

WITNESS Grantor's Hand and Seal, this 27th day of June, 2018.

Signed, sealed, and delivered
in the presence of:

Witness

Wanda B. White
Witness

**NORFOLK SOUTHERN RAILWAY
COMPANY**, a Virginia corporation

By: Malcolm G. Roop
Name: Malcolm G. Roop
Its: Real Estate Manager

FILED/RECORDED
June 27, 2018
DORCHESTER COUNTY
REGISTER OF DEEDS

STATE OF GEORGIA)
)
COUNTY OF GWINNETT)

ACKNOWLEDGMENT

On this 22nd day of June, 2018, before me personally appeared the within named Malcolm G. Roop, Real Estate Manager of Norfolk Southern Railway Company, a Virginia corporation, who acknowledged to me that he/she executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument.



Zaneta T. Costen
Signature of Notary Public
Printed Name: Zaneta T. Costen
Notary Public for Gwinnett County, GA
My commission expires: June 12, 2022

Exhibit "A"

All that certain piece, parcel or lot of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 0.54 acres, and being more particularly shown and described as "PARCEL 'C-I' on that certain plat entitled, "A PLAT OF THE PROPERTY LINE ADJUSTMENT BETWEEN MWV-RIDGEVILLE LLC AND NORFOLK SOUTHERN RAILWAY COMPANY RIDGEVILLE INDUSTRIAL CAMPUS DORCHESTER COUNTY, SOUTH CAROLINA", dated May 10, 2018, by F. Elliotte Quinn III, SCPLS No. 10292 of Thomas & Hutton Engineering Co., recorded May 31, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina in Plat Book M, Page 146. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to the aforesaid plat more fully and at large appear

Portion of TMS No. 097-00-00-028

STATE OF SOUTH CAROLINA)
COUNTY OF DORCHESTER)

AFFIDAVIT FOR TAXABLE OR EXEMPT TRANSFERS

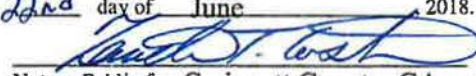
PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred being a portion of County Tax Map Number 097-00-00-028, was transferred by Norfolk Southern Railway Company, a Virginia corporation to MWV-Ridgeville, LLC, a Delaware limited liability company, on June 27, 2018.
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 as a distribution to a trust beneficiary.
 - (c) X exempt from the deed recording fee because (See Information section of affidavit): Exemption #1
(If exempt, please skip items 4 - 7, and go to item 8 of this affidavit.)
less than \$100.-

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty? Check Yes or No

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 \$ _____.
 - (b) _____ The fee is computed on the fair market value of the realty which is _____.
 - (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____.
5. Check Yes or No X to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. (This includes, pursuant to Code Section 12-59-140(E)(6), any lien or encumbrance on realty in possession of a forfeited land commission which may subsequently be waived or reduced after the transfer under a signed contract or agreement between the lien holder and the buyer existing before the transfer.) If "Yes," the amount of the outstanding balance of this lien or encumbrance is: _____.
6. The deed recording fee is computed as follows:

(a)	Place the amount listed in item 4 above here:	\$0.00
(b)	Place the amount listed in item 5 above here:	\$0.00
	(If no amount is listed, place zero here.)	
(c)	Subtract Line 6(b) from Line 6(a) and place result here:	\$0.00
7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: \$N/A.
8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Grantor
9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to and subscribed before me this
22nd day of June, 2018.

Notary Public for Gwinnett County, GA
Notary (printed name): Zaneta T. Costen
My Commission Expires: June 12, 2022

NORFOLK SOUTHERN RAILWAY COMPANY,
a Virginia corporation

By: 
Name: Malcolm G. Roop
Its: Real Estate Manager



MARGARET L BAILEY
DORCHESTER COUNTY
REGISTER OF DEEDS

201 Johnston Street ~ Saint George, SC 29477 (843) 563-0181

***** THIS PAGE IS PART OF THE INSTRUMENT - DO NOT REMOVE *****



Instrument #: 2018015640

Receipt Number: 47845

Return To: HAYNSWORTH SINKLER BOYD

Recorded As: AGREEMENT

Recorded On: June 27, 2018

Recorded At: 04:03:20 PM

Received From: HAYNSWORTH SINKLER BOYD

Recorded By: CB

Parties:

Book/Page: RB 11425: 102 - 108

Direct- MWV RIDGEVILLE LLC

Total Pages: 7

Indirect- SOUTH CAROLINA STATE PORTS

***** EXAMINED AND CHARGED AS FOLLOWS *****

Recording Fee: \$12.00

Tax Charge: \$0.00



Margaret Bailey

Margaret Bailey - Register of Deeds

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF DORCHESTER) ASSIGNMENT AND
) ASSUMPTION OF RIGHTS AND
) OBLIGATIONS UNDER
) DEVELOPMENT AGREEMENT

This ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS UNDER DEVELOPMENT AGREEMENT ("Assignment and Assumption") is dated as of this 27th day of June, 2018, by and between MWV-Ridgeville, LLC, a Delaware limited liability company ("Assignor"), and South Carolina State Ports Authority ("Assignee")

WHEREAS, Assignor and Dorchester County, South Carolina, a body public and corporate and a political subdivision of the State of South Carolina (the "County") entered into that Development Agreement dated July 21, 2014, and recorded July 22, 2014, in the Register of Deeds Office for the County, in Book 9363, Page 1 (as assigned and amended, the "Development Agreement");

WHEREAS, simultaneously herewith, Assignor conveyed Nine Hundred Forty-One and 819/1000 (941.819) acres of Real Property to Assignee, as is more fully described on Exhibit "A" attached hereto (the "Transferred Property"), by that certain Limited Warranty Deed recorded simultaneously herewith in the Register of Deeds Office for the County;

WHEREAS, by virtue of the conveyance of the Transferred Property by Assignor, Assignee is now a "Property Owner" under the terms of the Development Agreement; and

WHEREAS, as an integral part of the conveyance of the Transferred Property from Assignor to Assignee, it is the desire and intention of Assignor to assign to Assignee, and it is the desire and intention of Assignee to assume certain rights, privileges and obligations under the terms of the Development Agreement applicable to the Transferred Property, thus necessitating the preparation and execution of the within Assignment and Assumption.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy whereof is herewith acknowledged, the parties hereby agree as follows, to wit:

1. Assignment and Assumption of Rights Privileges and Obligations Applicable to the Transferred Property Pursuant to the Development Agreement. Assignor does hereby transfer, assign, convey and deliver unto Assignee, its successors and assigns, all of Assignor's rights, privileges and obligations as described in the Development Agreement with respect to the Transferred Property (the "Allocated Rights"). Assignee hereby assumes and agrees to perform all of Assignor's rights, privileges and obligations as described in the Development Agreement, applicable to the Transferred Property (the "Assumed Obligations"). Assignee acknowledges receipt of the Development Agreement and all Exhibits thereto and agrees to be bound by the terms thereof and to develop the Transferred Property in accordance with such terms. The rights and obligations hereby assigned and assumed shall be covenants running with the land, binding upon the parties hereto and their successors and assigns.
2. Default and Enforcement of Provisions. As provided in the Development Agreement and as herein provided, upon the failure of Assignor or Assignee to comply with the terms of the Development Agreement and this Assignment and Assumption incident to the Property, the non-defaulting party may pursue the remedies of injunction and specific performance, but not any other legal or equitable remedies, including, but not limited to, damages.
3. Intentionally Omitted.

HAYNSWORTH SINKLER BOYD, P.A.
P.O. Box 340
CHARLESTON, SC 29407

4. Notices. Any notice, demand, request, consent, approval or communication among any of the parties hereto shall be in writing and shall be delivered or addressed as provided under Section 9(i) of the Development Agreement and shall also be addressed as follows:

As to Assignee:

South Carolina State Ports Authority
176 Concord Street
Charleston, SC 29401
Attention: Micah Mallace
Telephone: (843) 577-1311
Email: mmallace@scspa.com

With a required copy to:

Willoughby & Hoefler, P.A.
51 Meeting Street
Charleston, SC 29401
Attention: Randy Lowell
Telephone: (843) 619-4426
Facsimile: (843) 619-4430
Email: rlowell@willoughbyhoefler.com

As to Assignor:

MWV-Ridgeville, LLC
c/o WestRock Land and Development
201 Sigma Drive, Suite 400
Summerville, SC 29486
Attention: James H. Hill
Telephone: 843-851-4708
Facsimile: 843-851-4848
Email: james.hill@westrock.com

6. Binding Effect. This Assignment and Assumption shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

7. Governing Law. The within Assignment and Assumption shall be interpreted and construed and conform to the laws of the State of South Carolina.

8. Reaffirmation of Terms. All other terms, conditions, rights and privileges contained in the Development Agreement not specifically referenced herein shall remain in full force and effect and binding upon the parties hereto and their successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption to be duly executed as of the date set forth above.

Signed, sealed and delivered
in the presence of:

Randolph Lowell

Witness

Bayron J. Kitz

Witness

ASSIGNEE:

SOUTH CAROLINA STATE PORTS AUTHORITY

By: [Signature] (SEAL)

Name: James I. Newsome, III

Title: President and Chief Executive Officer

FILED/RECORDED
June 27, 2018
DORCHESTER COUNTY
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA

COUNTY OF Charleston

)
)
)
ACKNOWLEDGMENT

On this 27th day of June, 2018, before me personally appeared the within named James I. Newsome, III, President and Chief Executive Officer of South Carolina State Ports Authority, who acknowledged to me that he executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument.

Ashley Iseman
Signature of Notary Public
Printed Name: Ashley Iseman
Notary Public for South Carolina
My commission expires: 7/10/2024

[SIGNATURE PAGE TO THE ASSIGNMENT AND ASSUMPTION – ASSIGNEE]

Signed, sealed and delivered
in the presence of:

[Signature]
Witness
[Signature]
Witness

ASSIGNOR:

MWV-RIDGEVILLE, LLC,
a Delaware limited liability company

By: WestRock-Charleston Development Holdings, LLC
Its: Sole Member

By: [Signature] (SEAL)
Name: James H. Hill
Its: Senior Vice President

FILED/RECORDED
June 27, 2018
DORCHESTER COUNTY
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA)
COUNTY OF BERKELEY)

ACKNOWLEDGMENT

On this 22 day of June, 2018, before me personally appeared the within named James H. Hill, Senior Vice President of WestRock-Charleston Development Holdings, LLC, Sole Member of MWV-Parks of Berkeley, LLC, a Delaware limited liability company, who acknowledged to me that he executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument.



Laura E. Sennett
NOTARY PUBLIC
State of South Carolina
My Commission Expires
October 27, 2018

[Signature]
Signature of Notary Public
Printed Name: LAURA SENNETT
Notary Public for South Carolina
My commission expires: 10-27-2018

[SIGNATURE PAGE TO THE ASSIGNMENT AND ASSUMPTION – ASSIGNOR]

EXHIBIT "A" TO ASSIGNMENT OF RIGHTS

Description of Transferred Property

PARCEL ONE:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 305.518 acres, and being more particularly shown and described as "PARCEL ONE MWV-RIDGEVILLE LLC TMS #087-00-00-096.000 ZONED: I (DORCHESTER CO.) 305.518 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

LESS AND EXCEPT that portion of land containing 0.11 acres, more or less, and shown as "Area of Acquisition" on that Exhibit "A" attached to that Deed from Grantor to Dorchester County, South Carolina, dated March 29, 2018, and recorded June 14, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina, in Book 11402, Page 280.

PARCEL TWO:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 256.359 acres, and being more particularly shown and described as "PARCEL TWO MWV-RIDGEVILLE LLC TMS #087-00-00-097.000 ZONED: I (DORCHESTER CO.) 256.359 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

TOGETHER WITH all that certain piece, parcel or lot of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 0.54 acres, and being more particularly shown and described as "PARCEL 'C-I' on that certain plat entitled, "A PLAT OF THE PROPERTY LINE ADJUSTMENT BETWEEN MWV-RIDGEVILLE LLC AND NORFOLK SOUTHERN RAILWAY COMPANY RIDGEVILLE INDUSTRIAL CAMPUS DORCHESTER COUNTY, SOUTH CAROLINA", dated May 10, 2018, by F. Elliott Quinn III, SCPLS No. 10292 of Thomas & Hutton Engineering Co., recorded May 31, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina in Plat Book M, Page 146. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to the aforesaid plat more fully and at large appear

LESS AND EXCEPT all that certain piece, parcel or lot of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 0.53 acres, and being more particularly shown and described as "PARCEL 'A-4' on that certain plat entitled, "A PLAT OF PROPERTY LINE ADJUSTMENT BETWEEN MWV-RIDGEVILLE LLC AND NORFOLK SOUTHERN RAILWAY COMPANY RIDGEVILLE INDUSTRIAL CAMPUS DORCHESTER COUNTY, SOUTH CAROLINA", dated May 10, 2018, by F. Elliott Quinn III, SCPLS No. 10292 of Thomas & Hutton Engineering Co., recorded May 31, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina in Plat Book M, Page 146. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to the aforesaid plat more fully and at large appear.

PARCEL THREE:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 322.494 acres, and being more particularly shown and described as "PARCEL THREE MWV-RIDGEVILLE LLC TMS #097-00-00-002.000 ZONED: I (DORCHESTER CO.) 322.494 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

PARCEL FOUR:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 55.902 acres, and being more particularly shown and described as "PARCEL FOUR MWV-RIDGEVILLE LLC TMS #097-00-00-010.000 ZONED: NC (RIDGEVILLE) 55.902 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

MARGARET L BAILEY
DORCHESTER COUNTY
REGISTER OF DEEDS

201 Johnston Street ~ Saint George, SC 29477 (843) 563-0181

*** THIS PAGE IS PART OF THE INSTRUMENT - DO NOT REMOVE ***



Instrument #: 2018015642

Receipt Number: 47845

Return To: HAYNSWORTH SINKLER BOYD

Recorded As: AGREEMENT

Recorded On: June 27, 2018

Recorded At: 04:03:22 PM

Received From: HAYNSWORTH SINKLER BOYD

Recorded By: CB

Parties:

Book/Page: RB 11425: 114 - 122

Direct- MWV RIDGEVILLE LLC

Total Pages: 9

Indirect- SOUTH CAROLINA STATE PORTS

*** EXAMINED AND CHARGED AS FOLLOWS ***

Recording Fee: \$14.00

Tax Charge: \$0.00



Margaret Bailey

Margaret Bailey - Register of Deeds

STATE OF SOUTH CAROLINA)
)
COUNTY OF DORCHESTER) **PARTIAL ASSIGNMENT AND ASSUMPTION
 OF RIGHTS AND OBLIGATIONS
 UNDER MASTER DEVELOPMENT
 AND UTILITY AGREEMENT**

THIS PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS UNDER MASTER DEVELOPMENT AND UTILITY AGREEMENT (this "Assignment"), is made as of the 27th day of June, 2018, by and between MWV-RIDGEVILLE, LLC, a Delaware limited liability company ("Assignor"), SOUTH CAROLINA ELECTRIC & GAS COMPANY, a South Carolina corporation ("SCE&G"), and SOUTH CAROLINA STATE PORTS AUTHORITY ("Assignee").

WITNESSETH:

WHEREAS, MWV Community Development, Inc., n/k/a WestRock Land and Development Holdings, Inc., a Delaware limited liability company and its Affiliates (as defined in the Master Agreement) (collectively, "WestRock") and SCE&G entered into that Master Development and Utility Agreement dated April 15, 2013, as amended by that First Amendment to Master Development and Utility Agreement dated November 30, 2015 (collectively, the "Master Agreement"), to facilitate the build out of Developments (as defined in the Master Agreement), one of which is Ridgeville Industrial Campus (the "Development");

WHEREAS, Assignor is an "Affiliate" of WestRock under the terms of the Master Agreement;

WHEREAS, simultaneously herewith, Assignor conveyed Nine Hundred Forty-One and 819/1000 (941.819) acres of real property within the Development to Assignee, as is more fully described on Exhibit "A" attached hereto (the "Transferred Property"), by that certain Limited Warranty Deed recorded simultaneously herewith in the Register of Deeds Office for Dorchester County, South Carolina;

WHEREAS, as an integral part of the conveyance of the Transferred Property from Assignor to Assignee, Assignor desires to assign to Assignee and Assignee desires to accept the assignment of the Master Agreement with respect to the Transferred Property;

WHEREAS, additionally, pursuant to Section 11.4 of the Master Agreement, upon assignment, Assignee and SCE&G shall execute a written acknowledgement accepting and agreeing to each party's obligations related to the Transferred Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy whereof is herewith acknowledged, the parties hereby agree as follows, to wit:

1. Partial Assignment of Rights, Privileges and Obligations Applicable to the Transferred Property Pursuant to the Master Agreement. Assignor does hereby transfer, assign, convey and deliver unto Assignee, its successors and assigns, all of Assignor's rights, privileges and obligations as described in the Master Agreement with respect to the Transferred Property. From and after the date of this Assignment, Assignor, Assignee and SCE&G each acknowledge and agreed that Assignor shall be released from any further liability or obligation with respect to the Transferred Property.

2. Assumption of Rights, Privileges and Obligations Applicable to the Transferred Property Pursuant to the Master Agreement. Assignee hereby assumes and agrees to perform all of Assignor's rights, privileges and obligations as described in the Master Agreement, applicable to the Transferred Property. Assignee acknowledges receipt of the Master Agreement and all Exhibits thereto and agrees to be bound by the terms thereof. Notwithstanding anything to the contrary contained herein, under no circumstance

HAYNSWORTH SINKLER BOYD, P.A.
P.O. Box 340
CHARLESTON, SC 29405

shall Assignee be bound by or subject to Section 11.3 of the Master Agreement, and SCE&G hereby recognizes and agrees that Assignee shall have no obligation to indemnify, defend or hold SCE&G harmless pursuant thereto. However, Assignee, within the limits of the SC Torts Claims Act, shall be responsible for, any loss resulting from bodily injury (including death) or damage of property arising directly or indirectly out of any negligent or willful act or failure to act of Assignee with respect to the Transferred Property.

3. Acknowledgement of Rights, Privileges and Obligations Applicable to the Transferred Property Pursuant to the Master Agreement. SCE&G hereby acknowledges and reaffirms all of SCE&G's rights, privileges and obligations as described in the Master Agreement, applicable to the Transferred Property.

