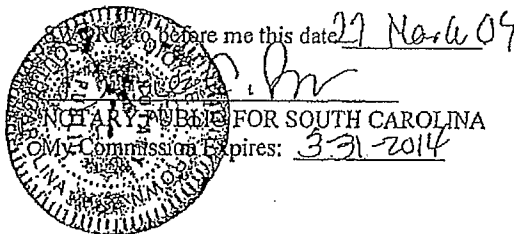
G. Rogers
 First Witness

Joseph S. Barbour
 Second Witness

Mary M. Scarborough
 Mary M. Scarborough
 Delinquent Tax Collector
 Charleston County, South Carolina

THE STATE OF SOUTH CAROLINA)
 COUNTY OF CHARLESTON)

PERSONALLY APPEARED BEFORE, the undersigned, and made oath that he/she saw, Mary M. Scarborough, Delinquent Tax Collector of the County of Charleston sign, seal, and as her act, did deliver the above Deed of Conveyance; and that he/she, with the other witness above named, witnessed the execution thereof.



G. Rogers
 First Witness

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

AFFIDAVIT

Date of Transfer of Title
Closing Date _____, 2009

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property, 4600701077, is being transferred BY the Charleston County Delinquent Tax Collector TO
Connery Properties, Inc ON 3-27-09.
3. The DEED is (check one of the following)
 - (A) X subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (B) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as distribution to a trust beneficiary.
 - (C) _____ EXEMPT from the deed recording fee because (Exemption # _____).
(Explanation If required) _____
(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - (A) X The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$11,000.00.
 - (B) _____ The fee is computed on the fair market value of the realty which is \$ _____.
 - (C) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES _____ or NO _____ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES," the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - (A) \$11,000.00 the amount listed in item 4 above
 - (B) _____ the amount listed in item 5 above (no amount place zero)
 - (C) \$11,000.00 Subtract Line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Grantor.
8. Check if Property other than Real Property is being transferred on this Deed.
 - (A) _____ Mobile Home
 - (B) _____ Other
9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn this 27 day of March, 2009

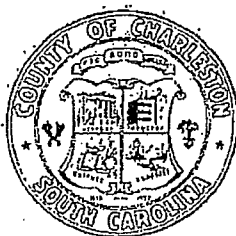
Notary Public for the State of South Carolina
My Commission Expires 3-27-14

Signed Mary M. Scarborough
Grantor, Grantee, or Attorney that prepared this form

Mary M. Scarborough
Print or Type Name Here

RECORDER'S PAGE

NOTE: This page MUST remain with the original document



Filed By:

DELINQUENT TAX

RECORDED

Date: March 30, 2009

Time: 3:39:51 PM

Book	Page	DocType
0044	300	Tax Deed

Charlie Lybrand, Register
Charleston County, SC

MAKER:

GRANT THOMAS AL

Note:

RECIPIENT:

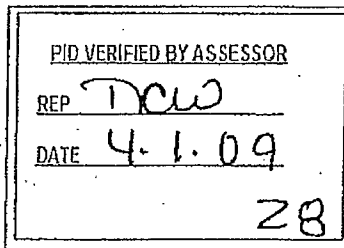
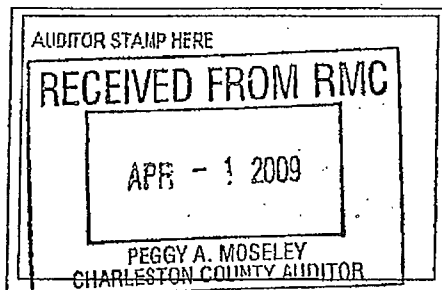
CONNERY PROPERTIES

of Pages: 4

Recording Fee	\$ 10.00
State Fee	\$ 28.60
County Fee	\$ 12.10
Extra Pages	\$ -
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 50.70

Original Book:

Original Page:



DRAWER: Drawer 1
CLERK: TPS



0044
Book



300
Page



03/30/2009
Recorded Date



4
Pgs



Original Book



Original Page



D
Doc Type



15:39:51
Recorded Time

The Re-recording of this Deed is to correct the grantee's name.

RE-RECORD
BK Y419PG153

BK N 413PG009



After Recording Please Return To:
James A. Bell, Attorney at Law
Post Office Box 905
St. George, SC 29477

THE STATE OF SOUTH CAROLINA

KNOW ALL MEN BY THESE PRESENTS, That I, **Angel V. Jacobs**, in the State aforesaid, in consideration of the sum of **Thirty-Two Thousand Five Hundred and 00/100's (\$32,500.00) Dollars**, to me in hand paid by **Connery Properties, INC.**, the receipt of which is hereby acknowledged, have granted, bargained, sold and released and by these presents do grant, bargain, sell and release unto the said **Connery Properties, INC.**, the following described premises:

All that certain piece, parcel or lot of land, with the buildings and improvements thereon, situate, lying and being on Johns Island, County of Charleston, State of South Carolina, and being shown as Lot Y on a plat made by W. L. Galliard, Reg. Surveyor, which said plat is recorded in the Office of the RMC for Charleston County in Plat Book K, Page 47; the said lot having such size, shape and dimensions, more or less, and being bounded as shown on said plat.

The above described property is the identical property conveyed to Angel V. Jacobs by Deed of Clifton Atkinson, Sr. and James H. Atkinson, Jr., as Personal Representatives of the Estate of Annie Mae Hardin Atkinson dated September 22, 1994 and recorded September 26, 1994 in Record Book B-248 at Page 579, Office of the RMC for Charleston County.

TMS# 313-00-00-186

Address of Grantee: Post Office Box 12121
Charleston, SC 29422

This conveyance is made subject to all restrictive covenants and easements of record.

Together with all and singular, the rights, members, hereditaments and appurtenances to said premises belonging or in anywise incident or appertaining.

To have and to hold all and singular the premises before mentioned unto said **Connery Properties, INC.**, its successors and assigns, forever. And I do hereby bind myself and my heirs, executors and administrators, to warrant and forever defend all and singular said premises unto said **Connery Properties, INC.**, its successors and assigns, against myself and my heirs and against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

RECORDED BK N 413PG010
BK Y419PG154

WITNESS my hand and seal this 23rd day of July in the year of our Lord two thousand two and in the two hundred and twenty-seventh year of the independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Dawn R. Mizzell
Witness #1

Angel V. Jacobs
Angel V. Jacobs

Ashley B. Witherspoon
Witness #2

STATE OF SOUTH CAROLINA,

County of Dorchester

BEFORE ME personally appeared the undersigned witness and made oath that (s)he saw the within named Grantor sign, seal, and as Grantor's act and deed, deliver the within written Deed; and that (s)he, with the other witness above subscribed, witnessed the execution thereof.

Dawn R. Mizzell
Witness #1 or #2

Sworn to before me this 23rd
day of July, 2002.

Ashley B. Witherspoon
Notary Public for South Carolina
My Commission Expires: 12/07/08

BK N 413PG011

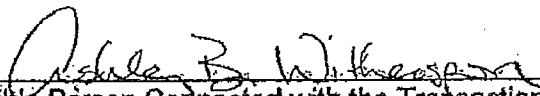
STATE OF SOUTH CAROLINA)
COUNTY OF DORCHESTER)

AFFIDAVIT

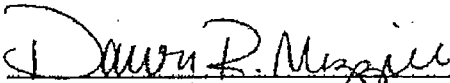
RE-RECORD
BK Y419PG155

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information concerning the new exemption numbers (Senate Bill 564 - June 10, 1997), and I understand this information.
2. The property being transferred is 2914 Cane Slash Road, Johns Island and bears Charleston County Tax Map Number 313-00-00-186 and was transferred by Angel V. Jacobs to Connery Properties, INC. on July 23rd, 2002.
3. The deed is NOT EXEMPT from the deed recording fees, and the FAIR MARKET VALUE is: **\$32,500.00**
4. The deed is exempt from the deed recording fee because (Use new exemption numbers and explain reason for exemption): N/A
5. As required by Code Section 12-24-70, I state I am a responsible person who was connected with the transaction as: () grantor, () grantee, (X) attorney, () other
6. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand (\$1,000.00) dollars or imprisoned not more than one year, or both.


Responsible Person Connected with the Transaction

Sworn to before me this 23rd
day of July, 2002.


Notary Public for South Carolina
My Commission Expires: 10-16-2008

RE-RECORD

Y419PG156

RECORDER'S PAGE

This page Must remain with
the original document.



James A. Bell

P.O. Box 905

St. George, SC

29477

FILED

N 413-09

2002 JUL 30 AM 9:59

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

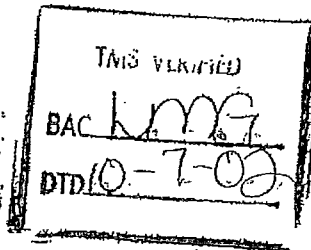
RE-RECORD

FILED

Y419-153

2002 SEP 27 PM 12:36

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC



BK N 413PG012

Recording

Fee

10.00

State

Fee

84.50

County

Fee

35.75

Postage

TOTAL

130.25

Re-Record

Recording

Fee

10.00

State

Fee

County

Fee

Postage

TOTAL

10.00

RECEIVED FROM RMC

OCT 07 2002

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

**PID VERIFIED
BY ASSESSOR**

REP LMG

DATE 8/7/02

RECEIVED FROM RMC

AUG -7 2002

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR



U101 CHARLESTON COUNTY TAX SYSTEM 02-18-2014
 OPER: TRTELA REAL PROPERTY - GENERAL INQUIRY 14:22:31
 TX YR: 2002 PID: 313-00-00-186 PR YR: RCPT: 2002 - 064555 ACT: I RC:
 TD: 51 JUR: 01 HE CD/PCT: ASSR RC: 01 WILL: MTG CD: STAT: CP
 OWN1 1ST: JACOBS ANGEL V UPD OP/DT:
 OWN2 1ST: DEED: 09-27-2002 Y419-153
 OWN1 NXT: CONNERY PROPERTIES INC PLAT: K-47
 OWN2 NXT: ACREAGE APPRAISAL
 TX ADR: 2914 CANE SLASH RD HIGH: LAND: 7,900
 CARE OF: MRSH: IMPR:
 ML ADR: PO BOX 12121 SWMP: BLDG: 37,300
 C,S,Z: CHARLESTON SC 29422 2121 TOT: 45,200
 LEGL DESC: LOT Y BLK C GEN/PAR: SFR 10R
 BLDG APPRAISAL ASSESSMENT SUBD: SEVEN OAKS ADJ:
 USE: RESIDENTIAL UNIT: 1
 OT 100% 45,200 2,710 MILLS: 204.1 TAXES: 553.11
 BILLED: 11-15-2002 CREDITS: 49.27
 PD DT: 12-31-2002 USER FEE: 89.00
 NB DT: % INT: 0.00
 RLB: PEN: 0.00
 TOT 45,200 2,710 PRCT: SW FEE: 0.00
 NRCT: NET AMT: 592.84
 MOD FCTR : 0.00
 ACTION COMPLETE NEXT SCREEN:
 PF2= T904 SCRN PF4=TAX CREDIT

T904 CHARLESTON COUNTY TAX SYSTEM 02-18-2014
 OPER: TRTELA COLLECTIONS - REAL PROPERTY INQUIRY 12:46:56
 RCPT: 2002-064555 ACTION: I LBOX REJ/DT: ORIG TX: 553.11
 RCT PRV: NXT: BILL DT: 11-15-2002 PEN: 0.00
 PRVOWN: % INT: 0.00
 OWNR1: JACOBS ANGEL V CREDITS: 49.27
 OWNR2: SW FEE :
 CAROF: USER FEE: 89.00
 MLADR: PO BOX 12121 2 --ASMT-- AMT PAID: 592.84
 C,S,Z: CHARLESTON SC 29422 2121 OT6 2710 CURR DUE: 0.00
 TAXYR: 2002 PY RLBCK ASMT PAID DT: 12-31-2002
 PROP: 00 RLBCK TAX: ACTL DT: 12-31-2002
 ACCT: 313-00-00-186 MACH/ITEM: SH 07 00051
 SUBD: SEVEN OAKS BD CHK DT:
 LEGAL DESC: 2914 CANE SLASH RD MEMO:
 LOT Y BLK C N/B DT:
 BLD: 0002 ACR: .00 TD: 51 N/B RC: N/B AMT:
 MILLS: 204.1 MTG CD/ID: TRANS AMT:
 JURID: 01 TIF: SS: MAIL RETURN: REFUND AMT:
 APPEAL: CNTY-EQ 01 BANKRUPT: REF CK/DT:
 ACTION COMPLETE
 RCPT: - TAX YR: VIN: TAG:
 PROP: ACCT: PRIOR YR: NEXT SCREEN:
 F1=PRTBIL F2=ADMIN F4=CREDIT F9=MEMO F10=DETLs F17=PRTRCT

DK H357PG117

STATE OF SOUTH CAROLINA :
COUNTY OF CHARLESTON

QUITCLAIM DEED



KNOW ALL MEN BY THESE PRESENTS that National Tax Assistance Corp. a/k/a NTAC ("Grantor") in the State aforesaid for and in consideration of Ten Thousand Seven Hundred and no/100 (\$10,700.00) Dollars, to it in hand paid at and before the sealing of these presents, by Vernon Staubes, (hereinafter the "Grantee") in the State aforesaid, the receipt whereof is hereby acknowledged, has bargained, sold, quitclaimed and released and by these presents does bargain, sell, quitclaim and release unto the said Vernon Staubes, his heirs and assigns, any and all interest, if any, which the Grantor may have in the following property:

All that certain piece, parcel and lot of land with improvements thereon, lying, being and situate on Johns Island in the County of Charleston, State of South Carolina, and more particularly designated as Lot one (1) on a map of Metts Acres Subdivision by A.L. Glen, C.E., dated March 1957, and recorded in the office of the RMC for Charleston County in Plat Book L at page 84, reference being made to said plat for a more complete description of the property conveyed.

TMS# 313-00-00-187✓

Derivation: This is the same property conveyed to Grantor by Tax Deed and recorded in Deed Book Y342 at page 92.

Grantee's Address: Post Office Box 16034
Charleston, SC 29422

BK W357PG118

Together with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining. To Have and To Hold all and singular the premises before mentioned unto the said Grantee, his/her/its heirs, successors an assigns forever.

IN WITNESS WHEREOF that National Tax Assistance Corp. a/k/a NTAC has caused these presents to be executed in its name this 26 Day of October in the year of our Lord two thousand.

Signed, Sealed and Delivered
in the Presence of:

National Tax Assistance Corp.
a/k/a NTAC

Denene Polston
(Witness 1/ Signature)

[Signature]
(Witness 2/ Signature)

BY: [Signature]
Its PRESIDENT
Grantor

BK W357PG119

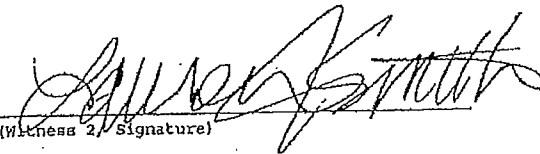
STATE OF Massachusetts)

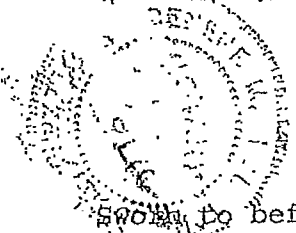
PROBATE

COUNTY OF SUFFOLK)

Personally appeared before me the undersigned witness and made oath that (s)he saw the within named Grantor sign, seal, and as its act deliver the above Deed, and that the undersigned along with Denene Polston witnessed the execution thereof.

(Witness/Notary/Print)


(Witness 2, Signature)

 Sworn to before me this
26 day of October, 2000.

Denene Polston

DENENE M. POLSTON
Notary Public
My Commission Expires
November 25, 2005

Notary Public for Massachusetts

My Commission Expires 11-25-05

OK W357PG120

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

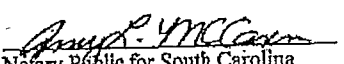
1. I have read the information on this Affidavit and I understand such information.
2. The property being transferred BY National Tax Assistance Corp. a/k/a NTAC TO Vernon Staubes ON October 12, 2000.
3. Check one of the following: The DEED is
 - (a) X subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer or as a distribution to a trust beneficiary.
 - (c) _____ EXEMPT from the deed recording fee because (exemptions 1-12) (If exempt, please skip items 4-7, and go to item 8 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - (a) X The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ 10,700.00.
 - (b) _____ The fee is computed on the fair market value of the realty which is \$ _____.
 - (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES _____ or NO X to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES," the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - (a) \$10,700.00 the amount listed in item 4 above.
 - (b) 0.00 the amount listed in item 5 above (no amount place zero)
 - (c) \$10,700.00 Subtract line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Attorney for Grantee.
8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.


Grantor, Grantee, or Legal Representative
connected with this transaction

ROBERT H. MOZINGO

Print or Type Name Here

Sworn to before me this 31st
day of October, 2000.


Notary Public for South Carolina
My Commission Expires: 09/12/04

RETURN TO
CLAWSON & STAUBES

OK W357PG121

FILED

W 357-117

2000 NOV -1 PM 4:04

CHARLIE LYBRAHD
REGISTER
CHARLESTON COUNTY SC

File
PS

T. ...	...IED
BA	<i>gn</i>
DTB	<i>11-6-00</i>

RECEIVED FROM RMC
NOV 6 2000
PEGGY A. MOSELEY CHARLESTON COUNTY AUDITOR

Recording
#ab 11.00

State
Fee 28.60

County
Fee 12.10

Postage

TOTAL 51.70

A



No. 0102
P. 3

CHARLESTON COUNTY TAX SYSTEM
REAL PROPERTY - GENERAL INQUIRY

02-18-2014
15:23:27

U101
OPER: TRTELA

EX YR: 2000 PID: 313-00-00-187

PR YR:

RCPT: 2000 - 143390 ACT: 1 RC:

ID: 51 JUR: 01 HE CD/PCT:

ASSR RC: 01 WILL: MTG CD: STAT: CP

UPD OP/DT: ADR010 12-22-2000

OWN1 1ST: DIME SAVINGS BANK

DEED: 11-17-2000 U358-424

OWN2 1ST:

PLAT: L-84

OWN1 NXT: STAUBES MARY

ACREAGE APPRAISAL

OWN2 NXT:

HIGH: LAND: 6,300

TX ADR: GROVER RD

MRSH: IMPR:

CARE OF:

SWMP: BLDG: 41,900

ML ADR: 1349 TEAL AVE

TOT: 48,200

C,S,Z: CHARLESTON

SC 29412

TOT: 48,200

LEGL DESC: LT 1

GEN/PAR: SER 10R

BLDG APPRAISAL ASSESSMENT

SUBD: METTS ACRES

ADJ:

LUSE: RESIDENTIAL

UNIT: 1

OT 100% 48,200 2,890

MILLS: 256.8 TAXES: 742.16

BILLED: 12-20-2000 CREDITS: 87.24

PD DT: 12-22-2000 USER FEE: 89.00

NE DT: % INT: 0.00

RLB: PEN: 0.00

PRCT: 2000-032714 SW FEE: 0.00

NRCT: NET AMT: 743.92

TOT 48,200 2,890

MLOD FCTR: 0.00

ACTION COMPLETE

NEXT SCREEN:

PF2= T904 SCRN PF4=TAX CREDIT PF7= PREV RCPT

No. 0102
P. 2

T904

PER: TRTELA

RCPT: 2000-143390

ACT PRV: 2000-032714 NXT:

PRVOWN:

OWNER1: DIME SAVINGS BANK

OWNER2:

CAROF:

MLADR: 1349 TEAL AVE

C,S,Z: CHARLESTON

TAXYR: 2000 PY

PROP: 31

ACCT: 313-00-00-187

SUBD: METTS ACRES

LEGAL DESC: GROVER RD

LT 1

BLD: 0003 ACR: .00 TD: 51

MILLS: 256.8 MTG CD/ID:

JURID: 01 TIF: SS: MAIL RETURN:

APPEAL: CNTY-EQ 01 BANKRUPT:

ACTION COMPLETE

RCPT:

PROP: ACCT:

F1=PRTBIL F2=ADMIN

TAX YR:

VIN:

PRIOR YR:

F4=CREDIT F7=PRVRCPT F9=MEMO

TAG:
NEXT SCREEN:

F10=DETLS F17=PRTRCT

CHARLESTON COUNTY TAX SYSTEM
COLLECTIONS - REAL PROPERTY INQUIRY

ACTION: 1 LBOX REJ/DT:

BILL DT: 12-20-2000

ORIG TX:

PEN:

% INT:

CREDITS:

SW FEE :

USER FEE:

AMT PAID:

CURR DUE:

PAID DT:

ACTL DT:

MACH/ITEM:

BD CHK DT:

MEMO:

N/B DT:

N/B AMT:

TRANS AMT:

REFUND AMT:

REF CK/DT:

02-18-2014

15:23:24

742.16

0.00

0.00

87.24

89.00

743.92

0.00

12-22-2000

12-22-2000

TR 97 000574

OT6

2 --ASMT--

2890

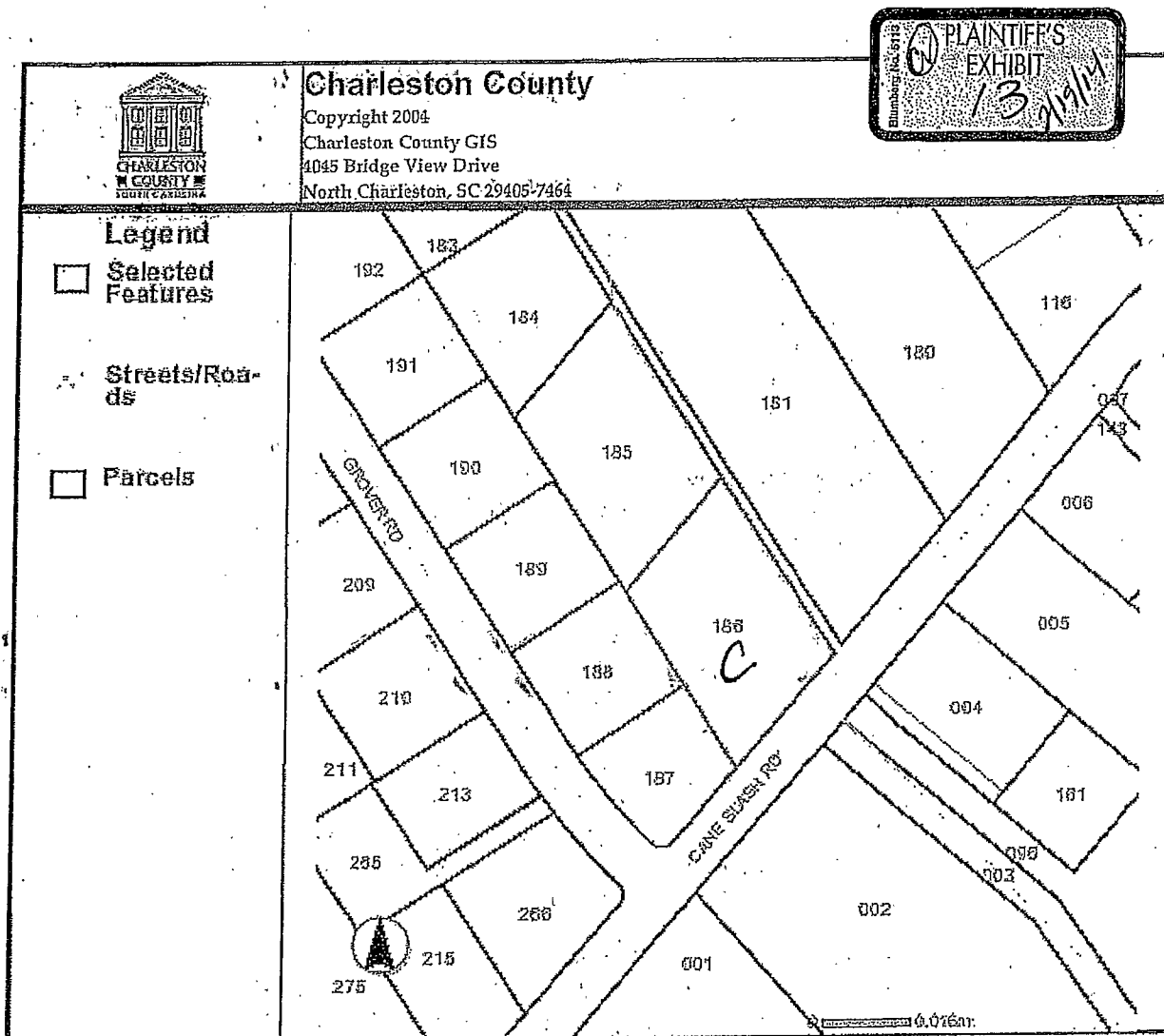
SC 29412

RLBCK ASMT

RLBCK TAX:

N/B RC:

Feb. 18. 2014 3:24PM



PARCEL NUMBER: 3130000186

PARCEL ID: 3130000186
 STREET NUMBER: 2914
 STREET NAME: CANE SLASH RD
 PROP UNIT:
 PROP CITY:
 PROP ZIP: 29455
 SITE NAME: N SIDE APPROX 530FT SW PINELAND DR
 GENERAL USE: SFR
 MOBILE HOMES: 0
 SUBDIVISION: SEVEN OAKS
 LEGAL DESCRIPTION: LOT Y BLK C
 LGL HI ACRES: 0
 LGL MAR ACRES: 0
 LGL WATER ACRES: 0
 LGL SWAMP ACRES: 0
 LGL TOTAL ACRES: 0
 TAX DISTRICT: 51
 JURISDICTION: CTA
 PLAT BOOK: R45-489
 OWNER ON 1ST: CONNERY PROPERTIES INC

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

QUITCLAIM DEED



THIS QUITCLAIM DEED made this 15 day of August, 2002, by TA Escrow 97, Inc., Grantor, to Connery Properties, Inc., Grantee, whose mailing address is P.O. Box 12121, James Island, South Carolina 29422-2121.

WITNESSETH, that the Grantor, for and in consideration of Four Thousand and no/100 (\$4,000.00) Dollars, receipt whereof is hereby acknowledged, has granted, released, and forever quit-claimed, and does hereby grant, release, and forever quit-claim unto the Grantee, the following described land and premises, situate, lying and being in Charleston County, South Carolina, and distinguished as:

ALL THAT CERTAIN piece, parcel or lot of land, situate, lying and being in the Town of Lincolnville, County of Charleston, State of South Carolina, measuring and containing one-half acre, more or less, butting and bounding on the North by lands, now or formerly, of Maggie Gourdin, for a distance of one hundred twenty (120') feet, on the East by Nash Street for a distance of one hundred ninety five (195') feet, and on the South by Railroad Avenue, for a distance of One hundred twenty (120') feet, and on the West by lands, now or formerly, of Taylor, for a distance of one hundred ninety five (195') feet; all measurements being a little more or less; and being the property formerly owned by Edwin Gourdin.

This being the same property conveyed to Grantor, by tax deed of James M. Farris, Delinquent Tax Collector for Charleston County, South Carolina dated December 22, 1998, and recorded on February 8, 1999 in the Office of the R.O.D. for Charleston County in Deed Book 319 at page 71.

W

Tax Map Number 385-01-00-050

THIS conveyance is made subject to all covenants, restrictions, easements, rights-of-way and other matters of record and such matters as would be shown by a current plat affecting the within-described property.

THIS conveyance is further made subject to the following disclosures and disclaimers: (i) Grantor acquired the property described above at a tax sale for delinquent property taxes; (ii) Grantor has never made an inspection of the property; (iii) Grantor has never had any control or use of the property; (iv) Grantor has no knowledge of the condition of the real estate or any improvements thereon; (v) Grantor disclaims any warranties, express or implied, as to the habitability, merchantability or fitness for any purpose; (iv) The property is hereby conveyed in "as-is" condition.

BKG 431PG748

TO HAVE AND TO HOLD all and singular said property unto Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed the day and year first above written.

Grantor:

TA ESCROW 97, INC.

By: [Signature] (SEAL)
Its: Vice President

Witnesses:

[Signature]
[Signature]

STATE OF FLORIDA

COUNTY OF Orange

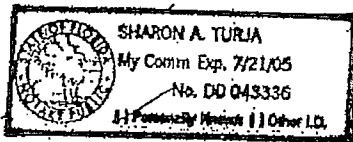
This Quitclaim Deed was acknowledged before me on August 15, 2002, by Aloufess. Sale, the duly appointed Vice President of TA Escrow 97, Inc. on behalf of the corporation.

WITNESS, my hand and official seal this 15th day of August, 2002.

[NOTARIAL SEAL]

My Commission Expires: 7/21/05

[Signature]
Notary Public



STATE OF SOUTH CAROLINA }
COUNTY OF CHARLESTON }

AFFIDAVIT

Date of Transfer of Title

{ Closing Date _____ }

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property is being transferred BY TA ESCROW #7, INC.
TO CONNERRY PROPERTIES, INC. ON AUGUST 15 2002
3. The DEED is (check one of the following)
 - (A) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (B) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as distribution to a trust beneficiary.
 - (C) ☐ EXEMPT from the deed recording fee because (Exemption # _____)
(Explanation if required) _____
(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - (A) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ 4000.00
 - (B) ☐ The fee is computed on the fair market value of the realty which is \$ _____
 - (C) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____
5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES," the amount of the outstanding balance of this lien or encumbrance is \$ _____
6. The DEED Recording Fee is computed as follows:
 - (A) _____ the amount listed in item 4 above
 - (B) _____ the amount listed in item 5 above (no amount place zero)
 - (C) _____ Subtract Line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: GRANTEE
8. Check if Property other than Real Property is being transferred on this Deed:
 - (A) ☐ Mobile Home
 - (B) ☐ Other
9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn to this 31ST Day of DECEMBER, 2002
Dea. P. Smith
Notary Public for SOUTH CAROLINA
My Commission Expires: 1-17, 2012

Connery Properties, Inc.
Signed V. Keller Staubes Jr
Grantor, Grantee, or Attorney that prepared this form
V KELLER STAUBES JR
Print or Type Name Here

RECORDER'S PAGE

This page must remain with
the Original Document



BKG 431 PG 750

CONNERY PROPERTIES

Recording
Fee 10.00
State
Fee 10.40
County
Fee 4.40
Postage
Total 24.80

C

FILED

G431-747

2002 DEC 31 AM 9:37

CHARLESTON
REGISTER
CHARLESTON COUNTY SC

PID VERIFIED
BY ASSESSOR
REP LMG
DATE 1/15/03

RECEIVED FROM RMC

JAN 16 2003

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR



U101 CHARLESTON COUNTY TAX SYSTEM 02-18-2014
OPER: TRTELA REAL PROPERTY - GENERAL INQUIRY 16:20:35
TX YR: 2002 PID: 385-01-00-050 PR YR: RCPT: 2002 - 151397 ACT: I RC:
TD: 44 JUR: 01 HE CD/PCT: ASSR RC: 01 WILL: MTG CD: STAT: D
OWN1 1ST: TA ESCROW 97 UPD OP/DT: AUR010 02-05-2003
OWN2 1ST: DEED: 12-31-2002 G431-747
OWN1 NXT: CONNERY PROPERTIES INC PLAT: NONE
OWN2 NXT: ACREAGE APPRAISAL
TX ADR: 774 RAILROAD AVE HIGH: LAND: 12,000
CARE OF: MRSH: IMPR:
ML ADR: PO BOX 12121 SWMP: BLDG: 21,000
C,S,Z: JAMES ISLAND SC 29422 2121 TOT: 33,000
LEGL DESC: GEN/PAR: SER 10R
BLDG APPRAISAL ASSESSMENT SUBD: LINCOLNVILLE ADJ:
LUSE: RESIDENTIAL UNIT: 1
OT 100% 33,000 1,980 MILLS: 296.6 TAXES: 587.26
BILLED: 02-07-2003 CREDITS: 107.25
PD DT: USER FEE: 89.00
NB DT: % INT: 0.00
RLB: PEN: 0.00
TOT 33,000 1,980 PRCT: 2002-125634 SW FEE: 0.00
NRCT: NET AMT: 569.01
ACTION COMPLETE MLOD FCTR : 0.00
PF2= T904 SCRN PF4=TAX CREDIT PF7= PREV RCPT NEXT SCREEN:

T904 CHARLESTON COUNTY TAX SYSTEM 02-18-2014
 OPER: TRTELA COLLECTIONS REAL PROPERTY INQUIRY 16:21:02
 RCPT: 2002-125634 ACTION: I LBOX REJ/DT: ORIG TX: 587.26
 RCT PRV: NXT: 2002-151397 BILL DT: 11-15-2002 PEN: 0.00
 PRVOWN: % INT: 0.00
 OWNR1: TA ESCROW 97 CREDITS: 107.25
 OWNR2: SW FEE :
 CAROF: USER FEE: RESIDENTIAL
 MLADR: PO BOX 20 2 --ASMT-- AMT PAID: 480.01
 C,S,Z: WINTER PARK FL 32790 0020 OT6 1980 CURR DUE: 0.00
 TAXYR: 2002 PY RLBCK ASMT PAID DT: 12-31-2002
 PROP: 00 RLBCK TAX: ACTL DT: 12-31-2002
 ACCT: 385-01-00-050 MACH/ITEM: SH 07 00057
 SUBD: LINCOLNVILLE BD CHK DT:
 LEGAL DESC: 774 RAILROAD AVE MEMO: Y
 N/B DT: 02-04-2003
 BLD: 0001 ACR: .00 TD: 44 N/B RC: AUR010 N/B AMT: 480.01-
 MILLS: 296.6 MTG CD/ID: TRANS AMT:
 JURID: 01 TIF: SS: MAIL RETURN: REFUND AMT: 480.01
 APPEAL: CNTY-EQ 01 BANKRUPT: REF CK/DT: 9999 03-28-2003
 ACTION COMPLETE
 RCPT: - TAX YR: VIN: TAG:
 PROP: ACCT: PRIOR YR: NEXT SCREEN:
 F1=PRTBIL F2=ADMIN F4=CREDIT F8=NXTRCPT F9=MEMO F10=DETLS F17=PRTRCT



KG 431PG751

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

QUITCLAIM DEED

THIS QUITCLAIM DEED made this 15 day of August, 2002, by TTCC Properties, Inc., Grantor, to Connery Properties, Inc., Grantee, whose mailing address is P.O. Box 12121, James Island, South Carolina 29422-2121.

WITNESSETH, that the Grantor, for and in consideration of One Thousand and no/100 (\$1,000.00) Dollars, receipt whereof is hereby acknowledged, has granted, released, and forever quit-claimed, and does hereby grant, release, and forever quit-claim unto the Grantee, the following described land and premises, situate, lying and being in Charleston County, South Carolina, and distinguished as:

ALL THAT CERTAIN PIECE, parcel or tract of land, together with the buildings and improvements thereon, if any, situate, lying and being in Charleston County, South Carolina, and known and designated as Lot 914, Block V-Z, on a plat of the subdivision known as Dorchester Terrace, Section Five, which plat is duly recorded in the RMC Office for Charleston County in Plat Book F, at Page 148, said lot in general having such size, shape and dimensions, more or less, as will by reference to said plat more fully appear.

This being the same property conveyed to TA Escrow '97 by deed of James M. Farris, Delinquent Tax Collector of Charleston County recorded February 8, 1999 in Deed Book W-319, Page 262, RMC Office for Charleston County recorded February 8, 1999 in Deed Book W-319, Page 262, RMC Office for Charleston County, South Carolina. This also being the same property conveyed to TTCC Properties, Inc. by deed of TA Escrow 97 dated May 27, 1999 and recorded in Book E-328, Page 150, RMC Office for Charleston County, South Carolina. Property address: 14 Aintree Avenue, Charleston, SC.

Tax Map Number 469-09-00-086

THIS conveyance is made subject to all covenants, restrictions, easements, rights-of-way and other matters of record and such matters as would be shown by a current plat affecting the within-described property.

THIS conveyance is further made subject to the following disclosures and disclaimers: (i) Grantor acquired the property described above at a tax sale for delinquent property taxes; (ii) Grantor has never made an inspection of the property; (iii) Grantor has never had any control or use of the property; (iv) Grantor has no knowledge of the condition of the real estate or any improvements thereon; (v) Grantor disclaims any warranties, express or implied, as to the habitability, merchantability or fitness for any purpose; (iv) The property is hereby conveyed in "as-is" condition.

BKG 431PG752

TO HAVE AND TO HOLD all and singular said property unto Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed the day and year first above written.

Grantor:

TTCC PROPERTIES, INC.

By: [Signature] (SEAL)
Its: Vice President.

Witnesses:

Virginia A. Donaghy
Sharon Turia

STATE OF FLORIDA)

COUNTY OF Orange)

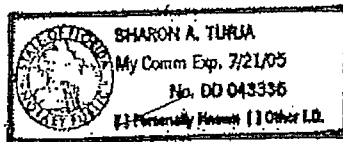
This Quitclaim Deed was acknowledged before me on August 15th, 2002, by Douglas Z. Hale, the duly appointed Vice President of TTCC Properties, Inc. on behalf of the corporation.

WITNESS, my hand and official seal this 15th day of August, 2002.

[NOTARIAL SEAL]

My Commission Expires: 7/21/05

Sharon A. Turia
Notary Public



STATE OF SOUTH CAROLINA }
COUNTY OF CHARLESTON }

AFFIDAVIT

Date of Transfer of Title

{ Closing Date _____ }

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.

2. The property is being transferred BY TTCG PROPERTIES, INC.

TO CONNERRY PROPERTIES, INC.

ON AUGUST 15 2002

3. The DEED is (check one of the following)

- (A) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (B) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as distribution to a trust beneficiary.
- (C) ☐ EXEMPT from the deed recording fee because (Exemption # _____).
(Explanation if required) _____
(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)

4. Check one of the following if either item 3(a) or item 3(b) above has been checked.

- (A) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ 1000.00
- (B) ☐ The fee is computed on the fair market value of the realty which is \$ _____
- (C) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____

5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES," the amount of the outstanding balance of this lien or encumbrance is \$ _____

6. The DEED Recording Fee is computed as follows:

- (A) ☐ the amount listed in item 4 above
- (B) ☐ the amount listed in item 5 above (no amount place zero)
- (C) ☐ Subtract Line 6(b) from Line 6(a) and place the result.

7. As required by Code Section '12-24-70, I state that I am a responsible person who was connected with the transaction as: GRANTEE

8. Check if Property other than Real Property is being transferred on this Deed:

- (A) ☐ Mobile Home
- (B) ☐ Other

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn this 31ST Day of DECEMBER, 2002
Dea. P. Smith
Notary Public for SOUTH CAROLINA
My Commission Expires: 1-17, 2012

Connery Properties, Inc.
Signed V. Keller Staubes Jr.
Grantor, Grantee, or Attorney that prepared this form
V KELLER STAUBES JR
Print or Type Name Here

PART 1

INTRODUCTION

SUMMARY OF SALIENT INFORMATION

Location: Residential Vacant Lot
9 Maranda Holmes Street
City of Charleston - Westside
Charleston County, South Carolina 29403

Parcel Identification #: 460-07-01-077

Owner: Connery Properties Inc.

Transfer Date: Tax Deed - March 27, 2009 (\$11,000)

Recording: Book: 0044 Page: 300

Type of Transfer: Delinquent Tax Sale - Tax Deed

Property Description: Vacant Lot

Site Area: 4,880 SF = 0.112 Acres - 40 FF x 122

Recording: Plat Book: A Page: 139

Zoning: DR 2F - Diverse Residential

Flood Zone: Flood Zone X, FEMA Map 45019C0512J, Dated 11/17/2004

Highest and Best Use: As Vacant: Develop for 1 or 2 Single Family Residential Units

Land Value: \$60,000

Market Value: \$60,000

Owner's Value: \$20,000

Date of Value: December 31, 2009

Date of Inspection: December 3, 2013

SCOPE OF WORK:

The Scope of Work acknowledges that appraisers have both flexibility and significant responsibility in determining the appropriate scope of work. Communication with the client is required to establish most of the information necessary for problem identification. The requirement to develop “credible assignment results in the context of the intended use” links the appropriate scope of work to the use or uses of the assignment as identified by the client. The goal of the appraiser is to arrive at credible assignment results; to provide information that is reliable, to consider the use and users and to be unbiased. Therefore, the Scope of Work defines the parameters and expectations based on the Intended User, Intended Use, and the Purpose of the appraisal.

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser’s responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

1. the degree to which the property is inspected or identified;
2. the extent of research into physical or economic factors that could affect the property;
3. the extent of data research; and
4. the type and extent of analysis applied to arrive at opinions or conclusions.

