NOTICE OF MEETING

A meeting of the Committee on Real Estate will be held beginning at 3:30 p.m. Tuesday, February 22, 2022, City Hall, 80 Broad Street, Conference Call: 1-929-205-6099; Access Code: 835 678 884. The agenda will be as follows:

AGENDA

Invocation – Councilmember Gregg

Approval of Minutes:

February 7, 2022

a. An ordinance to authorize the Mayor to execute on behalf of the City a lease between the City of Charleston and Marina Variety Store. The property is owned by the City of Charleston. (9 Lockwood Dr.) (TMS No. 460-14-00-016).

b. Request the Mayor to execute the necessary documents for the purchase of 11 Cunnington Avenue, a 0.08-acre property, which includes a recently renovated building of 3,316 total square feet, located in the Neck Area of the City, for $1,300,000 subject to the conditions outlined in the attached Agreement of Purchase and Sale. (TMS No, 464-14-00-118) (11 Cunnington Avenue, Charleston, SC 29405).

c. Please consider the following annexation:

(i) 1939 Piper Drive (0.25 acre) (TMS# 350-09-00-067), West Ashley, (District 5). The property is owned by Susan J. Vigen.

In accordance with the Americans with Disabilities Act, people who need alternative formats, ASL (American Sign Language) Interpretation or other accommodation please contact Janet Schumacher at (843) 577-1389 or email to schumacherj@charleston-sc.gov three business days prior to the meeting.
TO: Committee on Real Estate  DATE: February 10, 2022
FROM: Julia Copeland  DEPT: Legal
ADDRESS: 9 Lockwood Dr.
TMS: 460-14-00-016
PROPERTY OWNER: City of Charleston
ACTION REQUEST: “Ordinance to authorize the Mayor to execute a lease between the City of Charleston and Marina Variety Store.”

ORDINANCE: Is an ordinance required? Yes ☑ No □

COORDINATION: The request has been coordinated with:
All supporting documentation must be included

Department Head  Signature  Attachments
Legal Department  □
Chief Financial Officer  □
Director Real Estate Management  □

FUNDING: Was funding needed? Yes ☑ No □
If yes, was funding previously approved?* Yes ☑ No □

*If approved, provide the following: Dept/Div. Acct: ________
Balance in Account Amount needed for this item ________

NEED: Identify any critical time constraint(s).
AN ORDINANCE

AUTHORIZING THE MAYOR TO EXECUTE ON BEHALF OF THE CITY A LEASE BETWEEN CITY OF CHARLESTON AND MARINA VARIETY STORE.

BE IT ORDAINED BY THE MAYOR AND COUNCILMEMBERS OF CHARLESTON, IN CITY COUNCIL ASSEMBLED:

Section 1. That the Mayor is hereby authorized to execute on behalf of the City a lease between City of Charleston and Marina Variety Store attached hereto as Exhibit 1.

Section 2. That this Ordinance shall become effective upon ratification.

Ratified in City Council this ___ day of ____________ in the year of Our Lord, 2022, in the 246th Year of the Independence of the United States of America.

By: ________________________________
    John J. Tecklenburg, Mayor

ATTEST: By: ________________________________
         Jennifer Cook
         Clerk of Council
RESTAURANT LEASE

between

CITY OF CHARLESTON,
a political subdivision of the State of South Carolina,
as Landlord

and

MARINA VARIETY STORE, INC.,
a South Carolina Corporation,
as Tenant

dated as of
February ____, 2022
ARTICLE I DEFINITIONS ........................................................................................................ 1
  Section 1.01 Definitions ...................................................................................................... 1

ARTICLE II TERM AND CANCELLATION ........................................................................ 3
  Section 2.01 Lease of Premises for Lease Term ............................................................... 3
  Section 2.02 Lease Term .................................................................................................... 3
  Section 2.03 Termination Without Cause ........................................................................ 3

ARTICLE III PAYMENT OF BASE RENT ........................................................................ 4
  Section 3.01 Base Rent ...................................................................................................... 4
  Section 3.02 Late Payment ............................................................................................... 4

ARTICLE IV TAXES ........................................................................................................... 4

ARTICLE V USE .................................................................................................................. 5
  Section 5.01 Permitted Use. ............................................................................................. 5
  Section 5.02 Landlord's Access ....................................................................................... 5
  Section 5.03 Building Security ......................................................................................... 6
  Section 5.04 Continuous Operations .............................................................................. 6

ARTICLE VI GUARANTY ..................................................................................................... 6

ARTICLE VII SERVICES AND UTILITIES ..................................................................... 6
  Section 7.01 Payment by Tenant for Services and Utilities ............................................. 6
  Section 7.02 Availability of Services and Utilities ............................................................. 6

ARTICLE VIII MAINTENANCE, REPAIRS, AND ALTERATIONS ................................. 6
  Section 8.01 Maintenance by Tenant ............................................................................... 6
  Section 8.02 Alterations, Additions and Improvements .................................................. 7

ARTICLE IX ASSIGNMENT AND SUBLEASING .............................................................. 8
  Section 9.01 Landlord's Consent Required ....................................................................... 8

ARTICLE X INSURANCE AND INDEMNIFICATION .......................................................... 8
  Section 10.01 Liability Insurance .................................................................................... 8
Section 10.02 Property Insurance ............................................................... 8
Section 10.03 Liquor Liability Insurance ...................................................... 8
Section 10.04 Insurance Policies ................................................................. 9
Section 10.05 Waiver of Subrogation ........................................................... 9
Section 10.06 Indemnity ........................................................................... 9

ARTICLE XI DAMAGE AND DESTRUCTION ................................................. 10
Section 11.01 Damage or Destruction to Premises ....................................... 10
Section 11.02 Temporary Abatement of Rent .............................................. 10

ARTICLE XII DEFAULTS AND REMEDIES ................................................. 11
Section 12.01 Events of Default ................................................................. 11
Section 12.02 Remedies ........................................................................... 12
Section 12.03 Landlord’s Damages ............................................................. 13
Section 12.04 Non-Waiver of Defaults ...................................................... 13

ARTICLE XIII NOTICES ......................................................................... 14

ARTICLE XIV QUIET ENJOYMENT ........................................................... 14

ARTICLE XV END OF TERM ..................................................................... 14
Section 15.01 Surrender of the Premises .................................................... 14
Section 15.02 Holding Over ...................................................................... 14

ARTICLE XVI MISCELLANEOUS PROVISIONS ......................................... 15
Section 16.01 Governing Law; Venue ......................................................... 15
Section 16.02 Entire Agreement; Waivers ................................................... 15
Section 16.03 Successors and Assigns ....................................................... 15
Section 16.04 Partial Invalidity .................................................................. 15
Section 16.05 Relationship of the Parties .................................................... 15
Section 16.06 Headings ........................................................................... 15
Section 16.07 Survival of Obligations ....................................................... 15
Section 16.08 Independent Covenants ....................................................... 16
Section 16.09 Limitation of Liability .......................................................... 16
<table>
<thead>
<tr>
<th>EXHIBITS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit A</td>
<td>Legal Description of the Land</td>
</tr>
<tr>
<td>Exhibit B</td>
<td>Site Plan of Premises</td>
</tr>
<tr>
<td>Exhibit C</td>
<td>Guaranty</td>
</tr>
</tbody>
</table>
RESTAURANT LEASE

THIS RESTAURANT LEASE (this "Lease"), is made as of the _____ day of February, 2022, by and between CITY OF CHARLESTON, a political subdivision of the State of South Carolina, having an address at c/o Real Estate Manager, 2 George Street, Charleston, SC 29401 ("Landlord"), and Marina Variety Store, Inc., a South Carolina Corporation, having an address at 9 Lockwood Drive, Charleston, SC 29401 ("Tenant"). Landlord and Tenant are also sometimes referred to herein collectively as the “Parties” or individually as a “Party.”

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. The terms defined in this Article I shall have the following meanings whenever used in this Lease:


“Alteration(s)” shall mean any change, alteration, addition, or improvement to the Premises or the Building.

“Business Day(s)” shall mean all days, excluding the following days: Saturdays, Sundays, and all days observed as legal holidays by the State of South Carolina or the US federal government.

“Effective Date” shall mean the date this Agreement is executed by both parties.

“Event(s) of Default” shall have the meaning set forth in Section 12.01 hereof.

“Force Majeure” shall mean whenever a period of time is provided in this Lease for either party to do or perform any act or thing, except for the payment of monies by Tenant, the computation of such period of time shall exclude any delays due to strikes, riots, acts of God, shortages of labor, or any cause or causes, whether or not similar to those enumerated, beyond the parties’ reasonable control or the reasonable control of their agents, servants, employees, and any contractor engaged by them to perform work in connection with this Lease.

“Gross Sales” shall mean the aggregate selling prices of all food and merchandise either sold, delivered or prepared at the leased premises and the charges or fees for all services sold or performed at the leased premises. Gross sales include sales and charges for cash or credit, catering income where the catered food is prepared in whole or in part at the Leased Premises, and if the merchandise or service is ordered at the Leased Premises and served, delivered or prepared at the Leased Premises. Credit sales shall be included in gross sales regardless of collections. This shall exclude refunds made by Tenant to its customers for merchandise returned to Tenant, all sales taxes imposed by any governmental authority upon said sales, bulk sales or a closeout of merchandise not sold at retail, sales of fixtures and equipment.
"Initial Lease Term" shall mean the term beginning on the commencement date and ending on April 30, 2027.

"Interest Rate" shall mean the Prime Rate plus ten percent (10%) per annum but, in no event, in excess of the maximum permissible interest rate then in effect in the State.

"Landlord" shall mean the entity specified in the preamble of this Lease and any successor or assign of such entity.

"Law(s)" shall mean all laws, statutes, and ordinances (including building codes, zoning ordinances, and regulations), rules, orders, directives, and requirements of all federal, state, county, municipal departments, bureaus, boards, agencies, offices, commissions, and other subdivisions thereof, or of any official thereof, or of any governmental, public or quasi-public authority, whether now or hereafter in force, which may be applicable to the Land, the Marina, the Building, or the Premises, or any part thereof, including, without limitation, the ADA, the Liquor Control Laws, the OSH Act, and any and all Superior Instruments.

"Lease" shall have the meaning set forth in the preamble of this Lease.

"Leased Premises" shall mean the existing building known as the Marina Variety Store at the Charleston Municipal Marina and containing approximately 3,600 square feet together with all appurtenances thereto located on #9 Lockwood Boulevard in the City of Charleston, South Carolina. The said leased premises are more particularly shown on a plat of The City Marina labeled "Marina Variety Store, Inc." dated December 13, 1993, and recorded on December 14, 1993, in the office of the Register of Deeds for Charleston County in Book CO at Page 108, copies of which are attached hereto as Exhibit A. This shall also mean all necessary appurtenances to said building and addition, such as steps, walkways, loading docks, trash pick-up areas and airspace to accommodate roof eaves and overhangs together with all necessary easements to the nearest public right-of-way to provide for utility connections.

"Liquor Control Laws" shall mean any and all applicable federal or State laws, regulations, and local ordinances relating to the service of alcohol, all as amended or hereinafter amended.

"Party/Parties" shall have the meaning set forth in the preamble of this Lease.

"Person(s) or person(s)" shall mean any natural person or persons, a limited liability company, a limited partnership, a partnership, a corporation, and any other form of business or legal association or entity.

"Personal Property" shall mean all tangible personal property now or at any time hereafter located on or at the Premises or used in connection with the Premises, including, without limitation, all trade fixtures, machinery, appliances, furniture, equipment, and inventory.

"Prevailing Party" shall have the meaning set forth in Section 16.13 hereof.
“Prime Rate” shall mean the prime rate of U.S. commercial banks as published in The Wall Street Journal (or, if more than one such rate is published, the average of such rates). Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360-day year with twelve (12) months of thirty (30) days each.

“Quiet Enjoyment” shall have the meaning set forth in ARTICLE XIV hereof.

“Real Estate Taxes” shall mean any form of real estate tax or assessment, general, special, ordinary, or extraordinary imposed upon the Building or any portion of the Premises by any authority having the direct or indirect power to tax, including any city, state, or federal government, or any school, sanitary, fire, street, drainage, or other improvement district thereof, levied against any legal or equitable interest of Landlord in the Building or any portion of the Premises, including, without limitation, any Solid Waste User Fee imposed upon the Premises by the County of Charleston. The term “Real Estate Taxes” shall also include any tax, fee, levy, assessment, or charge, or any increase therein, imposed by reason of events occurring, or changes in applicable zoning, municipal, county, state, and federal laws, ordinances, and regulations, and any covenants or restrictions of record taking effect, during the Term of this Lease, whether or not contemplated by the parties hereto. Notwithstanding the foregoing, Real Estate Taxes shall specifically exclude the following: (a) any and all taxes on Landlord’s income; (b) franchise taxes or corporate or unincorporated business taxes; (c) estate, gift, succession, or inheritance taxes; (d) any capital gains taxes; and (e) any increase in Real Estate Taxes which, pursuant to Section 5.04 hereof, Tenant shall not be obligated to pay.

“Rent” shall collectively mean Base Rent.

“Rent Payment Address” shall mean Real Estate Management Office, 2 George Street, Charleston, South Carolina 29401.

“Tenant” shall mean the entity identified in the preamble of this Lease, including any successor to the original Tenant.

“Tenant Parties” shall mean Tenant’s officers, agents, employees, partners, successors, and assigns.

“Term” shall mean the primary lease term described in Article II.

ARTICLE II
TERM and CANCELLATION

Section 2.01 Lease of Premises. Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Term, subject to earlier termination pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.
Section 2.02 Lease Term. The Initial Term will commence on the Effective Date and shall terminate on April 30, 2027. Tenant shall have the right to exercise three (3) additional option terms of five (5) years each, upon written request to Landlord by Tenant six (6) months prior to the end of each term. If Tenant is not in default at the time of the request to exercise additional options, City may grant said request. The option terms shall terminate on April 30, 2042.

Section 2.03 Termination without Cause. Either party upon 120 days’ notice to the other shall have the right to cancel this lease without cause during the term of this lease or during the renewal period by furnishing the other party with 120 days’ notice of its intention to exercise this right of cancellation. If the Tenant pays all base rents, taxes and other obligations required until the date of cancellation the Tenant’s obligation hereunder shall cease.

ARTICLE III
PAYMENT OF BASE RENT

Section 3.01 Base Rent. As of the commencement date, the Tenant shall pay a base rent of Five Thousand ($5,000) Dollars each month for an annual base rent of Sixty Thousand ($60,000) Dollars. Rent for the Term shall be increased annually as of the anniversary date of the Commencement Date of each year for any change in the U.S. Consumer Price Index for all Urban Consumers (CPI-U) based on the percent change in the monthly index for April of each year, subject, however, to a 3% cap on annual increases over the immediately preceding year, regardless of whether the percent change in the CPI-U is higher than said cap. In no event shall rent shall be decreased due to any decrease in a CPI-U monthly index.

(a) Tenant shall pay Base Rent to Landlord in equal monthly installments, in advance, on the first day of each month without notice or demand.

Section 3.02 Late Payment.

(a) If any payment of Rent or any other charge or expense payable under this Lease is not received by Landlord within ten (10) days after its due date, such payment shall be subject to a late payment fee of five percent (5%) of the unpaid amount, or such lesser amount as may be the maximum amount permitted by Law, in order to compensate Landlord for its administrative expenses and not as a penalty, until such payment is received by Landlord.

ARTICLE IV
TAXES

The Tenant further covenants, promises and agrees to bear, pay and discharge (in addition to the rents specified) all taxes, assessments and levies, general and special, ordinary and extraordinary, of every name, nature and kind whatsoever, which may be lawfully taxed, charged, assessed, levied or imposed upon said demised premises, and/or upon any and all buildings and
improvements at any time situated thereon. Nothing contained in this lease shall be deemed to be a consent by the Tenant to the levy of, or an agreement by the Tenant to pay, any taxes assessments, impositions or levies, which could not be lawfully levied upon the demised premises or the lawful use thereof. This lease shall not be construed to impair or prejudice the rights of the Tenant in good faith to pay under protest, or contest to final judgment or decree in Courts of last resort the payment of any tax, assessment, lien, imposition, levy or charge which may be levied or imposed upon said premises or the leasehold estate created hereby or otherwise and which are, by the terms of this lease, required to be paid by the Tenant.

ARTICLE V
USE

Section 5.01 Permitted Use. At all times during the term hereof, Tenant will operate a full service restaurant and bar at the Leased Premises in accordance with the Ordinances, Rules and Resolutions of the city council of Charleston, and in accordance with the laws of the United States of America and the State of South Carolina. The premises shall, at all times, be maintained in a clean, neat and orderly manner, and that during the term hereof, the Tenant shall have the exclusive right to operate a full service restaurant and bar at the Municipal Marina, PROVIDED, however, this right shall not limit the rights of private yacht clubs and other organizations located at the Municipal Marina from serving food to members and guests, nor shall it limit the rights of the Landlord to lease other premises at the Municipal Marina to Tenants for the operation of restaurants or cafeterias. The Tenant shall have a right to maintain a restaurant and bar and shall have the right to lawfully serve beer, wines and liquors at the leased premises. All alcoholic beverages shall be sold in compliance with South Carolina Law and with the Rules and Regulations of the South Carolina Department of Health and Environmental Control (SCDHEC). The Tenant shall maintain a restaurant and a bar and other portions of the premises used for food dispensing, so as to qualify at all times for a Grade "A" permit issued by the South Carolina Department of Health and Environmental Control and will arrange for the eradication of any bugs, vermin or rodents which may appear in or about the premises. Tenant shall obtain and pay for all permits, including a City of Charleston business license and liquor licenses necessary for serving and selling alcoholic beverages at the Premises, and maintain such permits and licenses throughout the term of this Lease.

Section 5.02 Landlord’s Access.

(a) Landlord or its agents may enter the Premises at all reasonable times upon reasonable prior written notice to Tenant (a minimum of twenty-four (24) hours except in the case of an emergency) and, at Tenant’s option, accompanied by a representative of Tenant (provided Tenant makes such representative available), to inspect the Premises.

(b) Landlord shall exercise all reasonable efforts so that any entry into the Premises is reasonably designed to minimize interference with the operation of Tenant’s business in the Premises.
Section 5.03 Building Security. Notwithstanding the foregoing, Landlord is not responsible for the security of persons or property in, on, or about the Premises, the Building, and/or the Marina. Landlord is not and shall not be liable in any way whatsoever for any criminal activity or any breach of security in, on, or about the Premises, the Building, and/or the Marina. Tenant shall be responsible for obtaining and maintaining all security with respect to the interior of the Premises, whether by the use of devices, security guard personnel, or otherwise. Tenant acknowledges and agrees that Landlord shall have no liability to Tenant and/or any Tenant Parties for the implementation or exercise of, or for the failure to implement or exercise, any security measures with respect to the interior of the Premises, the Building, or the Marina.

Section 5.04 Continuous Operations. Except for events of Force Majeure and a commercially reasonable period not to exceed thirty (30) days in any Lease Year for purposes of renovating the Premises or periodic cleaning of the Premises, Tenant shall diligently and continuously operate its business on the Premises year-round throughout the Term. Subject to the requirements of this Section, Tenant shall have the authority to set commercially reasonable hours of operation and to temporarily suspend restaurant service within portions of the Building if Tenant determines in its commercially reasonable discretion that it would be financially beneficial to do so.

ARTICLE VI
GUARANTY OF LEASE

Contemporaneously with the execution of this Lease, Tenant shall cause the Guarantor to execute and deliver to Landlord a personal guaranty in the form attached hereto as Exhibit B guaranteeing the payment and performance by Tenant of all of the obligations under this Lease.

ARTICLE VII
SERVICES AND UTILITIES

Section 7.01 Payment by Tenant for Services and Utilities. Tenant shall pay, directly to the appropriate supplier, the cost of all natural gas, heat, light, power, sewer service, telephone, water, refuse disposal, and other services and utilities supplied to the Premises.

Section 7.02 Availability of Services and Utilities. Landlord represents and warrants to Tenant that sewer, water, electric, telephone, and gas lines are available directly at the Premises.