4. Notices. Any notice, demand, request, consent, approval or communication among any of the parties hereto shall be in writing and shall be delivered or addressed as provided under Section 11.6 of the Master Agreement and shall also be addressed as follows:

As to Assignee:

South Carolina State Ports Authority
176 Concord Street
Charleston, SC 29401
Attention: Micah Mallace
Telephone: (843) 577-1311
Facsimile: (843) 577-8710
Email: MMallace@SCSPA.com

With a required copy to:

Willoughby & Hoefler, P.A.
51 Meeting Street
Charleston, SC 29401
Attention: Randy Lowell
Telephone: (843) 619-4426
Facsimile: (843) 619-4430
Email: rlowell@willoughbyhoefler.com

As to Assignor:

MWV-Ridgeville, LLC
c/o WestRock Land and Development
201 Sigma Drive, Suite 400
Summerville, SC 29486
Attention: James H. Hill
Telephone: (843) 851-4708
Facsimile: (843) 696-2181
Email: james.hill@westrock.com

With a required copy to:

Nelson Mullins Riley & Scarborough LLP
151 Meeting Street, Suite 600

Charleston, SC 29401
Attention: Jay S. Claypoole
Telephone: (843) 534-4211
Facsimile: (843) 534-4
Email: jay.claypoole@nelsonmullins.com

As to SCE&G:

South Carolina Electric & Gas Co.
Southern Operations Center
2392 West Aviation Avenue, MC-CH36
North Charleston, SC 29406
Attention: Daniel F. Kassis
Telephone: (843) 576-8940
Facsimile: (843) 576-8893
Email: dkassis@scana.com

With a required copy to:

SCANA Services, Inc.
Legal Department
220 Operation Way, Mail Code C222
Cayce, SC 29033
Attention: Jay E. Bressler, Esquire
Telephone: (803) 217-9816
Facsimile: (803) 933-7113
Email: jay.bressler@scana.com

5. Binding Effect. This Assignment shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

6. Governing Law. The within Assignment shall be interpreted and construed and conform to the laws of the State of South Carolina.

7. Reaffirmation of Terms. All other terms, conditions, rights and privileges contained in the Master Agreement not specifically referenced herein shall remain in full force and effect and binding upon the parties hereto and their successors and assigns.

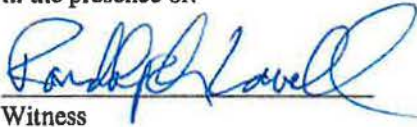
8. Entire Agreement. This Assignment, together with the exhibits, represents the entire agreement between the parties with respect to the subject matter hereof.

9. Further Assurances. The parties agree to execute such other reasonable instruments and take such further reasonable actions as may be reasonably necessary to effectuate the parties' agreement reflected herein.

10. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be a fully binding and enforceable agreement against the party signing such counterpart, but all such counterparts together shall constitute but one agreement.

IN WITNESS WHEREOF, the parties have caused this Assignment to be duly executed as of the date set forth above.

Signed, sealed and delivered
in the presence of:


Witness


Witness

ASSIGNEE:

SOUTH CAROLINA STATE PORTS AUTHORITY

By:  (SEAL)

Name: James I. Newsome, III

Its: President and Chief Executive Officer

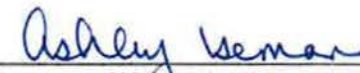
FILED/RECORDED
June 27, 2018
DORCHESTER COUNTY
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA

COUNTY OF Charleston

ACKNOWLEDGMENT

On this 27th day of June, 2018, before me personally appeared the within named James I. Newsome, III, President and Chief Executive Officer of South Carolina State Ports Authority, who acknowledged to me that he executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument.


Signature of Notary Public
Printed Name: Ashley Iseman
Notary Public for South Carolina
My commission expires: 7/10/2024

[SIGNATURE PAGE TO MASTER AGREEMENT ASSIGNMENT – ASSIGNEE]

Signed, sealed and delivered
in the presence of:

ASSIGNOR:

MWV-RIDGEVILLE, LLC,
a Delaware limited liability company

By: WestRock-Charleston Development Holdings, LLC
Its: Sole Member

Rosen [Signature]
Witness
John R. [Signature]
Witness

By: James H. Hill (SEAL)
Name: James H. Hill
Its: Senior Vice President

FILED/RECORDED
June 27, 2018
DORCHESTER COUNTY
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA)
COUNTY OF BERKELEY)

ACKNOWLEDGMENT

On this 22 day of June, 2018, before me personally appeared the within named James H. Hill, Senior Vice President of WestRock-Charleston Development Holdings, LLC, Sole Member of MWV-Parks of Berkeley, LLC, a Delaware limited liability company, who acknowledged to me that he executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument.



Laura E. Sennett
NOTARY PUBLIC
State of South Carolina
My Commission Expires
October 27, 2018

Laura Sennett
Signature of Notary Public
Printed Name LAURA SENNETT
Notary Public for South Carolina
My commission expires: 10-27-2018

[SIGNATURE PAGE TO MASTER AGREEMENT ASSIGNMENT – ASSIGNOR]

Witness
Kathy Hare
Witness

REVIEWED
BY
LEGAL
6/22/18
JB

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

On this 25th day of June, 2018, before me personally appeared the within named Daniel F. Kassiss, V.P Customer Rel.* of South Carolina Electric & Gas Company, a South Carolina corporation, who acknowledged to me that he/she executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument. * & Renewables

Signature of Notary Public
Printed Name: Sara C. Jackson
Notary Public for South Carolina
My commission expires: 5/11/25

EXHIBIT "A"
Description of Transferred Property

PARCEL ONE:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 305.518 acres, and being more particularly shown and described as "PARCEL ONE MWV-RIDGEVILLE LLC TMS #087-00-00-096.000 ZONED: I (DORCHESTER CO.) 305.518 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

LESS AND EXCEPT that portion of land containing 0.11 acres, more or less, and shown as "Area of Acquisition" on that Exhibit "A" attached to that Deed from Grantor to Dorchester County, South Carolina, dated March 29, 2018, and recorded June 14, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina, in Book 11402, Page 280.

TMS No. 087-00-00-096.000

PARCEL TWO:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 256.359 acres, and being more particularly shown and described as "PARCEL TWO MWV-RIDGEVILLE LLC TMS #087-00-00-097.000 ZONED: I (DORCHESTER CO.) 256.359 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

TOGETHER WITH all that certain piece, parcel or lot of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 0.54 acres, and being more particularly shown and described as "PARCEL 'C-I' on that certain plat entitled, "A PLAT OF THE PROPERTY LINE ADJUSTMENT BETWEEN MWV-RIDGEVILLE LLC AND NORFOLK SOUTHERN RAILWAY COMPANY RIDGEVILLE INDUSTRIAL CAMPUS DORCHESTER COUNTY, SOUTH CAROLINA", dated May 10, 2018, by F. Elliotte Quinn III, SCPLS No. 10292 of Thomas & Hutton Engineering Co., recorded May 31, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina in Plat Book M, Page 146. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to the aforesaid plat more fully and at large appear

LESS AND EXCEPT all that certain piece, parcel or lot of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 0.53 acres, and being more particularly shown and described as "PARCEL 'A-4' on that certain plat entitled, "A PLAT OF PROPERTY LINE ADJUSTMENT BETWEEN MWV-RIDGEVILLE LLC AND NORFOLK SOUTHERN RAILWAY COMPANY RIDGEVILLE INDUSTRIAL CAMPUS DORCHESTER COUNTY, SOUTH CAROLINA", dated May 10, 2018, by F. Elliotte Quinn III, SCPLS No. 10292 of Thomas & Hutton Engineering Co., recorded May 31, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina in Plat Book M, Page 146. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to the aforesaid plat more fully and at large appear.

TMS No. 087-00-00-097.000

PARCEL THREE:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 322.494 acres, and being more particularly shown and described as "PARCEL THREE MWV-RIDGEVILLE LLC TMS #097-00-00-002.000 ZONED: I (DORCHESTER CO.) 322.494 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

TMS No. 097-00-00-002.000

PARCEL FOUR:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 55.902 acres, and being more particularly shown and described as "PARCEL FOUR MWV-RIDGEVILLE LLC TMS #097-00-00-010.000 ZONED: NC (RIDGEVILLE) 55.902 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

TMS No. 097-00-00-010.000

MARGARET L BAILEY
DORCHESTER COUNTY
REGISTER OF DEEDS

201 Johnston Street ~ Saint George, SC 29477 (843) 563-0181

***** THIS PAGE IS PART OF THE INSTRUMENT - DO NOT REMOVE *****



Instrument #: 2018015641

Receipt Number: 47845

Return To: HAYNSWORTH SINKLER BOYD

Recorded As: MISCELLANEOUS

Recorded On: June 27, 2018

Recorded At: 04:03:21 PM

Received From: HAYNSWORTH SINKLER BOYD

Recorded By: CB

Parties:

Book/Page: RB 11425: 109 - 113

Direct- MWV RIDGEVILLE LLC

Total Pages: 5

Indirect- SOUTH CAROLINA STATE PORTS

***** EXAMINED AND CHARGED AS FOLLOWS *****

Recording Fee: \$10.00

Tax Charge: \$0.00



Margaret Bailey

Margaret Bailey - Register of Deeds

STATE OF SOUTH CAROLINA)
)
COUNTY OF DORCHESTER) ASSIGNMENT OF RIGHTS OF
) DECLARANT OF
) RIDGEVILLE INDUSTRIAL CAMPUS

THIS ASSIGNMENT OF RIGHTS OF DECLARANT OF RIDGEVILLE INDUSTRIAL CAMPUS (this "Assignment"), is made as of the 27th day of June, 2018, by MWV-RIDGEVILLE, LLC, a Delaware limited liability company ("Assignor"), in favor of SOUTH CAROLINA STATE PORTS AUTHORITY ("Assignee").

WITNESSETH:

WHEREAS, Assignor, as "Declarant", executed (i) that certain Declaration of Protective Covenants, Conditions and Restrictions for Ridgeville Industrial Campus dated October 13, 2016, and recorded October 21, 2016, in Book 10488, Page 194 in the Office of the Register of Deeds for Dorchester County, South Carolina; as amended by that certain Partial Release Dated December 14, 2016, and recorded December 14, 2016, in Book 10570, Page 19 in the aforesaid Register of Deeds; as amended by that certain First Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Ridgeville Industrial Campus dated February 27, 2017, and recorded February 28, 2017, in Book 10680, Page 113, in the aforesaid Register of Deeds; and as amended by that certain Second Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Ridgeville Industrial Campus dated August 23, 2017, and recorded August 24, 2017, in Book 10966, Page 30, in the aforesaid Register of Deeds (collectively, the "Restrictive Covenants"), and (ii) that certain Declaration of Restrictive Covenants dated September 14, 2015, and recorded September 17, 2015, in Book 9914, Page 134, in the aforesaid Register of Deeds (the "Wetlands Covenants" and, together with the Restrictive Covenants, the "Covenants");

WHEREAS, Assignor desires to assign to Assignee all of its rights, title, interest, powers, privileges and immunities as "Declarant" under the Covenants and all of its rights, title, and interest under the Bylaws and Articles of Incorporation (collectively, the "Association Governing Documents") of the Ridgeville Industrial Campus Property Owners Association, Inc., a South Carolina nonprofit corporation (the "Association").

NOW THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee do hereby agree as follows:

1. Assignment of Rights of Declarant. Assignor does, effective as of the date hereof, hereby grant, bargain, sell, assign, transfer, and convey to Assignee, its successors and assigns, all of Assignor's rights, title, interest, powers, privileges and immunities as "Declarant" under the Covenants and the Association Governing Documents. Accordingly, effective as of the date hereof, Assignee is hereby designated the "Declarant" under the Covenants, and all rights, title, interest, powers, privileges and immunities of the Assignor in and to such status as "Declarant" under the Covenants shall cease as of the date hereof. Assignor does hereby covenant and warrant unto Assignee, its successors, successors-in-title and assigns that Assignor has made no other assignment or delegation of any of the rights, title, interest, powers, privileges and immunities of Assignor as Declarant, and that Assignor has neither done any act nor failed to do any act which might prohibit Assignee from, or limit Assignee in, acting under any of the provisions of the Covenants.

2. Assignment of Other Rights under the Association Governing Documents. Assignor does hereby grant, bargain, sell, assign, transfer, and convey to Assignee, its successors and assigns, all, if any, of Assignor's other rights, title, interest, powers, privileges and immunities arising under the

HAYNSWORTH SINKLER BOYD, P.A.
P.O. Box 340
CHARLESTON, SC 29402

Association Governing Documents. Assignor does hereby covenant and warrant unto Assignee, its successors, successors-in-title and assigns, that Assignor has made no assignment or delegation of any of the rights, title, interest, powers, privileges and immunities of Assignor under the Association Governing Documents, and that Assignor has neither done any act nor failed to do any act which might prohibit Assignee from, or limit Assignee in, acting under any of the provisions of the Association Governing Documents.

3. Release. Assignor, on behalf of itself and its past, present and future directors, officers (whether acting in such capacity or individually), shareholders, owners, partners, joint venturers, principals, trustees, attorneys, representatives, employees, parents, subsidiaries, affiliates, predecessors, successors, assignees, and agents ("Assignor Parties"), does hereby release Assignee and the Association from any and all obligations, claims, counterclaims, actions, causes of action, suits, set-offs, costs, losses, expenses, sums of money, accounts, reckonings, debts, charges, liens, fees, complaints, controversies, disputes, damages, judgments, executions, promises, omissions, duties, agreements, rights, demands and liabilities, of whatever kind or character, direct or indirect, fixed or contingent, express or implied, whether known or unknown or capable of being known up to and including the date of this Assignment arising by, through or under Assignor or the Assignor Parties and related to or connected with Assignor, in its capacity as Declarant, or otherwise under the Covenants or the other Association Governing Documents. Without limiting the generality of the foregoing, Assignor does hereby release Assignee and the Association from any and all obligations arising by, through or under any Assignor Party and related to the Covenants or any of the Association Governing Documents, and from any agreements, contracts or future obligations entered into by Assignor as Declarant or by the Association with any Assignor Party.

4. Assumption of Obligations Under Covenants and Association Governing Documents. Assignee, effective as of the date hereof, does hereby assume and agree to perform all obligations of Declarant under the Covenants and the Association Governing Documents arising from and after the date of this Assignment. Assignor shall in no event be liable for any responsibilities, liabilities, agreements or obligations of Assignee as Declarant or otherwise under the Covenants and Association Governing Documents arising after the date of this Assignment.

5. Successors and Assigns. The assignment of rights, title, interest, powers, privileges and immunities contained in this Assignment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

6. Definitions. Unless otherwise defined herein, the capitalized words used in this Assignment shall have the same meaning as set forth in the Covenants.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Assignment and delivered it as of the date first written above.

ASSIGNOR:

Signed in the presence of:

Rose Lopez
Witness

John R. Grant
Witness

MWV-RIDGEVILLE, LLC,
a Delaware limited liability company

By: WestRock-Charleston Development Holdings, LLC
Its: Sole Member

By: James H. Hill
Name: James H. Hill
Its: Senior Vice President

FILED/RECORDED
June 27, 2018
DORCHESTER COUNTY
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA

COUNTY OF BERKELEY

)
)
)
ACKNOWLEDGMENT

On this 22 day of June 2018, before me personally appeared the within named James H. Hill, Senior Vice President of WestRock-Charleston Development Holdings, LLC, Sole Member of MWV-Ridgeville, LLC, a Delaware limited liability company, who acknowledged to me that he executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument.



Laura E. Sennett
NOTARY PUBLIC
State of South Carolina
My Commission Expires
October 27, 2018

Laura Sennett
Signature of Notary Public
Printed Name: LAURA SENNETT
Notary Public for South Carolina
My commission expires: 10-27-2018

[SIGNATURE PAGE TO ASSIGNMENT OF DECLARANT RIGHTS – ASSIGNOR]

Signed in the presence of:



Witness



Witness

ASSIGNEE:

SOUTH CAROLINA STATE PORTS AUTHORITY

By:  (SEAL)

Name: James I. Newsome, III

Its: President and Chief Executive Officer

FILED/RECORDED
June 27, 2018
DORCHESTER COUNTY
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA

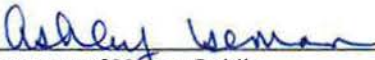
)

COUNTY OF CHARLESTON

)

ACKNOWLEDGMENT

On this 27th day of June, 2018, before me personally appeared the within named James I. Newsome, III, President and Chief Executive Officer of South Carolina State Ports Authority, who acknowledged to me that he executed the foregoing instrument, and who is personally known to me, or who has proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument.