REPORT TYPE:

This is a Summary Appraisal Report, as defined by the Uniform Standard of Professional Appraisal Practice under Standards Rule 2-2(b). This format provides a summary description of the appraisal process, subject data and valuation. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser’s file and incorporated into this report by reference. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated earlier in this report. The appraiser is not responsible for unauthorized use of this report.

The scope of this appraisal will include generally recognized and accepted valuation analysis. This includes data collection for subject and comparable properties, area and neighborhood survey, highest and best use analysis, and land valuation. The appraisal process included evaluation of supporting data discovered in the investigation portion of the appraisal process. This information may be presented within the body of the appraisal or found in the addendum.

The appraisal concepts and methods employed were conducted at a level consistent with what is appropriate for the property in question. The scope was not predetermined but was determined during the appraisal process by the complexity of all factors involved. The scope of the appraisal and the scope of the report were determined to ensure the intended users are provided with an appraisal that correctly and adequately addresses each known pertinent issue related to the subject property at the time of appraisal.

The applicable approach was developed and explained in sufficient detail for the reader to understand the information considered by the appraiser and how that information impacted the value conclusion.

DATE OF SITE VISIT:

A site visit to the property was made on December 3, 2013. At that time, the property was gated and locked. The appraiser noted the physical characteristics and surrounding properties from the street. Photos were taken that are included in the body of the report. It is assumed in this appraisal that the character and condition of the property at this site visit was representative of the character and condition of the property on the effective date of December 31, 2009.

SURVEY OF FACTORS/INFLUENCES ON THE SUBJECT PROPERTY:

A survey was conducted of the market for similar single family lot sales and for similar properties that sold prior to the date of value, or immediately surrounding the date of value. It is noted that the subject property was not listed for sale on the effective date.

PROPERTY RIGHTS APPRAISED:

A **fee simple estate** is considered the entire bundle of rights of the subject parcel. No personal property, trade fixtures, or intangible items are included in a fee simple value. Fee Simple is an:

"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. "

(Ref. The Appraisal of Real Estate Appraisal, 13thth Edition, 2008, by the Appraisal Institute, page 114)

This valuation is made with the understanding that the present ownership of the subject property includes all of the rights that may be lawfully owned and is, therefore, **Title in Fee Simple**. As of Tax Year 2011, the property had minimal on-site improvements consisting of chain link fencing (including a gate) on or near the perimeter of the lot.

EXTRAORDINARY ASSUMPTIONS:

USPAP defines an Extraordinary Assumption as: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. The following extraordinary assumptions have been made in this appraisal:

- This appraisal is based on a retrospective date of value. The condition of the subject property, as viewed on the site visit on December 3, 2013, is assumed to be the same or similar as would have been evidenced as of the retrospective date of value of December 31, 2009.

CLIENT/INTENDED USERS:

Client & Primary User: Charleston County Assessor (including staff and representatives)

Additional Intended Users: Charleston County Legal Department
Appellant (Taxpayer; Property Owner; Owner's Representative; and/or Attorneys)
Administrative Law Court – Judge Presiding

Complete copies of the report will be given to all intended users. The appraiser intends to offer testimony regarding the property, the appraisal and the report to the Administrative Law Court. This testimony is supplementary to the report and without the testimony, the position of the appraiser may not be clear.

INTENDED USE:

The purpose of the appraisal is to provide an opinion of the fee simple market value of the subject real property as of the effective date. (As determined for valuation for ad valorem tax purposes). Several definitions of market value are provided on the following page.

The intended use of this appraisal is to aid in discussions of the fee simple market value of the subject property that is being appealed to the Administrative Law Court for Tax Year 2011.

MARKET VALUE DEFINITION:

South Carolina Code of Law section 12-37-930 states:

"...all property shall be valued for taxation at its true value in money which in all cases shall be held to be the price which the property would bring following reasonable exposure to the market, where both the seller and the buyer are willing, are not acting under compulsion, and are reasonably well informed as to the uses and purposes for which it is adapted and for which it is capable of being used."

Market Value is defined by the Office of the Comptroller of the Currency under 12 CFR, part 34, Subpart C – Appraisals, as follows:

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

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their own best interest;
- 3) A reasonable time is allowed for exposure on 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 creative financing or sales concessions granted by anyone associated with the sale."

Market Value is defined in the Appraisal of Real Estate in basic terms as follows:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

(Ref. The Appraisal of Real Estate, 13th Edition, 2008 by the Appraisal Institute, page 23)

As can be seen, the definitions are very similar. Since SC Codes of Laws section 12 governs ad valorem taxation, any differences in the definitions would be resolved based upon state codes.

PART 2

MARKET AND SITE

GENERAL AREA ANALYSIS

In considering and discussing the real estate market in Charleston County, more specifically the residential market in Charleston, as of the date of value (December 31, 2009), it is best (as per the Uniform Standards of Professional Appraisal Practice (USPAP)) to use the effective date of value as the cut-off date for data considered by the appraiser.

I have however included economic and market data that is past the December 31, 2009 date of value. I have done so because there has been much publicity in the last few years about the economy and changes in the real estate market. I have used the data I included to assist in demonstrating when market participants would have had certain information, when they would have realized that changes were occurring, and when they would have come to certain conclusions. I have used the data after the date of value to confirm trends believed to be in place at the end of 2009 and to indicate when realization about market conditions changed and to place those market changes into perspective locally. However, there was no way to know, predict, or otherwise have any actual knowledge of the future that transpired after the end of 2009 (the effective date of value).

GENERAL CHARACTERISTICS

Charleston County is located in the coastal region of South Carolina, in the Southeast corner of the State, approximately 291 miles east of Atlanta GA. The area is known as the “low country” in contrast to the hilly Upstate, the topography is flat, as is typical of the southeastern coastline. There are 95 miles of Atlantic coastline within the county.

Charleston County is the urbanized heart of the Tri-County Area, including Berkeley County and Dorchester County. Charleston County is one of the largest counties geographically in the state with 917 square miles. It is a very wide county, and physically occupies about a third of South Carolinas coast, although there are six coastal counties in the state. It takes more than two hours to traverse the county along the coast. Most of the rural areas in the county are on the extreme east and west side, with the urban core running north & south into the peninsula.

County	Urban Area (Square Miles)	Total Area (Square Miles)	Urban Area (%)
Charleston	163	917	18%
Berkeley	59	1,099	5%
Dorchester	33	575	6%

Dorchester County and the larger, more rural Berkeley County, are seeing greater growth as a percent than Charleston County, as affordable land is in greater supply in those counties. Additionally, these counties have more large tracts of *undeveloped land* close to the urban core than does Charleston, where most undeveloped land is far to the east or west, well away from the Interstate or major transportation corridors.

Since the climate is mild and the average daily temperature ranges from 54 and 75 degrees, the climate is often cited as a reason for tourism.

GEO-POLITICAL INFORMATION

Charleston County was historically defined by its waterways, which provided its major source of income. The port of Charleston and Charleston harbor lies geographically near the center of the County. The Ashley and Cooper Rivers divide the historic heart of Charleston County, peninsula Charleston from areas to the east and west. Running roughly north-south, they geographically divide the county into the peninsula, and the East Cooper and West Ashley areas. Over time major transportation corridors were developed in the areas between the Ashley and Cooper rivers further reinforcing the peninsula/east/west distinctions. Additional waterways define areas such as the Isle of Palms, Sullivan's Island, Folly Beach, James Island, John's Island, Wadmalaw Island, Kiawah Island, Seabrook Island and Edisto Island. Many of these islands are barrier islands, which protect the peninsula and adjacent inland areas from the ocean.

There are a number of cities and towns in Charleston County, including the City of Charleston, the City of North Charleston, and the Town of Mount Pleasant. These three municipalities either are within the urban core, or house the closest bedroom communities to the urban core. Communities that are more rural include the Towns of Hollywood, Meggett, Ravenel, Rockville and Awendaw. Incorporated Resort communities include: the City of the Isle of Palms, the Town of Sullivan's Island, the City of Folly Beach, the Town of Kiawah Island and the Town of Seabrook.

There are several forms of municipal government that can be legally established in South Carolina. Most types are found within the various municipalities in the county. Municipal forms of government include Mayor/Council, Council Administrator.

The County itself is organized as an administrator/council style government. The Council seats are currently elected by single member districts, after years of at-large representation. Under this form of government, the elected Council then hires an Administrator to take care of day-to-day operations. All property is under the jurisdiction of county council unless it is incorporated into a self-governed town or city.

Each sub entity (municipality) works in cooperation with the county police, fire and emergency departments. In addition, there are a number of public service districts in the county that provide various services such as fire protection. The County is charged with assessing and collection of property taxes and the County Auditor (elected) allocates tax monies based on a legally prescribed millage formula.

GEOGRAPHY

The City of Charleston: The City of Charleston is considered the premier city in the area and is the political and social heart of the Tri County area. It sprawls over large portions of the County, due to an aggressive annexation policy. It includes a large suburban area to the west of the peninsula and includes part of Daniel Island in Berkeley County.

The City of Charleston has an extensive and world-renowned historic district in its peninsula area. Consequently, historic preservation is paramount within the confines of the downtown area. This affects development in the area by making demolition almost impossible, thereby restricting redevelopment. In the historic district, significant building height regulations exist and buildings are rarely over three to four stories in height. The architectural review process in the peninsula can be daunting. However, the area is still highly sought after and the few vacant sites that are available are often the subject of fierce competition. As is typical in any older, highly urbanized area, the commercial district exists alongside the residential and tourist areas in the downtown. Buildings are mixed in use, often with retail on the first level and office or residential uses on the upper floors. In the historic area, it is still possible to find artists and shop owners who have a retail operation on the ground floor and live upstairs, often in extremely well restored historic buildings.

The peninsula of the City of Charleston is also the hub for medical treatment for Charleston County. The Medical University of South Carolina (MUSC), is located on the western edge of the peninsula outside the main historic area at the foot of the Ashley River Bridges. MUSC is one of two medical universities in the state, and it is the largest and best known of the two. The Department of Veterans Affairs operates a veteran's hospital adjacent to the MUSC campus.

The peninsula is also home to two institutions of higher learning, The College of Charleston and The Citadel as well as a law school. The College of Charleston is a four-year liberal arts college, with graduate studies available in some disciplines. The Citadel is the Military College of South Carolina. In 1995, it admitted women into the corps for the first time. Finally, the recently founded Charleston School of Law is also located in the peninsula. The presence of these institutions of higher learning affects the socio-economic make-up of the peninsula due to the presence of their student bodies, many of whom choose to live, work and play in the downtown area.

East Cooper Areas: The area known as East Cooper lies to the east of the peninsula, separated by the Cooper River. This is considered the most upscale of the suburban areas and is home to the Town of Mount Pleasant, the Isle of Palms, Sullivan's Island, and (farthest to the East) the rural town of Awendaw. Mount Pleasant and the surrounding areas have been the suburban location of choice for upper middle class professionals due to quality schools, proximity to beaches and ready access to other points in and outside the county via Interstate 526. Growth has been so rapid that the Town of Mount Pleasant was forced to enact a moratorium on growth by means of limiting permits for residential construction. This permit moratorium was in effect for several years, and primarily served to make the area more desirable and to drive development just outside the boundaries of the Town into unincorporated areas. This moratorium was lifted in 2008.

The East Cooper area is home to many of the major regional shopping centers with most major national and regional retailers of any size having a presence in the area. The area has a new 'mall', (Towne Center) which is not an enclosed mall but is far more than a 'power center'. Similarly, most national and regional restaurant chains can be found in the area, sometimes with multiple locations. East Cooper Regional Medical Center and St. Frances Hospital provide major medical facilities. Both have significant expansions planned due to growth in the area. Construction has begun on these, and was completed after the effective date of value (2011). Beach access is via the suburban and resort communities located on the Isle of Palms and Sullivan's Island.

Major transportation corridors are Interstate 526, which terminates in Mount Pleasant, and SC Highway 17 and Highway 41, which provide access into Berkeley County.

James Island: James Island is truly an island and therefore, while it lies to the west, it is a distinct social and geographic area. It is the closest area to the peninsula. Recently the City of Charleston conducted an aggressive annexation campaign in the area, with mixed success. Two incorporations of James Island into a town have been legally challenged by the City of Charleston. A recent effort after the date of value (2012) was successful and will not be challenged by the City. Defensively, some James Islanders have annexed into the adjacent town of Folly Beach, preferring to be part of that municipality and opposing the City of Charleston philosophically.

James Island is too small, geographically, to have the economic impact that the areas to the east and west and north have on Charleston. Being an island, the area has no mainland to "grow" onto. The area is a traditional bedroom community with shopping, restaurants and housing of all types.

Major medical facilities are not located in this area due to immediate and easy access to the MUSC campus across the James Island Connector (fixed span bridge over the intracoastal waterway). The shopping centers in this area tend to be grocery store anchored neighborhood centers and there are no regional centers on the island.

At the far end of James Island is located the barrier island known as the City of Folly Beach.

West Ashley Areas: The area to the West of the peninsula is known as West Ashley. It is suburban and its most dominant municipal influence is the City of Charleston, which has annexed areas sprawling all over the suburban enclaves. High prices for land to the east have driven growth in the west, particularly in the last five years. This area is more affordable than the East Cooper area, yet still has good schools, and offers a variety of shopping opportunities, including a major mall (Citadel Mall). Health Care in this area is centered on the new St. Francis Bon Secours Hospital and medical complex off Interstate 526.

The West Ashley area still has considerable rural areas and includes the small rural towns of Hollywood, Megget and Ravenel. The major transportation corridors in this area are SC Highway 17 (aka Savannah Highway) and Interstate 526.

The Rural areas extending beyond the incorporated small rural towns to the south and southeast are primarily agricultural with interspersed residential, located on creeks and marshes, and ultimately is bordered to the east by the developed barrier Islands of Kiawah, Seabrook, and Edisto.

North Area: the North Area is dominated by the City of North Charleston. Although only incorporated for approximately forty years, the City of North Charleston has the third largest municipal population in the state. North Charleston was home to the Naval Shipyard and is still home to the Charleston Air Force Base. It has historically been a working class area and still is dominated by the working class. In many respects, it is the most affordable area to live in. The housing stock ranges from the old to the new and includes all types of housing and all levels of quality of housing. North Charleston has many older, stable neighborhoods with well-built brick homes dating to the 1930's. These areas are becoming popular with young professionals as they are not only affordable, but offer an alternative to the ubiquitous 'cookie-cutter' tract neighborhoods in the suburbs. Law enforcement and codes enforcement have been aggressive in cleaning up areas that deteriorated after the closure of the Shipyard.

The area is physically at the heart of the tri county area, all the major transportation corridors run through the city. The airport is located in the City as is the area's oldest major mall, (Northwoods Mall) the only coliseum and the largest convention center. Power centers, big box retailers and super regional centers can all be found in North Charleston. Most major restaurant chains are located in the area. An outlet mall was recently completed in North Charleston. The area is growing and older portions are being revitalized.

SOCIAL CHARACTERISTICS

Population: The tri-county region (Charleston, Dorchester and Berkeley Counties) currently has an estimated population of 664,607 as of the 2010 Census. The counties have grown from 549,033 as of the 2000 Census, indicating approximately 2% annual growth over the decade. The gender distribution is 49% male and 51% female.

Charleston County is the third most populated county in the state. The gender distribution as of 2000 was 48% male and 52% female.

1990 Census	295,041 people
2000 Census	309,969
2010 Census	350,209

Individual cities had the following population counts in 2000 and 2010:

	2000	2010	Increase (Decrease)
South Carolina	4,012,012	4,625,364	+13.3%
Charleston County	309,969	350,209	+11.5%
Charleston City	96,650	120,083	+24.2%
Mt. Pleasant	47,609	67,843	+43.5%
North Charleston	79,641	97,471	+22.4%

Tourism: The economy of Charleston County receives a tremendous boost from tourism. Tourism provided an estimated annual economic impact of 5.3 billion dollars in 2008. In 2003, Charleston was ranked in Forbes Magazine as one of the top 10 destinations in North America. Demand for hotel rooms for the year increased from 221,507 in 2005 to 231,694 in 2006. The Average Daily Rate (ADR) and Occupancy Rate for various years is shown below:

	<u>ADR</u>	<u>Occupancy</u>	<u># Rooms</u>
2003	\$105.72	68.24%	13,097
2004	\$112.67	67.78%	13,405
2005	\$129.00	70.1%	N/A
2006	\$138.24	73.00%	13,548
2007	\$116.88	73.5%	14,938
2008	\$120.31	69.25%	15,252
2009	\$113.46	63.89%	14,882
2010	\$114.73	68.47%	14,912

At the end of 2009, room rates, occupancy, and number of available rooms were reported as weakening, the economic conditions had downturned, as evidenced by the yearlong statistics for 2009. Preliminary trends for 2010 showed signs of rebound. The Partners for Livable Communities, a Washington, D.C. based non-profit foundation, included Charleston in its top ten "most livable places" in the United States. Conde Nast Traveler named Charleston among its top five recommended American cities and top twenty cities worldwide.

The greatest occupancy month is April and the lowest is December. Charleston remains a vacation destination because of the variety of attractions. Points of interest in Charleston and surrounding areas are Fort Sumter, Magnolia Plantation and Gardens, historic homes, fine dining, carriage tours and area beaches. There are 25 golf courses in the local area including several world renowned resort courses.

Education: Several institutions of higher learning are located in Charleston County. The Citadel, College of Charleston, Trident Technical College, MUSC Medical University of South Carolina, Charleston School of Law, and the Charleston Southern University provide educational services to the community. There are 79 public schools within the Charleston County School District and 25 private schools.

In 2006, 86% of residents age 25 and above, held a high school diploma or the equivalent. For the 2007-2008 year, total higher education enrollment was 37,577 students. As of the fall of 2003, 35,991 students were enrolled in local college and universities including 11,791 @ Trident Technical College; 11,624 @ the College of Charleston, and 4,057 @ The Citadel.

Medical Services: Charleston County has several hospitals, including: Roper Hospital, Trident Hospital, East Cooper Regional Medical Center, Roper North, St. Francis Bon Secours, the VA Medical Center and MUSC. The presence of the Medical University of South Carolina (MUSC) makes Charleston a statewide center for medical treatment. MUSC was the first medical university to be established in the southeastern United States. In the late 1990's St. Frances Bon Secours opened a new hospital facility in the West Ashley area. In October 2003, MUSC announced (after several years of debate) it secured permission and approval to build a new \$292 million hospital (which opened in 2007). In 2005, East Cooper Regional was granted permission to build a new hospital in Mt. Pleasant. The permitting for this hospital was underway in 2003, and there had been extensive discussion in local media outlets about the proposed new hospital. As of the writing of this report, both hospitals are open and operating.

Recreation: Charleston County has long been the seat of cultural entertainment for the area with the City of Charleston hosting several annual cultural events. Spoleto USA is a summertime festival of the fine arts, including performing arts to painting, sculpture and environmental or site art. It is world famous and is affiliated with the annual festival in Spoleto, Italy. There are symphony offerings, ensembles, instrumental solo performances, opera, operettas, various choral offering, plays, painting and sculpture exhibits as well as multimedia exhibits. Piccolo Spoleto offers family and kid friendly exhibits and venues. Several other food, arts, and sporting events are hosted within the County and Tri-county area.

As a coastal community, there are many area beaches, rivers and creeks providing boating and fishing activities. The North Charleston Coliseum is host to many top performers as well as home to the local Stingrays hockey team. The city is also home to the professional Single A Charleston River Dogs baseball team. Several upscale resorts are located in the county, including Wild Dunes, Seabrook Island and the world famous Kiawah Island Resort.

Transportation: The Port of Charleston is a major employer and has a great impact on the economy. In 1999, TEU's (Twenty Foot Equivalent Units) at the port totaled just over 1,000,000. By the end of 2003 that number was at 1,750,000. The 2004 Port output units totaled 1,800,000. The Port of Charleston still remains one of the busiest ports along the Atlantic coast.

Vehicular traffic is served by Interstate 26, which is the major east west interstate in South Carolina. Interstate 526 provides suburban access. It intersects Interstate 26 and provides a connection of the northern and southern portions of the county, and circles the Charleston Peninsula. SC Highway 17 roughly follows the South Carolina coast, providing access to points up and down the coast. Air transport is provided by the Charleston International Airport, which is served by most of the major airlines. Cruise traffic out of the port of Charleston grows yearly and serves to enhance tourism in the downtown area when cruise ships disembark.