ARTICLE VIII
MAINTENANCE, REPAIRS, AND ALTERATIONS

Section 8.01 Maintenance by Tenant. Except as otherwise set forth in this Lease, Tenant shall assume and perform all maintenance and management functions with respect to the Premises, including the obligations specifically set forth in this Section. Tenant shall at all times put, keep and maintain the Premises (including, without limitation, all or any portion of the
Building; the HVAC system serving the Building; the roof and roof membrane of the Building; all seating, tables, bars, and other improvements and fixtures; all landscaping within the Premises; walls (interior and exterior), footings and foundations of the Building and all other improvements within the Premises; and all structural and non-structural components of the Premises) in first-class repair and appearance, and shall promptly make all repairs and replacements of every kind and nature, whether foreseen or unforeseen, which may be required to be made upon or in connection with any of the Premises in order to keep and maintain the Premises in first class repair and appearance. Tenant shall do or cause others to do all shoring of the Premises or of foundations and walls of the improvements and every other act necessary or appropriate for preservation and safety thereof, by reason of or in connection with any excavation or other building operation upon any of the Premises. Tenant shall from time to time replace with other similar operational equipment or parts any of the mechanical systems or other equipment included in any of the Premises which shall have become worn out, obsolete or unusable for the purpose for which it is intended, or been lost, stolen, damaged or destroyed. Tenant shall maintain, repair and replace the above-ground plumbing, utility, and/or sewer lines and mains which service all or any portion of the Premises, save and excepting that it shall be the Landlord’s exclusive and sole responsibility to maintain, repair, or replace, or to coordinate such maintenance, repairs and replacements with the applicable utility or municipal service providers, any (i) underground sewer or water mains or (ii) underground or overhead electrical power lines leading up to the hookup location to the Building, and to make available those portions of the Marina as may be reasonably necessary for any such maintenance, repairs or replacements. Except as expressly required under this Lease, Landlord shall not be required to make any repair, whether foreseen or unforeseen, or to maintain any of the Premises in any way, and Tenant hereby expressly waives the right to make repairs at the expense of the Landlord, which right may otherwise be provided for in any law now or hereafter in effect. Tenant shall, in all events, make all repairs for which it is responsible hereunder promptly, and shall commence such repair and diligently pursue completion of the same within thirty (30) days after a repair or replacement becomes prudent, and all repairs shall be done in a good, proper and workmanlike manner, and diligently pursued to completion. If Tenant fails to maintain or repair the Premises as required hereunder to the reasonable satisfaction of Landlord, then within thirty (30) days after written demand from Landlord, Landlord shall have the option, but not the obligation, to make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant’s inventory, fixtures, or property, or to Tenant’s business thereon, and upon completion thereof, Tenant shall pay Landlord’s reasonable and documented costs for making such repairs upon presentation of a bill therefor.

Section 8.02  Alterations, Additions, and Improvements. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord’s prior written consent, which consent shall not be unreasonably withheld. All alterations, additions, and improvements shall be accomplished in a good and workmanlike manner, in conformity with all applicable Laws, and by a contractor who is licensed in the State of South Carolina, bonded, insured. All fixtures and improvements installed by the Tenant shall become the property of the Landlord upon the expiration or cancellation of this Lease.
ARTICLE IX
ASSIGNMENT AND SUBLEASING

Section 9.01 Landlord’s Consent Required. The Tenant may not assign its interests without the consent of the Landlord. The Landlord agrees that it will not unreasonably withhold its consent to any assignment and will consent to assignments by a tenant provided:

(a) A Tenant is not in default under this Lease; and

(b) The assignee shall assume in writing the Tenant obligations under this Lease; and

(c) That the assignee has a good credit reputation; and

(d) The assignee, individually, or through its principal officers or managers if a corporation can reasonably demonstrate to Landlord that it possesses experience and management skills to operate a business as defined by Section 5.01 of this Lease.

(e) If a corporation, the assignee shall have its principal officers and/or stockholders guarantee the performance of the Tenant’s obligations under this Lease.

ARTICLE X
INSURANCE AND INDEMNIFICATION

Section 10.01 Liability Insurance. Tenant shall, at Tenant’s sole cost and expense, obtain and keep in force during the Term of this Lease a policy of combined single limit, bodily injury and property damage insurance insuring Tenant and Landlord as an additional insured, against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be provided through a combined single limit policy in an amount not less than $1,000,000.00 per occurrence, with $2,000,000.00 of aggregate coverage. The policy shall insure performance by Tenant of the indemnity provision of this Article. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. All insurance to be carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only. In addition, Tenant shall maintain workers’ compensation insurance as is required by the Laws of the State.

Section 10.02 Property Insurance.

(a) Landlord shall obtain and keep in force during the Term of this Lease a policy or policies of insurance covering loss or damage to the Building in the amount of the full replacement value thereof, as the same may exist from time to time, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, flood, windstorm coverage, and special extended perils (“all risk” as such term
is used in the insurance industry). Said insurance shall provide for a payment of loss thereunder to Landlord.

(b) Tenant shall obtain and maintain insurance coverage for full replacement cost on all of Tenant’s personal property, equipment, trade fixtures, and improvements in, on, or about the Premises.

Section 10.03 Liquor Liability Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect during the Term of this Lease, liquor liability insurance for all periods of time that Tenant uses, sells, gifts, or otherwise permits the consumption of alcoholic beverages on or from the Premises. Such liquor liability insurance policy shall name Landlord as an additional insured. Tenant shall deliver to Landlord a policy of liquor liability insurance in form, substance, and with insurers satisfactory to Tenant, with total limits of liability for bodily injury, death, loss of means of support, and property damage because of each occurrence of not less than $1,000,000.00, or such greater amounts as Landlord may designate, against any and all liability by virtue of the Liquor Control Laws, any amendments or supplements thereto, or any kindred legislation concerning the use, sale, or giving away of alcoholic liquors. If at any time the required liquor liability insurance is for any reason not in force, then, during all and any such times no sale, merchandising, transfer, giving away, or exchange of alcoholic beverages shall be made by Tenant or any other person in, upon, or from any part of the Premises. Tenant must provide notice to Landlord of any lawsuit filed against the business or premises.

Section 10.04 Insurance Policies. Insurance required hereunder shall be issued by companies authorized to do business in the State and holding a “General Policyholders Rating” of not less than “A” as set forth in the most current issue of “Best Insurance Guide,” or any successor thereto (or if there be none, an organization having a national reputation). No policy carried by Tenant shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days’ prior written notice to Landlord. Not less than thirty (30) days prior to the expiration of such policies, Tenant shall furnish Landlord with renewals or “binders” thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant upon demand. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies carried by Landlord. Executed copies of policies of insurance or certificates thereof shall be delivered to Landlord within thirty (30) days after the commencement date. All insurance obtained by Tenant shall be primary. All insurance obtained by Tenant shall name Landlord as an additional insured and copies of the same provided immediately upon request to the Landlord.

Section 10.05 Waiver of Subrogation. Tenant and Landlord each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under this Article, which perils occur in, on, or about the Premises, whether due to the negligence of Landlord, any Landlord Parties, Tenant, or any Tenant Parties, or Tenant’s contractors or invitees. Tenant and Landlord shall, upon
obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

Section 10.06 Indemnity. Except for the negligence and intentional misconduct of Landlord and/or any Landlord Parties, Tenant shall indemnify and hold harmless Landlord and Landlord’s officers, agents, employees, partners, successors, and assigns (collectively, “Landlord Parties”) from and against any and all claims arising from Tenant’s use of the Premises, or from the conduct of Tenant’s business or from any activity, work, or things done, permitted, or suffered by Tenant in, on, or about the Premises or elsewhere, and shall further indemnify and hold harmless Landlord and all Landlord Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant’s part to be performed under the terms of this Lease, or arising from any negligence of Tenant, or any of Tenant’s agents, contractors, or employees, and from and against all costs, attorneys’ fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant’s expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damages to property or injury to persons, in, on, or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against any Landlord Parties, except for claims resulting from the gross negligence and intentional misconduct of Landlord and/or any Landlord Parties.

ARTICLE XI
DAMAGE AND DESTRUCTION

Section 11.01 Damage or Destruction to Premises. If any structure on the Premises is damaged or destroyed by fire or other casualty in an amount that is less than 50% less of its fair market value, the City, or at the City’s election the Tenant, shall commence restoration of the affected structures within one hundred eighty (180) days of the date of such damage or destruction and shall diligently pursue such restoration to completion and to a condition reasonably equivalent in design, quality, size and utility to the structure as it existed immediately prior to the damage or destruction. Insurance proceeds of any applicable party shall be made available to the party restoring the Premises. If any structure on the Premises is damaged or destroyed by fire or other casualty in an amount of 50% or more of its fair market value, City shall have the option of (1) terminating this Agreement by giving written notice to Tenant, in which event the Term of this Agreement shall expire and Tenant shall immediately vacate the Premises; or (2) repairing, restoring, rebuilding, reconstructing or replacing the structure, or at its election having Tenant do so, such work to commence within one hundred eighty (180) days of the date of such damage or destruction and to continue until completion and to a condition reasonably equivalent in design, quality, size and utility to the structure as it existed immediately prior to the damage or destruction; provided however, City will repair and restore the affected structure if Tenant agrees to pay any costs of repair and restoration that exceed the amount of insurance proceeds available to the City or Tenant as a result of the damage, and provided further that Tenant provide City documentation of its ability to meet the financial obligations required to complete the repair and restoration.
Section 11.02 Temporary Abatement of Rent. If all or any portion of the leased premises is damaged by fire or casualty, the rent shall abate from the date of the occurrence during such period as the leased premises are rendered unusable for the permitted uses under this agreement. At such time as the premises are repaired or rebuilt and the use is restored by the Tenant, the lease payments shall resume.

ARTICLE XII
DEFAULTS AND REMEDIES

Section 12.01 Events of Default. Tenant shall be in material default under this Lease if any one or more of the following events (herein sometimes referred to individually as an “Event of Default” and collectively as “Events of Default”) shall occur and shall not be timely remedied as herein provided:

(a) Except as otherwise provided in Section 10.03, if Tenant fails to make any payment of Rent due under this Lease or any part thereof within ten (10) days of the date the same shall become due and payable.

(b) If Tenant fails to make any payment of any sum or charge payable under this Lease other than Base Rent, or any part thereof, when and as the same shall become due and payable and such default continues for a period of ten (10) days after receipt by Tenant of notice from Landlord specifying the default.

(c) If Tenant fails to observe or perform any of the other covenants, agreements, or conditions of this Lease on the part of Tenant to be kept and performed, and such default continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant, provided, however, that with respect to any default (other than a default which can be cured by the payment of money) that cannot be reasonably cured within said thirty (30) day period, Tenant shall have the greater of (i) any additional cure period that is specified in this lease, or (ii) where no such additional cure period is accounted for, an additional period of ninety (90) days to cure such default, provided Tenant commences to cure within said thirty (30) days and actually cures the default within ninety (90) days after Landlord’s notice.

(d) If Tenant or any Guarantor files a petition in bankruptcy, is adjudicated as bankrupt, or files any petition or answer seeking any reorganization, rearrangement, recomposition, readjustment, liquidation, dissolution, or similar relief for itself under any present or future Law, or makes an assignment for the benefit of creditors, or if any trustee, receiver, or liquidator of Tenant, any Guarantor, or of all or any substantial part of its properties or of the Premises shall be appointed in any action, suit, or proceeding by or against Tenant or any Guarantor and such proceeding or action shall not have been dismissed within sixty (60) days after such filing or appointment.
(c) If Tenant vacates, abandons, or fails to use the Premises for the Permitted Use for a period in excess of thirty (30) days, except that Tenant shall not be deemed to have abandoned or vacated the Premises (i) when and to the extent that the Premises are untenantable by reason of damage by fire, other casualty or condemnation, (ii) to the extent that the Premises are closed for purposes of renovations or periodic cleaning, or (iii) as a result of any events of Force Majeure.

Section 12.02 Remedies. In the event of any Event of Default, Landlord may, at its option, exercise any and all of the remedies listed below. No such remedy herein or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity, and every power and remedy given by the Lease to Landlord may be exercised from time to time and as often as the occasion may rise or may be deemed expedient.

(a) Landlord may, without terminating this Lease, enter upon the Premises, without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, in which event Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in complying with Tenant’s obligations under this Lease, and Landlord shall not be liable for any damages resulting to Tenant from such action, unless caused by the gross negligence of Landlord.

(b) Landlord may, if it elects to do so, bring suit for the collection of rents and/or any damages resulting from Tenant’s default without entering into possession of the Premises or voiding this Lease.

(c) Landlord may terminate this Lease after ten (10) days’ written notice to Tenant and this Lease shall terminate on the date specified in such notice. Tenant shall quit and surrender the Premises by said date, failing which, Landlord may enter upon the Premises immediately or at any subsequent time without additional notice or demand (which additional notice or demand is hereby expressly waived by Tenant) without being liable for prosecution of any claim for damages therefor, and expel Tenant and those claiming under Tenant and remove their effects without being guilty of any manner of trespass. Tenant agrees that if Landlord shall cause Tenant’s goods or effects to be removed from the Premises pursuant to the terms hereof or of any court order, Landlord’s act of so removing such goods or effects shall be deemed to be the act of and for the account of Tenant.

(d) In the event of such termination: (i) Landlord may accelerate and declare the entire remaining unpaid Rent and any and all other monies payable under this Lease for the balance of the Term hereof to be immediately due and payable; or (ii) Landlord may collect from Tenant, as liquidated damages: (A) all past due Rent and other amounts due Landlord up to the date of expiration or termination; plus (B) the difference between Rent provided for herein and the proceeds from any re-letting of the Premises, payable in
monthly installments over the period that would otherwise have constituted the remaining term of this Lease; plus (C) all expenses in connection with such re-letting including, without limitation, all costs, fees, and expenses of repossession, brokers, advertising, attorneys, courts, repairing, cleaning, repainting, and remodeling of the Premises for re-letting. In the event of default by Tenant, Landlord shall use commercially reasonable efforts (i) to re-let the Premises to a replacement tenant and (ii) to mitigate the damages incurred by Tenant as a result of such default.

Section 12.03 Landlord’s Damages. In addition to the foregoing remedies and regardless of which remedies Landlord pursues, Tenant covenants that it will indemnify Landlord from and against any loss and damage directly or indirectly sustained by reason of any termination resulting from any Event of Default as provided above or the enforcement or declaration of any rights and remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. Landlord’s damages hereunder shall include, but shall not be limited to, any loss of Rent prior to or after re-leasing the Premises, broker’s or salesperson’s commissions, advertising costs, costs of repairing and remodeling the Premises for re-leasing, moving, and storage charges incurred by Landlord in moving Tenant’s property and effects, and legal costs and reasonable attorneys’ fees incurred by Landlord in any proceedings resulting from Tenant’s default, collecting any damages hereunder, obtaining possession of the Premises by summary process or otherwise or re-leasing the Premises, or the enforcement or declaration of any of the rights or remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. In the event that any court or governmental authority shall limit any amount which Landlord may be entitled to recover under this paragraph, Landlord shall be entitled to recover the maximum amount permitted under Law. Nothing in this paragraph shall be deemed to limit Landlord’s recovery from Tenant of the maximum amount permitted under Law or of any other sums or damages which Landlord may be entitled to so recover in addition to the damages set forth herein.

Section 12.04 Non-Waiver of Defaults. No delay or omission of Landlord to execute any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein. No waiver of any breach of any of the covenants of this Lease shall be construed, taken, or held to be a waiver of any other breach, waiver, or acquiescence in, or consent to, any further or succeeding breach of the same covenant. Receipt by Landlord of less than the full amount due from Tenant shall not be construed to be other than a payment on account of the amounts then due, nor shall any statement on Tenant’s check or any letter accompanying Tenant’s payment be deemed an accord and satisfaction, and Landlord may accept such payment as a partial payment only. The rights herein given to receive, collect, sue, or restrain for any rent or rents, monies, or payments, or to enforce the terms, provisions, and conditions of this Lease, or to prevent the breach or nonobservance thereof, or the exercise of any such right (or of any other right or remedy hereunder), or otherwise granted or arising, shall not in any way affect or impair or take away the right or power of Landlord to declare the Term hereby granted ended and to terminate this Lease as herein provided because of any default in or breach of any of the covenants, provisions, or conditions of this Lease.
ARTICLE XIII
NOTICES

Unless specifically stated otherwise in this Lease, all notices, waivers, and demands required or permitted hereunder shall be in writing and delivered to the addresses of Landlord and Tenant set forth in the Preamble to this Lease, by one of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the Business Day following deposit with the courier; or (c) registered United States mail, signature required, and postage-prepaid, whereby delivery is deemed to have occurred on the third Business Day following deposit with the United States Postal Service. Any Party shall change its address for purposes of this Lease by giving written notice as provided in this and notices shall only be valid if served in the manner provided. All notices and demands delivered by a party’s attorney on a Party’s behalf shall be deemed to have been delivered by said Party.

ARTICLE XIV
QUIET ENJOYMENT

Landlord agrees that Tenant shall, upon paying the Rent and other payments herein reserved and upon keeping, observing, and performing all of the other terms, covenants, conditions, provisions, and agreements contained in this Lease on the part of Tenant to be kept, observed, and performed during the Term of this Lease and so long as no Event of Default exists that would permit Landlord to terminate this Lease, peaceably and quietly have, hold, and enjoy the Premises subject to the terms, covenants, conditions, provisions, and agreements hereof, free from hindrance by Landlord or any other person claiming by, through, or under Landlord (“Quiet Enjoyment”).

ARTICLE XV
END OF TERM

Section 15.01 Surrender of the Premises. Upon the expiration or other termination of this Lease, Tenant shall quit and surrender the Premises vacant, broom clean, and in good order and condition, ordinary wear and tear and damage by casualty or condemnation excepted, failing which Landlord may restore the Premises, equipment, and fixtures to such condition and Tenant shall pay the cost thereof upon demand. All of Tenant’s Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery not removed from the Premises when Tenant leaves the Premises upon the expiration or other termination of this Lease shall thereupon be conclusively presumed to have been abandoned by Tenant and immediately become Landlord’s property; provided, however, that Landlord may require Tenant to remove such Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery or may have such property removed at Tenant’s expense.

Section 15.02 Holding Over. Any holding over by Tenant after the expiration or termination of this Lease, by lapse of time or otherwise, shall not operate to extend or renew this
Lease except by the express mutual written agreement between Landlord and Tenant, and in the absence of such agreement, Tenant shall continue in possession as a month-to-month tenant only. Either party may thereafter terminate such occupancy at the end of any calendar month by first giving to the other party no less than thirty (30) days’ prior written notice.

ARTICLE XVI
MISCELLANEOUS PROVISIONS

Section 16.01 Governing Law; Venue. The Laws of the State shall govern the validity, performance, and enforcement of this Lease. Tenant consents to personal jurisdiction and venue in the state and judicial district in which the Leased Premises are located. The courts of the state where the Leased Premises are located shall have exclusive jurisdiction, and Tenant hereby agrees to such exclusive jurisdiction.

Section 16.02 Entire Agreement; Waivers. This Lease forms the entire agreement between Landlord and Tenant and no provision hereof shall be altered, waived, amended, or extended, except in a writing signed by both parties. The acceptance of rent shall not be construed to be a waiver of any breach or condition of this Lease. No extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Lease. The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning and not construed for or against any party by reason of such party having drafted such language.

Section 16.03 Successors and Assigns. The provisions of this Lease shall be binding upon and inure to the benefit of Landlord and Tenant, respectively, and their respective successors, assigns, heirs, executors, and administrators. Tenant agrees to become the tenant of Landlord’s successor in interest under the same terms and conditions of its tenancy hereunder.

Section 16.04 Partial Invalidity. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, the remainder of this Lease shall not be affected thereby and there shall be added as part of this Lease a replacement clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

Section 16.05 Relationship of the Parties. Landlord and Tenant agree that the relationship between them is that of landlord and tenant and that Landlord is leasing space to Tenant.

Section 16.06 Headings. The headings as to the contents of particular paragraphs herein are intended only for convenience and are in no way to be constructed as a part of this Lease or as a limitation of the scope of the particular paragraphs to which they refer.

Section 16.07 Survival of Obligations. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of the Term of this Lease shall survive the expiration or earlier termination of the Term hereof.
Section 16.08 Independent Covenants. Subject to the other terms and provisions of this Lease, Tenant’s covenants to pay Rent and other sums due hereunder are independent of Landlord’s covenants hereunder and Tenant shall have no right to withhold any such payments on account of any alleged failure by Landlord to perform or comply with any of Landlord’s covenants.