Signature of Notary Public
Printed Name: Ashley Iseman
Notary Public for South Carolina
My commission expires: 7/10/2024

[SIGNATURE PAGE TO ASSIGNMENT OF DECLARANT RIGHTS - ASSIGNEE]

Fidelity National Title Insurance Company

P. O. Box 45023
Jacksonville, Florida 32232-5023

SCHEDULE A

Policy No.: 273064040-214633659 File No.: 18098.23
Amount of Insurance: 16,200,000.00 Premium: \$22,710.00
Reissue Credit: \$ Endorsement \$
Prem.:
Address Reference: 941.819 Aces, Ridgeville Industrial Campus, Ridgeville, SC 29472, Dorchester County
Date of Policy: June 27, 2018 at 4:03 PM

1. Name of Insured:
South Carolina State Ports Authority
2. The estate or interest in the Land that is insured by this policy is:
Fee Simple
3. Title is vested in:
South Carolina State Ports Authority
4. The Land referred to in this policy is described as follows:
See attached Exhibit "A"

Agent Name: Prioleau Street Agency, Inc., Authorized Signatory
Agent's Address: 134 Meeting St., 3rd floor, Charleston, SC 29401

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Fidelity National Title Insurance Company

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

AS TO ALL PARCELS:

1. Taxes for the year 2018 and subsequent years, a lien not yet due and payable.
2. This policy affords assurance as to the location of the boundary lines of the Land, but does not insure the engineering calculations in computing the exact amount of acreage contained therein.
3. Any taxes assessed under the rollback provisions of § 12-43-220 (D-4) South Carolina Code of Laws 1976, as amended.
4. Declaration of Protective Covenants, Conditions and Restrictions for Ridgeville Industrial Campus dated October 13, 2016, and recorded October 21, 2016, in Book 10488 at page 194; as affected by Partial Release dated December 14, 2016, and recorded December 14, 2016, in Book 10570, at page 19; as amended by First Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Ridgeville Industrial Campus dated February 27, 2017, and recorded February 28, 2017, in Book 10680, at page 113; as amended by Second Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Ridgeville Industrial Campus dated August 23, 2017, and recorded August 24, 2017, in Book 10966, at page 30, as amended by Third Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Ridgeville Industrial Campus dated June 27, 2018, and recorded June 27, 2018, in Book 11425, at page 74; as assigned by Assignment of Rights of Declarant of Ridgeville Industrial Campus dated June 27, 2018, and recorded June 27, 2018, in Book 11425, at page 109, in the ROD Office for Dorchester County (the "**Covenants**")
5. Terms and Conditions of that certain unrecorded Master Development and Utility Agreement by and between South Carolina Electric & Gas Company, a South Carolina corporation and MWV Community Development, Inc., a Delaware corporation, dated April 15, 2013, as amended by First Amendment to Master Development and Utility Agreement dated November 30, 2015; as assigned by Partial Assignment and Assumption of Rights and Obligations Under Master Development and Utility Agreement dated June 27, 2018, and recorded June 27, 2018, in Book 11425, at page 114, in the ROD Office for Dorchester County.
6. Exception is taken as to jurisdiction of the U.S. Corps of Engineers with respect to any portion of the property which may constitute wetlands or navigable waters and any regulations imposed on the insured premises by the Coastal Division of DHEC and/or the Water Resources Division of the Department of Natural Resources.
7. Any right, title or interest of anyone whomever in any of the land below the mean high water mark or below the spring tide flood water boundary, marsh (whether salt or fresh), lagoon, man-made canal, swamp areas, or any tidal area below the mean high water mark, or the spring tide flood water boundary, or to any such areas as may be claimed by or over which jurisdiction is asserted by any local, state or national governmental entity or quasi-governmental entity. The Company does not insure riparian rights, nor does it insure title to the portion of the land which lies below the mean high water mark of rivers, creeks or ocean, nor title to any portion of the land that may be accreted as defined in the Coastal Tidelands and Wetlands Act, Section 48-39-10 et seq. of the South Carolina Code of Laws, 1976, as amended.
8. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the land prior to Date of Policy, and any adverse claim to all or part of the land that is at Date of Policy or was previously, under water.
9. Unrecorded easements, and rights of way for 1) existing roads (public or private); 2) railroads; and 3) public utility lines running through, over or across the land.

AS TO PARCEL 1, PARCEL 2 AND PARCEL 3:

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HSB 5493803 v.1



ALTA Owner's Policy (6/17/06)

Fidelity National Title Insurance Company

10. Development Agreement by and between Dorchester County, South Carolina and MW-Ridgeville, LLC, dated July 21, 2014, and recorded July 22, 2014, in Book 9363 at page 1; as amended by First Amendment to Development Agreement dated February 27, 2017, and recorded February 28, 2017, in Book 10680, at page 105; as assigned to Dorchester County, South Carolina by Partial Assignment and Assumption of Obligations Under Development Agreement dated December 14, 2016, and recorded December 14, 2016, in Book 10570, at page 24; as assigned to Green Hills Land Holding, LLC, a South Carolina limited liability company by Partial Assignment and Assumption of Obligations Under Development Agreement dated December 14, 2016, and recorded December 20, 2016, in Book 10581, at page 161; as assigned to Edisto Electric by Partial Assignment and Assumption of Obligations Under Development Agreement dated August 23, 2017, and recorded August 24, 2017, in Book 10966, at page 41, as amended by Second Amendment to Development Agreement dated June 27, 2018, and recorded June 27, 2018, in Book 11425, at page 66, as assigned by Assignment and Assumption of Rights and Obligations Under Development Agreement dated June 27, 2018, and recorded June 27, 2018, in Book 11425, at page 102, in the ROD Office for Dorchester County (the "**Development Agreement**").
11. Declaration of Restrictive Covenants dated September 14, 2015, and recorded September 17, 2015, in Book 9914, at page 134, in the ROD Office for Dorchester County.
12. Easement to South Carolina Electric & Gas Company from MWV-Ridgeville, LLC, a Delaware limited liability company, dated June 12, 2014, and recorded August 20, 2014, in Book 9403, at page 202, in the ROD Office for Dorchester County.

AS TO PARCEL 1 AND PARCEL 2:

13. Rights of upper and lower riparian owners in and to the waters of Timothy Creek crossing or adjoining the property, and the natural flow thereof, free from diminution or pollution.
14. This policy does not insure title to any portion of the insured premises lying within the boundaries of Timothy Creek.
15. Easement to South Carolina Electric & Gas Company, a South Carolina corporation from James C Thrower dated May 4, 1984, and recorded April 25, 1985, in Book 536, at page 454, in the ROD Office for Dorchester County.
16. Communications System Right-of-Way Easement Agreement to Home Telephone Company, Inc., and its subsidiaries, DBA Home Telcom, a corporation, by MWV-Ridgeville, LLC, a Delaware limited liability company, dated November 10, 2016, and recorded November 30, 2016, in Book 10546, at page 252, in the ROD Office for Dorchester County.
17. Power Line Easement Agreement (Distribution) to Edisto Electric Cooperative, Inc. from MWV-Ridgeville, LLC, a Delaware limited liability company, dated November 10, 2016, and recorded November 30, 2016, in Book 10546, at page 261, in the ROD Office for Dorchester County.

AS TO PARCEL 1 ONLY:

18. Right of Way Agreement to South Carolina Natural Gas Company from Claire J. Thrower dated August 22, 1953, and recorded October 20, 1953, in Book 107, at page 47; as affected by Damage Release dated February 3, 1953, and recorded February 5, 1954, in Book 107, at page 200, in the ROD Office for Dorchester County.
19. Right of Way to South Carolina Public Service Authority from Claire J. Thrower dated August 13, 1982, and recorded October 11, 1982, in Book 474, at page 182, in the ROD Office for Dorchester County.
20. Grant of 30 Foot Drainage Easement to D&A, LLC by Throwerwood, LLC and Robert O. Collins dated as of November 15, 2006, and recorded November 16, 2006, in Book 5702, at page 089, in the ROD Office for Dorchester County.
21. Electric and Gas Easement to South Carolina Electric & Gas Company, a South Carolina corporation from MWV Community Development and Land Management, LLC, a Delaware limited liability company, dated as of January 30, 2018, and recorded February 5, 2018, in Book 11208, at page 287, in the ROD Office for Dorchester County.
22. Electric and Gas Easement to South Carolina Electric & Gas Company, a South Carolina corporation from MWV Community Development and Land Management, LLC, a Delaware limited liability company, dated as of March 6, 2018, and recorded March 15, 2018, in Book 11262, at page 107, and re-recorded May 29, 2018, in Book 11375 at page 349,



Fidelity National Title Insurance Company

in the ROD Office for Dorchester County.

23. Matters shown on plat of survey made by F. Elliott Quinn III, Surveyor, dated January 23, 2018, recorded February 13, 2018, in Plat Book M at page 134, in the ROD Office for Dorchester County, including, but not limited to, the following:
- a) 300' T.O.D. Line
 - b) Ex. 10' Home Telecom & Edisto Electric Coop. Utility Easement (D.B. 10546, Pgs 252 & 261)
 - c) Future Road R/W & Temporary Ingress/Egress Access Esmt. (P.B.M, PG. 111)
 - d) Existing Ingress/Egress Access Esmt. (P.B. M, PG. 111)
 - e) Existing 20' DCWS Utility Easement (P.B. M, PG 111)
 - f) Existing 30' Drainage Esmt. (D.B. 5702 Pg. 89)
 - g) Centerline Timothy Creek
 - h) 125' SCE&G Right of Way
 - i) 15' SCE&G Gas Easement (D.B. 9403, PG.'s 197 & 202)

AS TO PARCEL 2 ONLY:

24. Right of Way to South Carolina Public Service Authority from James C. Thrower dated August 13, 1982, and recorded October 11, 1982, in Book 474, at page 184, in the ROD Office for Dorchester County.
25. Grant of Access and General Utility Easement to the County of Dorchester from MWV-Ridgeville, LLC, a Delaware limited liability company, dated December 14, 2016, and recorded December 14, 2016, in Book 10570, at page 9, in the ROD Office for Dorchester County.
26. Grant of Access and General Utility Easement to Green Hills Land Holding, LLC, a South Carolina limited liability company from MWV-Ridgeville, LLC, a Delaware limited liability company, dated December 14, 2016, and recorded December 14, 2016, in Book 10570 at page 14, in the ROD Office for Dorchester County.
27. Electric and Gas Easement to South Carolina Electric & Gas Company from MWV Community Development and Land Management, LLC, a Delaware limited liability company, dated as of March 6, 2018, and recorded March 15, 2018, in Book 11262, at page 101, and re-recorded May 29, 2018, in Book 11375 at page 340, in the ROD Office for Dorchester County.
28. Matters shown on plat of survey made by F. Elliott Quinn III, Surveyor, dated January 23, 2018, recorded February 13, 2018, in Plat Book M at page 134, in the ROD Office for Dorchester County, including, but not limited to, the following:
- a) Future Road & General Utility Easement (D.B. 10570, PGs 9 & 14)
 - b) Ex. 30' Edisto Electric Coop. & Home Telephone Company Utility Easement (P.B. M PG. 127)
 - c) Existing 20' DCWS Utility Easement (P.B. M, PG. 111)
 - d) 100' S.C. P.S.A. Right of Way
 - e) Centerline Timothy Creek
 - f) Existing Ingress/Egress Access Esmt. (P.B. M, PG. 111)
 - g) 300' T.O.D. Line
 - h) Ex. 10' Home Telecom & Edisto Electric Coop. Utility Easement (D.B. 10546, Pgs 252 & 261)
29. Terms and conditions of that certain Exchange Agreement by and between MWV-Ridgeville, LLC and Norfolk Southern Railway Company, a Virginia corporation, dated April 24, 2018.

AS TO PARCEL 3 AND PARCEL 4:

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ALTA Owner's Policy (6/17/06)

Fidelity National Title Insurance Company

30. Easement to South Carolina Power Company from Southern Railway Company dated April 16, 1941, and recorded May 31, 1941, in Book 76, at page 500, in the ROD Office for Dorchester County.
31. Easement to South Carolina Power Company from L.E. Miller and W. J. Colvin dated August 6, 1945, and recorded December 29, 1945, in Book 85, at page 538, in the ROD Office for Dorchester County.
32. Transmission Line Easement and Right-of-Way to South Carolina Electric and Gas Company, a corporation, from West Virginia Pulp and Paper Company, dated January 24, 1951, and recorded February 22, 1951, in Book 100, at page 179, in the ROD Office for Dorchester County.
33. Grant of Natural Gas Line Easement and Right-of-Way to South Carolina Natural Gas Company from West Virginia Pulp and Paper Company, a corporation, dated September 11, 1953, and recorded November 17, 1953, in Book 106, at page 249, in the ROD Office for Dorchester County.
34. Pipe Line Easement to S.C. Electric & Gas Company from Westvaco Corporation (formerly West Virginia Pulp and Paper Company) dated June 28, 1983, and recorded August 17, 1983, in Book 495, at page 110; as affected by Receipt for Right of Way Payment dated August 3, 1983, and recorded August 17, 1983, in Book 495, at page 116, in the ROD Office for Dorchester County.
35. Pipe Line Easement to S.C. Electric & Gas Company from Westvaco, Corporation, dated as of September 7, 1984, and recorded December 1, 1984, in Book 527, at page 77, in the ROD Office for Dorchester County.
36. Power Line Easement to South Carolina Public Service Authority from Westvaco Corporation (formerly West Virginia Pulp & Paper Company), a Delaware corporation dated September 17, 1982, and recorded February 15, 1983, in Book 483, at page 55, in the ROD Office for Dorchester County.
37. Rights of the railroad company and other interested parties in and to the use of said railroad track and any easements associated therewith.
38. Attention is drawn to the fact that the line of subject property abuts Norfolk Southern Railway Railroad Line. Right of access is limited to those crossings delineated on plat prepared for MWV-Ridgeville, LLC dated January 23, 2018, recorded February 13, 2018, in Plat Book M at page 134, in the ROD Office for Dorchester County

AS TO PARCEL 3 ONLY:

39. Matters shown on plat of survey made by F. Elliotte Quinn III, Surveyor, dated January 23, 2018, recorded February 13, 2018, in Plat Book M at page 134, in the ROD Office for Dorchester County, including, but not limited to, the following:
 - a) 125' SCE&G Right of Way
 - b) 15' SCE&G Gas Easement (D.B. 9403, PG's 197 & 202)
 - c) Existing 20' DCWS Utility Easement (P.B. M, PG 111)
 - d) North Railroad Avenue (R/W Undetermined)(County Maintained)
 - e) SCE&G Overhead Power Line & (N/F) Carolina Gas Transmission Corporation Underground Gas Line Run Along East Side of the Road (Easement Documents Not Found)
 - f) Gas Line
 - g) Overhead Power Line
40. This policy does not insure title to that portion of subject property embraced within the bounds of 50' R/W CO. RD. Railroad Ave. and/or Existing 25' Road, as shown on plat of survey made by Richard J. Rhode, Surveyor, dated February 11, 2004, and recorded March 23, 2014, in Plat Book K at page 94, in the ROD Office for Dorchester County.

AS TO PARCEL 4 ONLY:

41. Matters shown on plat of survey made by F. Elliotte Quinn III, Surveyor, dated January 23, 2018, recorded February 13, 2018, in Plat Book M at page 134, in the ROD Office for Dorchester County, including, but not limited to, the following:

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ALTA Owner's Policy (6/17/06)

Fidelity National Title Insurance Company

- a) 125' SCE&G Right of Way
 - b) 15' SCE&G Gas Easement (D.B. 9403, PG's 197 & 202)
 - c) Existing 20' DCWS Utility Easement (P.B. M, PG 111)
 - d) 100' S.C.P.S.A. Right of Way
42. Natural Gas Easement to South Carolina Electric & Gas Company, a South Carolina corporation, dated as of June 25, 2014, and recorded August 20, 2014, in Book 9403, at page 197, in the ROD Office for Dorchester County.

The exception(s) in Schedule B omit(s) any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.



Fidelity National Title Insurance Company

LEGAL DESCRIPTION

EXHIBIT 'A'

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF DORCHESTER, STATE OF SOUTH CAROLINA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 305.518 acres, and being more particularly shown and described as "PARCEL ONE MWV-RIDGEVILLE LLC TMS #087-00-00-096.000 ZONED: I (DORCHESTER CO.) 305.518 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

LESS AND EXCEPT that portion of land containing 0.11 acres, more or less, and shown as "Area of Acquisition" on that Exhibit "A" attached to that Deed from Grantor to Dorchester County, South Carolina, dated March 29, 2018, and recorded June 14, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina, in Book 11402, Page 280.

PARCEL TWO:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 256.359 acres, and being more particularly shown and described as "PARCEL TWO MWV-RIDGEVILLE LLC TMS #087-00-00-097.000 ZONED: I (DORCHESTER CO.) 256.359 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

TOGETHER WITH all that certain piece, parcel or lot of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 0.54 acres, and being more particularly shown and described as "PARCEL 'C-1' on that certain plat entitled, "A PLAT OF THE PROPERTY LINE ADJUSTMENT BETWEEN MWV-RIDGEVILLE LLC AND NORFOLK SOUTHERN RAILWAY COMPANY RIDGEVILLE INDUSTRIAL CAMPUS DORCHESTER COUNTY, SOUTH CAROLINA", dated May 10, 2018, by F. Elliotte Quinn III, SCPLS No. 10292 of Thomas & Hutton Engineering Co., recorded May 31, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina in Plat Book M, Page 146. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to the aforesaid plat more fully and at large appear

LESS AND EXCEPT all that certain piece, parcel or lot of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 0.53 acres, and being more particularly shown and described as "PARCEL 'A-4' on that certain plat entitled, "A PLAT OF PROPERTY LINE ADJUSTMENT BETWEEN MWV-RIDGEVILLE LLC AND NORFOLK SOUTHERN RAILWAY COMPANY RIDGEVILLE INDUSTRIAL CAMPUS DORCHESTER COUNTY, SOUTH CAROLINA", dated May 10, 2018, by F. Elliotte Quinn III, SCPLS No. 10292 of Thomas & Hutton Engineering Co., recorded May 31, 2018, in the Office of the Register of Deeds for Dorchester County, South Carolina in Plat Book M, Page 146. Said parcel having such size, shape, dimensions, buttings and boundings as will by reference to the aforesaid plat more fully and at large appear.

PARCEL THREE:

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ALTA Owner's Policy (6/17/06)

Fidelity National Title Insurance Company

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 322.494 acres, and being more particularly shown and described as "PARCEL THREE MWV-RIDGEVILLE LLC TMS #097-00-00-002.000 ZONED: I (DORCHESTER CO.) 322.494 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.

PARCEL FOUR:

ALL that certain piece, parcel or tract of land, situate, lying and being in Dorchester County, South Carolina, measuring and containing 55.902 acres, and being more particularly shown and described as "PARCEL FOUR MWV-RIDGEVILLE LLC TMS #097-00-00-010.000 ZONED: NC (RIDGEVILLE) 55.902 ACRES" on that certain plat entitled "CORRECTIVE PLAT OF THE RE-SURVEY OF PARCEL ONE (305.518 Ac.), PARCEL TWO (256.359 Ac.), PARCEL THREE (322.494 Ac.), & PARCEL FOUR (55.902 Ac.)", dated January 23, 2018, prepared by Thomas & Hutton, and recorded in the Office of the Register of Deeds for Dorchester County on February 13, 2018, in Plat Cabinet M, at Page 134.



OWNER'S POLICY OF TITLE INSURANCE

Issued by

FIDELITY NATIONAL TITLE INSURANCE COMPANY

NOTICE IS HEREBY GIVEN THAT THIS POLICY IS SUBJECT TO ARBITRATION PURSUANT TO THE PROVISIONS OF CHAPTER 48 OF TITLE 15 (SEC. 15-48-10 ET SEQ.) OF THE SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED.

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, FIDELITY NATIONAL TITLE INSURANCE COMPANY, a Florida corporation, (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.

4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection
 If a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without knowledge.
9. Title being vested other than as stated Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.




10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the

deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

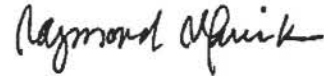
IN WITNESS WHEREOF, FIDELITY NATIONAL TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

Countersigned:

By: 
Authorized Officer or Agent
James H. Suddeth III
Prioleau Street Agency, Inc.
134 Meeting St Ste 300 Fl 3rd
PO Box 340
Charleston, SC 29402
Tel: 843-722-3366
Fax: 843-722-2266

FIDELITY NATIONAL TITLE INSURANCE COMPANY

By:



President

Attest:



Secretary



EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as Insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as Insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own

cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as Insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.