ECONOMIC CHARACTERISTICS

Economic: The national economic condition has been reasonably stable over the past several years. One National Economic Indicator, the Prime Lending Rate, was as follows:

Year *End	Prime *Lending Rate	USA CPI
2003	4.00%	2.3%
2004	5.25%	2.7%
2005	7.25%	3.4%
2006	8.25%	3.2%
2007	7.25%	2.8%
2008	3.25%	3.8%
2009	3.25%	2.7%
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2010	3.25%	1.5%

At the end of 2009, the US unemployment rate in the US was 9.7%. By contrast, the rate in Charleston County was 8.7%. Charleston's rate was 11% below the national rate and 28% below the SC rate. The below chart shows that Charleston's rate has historically tended to be better than South Carolina's and has rarely been worse than the US rate.

Unemployment Rate	US	Charleston	So. Carolina
1999	4.0%	4.3%	3.9%
2000	4.0%	2.9%	3.7%
2001	5.7%	4.4%	5.9%
2002	6.0%	4.8%	6.3%
2003	5.7%	5.0%	6.7%
2004	5.4%	5.2%	6.9%
2005	4.8%	5.1%	6.7%
2006	5.1%	4.2%	6.1%
2007	4.6%	4.1%	5.5%
2008	7.3%	6.4%	9.3%
2009	9.7%	8.7%	12.0%
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2010	9.4%	7.7%	10.7%

The following is a list of major employers that were located within the area as of 2009.

<u>Employer</u>	<u>Service or Product</u>	<u># of Employees</u>
Naval Weapons	Military	17,000
Intertech Group	Chemicals	16,000
MUSC	Medical	9,520
USAF Base	Military	7,509
Chas County Schools	Education	5,000/5,508
Piggly Wiggly	Grocery	2,500/2,900
Charleston County	Government	2,293
City of Charleston	Government	1,619/1,753
Mead Westvaco	Paper Making	1,596/1,700
Santee Cooper	Power Generation	1,097/1,189

The Federal Government and State Governments are well represented in the area with the Charleston Air Force Base located in North Charleston. The NOAA Southeast Coastal Center and the Clemson Extension Vegetable Research Center are also located in the county.

Military Impact: The impact of the military installations and associated civilian defense contractors on the Charleston economy is significant second only to tourism. The total impact of the military was \$3.5 billion in 2006. Below is a list of personnel employed by various military related employers.

<u>Installation</u>	<u>2003</u>	<u>2006</u>	<u>2008</u>
Space & Naval Warfare Command	7,252	10,008	17,000
Charleston Air Force Base	6,655	7,920	7,509
Naval Training Command	3,000	2,700	Unknown
VA Medical Center	1,066	1,066	Unknown

In 2007, the number of jobs associated with the military presence was 29,700 people of which 47% were active duty and 53% were of civilian classification.

Real Estate: Commercial and residential development has shown steady growth since the mid 1990's. The multi-family market tends to be volatile as the 12 year chart illustrates. Though national trends show a downturn in 2007 and 2008, the Charleston and tri-county area did not show a similar downturn until very late 2007 into 2008 & 2009. At this time, it was impossible to predict any future peaks and/or major downturns in the market. Permits indicate confidence by borrowers well into 2007. The number of commercial, single family and multi-family construction permits pulled in the county is as follows:

The data shows a strong local economy through 2007, with a drop in sales as of the end of 2008 in most types of construction. Single family permits showed a slight range throughout the period, without any major or significant drop in permits until 2008. The multi-family market shows great variation, with the most recent spike from 2005 – 2007, coincidental with the trend toward condominium conversion from multi-family.

	Commercial Permits	SFR Permits	Multi-Family Permits
1997	170	2,201	383
1998	200	2,263	1,645
1999	220	2,694	1,685
2000	242	3,127	915
2001	198	2,482	845
2002	124	2,992	438
2003	168	2,567	1,050
2004	204	2,634	401
2005	355	3,055	1,666
2006	298	2,761	1,255
2007	193	2,127	937
2008	149	1,223	163
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Records within the Charleston County Assessor's office reported the following residential sales data for Charleston County:

	Entire County		
Year	Volume of Sales	Average Sale Price	Median Sale Price
2001	5,842	\$234,956	\$165,900
2002	6,197	\$249,690	\$177,645
2003	7,287	\$271,937	\$191,900
2004	7,930	\$318,622	\$220,000
2005	8,559	\$372,546	\$253,280
2006	7,486	\$403,283	\$260,000
2007	5,944	\$403,597	\$255,820
2008	4,020	\$383,979	\$253,633
-----	-----	-----	-----
2009	3,408	\$355,857	\$240,000

This represents an average increase in median sales price of 11.3% per year through 2006 which was followed by relatively flat conditions through 2008. The number of sales nationally fell 13% in 2007. These increases corresponded with a steady growth in the volume of sales, averaging 11.6% through 2005 before the market slowed through 2009. The SC average decline was 10.5% and Charleston's sales volume decreased by just over 60%. The average days-on-market for a residential listing during that time was 95 days in 2007 and 107 days in 2008.

However, the actual peak in values did not occur in Charleston County until 2007, following the peak in sales volume by nearly 2 years. As of the end of 2009, the average decrease in

average sales values from the peak in the county was approximately 13.4%, yet still significantly above the 2003 values.

SUMMARY AND CONCLUSION

In summary, the surrounding tri-county area has historically had a strong performance and economic forecast fueled by, tourism and amenities that attract both visitors and business owners. These balanced factors create a stable economic environment in which to do business and a stable real estate market. With these factors in place and in balance, real estate has historically performed well in Charleston County and businesses generally find Charleston County offers opportunity for growth and success.

During the period from summer of 2006 thru the end of 2007, nationally, real estate markets began to trend down with declines in value and fewer sales being the national trend. This initial downturn followed a period of strong activity, with an abnormally large number of sales. Charleston County did not show *perceptible* declines in average or median sales prices until very late in 2007 or early 2008 (though there was a peak in 2006, the differences in values from 2006 – 2007 was less than 2% in median prices, and actually showed a slight increase in average price from 2006 – 2007. In most respects, the housing market in Charleston County did not seem to be following the national trends. Further, it is typical of the local market for both prices and volume to peak in the *spring*, and decline in volume throughout the year. Prices generally show small declines from November through January or February of the next year.

The volume of sales locally did decline in 2007, but as the prior two or three years had an abnormally large number of sales, and as very large volumes of condominium conversions and sales contributed to the overall large number of transactions, the decline in volume was predictable as the multi-family market is prone to large swings and cycles.

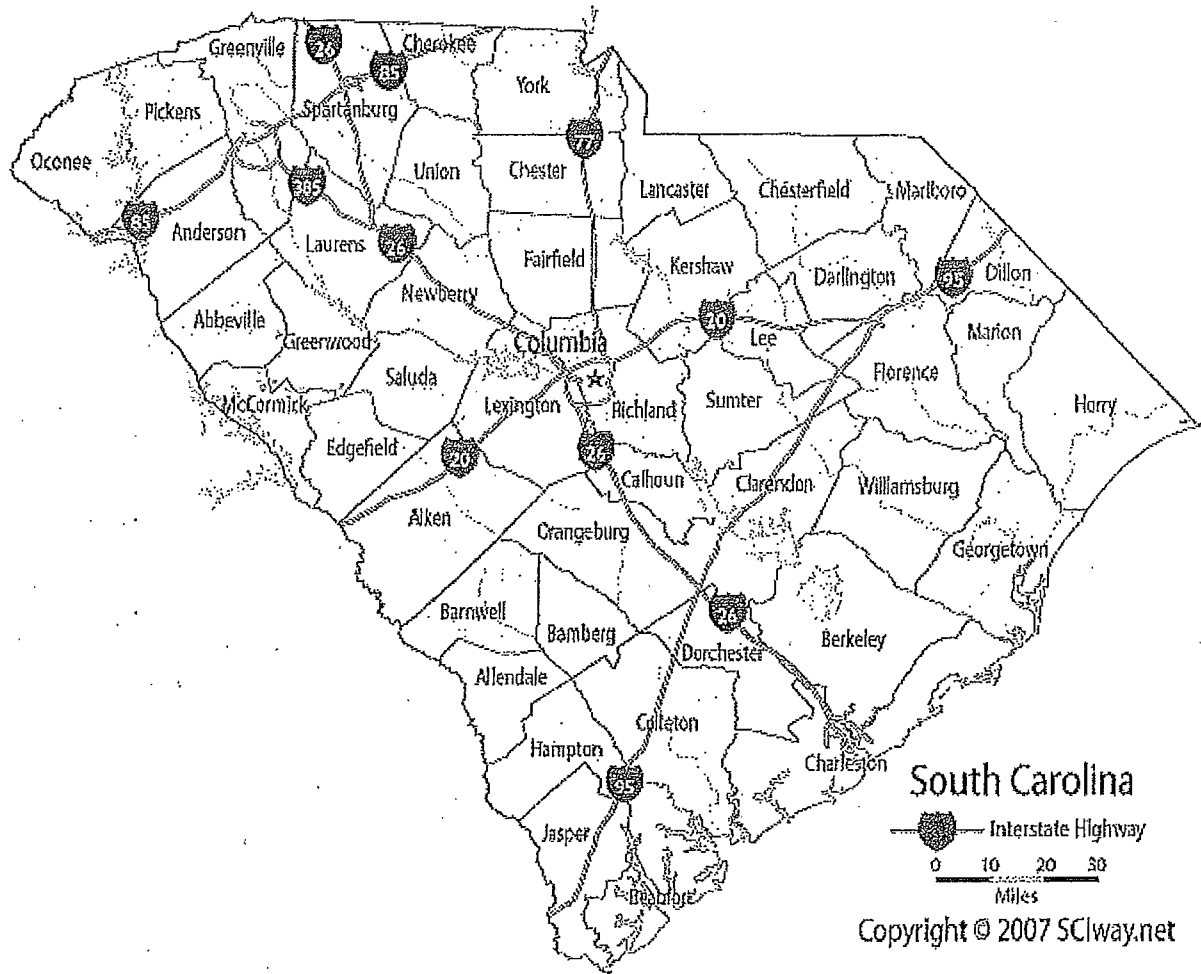
Charleston County markets showed preliminary evidence of mimicking the national trends, and the local economy remained moderate in volume of sales and market pricing. By early 2008, there were signs in the local economy that the national recessionary trends were beginning to affect the local markets and economy. Note that local articles have referenced the differences in the national versus local trends. These documents are held within the Assessor's files for reference. By the end of 2008, the market in Charleston was experiencing declines in volume and in price, but not the extent felt in many parts of the country, this trend continued through the end of 2009.

In the time period from October 2008 through the end of 2009 national sentiment and public attention was centered around a national economic downturn and turmoil in the financial markets.

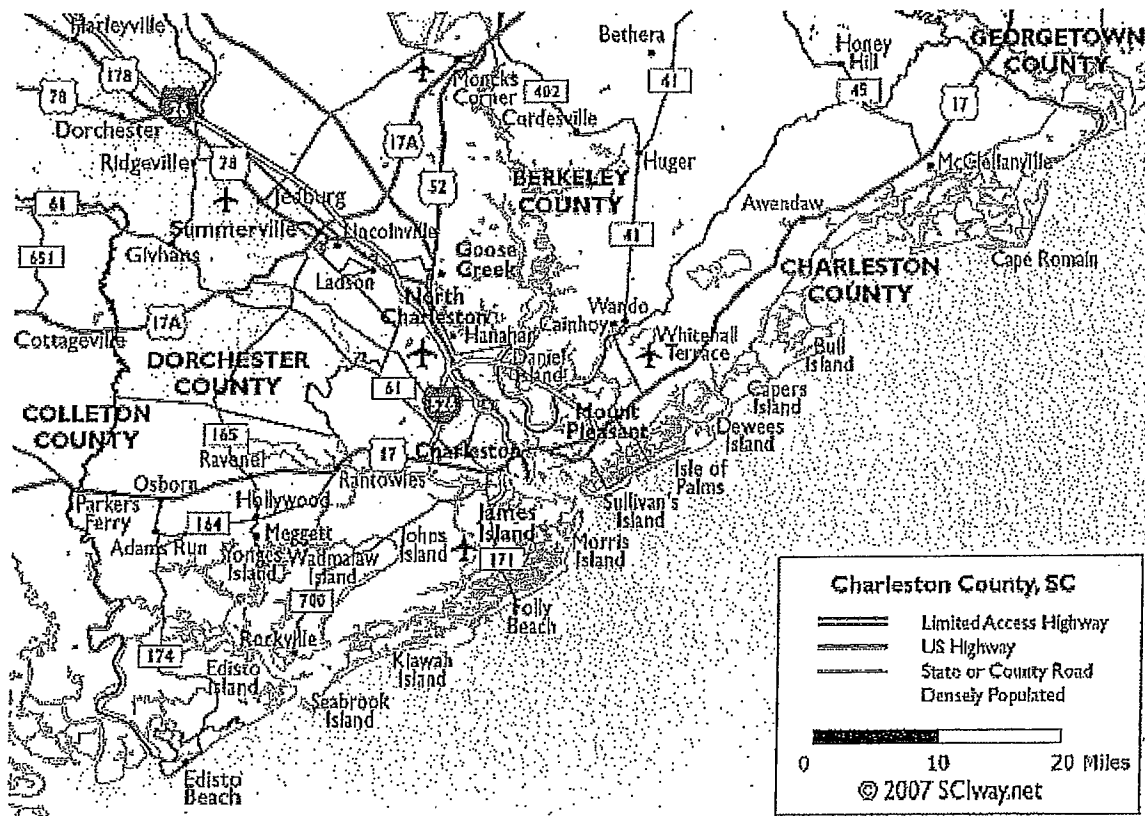
As a retrospective assignment and report, the evidence seen in years since 2009 was not available at the end of 2009. However, it is provided here only to support any minimal trends that might have been in evidence in late 2009.

Sources: US Bureau of the Census, Commerce magazine and Charleston County online service, Chamber of Commerce, Charleston for business.com, New and Courier, Grubb Ellis, Collier Keenan Reports and Charleston County Economic Development Office

SOUTH CAROLINA STATE MAP



CHARLESTON COUNTY MAP



NEIGHBORHOOD INFORMATION - UPPER PENINSULA - CITY OF CHARLESTON

The subject property is located in the City of Charleston, Charleston County, within the upper areas of the peninsula, including the neighborhood known as Westside, which is located on the northwest side of the Charleston Peninsula. The overall subject neighborhood is bounded by the Ashley River to the southwest, Calhoun Street to the southeast, East Bay Street to the east, and Mount Pleasant Street to the north.

The above noted boundaries clearly define the neighborhood. Rutledge Avenue and Ashley Avenue are major arteries in the area, with residential development along these streets in the vicinity of the subject. King and Meeting streets are the major commercial arteries through the neighborhood. Little commercial development is located off these main arteries in this area.

The immediate surrounding streets are primarily single family residential, with similar size lots and developed with mostly single family and duplex dwellings. There are a few vacant lots similar to the subject in the surrounding area. The age of the dwellings in this area range from recently renovated dwellings to historic properties over 100 years old.

TRANSPORTATION

Access to the remainder of the County of Charleston is provided by Ashley Avenue (one way north) and Rutledge Avenue (one way south) as connectors from the subject street to the Crosstown Connector (6 lanes divided). All roads are typically asphalt paved roads.

COMMERCIAL DEVELOPMENT & TRENDS

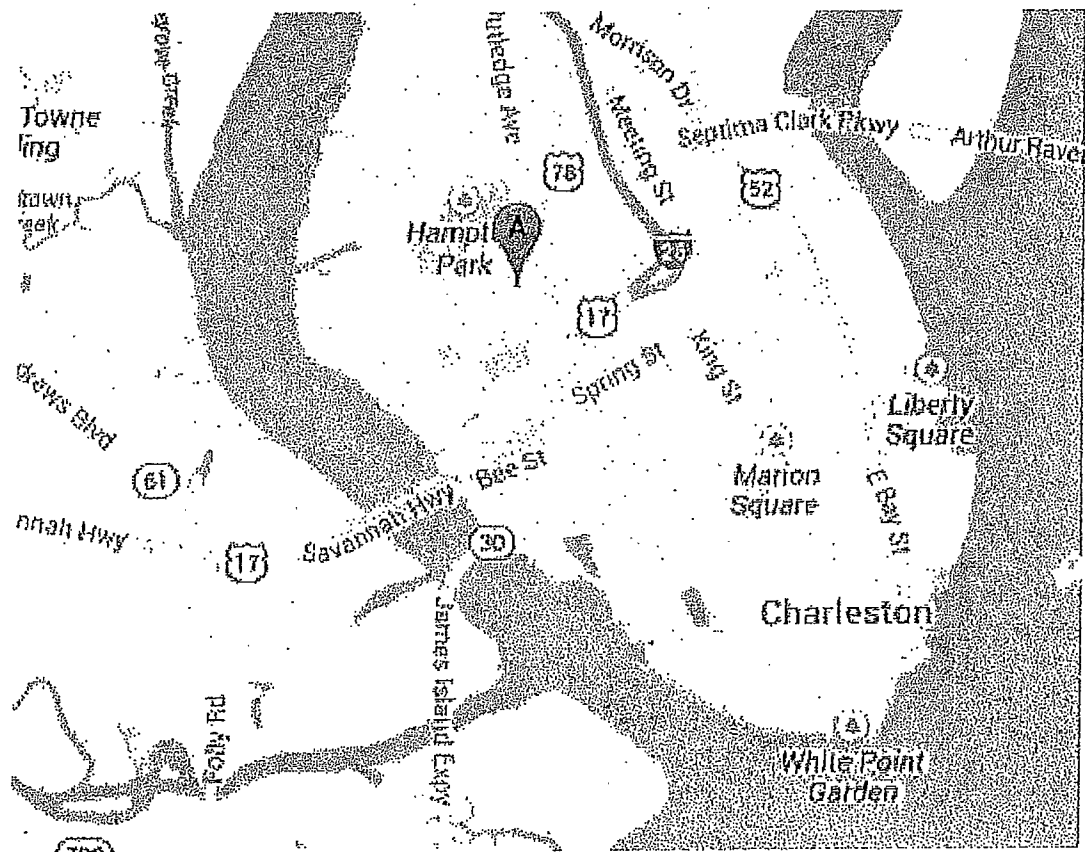
This area of Charleston, known as Westside, is primarily a mix of year round residential dwellings, with the retail core along the main connectors as noted, particularly at corner intersections. Primary shopping can be found within the main Charleston Downtown Shopping District (King Street District), which is approximately .5+ miles to the east.

There are few hotels in this area of the City. Most are located in the Downtown Peninsula portion of the City of Charleston located less than 1 to 2 miles to the south. Office development is typically located within mixed use structures (retail on 1st floor/office on 2nd floor), increasing as one gets closer to the main commercial district in downtown Charleston further south on the peninsula.

RESIDENTIAL

This neighborhood of Charleston (Westside) has residential units ranging from recent construction to older structures built over 100+ years ago. Growth in the neighborhood is primarily limited to renovation of existing dwellings, some conversion to multi-family from single family dwellings, and a minimum infill of newer development.

AREA OF CHARLESTON MAP



SITE DESCRIPTION

PROPERTY APPRAISED:

9 Maranda Holmes Street
City of Charleston - Westside
Charleston County, South Carolina 29403

Parcel Identification #: 460-07-01-077

LOCATION:

The subject is located on Maranda Holmes Street, which is a one-way residential street (traffic is allowed in a southerly direction) extending primarily north/south between Congress Street at the north and Sumter Street to the south (Street is approximately 1 block in length). The neighborhood is within the City of Charleston in the County of Charleston. (Services are provided by the City). The subject parcel is an interior lot located at the intersection of Maranda Holmes and Race Street, and approximately 200+/- LF from the intersection of Maranda Holmes and Congress Street. The property is surrounded by residential development on all sides and to the rear and across the street.

CONFORMITY WITHIN THE NEIGHBORHOOD

The immediate neighborhood as shown in the plat recorded in Book A at Page 139 was initially platted in June, 1856. The surrounding lots are predominantly 30' to 40' in width by 80' to 122' in depth; the subject lot is within this range at 40' to 122'. The subject site conforms on size and shape with those in the general vicinity.

ZONING:

County of Charleston: DR-2F: Diverse Residential

The City of Charleston and Charleston County implemented zoning (May 15, 1996 for current regulations) after the subject neighborhood was platted and after most of the homes were built. Based on current zoning the subject lot and its neighboring lots are conforming lots based on the DR-2F zoning.