Section 16.09 Limitation of Liability. Anything in this Lease to the contrary notwithstanding, any judgment obtained against Landlord in connection with this Lease or the subject matter hereof shall be limited solely to Landlord’s interest in the Premises and shall be absolutely nonrecourse with respect to Landlord personally and all other assets of Landlord. For purposes of this Section, the term “Landlord” shall be limited to mean and include only the then owner of the Premises or the Marina and not any predecessor owner or tenant.

Section 16.10 Compliance with Laws. Subject to the other terms and provisions of this Lease, Tenant shall comply at its cost and expense with all Laws, and with any direction or recommendation of any public officer or officers, pursuant to Law, or any reasonable request of any insurance company carrying any insurance on the Premises, and any insurance inspection or rating bureau which shall impose any duty upon Landlord or Tenant with respect to the Premises or the Tenant’s use or occupation of the Premises, and shall bear all costs of any kind or nature whatsoever occasioned by or necessary for compliance with the same. If, during the Term of this Lease any Law mandates that an alteration, repair, addition, or other change be made to all or any portion of the Premises, including, without limitation, any Structural Alterations to the Premises, such work shall be performed at Tenant’s expense.

Section 16.11 Waiver of Jury Trial. LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT’S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

Section 16.12 Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument.

Section 16.13 Prevailing Party. If any Party brings an action or proceeding involving the Premises to enforce the Terms hereof or to declare rights hereunder, then the Prevailing Party in any such proceeding, action, or appeal thereon shall be entitled to reasonable attorneys’ fees. The term, “Prevailing Party” shall include, without limitation, a Party that substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys’ fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys’ fees reasonably incurred. In addition, the Prevailing Party shall be entitled to attorneys’ fees, costs, and expenses incurred in the preparation and service of notices of default and
consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the commencement date.

LANDLORD:

CITY OF CHARLESTON,  
a political subdivision of the State  
of South Carolina

By:  
Name:  
Title:  

Witness

TENANT:

MARINA VARIETY STORE, INC.  
a South Carolina Corporation

By:  
Name:  
Title: Authorized Member

Witness
Exhibit A
Site Plan
Exhibit B
Guaranty

The undersigned Michel M. Altine, Jr. and Richard P. Ritter as the sole shareholders of Marina Variety Store, Inc., a South Carolina Corporation, do individually, severally and jointly assume and guarantee the full complete performance by Marina Variety Store, Inc., of all Tenant obligations under this Lease Agreement.

Witness #1

Michel M. Altine, Jr.
Date: ________________

Witness #2

Witness #1

Richard P. Ritter
Date: ________________

Witness #2
TO authorize the Mayor to execute the necessary documents for the purchase of 11 Cunnington Avenue, a 0.08-acre property, which includes a recently renovated building of 3,316 total square feet, located in the Neck Area of the City, for $1,300,000 subject to the conditions outlined in the attached Agreement of Purchase & Sale.

COORDINATION: The request has been coordinated with:

All supporting documentation must be included

Department Head ___________________________ Legal Dept ___________________________ Property Coordinator ___________________________ Property Manager ___________________________

FUNDING: Was funding needed? Yes □ No □
If yes, was funding previously approved? Yes □ No □

*If approved, provide the following: Dept/Div. 410000 Acct: H2H Funds, City of Chas. Acct: ARPA Funds

Balance in Account $1,500,000 Amount needed for this item $1,300,000

NEED: Identify any critical time constraint(s).

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

*Commercial Property and Community & Housing Development have an additional form.
COMMERCIAL REAL ESTATE FORM

TO: Real Estate Committee
FROM: Geona Shaw Johnson
DATE: February 14, 2022
DEPT: Housing and Community Development
ADDRESS: 11 Cunnington Avenue, Charleston, SC 29405
TMS: 484-14-00-118

To authorize the Mayor to execute the necessary documents for the purchase of 11 Cunnington Avenue, a 0.08-acre property, which includes a recently renovated building of 3,316 total square feet, located in the Neck Area of the City, for $1,300,000 subject to the conditions outlined in the attached Agreement of Purchase & Sale.

ACTION REQUEST: Purchase & Sale.

ACTION: What action is being taken on the Property mentioned?

☑ ACQUISITION BY
☐ DONATION/TRANSFER
  Donated By:
☐ FORECLOSURE
  Terms:
☐ PURCHASE
  Terms as outlined in the accompanying Agreement of Purchase & Sale
☐ CONDEMNATION
  Terms:
☐ OTHER
  Terms:

☐ SALE BY
☐ NON-PROFIT ORG, please name
  Terms:
☐ OTHER
  Terms:

☐ LEASE
☐ INITIAL
  Lessor: ____________________________ Lessee: ____________________________
  Terms:
COMMERCIALSESTATE FORM

☐ RENEWAL
Lessee: ___________________________ Lessee: ___________________________
Terms: ___________________________

☐ AMENDMENT
Lessee: ___________________________ Lessee: ___________________________
Terms: ___________________________

☐ Improvement of Property
Owner: ___________________________
Terms: ___________________________

BACKGROUND CHECK: If Property Action Request is for the sale or lease of city property, has a background check been completed?
Yes ☐ No ☐ ☐

N/A
Results: ___________________________

Signature: ___________________________
Property Manager

ADDITIONAL: Please identify any pertinent detail (Clauses, Agreement Terms, Repeals, etc.) regarding City Property.

______________________________

NEED: Identify any critical time constraint(s).
AGREEMENT OF PURCHASE AND SALE

This AGREEMENT OF PURCHASE AND SALE (this "Agreement") is made as of the ____ day of ____________, 2022 by and between CITY OF CHARLESTON, having a notice address of 80 Broad Street, Charleston, South Carolina 29401 (hereinafter referred to as the “Buyer”), and COZ, LLC, a South Carolina limited liability company, having a notice address of 1505 Greenleaf Street, Unit 1, Charleston, South Carolina 29405 (hereinafter referred to together as the "Seller").

WITNESSETH

1. SALE OF THE PROPERTY. The Seller agrees to sell and the Buyer agrees to purchase on the terms hereafter stated all of the Seller’s right, title, and interest as of the Closing Date (as hereinafter defined), in and to the real property located in Charleston County, South Carolina, and known generally as 11 Cunnington Avenue, Charleston, South Carolina 29405, bearing Charleston County Tax Map Nos. 464-14-00-118, together with all improvements located thereon and appurtenances thereto, if any (collectively, the “Property”).

2. PURCHASE PRICE. Subject to the adjustments and the prorations hereafter described, the total purchase price to be paid by the Buyer to the Seller on the Closing Date for the Property (the “Purchase Price”) is the sum of One Million Three Hundred Thousand and No/100 Dollars ($1,300,000.00), payable on the Closing Date in immediately available funds.

3. TITLE. At the closing of the transfer of the Property from Seller to Buyer (the “Closing”), Seller shall convey good and marketable fee simple title to the Property by general warranty deed free and clear of all judgments, leases, liens, encumbrances and security interests. Buyer shall cause the title to the Property to be examined, and at the Buyer’s option, shall cause a survey to be performed, all at the Buyer’s expense. Prior to the expiration of the Inspection Period as set forth in Paragraph 9, the Buyer shall submit to Seller notice in writing of its reasonable objections to title, including but not limited to any matters shown on any survey of the Property (the “Title Objections”). Seller shall have until the Closing to correct, at Seller’s sole cost and expense, the Title Objections. If, at the Closing, Seller has not corrected the Title Objections to Buyer’s satisfaction in Buyer’s sole and absolute discretion, notwithstanding the terms of Paragraph 7, the Buyer shall have as its sole and exclusive remedy the following options:

3.1 Buyer may accept such title as Seller may be able or willing to deliver, in which case, there will be no reduction in the Purchase Price and Buyer shall be deemed to have waived such objections and defects and neither party shall have further claim against the other by reason of such objections and defects;

3.2 Buyer may terminate this Agreement, in which case this Agreement shall be null and void; or

3.3 Buyer shall be entitled to enforce the remedy of specific performance of this
Agreement by Seller, and Seller shall be responsible for Buyer’s costs therefor, including reasonable attorney’s fees and court costs.

4. **CONDITIONS PRECEDENT TO CLOSING BY BUYER.** The obligation of the Buyer to consummate this Agreement is subject to and conditioned upon the satisfaction, at or prior to the Closing Date, of each of the following conditions:

4.1 The representations and warranties of Seller made herein shall be deemed to have been made again on the Closing Date and then be true and correct, subject to any changes contemplated by this Agreement;

4.2 All terms, covenants and conditions to be complied with and performed by Seller under this Agreement on or before the Closing Date shall have been duly complied with and duly performed; and

4.3 No matters affecting title to which the Buyer objects shall have occurred between the time of the Buyer’s examination of title and the date of Closing.

5. **CLOSING.** The Buyer and the Seller agree that the purchase shall be consummated as follows:

5.1 **Title Transfer.** The Seller agrees to convey title to the Property to the Buyer on or before the close of business on the Closing Date and, effective on the delivery of such deed by Seller to the Buyer, beneficial ownership and the risk of loss of the Property shall pass from Seller to the Buyer.

5.2 **Closing Date and Location.** Unless otherwise agreed by the parties in writing, the date of the Closing (the “Closing Date”) shall be on or before the date that is sixty (60) days after the expiration of the Inspection Period. **TIME IS OF THE ESSENCE.** Unless otherwise agreed in writing, Closing shall take place at the offices of Buyer’s attorney in Charleston, South Carolina.

5.3 **Seller’s Instruments.** At Closing, the Seller shall deliver or cause to be delivered to the Buyer the following items:

5.3.1 **General Warranty Deed.** A general warranty deed (the “Deed”) executed by the Seller conveying the Property to the Buyer.

5.3.2 **Affidavits.** Any and all affidavits, certificates or other documents required by the title insurer in order to cause it to issue an owner’s title insurance policy in a form and condition acceptable to Buyer.

5.3.3 **Authorizations.** A certified copy of the resolutions adopted by the Seller and such other evidence of Seller’s power and authority to enter into this Agreement and to convey the Property as Buyer reasonably
requests.

5.3.4 Non-Foreign Affidavit. Seller’s affidavit stating, under penalty of perjury, Seller’s U.S. taxpayer identification number and that Seller is not a foreign person within the meaning of Paragraph 1445 of the Internal Revenue Code.

5.3.5 Nonresident Seller Withholding Affidavit. Seller’s affidavit confirming that Seller is not a “Nonresident” of South Carolina and is therefore exempt from the withholding requirements of Section 12-8-580 of the Code of Laws of South Carolina.

5.3.6 Additional Documents. Such additional documents as might be reasonably required by Buyer or Buyer’s title insurer in order to perfect the conveyance, transfer and assignment of the Property to Buyer and issue an owner’s title insurance policy.

5.4 Buyer’s Instruments. At Closing, the Buyer shall deliver to the Seller the following items:

5.4.1 Purchase Price. The payment required by Paragraph 2 hereof.

5.4.2 Additional Documents. Such additional documents as might be reasonably required by the Seller to consummate the sale of the Property to the Buyer.

5.5 Closing Costs. With respect to the conveyance of the Property, the Seller shall pay its own legal expenses, deed and other seller document preparation costs, any sum necessary to correct any Title Objections raised by Buyer in writing prior to expiration of the Inspection Period, and that Seller agrees, in writing, to pay, any recording fees or stamps applicable to the Deed, if any. The Buyer shall pay the following costs: Buyer’s attorney’s fees, deed recording charges, and all other costs to include appraisal and survey costs, and title insurance costs.

6. POSSESSION. Possession of the Property shall be delivered to the Buyer on the Closing Date free from leases and parties claiming rights to possession of the Property.

7. DEFAULT; REMEDY. In the event that Seller or the Buyer fail to perform their obligations hereunder, the party claiming default shall make written demand for performance. If Seller defaults and fails to comply with such written demand within ten (10) days after receipt thereof, the Buyer shall be entitled to seek any remedy available at law or in equity. If the Buyer defaults and fails to comply with such written demand within ten (10) days after receipt thereof, Seller’s sole remedy shall be to terminate this Agreement.
8. **ADJUSTMENTS AND PRORATIONS.** All receipts and disbursements of the Property, if any, shall be prorated on the Closing Date and the Purchase Price shall be adjusted on the following basis:

8.1 **Property Taxes.** All real and personal property ad valorem taxes and installments of special assessments and user fees, if any, for the calendar year 2021 and prior years shall be paid by Seller. All real and personal property ad valorem taxes and special assessments and user fees, if any, whether payable in installments or not, for the calendar year in which the Closing occurs shall be prorated to the Closing Date, based on the latest available tax rate and assessment valuation.

9. **BUYER’S RIGHT OF INSPECTION.** Buyer shall have sixty days (60) from the Effective Date to inspect the Property to determine its suitability for purchase (the “**Inspection Period**”). Buyer shall use its best efforts to complete all inspections and approvals promptly. If, in its sole and absolute discretion, the Buyer is not satisfied with the inspection for any reason, Buyer, at its option and its sole discretion, may terminate this Agreement. Buyer shall notify Seller in writing of its intention to terminate on or before the expiration of the Inspection Period. Upon termination by Buyer in accordance with this Paragraph 9, all rights and obligations set forth under the terms of this Agreement shall automatically become null and void.

10. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller hereby represents and warrants to Buyer as follows:

10.1 Now and at the Closing, Seller shall be the sole owner of the Property to be sold pursuant to this Agreement and Seller shall possess all requisite right, authority and power to execute and perform this Agreement in accordance with its terms.

10.2 Seller has good and marketable title in fee simple to the Property which shall be conveyed to Buyer at Closing by general warranty deed free and clear of any and all judgments, liens, encumbrances, leases, restrictions or easements except for those specifically consented to by Buyer, in Buyer’s sole discretion, prior to the expiration of the Inspection Period.

10.3 There are no actions, suits or proceedings pending or threatened against Seller or the Property affecting any portion of the Property, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency, entity or instrumentality, domestic or foreign.

10.4 There are not presently pending any condemnation actions or special assessments of any nature with respect to the Property or any part thereof, nor has Seller received any notices of any condemnation actions or special assessments being contemplated, nor does Seller have any knowledge of any
10.5 Seller has no knowledge of, and has not received written notice of any violation of any covenant or restriction applicable to the Property, or any part thereof, from any governmental authority notice of any violation of any zoning, building, fire or health code or any other statute, ordinance rule or regulation applicable (or alleged to be applicable) to the Property, or any part thereof.

10.6 All of the Property has direct access to public streets.

10.7 Seller has taken all necessary action in connection with the execution of this Agreement and the consummation of the transactions contemplated hereby. The Agreement, and the agreements contemplated herein, upon execution, shall be a legal and binding obligation of Seller and shall be enforceable against Seller in accordance with their terms. Seller has the right, power, legal capacity, and authority to enter into and perform Seller's obligations under this Agreement, and no approvals or consents of any other persons are necessary in connection with the sale of the Property.

10.8 Seller agrees to cooperate with Buyer as may be necessary in the pursuit of soil and environmental testing, property inspections and the like.

guidance documents promulgated pursuant thereto or published thereunder. The phrase “Hazardous Materials” shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under Environmental Laws (as hereinafter defined) or the Release of which is regulated under Environmental Laws. Without limiting the generality of the foregoing, the term “Hazardous Materials” will include: crude oil, used oil, petroleum and petroleum products or any fraction thereof; radioactive materials including source, by-product or special nuclear materials; asbestos or asbestos-containing materials (whether or not friable); lead paint; polychlorinated biphenyls, ureaformaldehyde in any of its forms; radon; mold; and any substance defined as “hazardous substances,” “extremely hazardous substances,” “hazardous waste,” “hazardous materials,” “chemical substance or mixture,” “solid waste,” “hazardous chemicals,” “toxic substances,” “hazardous air pollutants,” “pollutants,” “contaminants,” or “toxic chemicals” under any of the CAA, CWA, RCRA, CERCLA, EPCRA, SDWA, TSCA or OSHA. The term “Release” shall mean the discharge, disposal, deposit, injection, dumping, spilling, leaking, leaching, placing, presence, pumping, pouring, emitting, emptying, escaping, or other release of any Hazardous Material.

10.10 To the best of Seller’s knowledge, (1) the Property does not violate any Environmental Laws, (2) there are no under or above ground storage tanks on, in or under the Property (3) there are no Hazardous Materials on, in or under the Property (4) there have been no Releases at the Property. To the best of Seller’s actual knowledge, the Property has never been used by Seller to generate, treat, store, dispose, transport or in any manner deal with Hazardous Materials (except for normal and customary uses for like property).

10.11 Seller is duly organized, validly existing and qualified and empowered to conduct its business and has full power and authority to enter into and fully perform and comply with the terms of this Agreement. Neither the execution and delivery of this Agreement nor its performance by Seller, will conflict with or result in the breach of any contract, agreement, law, rule or regulation to which Seller is a party or by which Seller is bound. This Agreement is valid and enforceable against Seller in accordance with its terms and each instrument to be executed by Seller pursuant to this Agreement or in connection herewith will, when executed and delivered, be valid and enforceable against Seller in accordance with its terms.

OTHER THAN THE REPRESENTATIONS SET FORTH IN THIS SECTION, ELSEWHERE IN THIS AGREEMENT, THE DEED OR ANY OTHER DOCUMENTS TO BE DELIVERED BY SELLER TO BUYER IN ACCORDANCE WITH THIS
AGREEMENT, BUYER ACKNOWLEDGES AND AGREES SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS AND NEGATES ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, SUBJECT TO THE FOREGOING, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY IS MADE ON AN “AS-IS” “WHERE-IS” CONDITION AND BASIS AS OF THE CLOSING DATE.

11. **SELLER INFORMATION.** Seller will promptly furnish or make available to Buyer within five (5) days after the Effective Date (and at all times thereafter), the following items, if any, that Seller then has in its possession not already delivered by Seller to Buyer:

11.1 Copies of the most recent title commitment(s) and existing title policy(ies) for the Property, together with copies of any exceptions listed therein (to the extent such expectations are in Seller’s possession or control).

11.2 Copies of existing site plans and surveys depicting the Property.

11.3 Copies of all engineering, environmental and system reports (e.g., Phase I Environmental Site Assessments, etc.).

11.4 Copies of all other reports and information relevant to the Property.

12. **COASTAL TIDELANDS & WETLANDS ACT.** Buyer and Seller agree and acknowledge that the Property is not affected by the provisions of the South Carolina Coastal Tidelands & Wetlands Act (Section 48-39-10, et seq., South Carolina Code of Laws).

13. **MISCELLANEOUS.** It is further agreed as follows:

13.1 **Notice.** All notices required hereunder shall be in writing and served by certified mail, return receipt requested, postage prepaid, at the addresses shown above, until notification of a change of such addresses. Notice may also be sent by a nationally recognized overnight courier service to the addresses set forth above.

13.2 **Entire Agreement.** This Agreement, together with the attachments hereto, constitutes the entire agreement between the Buyer and the Seller and there are no agreements, understandings, warranties or representations between the Buyer and the Seller except as set forth herein. The Agreement cannot be amended except in writing executed by the Buyer and the Seller.

13.3 **Binding Effect.** This Agreement shall inure to the benefit of and bind the
parties and the respective successors and permitted assigns of the parties hereto.

13.4 **Assignment.** This Agreement shall not be assigned by either party without first obtaining the other party’s written consent, which consent may be withheld with or without cause.

13.5 **South Carolina Law.** This Agreement shall be governed, enforced and construed in accordance with the laws of the State of South Carolina.

13.6 **Survival.** All representations made within this Agreement, or in instruments, certificates, opinions, or other writings provided for in this Agreement, shall survive the Closing and shall not merge with the deed.

13.7 **Counterparts / Electronic Transmittal.** This Agreement may be executed by all parties in counterparts, each of which shall be deemed an original, but all of such counterparts taken together shall constitute one and the same agreement. Facsimile or e-mail copies of this Agreement containing signatures of the parties shall be deemed to be originals and shall be binding.

13.8 **Attorneys Fees/ Costs.** In the event of any dispute arising under this Agreement, the prevailing party shall be entitled to recover reasonable attorney’s fees and costs incurred in connection therewith.

13.9 **Business Days.** If any date herein set forth for the performance of any obligations by Seller or Buyer or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or a day on which banking institutions in the State of South Carolina are required or authorized by law (including executive orders) to close, the compliance with such obligations or delivery shall be deemed acceptable on the next business day.

13.10 **Brokerage Fees/ Costs.** Buyer and Seller each represent that there is no broker or agent that has any claim to a commission with respect to the sale contemplated hereby.