To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall

have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both



the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the

policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at FIDELITY NATIONAL TITLE INSURANCE COMPANY, Attn: Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023.



EXHIBIT F

**RESOLUTION OF THE SOUTH CAROLINA STATE PORTS AUTHORITY
AUTHORIZING THE PURCHASE AND SALE OF PROPERTY AT THE RIDGEVILLE
INDUSTRIAL CAMPUS TO PROJECT AARDVARK**

WHEREAS, the South Carolina State Ports Authority (or, "Authority") has, as its mission and purposes, among others, to contribute to the economic development of South Carolina by fostering and stimulating waterborne commerce, including both cargo and passengers, to develop and improve the harbors or seaports of the State and to construct, equip, maintain, develop and improve such harbors or seaports and their port facilities, to the increase of waterborne commerce, foreign and domestic, through such harbors and seaports;

WHEREAS, the South Carolina State Ports Authority has the power to do all things necessary to accomplish these purposes, including to assist in the development of property and provide compensation for the development of property for industrial and maritime purposes to serve the Port of Charleston and State generally;

WHEREAS, the South Carolina State Ports Authority has title interest in certain parcels of real property in Ridgeville, Dorchester County, known generally as the Ridgeville Industrial Campus, consisting of approximately 697.519 acres;

WHEREAS, to facilitate economic development, waterborne commerce, and its mission and purposes, the South Carolina State Ports Authority supports Project Aardvark, which involves the construction and operation of cold storage facilities on approximately 30 acres of the Ridgeville Industrial Campus, referred to herein as the "Property", for the price One Hundred Ten Thousand Dollars (\$110,000.00) per acre payable to the Ports Authority;

WHEREAS, the construction and operation of cold storage facilities by Project Aardvark on the Property assists in the expansion of business and business opportunities directly and indirectly for the South Carolina State Ports Authority and the State of South Carolina, generally; and

NOW THEREFORE BE IT RESOLVED, that the Board of the South Carolina State Ports Authority, in a meeting duly assembled, authorizes the South Carolina State Ports Authority's President and Chief Executive Officer, James I. Newsome, III, or the Senior Vice President, Finance & Administration and Chief Financial Officer, Phillip Padgett, or their respective designees, to take any and all steps and do any and all things necessary to conclude the sale of such property and the issuance of necessary easement and construction of supporting infrastructure.

ADOPTED at the regular meeting of Board of Directors of the South Carolina State Ports Authority held December 14, 2021.

WITNESS the hand and seal of the Secretary of the South Carolina State Ports Authority.

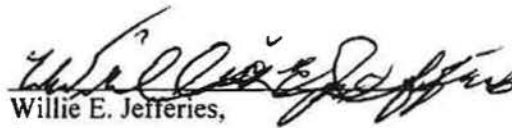
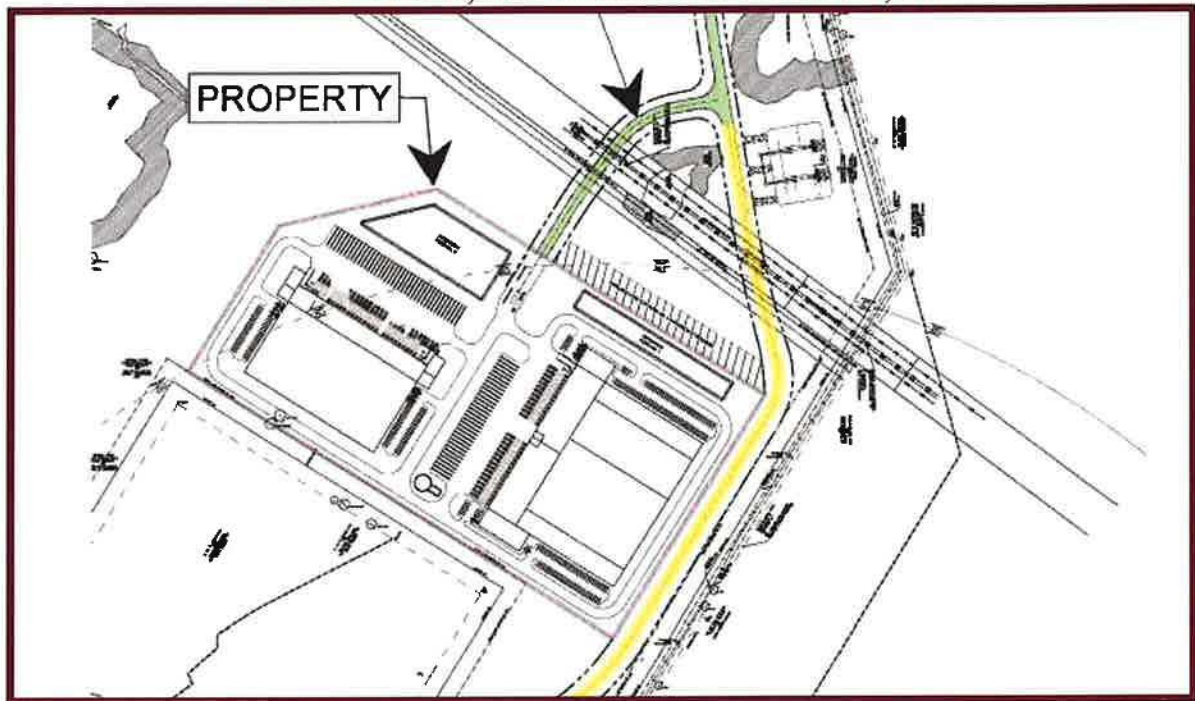

Willie E. Jefferies,
Secretary

EXHIBIT G

APPRAISAL REPORT OF:
**A VACANT 30.00-ACRE TRACT
LOCATED IN THE RIDGEVILLE COMMERCE PARK
RIDGEVILLE, DORCHESTER COUNTY, SC**



Dorchester County TMS #097-00-00-002 & 010 (Portion)

PREPARED FOR:
**South Carolina Ports Authority
c/o Mr. Phillip Padgett, CPA
200 Ports Authority Drive
Mt. Pleasant, SC 29464**

DATE OF APPRAISAL:
FEBRUARY 23, 2022

PREPARED BY:
**SASS, HERRIN AND ASSOCIATES, INC.
21-C GAMECOCK AVENUE, CHARLESTON, SC 29407
Andrew B. Wilkins, MAI
Herbert R. Sass, III, MAI, SRA**

SASS, HERRIN & ASSOCIATES, INC.



SASS, HERRIN AND ASSOCIATES, INC.
21 GAMECOCK AVENUE, SUITE C
CHARLESTON, SOUTH CAROLINA 29407

HERBERT R. SASS, III, MAI, SRA
BURK Y. HERRIN, JR. SRA

ANDREW WILKINS, MAI
ANTOINETTE MCCAWE

B. REAGAN JACKSON, JR.
KELLEY TANT

ANNE WYMAN
TURNER FABIAN

March 3, 2022

South Carolina Ports Authority
c/o Mr. Phillip Padgett, CPA
200 Ports Authority Drive
Mt. Pleasant, SC 29464

Re: Appraisal Report of a Vacant 30.0-Acre Tract
Located in Ridgeville Commerce Park,
Ridgeville area of Dorchester Counties, SC

Dear Mr. Padgett:

As requested, I have completed an appraisal of the above referenced property for the purpose of estimating its market value based on the hypothetical condition that the roads and utilities to the site are already in place as of the date of my inspection. USPAP defines hypothetical condition as *"a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."*

Andrew B. Wilkins, MAI inspected the property on February 23, 2022. He was accompanied by Mr. Phillip Padgett. The subject property is a 30.0-acre portion of a larger assembled tract owned by the South Carolina Ports Authority. This assembled tract was purchased in June 2017 for \$16,200,000.

As a result of my investigation and analysis, it is my conclusion that the market value of the fee simple estate of the 30.0-acre portion of the assembled subject tract based on the hypothetical condition that the roads and utilities were in place, as of February 23, 2022, was:

TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
\$2,700,000

This value estimate was made after a thorough study of all data felt to be pertinent to this appraisal and is based on an estimated marketing and exposure time of 6- to 12-months. In conjunction with this appraisal, physical inspections were made of the subject property and the comparable sales cited in this appraisal report. Detailed descriptions of the assembled subject property, comparable sales and other information appears later in this report.

I have not been provided with a soil study for the subject sites. I assume that the soil is capable of supporting construction similar to that in the neighborhood without unusual soil preparation or piling. I am also unaware of the presence of any hazardous material, groundwater contamination, or toxic materials that may be on or in the sites.

Mr. Phillip Padgett
March 3, 2022
Page 2

This appraisal was prepared for The South Carolina Ports Authority and the State Fiscal Accountability Authority at the request of Mr. Phillip Padgett. This appraisal cannot be relied upon by any third party without the written permission of both the client and the appraisers.

It is my intention that this appraisal meets or exceeds the requirements of Title XI of the Financial Institution Reform Recovery Enforcement Act (FIRREA) or 1989, Public Law 101-73, 103-STAT as amended on July 1, 1994. This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.

I certify that this appraisal was made in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

I further certify to the best of my knowledge and belief, that the statements and opinions contained herein are full, true and correct and that this appraisal is subject to the attached Certificate of Appraisal and Statement of Limiting Conditions. I further certify that I have no interest in the subject property and that neither the employment to make this appraisal, nor the compensation is contingent upon the value estimate of the properties.

Respectfully submitted,
SASS, HERRIN AND ASSOCIATES, INC.



Andrew B. Wilkins, MAI
South Carolina Certified General Real Estate Appraiser CG 4333



Herbert R. Sass, III, MAI, SRA
South Carolina Certified General Real Estate Appraiser CG 554

ABW/HRS
22-126w

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SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

PROPERTY LOCATION	:	Ridgeville Commerce Park, Highway 78, Dorchester Counties, South Carolina
OWNER	:	South Carolina Ports Authority
TRACT SIZE	:	30.0-Acres
ZONING	:	I - Industrial
FLOOD ZONE	:	Flood Zone X & AE Map Number 45035C0305E Dorchester County, South Carolina Effective Date: July 18, 2017
TMS NUMBERS	:	Portion of 097-00-00-002 & 010
CENSUS TRACT	:	104
UTILITIES	:	All Available
HIGHEST AND BEST USE	:	Industrial Use
2021 PROPERTY TAX	:	See Tax Section
INTEREST APPRAISED	:	Fee Simple
MARKET VALUE OF THE 30.0-ACRE PORTION OF THE INDUSTRIAL TRACT WITH ROAD ACCESS AND UTILITIES	:	\$2,700,000
DATE OF APPRAISAL	:	February 23, 2022
DATE OF INSPECTION	:	February 23, 2022
APPRAISERS	:	Andrew B. Wilkins, MAI & Herbert R. Sass, III, MAI, SRA

SCOPE OF THE APPRAISAL

The subject property is within a larger industrial park that is on Highway 78 and North Railroad Avenue in Ridgeville, Dorchester County. This area is just northwest of the growing area of Summerville. We were asked by Mr. Phillip Padgett with SC Ports Authority to appraise the 30.0-acre tract based on the hypothetical condition that it has access and utilities.

The scope of the appraisal requires compliance with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Guide Notes to the Standards of Professional Appraisal Practice adopted by the Appraisal Institute. The standards contain binding requirements and specific guidelines that deal with the procedures to be followed in developing an appraisal, analysis, or opinion. The Uniform Standards set the requirements to communicate the appraiser's analyses, opinions, and conclusions in a manner that will be meaningful and not misleading in the marketplace.

Property Identification

I identified the subject property through public records, discussions with the property owner, and verification with public servants. I am not a surveyor; therefore, I have relied on a number of plats, recorded deeds, and tax information to indentify the subject, many of which are included or referenced in this report.

Property Inspection

I inspected the subject property on February 23, 2022. In doing so I inspected the portion of the assembled tracts which are accessible from the road and recorded salient features. I was accompanied by Mr. Phillip Padgett.

The appraiser lacks the knowledge and experience with respect to the detection and measurement of hazardous substances, unstable soils, or freshwater wetlands. Therefore, this assignment does not cover the presence or absence of such substances as discussed in the Limiting Conditions section of this report. However, any visual or obviously known problems affecting the property will be reported and their impact on the value will be discussed.

Herbert R. Sass, III, MAI, SRA previously inspected the larger tract that makes up the industrial park in 2020. He has also read this report and concurs with its conclusions.

Approaches to Value

Because the subject of this appraisal is unimproved land, only the sales comparison approach to value will be utilized. There are no improvements on the site, so the cost approach is not applicable. Tracts like the subject are not typically subject to ground leases; therefore, the income capitalization approach is not applicable and has been omitted.

I researched public records, the local multiple listing service (MLS), national listing services, and spoke with a number of realtors and property owners in the subject market. When possible, each sale comparable was verified with a party immediately involved with the transaction and supported by public records. I also performed an exterior inspection of each land sale.

Land Value

The subject's land value was determined by comparing the subject site as vacant to vacant land sales in the subject's immediate area. Search parameters included sites with a similar highest and best use, as near the subject as possible.

The appraiser lacks the knowledge and experience with respect to the detection and measurement of hazardous substances, unstable soils, or freshwater wetlands. Therefore, this assignment does not cover the presence or absence of such substances as discussed in the Limiting Conditions section of this report. However, any visual or obviously known problems affecting the property will be reported and their impact on the value will be discussed.

This appraisal is also based on the hypothetical condition that the access and utilities are already extended to the subject property. USPAP defines hypothetical condition as "*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.*"

DISCUSSIONS WITH MARKET PARTICIPANTS

In the course of completing this appraisal I spoke with numerous sales agents, owners, brokers and persons leasing properties similar to the subject. Discussions with those individuals are detailed in the Highest and Best Use and the Site Valuation, Sales Comparison and Income Capitalization Approach sections of this appraisal. Some of the individuals and offices contacted in order to complete this appraisal include the following:

- Dorchester County Tax Assessor's Office;
- Dorchester County Treasurer's Office;
- Dorchester County Register of Deeds Office;
- Berkeley-Charleston-Dorchester Council of Governments;
- Dorchester County Zoning Office; and
- Various Real Estate Agents and Property Managers

PROPERTY IDENTIFICATION

The subject property is as portion of a larger assembled tract located on Highway 78 and N Railroad Avenue in Ridgeville, Dorchester County. The larger assembled tract is further identified on the Dorchester County Tax Assessor's Map 087-00-00-096, 097, & 113, 097-00-00-002 & 010, and 086-00-00-024. The subject property is a portion of TMS# 097-00-00-002 & 010. Copies of maps with the industrial park identified are included on the following page of this report.

DATE OF INSPECTION

February 23, 2022

DATE OF THE APPRAISAL

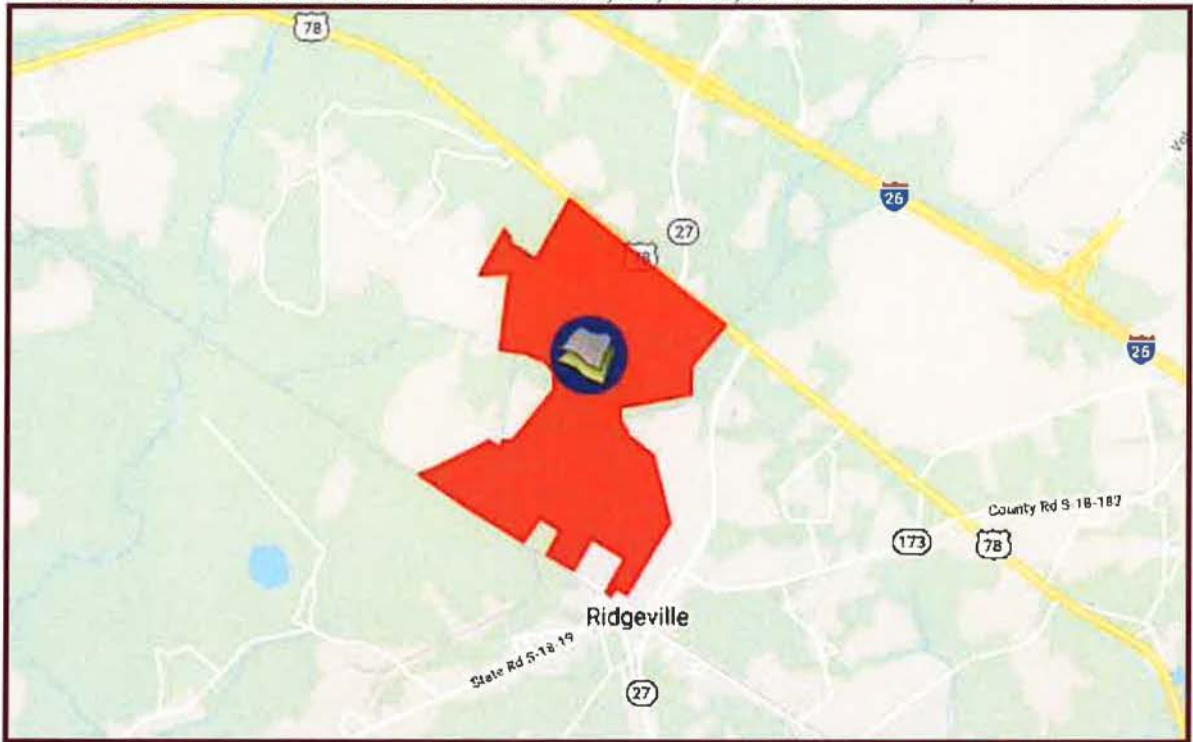
February 23, 2022

PROPERTY RIGHTS APPRAISED

The property rights appraised for the subject property are those of the fee simple estate. These property rights are defined in The Appraisal of Real Estate, 14th Ed. (Chicago, Illinois: Appraisal Institute, 2013) as follows:

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

DORCHESTER COUNTY TAX MAP #087-00-00-096, 097, & 113, 097-00-00-002 & 010, & 086-00-00-024



PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the fee simple market value of the subject properties. Market value is defined in the following manner:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus."

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and Seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

INTENDED USE OF THE APPRAISAL

This appraisal was prepared for The South Carolina Ports Authority and the State Fiscal Accountability Authority at the request of Mr. Phillip Padgett. This appraisal cannot be relied upon by any third party without the written permission of both the client and the appraisers.

¹ Federal Register, volume 55, number 163, August 22, 1990, pages 34228 and 34229

STATEMENT OF OWNERSHIP

The subject property is a portion of a larger assembled tract owned by the South Carolina Ports Authority. This larger assembled tract was purchased from MWV-Ridgeville, LLC on June 27, 2018. The consideration was \$16,200,000. This conveyance is recorded in the Dorchester County Register of Deeds office in Deed Book 11425 on page 091. This was an arm's length transaction.