Therefore, based on the above, and the setbacks discussed on the following page, the subject is conforming for either the development of a single family dwelling, or as two residential dwelling units within one or two separate structures. If a site plan is submitted showing the proposed building location that meets the setback requirements a building permit can then be issued. If a site plan is submitted that does not meet the setback requirements then a variance must be pursued.

Sec. 54-201. Base zoning districts.

- e. Diverse Residential, DR-6, DR-9, DR-12, DR-1, DR-1F, DR-2, DR-2F Districts. The DR districts allow multi-family residential (3 or more) dwellings and one-family attached dwellings as well as single- and two-family dwellings. Density limitations are 6.0, 9.0, 12.0, 19.4, 19.4, 26.4 and 26.4 units per acre respectively. Within the DR-1, DR-1F, DR-2, DR-2F districts, the Board of Zoning Appeals may approve as a special exception, fraternity houses, sorority houses, dormitories, and homes for the elderly.

From Table 3.1: HEIGHT, AREA AND SETBACK REGULATIONS

Setback	Requirements
Total	3' Minimum
Front	25' Minimum
Rear	3' Minimum
Side Total	10' Minimum
South/West	7' Minimum
North/East	3' Minimum
Lot Area per Family in SF - Minimum (Dwelling Units/Acre Maximum)	
1-Fam	2,500 SF (17.4 DU/A)
2-Fam	2,000 SF (21.8 DU/A)
Multi-Fam	1,650 SF (26.4 DU/A)
Maximum Percent of Lot Occupied by Buildings	50%
Maximum Height Limits – Structures	50'3 Stories
Maximum Height Limits – Fences/Walls	6'

Sec. 54-306. Old City Height Districts.

The following maximum and minimum requirements are established for and shall apply in the Old City Height District:

- h. Height district 50/25. In this district:
1. No structure shall exceed a height of fifty (50) feet or three and one-half (3½) stories, whichever is less, nor shall the principal structure be less than twenty-five (25) feet in height, except that structures utilizing flood proofing for ground floor commercial or office space in Flood Insurance Rate Map special flood hazard areas shall be permitted to have a maximum height of fifty (50) feet or four (4) stories, whichever is less. Within residential zone districts, accessory buildings, constructed after the effective date of this ordinance, shall not exceed one and one-half (1½) stories and an eave height of eleven (11) feet, except where applicable regulations of the Zoning Ordinance allow an additional dwelling unit in an accessory building.

PARCEL:

FRONTAGE: 40 FF along Maranda Holmes Street
SIZE: 0.11 Acres/Approx. 4,880 Square Feet
SHAPE: Predominantly Rectangular Lot
DIMENSIONS: 40' x 122' x 40' x 122'
PLAT : A-139
LEGAL: Lot G

FLOOD ZONE:

Zone "X" - Community Panel: #45019C0512J dated 11/17/2004. This flood classification indicates the subject is NOT in a zone prone to flooding. The surrounding parcels are in the similar flood zone. As a result, flood insurance would NOT be required for development on this lot.

ACCESS/VISIBILITY:

Access is via Maranda Holmes Street, a public paved one-way roadway (traveling south) maintained by the City of Charleston.

EASEMENTS:

There are no recorded easements, leases, encroachments, or unusual circumstances or other items of similar nature on the lot that are thought to affect marketability, nor has the appraiser been made aware of any.

PHYSICAL DESCRIPTION:

Topography:	The property is predominantly level and slightly above road grade.
Drainage:	Appears adequate.
Vegetation:	Primarily grass, weeds, with hedge scrub plantings along the Fence/property lines to the rear, sides, and front of the lot.
Environmental Assessment:	The appraiser is not an environmental expert, however no information has been provided to the appraiser to suggest any known environmental problems.
Improvements:	The property is improved with a chain link gate along the front as well as a low brick wall along the sidewalk/street.

SOIL SURVEY BY USDA

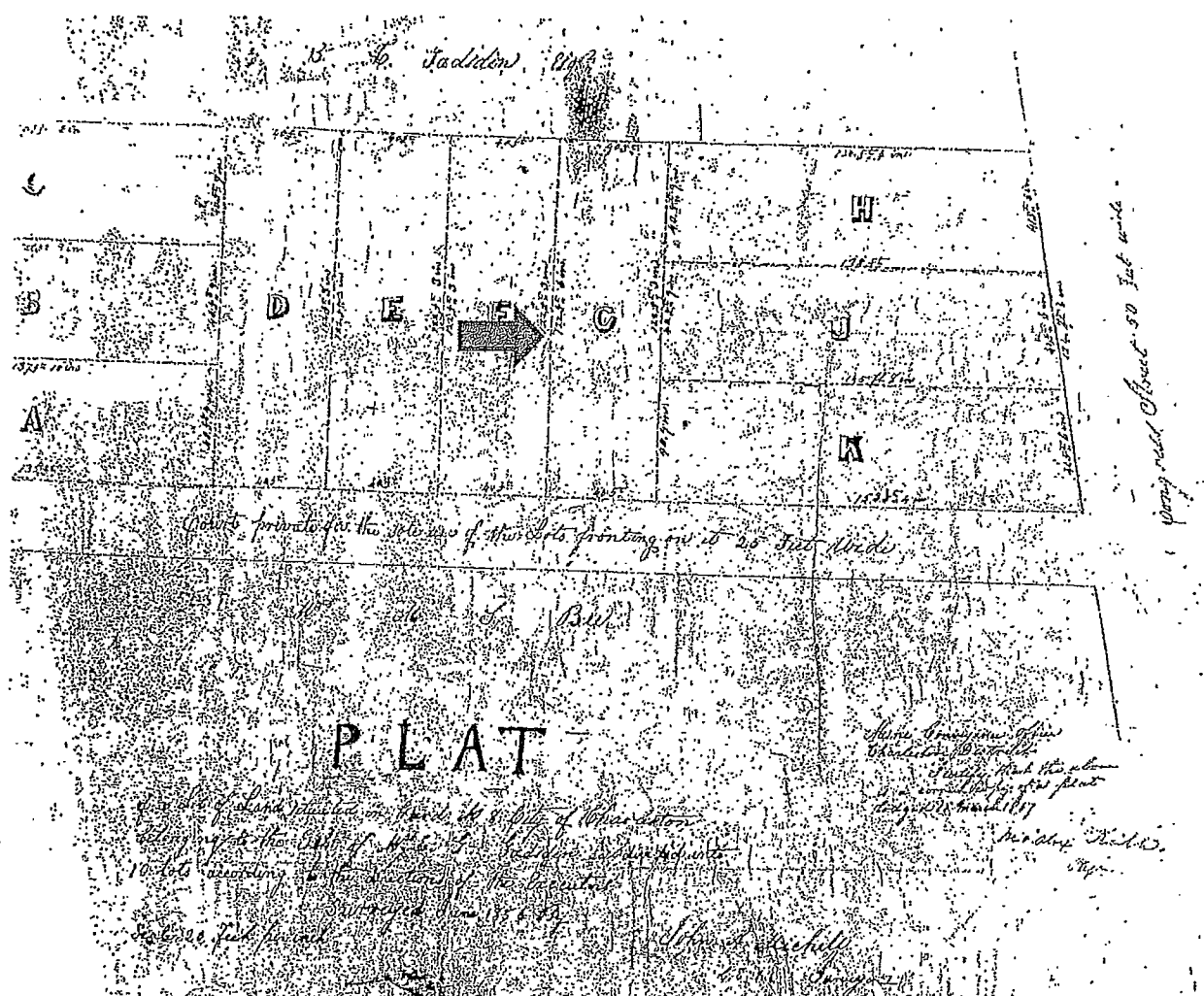
The US Department of Agriculture has detailed maps for review. The subject is thought to be of the same soil as surrounding properties and supportive of development for residential scale development allowed within the legal zoning ordinances.

HAZARDOUS MATERIALS:

The appraiser is not aware of any hazardous materials on or under the subject site.

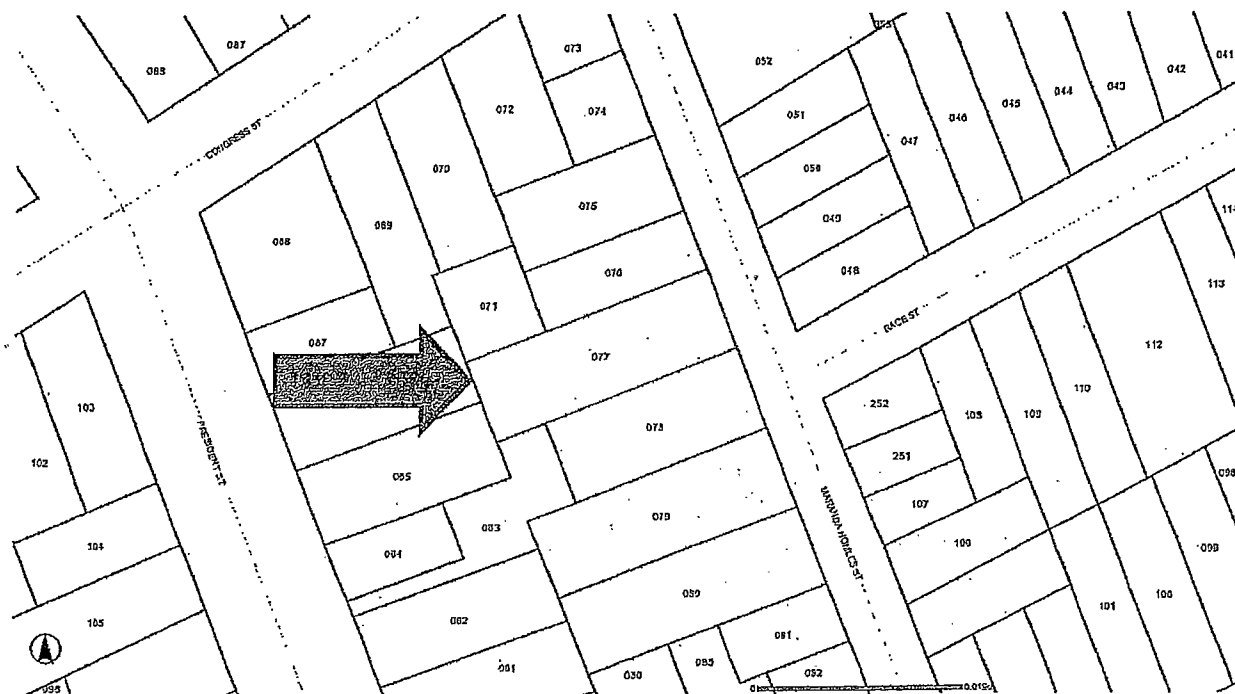
UTILITIES:

Public electric and gas provided by South Carolina Electric and Gas (SCE&G) is available to the property. Public water and sewer are typical for the area.



NOTE: The subject is located on what was previously noted on the plat as a "Court".

TAX MAP OF SITE



SUBJECT AERIAL PHOTO



ZONING MAP - CITY OF CHARLESTON - PORTION OF WESTSIDE NEIGHBORHOOD



The map and data provided on this site should be used for general information purposes only. Please consult the Zoning Department for site specific details such as Old City Height District boundaries and limits. [View our full disclaimer.](#)

- **Address:** 9 MARANDA HOLMES ST - **TMS:** C460-07-01-077

Base Zoning Layer

- Property may be included in additional zoning districts.
- **Code :** DR-2F

Zoning Overlay Layers

- *Property is included in the following:*
- Old City Height Districts - **50/25**
- Amusement & Recreation Overlay

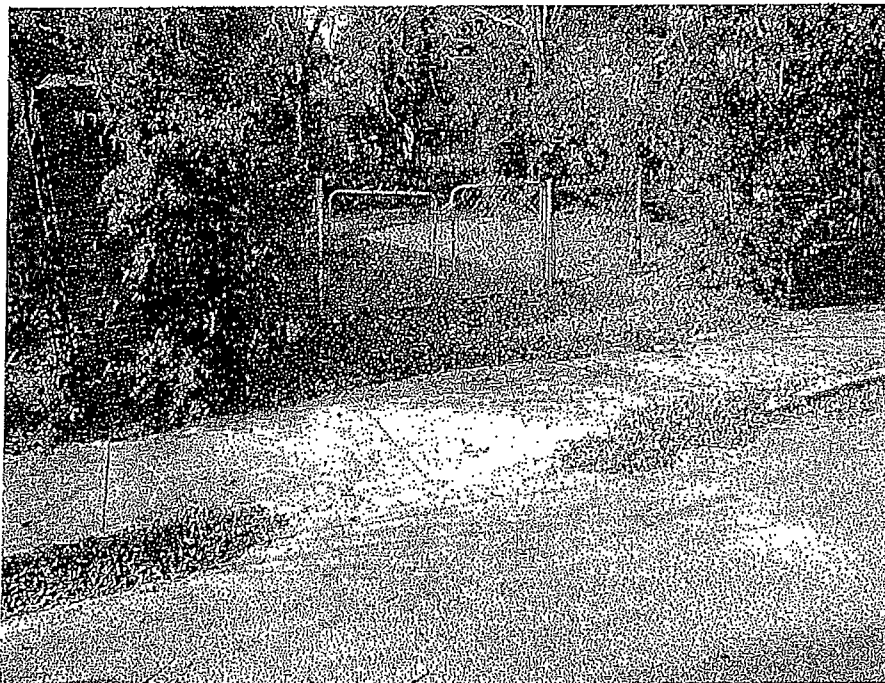
Map Layers

- *Additional Property Details:*
- **Subdivisions :** Gadsden Green
- **Neighborhood Councils :** Westside

SUBJECT PHOTOS



VIEW OF SUBJECT LOT FROM FRONT GATE



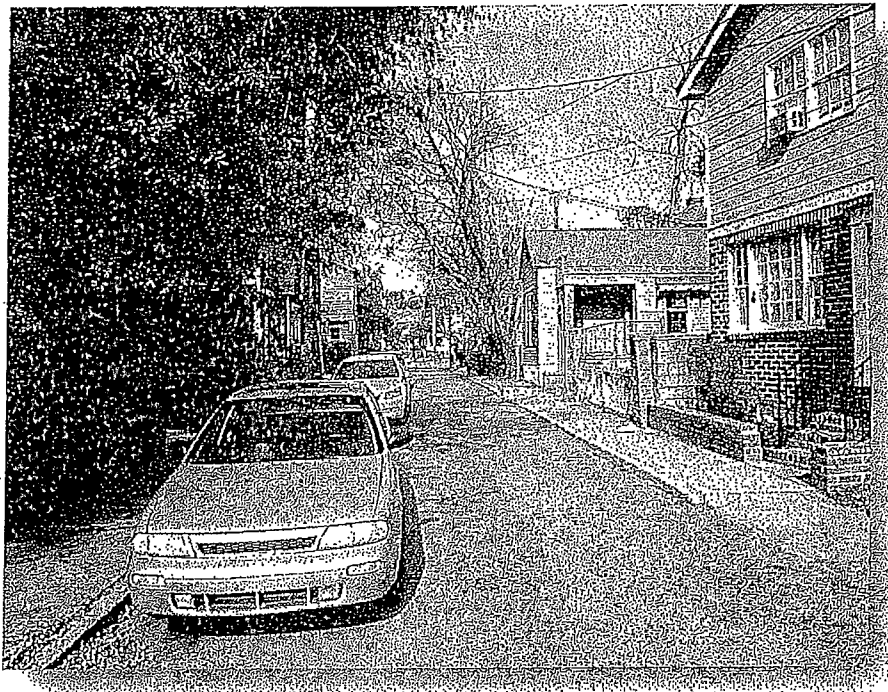
FRONT VIEW OF LOT SHOWING CURB CUT



VIEW FROM REAR OF LOT TOWARD FRONT



VIEW OF STREET – LOOKING SOUTH
(Taken from previous appraisal)



VIEW OF STREET – LOOKING NORTH

ASSESSMENT and REAL PROPERTY TAXES

Real Property: The subject is assessed at a ratio of 6% for the entire parcel (vacant land). The last county-wide reassessments for Charleston County were implemented in 2005 & 2011 with effective dates of value of 12/31/2003 & 12/31/2008.

The property value in question is being appealed for the noted Tax Year. When a property transfers (i.e. is sold to a 3rd party) in a specific Tax Year, it is subject to reappraisal under S.C. Code of Laws 12-37-3110 (citation) due to an assessable transfer of interest that occurred in that year. Therefore, subject to the provisions of 12-37-3140(A) (1) (b) the date of value is December 31st of the year in which an assessable transfer of interest has occurred. **The subject was purchased on March 27, 2009**, therefore there has been an Assessable Transfer of Interest since the last reassessment. Therefore, the base date of value for any valuation and/or appeal on this property is December 31, 2009.

The market value as of 12/31/2009 is \$60,000. Below is a calculation based on the TY 2011 millage rates. In order to calculate the base taxes the following formula is used: Market Value is multiplied by the assessment ratio, which determines the Assessment, which in turn is multiplied by the millage rate. The base tax is then reduced by credits due to a local option sales tax credit. This tax credit is calculated by multiplying the appraised value by the county tax credit and if any, the local authority (municipal) tax credit.

City of Charleston

		Tax Year 2011
Appraised Value		\$60,000
Portion of Property @ Ratio:		100%
Appraised Value of Property @ Ratio:		\$60,000
<u>Assessment Ratio</u>		6%
Assessment (Appraised Value X Ratio)		\$3,600
Millage for the District		0.2583
Base Tax (Assessment X Millage)		\$929.88
Less Credits (Factor X Appraised Value)		
County	0.00070	(\$42.00)
Municipality	0.00071	(\$42.60)
Net Tax		\$845.28
Tax (Before Exemptions & User Fees)		\$845.28

INFLUENCES of SURROUNDING NEIGHBORHOOD on the PARCEL:

The subject site is located on the western side of Maranda Holmes Street. Adjacent residential (single family) construction does not negatively influence the subject parcel.

The subject is an interior residential lot with residential views both into, and from, the property.

IMPACT OF EXTERNAL INFLUENCES ON THE SUBJECT PARCEL

The subject is located within an established residential neighborhood. There is a single family dwelling located on each of the three sides of the subject, and across the street. Construction on the adjacent lots appears to be typical for the area. There appear to be no negative external influences on the subject parcel.

IMPACT OF CURRENT SITE CHARACTERISTICS:

The site characteristics do not limit development. The subject acreage is adequate to develop as a single family dwelling, two single family dwellings, or a duplex (2 units within one dwelling). (Note: Within the addenda of this report I have included a letter from the zoning office in the City of Charleston indicating that current site size, width, and depth would allow for the above noted construction options and typically be granted a permit for construction of 1 or 2 dwellings). Therefore, there are no current site characteristics that would limit the development of the site with a residential structure in the future.

PART 3

ANALYSIS AND VALUATION

HIGHEST AND BEST USE

The Appraisal Institute defines highest and best use as follows:

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

(ref. The Appraisal of Real Estate, 13th Edition 2008 by The Appraisal Institute page 278)

The definition above applies specifically to the use of the land. It is recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. In the case of the subject property, the improvements are limited to fencing and a small wall. Therefore only the highest and best use "As Vacant" is applicable.

HIGHEST AND BEST USE – "AS VACANT"

The subject is a vacant residential parcel within a residential neighborhood. Therefore, in analyzing the above parameters, we would find the following with respect to the subject parcel:

Legally Permissible: Legal and permitted uses are governed by the zoning requirements of the City of Charleston Zoning Ordinance. The subject is currently part of and guided/restricted by the DR-2F: Diverse Residential - Two Family district, along with the Old City overlay district (limits heights of dwellings, which is not more overly restrictive than the restrictions for the DR-2F district as a whole). There is minimal likelihood of a zoning change. The subject size is 4,880 SF, which would allow for up to two residential units (2,000 SF minimum lot area is required for each unit). Within this district, development of the subject parcel/lot as a single or two-family residential use is **legally permissible**.

Physically Possible: The subject site is located on Maranda Holmes Street in the City of Charleston. The subject is an interior parcel, typical to large in size for the neighborhood. The front footage is approximately 40 linear feet along Maranda Holmes Street. Electric, gas, and public sewer and water service are available and the physical characteristics (geology/soils/flood level) allow for development of the site. The site is generally level and according to the plat, the subject is approximately 4,880 SF in area. There appears to be adequate drainage. The soils should be capable of supporting single family residential construction as is evidenced by the surrounding development. There are no soil conditions known to the appraiser which would physically hinder possible development. The site appears free and clear of easements and restrictions. No other physical factors are known that would impede development.