13.11 **Effective Date.** This Agreement will not be binding on or effective until approved by Buyer’s City Council and until all parties have signed it, with the “**Effective Date**” being the date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party’s signature).

***Remainder of Page Intentionally Left Blank***

[Signatures on Following Page]
IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the Effective Date.

WITNESSES:

SELLER:

COZ, LLC,
a South Carolina limited liability company

By: ___________________________
Name: _________________________
Its: ___________________________
Date: _________________________, 2022

WITNESSES:

BUYER:

CITY OF CHARLESTON

By: ___________________________
      John J. Tecklenburg
Its:  Mayor
Date: _________________________, 2022
AN APPRAISAL REPORT OF:

11 Cunnington Avenue
Charleston, South Carolina 29405
TMS# 464-14-00-118

CLIENT:

Mrs. Florence Peters
Housing Development Officer
City of Charleston
75 Calhoun Street, 3rd Floor
Charleston, South Carolina 29401

PREPARED BY:

Michael A. White
S.C. Certified General Appraiser 200
Charleston Appraisal Company, LLC
2040 Ewall Street, Suite H
Mount Pleasant, South Carolina 29464
michael@charlestonappraisalcompany.com
Copyright: 2022 Charleston Appraisal Company, LLC

MARKET VALUATION DATE:
January 24, 2022

MICHAEL A. WHITE
Mr. Florence Peters  
Housing Development Officer  
City of Charleston  
75 Calhoun Street, 3rd Floor  
Charleston, South Carolina 29401

In re:  
Appraisal of:  
11 Cunnington Avenue  
Charleston, South Carolina 29405  
TMS# 464-14-00-118

Dear Mrs. Peters:

In accordance with your request, I have made an Appraisal Report of the above captioned subject property for the purpose of rendering an opinion of the as is Market Value of the leased fee interest in the subject property as of January 24, 2022. I physically inspected the subject property on January 24, 2022.

Market Value is defined as “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.” The marketing time of the subject property as of the date of this report has been estimated to be six months or less as discussed in detail in the appraisal report.

As a result of the appraisal, it is my opinion that the Market Value of the leased fee interest in the subject property (TMS# 464-16-00-118) located at 11 Cunnington Avenue, Charleston, South Carolina 29405 as of January 24, 2022, is

**ONE MILLION THREE HUNDRED THOUSAND DOLLARS**  
$1,300,000

This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standard Rules 2-2 (b) and 8-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for an Appraisal Report.
To the best of my ability, this appraisal meets or exceeds the requirements of Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, Public Law 101-73, 103 STAT, 183, 51 (1989). This appraisal has also been made in conformity with the Code of Ethics of the Appraisal Institute and the Appraisal Section of the National Association of Realtors.

I certify that I have no present or future contemplated interest in the property which is the subject of this report and that my fee for making this appraisal was in no way contingent upon the value reported. If you have any questions regarding this report or any other matter, please feel free to contact me. Thank you for allowing me to be of service to you in this matter.

Respectfully submitted,

Michael White
South Carolina Certified
General Appraiser 200
# CHARLESTON APPRAISAL COMPANY, LLC

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cover Page</td>
<td>i</td>
</tr>
<tr>
<td>Letter of Transmittal</td>
<td>ii,iii</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>iv,v</td>
</tr>
<tr>
<td>Limiting Conditions</td>
<td>1,2</td>
</tr>
<tr>
<td>General Assumptions</td>
<td>3,4</td>
</tr>
<tr>
<td>Summary of Important Conclusions</td>
<td>5</td>
</tr>
<tr>
<td>Identification of Property</td>
<td>6</td>
</tr>
<tr>
<td>Date of Appraisal</td>
<td>7</td>
</tr>
<tr>
<td>Date of the Inspection</td>
<td>7</td>
</tr>
<tr>
<td>Property Rights Appraised</td>
<td>7</td>
</tr>
<tr>
<td>Owner of Property</td>
<td>7</td>
</tr>
<tr>
<td>Purpose of the Appraisal</td>
<td>7</td>
</tr>
<tr>
<td>Intended Use of the Appraisal</td>
<td>8</td>
</tr>
<tr>
<td>Intended Users of the Appraisal</td>
<td>8</td>
</tr>
<tr>
<td>Exposure/Marketing Time</td>
<td>8,9</td>
</tr>
<tr>
<td>Extraordinary Assumptions</td>
<td>9</td>
</tr>
<tr>
<td>Hypothetical Conditions</td>
<td>10</td>
</tr>
<tr>
<td>Definition of Value</td>
<td>11</td>
</tr>
<tr>
<td>Scope of the Appraisal Investigation</td>
<td>12-14</td>
</tr>
<tr>
<td>Regional Description</td>
<td>15-23</td>
</tr>
<tr>
<td>Regional Location Map</td>
<td>24</td>
</tr>
<tr>
<td>Neighborhood Description</td>
<td>25-28</td>
</tr>
<tr>
<td>Neighborhood Location Map</td>
<td>29</td>
</tr>
<tr>
<td>Site Description</td>
<td>30,31</td>
</tr>
<tr>
<td>Plat of the Subject Property Site</td>
<td>32</td>
</tr>
<tr>
<td>Charleston County Maps</td>
<td>33-35</td>
</tr>
<tr>
<td>Flood Map</td>
<td>36</td>
</tr>
<tr>
<td>Zoning</td>
<td>37</td>
</tr>
<tr>
<td>Real Estate Taxes</td>
<td>37</td>
</tr>
<tr>
<td>Sales History of the Subject Property</td>
<td>38</td>
</tr>
<tr>
<td>Description of the Improvements</td>
<td>39,40</td>
</tr>
<tr>
<td>Exterior Drawing of the Subject Building</td>
<td>41</td>
</tr>
<tr>
<td>Subject Property Floor Plan</td>
<td>42</td>
</tr>
<tr>
<td>Photos of the Subject Property</td>
<td>43-49</td>
</tr>
<tr>
<td>Highest and Best Use Definition</td>
<td>50</td>
</tr>
</tbody>
</table>

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**MICHAEL A. WHITE**
CHARLESTON APPRAISAL COMPANY, LLC

Highest and Best Use...................................... 51,52
The Appraisal Process................................... 53,54
Cost Approach to Value................................. 55
Sales Comparison Approach to Value.............. 56
Comparable Sales......................................... 57-60
Comparable Sales Location Map.................... 61
Photos of the Comparable Sales.................... 62,63
Summary of the Comparable Sales................. 64
Analysis of the Comparable Sales................. 65
Sales Comparison Approach Conclusion.......... 66
Income Approach to Value.............................. 67
Comparable Rentals.................................... 68
Analysis of the Comparable Rentals............... 69
Capitalization Rate...................................... 70
Value Indication by the Income Approach........ 71
Correlation and Final Estimate of Value......... 72
Certification............................................. 73,74

ADDENDUM

Vacancy Reports
Subject Property Deed
Appraiser's License
Qualifications of the Appraiser

MICHAEL A. WHITE
LIMITING CONDITIONS

This certificate and report are made expressly subject to the following stipulations and conditions:

The management of the property is assumed to be competent and the ownership to be in responsible hands.

No responsibility is assumed by this Appraiser for matters that are legal in nature, or for auditing or engineering opinions, nor is any opinion of the title rendered herewith. This appraisal assumes that the title to the property is good and marketable. Any liens or encumbrances that may now exist have been disregarded, and the property has been appraised as though there were no delinquencies in the payment of general taxes or special assessments.

Possession of this report or any copy does not carry with it the right of publication, nor may the report be used for any purpose by any but the applicant without the previous written consent of the Appraiser, and in any event, only in its entirety and with proper qualification. The value for land as contained in the within report, may not be used in making a summation appraisal by combination with values created by another Appraiser. Either is invalidated if so used.

This property has not been surveyed at my direction to establish the facts of legal description and exact dimensions, which are to be presumed to be substantially as stated.

This Appraiser, by reason of this report, is not obligated to give testimony or attendance in court, or at any governmental hearing, with reference to the property evaluated, unless arrangement has been made previously, therefore. I shall be available to testify in court as an expert witness regarding this appraisal upon reasonable notice for a period of six months following the reported date of valuation. Constantly changing market conditions and prices tend to render the appraisal obsolete after that period. Subsequent availability for appearance as an expert witness will be determined solely by me and will be contingent upon the opportunity to review the property and the report in light of market changes that have occurred. The right to refuse appearance in court as an expert witness on this appraisal beyond two years after appraisal date is reserved unless special additional provisions are agreed upon.

MICHAEL A. WHITE, GAA
No guarantee of any kind or description is intended or implied by virtue of my inspection and estimate of value on the property herein appraised.

It is assumed that revenue stamps placed on deeds, used to indicate comparable sales, were in the correct amount to reflect the true and actual money consideration involved; and that the information secured from brokers or interested parties to verify the transactions, is in conformity with the facts.

No consideration has been given in this report as to easements, if any, or rights-of-way over, upon, or under said premises, unless specifically mentioned herein. In the event information becomes available in the future, not known to the Appraiser as of the date of appraisal, he reserves the right to review his opinion in light thereof.

This appraisal represents the opinion of the Appraiser, based upon his experience over a period of many years, and assumes that all national, state, county and city laws, ordinances, and restrictions have been complied with.

It is assumed that there are no hidden or unapparent soil conditions that would render the property's title or market value more or less valuable. No responsibility is assumed for such conditions, or for engineering that might be required to discover such factors.

To the best of the undersigned's knowledge, the presence of Radon has not been detected on this property or, if Radon has been detected, it has been determined that the level of Radon present is considered safe according to the standards established by the Environmental Protection Agency. The undersigned does not, however, make any guarantees or warranties that the property has been tested for the presence of Radon, or, if tested, that the tests were conducted pursuant to EPA approved procedures.

The American with Disabilities Act (ADA) became effective January 26, 1992. This Appraiser has not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the subject property together with a detailed requirement of the ADA could reveal that the subject property does not conform to one or more of the requirements of the ADA. If so, this fact could have a negative effect on the Market Value of the subject property. This Appraiser has not been provided nor has a compliance survey been performed for the subject property.

MICHAEL A. WHITE, GAA
GENERAL ASSUMPTIONS

This appraisal report has been made with, and is subject to, the following general assumptions:

- That title to the property is assumed to be good and marketable unless otherwise stated. No responsibility is assumed for the legal descriptions or for any legal matter.

- That the definition of value together with other definitions and assumptions on which any analyses are based are set forth in appropriate sections of this report and are a part of these General Assumptions as if included here in their entirety.

- That title to the property is assumed to be marketable. The property is considered to be under responsible ownership and management and free of all liens and encumbrances except as specifically discussed herein.

- That the facts, estimates, and opinions furnished the appraisers by others and contained in this report are considered to be from reliable sources and where feasible have been verified. However, no responsibility is assumed for the accuracy of the information. We reserve the right to modify the value estimates should more reliable or accurate information become available subsequent to delivery of this report.

- All engineering and/or surveys are assumed to be correct. The sketches, plot plans and drawings included only to assist the reader in visualizing the property.

- It is assumed that there are no hidden or other unapparent conditions in the soil, subsoil, structures, or property that would render them more or less valuable. The appraisers specifically accept no responsibility for damage for termites, woodborers or any other wood-infesting insects. No responsibility is assumed for such condition or for engineering or inspection that would be required to discover them.

MICHAEL A. WHITE, GAA
- Unless otherwise stated in this report, the existence of hazardous material, that may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially dangerous or hazardous materials, gases or toxic substances may affect the value of the property and in this appraisal the value estimate is predicated on the assumption that there is no such element on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

- Good structural and mechanical conditions are assumed to exist, and no opinion as to these matters is to be inferred or construed from the attached report.

- It is assumed that there is full compliance with all-applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.

- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been stated, defined, and considered in the appraisal report.

- It is assumed that all required licenses, certificates of occupancy, legislated or administrative consents from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the valued estimated contains in this report is based.

- It is assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described herein unless noted within the report.

MICHAEL A. WHITE, GAA
SUMMARY OF IMPORTANT CONCLUSIONS

Location: 11 Cunnington Avenue
           Charleston, South Carolina 29405
           TMS# 464-14-00-118

Owner of Record: COZ, LLC

Building Size: 3,136 Total Square Feet

Site Size: Approximately 3,596 Square Feet (0.08 Acres)

Zoning: Light Industrial (LI)

Market Value: $1,200,000

Highest and Best Use: Present Use as an Office Building

Date of the Appraisal: January 24, 2022

Date of the Inspection: January 24, 2022

Flood Zone: Non-Hazard Zone X
            F.E.M.A. Community Panel 45019C0540K
            Dated: January 29, 2021

Census Tract: 0054.00

Client: Mrs. Florence Peters
        Housing Development Officer
        City of Charleston

Appraiser: Michael A. White
           S.C. Certified General Appraiser 200

MICHAEL A. WHITE, GAA
IDENTIFICATION OF THE SUBJECT PROPERTY

The property that is the subject of this appraisal report is identified by the client, Mrs. Florence Peters the Housing Development Director for the City of Charleston Department of Housing and Community Development, is located at 11 Cunnington Avenue, Charleston, South Carolina 29405. The subject property is further identified by the Charleston County Tax Assessor as parcel number 118 on Charleston County tax map number 464-14-00. This Appraiser has obtained the most recent copy of the subject property deed, which contains the complete and legal description of the subject property. A copy of this deed as obtained by this Appraiser can be found in the addendum of this appraisal report. Additionally, this Appraiser has included various maps (plat, county maps, etc.), which further identify the subject property. These maps identifying the subject property can be found in later sections of this appraisal report.
DATE OF THE APPRAISAL

January 24, 2022

DATE OF INSPECTION

January 24, 2022

PROPERTY RIGHTS APPRAISED

The property rights that are the subject of this appraisal report are those of COZ, LLC which are the current owners and landlord of the subject property building. Thus, the property rights being appraised are the leased fee property rights of COZ, LLC, which are the estate or interest of the property owner or landlord as per the request of the client, Mrs. Florence Peters of the City of Charleston Department of Housing and Community Development.

Leased Fee Interest is defined by the Dictionary of Real Estate Appraisal from the Appraisal Institute as: “An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.” Simply, the Lease Fee Interest is the Fee Simple Interest of the property encumbered by a lease or leases. If the subject property is being leased at Market Rent, then the Fee Simple Value and the Leased Fee Value of the subject property are the same. This Appraiser is of the opinion that subject property is currently being leased at Market Rent.

OWNER OF RECORD

The current owner of record for the subject property is COZ, LLC 1505 Greenleaf Street, Unit 1, Charleston, South Carolina 29405. The current subject property owners acquired the subject property by deed of McAlister-Smith Funeral Home, Inc. on June 25, 2019, for $650,00 according to the subject property deed obtained by this Appraiser. This transaction is recorded in the Charleston County Register of Deeds Office at deed book 0804 on page 064 (pages 1-6). A copy of this deed as obtained by this Appraiser can be found in the addendum of this appraisal report. This was an arm’s length transaction in the opinion of this Appraiser.

MICHAEL A. WHITE, GAA
PURPOSE OF THE APPRAISAL

The purpose of this Appraisal Report is to render an opinion of the as is Market Value of the leased fee interest in the subject property located at 11 Cunningham Avenue, Charleston, South Carolina 29405 as of January 24, 2022, as per the instructions of the client, Mrs. Florence Peters of the City of Charleston Department of Housing and Community Development.

INTENDED USE OF THE APPRAISAL

The intended use of this Appraisal Report is to render an opinion of the as is Market Value of the leased fee interest in the subject property located at 11 Cunningham Avenue, Charleston, South Carolina 29405 as of January 24, 2022, for use in the possible purchase of the subject property according to the information provided to this Appraiser by the client, Mrs. Florence Peters of the City of Charleston Department of Housing and Community Development.

INTENDED USER OF THE APPRAISAL

This appraisal report is made for Mrs. Florence Peters of the City of Charleston Department of Housing and Community Development. There are no other intended users. Any other party who relies on or utilizes this appraisal report for any purposes is considered an unintended user. The Appraiser does not assume responsibility for the unintended use of this appraisal report.

EXPOSURE/MARKETING TIME

Appraisal guidelines require an estimate of a reasonable period in which the subject property could be taken to the market and sold. This reasonable time can be analyzed historically or prospectively. Historically is referred to as exposure time an always precedes the date of value with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of the appraisal report. Reasonable exposure time is defined as “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consumption of a sale at Market Value as of the effective date of the appraisal; a retrospective opinion based on the analysis of past events assuming a competitive and open market.”

MICHAEL A. WHITE, GAA
I have researched the subject property market area and surrounding similar market areas for sales of properties considered similar to the subject property. The comparable sales utilized in this appraisal report, indicate marketing times ranging from 1 day to 186 days with an average marketing time of 100 days. The comparable sales utilized in this appraisal report are considered good indicators of the current market time for commercial properties such as the subject property.

Based on my research, this Appraiser is of the opinion that the exposure/marketing time of the subject property is six months or less, if the subject property is correctly priced and properly marketed, would be considered reasonable. This exposure/marketing condition reflects current market conditions, current economic conditions, and the availability of financing.

EXTRAORDINARY ASSUMPTIONS

Extraordinary assumptions presume uncertain information to be factual. If at a later date these assumptions are proven to be false, this could alter the opinion of Market Value rendered by the Appraiser. There are no extraordinary assumptions for this appraisal assignment.

Assumption regarding Covid-19: The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal. As of the effective date, the impact on the market from the COVID-19 virus is unknown. However, it is reasonable to assume that restrictions related to the virus will extend marketing times. In regard to the estimate of reasonable exposure time, it is assumed that exposure times will increase beyond what historical trends indicate. The use of this assumption may have affected the assignment results. As in any time of national unrest, additional caution is warranted when making a lending decision.

MICHAEL A. WHITE, GAA
HYPOTHETICAL CONDITIONS

Hypothetical conditions are contrary to what exists but are supposed for the purpose of analysis. Hypothetical conditions assume conditions that are contrary to known facts about the subject property or about conditions external to the subject property. There are no hypothetical conditions for this appraisal assignment.
DEFINITION OF VALUE

Market Value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all condition 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 are the consummation of a sale as 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 best interests.

3. A reasonable time is allowed for exposure in the open market.

4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.

5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Sources: Department of the Treasury-- Office of Thrift Supervision (12 CFR Part 564.2) and Office of Comptroller of the Currency (12 CFR Part 34.42) and the Federal Deposit Insurance Corporation & Regulation (12 CFR Part 323.2)
SCOPE OF THE APPRAISAL INVESTIGATION

The appraisal analysis of the subject property will be completed in several individual phases: general data collection, neighborhood data collection, data collection on the subject property, market data collection, analysis of all collected data, highest and best use analysis, valuation of the subject property, and preparation of the appraisal report. These phases are described below:

GENERAL DATA COLLECTION

This involves the collection of data on national, regional, state, and local trends, and an identification and analysis of the social, economic, environmental, and governmental forces affecting the market value of the subject property.

NEIGHBORHOOD DATA COLLECTION

This aspect of the appraisal involves inspection of the subject property neighborhood; collection and analyzing data on growth trends in the area, demographics of the area, physical characteristics, utilities available to the area, and public or private infrastructure.

DATA COLLECTION ON THE SUBJECT PROPERTY

This phase of the appraisal process involves a physical inspection of the subject property, the people with knowledge of the subject property and with knowledge of the daily operations of the subject property are interviewed, site plans and specifications for the subject property are reviewed, information such as zoning and real estate tax information are gathered, and the overall condition of the subject property is determined. This Appraiser spoke with Mr. Stuart Coleman, one of the current property owners January 21, 2022, to arrange an inspection of the subject property. The subject property was inspected by this Appraiser on January 24, 2022. Mr. Coleman provided this Appraiser with access to the subject property building. This Appraiser measured the exterior of the subject property building and inspected the exterior and interior of the subject property building. Mr. Coleman also provided this Appraiser with the current floor plan for the subject property building. An exterior drawing and the floor plan for the subject property building can be found in a later section of this appraisal report. Photographs of the exterior and interior subject property building taken by this Appraiser at the time of inspection can be found in a later section of this appraisal report.

MICHAEL A. WHITE, GAA
Zoning information for the subject property was obtained from the City of Charleston. A copy of the most recent deed for the subject property as obtained by this Appraiser from the Charleston County Register of Deeds Office can be found in the addendum of this report. Other information (plat, real estate taxes, etc.) regarding the subject property was obtained from various Charleston County departments and can be found in later sections of this appraisal report. As of the date of this appraisal report, this Appraiser is not aware of any physical, functional, locational, or marketing risk factors negatively affecting the subject property.