Recent Listing History

The subject property is within the Ridgeville Industrial Campus. The South Carolina Department of Commerce shows that the property in Ridgeville Industrial Campus is available with an asking price from \$60,000 to \$100,000 per acre.

It is my understanding the SCPA is selling the subject 30-acres to Saxsum Real Estate Investment and Development Company. We were not provided with a contract to review. We are unaware of the contract price for the subject property.

THE CURRENT ECONOMIC SITUATION

NATIONAL

The national economy has shown steady growth since the end of the last recession. At that time, the Federal Reserve Bank kept the prime rate at 3.0% to 3.25% to bolster the economy but raised it 0.25% nine times from December 2015 to December 2018. During the August 2019, September 2019, and October 2019 meetings the Federal Reserve board lowered prime rate by 0.25% each and prime rate was 4.75%. On March 3, 2020 and again on March 15, 2020, the Fed held emergency meetings in regard to the Coronavirus and as a result, reduced the federal funds rate to a target of 0.0% to 0.25%. This results in a prime rate of 3.25%. Prior to the virus, oil prices were stable, and the stock market had reached record highs. National unemployment was low, and the percentage of employed workers had dramatically improved. Wages were increasing and showing gains. We were in the midst of the longest economic expansion on record and the stock market had increased by nearly 50% since the national election in November 2016. As a result of the virus, the stock market has become volatile with large swings up and down. With the introduction of several vaccines, a million people per day are being vaccinated. This is very positive, and many market participants are hopeful that employment and business improve.

CHARLESTON REGIONAL DATA

During the last 20 to 30 years, the Charleston Metropolitan Area's (CMA) economy has fared somewhat better than other parts of the country because of the area's economic diversification and the influence of the area military installations. Tourism, military bases, a large medical complex, a large port authority complex, and a variety of industries have been the major components of the local economy.

Comprised of three counties (Berkeley, Charleston and Dorchester), the Charleston region is a highly diverse market, strategically located on the Atlantic coast halfway between New York and Miami. The region, which covers more than 3,100 square miles, combines a thriving economy, rich history, and beautiful environment to offer an outstanding business climate and a quality of life that is nationally recognized.

The area's economic mix is diverse, combining one of the busiest container ports along the Southeast and Gulf coasts, a \$3 billion tourist industry, one of the Southeast's most important medical hubs, a strong base of national and international manufacturers, as well as a large military presence. Arts, recreational and cultural opportunities are abundant, including museums, music, dance and theater, as well as water sports, golf, hunting, fishing, horseback riding, and more.

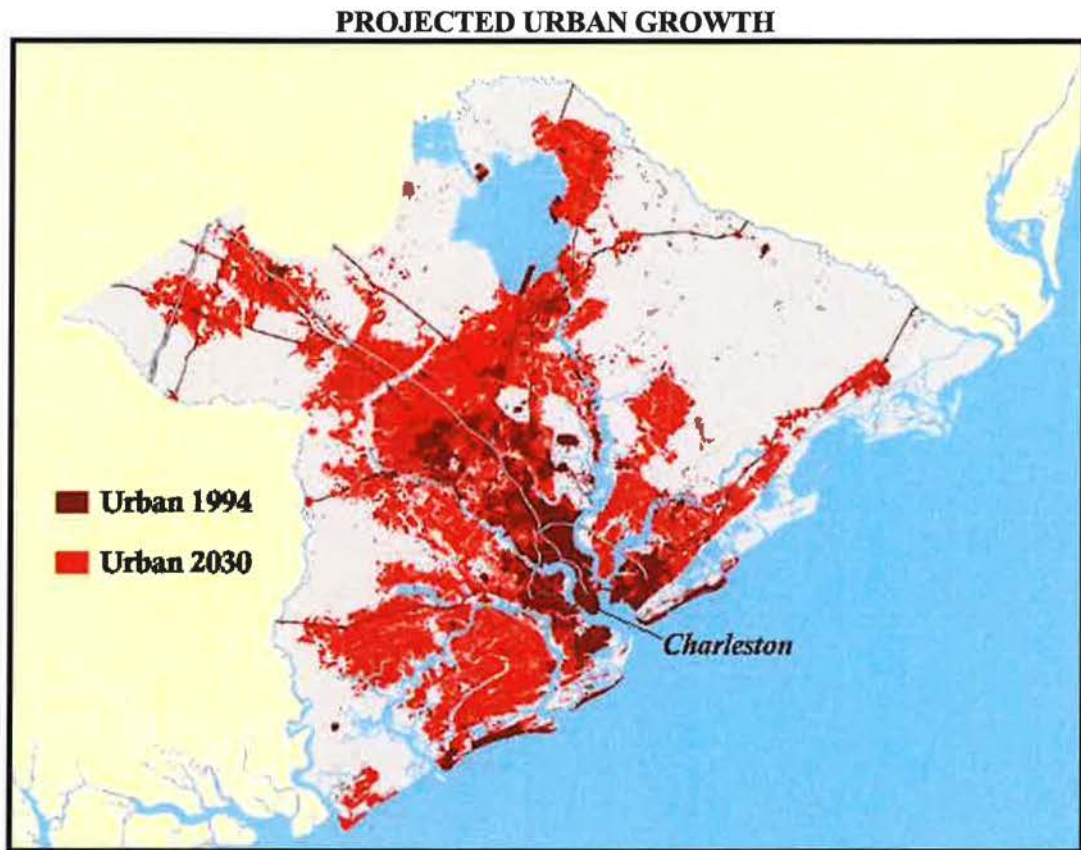
The region is fast becoming a magnet for new business investment, while also offering the natural beauty, world-class culture and historic charm that have made the area a world-recognized tourist destination.

A population and growth trend analysis for the CMA compiled by the Charleston Regional Development Alliance is included on the following page.² The 2020 census indicated that

² <http://www.crda.org/>

Charleston County had a population of 417,981 of the 819,705 total in Berkeley, Charleston and Dorchester Counties. The tri-county has experienced a 23.3% increase since 2010. The state of South Carolina increase by 12.5% and the United States increases 6.7% during the same time period.

Three of the largest four cities in South Carolina are in the Tri-County area. Charleston's population increased to 139,714, making it the largest city in the state. North Charleston is the third largest City with 118,752. The Town of Mt. Pleasant is now the fourth largest in the state with a population of 92,799. Charleston County is the state's third largest county.



As the population continues to increase, the demand for new housing remains strong and has surpassed pre-recession levels.

³ <http://proceedings.csri.com/library/userconf/proc01/professional/papers/pap324/p324.htm>

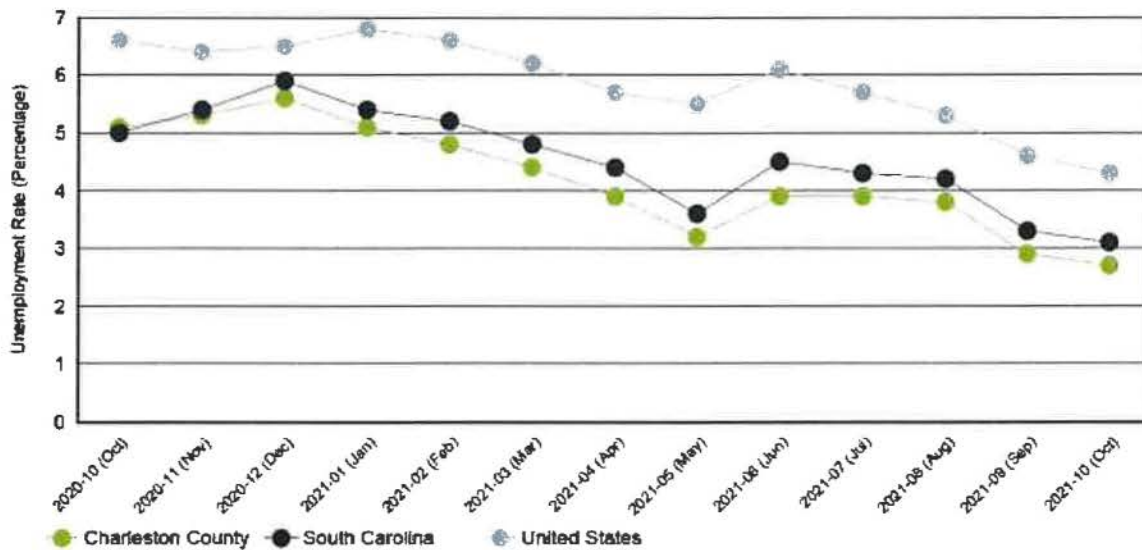
According to the most recent figures available, Charleston's employment force remains strong. The unemployment rate in South Carolina is still one of the highest in the nation, but the Charleston area has fared better and is projected to further decline. The unemployment rate in Charleston in December 2020 was 6.3%.

Year	Charleston County			South Carolina			United States		
	Employment	Unemp	Rate	Employment	Unemp	Rate	Employment	Unemp	Rate
2020	198,552	13,987	6.3%	2,237,407	147,183	6.2%	147,795,000	12,947,000	8.1%
2019	206,178	4,701	2.2%	2,302,573	85,112	2.8%	157,538,000	6,001,000	3.7%
2018	199,983	5,650	2.7%	2,242,438	78,442	3.4%	155,781,000	8,314,000	3.9%
2017	195,861	8,972	3.4%	2,200,602	96,477	4.2%	153,337,000	6,982,000	4.4%
2016	193,146	8,042	4.0%	2,174,301	111,753	4.9%	151,436,000	7,751,000	4.9%
2015	188,588	9,495	4.8%	2,134,087	133,750	5.9%	148,834,000	8,296,000	5.3%
2014	182,709	9,638	5.0%	2,082,941	139,485	6.3%	148,305,000	9,617,000	6.2%
2013	177,472	10,763	5.7%	2,034,404	163,472	7.4%	143,929,000	11,460,000	7.4%
2012	173,805	13,089	7.0%	1,992,957	197,248	9.0%	142,469,000	12,506,000	8.1%
2011	168,779	15,088	8.2%	1,957,493	227,678	10.4%	139,869,000	13,747,000	8.9%
2010	164,252	16,097	8.9%	1,928,442	246,093	11.3%	139,084,000	14,825,000	9.6%

Source: S.C. Department of Employment & Workforce

Monthly Unemployment Rate (Unadjusted)

Past 13 Months



The tourist industry has a major impact on the Charleston Trident region. Following are summaries of two studies conducted by the Office of Tourism and Industry of the College of Charleston reporting occupancy levels for Charleston County hotels and Tourism Economic Impact. The tourist industry continues to thrive, bringing an estimated \$3.3 billion to the Tri-County region.

Table 3. Monthly Forecasts for Charleston County and Peninsula Hotels: 2015-2016

		Peninsula Area		Charleston County	
		Occupancy (%)	Average Daily Rates	Occupancy (%)	Average Daily Rates
2015 Actual	January	67.5	\$166.13	57.7	\$120.44
	February	76.0	\$186.97	68.6	\$132.19
	March	81.7	\$214.17	76.0	\$146.70
	April	92.2	\$253.58	86.3	\$169.19
	May	88.7	\$231.70	81.8	\$161.05
	June	89.9	\$212.21	84.6	\$153.38
	July	86.5	\$187.45	83.2	\$153.16
2015 Forecast	August	80.5	\$185.89	74.6	\$143.63
	September	76.3	\$203.42	70.3	\$149.42
	October	84.2	\$227.03	77.1	\$160.36
	November	71.8	\$201.09	66.6	\$147.98
	December	57.8	\$174.13	52.8	\$132.86
Average		79.4	\$203.65	73.3	\$147.53
2016 Forecast	January	60.1	\$169.80	55.9	\$124.52
	February	70.8	\$191.10	68.4	\$136.67
	March	85.2	\$218.90	82.9	\$151.67
	April	91.0	\$259.18	88.9	\$174.92
	May	86.5	\$236.82	81.2	\$166.51
	June	87.5	\$216.90	83.7	\$158.58
	July	83.0	\$191.59	80.4	\$158.35
	August	77.0	\$190.00	72.9	\$148.50
	September	74.2	\$207.91	70.0	\$154.48
	October	84.5	\$232.05	77.1	\$165.79
	November	72.7	\$205.53	65.8	\$153.00
	December	57.0	\$177.98	51.0	\$137.36
Average		77.5	\$208.15	73.2	\$152.53

ESTIMATION OF TOURISM ECONOMIC IMPACTS IN THE CHARLESTON AREA, 2014

Category-Related Impact Statistics	2010	2011	2012	2013	2014
Charleston Downtown Visitor Center Traffic	778,488	701,567	688,649	699,856	646,649
Charleston Area Amusement Attendance Total	2,246,802	2,332,480	2,332,063	2,337,763	2,437,338
Total Tri-County Admission Tax Collected (3%)	\$5,253,450	\$5,532,700	\$6,113,383	\$6,466,297	\$6,686,703
Beckley County Admission Tax Total	\$482,813	\$493,813	\$495,025	\$504,183	\$547,489
Charleston County Admission Tax Total	\$4,511,152	\$5,035,661	\$5,513,058	\$5,587,462	\$5,527,310
Dorchester County Admission Tax Total	\$259,485	\$299,226	\$105,299	\$138,652	\$161,904
Average Length of Stay (nights)	3	3	3	3	4
Average Total Expenditures Per Adult Per Trip*	\$195	\$197	\$193	\$230	\$290
Average Occupancy of Charleston County*	69%	70%	77%	77%	74%
Average Daily Rate at Charleston County Hotel & Motel	\$132	\$127	\$124	\$128	\$136
Total Tri-County Hotel/Motel Room Inventory*	16,396	16,428	16,484	16,933	17,362
Total Charleston County Hotel/Motel Room Inventory	13,841	13,846	14,019	14,302	15,270
Charleston Peninsula Area Inventory	3,358	3,356	3,370	3,527	3,673
West of the Ashley (old West Island) Inventory	1,341	1,328	1,358	1,318	1,569
North Charleston Area Inventory	6,795	6,914	6,934	7,178	7,100
East of the Cooper (Mt. Pleasant & East Island) Inventory	2,148	2,140	2,148	2,581	2,001
Beach Communities Hotel Inventory (STR data)	600	600	600	600	699
Beckley County Hotel/Motel Room Inventory	1,174	1,179	1,179	1,307	1,366
Dorchester County Hotel/Motel Room Inventory	791	685	685	724	724
Vacation Rental Units/Rooms	—	—	—	3,887/10,660	3,887/10,660
Total Tri-County Lodging Sales*	\$489,879,490	\$541,269,918	\$614,455,960	\$679,372,841	\$748,629,860
Beckley County Lodging Sales*	\$118,705,898	\$119,044,880	\$124,072,008	\$130,939,638	\$121,378,338
Charleston County Lodging Sales*	\$464,920,311	\$516,901,650	\$594,387,722	\$641,774,311	\$712,071,602
Dorchester County Lodging Sales*	\$5,657,279	\$5,224,378	\$5,395,230	\$7,138,893	\$7,178,920
Charleston County Annualized RevPAR (Thousands)	3.29	3.30	3.32	3.34	3.37
Estimated Annual Number of Visitors (Millions)**	3.94	4.31	4.58	4.78	4.98
Estimated Total Economic Impact (Billion)**	2.39	2.62	2.89	3.34	3.34
Tri-County Percentage of Sales Attributable to Tourism*	14.8%	13.9%	14.3%	14.4%	13.7%
Beckley County Percentage of Sales Attributable to Tourism*	3.2%	1.7%	1.5%	2.6%	1.5%
Charleston County Percentage of Sales Attributable to Tourism*	26.0%	19.4%	21.8%	20.8%	22.8%
Dorchester County Percentage of Sales Attributable to Tourism*	1.8%	1.4%	1.3%	1.6%	1.6%
Estimated Total Labor Earnings (Billion)**	0.39	0.93	1.09	1.16	1.23

* Data is estimated.

** Base economic results were used. Pareto law numbers might be different from past years.

Notes: Charleston County Average Daily Rate and Occupancy Rate are calculated based on participating hotels only and room inventory data is based on 12-month averages. Total lodging sales are estimated based upon the 3% accommodation tax and includes all paid forms of commercial lodging such as timeshares, beach houses and bed & breakfasts which represent significant segments of the lodging market. Estimates of annual economic impact include the number of jobs and related total labor earnings are based on annual BLS/ANS reports of the Tri-County regional economy and may not be comparable from year to year due to BLS/ANS data and economic analysis annual updates. Data sources include: Charleston Area Convention and Visitors Bureau (CAVB), South Travel Research (STR), South Carolina Department of Parks, Recreation and Tourism, Charleston Metro Chamber of Commerce, South Carolina Department of Commerce, Copyright © 2015 Office of Tourism Analysis, School of Business, College of Charleston

Top Origin States of Visitors	
North Carolina	Florida
South Carolina	Ohio
Georgia	Illinois
Vermont	California
New York	Pennsylvania

Notes: 3% base accommodation tax rate, mostly from Canada & UK.

Top Metropolitan Areas	
Fort Worth, TX	Columbus, GA
Boston	Little Rock
Washington, DC	Mobile, AL
Chicago	Miami
Charlotte	Baltimore

Charleston Area's Greatest Assets	
History and Historic Sites	Beach
Restaurants/Local Cuisine	Cultural Events
Events	Outdoor Recreation
Shopping	Federal/Events

Average Expenditures in Charleston	
Accommodations	\$408
Dining/Food	\$151
Local Transportation	\$58
Trip/Attractions	\$61
Shopping	\$81
Other Expenses	\$32
Expenditure Per Adult Per Day	\$790

Based on overnight visitors.

Following are excerpts from a quarterly report published by Avison Young and Colliers International, of retail, office, and industrial properties in the Charleston MSA. The Charleston MSA includes Charleston, Berkeley and Dorchester Counties.