Single family and two family residential development uses are **physically possible**. The land is not limited by physical constraints that would preclude this development.

Financially Feasible: The feasible uses of a site are determined not only by its physical and legal constraints, but also by current market conditions. As previously noted, single family and/or two family residential uses are physically and legally permissible on the site. Any use that is capable of generating a positive return is considered feasible.

Development in the general area has been residentially driven, particularly as an affordable residential neighborhood within the City of Charleston. Some recent buyers of vacant land have held the property for future development and some have developed single family and two-family residences immediately. Dwellings in the area are a mix of owner and tenant occupied.

Given existing development in the area and the nature of the development guidelines imposed on the site by the City of Charleston, residential single family and/or two-family development are uses that are **financially feasible**.

Maximally Productive: The maximally productive use of the parcel should be considered and is the use from among the feasible uses that returns the most money to the owner with respect to land value over time after deducting development costs.

Since the site cannot be subdivided without variances and the zoning allows up to two residential units on the site. The highest and best use of the site "As Vacant" is development with one to two residential units as permitted by existing zoning in conformance with setbacks.

Valuation Methodology:

The valuation methodology is the orderly program in which the data used to estimate the value of the subject property are *acquired, classified, analyzed and presented*. The first step is defining the appraisal problem, i.e., identification of the Real Estate, the Effective Date of the Value Estimate, the Property Rights being appraised and the type of Value sought. Once this has been accomplished, the appraiser collects and analyzes the factors that affect market value of the subject property. These include area and neighborhood analysis, site and improvement analysis, highest and best use analysis, and may include up to three (3) approaches to value: The Cost Approach, Sales Comparison Approach and The Income Approach.

The COST APPROACH is an estimation of market value developed by computing the current cost of replacing the improvements on the property and deducting any depreciation. The value of the land is then added to the depreciated value of any improvements to produce a total value estimate. The Cost Approach is used when improvements are new or nearly new and do not suffer from significant obsolescence. **Since the subject site lacks significant improvements, this approach is inapplicable and was not used.**

The SALES COMPARISON APPROACH is used to estimate the value of the land as if vacant and/or the whole property as improved. The appraiser gathers data on sales of comparable properties and analyzes the nature and condition of each sale, making logical adjustments for dissimilar characteristics. Typically, for vacant land a common denominator may be price per square foot, or price per acre. **The Sales Comparison Approach is used by buyers and sellers in the market and therefore gives a good indication of value and was utilized in this appraisal.**

The INCOME APPROACH is predicated on the assumption that there is a definite relationship between the amount of income a property will earn and its value. This approach is based on the principle that value is created by the expectation of benefits derived in the future. **An Income Approach was not used since vacant single family lots are generally not leased**

and/or rented in this area. For these reasons the data would provide a misleading or inaccurate valuation.

NOTE: The use of all three approaches to value was considered in this appraisal. However, the Sales Comparison Approach to value was the only approach considered to be meaningful in the minds of buyers and sellers in the market. The area provided sales of similar properties which are compared to the subject.

The final step in the appraisal process is the RECONCILIATION or Correlation of the value indications. In the reconciliation or correlation, the appraiser considers the relative applicability of each of the approaches used, examines the range between the value indications, and places major emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem.

With the only appropriate approach to value indicated as the sales comparison approach – the reconciliation process is inherent in the selection and adjustments of the comparable sales.

SALES COMPARISON APPROACH

The SALES COMPARISON APPROACH is based upon an analysis of actual sales of similar properties. In this approach, recent sales of similar single family lots are analyzed and compared to the subject. Comparable sales represent the actions of typical buyers and sellers in the marketplace. When there are an adequate number of sales of similar properties with sufficient information for comparison, a range of values for the subject property can be developed. Similarities and differences are accounted for in the form of adjustments to the sale prices of the comparable properties. The adjusted sale prices of these comparable sales provide a value indication for the subject property.

The sales comparison approach to appraising is based upon the premise that the market value of a property is directly related to the prices of comparable and competitive properties. The principal of substitution is basic in this approach to value as it implies that a prudent purchaser will pay no more for a property than would be required for an acceptable alternative available in the market. The range of value is developed by using the overall sales price of each comparable adjusted for differences. An analysis of the adjusted values of the comparable sales then forms the basis of the market value for the subject property.

The degree to which the appraiser can rely on the sales comparison approach depends upon the similarity of the comparable sales. Differences always exist between properties even though they may be almost identical. Adjustments for these differences serve to define more clearly the price that could reasonably be expected, subject to the limitations of the definition of market value; that is assuming the price is agreeable to a willing buyer and a willing seller, both of whom are aware of all the information regarding the property and after a reasonable exposure to the market.

In the sales comparison approach, a systematic procedure is followed adjusting each comparable to the subject property to impute an indicated value. The steps of the procedure are as follows:

1. Research the market to obtain information on sales transactions, listings, and offerings to purchase properties similar to the subject property.

2. Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations.

3. Select a relevant unit of comparison (e.g., dollars per square foot, an income multiplier, or the actual overall value of the properties) and develop a comparative analysis for each property.

4. Compare the subject property and comparable sale properties using the elements of comparison and adjust the sale price of each comparable appropriately or eliminate the property as a comparable.

5. Reconcile the various value indications produced from the analysis of comparable sales into a single value indication or a range of values.

COMPARABLE SALES AND ADJUSTMENTS

When appraising vacant land the sales comparison approach is a good approach to consider. The market in 2009 was considered to be moderately active to slow, the number of similar sales of similar size lots is limited, and in particular this is true within a slower economic climate. In addition, in older, developed neighborhoods vacant lots are in limited supply. However, in any market, the sales prices and activity reflect the supply and demand of any property. All sales vary in size and appeal. I have selected only those sales which represent similar properties and relied on the few sales that could be considered comparable in many aspects and factors to the subject.

ELEMENTS OF COMPARISON

Each of the comparable residential vacant lot sales must be adjusted to the subject. There is an accepted order and a two-step sequence in which appraisers traditionally consider adjustments. Typically, the first adjustments are made for nonphysical factors, such as: **property rights, financing, conditions of sale, and expenditures immediately after purchase and changes in market conditions.** Next, adjustments for qualitative differences are made for factors such as: **location, physical characteristics, economic characteristics, use, and non-realty components of value.** Note that the list is not all-inclusive.

Quantifiable Factors

Property Rights: Each comparable sale was purchased with fee simple rights providing full use and enjoyment of the properties. Therefore no adjustments have been made.

Financing: Adjustments must be made if there are any unusual financing terms associated with a particular sale that may have influenced the price paid. During the course of the investigation, no one informed the appraiser that the sales were financed based on unusual terms. No adjustments for financing were made to the sales.

Market Conditions: This adjustment considers the differences in market conditions from the time of sale to the date of value of the appraisal. Some appraisers and market participants think of this as a "time" adjustment. Adjustments for changes in market conditions involve any change in market determination of value. If properties are appreciating in value then a time adjustment is made to reflect positive changes in value, if properties are declining in value, then a time adjustment is made to reflect the negative market changes. Adjustments are made as applicable to each of the comparable sales compared to the subject.

Appreciation: The Charleston County market in general, and the Charleston residential neighborhoods in particular, show evidence that values were declining from late 2007 through the effective date at the end of 2009. Prior to mid-2008, our county and local data indicate a rising market, with significant changes in value up to and during the 2-3 year period prior to the effective date for Charleston residential lot sales. Based on this information, an adjustment of -0.0075% per month (rounded to the nearest thousand) is appropriate to reflect depreciation in this market.

Physical Adjustments:

Adjustments are described in the following order but adjusted for by either a market derived lump sum adjustment or a factor adjustment.

Location: The area, from which the sales originate, if different from the subject market area, should be addressed to account for positive or negative influences. Location adjustments typically reflect traffic, road access, growth patterns, neighborhood characteristics, as well as access, water/marsh influence, which are generally considered to be reflected in "appeal" and/or "marketability" based on its location. Comparable #1 is located in a similar neighborhood, therefore no adjustment was considered necessary. Comparable #2 & #3 are located in Wagener Terrace; however they are similar to the subject for appeal, warranting no adjustment. (The streets have no curbs or gutters preventing runoff from washing into/out from the sites, making them less desirable for this neighborhood). Comparable #4 is located in an inferior neighborhood and has been adjusted upward. Comparable #5 is located in a superior location, therefore a negative adjustment was considered necessary.

Lot Shape/Size: The subject property is a 0.11 Acres/approx. 4,880 Square Foot lot. The comparable sales range in size from 0.04 acres (1,885 SF) to 0.68 acres (2,970 SF). According to current zoning the lot area requirement for two units in DR2-F is 4,000 square feet. With the subject property having 4,880 square feet it allows more flexibility in its development. All the comparable sales are smaller than the subject and are adjusted upward to reflect this difference in size as reflected and warranted by the market.

View: All the comparable sales have similar residential views, and warrant no adjustments when compared to the residential views of the subject.

Plans/Survey: Comparable #2 sold with a house that was demolished after the sale, warranting a upward (\$3,500) adjustment for the demolition of the home. The remaining comparable sales were similar to the subject.

Zoning and Functional Utility: Comparable #1, #4, & #5 are zoned DR-2F, which is the same as the subject. Comparable #2 & #3 are zoned SR-2 which has a less dense zoning allowing one single family unit per lot. Due to the zoning restrictions these properties were limited in their development with the Highest and Best Use at the time of sale being single family dwelling development. Since an adjustment was made under lot shape/size no adjustments was warranted here.

All comparable sales are located within the residential neighborhoods on the north end of the peninsula portion of the City of Charleston, nearby to the subject, considered to have similar appeal, and are similar in marketability. All were considered arm's length market transactions which occurred during the period immediately preceding the date of value of December 31, 2009.

Comparable One is located at 194 Fishburne Street, 460-07-02-060 and sold December 14, 2009 for \$45,000. This parcel lot size (2,010 SF compared with the subject's 4,880 SF) warrants a **(\$17,000)** upward adjustment (2,870 SF times \$6.00 PSF). All other characteristics of the parcel were similar to the subject and did not warrant any additional adjustments.

Comparable Two is located at 5 Middleton Court, 463-11-04-072 and sold November 4, 2009 for \$45,000. A market adjustment of (-\$1,000 (\$45,000 x 0.015)) was warranted for this sale 2 months prior to the date of value. This parcel is in Wagener Terrace, however as noted, is low lying and considered similar to the subject for appeal, warranting no adjustment for location. This parcel lot size (2,970 SF compared with the subject's 4,880 SF) warrants a **(\$11,000)** upward adjustment (1,910 SF times \$6.00 PSF). There was a house on the property that was demolished after the sale so an adjustment was made to reflect the cost to demolish the building.

Comparable Three is located at 8 Kyle Place, 463-11-04-087 and sold April 28, 2009 for \$50,000. A market adjustment of (-\$3,000 (\$50,000 x .06)) was warranted for this sale 8 months prior to the date of value. This parcel is in Wagener Terrace, however as noted, is low lying and considered similar to the subject for appeal, warranting no adjustment for location. This parcel lot size (2,996 SF compared with the subject's 4,880 SF) warrants a **(\$11,000)** upward adjustment (1,884 SF times \$6.00 PSF). All other characteristics of the parcel were similar to the subject and did not warrant any additional adjustments.

Comparable Four is located at 101 America Street, 459-05-04-010 and sold June 29, 2009 for \$44,500. A market adjustment of (-\$2,000 (\$44,500 x .045)) was warranted for this sale 6 months prior to the date of value. This parcel lot size (2,600 SF compared with the subject's 4,880 SF) warrants a **(\$14,000)** upward adjustment (2,280 SF times \$6.00 PSF). The location was also considered inferior requiring a 10% upward adjustment.

Comparable Five is located at 49 Ashe Street, 460-08-01-104 and sold March 3, 2009 for \$55,000. A market adjustment of (-\$4,000 (\$55,000 x .075)) was warranted for this sale 10 months prior to the date of value. This parcel lot size (1,885 SF compared with the subject's 4,880 SF) warrants a **(\$18,000)** upward adjustment (2,995 SF times \$6.00 PSF). The location was also considered superior requiring a 10% downward adjustment.

The following Comparable Sales Grid represents the similarities and differences and appropriate adjustments to the subject for the comparable sales considered:

COMPARABLE SALES APPROACH - SALES ADJUSTMENT GRID

	Subject	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5
ADDRESS	9 Maranda	194 Fishburne 460-07-02-060	5 Middleton 463-11-04-072	8 Kyle Place 463-11-04-087	101 America 459-05-04-010	49 Ashe 460-08-01-104
Proximity to Subject						
Date of Sale		12/14/2009	11/4/2009	4/28/2009	6/29/2009	3/3/2009
Sale Price		\$45,000	\$45,000	\$50,000	\$44,500	\$55,000
Land Area (Acres)	4,880.00	2,010.00	2,970.00	2,966.00	2,600.00	1,885.00
Sale Price/SF	\$0	\$22	\$15	\$17	\$17	\$29
Land Area (Front Feet)	40	30	33	28	26	30
Zoning	DR-2F	DR2-F	SR-2	SR-2	DR2-F	DR-2F
RIGHTS/SALES/MARKET ADJUSTMENTS		+(-) Adjust.	+(-) Adjust.	+(-) Adjust.	+(-) Adjust.	+(-) Adjust.
Property Rights Appraised						
Sales/Financing Adjustments						
Date of Sale/Time Adjustment	12/31/2009	12/14/2009 0	11/4/2009 (1,000)	4/28/2009 (3,000)	6/29/2009 (2,000)	3/3/2009 (4,000)
NET ADJUSTMENTS (Subtotal)		0	(1,000)	(3,000)	(2,000)	(4,000)
NET PRICE ADJ.		\$45,000	\$44,000	\$47,000	\$42,500	\$51,000

Value Adjustments to Comparables

PHYSICAL ADJUSTMENTS

	Subject	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5
ADDRESS	9 Maranda 0	194 Fishburne 460-07-02-060	5 Middleton 463-11-04-072	8 Kyle Place 463-11-04-087	101 America 459-05-04-010	49 Ashe 460-08-01-104
Location					10% 4,500	-10% (5,500)
Lot size @\$6/sf	4880	2010 17,000	2970 11,000	2966 11,000	2600 14,000	1885 18,000
Demolition of SFR			3,500			
Flood Plain	X					
Zoning	DR2-F	DR2-F	SR-2	SR-2	DR2-f	DR2-F
Functional Utility	Typical	Typical	Typical	Typical	Typical	Typical
NET PHYSICAL ADJ.		17,000	14,500	11,000	18,500	12,500
NET TOTAL ADJUSTMENTS		17,000	13,500	8,000	16,500	8,500
ADJUSTED SALES PRICE OF COMP		\$62,000	\$58,500	\$58,000	\$61,000	\$63,500

Indicated Range of Value for the Subject:
\$58,000 to \$63,500

VALUE CONCLUSION

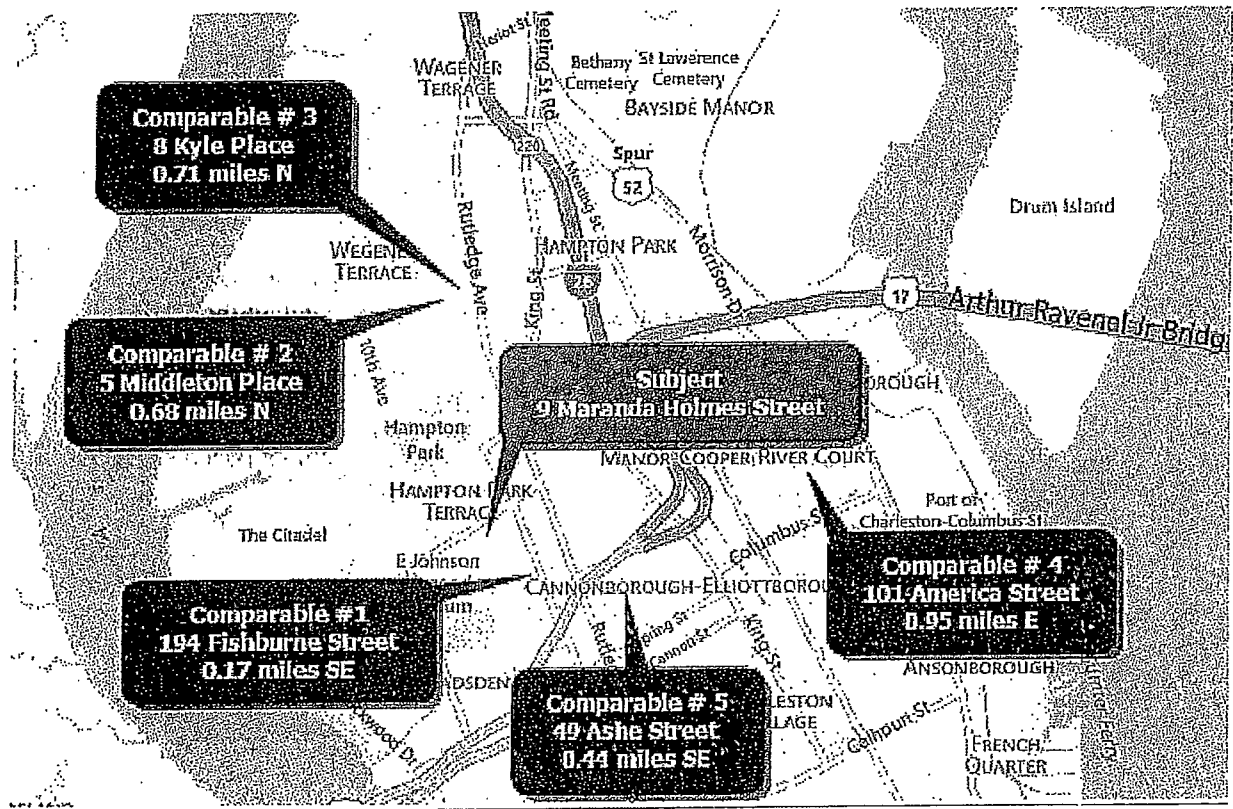
I was able to find five sales of similarly unimproved (vacant) parcels located within the City of Charleston neighborhoods that had sold and were similar to the subject in most comparisons. Any differences were noted in the above sales comparison grid, and adjusted to the subject based on market appeal and marketability.

The subject lot is larger than the comparable sales and is located within the DR-2F Zoning District, which allows for up to two residential dwelling units on this lot without a variance. This in particular makes the subject lot superior to most lots within the market area and extremely appealing to buyers, developers and investors.

After making the adjustments, the indicated value for the subject based on each of the comparable sales in dollars per property were presented. Considering the sales, the adjustments, the similarities and the differences, in my opinion the market value of the subject is \$60,000 as of the effective date of 12/31/2009.