MARKET DATA COLLECTION AND ANALYSIS OF ALL DATA

This phase of the appraisal process the investigation and confirmation of comparable sales data for vacant land sales and improved properties similar to the subject property; collection of rental and income information; inspection of comparable land sales and improved property sales; collection of market information relating to capitalization rates, operating expenses, and yield requirements of the typical investor, and information on construction costs for properties such as the subject property. This Appraiser has used information from local real estate agents, brokers, developers, county tax records, office files and the local multiple listing service in gathering sales and rental information used in this appraisal report.

MARKET DATA INTERVIEWS

This Appraiser has used information from local real estate agents, brokers, developers, county tax records, office files and the local multiple listing service in gathering sales and rental information used in this appraisal report. Specifically, this Appraiser has relationships with various commercial real estate brokers in the immediate subject property market area. Specific real estate brokers and developers interviewed include Mr. Hagood Morrison of Bridge Capital, Mr. Anthony Kassis of Real Capital Management, Mr. Matt Sloan, former President of the Daniel Island Company and Mr. Gary Shahid, a local real estate developer. All of the real estate brokers and developers interviewed are professionals with extensive experience in the development, sale and leasing of properties considered similar to the subject property. Additionally, this Appraiser has interviewed buyers and sellers of commercial properties in the subject property market area and surrounding similar market areas. As of the date of this appraisal report, the general opinion of most real estate professionals (appraisers, brokers, developer, speculators, etc.) is that

MICHAEL A. WHITE, GAA
values for commercial properties in the subject property market area and surrounding similar market areas are increasing as market demand has significantly increased in the subject property market area and surrounding similar market areas over the past several years. This Appraiser is also of the opinion that property values in the subject property market areas and surrounding similar market areas are increasing as of the date of this appraisal report.

HIGHEST AND BEST USE ANALYSIS

This phase of the appraisal process involves analyzing all of the previously collected data and determining the Highest and Best Use of the subject property within the framework of supply and demand, legal uses of the subject property, possible physical uses of the subject property, feasible uses of the subject property and the maximally productive use of the subject property as if vacant land or as improved property.

VALUATION OF THE SUBJECT PROPERTY

In this phase of the appraisal process, the Sales Comparison Approach is used to render an opinion of Market Value for vacant land. In rendering an opinion of Market Value for improved properties, the Sales Comparison Approach, the Cost Approach, and the Income Approach are generally applied to the subject property. These three approaches are then reconciled into an opinion of Market Value the subject property. In the case of the subject property, this Appraiser is of the opinion that the Cost Approach to Value is not applicable or a reliable indicator of the as complete Market Value of the subject property. Therefore, this approach to value will not be utilized in this appraisal report. This Appraiser is of the opinion that the Sales Comparison Approach and the Income Approach are applicable and will render credible indications of the as complete Market Value of the subject property. Thus, the Sales Comparison Approach to Value and the Income Approach to Value will be utilized in this appraisal report. A complete and detailed discussion of all three approaches to value can be found in later sections of this appraisal report.

PREPARATION OF THE APPRAISAL REPORT

The final phase of the appraisal process is the preparation of full, completed written appraisal report as per the request of the client, Mrs. Florence Peters of the City of Charleston Department of Housing and Community Development

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REGIONAL DESCRIPTION

Charleston, South Carolina was incorporated in 1783 and has been described as “America’s Most Historic City”. English colonists established the original settlement in 1670 under a grant from Charles II, King of England. The city was then named “Charles Town” in honor of the king. The City of Charleston itself is a peninsula of land situated at the confluence of the Cooper River and the Ashley River. These two rivers meet to form what is known as the Charleston Harbor, the entrance of which is located approximately five to six nautical miles from the Atlantic Ocean. The City of Charleston is one of America’s most beautifully preserved architectural and historic treasures, with a rich 300-year history.

The City of Charleston is located in Charleston County, which is a long, narrow county approximately 10 to 15 miles deep and 91 miles long. Berkeley County and Dorchester County adjoin Charleston County to form a three-county region known as the Tri-County Area. The Tri-County Area covers approximately 3,842 square miles. Charleston and Berkeley Counties are the largest of the three counties. The two largest municipalities in Tri-County area are the City of Charleston and the City of North Charleston. Other large and growing municipalities in the Tri-County area include the Town of Mount Pleasant, the City of Goose Creek, the Town of Summerville, and the City of Hanahan. Other smaller municipalities in the Tri-County area include the Town of Sullivan’s Island, the City of Isle of Palms, the City of Folly Beach, the Town of Moncks Corner, the Town of Bonneau and numerous other individual smaller municipalities.

POPULATION:

The latest United States census, which was completed in 2017, places the estimated population for the Tri-County area at 761,159 with projected population of over 850,000 by the year 2030. The 2016 census estimated the population for the five largest cities in the Tri-County area as follows: City of Charleston at 134,385 people, the City of North Charleston at 109,298 people, the Town of Mount Pleasant at 84,170 people, the City of Goose Creek at 42,039 people and the Town of Summerville at 49,323 people. Since 2000, the Tri-County area has seen a population increase of over 38%. The projected Tri-County population of over one million people by 2030 would indicate that this trend will continue and actually increase over the next two decades.

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The rapidly increasing population trends for the Tri-County Area are reflected in the following chart:

<table>
<thead>
<tr>
<th>AREA</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkeley</td>
<td>142,651</td>
<td>178,779</td>
<td>214,740</td>
<td>+50.54%</td>
</tr>
<tr>
<td>Charleston</td>
<td>309,969</td>
<td>351,289</td>
<td>401,738</td>
<td>+29.61%</td>
</tr>
<tr>
<td>Dorchester</td>
<td>96,413</td>
<td>137,651</td>
<td>158,881</td>
<td>+64.79%</td>
</tr>
<tr>
<td>Tri-County</td>
<td>549,033</td>
<td>667,719</td>
<td>7775,359</td>
<td>+42.22%</td>
</tr>
</tbody>
</table>

Today, approximately three and a half times as many people are living the Tri-County Area as there were in 1950. In the 1980s, Dorchester County had the second highest growth rate in the state, while Berkeley County, the third highest. Population growth slowed during the 1990's, due in part to the closing of the Charleston Navy Base and Hurricane Hugo. From 2010 to 2020, the tri-county area had three of the five fastest growing counties in the state. The majority of the fastest growing areas in the State of South Carolina are located within the Tri-County area and just outside of the Tri-County area along the coast of South Carolina.

**CLIMATE**

The Tri-County Area, or the “Lowcountry”, as it is referred to locally, is a relatively flat, coastal region of the state. The Lowcountry enjoys a moderate to mild climate. The average daily temperature is the Tri-County area is a high of 75 degrees and a low of 56.1 degrees. During the winter months, low temperatures average around the mid 40’s and during the summer months, high temperatures average in the upper 80’s. The average elevations for the area range from sea level to no more than eighty (80) feet above mean sea level. The Tri-County area is a very humid region and rain can be a daily occurrence on summer afternoons. The average annual rainfall is just over fifty inches (50.22”) and the average humidity is eighty six percent (86%). During the hurricane season, it is not uncommon for high tides and excessive rains to cause shallow flooding in the low elevations of the area.

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ECONOMY:

For years, the economy of the Tri-County area was heavily based on three economic forces: government, the seaport and tourism. The government employed one in four people at the beginning of 1990. However, as a result of the closing of the Charleston Naval Shipyard and Naval Complex, coupled with the significant growth of such industries as tourism, health care and the Port of Charleston, a significant shift has occurred. Today, the largest employment field in the Lowcountry is in the services sector, i.e., hotels and accommodations, healthcare, and other professional business services. Since January of 1995, the region has recorded more than $4.7 billion in new capital investment and has announced the creation of more than 29,500 new jobs. The economy of the Tri-County area has successfully transitioned from a government-oriented economy to a more diverse private sector-oriented one. The Tri-County area has a total civilian labor force of approximately 397,195 people of which approximately 386,850 were employed according to the projected 2020 labor force figures. Total unemployment is 10,3440 people, which equates to an unemployment rate of 2.6%. The following chart summarizes the current employment (2019) by sector for the Tri-County area as provided by the Charleston Metro Chamber of Commerce:

<table>
<thead>
<tr>
<th>Employment Sector</th>
<th>% of Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resources:</td>
<td>6.01%</td>
</tr>
<tr>
<td>Manufacturing:</td>
<td>7.41%</td>
</tr>
<tr>
<td>Transportation and Utilities:</td>
<td>18.44%</td>
</tr>
<tr>
<td>Information:</td>
<td>1.70%</td>
</tr>
<tr>
<td>Financial Activities:</td>
<td>4.31%</td>
</tr>
<tr>
<td>Professional and Business Services:</td>
<td>15.83%</td>
</tr>
<tr>
<td>Educational and Health Services:</td>
<td>11.42%</td>
</tr>
<tr>
<td>Leisure and Hospitality:</td>
<td>12.93%</td>
</tr>
<tr>
<td>Other Services:</td>
<td>3.91%</td>
</tr>
<tr>
<td>Government:</td>
<td>18.04%</td>
</tr>
</tbody>
</table>

The Tri-County area and especially the Charleston area has long been a major tourist attraction along the eastern seaboard. The economic impact of the tourist industry and business visitors is estimated at over five billion dollars annually. Visitors to the Charleston area spend on the average of $212 per person per day and provided an estimated 86,000 jobs directly and indirectly for area residents. The Tri-County area has numerous attractions for visitors to the area. Such attractions include: the Charleston Museum, America's first

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museum; Fort Sumter, the manmade fortress where the Civil War began; Patriot’s Point, the world’s largest naval and maritime museum and home to the WWII aircraft carrier Yorktown; and Fort Moultrie, scene of the first decisive American victory of the Revolution, Charleston’s Aquarium Wharf, home to the South Carolina Aquarium, IMAX Theater, the Charleston Maritime Center, Magnolia Gardens, Middleton Plantation, the beaches, golf courses and numerous and varied attractions and facilities.

In addition to the impressive tourist industry, the Tri-County area has one of the Southeast’s most notable medical hubs. There are approximately 24,000 people employed in the region’s ten (10) major hospitals and medical facilities and an estimated 32,000 people employed in the area’s medical industry overall. The largest of the concentration of the area’s health care industry surrounds the Medical University of South Carolina (MUSC), which is located on the peninsula in the downtown area of the City of Charleston. The Medical University is located on more than fifty (50) acres of land on the peninsula and continues to rapidly expand. There six MUSC colleges which provided a superb and nationally recognized education. Additionally, there are numerous patient care facilities, which also provide superb care and are also nationally recognized in such areas as cardiology, cancer, and pediatrics.

The second largest presence in the medical industry is Roper/St. Francis Healthcare, which operates the Roper and Bon Secours St. Francis Hospitals as well as other smaller medical branches and medical facilities throughout the Tri-County area. The hospital employees approximately 3,800 people and have a total of approximately 584 beds in the tri-county area. Roper/St. Francis Healthcare has received numerous national awards for healthcare, patient satisfaction, and facilities over the past several years. In addition to MUSC and Roper/St. Francis Health care, other major hospitals in the area include Charleston Memorial, East Cooper Regional Medical Center, Trident Health System, and the V.A. Medical Center.

The Port of Charleston is one of the nation’s top-ranked port facilities. The Port of Charleston is the largest container port along the Southeast and Gulf coasts, second on the entire east coast and ranks fourth nationwide. On the entire East and Gulf coasts, only the Port of New York and the Port of New Jersey handle more containers that of the Port of Charleston. The Port of Charleston handles approximately two million units (twenty-foot equivalent units) of cargo annually. The Port of Charleston currently operates five terminals within the area and plans are currently being made for a sixth, state.

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of the art facility located at the former Charleston Naval Base. There are an estimated 54,000 port related jobs in the region, pumping more than three billion dollars into the local economy. These related jobs include: the trucking industry, stevedores, longshoreman, steamship lines, tugboat companies, custom house brokers, freight forwarders and numerous other companies.

Although the military presence in the Tri-County area has dramatically declined over the past two decades, the military remains one of the largest employers in the area. In total there are approximately 22,000 active duty, reserve personal, civilians and civilian contractors employed in the area by the area’s defense facilities. The largest military facility and employer is the Charleston Naval Weapons Station with over forty (40) separate commands and a total of thirteen thousand (13,000) employees. The second largest military employer is the Charleston Air Force Base which is home to fifty-three (53) C-17 aircraft and employs approximately seven thousand (7,000) people. Another major military employer in the area is the Space and Naval Warfare Systems Center (SPAWAR) which is a high technology, engineering facility that designs, builds, tests, fields and supports the Navy as well as other federal customers. SPAWAR employs over 1,200 people directly and supports an estimated 7,000 local defense contractors in the area. Other major military employers in area include the Nuclear Power Training Command and the Nuclear Power Training Units, Naval Facilities Engineering Command, and the Army.

The following chart summarizes the ten largest employers in the Tri-County area according to figures provided by the Charleston Metro Chamber of Commerce:

<table>
<thead>
<tr>
<th>Employer</th>
<th># of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Joint Charleston Military Bases</td>
<td>22,000</td>
</tr>
<tr>
<td>2. MUSC</td>
<td>13,000</td>
</tr>
<tr>
<td>3. Boeing</td>
<td>7,000</td>
</tr>
<tr>
<td>4. Berkeley County School District</td>
<td>6,600</td>
</tr>
<tr>
<td>5. Charleston County School District</td>
<td>6,500</td>
</tr>
<tr>
<td>6. Roper/St. Francis Healthcare</td>
<td>5,500</td>
</tr>
<tr>
<td>7. Dorchester County School District</td>
<td>3,900</td>
</tr>
<tr>
<td>8. Charleston County Government</td>
<td>2,600</td>
</tr>
<tr>
<td>9. Trident Health System</td>
<td>2,500</td>
</tr>
<tr>
<td>10. Wal-Mart</td>
<td>2,300</td>
</tr>
</tbody>
</table>

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Over the past several years, there have been a number of announcements that that has dramatically impacted and will dramatically impact the local economy for many decades. In October of 2009, Boeing announced that North Charleston was selected as the home of new Boeing 787 assembly plant. The assembly plant was an expansion of the existing 584,000 square foot existing facility in North Charleston and was completed in April 2012. Additionally, in December of 2013, Boeing announced additional plans for expansion at their North Charleston facility. This will be a more than a billion-dollar investment in additional facilities. In the second half of 2014, the company began construction on 230,000 square foot building to paint the 787 Dreamliner airplanes. The building was completed in 2015. The new paint facility and additional expansion will create an additional 2,000 jobs in the immediate future. In 2009 Google completed a six hundred-million-dollar data center in Goose Creek. In 2011 it was announced that Google is expanding the data center. This facility will eventually employ several thousand workers. And in December of 2013, Benefitfocus, a health care software company, announced that it was investing over sixty million dollars and adding 1,200 jobs to their existing facilities on Daniel Island. Construction of a new 125,000 square foot office building and an additional visitor’s center was completed early 2015. These major employment announcements over the past several years will greatly enhanced the economic and employment future for the Charleston region.

LOCATION:

The Tri-County area is located half-way between New York City and Miami. The chart on the following page of this appraisal report indicates the distance to major cities from the Tri-County area:

<table>
<thead>
<tr>
<th>City</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, GA</td>
<td>291 miles</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>906 miles</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>2,458 miles</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>590 miles</td>
</tr>
<tr>
<td>New York, NY</td>
<td>768 miles</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>532 miles</td>
</tr>
</tbody>
</table>

TRANSPORTATION:

The road system in and around the Tri-County area is considered to be particularly good. The area is served by the following three (3) US interstates: Interstate 26, Interstate 526, and Interstate 95. The area has five (5) US primary highways: Highway 17, Highway 52, Highway 78, Highway 176, and Highway 701. The area is also served by seventeen (17) SC highways.

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The Tri-County area is served by one international airport and six private executive airports. The Charleston International Airport is located ten miles northeast of downtown Charleston. The terminal complex consists of 300,000 square feet and handles over one million six hundred thousand (1,600,000) passengers per year flying to major cities throughout the United States and Europe via five major airlines. The Tri-County area is served by three railroad lines. These railroad lines include Norfolk Southern, CSX System and Amtrak. The area is also serviced by one local bus service, which is the Charleston Area Regional Transportation Authority (CARTA).

**EDUCATION:**

There are four school districts serving approximately 93,500 students in approximately 137 schools (grades K-12) in the tri-county area. The Tri-County area enjoys a fine college and university system that includes the Medical University of South Carolina, Charleston Southern University, The Citadel, The College of Charleston, and Trident Technical College. Additionally, there are nearly one hundred (100) private and parochial schools that serve the Tri-County area providing alternatives to public education. The primary and secondary public education system is administered by each of the respective counties.

**CHARLESTON COUNTY:**

Charleston County is a long, narrow county approximately 10 to 15 miles deep and 91 miles long. Charleston County is the largest of the three counties in the area and consists of a total of 1,357.14 square miles, which includes all land and water area. According to the 2017 United States census figures, Charleston County had a population of 396,484 people. The population in Charleston County increased 27.91% from a 2000 population of 309,969 to its current population of 396,484. Charleston County is currently the third most populated county in the state. The male population of the county is approximately 48.4% and the female population is approximately 51.6% according to the 2016 United States census data information. The largest municipalities in Charleston County are the City of Charleston, the City of North Charleston, and the Town of Mount Pleasant. According to the 2016 census, the City of Charleston has a population of 134,384 people, the City of North Charleston had a population of 109,298 people and the Town of Mount Pleasant had a population of 84,170 people. Other municipalities with populations in Charleston County according to the 2016 census data include: Awendaw (1,294 people), Folly Beach (2,617

*Michael A. White, GAA*
people), Hollywood (4,714 people), Isle of Palms (4,133 people), Kiawah Island
(1,626 people), Lincolnville (1,139 people), McClellanville (499 people), Meggett
(1,226 people), Ravenel (2,465 people), Rockville (134 people), Seabrook Island
(1,714 people) and Sullivan's Island (1,791 people). Based on population, the
City of Charleston is now the largest city in the state and the City of North
Charleston is the 3rd largest city in the state. Charleston County has
experienced a tremendous amount of growth over the past decade. The majority
of this growth has taken place in the Mount Pleasant and East Cooper area.
Currently the City of North Charleston is experiencing a tremendous amount of
growth. The growth of the City of North Charleston should continue well into
the future as numerous re-development projects (Noisette, Century Oaks, etc.)
are currently in their early phases. The other outlying municipalities in
Charleston County have experienced steady growth over the past decade. This
growth trend should continue well into the foreseeable future.

BERKELEY COUNTY:

Berkeley County is the second largest of the three counties comprising the Tri-
County area. Berkeley County consists of a total of 1,229.23 square miles,
which includes all land and water area. According to the 2016 United States
census data information, Berkeley County had a population of 210,898 people,
which is up from the 2000 population of 142,651 and indicates an increase of
47.84% from 2000 to 2016. The largest municipality in Berkeley County is the
City of Goose Creek, which is the eleventh (11th) largest municipality in the
state. According to the 2016 census data, the City of Goose Creek had a
population of 42,039 people. Other municipalities with populations in Berkeley
County according to the 2016 census include: Bonneau (487 people), Hanahan
(17,997 people), Jamestown (76 people), Moncks Corner (7,885 people) and St.
Stephen (1,697 people). Berkeley County is currently experiencing a
tremendous amount of residential growth. The areas of Daniel Island, the City
Goose Creek, Hanahan and Carnes Crossroad in the Summerville area of
Berkeley County are experiencing the majority of the development in Berkeley
County. This growth trend in Berkeley County should continue well into the
foreseeable future.

DORCHESTER COUNTY:

Dorchester County is the smallest of the three counties comprising the Tri-
County area. Dorchester County consists of a total of 576.74 square miles,
which includes all land and water area. According to the 2016 United States
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census data information, Dorchester County had a population of 153,777 people, which is up from the 2000 population of 96,403 and indicates an increase of 59.50% from 2000 to 2016. The largest municipality in Dorchester County is the Town of Summerville, which is the seventh (7th) largest municipality in the state. According to the 2016 census, the Town of Summerville had a population of 49,323 people. Other municipalities with populations in Dorchester County according to the 2016 census include: Harleyville (6771 people), Reevesville (196 people), Ridgeville (1,979 people) and St. George (2,082 people).