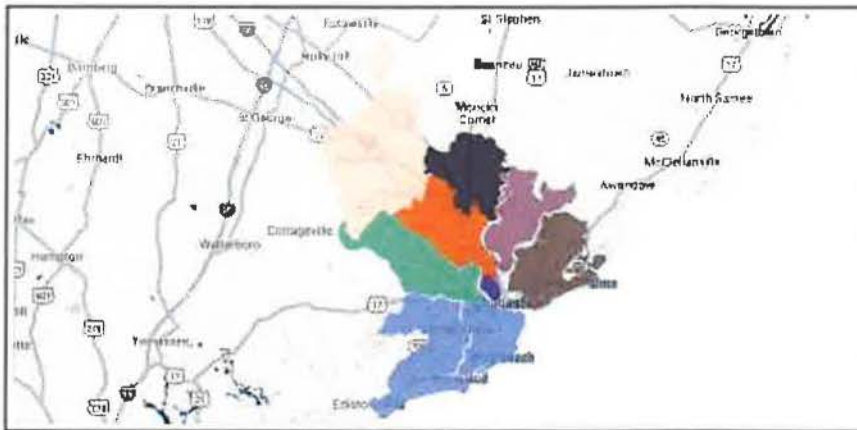
RETAIL MARKET⁴

Charleston

Retail Market Report / First Quarter 2021

Market by the numbers

By Submarket	Inventory	Vacancy Rate	1Q21 Net Absorption SF	SF Under Construction	Average Asking Rent/sf
Daniel Island/Clements Ferry	189,505	9.3%	1,300	-	\$31.61
Downtown Charleston	2,025,827	10.3%	38,578	-	\$42.23
Goose Creek	1,113,110	3.9%	6,475	7,800	\$22.76
Mount Pleasant/East Islands	4,461,854	6.7%	(23,912)	153,700	\$24.56
North Charleston/Hanahan	5,940,805	12.5%	(46,357)	0	\$17.25
Summerville/Ladson	4,187,713	4.0%	(15,728)	37,000	\$14.60
West Ashley	3,796,960	0.081%	(93,859)	22,676	\$20.04
West Islands	1,453,353	0.054%	(6,230)	12,700	\$21.91

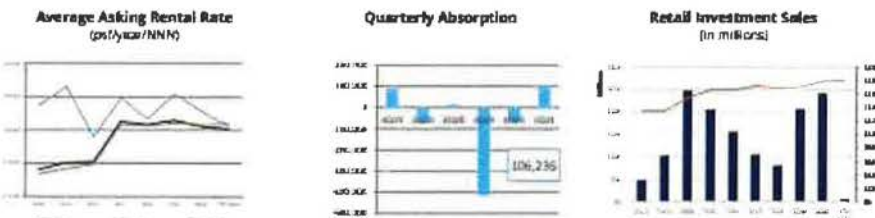


Charleston Submarket Map

- Summerville/Ladson
- North Charleston/Hanahan
- East Islands/Mount Pleasant
- Goose Creek
- Daniel Island/Clements Ferry
- West Islands
- West Ashley
- Downtown Charleston

Charleston

Retail Market Report / First Quarter 2021



⁴ https://www.avisonyoung.us/documents/91108/1623317/2021_1_Charleston+Retail.pdf/a0d6346d-5617-4fde-a637-3f47b56a61d9

Q2 2021 Retail Market Summary Statistics

Charleston

Shopping Center Market	Inventory (SF)	Vacancy Rate (%)	Anchor space greater than ± 25,000 SF		Jr. anchor space 10,000 SF to 25,000 SF		Shop space less than ±10,000 SF	
			Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)
Charleston								
Calhoun to Broad (Peninsula)	2,395,831	3.35%	-	-	-	-	80,259	\$44.93
Calhoun to Line (Peninsula)	966,631	7.75%	-	-	-	-	74,916	\$38.06
Centre Pointe	1,123,836	4.16%	-	-	20,000	-	26,780	\$25.20
Dorchester Road	1,555,417	7.94%	40,000	-	12,568	-	70,921	\$17.36
Folly Road / James Island	1,225,143	6.04%	-	-	-	-	74,038	\$24.82
Goose Creek	1,164,674	4.18%	29,032	-	-	-	19,635	\$17.98
Lower Mt. Pleasant	1,592,128	5.60%	-	-	20,000	\$15.43	69,213	\$29.46
NOMG (Peninsula)	184,324	9.22%	-	-	-	-	16,992	\$31.87
Rivers Avenue	2,529,799	7.45%	155,970	-	-	-	32,478	\$22.27
Upper Mt. Pleasant	2,758,681	5.95%	90,116	-	-	-	73,980	\$28.66
US 17 / Nexton (Summerville)	1,644,158	4.24%	-	-	20,000	-	49,709	\$27.47
West Ashley	2,619,895	2.61%	-	-	3,944	\$42.00	64,331	\$20.97
Charleston Total	19,760,517	5.29%	315,111	-	76,812	\$18.98	653,252	\$29.47

Colliers South Carolina | Charleston Q2 2021 Retail Report

³ <http://www.colliers.com/en-us/southcarolina/insights/charleston>

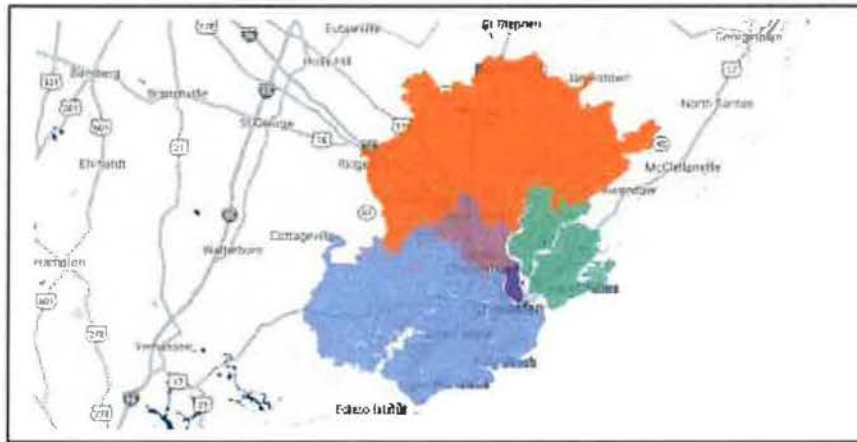
OFFICE MARKET⁶

Charleston

Office Market Report / First Quarter 2021

Market by the numbers

By submarket	Inventory	Total Vacancy	Net Absorption	SF Under Construction	Average Asking Rent
Downtown	3,994,192	13.0%	103,808	575,485	\$30.12
East Suburbs	4,870,019	21.0%	-51,976	56,240	\$27.64
North Charleston	7,814,158	15.3%	-37,586	123,288	\$22.88
North Suburbs	1,890,763	3.9%	-2,822	0	\$21.67
West Suburbs	1,632,946	8.2%	-11,431	0	\$34.88
Total Market	14,835,148	15.6%	-101,228	645,013	\$26.37

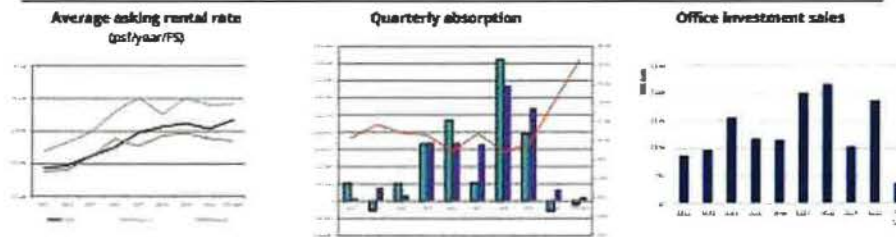


Charleston Submarket Map

- Downtown Charleston
- East Suburbs
- North Charleston
- North Suburbs
- West Suburbs

Charleston

Office Market Report / First Quarter 2021



⁶ https://www.avisonyoung.us/documents/91108/1623317/2021_1_Charleston+Office.pdf/5b5b1714-de53-4880-85bf-f72aa1953968

Charleston | Q2 2021 Office Market Summary Statistics



Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rent (\$/SF)
Charleston CBD Submarket								
Class A	14	1,371,714	136,886	34,944	171,830	12.5%	5,420	\$14.88
Class B	27	474,405	62,248	200	62,448	13.1%	12,316	\$12.12
Class C	45	254,526	70,883	1,734	72,617	28.5%	8,112	\$10.18
CBD Total	86	2,099,645	269,917	36,678	306,595	14.6%	15,848	\$12.51
Suburban Submarkets								
Class A	11	2,271,647	147,000	17,254	164,254	7.2%	3,479	\$14.35
Class B	23	4,851,604	416,803	41,287	458,090	9.4%	24,286	\$10.68
Class C	123	2,755,022	267,122	17,464	284,586	10.3%	36,479	\$10.12
Suburban Total	157	9,878,273	830,925	75,905	906,830	9.2%	64,244	\$11.88
Markets								
Class A	44	5,166,403	446,186	49,498	495,684	9.6%	9,959	\$12.48
Class B	141	5,742,171	627,113	17,137	644,250	11.2%	34,634	\$11.17
Class C	173	4,019,140	437,633	25,084	462,717	11.5%	42,393	\$10.46
Market Total	358	14,927,714	1,510,932	91,719	1,602,651	10.7%	106,826	\$11.68

Submarkets

Central Island								
Class A	11	2,864,007	21,223	384,881	366,104	12.8%	2,548	\$13.56
Class B	18	473,344	111,251	2,144	113,395	23.9%	4,776	\$10.36
Class C	3	360,000	15,000	-	15,000	4.2%	-	\$12.19
Central Island Total	32	3,697,351	147,474	386,925	434,400	11.8%	7,324	\$12.34
Lower South Charleston								
Class A	8	2,211,444	148,113	21,243	169,356	7.7%	14,111	\$17.48
Class B	36	1,388,794	132,852	17,818	150,670	10.9%	14,843	\$10.28
Class C	43	1,185,500	156,084	3,408	159,492	13.4%	11,677	\$10.15
Lower South Charleston Total	87	4,785,738	437,049	42,469	479,518	10.0%	40,631	\$11.88
Mount Pleasant								
Class A	15	547,544	14,427	3,288	17,715	3.2%	3,254	\$13.46
Class B	43	1,625,496	142,414	12,022	154,436	9.5%	2,444	\$11.44
Class C	38	287,798	15,386	6,388	21,774	7.6%	1,932	\$10.68
Mount Pleasant Total	96	1,460,838	172,227	21,698	193,925	13.3%	7,630	\$12.11
Summersville / Goose Creek								
Class A	5	461,843	46,414	174,473	220,887	47.8%	9,29	\$14.86
Class B	14	617,614	4,846	-	4,846	0.8%	10,841	\$10.07
Class C	19	274,725	4,764	2,422	7,186	2.6%	1,712	\$10.12
Summersville/Goose Creek Total	38	1,354,182	56,024	176,895	231,783	17.2%	21,852	\$11.16
Upper South Charleston								
Class A	11	377,688	103,333	-	103,333	27.4%	32,113	\$11.88
Class B	14	1,111,004	152,422	-	152,422	13.7%	1,224	\$11.12
Class C	11	344,176	725,114	9,718	734,832	21.3%	16,854	\$10.54
Upper South Charleston Total	36	1,832,868	980,869	9,718	1,001,401	54.5%	50,191	\$11.16
West Ashley								
Class A	5	12,000	11,238	-	11,238	93.6%	2,546	\$12.43
Class B	11	483,547	48,364	-	48,364	10.0%	-	\$10.06
Class C	18	444,271	41,413	-	41,413	9.3%	1,724	\$11.15
West Ashley Total	34	540,818	100,015	-	100,015	18.7%	4,270	\$11.86

SASS & HERRIN | Charleston Q2 2021 Office Report

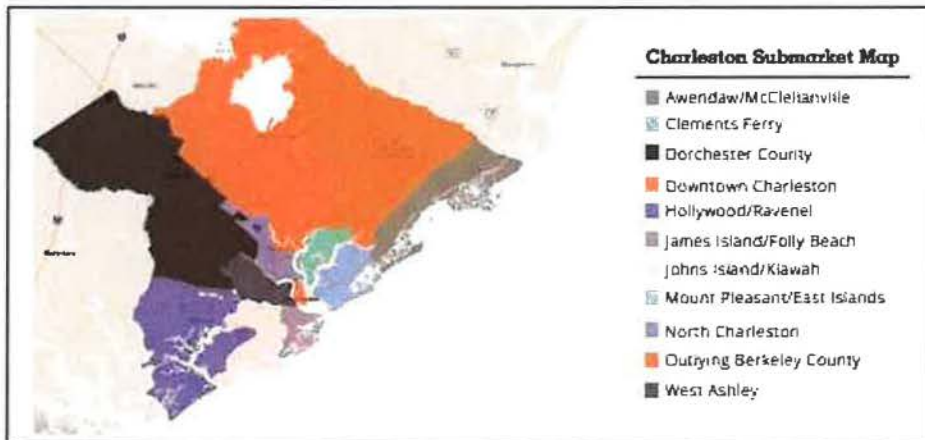
INDUSTRIAL MARKET⁸

Charleston

Industrial Market Report / First Quarter 2021

Market by the numbers

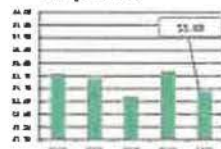
By Submarket	Inventory sf	Vacancy Rate	1Q21 Net Absorption sf	SF Under Construction	Average Asking Rent psf
Awendaw/McClellanville	10,800	-	-	0	-
Clements Ferry	5,026,899	12.2%	(22,178)	16,000	\$6.68
Dorchester County	7,554,192	11.4%	62,474	3,036,200	\$4.71
Downtown Charleston	1,052,121	2.6%	22,435	0	\$13.39
Hollywood/Ravenel	173,974	-	-	0	-
James Island/Folly Beach	447,978	3.5%	3,447	0	\$9.92
Johns Island/Kiawah	471,220	26.8%	18,977	0	-
Mount Pleasant	957,011	10.7%	(775)	0	\$9.89
North Charleston	23,095,520	8.5%	277,053	68,950	\$7.65
Outlying Berkeley County	19,072,926	6.2%	539,641	2,219,759	\$4.73
West Ashley	794,597	1.7%	(213)	0	\$7.98
Orangeburg County	10,934,004	9.8%	(297,380)	165,000	\$3.25



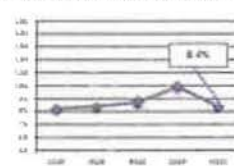
Charleston

Industrial Market Report / First Quarter 2021

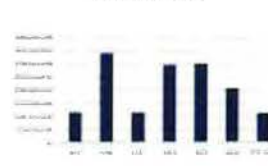
Average asking rental rate
(psf/year/NNN)



Tri-County quarterly vacancy rate



Industrial sales



⁸ https://www.avisonyoung.us/documents/91108/1623317/2021_1_Charleston+Industrial.pdf/19f0ff11-9b95-4d44-97a5-ace7a9ee826b

INDUSTRIAL

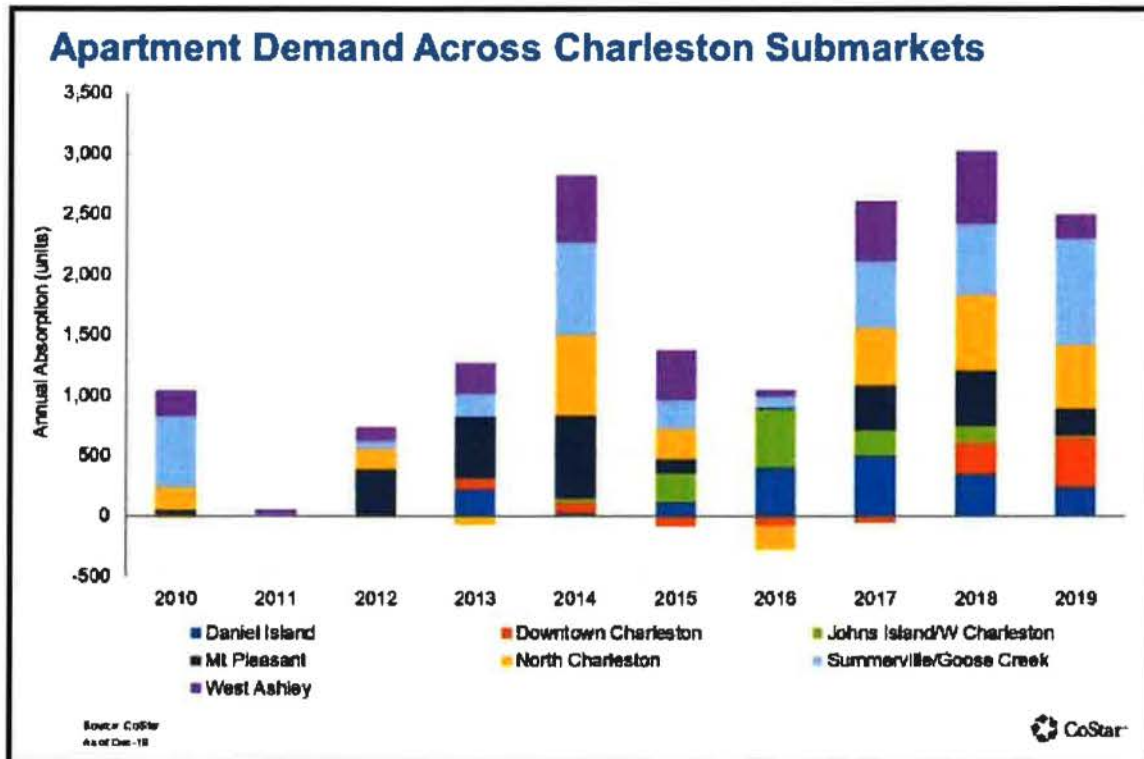
Charleston | Q4 2021 Industrial Market Summary



Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rental Rate (\$/SF/yr)
Berkeley County								
Res./R&D	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Warehouse/Distribution	5	623,638	-	-	-	0.00%	-	-
Berkeley County Total	5	623,638	-	-	-	0.00%	-	-
Chesapeake Ferry								
Res./R&D	9	301,383	33,816	-	33,816	11.20%	-33,816	\$13.18
Manufacturing	9	463,737	-	-	-	0.00%	-	-
Warehouse/Distribution	54	4,217,968	40,703	101,000	141,703	3.41%	75,260	\$11.75
Chesapeake Ferry Total	62	4,982,958	74,519	101,000	177,519	3.56%	41,444	\$12.68
Goose Creek / Moncks Corner								
Res./R&D	9	1,382,951	-	-	-	0.00%	-	-
Manufacturing	13	2,984,567	-	-	-	0.00%	-	-
Warehouse/Distribution	18	2,736,941	-	-	-	0.00%	-	-
Goose Creek/Moncks Corner Total	40	7,104,459	-	-	-	0.00%	-	-
Hanahan / North Charleston								
Res./R&D	1	33,594	-	-	-	0.00%	-	-
Manufacturing	4	432,566	-	-	-	0.00%	-	-
Warehouse/Distribution	21	4,062,839	-	-	-	0.00%	-	-
Hanahan / North Charleston Total	26	4,529,099	-	-	-	0.00%	-	-
North Charleston								
Res./R&D	24	1,080,963	25,197	-	25,197	2.44%	27,584	-
Manufacturing	36	3,513,321	43,617	-	43,617	1.23%	-30,000	\$7.35
Warehouse/Distribution	122	15,894,995	853,280	215,000	1,068,280	6.81%	38,479	\$7.28
North Charleston Total	182	19,489,279	922,104	215,000	1,137,104	5.97%	46,063	\$7.27
Ridgeville								
Res./R&D	-	-	-	-	-	-	-	-
Manufacturing	1	660,000	-	-	-	0.00%	-	-
Warehouse/Distribution	2	3,273,803	-	-	-	-	3,273,803	-
Ridgeville Total	3	3,933,803	-	-	-	0.00%	3,273,803	-
Summerville								
Res./R&D	5	186,127	34,500	-	34,500	17.90%	-11,400	-
Manufacturing	54	4,382,307	-	749,520	749,520	3.96%	388,160	-
Warehouse/Distribution	78	11,819,709	474,000	136,000	610,000	5.16%	2,031,148	\$5.62
Summerville Total	137	16,388,143	508,500	885,520	1,394,020	8.54%	2,387,908	\$5.62
Other Submarkets								
Res./R&D	14	672,710	43,765	-	43,765	6.51%	-56,925	\$15.00
Manufacturing	7	615,138	-	-	-	0.00%	-	-
Warehouse/Distribution	18	710,458	24,800	-	24,800	3.49%	-	-
Other Submarkets Total	39	1,998,306	68,565	-	68,565	3.45%	-56,925	\$15.00
Charleston Overall Market								
Res./R&D	62	3,612,022	127,278	-	127,278	3.52%	-44,588	\$7.51
Manufacturing	106	11,353,024	43,617	749,520	793,137	1.80%	538,160	\$7.95
Warehouse/Distribution	259	43,511,362	1,391,768	454,000	1,845,768	4.29%	5,418,690	\$6.80
Market Total	427	58,476,408	1,562,663	1,203,520	2,766,183	4.73%	5,912,262	\$7.25

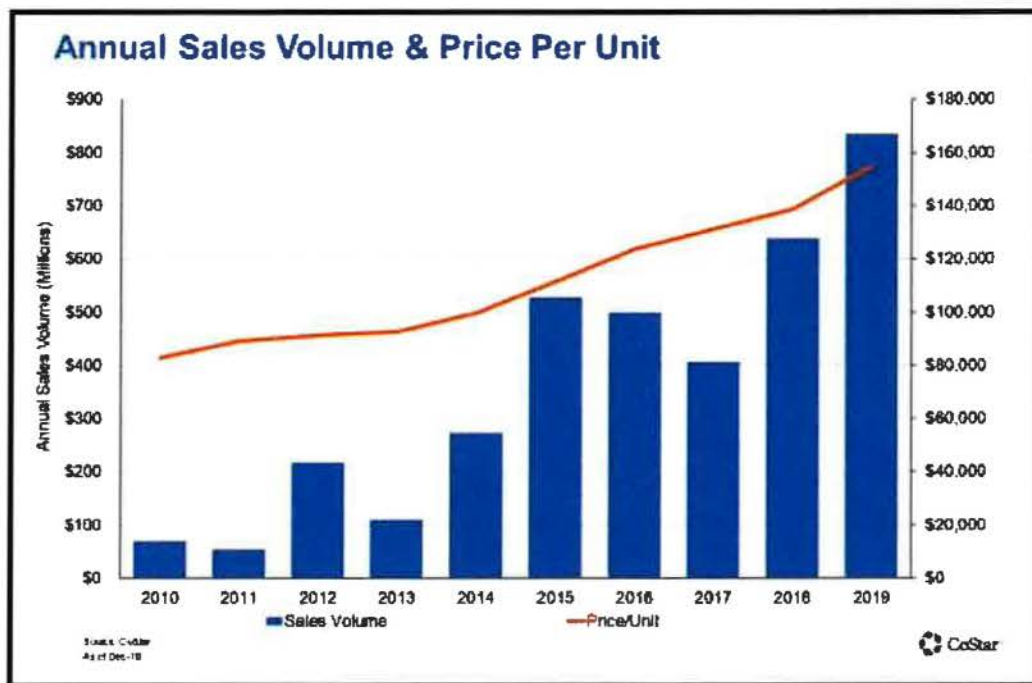
MULTI-FAMILY MARKET

According to new data and information released by CoStar Analytic, the Charleston MSA continues to show strong demand for renters locating in areas near their job. In 2019, more than half of new apartment move-ins were located in the Summerville and Goose Creek submarkets. This is nearly a twenty percent increase from the year before. Estimates show approximately 2,500 new renters for 2019. Below is a breakdown of apartment demand for the Charleston MSA year over year by submarket provided by CoStar Analytic.

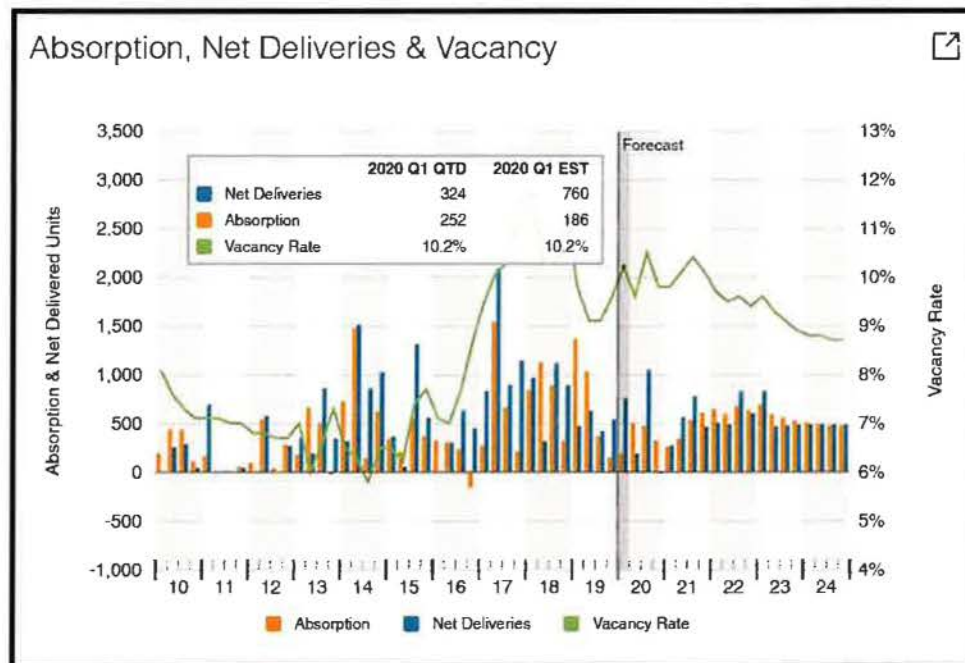


The multi-family market continues to be strong in the Charleston MSA. Supporting this trend is the influx of new residents to the area. Estimates show approximately forty new residents to the tri-county area are accrued daily. Of these, approximately 25% are new births while closer to 75% are new arrivals as adults.

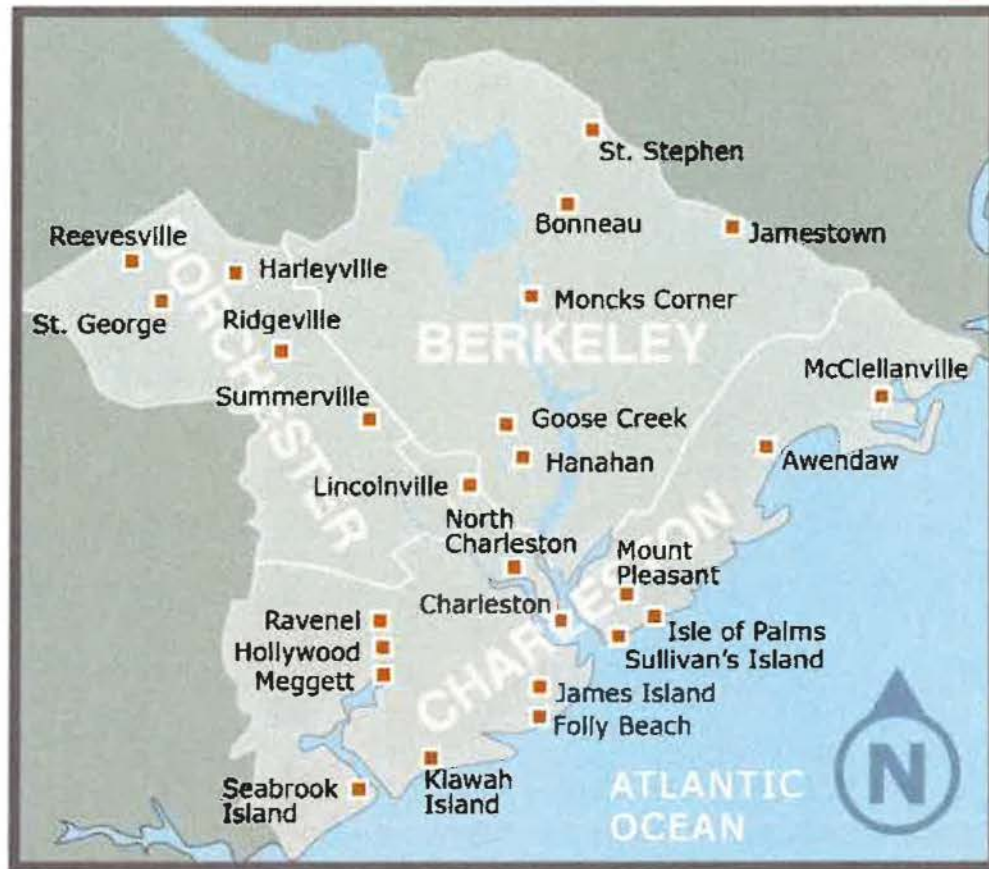
Sales volume for the market exceeded \$800 million in 2019 for a new record. The multi-family supply has increased by 50% since 2010. This is fueled by out-of-state and institutional investors new interest in the Charleston market coupled with strong rental demand by young workers arriving to the area. Below is a diagram that shows year over year sales volume increases with corresponding per unit price average.



Overall the local market is beginning to show signs of stabilization with first quarter 2020 having a slightly lower occupancy, absorption, new inventory and rent growth. This multi-family sector is by far one of the most active commercial property types to rival industrial. Cap rates show signs of stabilizing while sales volume continues to increase. Below is a diagram depicting the relationship of net deliveries by unit, absorption by unit and average vacancy rate for the market.



MAJOR MUNICIPALITIES AND UNINCORPORATED LOCALES



City of Charleston

The City of Charleston, located in Charleston County, was founded in 1670 and is the social and economic hub of the Charleston Metropolitan Area. Perhaps best known for its historic homes and buildings, Charleston is also home to a thriving port, the central business district for the area, and an elite retail market. Over the past 35 years, Charleston has transformed from a quiet Southern city into a world-renowned tourist destination. The city is divided into neighborhoods recognized by their residential boundaries. The area known as South of Broad is one of the most expensive residential real estate markets in the state. Residential sales in this neighborhood often set records for the area. As real estate prices have increased, a pattern of gentrification has spread from the South of Broad area north along the peninsula.

The area along King Street is a shopping district anchored by several high-end national retailers and the Charleston Place hotel. The shopping district extends to Market Street, where the Old City Market is located, and East Bay Street. Charleston is home to many regionally recognized restaurants and is known for fine dining. The City is also home to the College of Charleston, the Citadel, and the Medical University of South Carolina.

The city limits extend into the West Ashley area, to the southwest of the peninsula, and to areas of James and Johns Island.

The West Ashley area is a densely populated area with established neighborhoods dating back to the 1940s and 1950s. Citadel Mall is a regional mall with over 1.4 million square feet near the intersection of Sam Rittenberg Boulevard and I-526. Near Citadel Mall, along Highway 17 S, is what is commonly referred to as the "Savannah Highway Auto Mile," a strip of concentrated automobile dealerships.

James Island

James Island is a mixture of properties incorporated into the City of Charleston, the Town of James Island, and unincorporated Charleston County. The Town of James Island is now operating under its fourth incorporation. The previous three had also been overturned by the courts. The population of James Island has increased dramatically since the completion of the James Island Connector (part of I-526) in 1993. Folly Road is the main thoroughfare through James Island and it connects Highway 17 South and SC Highway 61 with Folly Beach.

Folly Beach is a barrier island that is incorporated as its own town. It is known for the Folly Beach Fishing Pier, at the end of Folly Road, its many vacation homes, and the Morris Island Lighthouse.

Johns Island, Kiawah, and Seabrook

Johns Island is located between James and Edisto Islands and is a rural area influenced by the Stono and Edisto Rivers, the Intracoastal Waterway, and a large expanse of undisturbed salt marsh and oyster beds. Johns Island is the second largest Sea Island on the East Coast. This island, as well as neighboring Wadmalaw and Edisto Islands, is mostly agricultural in character.

Johns Island is connected to James Island via Maybank Highway and to West Ashley via Main Road. Plans have not been finalized regarding the extension of the Mark Clark Expressway (I-526) from Highway 17 at Citadel Mall to connect with the James Island Connector at Folly Road on James Island. Many residents of Johns Island are against the expansion because they feel it will ruin the rural feel of the Island. While there has been much new residential development on the island since 2005, there is currently a glut of vacant land available that needs to be absorbed before new development can take place.

Main Road, which turns into Bohicket Road, connects Johns Island with the resort barrier islands of Kiawah and Seabrook. In the mid 1970's, the development of the resort islands known as Kiawah and Seabrook progressed at a rapid pace. They are both high quality, full scale resort developments. Kiawah Island is world-renowned for its golf courses and real estate. It is home to several celebrities and wealthy businessmen. Kiawah hosted on The Ocean Course the 2007 Senior PGA, the 1991 Ryder Cup, the 1997 and 2003 World Cups, the 2001 UBS Cup and 2005 PGA Professional National Championship. In 2012 Kiawah Island Golf Resort hosted the 94th PGA Championship, only the fourth course to host each of the PGA of America's major championships.

Mt Pleasant

Mt Pleasant is a suburban town in Charleston County to the north of Charleston peninsula. For several years it has been of the state's fastest growing areas. According to the US Census Bureau, Mt Pleasant was the 10th fastest growing city with a population of 50,000, or more, in the US in

2015, and the fastest growing such city east of the Mississippi. Mt Pleasant is the 3rd largest municipality in this metro behind Charleston and North Charleston and is now the fourth largest in the state. This area is also known as "East of the Cooper" and includes the barrier islands of Sullivan's Island and Isle of Palms.

US Highway 17 North is the main thoroughfare through Mt Pleasant. In 2005 the Arthur Ravenel Bridge, an eight-lane cable-stay bridge, was completed connecting Mt Pleasant with Downtown Charleston and Interstate 26 and replaced two obsolete cantilever truss bridges. At the foot of the Arthur Ravenel Bridge is Patriot's Point, a naval and maritime museum, home to the World War II aircraft carrier USS Yorktown, which is now a museum ship. There are also plans to construct the National Medal of Honor Museum at Patriots Point.

The South Carolina State Ports Authority Wando Welch Terminal is located at the end of Long Point Road. This is one of the busiest and most modern container ports in the world and a number of ships call here daily. The location of the port terminal is enhanced by its location approximately one-half mile west of the intersection of Long Point Road and Interstate 526.

The Town of Mt Pleasant now extends north along Highway 17 past SC Highway 41. Large residential developments in this area include Dunes West, Rivertowne, Park West, and Carolina Park. The Isle of Palms connector links Mt Pleasant with the Isle of Palms near the north end of town. Near this intersection is Mt Pleasant Towne Centre, an upscale shopping center with over 65 national and local tenants.

Sullivan's Island is accessible via the Ben Sawyer Bridge from Coleman Boulevard or the southern end of Isle of Palms. It is home to such landmarks as Ft. Moultrie and the Sullivan's Island Lighthouse. Sullivan's Island is an elite residential barrier island with many multi-million-dollar beachfront homes.

To the north of Sullivan's Island is the Isle of Palms which is approximately six miles long and one mile wide. Most of the island is developed with single family homes. There is a commercial district located near the intersection of Palm Boulevard and SC Highway 517 (the IOP Connector). Located at the north end of the island is the gated community of Wild Dunes. This community has numerous condominium units and single-family residences. There are two championship golf courses in the community.

North Charleston

North Charleston is located north of the City of Charleston. The majority of North Charleston is located in Charleston County, but some northern portions are in Dorchester County. The city of North Charleston was incorporated as a town in 1972. There are many reasons why the city of North Charleston has experienced excellent growth since its incorporation: its proximity to the City of Charleston, two railroads, a modern port facility, international airport, Interstates 26 and 526, and large employment centers.

For many years, the Charleston Naval Base dominated the economy of North Charleston and the Charleston MSA as a whole. It was closed in 1996 and the ships were sold, scrapped, or moved to other bases. While the closure threatened the local economy, predictions of financial disaster

did not come true, and the base is now being managed by the Redevelopment Authority with both governmental and private enterprise companies occupying many of the buildings. The most northern portion of the property was made into a park. The Noisette Project is an ambitious urban redevelopment project that will include 3,000 acres 380 of which are part of the Charleston Naval Complex. The plans include environmental restoration, expansion of parks and recreation, and improvements to infrastructure. Included in the plan are 4,000 new housing units and 5,000 rehabilitated housing units along with five million square feet of retail, industrial, and commercial space. The project was scheduled to take over a dozen years to complete and cost well over a billion dollars; however, the developer ran into financial difficulties and the project is now on hold.

North Charleston has become one of the premier retail and shopping areas for the surrounding counties. This is due to its centralized location and access from major traffic arteries. Interstate 26, an east to west interstate highway, travels through the heart of the city of North Charleston. In addition, Highway 52 parallels I-26 through much of North Charleston. In 1992, a major portion of Interstate 526, known locally as the Mark Clark Expressway, was completed. The highway is a beltway around the greater Charleston area that begins at its intersection with US Highway 17 South (Savannah Highway) in the West Ashley area of the city of Charleston, travels east through the city of North Charleston, spans the Ashley, Cooper and Wando Rivers and ends in the town of Mt. Pleasant.