\$60,000

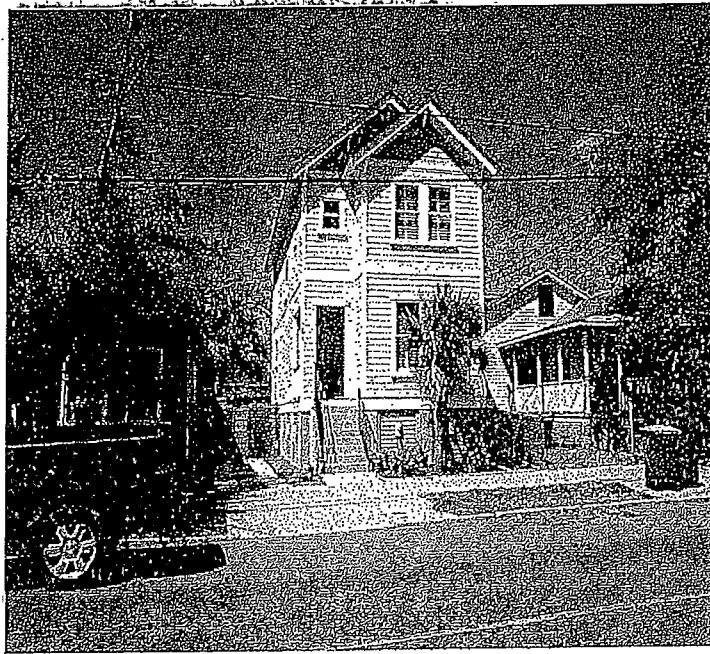
COMPARABLE SALES MAP



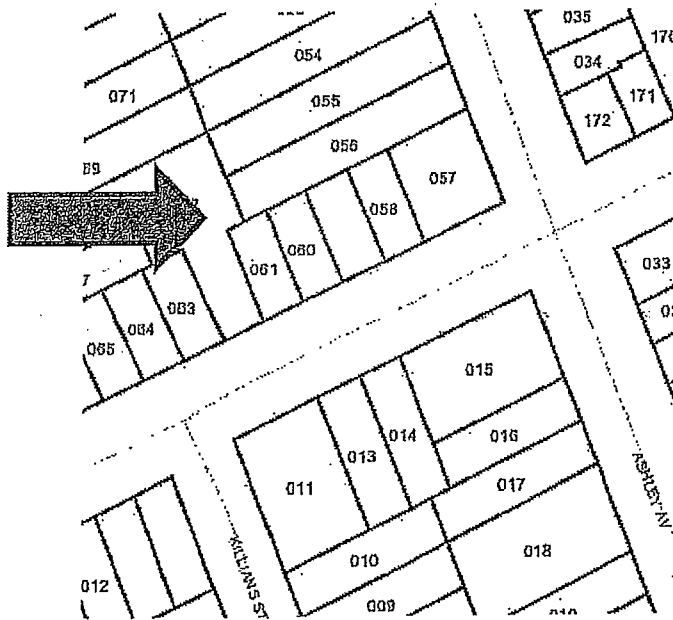
COMPARABLE VACANT LOT SALE #1

PID NUMBER	460-07-02-060
LOCATION	194 Fishburne Street Charleston, SC
GRANTOR	Herman Beckett
GRANTEE	Plesmid and Co. LLC
SALES DATE	December 14, 2009
SALES PRICE	\$45,000
TERMS	Conventional
DEED REFERENCE	BOOK 0097
PLAT REFERENCE	B-169
SITE	2,010 SF = 0.046 acres (30 FF x 67)
ZONING	DR-2F: Diverse Residential – Two Family - 2 residential units allowed per lot; 2,000 SF Minimum per Unit
UTILITIES	Electric, Natural Gas, Public Water & Sewer
IMPROVEMENTS:	None at time of sale
UNIT PRICE:	\$22.39 /SF
YEAR BUILT:	N/A
VERIFICATION	Deed/Assessor Inspection/MLS/Listing Agent
COMMENTS	Single family lot in the same Westside neighborhood. Per zoning, this was a non-conforming lot, which has since been constructed on the lot.

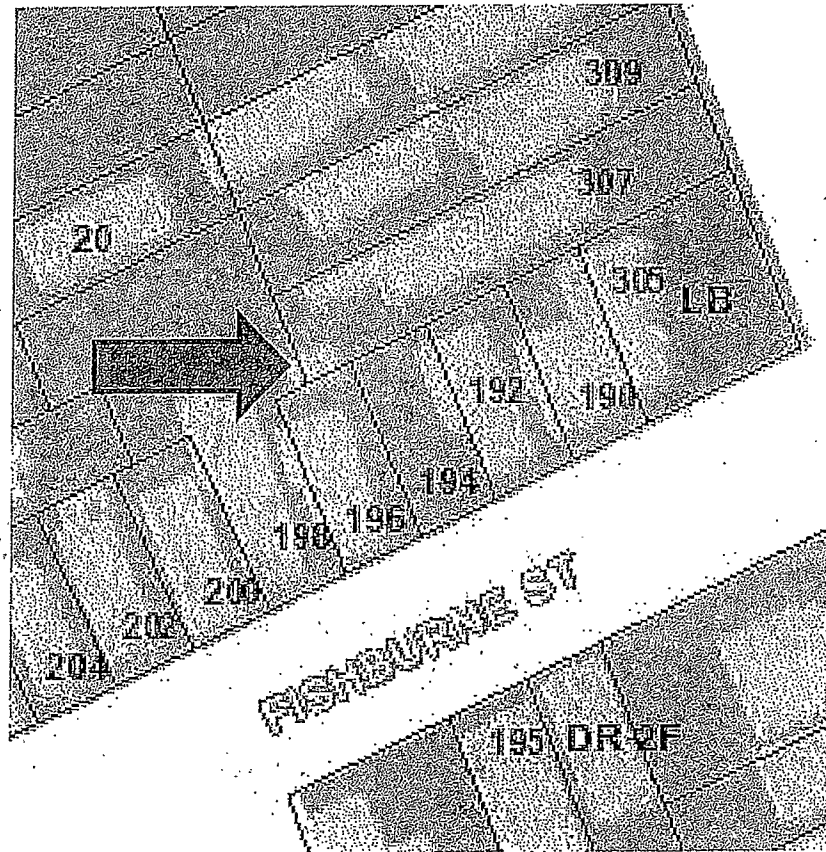
COMPARABLE #1 – 194 FISHBURNE ST. – PHOTO AND TAX MAP



House Constructed after the Sale



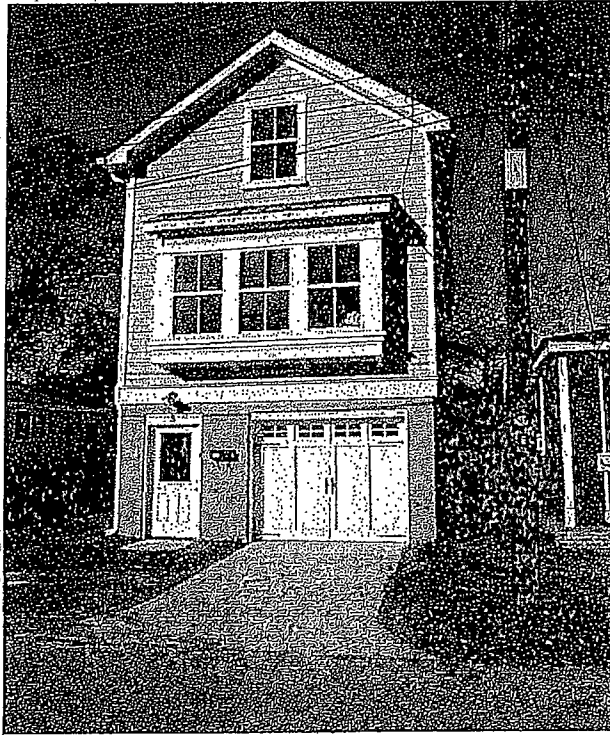
COMPARABLE #1.- ZONING MAP WITH BUILDING FOOTPRINT OVERLAY



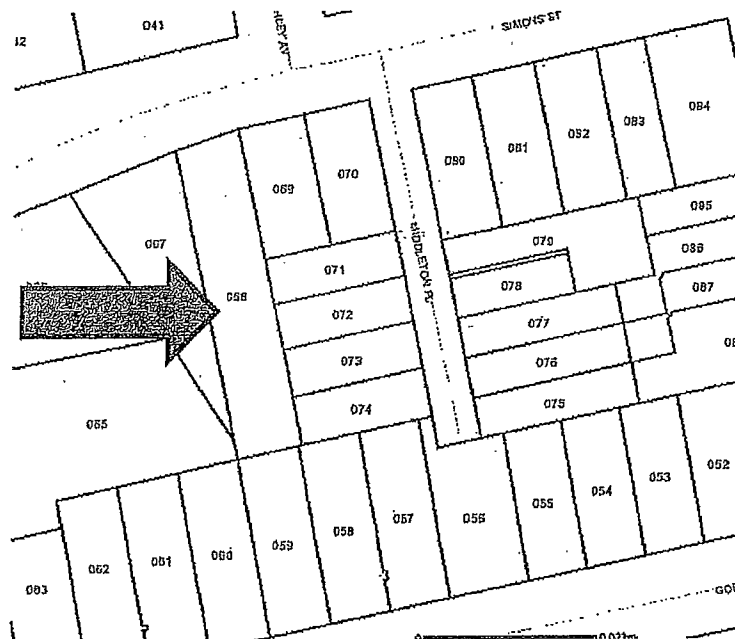
COMPARABLE VACANT LOT SALE #2

PID NUMBER	463-11-04-072
LOCATION	5 Middleton Place Charleston, SC
GRANTOR	Valaree McKinnie
GRANTEE	Plesmid and Co LLC
SALES DATE	November 4, 2009
SALES PRICE	\$45,000
TERMS	Conventional
DEED REFERENCE	BOOK 0090
PLAT REFERENCE	L-148
	PAGE 527
SITE	2,970 SF = 0.068 acres (33 FF x 90)
ZONING	SR-2: Single Family Residential - 1 residential unit allowed per lot; 6,000 SF Minimum Lot Size
UTILITIES	Electric, Natural Gas, Public Water & Sewer
IMPROVEMENTS:	Older home
UNIT PRICE:	\$15.15 /SF
YEAR BUILT:	N/A (Construction in 2010 of a new SFR)
VERIFICATION	Deed/Assessor Inspection/Buyer
COMMENTS	Single family lot in the Wagener Terrace neighborhood. This street has no curbs, gutters, or flood control measures preventing runoff from washing into/out from the sites, making them less desirable for this neighborhood. Per zoning; this was a non-conforming lot. After the sale an older home was demolished to construct a new dwelling on the lot.

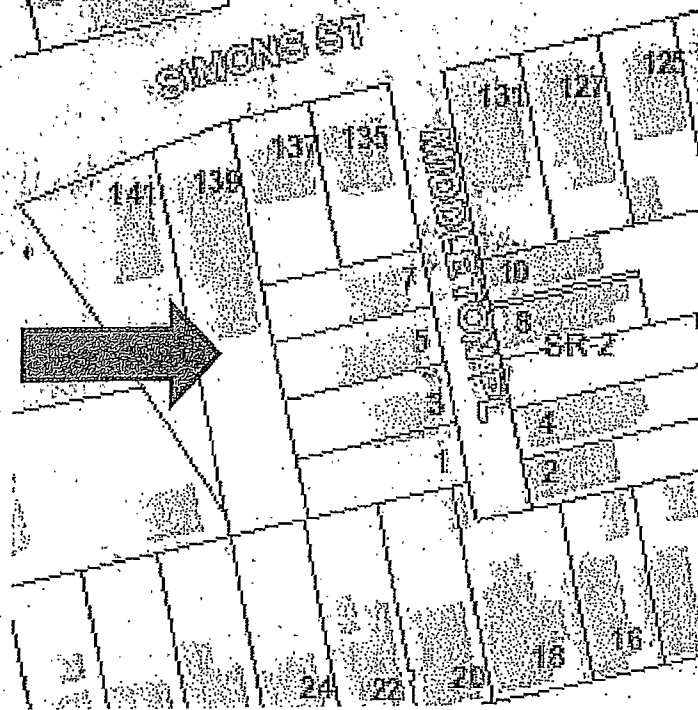
COMPARABLE #2 - 5 MIDDLETON PLACE - PHOTO AND TAX MAP



House Constructed after the Sale



COMPARABLE #2 - ZONING MAP WITH BUILDING FOOTPRINT OVERLAY



COMPARABLE VACANT LOT SALE #3

PID NUMBER 463-11-04-087

LOCATION 8 Kyle Place
Charleston, SC

GRANTOR Rose Marie Gillispie
GRANTEE Nalpo Properties, LLC

SALES DATE April 28, 2009

SALES PRICE \$50,000

TERMS Conventional

DEED REFERENCE BOOK 0052 PAGE 153

PLAT REFERENCE U-164

SITE 2,996 SF = 0.069 acres (28 FF x 77 - Irregular)

ZONING SR-2: Single Family Residential - 1 residential unit
allowed per lot; 6,000 SF Minimum Lot Size

UTILITIES Electric, Natural Gas, Public Water & Sewer

IMPROVEMENTS: None at time of sale

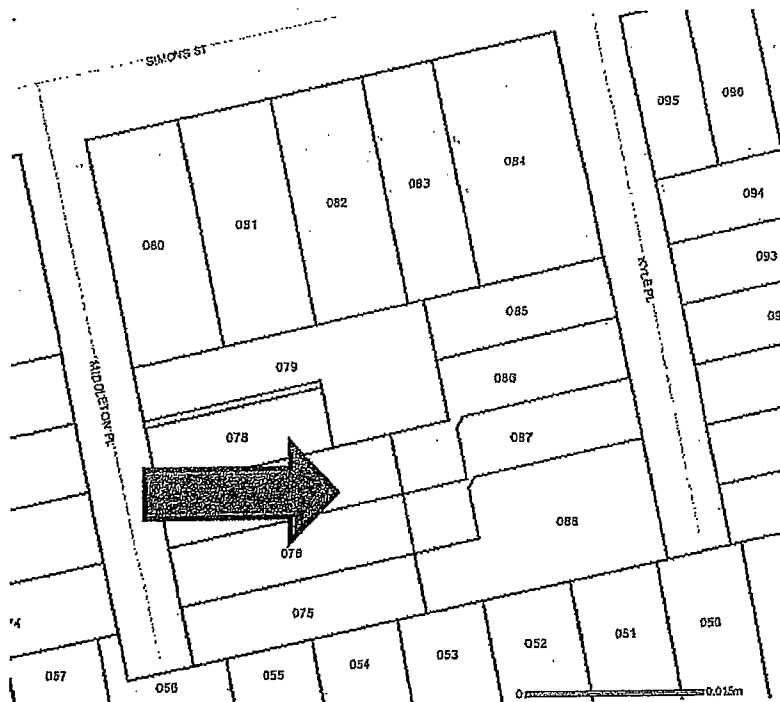
UNIT PRICE: \$16.69 /SF

YEAR BUILT: N/A

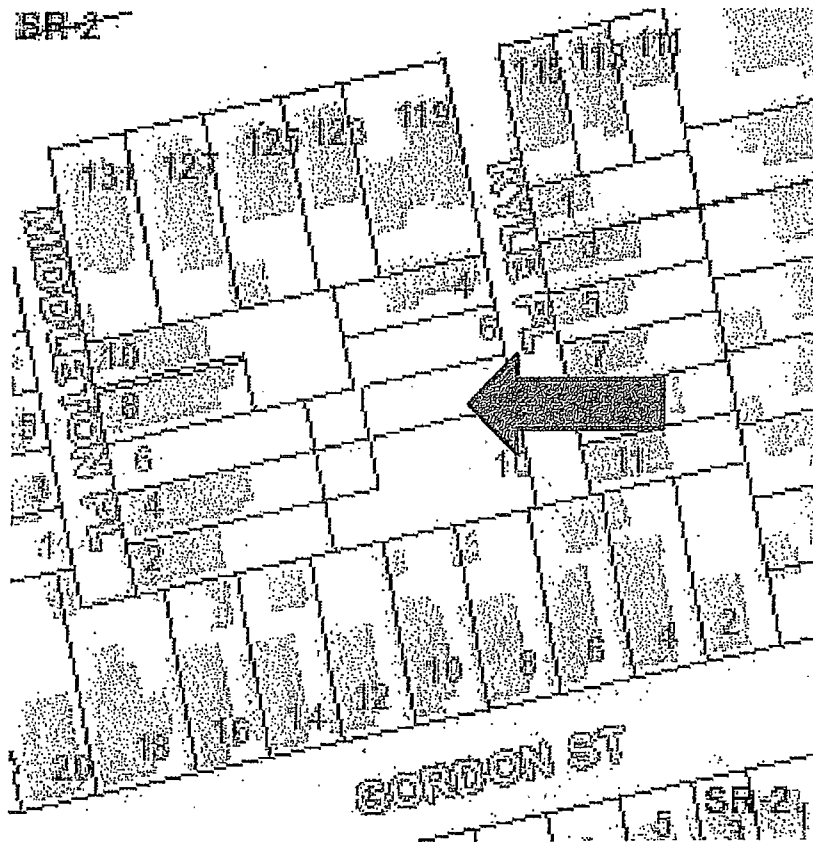
VERIFICATION Deed/Assessor Inspection/Buyer Questionnaire

COMMENTS Single family lot of unusual shape (see tax map) in the Wagener Terrace neighborhood. This street has no curbs, gutters, or flood control measures preventing runoff from washing into/out from the sites, making them less desirable for this neighborhood. Per zoning, this was a non-conforming lot.

COMPARABLE #3 - 8 KYLE PLACE - PHOTO AND TAX MAP



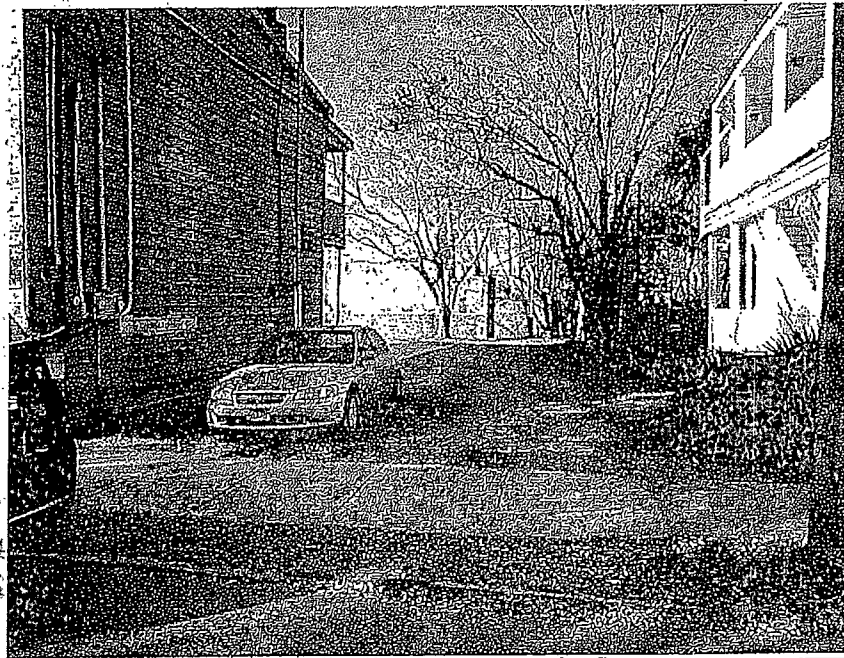
COMPARABLE #3 – ZONING MAP WITH BUILDING FOOTPRINT OVERLAY



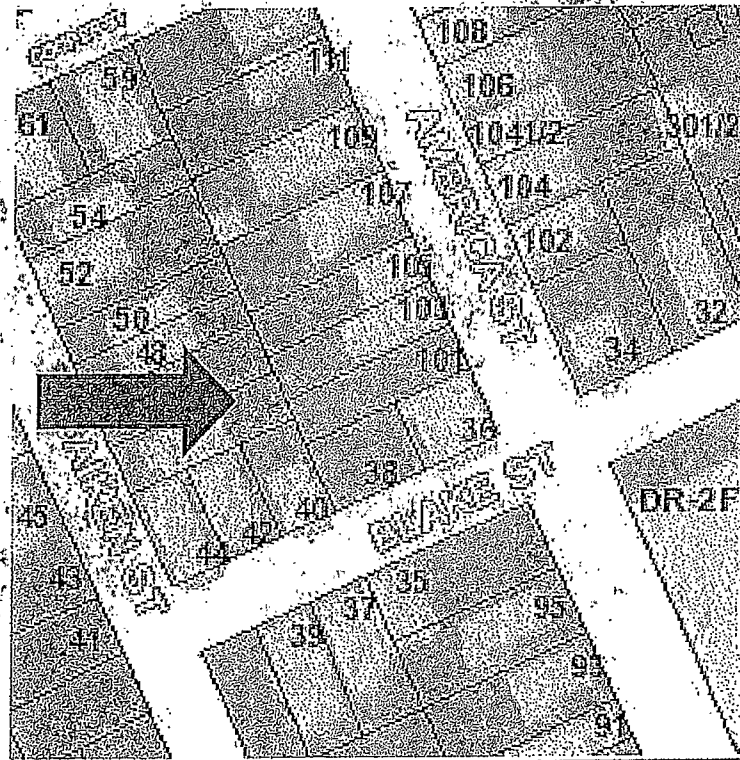
COMPARABLE VACANT LOT SALE #4

PID NUMBER	459-05-04-010
LOCATION	101 America Street Charleston, SC
GRANTOR	Jonathan Altman
GRANTEE	101 America Street LLC
SALES DATE	June 29, 2009
SALES PRICE	\$44,500
TERMS	Conventional
DEED REFERENCE	BOOK 0065 PAGE 336
PLAT REFERENCE	N/A
SITE	2,600 SF = 0.060 acres (26 FF x 100)
ZONING	DR-2F: Diverse Residential – Two Family - 2 residential units allowed per lot; 2,000 SF Minimum per Unit
UTILITIES	Electric, Natural Gas, Public Water & Sewer
IMPROVEMENTS:	None at time of sale
UNIT PRICE:	\$17.12 /SF
YEAR BUILT:	N/A
VERIFICATION	Deed/Assessor Inspection/MLS/Listing Agent
COMMENTS	Single family lot in a similar Eastside neighborhood. Zoning allows 1 SFR on this lot (2,000 SF minimum area per dwelling unit).