Dorchester County is also experiencing a tremendous amount of growth and development. The majority of the recent development the county is situated along the Dorchester Road area in the City of North Charleston and in the Town of Summerville. This growth trend in Dorchester County should continue well into the foreseeable future.

In conclusion, the major influences of the value of real estate that are economic, physical, social, and governmental, all appear to be relatively well balanced in the Tri-County area. The Tri-County area has experienced unprecedented and historical growth over the past decade. Based upon the economic, social, and governmental factors present in the Tri-County area, growth and development should continue well into the foreseeable future.
REGIONAL LOCATION MAP IDENTIFYING THE SUBJECT PROPERTY

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NEIGHBORHOOD DESCRIPTION

The subject property parcel is located on the north side of Cunnington Avenue at its intersection with Skurvin Street and just east of its intersection with Meeting Street Road in the City of Charleston. For the purposes of this appraisal report, the immediate subject property neighborhood boundaries have been defined as the City of North Charleston to the north, Calhoun Street to the south, the Ashley River to the west and the Cooper River to the east.

The subject property parcel is located in what is known as the “Neck” area of the City of Charleston. This is the area located between the City of Charleston and the City of North Charleston and links the two cities. King Street Extension and Meeting Street Extension are the two main traffic thoroughfares in the area and the two traffic thoroughfares that link the City of Charleston to the City of North Charleston thorough this area. Historically, this area has been occupied by small and large industrial properties. Large industrial properties in the neighborhood include: the old MacAlloy plant, Exxon, Albright and Wilson, fuel storage facilities and several shipyards. Small businesses in the area include various automobile repair facilities, several individual office buildings, several construction companies, electrical companies, and other related businesses. The neighborhood also includes some low-income housing and a hodgepodge of small businesses and night clubs.

Throughout the years, the character of “The Neck” has continued to change. Over a decade ago many of the businesses in the area moved out of this area due to the fact the area had become less desirable for business operation. A great concern for this area has always been the possible contamination of sites due to the heavy industrial uses that have taken place for decades in the area. Many of the sites in this industrial area are known to have soil contamination and more than likely there are other sites in the area that have soil contamination.

However, in the past several years there has been a substantial increase in business activity in “The Neck”. In the past several years, numerous buildings along Meeting Street Road have been sold and new businesses have moved into these buildings. The vast majority of these buildings have been significantly renovated. There are significant plans for re-development of numerous properties in the neck area. The vast majority of these buildings have been significantly renovated. Newer developments in the immediate area include: the 430 bed student housing development at 930 Morrison Drive, just south of

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the subject property, and opened in Fall of 2015, the new Home Team barbeque restaurant located on William Street, Butcher and Bee restaurant located on Morrison Drive, the recently developed Citadel Storage warehouse facility, 1600 Meeting Street Road, which is a mixed use development consisting of office and retail space, Edmund’s Oast restaurant and pub located at 1081 Morrison Drive, the Half Mile North office building located at Morrison Drive and William Drive, which is an office building for tech firms and the Brigade Street Apartments, which is a proposed 275 unit apartment building with some commercial space that will be located at 107 Brigade Street. Another one of the early redevelopment projects in the area is the One Cool Blow Street development. This is a fifty-eight (58) condominium unit horizontal property regime located in three (3) modern buildings situated along Cool Blow Street, Nassau Street and Hanover Street. The development was built in 2008 and was inspired by the institutional and industrial architectural designs of buildings located in Charleston in the 19th century, such as the Cigar Factory and the Murray Vocational School. The buildings have a modern flare, and all three (3) buildings are LEED certified. The development consists of six (6) commercial units and fifty-two (52) residential units. The first building consists of two (2) commercial units and twenty-six (26) residential units. The residential units in this building range in size from 822 square feet to 1,214 square feet. The second building consists of two (2) commercial units. The third building consists of two (2) commercial units and thirty (30) residential units. The residential units in this building range in size from 822 square feet to 1,214 square feet. Another one of the other completed redevelopment projects in “The Neck” is the Meeting Street Academy School located at the corner of Meeting Street very near the subject property. This is public/private school that opened in 2008 and has continued to successfully grow throughout the years. The success of the school has created a need to expand the school, which began in the Fall of 2015 and is expected to be completed by the Fall of 2016. Another project that was just completed in this area in August of 2013 is the East Central apartment development on Huger Street. This development consists of seventy-two (72) modern, up-scale apartments renting from $850 per month to $1,800 per month. The developers sold the apartment complex in April of 2015 for $12,400,000 or $172,222 per apartment unit. The purchaser also purchased the property across the street from the East Central development and plans to development another similar apartment complex on the site.

One of the main proposed re-development projects located within “The Neck” is the Magnolia development. The Magnolia development is a one hundred (100) acre tracts of land located just northwest of the subject property along

MICHAEL A. WHITE, GAA
the banks of the Ashley River. This development project was proposed over a decade ago; however, the original developers had financial problems during the last recession and the property was never developed. However, last year new owners, WestRock, Pope & Land and Branch Properties, purchased the property and a mix use development plan has been approved by the City of Charleston. The development will consist of a mixture of office buildings, retail buildings and multi-family development and hospitality buildings. Development is scheduled to begin in early 2018 with a scheduled build out of approximately fifteen (15) years.

The subject property is located south of the former Charleston Naval Base, which represents the largest redevelopment effort in the City of North Charleston. The former Charleston Naval Base is the largest commercial property in the immediate subject property neighborhood. Many of the businesses in the immediate subject property neighborhood served those who worked and were stationed at the former base. The northern portion of the former Charleston Naval Base was transferred to the City of North Charleston, which in turn sold a large portion of this property to the Noisette Company in July of 2003. The Noisette Company developed a master plan to redevelop this portion of the former base and to redevelop the immediate areas surrounding the former naval base. This is a master plan encompassing a total of approximately 2,800 acres of land in the City of North Charleston. The redevelopment plan was to incorporate residential, commercial, and industrial properties along with preservation of land along Noisette Creek. The master redevelopment plan also called for improvements to schools, infrastructure, streetscapes, and utilities. The majority of funding for the redevelopment plan would have come from a $300 million of tax increment financing bond. This bond will be issued from the redevelopment and re-financing of the existing improvements at the former naval base.

However, from the beginning financial problems plagued the redevelopment efforts of the Noisette Company. In December of 2010, the Noisette Company, through the foreclosure process lost ownership of the majority of the property on the northern end of the base that it once controlled. In October of 2013, the remaining fifty-three (53) acres of land and existing improvements on the acreage owned by the Noisette Company was sold to the South Carolina Department of Commerce, thus ending the Noisette Company era at former Charleston Naval Base. The southern portion of the former base has been slated to be the home of the new South Carolina State Ports Authority shipping terminal. The state legislature has passed legislation authorizing

MICHAEL A. WHITE, GAA
this site to be developed for the State Ports Authority and the state legislature has also appropriated millions of dollars for the infrastructure for the project. This infrastructure includes new roads, new overpasses and new interstate spur that will direct port traffic directly onto the new shipping terminal and way from adjacent residential neighborhoods. Development of the new shipping terminal is proceeding as planned as of the date of this appraisal report. The new shipping terminal is scheduled to be completed in the Fall of 2021 according to the current plans.

Additionally, just north of the planned shipping terminal on the former base site, the State of South Carolina has built build an intermodal container facility that will service the shipping terminal and the highway system. Access to the proposed intermodal container facility will be through a proposed new railway system. In December of 2012, the State of South Carolina settled a lawsuit brought by the City of North Charleston regarding railway access to the proposed intermodal container facility. The settlement clears the way for the development of the intermodal container facility. The railway division of the South Carolina Department of Commerce is currently working on a master plan for the development of the land owned by the state for the planned intermodal container facility at the base.

The subject property neighborhood has always been one of the most heavily developed (commercial, residential, and multi-family) areas in the City of North Charleston. This area is attractive due to its central location with the city and due to the access that this area has to the main and secondary traffic thoroughfares in the City of North Charleston. The subject property neighborhood is one of the most important areas of the City of North Charleston and should remain so well into the foreseeable future as commercial and residential development continues.

MICHAEL A. WHITE, GAA
NEIGHBORHOOD LOCATION MAP IDENTIFYING THE SUBJECT PROPERTY

MICHAEL A. WHITE, GAA
SITE DESCRIPTION

The subject property site is a rectangular shaped parcel of land that is located at the intersection of Cunnington Avenue and Skurvin Street on the peninsula City of Charleston. The subject property site contains a total of approximately 3,596 square feet (0.08 acres) of land area according to the recorded plat of the subject property site obtained from Charleston County and according to the subject property deed. A copy of this recorded plat identifying the subject property site can be found in this section of the appraisal report. Additionally, this Appraiser has included various other maps (county maps, etc.) further identifying the subject property site. Copies of these maps identifying the subject property site can be found in this section of the appraisal report.

The subject property is currently improved with a one and on half story office building that contains approximately 3,136 square feet. A complete and detailed discussion of the existing subject property improvements can be found in a later section of this appraisal report.

The subject property site has frontage along Cunnington Avenue a distance of over thirty-six feet (36.9') according to the recorded plat and subject property deed. The western property line measures over ninety-nine feet (99.93') and the eastern property line along Skurvin Street measures over one hundred feet (100.4') according to the recorded plat and the subject property deed. The rear subject property line measures over thirty-four feet (34.91') according to the subject property plat and the subject property deed.

Access to the subject property site is via Cunnington Avenue or Skurvin Street, which are both public rights-of-way along the subject property site. The property site is also improved with off-street parking at the rear of the subject property building. The subject site has available all usual urban utilities that include public water, public sewer, electricity, telephone, etc. Police and Fire protection are provided to the subject site by the City of Charleston.

The subject property site is identified as parcel number 118 by the Charleston County Assessor on Charleston County tax map 464-14-00. The subject site is located in non-hazard Flood Zone X according to F.E.M.A. Community Panel 45019C0504K dated January 29, 2021. However, the final flood zone determination for the subject site should be made by a current, individual survey of the site. The subject site is located in Census Tract 0054.00.

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Unless otherwise stated in this appraisal report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the subject property were not called to the attention or nor did this Appraiser become aware of such during the inspection of the subject property. This Appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. This Appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the opinion of value for the subject property. The opinion of value reported in this report is predicated on the assumption that no such hazardous substances exist on or in the subject property or in such proximity thereto which would cause a loss in value. This Appraiser assumes no responsibility for any such hazardous substances or for any expertise or knowledge required to discover such hazardous substances.
RECORDED PLAT IDENTIFYING THE SUBJECT PROPERTY SITE

[Diagram of property layout]

MICHAEL A. WHITE, GAA
CHARLESTON COUNTY 2021 GIS AERIAL MAP
IDENTIFYING THE SUBJECT PROPERTY SITE

11 Cunnington Avenue, Charleston, SC 29405

Note: The Charleston County makes every effort possible to produce the most accurate information. The maps contained in this map package are for information purposes only. The Charleston County makes no warranty, expressed or implied, for any accuracy or completeness of any of the information provided. The County assumes no liability for any representations and warranties. The user agrees to hold harmless the Charleston County for any cause of action or liability, or any person, related either in whole or in part, with any cause of action from the use or mis-use of this information.

Author: Charleston County GIS
Date: 10/25/2020

MICHAEL A. WHITE, GAA
FLOOD MAP IDENTIFYING THE SUBJECT PROPERTY SITE

MICHAEL A. WHITE, GAA
ZONING

The subject property parcel is currently under the zoning ordinance of the City of Charleston. This Appraiser has spoken with an employee of the City of Charleston Planning Department, and I was informed that the subject property parcel is currently zoned Light Industrial (LI). The Light Industrial zoning district is intended to provide for a broad range of industrial uses. This is the least restrictive zoning district. Permitted uses under this zoning classification include dog kennels and dog service, landscape companies, construction companies, clothing stores, railroad and transportation, offices, electrical substations, lumber stores, food stores, boat dealerships, restaurants (without drive-thru windows), bars and taverns, art galleries, banks, insurance companies, real estate companies, barber shops, tattoo parlors, etc. The Light Industrial zoning district does not have any minimum setback requirement. The maximum height in this zoning district is fifty-five feet (55'). The current improvement, an office building, conforms to the present Light Industrial (LI) zoning classification by the City of Charleston.

REAL ESTATE TAXES

According to the information obtained by this Appraiser from the Charleston County Treasurer’s office, the 2021 real estate taxes for the subject property is $7,627.44. As of the date of this appraisal report, the 2021 real estate taxes for all three subject property units have been paid in full.

It is important to note that the 2006 statewide property tax law instructs all county assessors to appraise all properties at current Market Value, upon sale, beginning in 2007. Once a property is sold, the new appraised value would be for the following year. Taxes for the subject property the following year could be significantly increased under this law. Additionally, the statewide law calls for any property to be re-appraised if there are any new leases or lease renewals of twenty (20) years or more. The law also caps all properties at the previous reassessment value, plus no more that fifteen percent (15%) on subsequent reassessments. State law requires new assessments every five (5) years.
SALES HISTORY OF THE SUBJECT PROPERTY

The subject property sold to the current property owner for $650,000 on June 25, 2019, according to the Charleston County tax records for the subject property. A copy of this deed for this transaction as obtained by this Appraiser can be found in the addendum of this appraisal report. This is the only sale or transfer of the subject property in the past five years according to the Charleston County tax records for the subject property.

The subject property is not currently for sale and has not been for sale in the past twelve months according to the information provided to and obtained by this Appraiser. The subject property is not currently under contract of sale according to the information provided to and obtained by this Appraiser.

MICHAEL A. WHITE, GAA
DESCRIPTION OF THE IMPROVEMENTS

The subject property is presently improved with a one- and one-half office building that contains a total of approximately 3,136 square feet. The subject property building contains approximately 2,602 square feet on the first floor and approximately 534 square feet on the second floor.

The subject property building was built as 1993 according to the Charleston County tax records. However, current property owner significantly renovated the subject after purchasing the subject property in 2019. An exterior drawing and current floor plan for the subject property building can be found in this section of the appraisal report.

The interior of the first-floor interior of the subject property building consists of an entrance/secretary area, conference room, foyer, five (5) individual offices, large open office area, kitchen and two (2) bathrooms. The interior of the second-floor interior of the subject property building consists of two (2) individual offices, open office area and a bathroom.

The subject property building was built in 1993 according to the Charleston County tax records. Thus, the actual age of the subject property building is twenty-nine (29) years. However, the subject property building has been significantly renovated by the current property owners. As of the date of this appraisal report, the subject property building is in good condition in the opinion of this Appraiser. The effective age of the subject property building is approximately ten (10) years in the opinion of this Appraiser. The remaining economic life of the subject property building is estimated to be approximately fifty (50) years in the opinion of this Appraiser. The subject property is of good overall quality of construction in the opinion of this Appraiser. The subject property building is a typical office building for the subject property market area and surrounding similar market areas.

The following is a detailed description of the type of construction for the subject property building based upon an inspection by this Appraiser:

Foundation: Concrete Slab Space Foundation
Exterior Walls: Stucco Exterior Walls
Interior Walls: Sheetrock Interior Walls

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Roof: Metal Roof
Floor: Finished Exposed Concrete and Carpet Floors
Windows: Single Pane Windows
Heating/Air System: Three (3) Mounted HVAC units
Parking: On-site Parking Area (front and side)
Electrical: Assumed in accordance with building codes
Plumbing: Assumed in accordance with building codes

The reader is referred to the following pages of this appraisal report for an exterior drawing and floor plan for the subject property building and exterior and interior photographs of the subject property building taken at the time of inspection by this Appraiser.

MICHAEL A. WHITE, GAA
EXTERIOR DRAWING OF THE SUBJECT PROPERTY BUILDING

**Table: Sketch Calculations**

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<thead>
<tr>
<th>Sketch</th>
<th>Perimeter</th>
<th>Area</th>
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</thead>
<tbody>
<tr>
<td>A1</td>
<td>76.2 x 34.2 = 2602.4</td>
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</tr>
<tr>
<td>A2</td>
<td>30.5 x 17.5 = 533.5</td>
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<tr>
<td>Total</td>
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<td>3136.7</td>
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**Michael A. White, GAA**
FLOOR PLAN FOR THE SUBJECT PROPERTY BUILDING
FRONT VIEW OF THE SUBJECT PROPERTY BUILDING

REAR VIEW OF THE SUBJECT PROPERTY BUILDING

MICHAEL A. WHITE, GAA
SIDE VIEW OF THE SUBJECT PROPERTY BUILDING

SIDE VIEW OF THE SUBJECT PROPERTY BUILDING

MICHAEL A. WHITE, GAA
INTERIOR VIEW OF THE SUBJECT PROPERTY

INTERIOR VIEW OF THE SUBJECT PROPERTY

MICHAEL A. WHITE, GAA
INTERIOR VIEW OF THE SUBJECT PROPERTY

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INTERIOR VIEW OF THE SUBJECT PROPERTY

MICHAEL A. WHITE, GAA
HIGHEST AND BEST USE DEFINITION

The Fourteenth Edition, 2013, of The Appraisal of Real Estate, published by 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 physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that highest and best use must meet are legally permissible, physical possibility, financial feasibility and maximum productivity."

Highest and Best Use analysis requires consideration of the Highest and Best Use of land as if vacant and available for development, as well as the Highest and Best Use as already developed with the existing improvements on-site. Four criteria must be examined to determine whether a use represents a property’s Highest and Best Use. These are that the use be legally permissible, physically possible, financially feasible and maximally productive.
HIGHEST AND BEST USE

I. ASSUMING VACANT SITE

The Highest and Best Use of Vacant Land must meet four criteria:

A. Physically Adaptable
B. Legally Permissible
C. Financially Feasible
D. Maximally Productive

A. Physically Adaptable
Size, shape, area, and terrain affect the use to which land may be developed. The subject property is sufficiently regular to allow for utilization. Surface water runoff appears to be adequate. To the best of this Appraiser's knowledge, the soil or sub-soil has no glaring irregularities that would prevent development. The subject site has physical characteristics that would support utilization of the land.

B. Legally Permissible
The subject property parcel is presently zoned Light Industrial (LI) by the City of Charleston. This zoning classification allows for a wide range of commercial and light uses of the subject property parcel.

C. Financially Feasible
The financial feasibility of a product is best determined by comparing market value with acquisition and development costs. If acquisition and development costs are less than or equal to market value, then feasibility is implied. Evidence of probable uses for the subject site is a comparison of nearby land uses. In the immediate subject neighborhood, there are office buildings, restaurants, retail buildings, gasoline stations, single and multi-family homes, grocery stores, warehouses, apartment buildings, etc.

D. Maximally Productive
This Appraiser is of the opinion that the maximally productive use of the subject property site, as if vacant, is for commercial development. Such uses based on current market conditions and market demand would include: an office building, retail building, etc.

MICHAEL A. WHITE, GAA
II. Estimated Highest and Best Use Taking Into Consideration Existing Improvements

The Highest and Best Use of improved properties is their existing use until such time as land value less demolition cost is equal to or greater than total property value. The reader is referred to the Income Approach section of this appraisal report, in which the estimated income stream indicates that the existing improvements, an office building, are a viable improvement for the subject site. Therefore, this Appraiser is of the opinion that the Highest and Best Use of the subject property is its present use as an office building. The most likely purchaser of the subject property would be an owner occupant in the opinion of this Appraiser.

MICHAEL A. WHITE, GAA
THE APPRAISAL PROCESS

Three approaches normally used by appraisers to render an opinion of Market Value are the Cost, Sales Comparison, and Income Approaches. Each is equally governed by the principle of substitution, which holds that "when several or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution." This principle assumes rational, prudent market behavior with no undue cost due to delay. According to the principle of substitution, a buyer will not pay more for one property for another that is equally desirable.

In the Cost Approach, the Appraiser obtains an indication of Market Value by rendering an opinion of the Market Value of the subject site, as if vacant, and adding to this an estimate of the depreciated replacement costs of the building and other improvements.

The Sales Comparison Approach is essential to almost every appraisal of real property. It is essentially based on the three-fold assumption that:

1. There is a market for a particular property.

2. That both buyer and seller are fully informed as to the property and state of the market for that type of property.

3. That the property would be exposed in the open market for a reasonable time.

The application of this approach produces an indication of Market Value for the subject property by comparing it with similar properties that have recently sold or are currently offered for sale in the same or competing areas. The sale prices of properties judged to be most comparable tend to set a range within which the value of the subject property will fall. Further examination of the data should lead to a logical indication of the subject's most probable selling price.