COMPARABLE #4 – 101 AMERICA STREET – PHOTO AND TAX MAP



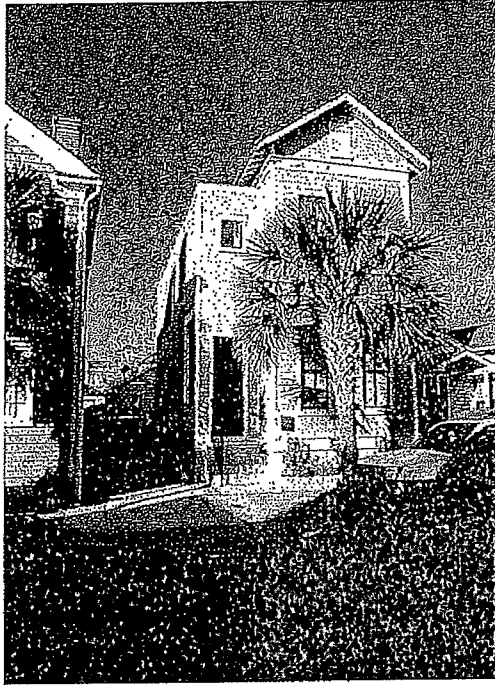
COMPARABLE #4 – ZONING MAP WITH BUILDING FOOTPRINT OVERLAY



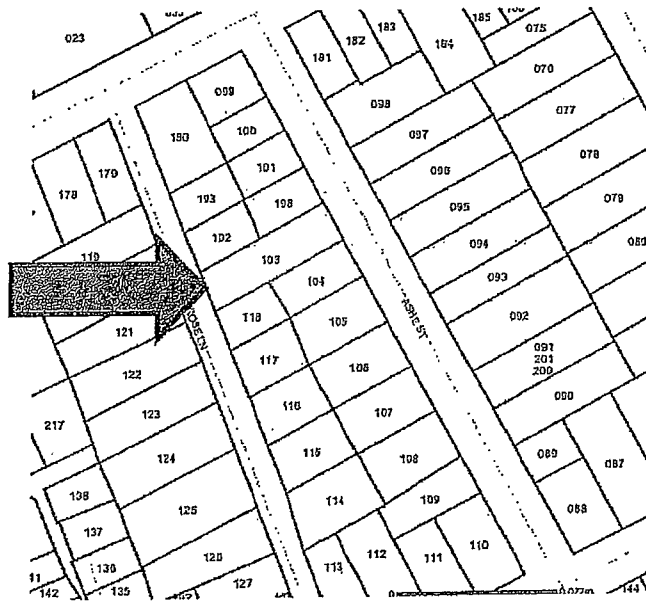
COMPARABLE VACANT LOT SALE #5

PID NUMBER	460-08-01-104
LOCATION	49 Ashe Street Charleston, SC
GRANTOR	Jeffrey Brown
GRANTEE	Ecovest Development LLC
SALES DATE	March 3, 2009
SALES PRICE	\$55,000
TERMS	Conventional
DEED REFERENCE	BOOK 0038 PAGE 565
PLAT REFERENCE	BF-162
SITE	1,885 SF = 0.043 acres (29.96 FF x 62.98)
ZONING	DR-2F: Diverse Residential – Two Family - 2 residential units allowed per lot, 2,000 SF Minimum per Unit
UTILITIES	Electric, Natural Gas, Public Water & Sewer
IMPROVEMENTS:	None at time of sale
UNIT PRICE:	\$29.18 /SF
YEAR BUILT:	N/A
VERIFICATION	Deed/Assessor Inspection/MLS/Listing Agent
COMMENTS	Single family lot in a similar Eastside/Uptown neighborhood. Zoning would typically allow 1 SFR on this lot, however a variance would be required.

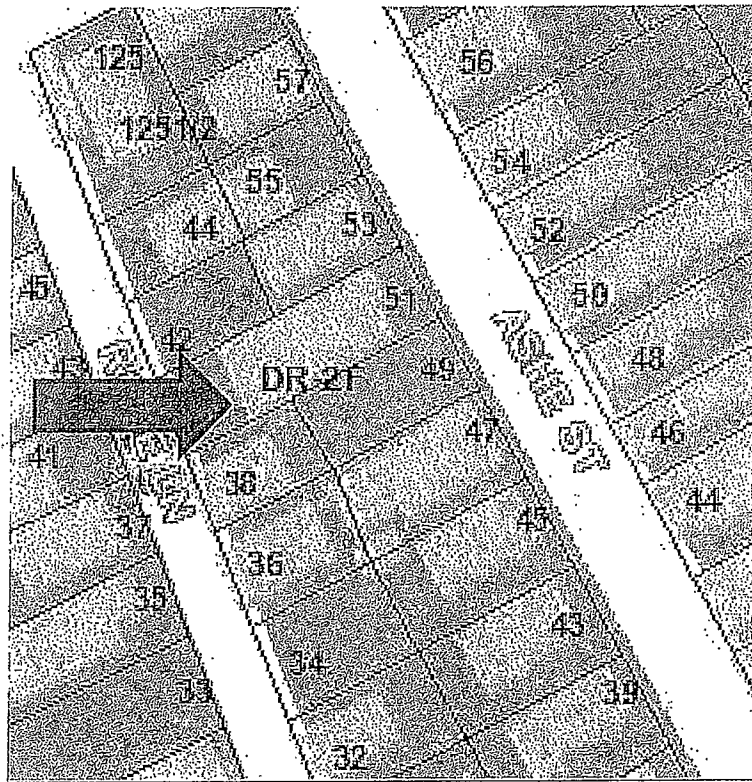
COMPARABLE #5 - 49 ASHE STREET - PHOTO AND TAX MAP



House Built after Sale



COMPARABLE #5 – ZONING MAP WITH BUILDING FOOTPRINT OVERLAY



RECONCILIATION AND FINAL OPINION OF VALUE

All three traditional approaches to value were considered in the valuation process with respect to the valuation of the subject property but only the sales comparison approach was appropriate. Different properties have different characteristics.

The residential lot sales chosen for comparison are the most recent sales representing the most similar characteristics available. They are considered representative of the market as they were residentially zoned properties in the same market area as the subject. Appreciation rates and adjustments were extracted from market data.

The sales comparison approach provides a good value indicator if the sales are recent and comparable to the property being appraised. All the sales sold close to the date of value and were the most recent available in the local market. Each comparable has physical differences compared to the subject that may or may not be reflected in sales or realized by market participants. The strength of this approach is that it gives an indication of market value based on actual transaction values. I found five similar sales. The applicability of the approach is very relevant since vacant lots are bought and sold as evidenced by the sales data. These factors were considered, and the adjustments were determined and applied. The conclusions reached seem reasonable as they are based on market data.

Based on all of the analysis and conclusions in this report, the final opinion of market value of the subject property, subject to the General Assumptions and General Limiting Conditions is:

\$60,000

MARKETING TIME

In the estimation of a reasonable marketing time for the subject property, the appraiser has relied on interpretive opinions set forth by the Appraisal Standards Board of the Appraisal Foundation. The following interpretation was approved by the Appraisal Foundation, on September 16, 1992.

"The reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal."

The estimate of marketing time may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on the market
- Information gathered through sales verification
- Interviews of market participants; and
- Anticipated changes in market conditions

Certain properties exposed on the market for extended periods of time may have been listed at prices which were unrealistic. Similarly, properties which are exposed at reasonable prices may have shorter marketing periods. Therefore, estimates based on comparable sales may or may not provide a good estimate of the subject marketing time depending on the original asking price and/or subsequent price reduction necessary to consummate the sales.

Therefore, if the subject is listed at a level which is consistent with, or slightly above, the expected sales price (market value), then the marketing time would be expected to be at the lower end of the range indicated through sales or from knowledgeable professionals in the market. This premise assumes supply and demand are in balance.

The marketing time, forecasted into the future, of a property such as the subject could range from six months to a year depending on the circumstances of the seller and prospective buyers. This considers the historical exposure time of several other comparable properties in this market area with many days on the market. Given the supply on the market on the effective date, the appropriate marketing period for the subject property is forecasted to be 6-12 months.

ASSUMPTIONS AND LIMITING CONDITIONS

The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. Unless addressed in the appraisal, the condition of subject property is assumed to be the same on the effective date of the appraisal as on the date the property was visited for this report.
2. This Appraisal Report is intended to comply with the reporting requirement set forth under the Uniform Standards of Professional Appraisal Practice. The depth of discussion contained in the report is sufficient for the intended use stated in the report and the user(s) indicated in the report.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. No responsibility is assumed for legal descriptions.
4. Responsible ownership and/or management of the property is assumed.
5. The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.
6. If the appraiser has provided a sketch in the appraisal report, it is intended to show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property and understanding the appraiser's estimation of its size. Maps and exhibits are included to assist the reader in visualizing the property, neighborhood, etc. and are for reader reference only.
7. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
8. If I estimated the value of the land in the cost approach and the improvements at their contributory value, then these separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are not valid if they are so used.
9. It is assumed that all applicable zoning and other use regulations and restrictions have been complied with, unless otherwise stated in this report.
10. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority has been or can be obtained and/or renewed for any use on which the value estimate contained in this report is based.
11. The appraiser has noted in the appraisal report any adverse conditions (such as needed repairs, deferred maintenance, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, subsoil or structure that render it more or less valuable.

12. The appraiser is not aware of adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. The appraiser has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations unless non-compliance is stated, defined and considered in the report.

13. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

14. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

15. If the appraiser has based his or her valuation conclusion as expressed in this report on satisfactory completion of repairs and/or alterations, the appraiser assumes that the repair/alterations will be performed in a workmanlike manner.

16. This appraisal report should only be distributed in its entirety. To take pages or portions out of context would be misleading.

17. In 1992, the Americans with Disabilities Act was passed which provided for a discrimination free environment for citizens with special needs with respect to access and use of property. I have not made a judgment nor am I qualified in the determination of the requirements or rules governing this property which may or may not be in compliance with respect to this legislative act.

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 is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and
- I have no personal interest or bias with respect to the parties involved.
- 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 requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
- I, Stephen J. Everman, made a personal visit to the property that is the subject of this report.
- The appraiser has performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.
- No one (except as noted) provided significant professional assistance to the person(s) signing this report. Gary N. James provided administrative assistance, however all appraisal analysis and valuation was provided by me.
- I currently hold the appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.

APPRAISER: Stephen J. Everman

SIGNATURE:



DATE SIGNED: January 7, 2014

TITLE: Certified General Mass

LICENSE #: CGM 771 STATE: SC Exp. 06/30/2014

Appraiser [X] did [] did not inspect subject property.

ADDENDA

RESUME - STEPHEN J. EVERMAN

NAME: Stephen J. Everman

POSITION: Appraisal Supervisor

**S.C. CERTIFIED GENERAL MASS
REAL ESTATE APPRAISER:** License # CGM 771

DATE EMPLOYED: November 12, 1990

EDUCATIONAL BACKGROUND: Bachelor of Arts in Economics
Wofford College

REAL ESTATE COURSES:

Appraisal Institute:

Real Estate Appraisal Principles
Basic Valuation Procedures
Basic Income Capitalization
General Application
Advanced Income Capitalization
Apartment Appraisal

IAAO:

Valuing Property Affected
by Environmental Contamination
Fundamentals of Mass Appraisal

National Association of Independent Fee Appraisers:

Uniform Standards of Professional Appraisal Practice

The Citadel:

Basic Income Capitalization
Residential Appraisal Reports Using
the URAR Form
Appraisal Reports, Standards and
Practices, Ethics and Law
Residential Property Case Study for CR Designation

PREVIOUS EMPLOYMENT:

G.C. Services, Office Manager

CHARLESTON COUNTY ZONING – EMAILS REGARDING ALLOWABLE USES

William W. Johnson

From: Southerland, Amy <SOUTHERLANDA@charleston-sc.gov>
Sent: Wednesday, February 27, 2013 10:47 AM
To: William W. Johnson
Subject: RE: 460-07-01-077 9 Maranda Holmes St.
Attachments: image002.jpg; image003.jpg

The lot area requirement for two units in DR-2F (Diverse Residential) is 4000 sq feet. This property does have enough lot area for two units. The units can be contained within one building or two as long as all other zoning requirements can be met.

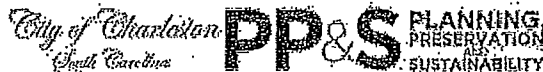
Since a condo really speaks to the ownership and not the use, we would not view two units that were under a condo regime any differently than two units under a single owner.

Thank you,
Amy

Amy T. Southerland, AICP | Planner
e: southerlanda@charleston-sc.gov
p: 843.973.7253 | f: 843.724.3772

City Zoning Maps are now available on-line at <http://gis.charleston-sc.gov/interactive/zoning/>

City of Charleston | Planning, Preservation & Sustainability
75 Calhoun Street | Charleston, South Carolina 29401



From: William W. Johnson [mailto:WJohnson@charlestoncounty.org]
Sent: Wednesday, February 27, 2013 9:18 AM
To: Southerland, Amy
Subject: 460-07-01-077 9 Maranda Holmes St.

Good Morning Amy,

I was hoping you could point me in the right direction and help forward this to the correct person. I am doing an appraisal on the above property which appears to have one of the longer lots in the neighborhood at 40 x 122. Although the frontage is typical the depth appears larger than most. It is zoned DR-2F. What are the limitations for this land? Can it have 2 dwellings or maybe condo's, or is it limited to one single family only? I'm trying to find its highest and best use. It is currently vacant land. I really appreciate your help. Thank You!

William W Johnson IV
Charleston County Assessor's Office
Phone: (843) 958-4148
Fax: (843) 958-4182
Email: wjohnson@charlestoncounty.org

William W. Johnson

From: Southerland, Amy <SOUTHERLANDA@charleston-sc.gov>
Sent: Monday, March 18, 2013 4:53 PM
To: William W. Johnson
Subject: RE: 460-07-01-077 9 Maranda Holmes St.
Attachments: image002.jpg; image004.jpg; image005.jpg

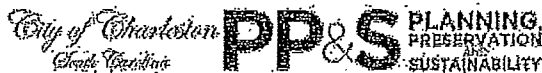
It would not meet the lot frontage requirements for subdivision. The lot is large enough for 2 units and possibly 3 units, but it could not be subdivided without variances.

Thank you,
Amy

Amy T. Southerland, AICP | Planner
e: southerlanda@charleston-sc.gov
p: 843.973.7253 | f: 843.724.3772

City Zoning Maps are now available on-line at <http://gis.charleston-sc.gov/interactive/zoning/>

City of Charleston | Planning, Preservation & Sustainability
75 Calhoun Street | Charleston, South Carolina 29401



From: William W. Johnson [mailto:WJohnson@charlestoncounty.org]
Sent: Monday, March 18, 2013 4:50 PM
To: Southerland, Amy
Subject: RE: 460-07-01-077 9 Maranda Holmes St.

Amy,

Could this same lot below be subdivided into 2 lots?

William W Johnson IV
Charleston County Assessor's Office
Phone: (843) 958-4148
Fax: (843) 958-4182
Email: wjohnson@charlestoncounty.org



COMPARABLE SALES APPROACH - SALES ADJUSTMENT GRID

	Subject	Comp #1	
ADDRESS	9 Maranda	194 Fishburne	
		460-07-02-060	
Proximity to Subject			
Date of Sale		12/14/2009	
Sale Price		\$45,000	
Land Area (Acres)	4,880.00	2,010.00	
Sale Price/SF	\$0	\$22	
Land Area (Front Feet)	40	30	
Zoning	DR-2F	DR2-F	
RIGHTS/SALES/MARKET ADJUSTMENTS			+(-) Adjust.
Property Rights Appraised			
Sales/Financing Adjustments			
Date of Sale/Time Adjustment	12/31/2009	12/14/2009	0
NET ADJUSTMENTS (Subtotal)			0
NET PRICE ADJ.		\$45,000	

	Subject	Comp #1	Value Adj
ADDRESS	9 Maranda	194 Fishburne	
	0	460-07-02-060	
Location			
Lot size @\$6/sf	4880	2010	17,000
Demolition of SFR			
Flood Plain	X		
Zoning	DR2-F	DR2-F	
Functional Utility	Typical	Typical	
NET PHYSICAL ADJ.			17,000
NET TOTAL ADJUSTMENTS			17,000
ADJUSTED SALES PRICE OF COMP			\$62,000

Comp #2	Comp #3	Comp #4	Comp #5
5 Middleton 463-11-04-072	8 Kyle Place 463-11-04-087	101 America 459-05-04-010	49 Ashe 460-08-01-104
11/4/2009	4/28/2009	6/29/2009	3/3/2009
\$45,000	\$50,000	\$44,500	\$55,000
2,970.00	2,966.00	2,600.00	1,885.00
\$15	\$17	\$17	\$29
33	28	26	30
SR-2	SR-2	DR2-F	DR-2F
+(-) Adjust.	+(-) Adjust.	+(-) Adjust.	+(-) Adjust.
11/4/2009	(1,000)	4/28/2009	(3,000)
	(1,000)	6/29/2009	(2,000)
		3/3/2009	(4,000)
			(4,000)
\$44,000	\$47,000	\$42,500	\$51,000

Adjustments to Comparables

PHYSICAL ADJUSTMENTS

Comp #2	Comp #3	Comp #4	Comp #5
5 Middleton 463-11-04-072	8 Kyle Place 463-11-04-087	101 America 459-05-04-010	49 Ashe 460-08-01-104
2970	11,000	2966	11,000
3,500		10%	4,500
		-10%	(5,500)
		2600	14,000
		1885	18,000
SR-2	SR-2	DR2-f	DR2-F
Typical	Typical	Typical	Typical
14,500	11,000	18,500	12,500
13,500	8,000	16,500	8,500
\$58,500	\$58,000	\$61,000	\$63,500



THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Ralph King Anderson, III, Chief Administrative Law Judge

Docket No. 2013-ALJ-17-0365-CC

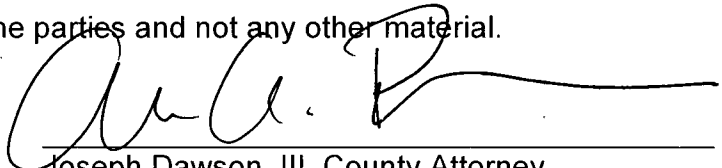
Connery Properties, Inc., ... Respondent,

v.

Charleston County Assessor, ... Appellant.

CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.



Joseph Dawson, III, County Attorney
Bernard E. Ferrara, Jr., Deputy County Attorney
Austin A. Bruner, Assistant County Attorney
Bradley A. Mitchell, Assistant County Attorney
Johanna S. Gardner, Assistant County Attorney
Charleston County Attorney's Office
Lonnie Hamilton, III Public Services Building
4045 Bridge View Drive
North Charleston, South Carolina 29405
(843) 958-4010

Attorneys for Appellant

Charleston, South Carolina
September 15, 2014

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

RECEIVED

SEP 15 2014

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Ralph King Anderson, III, Chief Administrative Law Judge

SC Court of Appeals

Docket No. 2013-ALJ-17-0365-CC

Connery Properties, Inc., ... Respondent,

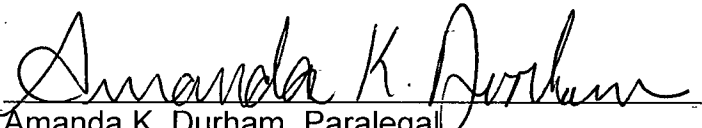
v.

Charleston County Assessor, ... Appellant.

PROOF OF SERVICE

I certify that I have served Appellant Charleston County Assessor's **Record on Appeal** on Connery Properties, Inc. by depositing a copy of the same in the United States Mail, postage prepaid, on September 15, 2014, addressed to its attorney of record as follows:

Kerry W. Koon, Esquire
147 Wappoo Creek Drive, Suite 203
Charleston, South Carolina 29412
(843) 795-7000
Attorney for Respondent


Amanda K. Durham, Paralegal
CHARLESTON COUNTY ATTORNEY'S OFFICE