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MICHAEL A. WHITE, GAA
The Income Approach produces an indication of Market Value through capitalization of a property's income earning potential over a projected holding period or its remaining useful life. Data normally required for this computation are rents from comparable properties, expense ratios, typical mortgage financing available to that property at the time of appraisal, and typical investor's desired return on equity. Data normally required for this computation are rents from comparable properties, expense ratios, typical mortgage financing available to that property at the time of appraisal, and typical investor's desired return on equity.

The three approaches will seldom indicate the same value and, in many instances, one or two of the approaches will not be applicable to the current appraisal problem. In the case of the subject property, this Appraiser is of the opinion that the Cost Approach to Value is not applicable or a reliable indicator of Market Value for the subject property. Therefore, this Appraiser will omit the Cost Approach to Value from this appraisal report. This Appraiser is of the opinion that the Sales Comparison and Income Approaches are applicable and reliable indicators of Market Value for the subject property. Therefore, this Appraiser will use these two approaches to value in rendering an opinion of Market Value for the subject property. A detailed discussion of all three approaches to value can be found in later sections of the appraisal report.

The final step to the appraisal process is reconciliation of value indications from the approaches. In this step, the appraiser places major emphasis on the approach or approaches which appear to produce the most reliable and applicable solution to the specific appraisal problem.
COST APPROACH TO VALUE

The Cost Approach to Value is based upon the assumption that the site value, as if vacant, when added to the estimated depreciated value of the improvements, represents Market Value.

The subject property is currently improved with a 1,546 square foot office building that was built in 1925 as a residence according to the Charleston County tax records for the subject property. The subject property building is considered to be in good overall condition for a building of this age, design, and overall quality of construction in the opinion of this Appraiser.

The Cost Approach to Value is generally not considered a reliable indicator of Market Value for older buildings or converted office buildings due to the difficulty in estimating accrued depreciation. Although the subject property building is in good overall condition, estimating accrued depreciation would still be difficult in the opinion of this Appraiser. Additionally, the subject property is an office building. Office buildings are income producing properties. Generally, income producing properties are not bought and sold based upon the depreciated value of the existing improvements. Rather income producing properties are generally bought and sold based upon the revenues generated by the property and based upon sales of other similar properties in the surrounding market area or similar market areas. Based upon these two factors, this Appraiser is of the opinion that the Cost Approach to Value would not render a reliable indication of Market Value for the subject property. Therefore, this Appraiser has chosen to omit the Cost Approach to Value from this appraisal report.

MICHAEL A. WHITE, GAA
SALES COMPARISON APPROACH TO VALUE

The Sales Comparison Approach to Value rests primarily on a comparison of the subject property with other similar properties that have been sold, plus current asking prices and offers thereby establishing a measure of market reaction to the subject property. In the process of comparison, adjustments are usually made to the actual sales price of the comparables or to the unit price of each of the comparables, in either dollars or percentages to account for differences that exist between the subject property and the comparables.

This Appraiser has researched the subject property market area and surrounding similar market areas in an attempt to find sales of properties similar to the subject property building that have recently sold that might tend to indicate the Market Value of the subject property. Many sales were investigated but the following sales are believed to be sufficiently comparable to warrant further investigation and analysis. The reader is referred to the following pages for a detailed discussion of each of the transactions.

MICHAEL A. WHITE, GAA
COMPARABLE SALE NUMBER 1

TMS NUMBER: 461-09-03-030
LOCATION: 716 Meeting Street
Charleston, South Carolina 29403
GRANTOR: Colony & Craft, LLC
GRANTEE: 716 Meeting Street, LLC
DATE OF SALE: November 15, 2019
SALE PRICE: $575,000
DEED BOOK REF.: 0849-490
BUILDING SIZE: 1,250 Square Feet
UNIT PRICE: $460.00 per square foot
ZONING: Limited Business (LB)
VERIFIED BY: Charleston County Property Transfers
Bradley Thompson, Listing Agent
Multiple Listing Service

REMARKS: This is the sale of a converted office building located near the subject property on Meeting Street. This building was built in 1920 and is of similar overall quality of construction as compared to the subject property. The building was in good overall condition at the time of sale. The property previously sold for $375,000 in November of 2015, which indicate an annual appreciation rate of 11.28%. The property was on the market for 186 days according to the local Multiple Listing Service.

MICHAEL A. WHITE, GAA
COMPARABLE SALE NUMBER 2

TMS NUMBER: 461-09-03-005

LOCATION: 1049 Morrison Drive
Charleston, South Carolina 29403

GRANTOR: Pearce Development, LLC

GRANTEE: BKDE-Morrison, LLC

DATE OF SALE: October 22, 2021

SALE PRICE: $2,520,000

DEED BOOK REF.: 1045-855

BUILDING SIZE: 5,394 Square Feet

UNIT PRICE: $467.18 per square foot

ZONING: Upper Peninsula (UP)

VERIFIED BY: Charleston County Property Transfers
Commercial Multiple Listing Service

REMARKS: This is sale of a renovated office building located near the subject property on Rutledge Avenue on the peninsula City of Charleston. The building is of similar overall quality of construction as compared to the subject property. The building was built in 1988 and was renovated and was in good overall condition at the time of sale. The property was on the market for 1 day according to the local Multiple Listing Service.

MICHAEL A. WHITE, GAA
COMPARABLE SALE NUMBER 3

TMS NUMBER: 461-13-01-020
LOCATION: 430 North Hanover Street
Charleston, South Carolina 29403
GRANTOR: 430 North Hanover, LLC
GRANTEE: Unknown
DATE OF SALE: December 16, 2021
SALE PRICE: $550,000
DEED BOOK REF.: Unknown
BUILDING SIZE: 915 Square Feet
UNIT PRICE: $601.90 per square foot
ZONING: Upper Peninsula (UP)
VERIFIED BY: Charleston County Property Transfers
Mr. Steve Radekopf, Sales Agent
Multiple Listing Service

REMARKS: This is the very, recent sale of a small, office building located on near the subject property on the peninsula City of Charleston. This building was built in 1925. The building had been renovated. The building was in very good overall condition at the time. The building was on the market for 93 days according to the local Multiple Listing Service.

MICHAEL A. WHITE, GAA
COMPARABLE SALE NUMBER 4

TMS NUMBER: 469-09-01-014

LOCATION: 1114 Morrison Drive
Charleston, South Carolina 29403

GRANTOR: International Longshoremen’s Association

GRANTEE: Nomo 1114, LLC

DATE OF SALE: February 8, 2021

SALE PRICE: $950,000

DEED BOOK REF.: 0959-593

BUILDING SIZE: 1,569 Square Feet

UNIT PRICE: $605.48 per square foot

ZONING: Upper Peninsula (UP)

VERIFIED BY: Charleston County Property Transfers
Mrs. Debbie Stocker, Sales Agent
Multiple Listing Service

REMARKS: This is the sale of a small, office building located on Morrison Drove on the peninsula City of Charleston. This building was built in 1978; however, the building was renovated. The building was in good overall condition at the time. The building was leased at the time of sale with an annual Net Operating Income of approximately $65,000, which equates to an overall capitalization rate of 6.84%. The building was on the market for 118 days according to the local Multiple Listing Service.

MICHAEL A. WHITE, GAA
COMPARABLE SALE #1—716 MEETING STREET

COMPARABLE SALE #2—1149 MORRISON DRIVE

MICHAEL A. WHITE, GAA
COMPARABLE SALE #3—430 NORTH HANOVER STREET

COMPARABLE SALE #4—1114 MORRISON DRIVE

MICHAEL A. WHITE, GAA
The last column of the preceding chart shows the unadjusted price per square foot for each of the comparable sales. As can be seen, the range of values is from $467.18 per square foot to $605.48 per square foot. This Appraiser has attempted to use recent sales of office buildings that are considered to be similar to the subject property.

Adjustments to the comparable sales are necessary due to the differences that exist between the comparable sales and the subject property. This Appraiser has found comparable sales that all sold with similar property rights, fee simple title, as the property rights being appraised by this Appraiser for the subject property. Therefore, an adjustment for property rights is not required to the comparable sales. This Appraiser did not find any sales concessions in the terms of sale for the comparable sales; therefore, an adjustment for cash equivalency is not necessary to the comparable sales. The necessary adjustments to the comparable sales based upon the market data gathered by this Appraiser are for market conditions (time), size and location.
MARKET CONDITIONS (TIME): The dates of the comparable sales range from November of 2019 to a recent sale in December of 2021. All four (4) of the comparable sales are within approximately twenty-six (26) months of the date of this appraisal. Based on an analysis of the comparable sales and based on this Appraiser's knowledge of the subject property market area, this Appraiser is of the opinion that values for commercial properties in the subject property market area have been increasing during that period of time. This Appraiser has noted appreciation rates ranging from as little as one percent (1%) or two percent (2%) annually up to twenty percent (20%) annually for commercial properties in the immediate subject property market area. This Appraiser is of the opinion that an annual appreciation rate of ten percent (10%) is reasonable based on the current market conditions in the immediate subject property market area. This annual appreciation rate is well supported by the annual appreciation rate indicated from Comparable Sale #1. Thus, this Appraiser will adjust the comparable sales ten percent (10%) annually from their date of sale up to the date of this appraisal report.

SIZE: Generally, all else being somewhat equal, larger properties tend to sell for smaller unit values and smaller properties tend to sell for a larger unit value. Comparable Sales #1, #3 and #4 are larger than the subject property and these three comparable sale requires a negative size adjustment in the opinion of this Appraiser. Comparable Sale #2 is larger than the subject property and requires a positive size adjustment in the opinion of this Appraiser.

LOCATION: Adjustments are usually made to the comparable sales for location differences such as access, traffic flows, highway influence, corner location, visibility, etc. Comparable Sales #1, #2 and #4 have superior overall locations as compared to the location of the subject property in the opinion of this Appraiser. Thus, a negative location adjustment on an individual basis will be made to these three comparable sales. Comparable Sale #3 ahs a similar overall location as compared to the subject property n the opinion of this Appraiser. Thus, a location adjustment is not required to this comparable sale.

MICHAEL A. WHITE, GAA
The last line of the preceding chart shows the adjusted unit prices of each of the comparable sales. As can be seen, the range of values is from $392.84 per square foot to $519.80 per square foot. This Appraiser is of the opinion that all four of the comparable sales are good indicators of the per square foot value of the subject property. This Appraiser has considered the adjusted value of all four (4) comparable sales in rendering an of the square foot value of the subject property. This Appraiser is of the opinion that the indicated value of the subject property unit would fall in the middle of the adjusted range of values indicated from the comparable sales. Thus, this Appraiser considered the adjusted values of all four comparable sales. Therefore, this Appraiser is of the opinion that $450.00 per square foot is the price of the subject property based upon the adjusted per square foot prices of the comparable sales.

Therefore, the indicated value of the subject property from the Sales Comparison Approach to Value is as follows:

\[
3,136 \text{ square feet} \times \$450.00 \text{ per square foot} = \$1,411,200
\]

Rounded: \$1,410,000

MICHAEL A. WHITE, GAA
INCOME APPROACH TO VALUE

The Income Approach to value involves the processing of an income stream into an estimate of value. The two primary methods of estimating value from a property's income are Direct Capitalization and Discount Flow Analysis. In Direct Capitalization, value is estimated by deduction all expenses from anticipated gross income (Potential Gross Income) to arrive at a projected net income (Net Operating Income) for the coming year. Potential Gross Income is defined as "The total potential income attributable to the real property at full occupancy before vacancy and operating expenses are deducted" (The Appraisal of Real Estate, Fourteenth Edition, Copyright 2013, Appraisal Institute). The Net Operating Income (NOI) is obtained by deducting ownership costs from the effective economic rent and capitalizing the Net Operating (NOI) into value by means of an appropriate capitalization rate. Direct Capitalization is most appropriate for stabilized income streams here the property being analyzed reflects occupancy rates that are typical of the market area. This Appraiser is of the opinion that the Direct Capitalization method is the most appropriate and most reliable method of estimating the value of the subject property from the Income Approach. Thus, the Direct Capitalization method will be the method utilized in the Income Approach analysis of the subject property.

As of the date of this appraisal report, the subject property unit is currently leased by COZ, LLS (the current property owner) to Clement, Crawford & Thornhill, Inc. according to the lease provided to this Appraiser and contained in the addendum of this appraisal report. The current tenant operates a real estate office in the subject property building. The subject property has been leased to the current tenant since November of 2020. The original term of the lease is for five (5) years with the lease ending on October 31, 2025. The tenant has the right to renew the lease for an additional five-year term according to the subject property lease.

The subject property was originally leased for $83,000 annually with the rent increasing three percent (3%) annually. This is a typical type of annual increase for a lease such as the subject property lease. The subject property is currently leased for $85,490 annually or $7,124 per month according to the terms of the lease. This equates to an annual rent rate of $27.26 per square foot ($85,490 divided by 3,136 square feet). According to the terms of the lease this a net lease in which the tenant is responsible for all expenses (real estate taxes, utilities, county user fees, etc.)

MICHAEL A. WHITE, GAA
In an effort to determine if the subject property is being leased at Market Rent, this Appraiser has researched the subject property market area and surrounding similar market areas for office space that are currently leased or are being marketed for lease that are considered similar to the subject property. The reader is referred to the following comparable rentals obtained by this Appraiser.

1. **781 Meeting Street**: This is lease of approximately 924 square feet of ground floor office space located near the subject property on Meeting Street. This suite was leased in October of 2021 for $32.00 per square foot on a net lease basis.

2. **142 Williman Street**: This is the lease of two (2) office suite similar to the subject property located near the subject property. Each suite contains approximately 1,100 square feet. The suites were leased in April of 2021 for $27.00 per square foot on a net lease basis.

3. **1156 King Street**: This is the lease of multiple suites ranging from 1,250 square feet to 2,500 square feet located in an older renovated building (built in 1937) containing approximately 9,900 square feet near the subject property on King Street on the peninsula City of Charleston. The suites are currently leased from $24.00 to $28.00 per square foot on a net lease basis.

4. **2108 Monrovia Street, Unit 200**: This is the lease of approximately 2,265 square feet of office space located in a multi-unit building located near the subject property. This unit was leased in September of 2020 for $25.00 per square foot on a net lease basis.

5. **533 Rutledge Avenue**: This is the lease of approximately 1,700 square feet of first floor office space located in a multi-unit building located near the subject property on the peninsula City of Charleston. This unit was leased in November of 2019 for $33.88 per square foot on a net lease basis.

6. **38 Romney Street**: This is the lease of approximately 2,000 square feet of second floor office space located in a multi-unit building located on Romney Street near the subject property. This unit was leased in December of 2020 for $25.00 per square foot on a net lease basis.

All six of the comparable rentals utilized are considered good comparable rentals as compared to the subject property unit. The comparable rentals

*MICHAEL A. WHITE, GAA*
indicate a lease rate range of $24.00 per square foot to $33.88 per square foot. All of the comparable rentals are leased on a net lease basis, which is the most common type of lease for office units such as the subject property. The subject property is currently being leased for $27.26 per square foot on a net lease basis according to the information provided to this Appraiser. The current lease rate for subject property is in the middle of the lease rate range indicated from the comparable rentals and well supported by the comparable rentals obtained by this Appraiser. This Appraiser will use the current Gross Operating Income of $85,490 in the income analysis for the subject property.

The only expenses associated with a lease on a net basis are vacancy and collection, management fees (commissions) and a reserve allowance. This Appraiser has obtained information from two commercial real estate companies (Lee & Associates and Avison and Young) that track vacancy rates in the Tri-County area. A copy of these reports as obtained by this Appraiser can be found in the addendum of this report. Both companies have been found to be reliable and accurate in determining vacancy rates in the Tri-County area. The data from these two reports indicate vacancy rates for office buildings in the Charleston market area ranges from 11.4% to 11.8%, with the vacancy rate declining over the past year. Based on the available market data, this Appraiser is of the opinion that a vacancy and collection loss allowance of eleven and a half percent (11.5%) is reasonable for the stabilized market vacancy rate subject property market area based on vacancy rates for office space in the subject property market area and in surrounding similar market areas. This allowance would also allow for the lease up of the subject property should any portion of the subject property building become vacant. Thus, a vacancy and collection loss allowance expense of eleven and a half percent (11.5%) or $9,831 ($85,490 x 11.5%) of the Gross Potential Income has been allocated for the subject property. Thus, indicates an Effective Gross Income of $75,659 ($85,490 less $9,831 for the subject property. This Appraiser is of the opinion that a management allowance of three percent (3%) and a reserve allowance of one percent (1%) of the Effective Gross Income are reasonable allowances for a property such as the subject property. Therefore, the remaining expenses for the subject property are four percent (4%) or $3,026 ($75,659 x 4%) of the Effective Gross Income. Therefore, the Net Operating Income for the subject property is estimated to be $72,633 ($75,659 less $3,036 for expenses). This Appraiser will use the estimated Net Operating Income of $72,633 for the subject property.

MICHAEL A. WHITE, GAA
CAPITALIZATION RATE

An overall rate is the ratio of Net Operating Income (NOI) to the present worth of the entire investment in the real property, expressed as an annual percentage. The overall rate combines into one rate all of the aspects affecting an investment, such as rate of return on the investment and rate of return of the investment and calculates anticipatory changes in future property values.

This Appraiser has used the Band of Investment Method to extract a capitalization rate from current market information. This Appraiser has estimated a 75% loan to value mortgage at a fixed rate of 4.00% for a 25-year term with a five-year call. The equity investment is 25%. It is my opinion that an investor would require at least a 7.00% cash return to equity on the investment based on today's financial markets.

Percentage of Mortgage: 75%
Mortgage Interest Rate: 4.0%
Amortization Period: 25 Years
Mortgage Constant: .0633

Mortgage Component: \[ 0.75 \times 0.0633 = 0.475 \]
Equity Component: \[ 0.25 \times 0.0700 = 0.175 \]

Overall Rate: 0.0865
Rounded To: 6.5%

In the Sales Comparison section of this appraisal report, Comparable Sale #4 indicated overall capitalization rates of 6.84%. This Appraiser is of the opinion that this capitalization rate is indicative of current capitalization rate for office buildings similar to the subject property and should be given consideration in the determining the overall capitalization rate for the subject property. This Appraiser has placed consideration on the market derived capitalization rates from the comparable sale and on the Band of Investment analysis in determining the appropriate capitalization rate for the subject property. Thus, Appraiser is of the opinion that the market derived overall capitalization rate for the subject property is 6.75%.

MICHAEL A. WHITE, GAA
VALUE INDICATED BY THE INCOME APPROACH

The Net Operating Income for the subject property has been estimated to be $72,633. This Appraiser assumes no debt service.

Capitalizing the estimated Net Operating Income of $72,633 into value by an overall market derived capitalization rate of 6.75%:

\[
\text{
$72,633 \text{ divided by } 0.0675 = \$1,076,044$

Rounded: $1,075,000$
\]

Value Indicated by the Income Approach to Value (Rounded):

$1,075,000$

MICHAEL A. WHITE, GAA
CORRELATION AND FINAL ESTIMATE OF VALUE

In the preceding sections of this appraisal report I have obtained the following indications of value:

Sales Comparison Approach: $1,410,000  
Income Approach: $1,075,000

The Cost Approach to Value has been omitted from this appraisal report as discussed in a previous section of this appraisal report. This Appraiser is of the opinion that both the Sales Comparison Approach and the Income Approach are good indictors of the current Market Value of the subject property. Thus, the values indicated from both approaches to value have been given consideration in rendering an opinion of Market Value for the subject property.

After considering all the available data, it is the opinion of this Appraiser that the as is Market Value of the leased fee interest in the subject property (TMS# 464-14-00-118) located at 11 Cunnington Avenue, Charleston, South Carolina 29405 as of January 24, 2022, is:

ONE MILLION THREE HUNDRED THOUSAND DOLLARS  
$1,300,000

MICHAEL A. WHITE, GAA
CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

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

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

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

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

5. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. No services were provided by this Appraiser within the three-year period immediately preceding acceptance of this appraisal assignment, as an appraiser or in any other capacity.

6. As of the date of this appraisal report, Michael A. White, has completed all of the continuing education requirements set forth for certification by the State of South Carolina.

7. No one other than the undersigned prepared the analysis, conclusions and opinions concerning the real estate that are set forth in the appraisal report.

8. My engagement in this assignment was 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 related to the intended use of this appraisal.

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

MICHAEL A. WHITE, GAA
10. This appraisal meets or exceeds the standards set forth in the Financial Institution's Reform, Recovery and Enforcement Act of 1989.

11. I have made a personal inspection of the property that is the subject of this report. No one provided significant real property appraisal assistance to the person signing this certification.

12. Marketing Time is defined by the Appraisal Standards Board as "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 an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal." The estimated marketing time is six months or less as discussed in detail in previous sections of this appraisal report.

13. My opinion of the as is Market Value of the fee simple interest in the subject property (TMS# 464-14-00-118) located at 11 Cunnington Avenue, Charleston, South Carolina 29405 as of January 24, 2022, is $1,300,000.

Michael A. White
S.C. Certified General Appraiser 200

MICHAEL A. WHITE, GAA
CHARLESTON APPRAISAL COMPANY, LLC

ADDENDUM

MICHAEL A. WHITE
OFFICE MARKET OVERVIEW
PAUL PASHALI, Vice President

As employees return to the office, tenants use of space will impact the market for the foreseeable future. Ignited by coronavirus, over 450,000 SF of office space was listed for sublease at the pandemic's onset, and much of that remains available. Additionally, 510,000 SF of new space will be completed soon, with only 55% preleased. The combination of the incoming inventory and sublease space could drag office fundamentals further despite positive economic indicators for the market. While annual rent growth has slowed, investors signal a belief in the sector's long-term sustainability. Sales volume has remained strong through 2021, with over $130M transacted this year. As workers return to the office, heightened investment demand will continue.

<table>
<thead>
<tr>
<th>MARKET INDICATORS</th>
<th>Q3 2021</th>
<th>Q2 2021</th>
<th>Q1 2021</th>
<th>Q4 2020</th>
<th>Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Mo. Net Absorption SF</td>
<td>240,042</td>
<td>110,272</td>
<td>(57,184)</td>
<td>(269,098)</td>
<td>24,917</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>11.40%</td>
<td>10.90%</td>
<td>12.96%</td>
<td>11.95%</td>
<td>11.07%</td>
</tr>
<tr>
<td>Avg NNN Asking Rate PSF</td>
<td>$26.17</td>
<td>$24.54</td>
<td>$24.17</td>
<td>$21.25</td>
<td>$21.28</td>
</tr>
<tr>
<td>SF Under Construction</td>
<td>497,705</td>
<td>567,617</td>
<td>647,368</td>
<td>553,802</td>
<td>350,790</td>
</tr>
<tr>
<td>Inventory SF</td>
<td>23,238,398</td>
<td>23,102,399</td>
<td>22,766,061</td>
<td>22,533,061</td>
<td>21,711,797</td>
</tr>
</tbody>
</table>

**NET ABSORPTION, NET DELIVERIES, & VACANCY**

**UNDER CONSTRUCTION**

**TOP SALE TRANSACTIONS BY SF**

<table>
<thead>
<tr>
<th>Size</th>
<th>Sale Price</th>
<th>Buyer/Seller</th>
<th>Building Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>106,000 SF</td>
<td>$29,250,000</td>
<td>SilverCcap Partners, LLC</td>
<td>Class A</td>
</tr>
<tr>
<td>33,200 SF</td>
<td>$13,850,000</td>
<td>The Montford Group</td>
<td>Class B</td>
</tr>
<tr>
<td>23,598 SF</td>
<td>$7,000,000</td>
<td>Global Medical REIT Inc.</td>
<td>Class A</td>
</tr>
</tbody>
</table>

**TOP LEASE TRANSACTIONS BY SF**

<table>
<thead>
<tr>
<th>Size</th>
<th>Landlord</th>
<th>Tenant</th>
<th>Tenant Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>80,000SF</td>
<td>Capri Investment Group</td>
<td>Telus International</td>
<td>Communications and Information Technology</td>
</tr>
<tr>
<td>22,419 SF</td>
<td>The Becker Organization</td>
<td>Total Quality Logistics</td>
<td>Logistics</td>
</tr>
<tr>
<td>15,039 SF</td>
<td>Cobalt Property Group</td>
<td>EPI Group, LLC</td>
<td>Newspaper</td>
</tr>
</tbody>
</table>
11.8%

Record high Charleston vacancy as of Q3 2021

The Q3 2021 vacancy rate is a record high in terms of sublease, direct and total percentages. The sublease vacancy rate has decreased 4% from 2020, and the vacancy rate of direct space has increased 1.3%.
STATE OF SOUTH CAROLINA  
COUNTY OF CHARLESTON  

KNOW ALL MEN BY THESE PRESENTS that MCALISTER-SMITH FUNERAL HOME, INC., a South Carolina corporation ("Grantor"), in the State aforesaid, for and in consideration of the sum of SIX HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS ($650,000.00), to it in hand paid at and before the sealing of these presents by COZ, LLC, a South Carolina limited liability company, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release, subject to those matters set forth on Exhibit "B" ("Permitted Exceptions"), unto the said COZ, LLC, a South Carolina limited liability company ("Grantee"), it successors and assigns, all of its right, title and interest in and to the following described real property, to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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, the said Premises before mentioned, subject to those matters set forth in "Exhibit B", unto the said Grantee, its successors and assigns forever.

AND, subject to those matters set forth on "Exhibit B", Grantor does hereby bind Grantor and Grantor's successors and assigns, to warrant and forever defend, all and singular, the said Premises unto the Grantee and Grantee's successors and assigns, against Grantor and Grantor's successors and assigns, and every person whomsoever lawfully claiming or to claim the same or any part thereof.
IN WITNESS WHEREOF, the Grantor's hand and seal this 20th day of June, 2019.

SIGNED, sealed and delivered in the presence of:

Witness #1: [Signature]
Print Witness Name: [Signature]

McAlister-Smith Funeral Home, Inc.
Name: Marvin M. Smith
Title: President

Witness #2: [Signature]
Print Witness Name: [Signature]

STATE OF SOUTH CAROLINA
)
COUNTY OF CHARLESTON
)

ACKNOWLEDGMENT

I, a Notary Public for the State of South Carolina, hereby certify that McAlister-Smith Funeral Home, Inc. by and through Marvin M. Smith, its President, personally appeared before me this 20th day of June, 2019, and acknowledged the due execution of the foregoing instrument.

Notary Name: Allie Barth
Notary Public for South Carolina
My Commission Expires: 10/2/22
EXHIBIT "A"

11 Cunnington Avenue, Charleston, SC 29405

All that piece, parcel or lot of land known and designated as Lot 69, on the plat dated January 20, 1919 by Benson & Barbot showing a subdivision of land on Cunnington Avenue recorded in the Charleston County RMC Office in Plat Book C at Page 146.

Butting and bounding and measuring and containing as follows: to the south on Cunnington Avenue thirty six and 9/100 (36.9') feet; to the west on Lot 68 ninety-nine and 93/100 (99.93') feet; to the north on Lot 66 thirty-four and 91/100 (34.91') feet; and to the east on Skurvin Street one hundred and 4/100 (100.4') feet, all as shown on that certain plat by E.M. Seabrook, Jr., Inc. dated June 8, 1994 and incorporated herein.

BEING the same property conveyed to John McAlister, Inc. (n/k/a McAlister-Smith Funeral Home, Inc.) by deed of John Liberatos, dated April 5, 1996 and recorded April 5, 1996 in the RMC Office for Charleston County in Book N267 at Page 193.

TMS Number: 464-14-00-118

Grantees' Address: 1505 Greenleaf Street, Unit 1, Charleston, SC 29405
EXHIBIT “B”
Permitted Exceptions

1. Taxes for the year 2019 not yet due and payable and all subsequent years.

2. Plat of survey made by Lewis E. Seabrook, Surveyor, dated June 10, 2019, discloses the following:

   a. Gas Meter

   b. Elec. Meter

   c. Chain Link Gate Encroachment 0.5"

   d. Chain Link Gate Encroachment 0.1'

   e. Overhang Encroachment 0.4'

   f. Overhang Encroachment 0.2'

   g. Overhang Encroachment
STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

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 McAlister-Smith Funeral Home, Inc. to COZ, LLC, a South Carolina limited liability company, on June 25, 2019.

3. Check one of the following: The DEED is:
   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 a distribution to a trust beneficiary.
   c. ☐ EXEMPT from the deed recording fee because (see information section of affidavit): ____________________ (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. (See Information section of this affidavit):
   a. ☒ The fee is computed on the consideration paid or to be paid in money or money’s worth in the amount of $650,000.00.
   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 encumbrance is $__________________.

6. The DEED Recording Fee is computed as follows:
   (a) $650,000.00 The amount listed in item 4 above.
   (b) $0.00 The amount listed in item 5 above (no amount place zero)
   (c) $650,000.00 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. DEED OF DISTRIBUTION - ATTORNEY'S AFFIDAVIT: Estate of ____________________, deceased, CASE NO. ____________________. Personally appeared before me the undersigned attorney who, being duly sworn, certified that (s)he is licensed to practice law in the State of South Carolina; that (s)he has prepared the Deed of Distribution for the Personal Rep. in the Estate of ____________________, deceased and that the Grantee(s) therein are correct and confirm to the estate file for the above named decedent.

10. I understand that a person required to furnish this affidavit who willfully furnish 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.

McAlister-Smith Funeral Home, Inc.

By: Marvin M. Smith, Title: President

Subscribed and sworn to before me this 20 day of June, 2019.

Print Notary Name: Allie Bart
Notary Public for South Carolina
My Commission Expires: 10/2/22
RECORDED

Date: June 25, 2019
Time: 4:30:34 PM

Book  Page  DocType
0804  064  Deed

Michael Miller, Register
Charleston County, SC

# of Pages: 6
Recording Fee $ 10.00
State Fee $ 1,590.00
County Fee $ 715.00
Extra Pages $ 1.00
Postage $ -
Chattel $ -
TOTAL $ 2,416.00

DRAWER  CLERK  Drawer 4  JBA

RECEIVED From ROD
Jul 03, 2019
Peter J. Tecklenburg
Charleston County Auditor

843-958-4800  101 MEETING STREET  CHARLESTON, SC 29401  www.charlestoncounty.org
CHARLESTON APPRAISAL COMPANY, LLC

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

CERTIFICATE:

MICHAEL A. WHITE
IS AUTHORIZED TO PRACTICE
Certified General Appraiser

LICENSE NO. 48-200-CS
EXPIRATION DATE: 06/30/2022

To see the current license status, go to: http://mylicensing.sc.gov/ScLicensing/License/Profile

MICHAEL A. WHITE
CHARLESTON APPRAISAL COMPANY, LLC

QUALIFICATIONS OF THE APPRAISER

Michael A. White
Charleston Appraisal Company, LLC
2040 Ewall Street, Suite H
Mount Pleasant, South Carolina 29464
843-2284-1022 (phone) 843-65404493 (fax)
michael@charlestonappraisalcompany.com

PROFESSIONAL AFFILIATIONS

Owner Charleston Appraisal Company, LLC, August 2006 to Present
Employed by a local appraisal company from June 1991 to August 2006
Partner in the company from June of 1995 to August 2006
Licensed Broker - State of South Carolina
South Carolina Certified General Appraiser 200
General Accredited Appraiser of the Real Estate
Section of the National Association of Realtors
Member of the National Association of Realtors
Member of the Charleston Trident Association of Realtors

BIOGRAPHICAL

Born in Charleston, South Carolina (1969)
Graduated from local grammar and high schools
Graduated from the University of South Carolina
with degrees in Real Estate and Management (1991)

EDUCATION

The following Real Estate and Appraisal courses have been attended and completed:

Introduction To Real Estate And Urban Development
Spring 1990, University of South Carolina
Columbia, South Carolina

Real Estate Appraisal Fundamentals
Fall 1990, University of South Carolina
Columbia, South Carolina

MICHAEL A. WHITE
CHARLESTON APPRAISAL COMPANY, LLC

Real Estate Investment Fundamentals - Spring 1991, University of South Carolina, Columbia, South Carolina

Real Estate Finance - Spring 1991, University of South Carolina, Columbia, South Carolina

Education (Cont.)

REA 102 - "The Valuation Process & Collection of Data" Prelicensing/Precertification Course at the Citadel, Charleston, South Carolina, June 1991

REA 103 - "Valuation Methods; Sales Comparison, Cost/Income Approaches" Real Estate Appraisal Prelicensing/Precertification Course at the Citadel, Charleston, South Carolina, June 1991

REA 104 - "Partial Interest, Unique Properties, Reconciling Data and the Appraisal Report" Real Estate Appraisal Prelicensing/ Precertification Course at the Citadel, Charleston, South Carolina, July 1991

REA 105 - "Regulations, Standards, Ethics and Law of Appraisals" Real Estate Appraisal Prelicensing/ Precertification Course at the Citadel, Charleston, South Carolina, July 1991

REA 201 - "Basic Income Capitalization Concepts, Analysis and Math" Real Estate Appraisal Prelicensing/Precertification Class at the Citadel, Charleston, South Carolina, 10/91

REA 202 - "Capitalization of Incomes, Cash Flows and Mortgage Calculations" Real Estate Appraisal Prelicensing/Precertification Class at the Citadel, Charleston, South Carolina, 10/91

MICHAEL A. WHITE
CHARLESTON APPRAISAL COMPANY, LLC


Education (Cont.)


COURSE I110  - Successful Challenge of the Appraisal Institute's Appraisal Principles Course Exam, Durham, North Carolina, February 1997

COURSE I1120  - Successful Challenge of the Appraisal Institute's Appraisal Procedures Course Exam, Durham, North Carolina, February 1997

COURSE 530  - Advanced Sales Comparison and Cost Approaches, Appraisal Institute, Chicago, Illinois, April 2004

Appraisal of Assisted Living Facilities---June 2016

Advance Hotel Appraising---Full-Service Hotel---June 2016

Appraisal of Small Apartment Properties----June of 2016

National Uniform Standards of Professional Appraisal Practice (USPAP) Update Course—June 2016

Appraisal Institute Business and Ethics Course---December 2009

Currently satisfied the continuing education requirements of the State of South Carolina

MICHAEL A. WHITE
CHARLESTON APPRAISAL COMPANY, LLC

Appointed by South Carolina Governor Nikki Haley in December of 2013 as a member of the Daniel Island Annexation Commission. Commission expired in April of 2014.

PARTIAL LIST OF CLIENTS

Ameris Bank  
Beacon Community Bank  
South Atlantic Bank  
First Reliance Bank  
Daniel Island Company  
BB&T Mortgage  
Ameris Bank  
National Bank of South Carolina  
Park Sterling Bank  
First Palmetto Bank  
First Citizens Bank & Trust Company  
Heritage Trust Bank  
Mr. Gem McDowell, Attorney at Law  
Matt Tillman, Attorney at Law  
Stephen M. Slotchiver, Attorney at Law  
John M. Dodds, III, Attorney at Law  
Barry Baker, Attorney at Law  
Mac Gibson, Attorney at Law  
Mr. Emerson Wiles, III Attorney at Law  
PrimeLending, a Plains Capital Company  
South State Bank  
South Carolina Electric and Gas Company  
First National Bank  
United American Mortgage Corporation  
South Carolina Federal Credit Union  
United Community Bank

MICHAEL A. WHITE
AN ORDINANCE

TO PROVIDE FOR THE ANNEXATION OF PROPERTY KNOWN AS 1939 PIPER DRIVE (0.25 ACRE) (TMS# 350-09-00-067), WEST ASHLEY, CHARLESTON COUNTY, TO THE CITY OF CHARLESTON, SHOWN WITHIN THE AREA ANNEXED UPON A MAP ATTACHED HERETO AND MAKE IT PART OF DISTRICT 5. THE PROPERTY IS OWNED BY SUSAN J VIGEN.

BE IT ORDAINED BY THE MAYOR AND THE MEMBERS OF CITY COUNCIL, IN CITY COUNCIL ASSEMBLED:

Section 1. As an incident to the adoption of this Ordinance, City Council of Charleston finds the following facts to exist:

A) Section 5-3-150, Code of Laws of South Carolina (1976) as amended, provides a method of annexing property to a city or town upon a Petition by all persons owning real estate in the area requesting annexation.
B) The City Council of Charleston has received a Petition requesting that a tract of land in Charleston County hereinafter described be annexed to and made a part of the City of Charleston, which Petition is signed by all persons owning real estate in the area requesting annexation.
C) The area comprising the said property is contiguous to the City of Charleston.

Section 2. Pursuant to Section 5-3-150, Code of Laws of South Carolina (1976) as amended, the following described property be and hereby is annexed to and made part of the City of Charleston and is annexed to and made part of present District 5 of the City of Charleston, to wit:

SAID PROPERTY to be annexed, 1939 Piper Drive, (0.25 acre) is identified by the Charleston County Assessors Office as TMS# 350-09-00-067, (see attached map) and includes all public rights-of-way, shown within the area annexed upon a map attached hereto and made a part hereof.

Section 3. This ordinance shall become effective upon ratification.

Ratified in City Council this ___ day of ___________________ in the Year of Our Lord, ___________ in the_____ Year of the Independence of the United States of America.

By:

______________________________
John J. Tecklenburg
Mayor

Attest:

______________________________
Jennifer Cook
Clerk of Council
Annexation Profile

Parcel Address: 1939 Piper Drive
Owner Names: Susan J Vigen
Parcel ID: 3500900067

Mailing Address: 1939 Piper Dr
City Area: West Ashley
Subdivision: Air Harbor
Council District: 5
Within UGB: Yes

Presented to Council: 2/22/2022
Status: Received Signed Petition
Year Built: 1968
Number of Units: 1
Number of Persons: 1
Race: Caucasian
Acreage: 0.25
Current Land Use: Residential
Current Zoning: R-4
Requested Zoning: SR-1
Recommended Zoning: SR-1
Appraised Value: $329,000.00
Assessed Value: $13,160.00
Stormwater Fees: To Be Calculated

<table>
<thead>
<tr>
<th>Police</th>
<th>Located in existing service area - Team 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire</td>
<td>Located in existing service area - Station 11</td>
</tr>
<tr>
<td>Public Service</td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td>Located in existing service area. One additional stop.</td>
</tr>
<tr>
<td>Storm Water</td>
<td>Contiguous to existing service area.</td>
</tr>
<tr>
<td>Streets and Sidewalks</td>
<td>Additional State-maintained right-of-way</td>
</tr>
<tr>
<td>Traffic and Transportation</td>
<td></td>
</tr>
<tr>
<td>Signalization</td>
<td>None</td>
</tr>
<tr>
<td>Signage</td>
<td>None</td>
</tr>
<tr>
<td>Pavement Markings</td>
<td>None</td>
</tr>
<tr>
<td>Charleston Water System</td>
<td>CWS service area.</td>
</tr>
<tr>
<td>Planning</td>
<td></td>
</tr>
<tr>
<td>Urban Growth Line</td>
<td>Property is a developed site within the line.</td>
</tr>
<tr>
<td>City Plan</td>
<td>Suburban Edge</td>
</tr>
<tr>
<td>Elevation Range</td>
<td>7-10 ft</td>
</tr>
<tr>
<td>Parks</td>
<td>Already being served.</td>
</tr>
</tbody>
</table>

Notes/Comments:

City Plan Recommendation: The existing development and proposed zoning is consistent with the City Plan. Recommend annexation.
Annexation Map

Location: West Ashley

Property Address: 1939 Piper Dr

Tax Map # (TMS): 3500900067

Area (Acres): approx 0.25

Council District: 5
STATE OF SOUTH CAROLINA )
COUNTY OF CHARLESTON )

PETITION FOR ANNEXATION

TO THE HONORABLE MAYOR AND CITY COUNCIL OF CHARLESTON

WHEREAS, SECTION 5-3-150 (3) Code of laws of South Carolina provides for the
annexation of an area or property which is contiguous to a City by filing with the municipal
governing body a petition signed by all persons owning real estate in the area requesting
annexation, and

WHEREAS, the undersigned are all persons owning real estate in the area requesting
annexation, and

WHEREAS, the area requesting annexation is described as follows, to wit:

SAID PROPERTY, located in West Ashley (approximately 0.25 acres) to be annexed is
identified by the Charleston County Assessors Office as Property Identification Number: TMS#
350-09-00-067 (Address: 1939 Pine Dr., Charleston, SC 29407).

NOW, THEREFORE, the undersigned petition the City Council of Charleston to annex the
above described area into the municipal limits of the City of Charleston.

FREEHOLDERS (OWNERS) SIGNED

Susan Vigem
(Signature)

(Signature)

(Print Name)

DATE OF SIGNATURE

8-Feb-2022
(Date)

(Date)