Major retail centers in North Charleston include Northwoods Mall (near Highway 52, I-26, and Ashley Phosphate Road) and the Centre Pointe development (near I-26, West Montague Avenue, and I-526) which includes Tanger Outlets, Sam's Wholesale, the North Charleston Coliseum, and the North Charleston Performing Arts Center. Centre Pointe was originally envisioned as the new center of North Charleston. At the intersection of I-26 and Highway 78, there is a medical center anchored by Trident Hospital. Across the interstate is the Ingleside development, which will be anchored by a Bass Pro Shop.

The Boeing Company constructed a 584,000 square foot building at its Charleston International Airport property and the first locally made 787 Dreamliner was completed in April 2012. State lawmakers approved \$450 million in financial incentives to lure Boeing to North Charleston. This was a major announcement for the Charleston region as over 6,000 jobs have been created. In 2013, the State of South Carolina agreed to provide \$120 million dollars to allow Boeing to purchase additional land around the airport to expand their facilities and to provide interstate improvements to I-26 in exchange for 2,000 additional high paying technical jobs to be located in North Charleston. Charleston County also agreed to spend \$90 million dollars for road improvements around the airport. Additional companies have located to the region to be part of the production line.

More industrial development in the area is taking place along Palmetto Commerce Parkway. Companies include Cummins Turbo Diesel, which invested \$19.5 million and added 76 jobs at its Palmetto Commerce site, Morgan Olson, a maker of walk-in cargo bodies and other components for vans and trucks, Webber Automotive, the Boeing interiors plant, TIGHTCO composites plant, and the Charleston County consolidated 9-1-1 Call Center and Emergency Operations Center on Palmetto Commerce Parkway. On March 6, 2015, Daimler Chrysler announced they would expand

their current van assembly plant into a complete assembly location. This is a huge announcement bringing 1,300 new manufacturing jobs and a \$500 million-dollar capital investment.

Summerville

Summerville is located in the southern sections of Dorchester County and Berkeley County, approximately 23 miles northwest of Charleston. Because Summerville is close to Charleston and has good access to the Charleston area by Interstate 26, it is effectively a suburb of Charleston. The Summerville area has become a popular place to live. The major attractions seem to be a small-town atmosphere, good schools, and proximity to Charleston.

At the eastern end of Summerville is Carnes Crossroads, where US Highway 17-A and US Highway 176 intersect. Three large developments are underway in this area. They are Nexton, Carnes Crossroads, and Cane Bay. A fourth tract known as the Wildcat Tract is being folded into Cane Bay for additional homes. These communities are planned for approximately 30,000 residences and commercial spaces to add to the county's tax base. A new interchange on Sheep Island Road and I-526 was recently completed to ease the traffic congestion in the area.

On the west side of Interstate 26 along Highway 17-A (N Main Street) in Summerville is a major retail center known as Azalea Square. It is anchored by Target and Kohls with junior anchors of Best Buy, Dicks Sporting Goods, TJ Maxx, Ross Dress for Less, and PetSmart. Across N Main Street is North Main Market Shopping Center. This is anchored by a Wal-Mart Super Center and a Lowes Home Improvement store. The junior anchors include Belk Department Store and Joann Fabrics and Crafts. There are several automobile dealerships in this area as well.

Volvo recently constructed a \$500 million high-tech factory in rural Berkeley County on the outskirts of Summerville. It started producing vehicles in 2018. In 2020, they announced that they plan to spend an additional \$600 million investment to include a second production line and a training center. The project is expected to eventually create over 4,000 new jobs.

Hanahan

Hanahan is located east of North Charleston and south of Goose Creek in Berkeley County. Although the city is considered a bedroom community, it has growing business and commercial districts with companies such as FedEx Ground and the Space and Naval Warfare (SPAWAR) Systems Center among others.

Goose Creek

Goose Creek is located north of the City of North Charleston in Berkeley County. The Goose Creek economy was historically driven by its proximity to Charleston's naval facilities, and the employment and shopping centers of North Charleston. Since most of the area's Naval facilities have been phased out, there have been several new commercial developments in Goose Creek.

Major employers include the Naval Weapons Station, Alcoa, Quozel, and JW Aluminum. Google Inc. purchased a 518-acre tract in the Mt. Holly Commerce Park. They constructed a \$600 million data center. The center employs approximately 200 workers.

Moncks Corner

Moncks Corner is the county seat of Berkeley County. It is located along Highway 52 near Lake Moultrie. In recent years, there has been clustered commercial development at the north end of Moncks Corner at the intersection of US Highway 52 Business and Bypass. This area has become a new commercial district for the Town of Moncks Corner. This new development was enhanced by the development of a Super Wal-Mart.

IMMEDIATE SUBJECT NEIGHBORHOOD

The subject property is located on Highway 78 and N Railroad Avenue in the Ridgeville area of Dorchester County. This is a fast-growing area in the Charleston MSA.

A lot of industrial development is occurring in this area on larger parcels with good access to I-26. Camp Hall is one of the larger industrial parks in this area and is located on the other side of Interstate 26 in Ridgeville. This is where Volvo recently constructed the first North American manufacturing facility. This facility will have around 4,000 jobs and will be the production home of the S60 sedan and the XC90 SUV.

Master Plan



A 615,000 square foot Piggly Wiggly distribution center is located off the Jedburg interchange on I-26. It was constructed in 1999. In the ensuing years, several other industrial buildings were constructed in this area. After the sale of local Piggly Wiggly grocery stores, the distribution center closed in 2014. It has since been leased by ARGO Merchant Group

Eastport and McQueen Industrial Parks were developed on Jedburg Road closer to Highway 78, just southeast of the subject.

An assemblage of approximately 750 acres south of the former Piggly Wiggly distribution facility was planned as the Charleston Trade Center. Before the 2008 recession, it was planned for 9 million square feet of industrial space and some retail along Sheep Island Road. This development was stagnant until recently when the Keith Corporation purchased approximately 160 acres of the tract. This tract will include up to 2,900,000 square feet of industrial space. Several large industrial buildings have been constructed on this tract totaling approximately 740,000 square feet. A map of the Keith Corporation's Charleston Trade Center is below.



The other portion of the original 750-acre tract of the Charleston Trade Center was purchased by a local investor with plans for a future industrial park. A new interchange along Sheep Island Road and I-26 was recently completed increasing the access of this property to I-26.

Across I-26, are two industrial parks known as Omni Industrial Campus and Rockefeller Group-MWV FTZ. Omni Industrial Park is a master planned Class-A Industrial Park located on Drop Off Drive. Originally planned by The Trammell Crow Company and is now being developed by Westrock Industrial Properties, the park will accommodate up to 2.7 million SF. Build to suit options also exist.



Rockefeller Group Development, in a joint venture with Westrock Industrial Properties, has begun development on a 2,700,000 square foot project along Interstate 26 at mile marker 196. The anchor 1,100,000 square foot building is occupied by TBC and sold in February 2011 for \$49,000,000. Most recently a 477,000 square foot distribution center for Gerber Childrenswear, LLC was constructed in the park.



A Pilot Travel Center also constructed a new truck stop, gas station and convenience store at the Jedburg Road interchange of I-26. The travel plaza was constructed on a 44-acre tract.

East Edisto is a large development occurring on the timberlands of the former MeadWestvaco. The development encompasses over 72,000 acres stretching between the Ravenel area in Charleston County to the Summerville and Jedburg areas of Dorchester County. The denser developments are occurring near Summerville.

Nexton is another large master planned development on a 4,500-acre tract. It is permitted for more than 13,000 homes and commercial properties. Carnes Crossroads is permitted for more than 5,000 homes, Cane Bay is permitted for approximately 10,000 homes; and the Wildcat Tract is approved for over 5,000 homes.

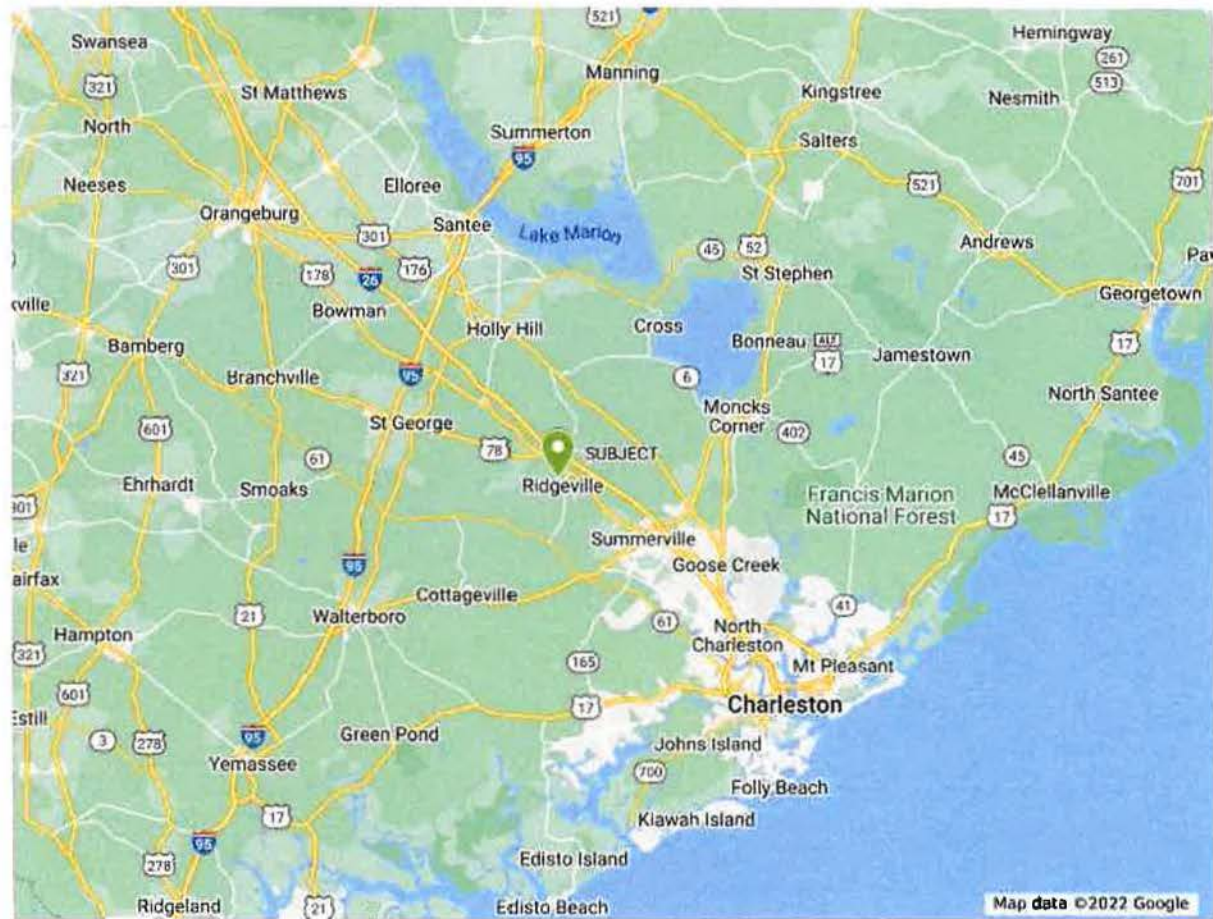
As noted, this is a growing area, and we expect this trend to continue.

REGION MAP

Ridgeville Industrial Campus

SUBJECT

📍 SUBJECT

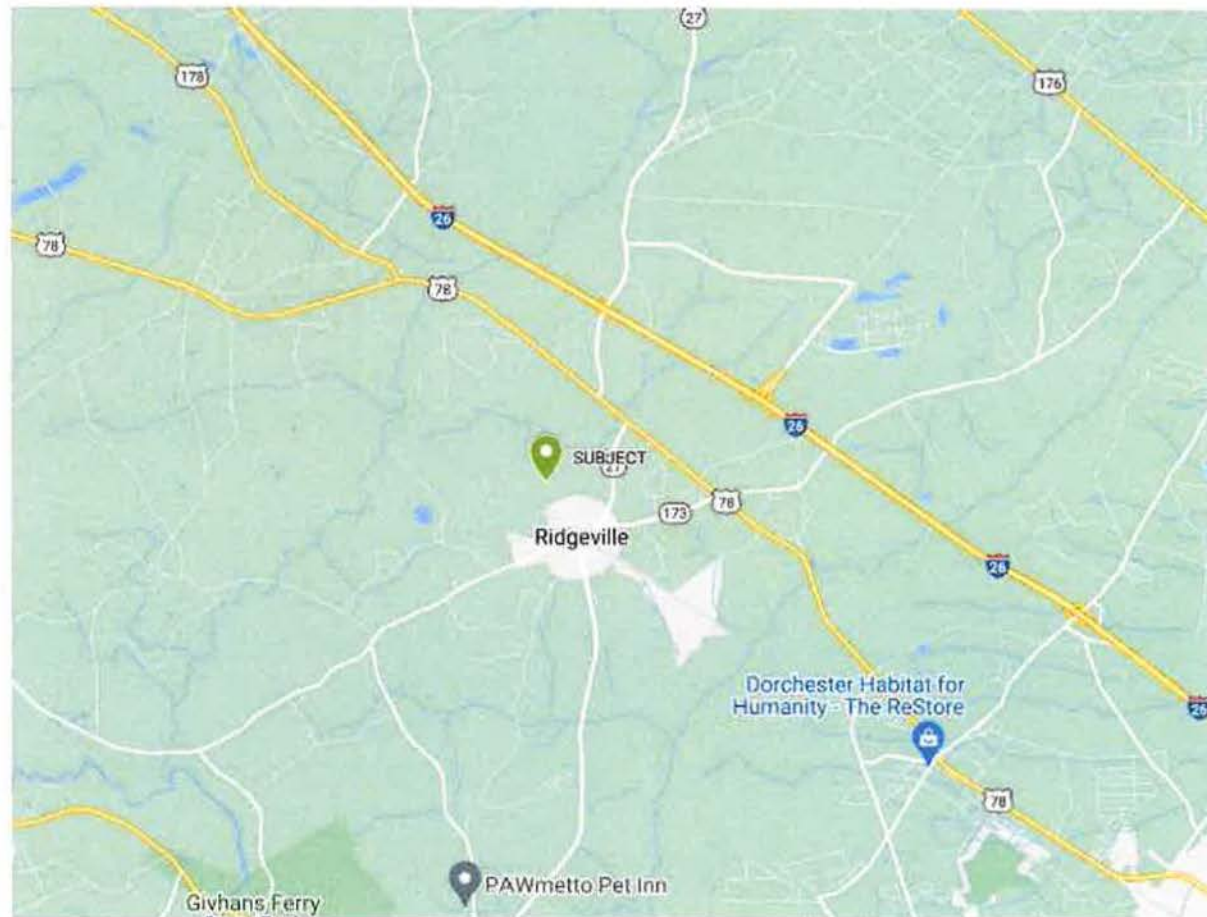


NEIGHBORHOOD MAP

Ridgeville Industrial Campus

SUBJECT

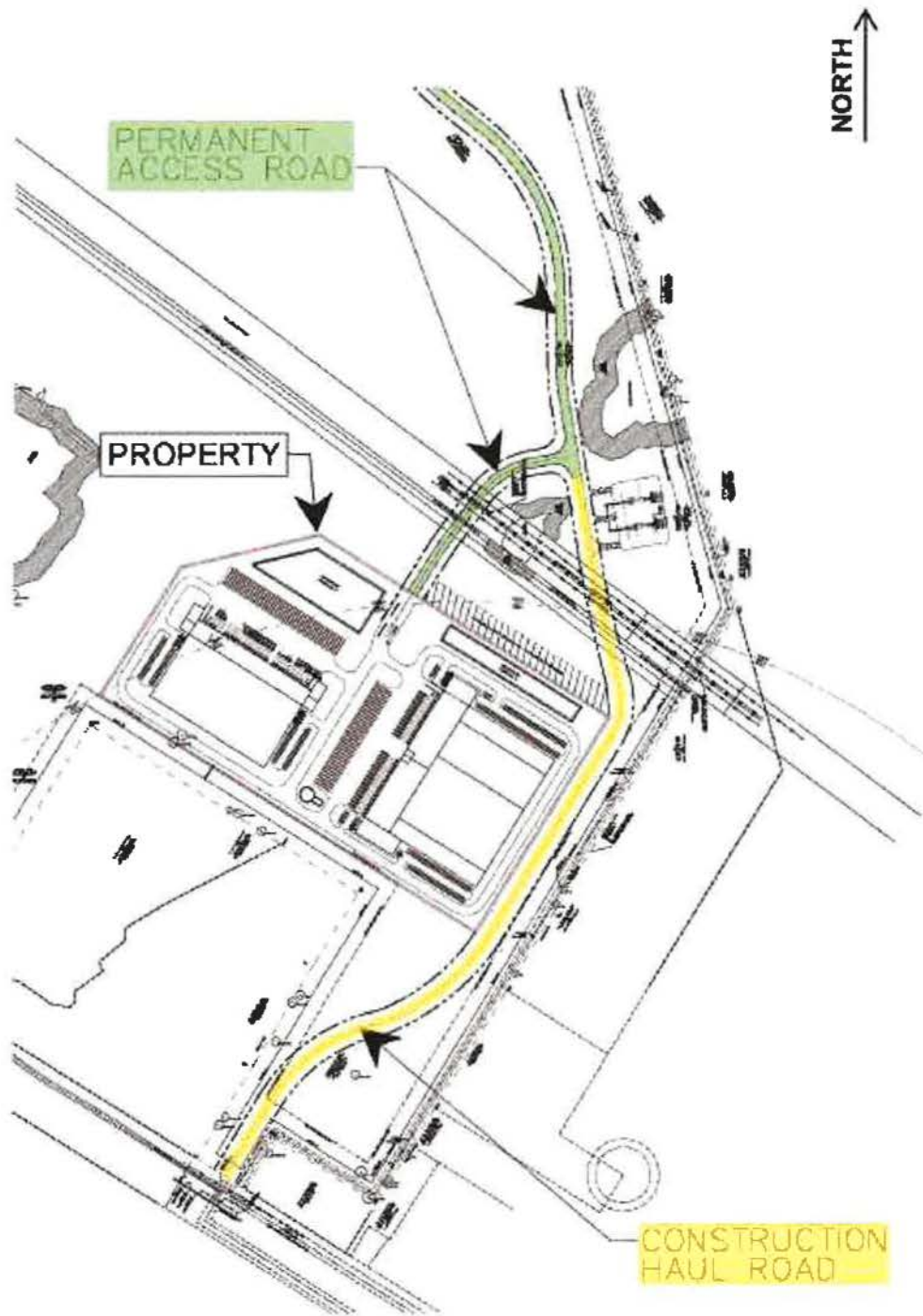
 SUBJECT



SITE DESCRIPTION

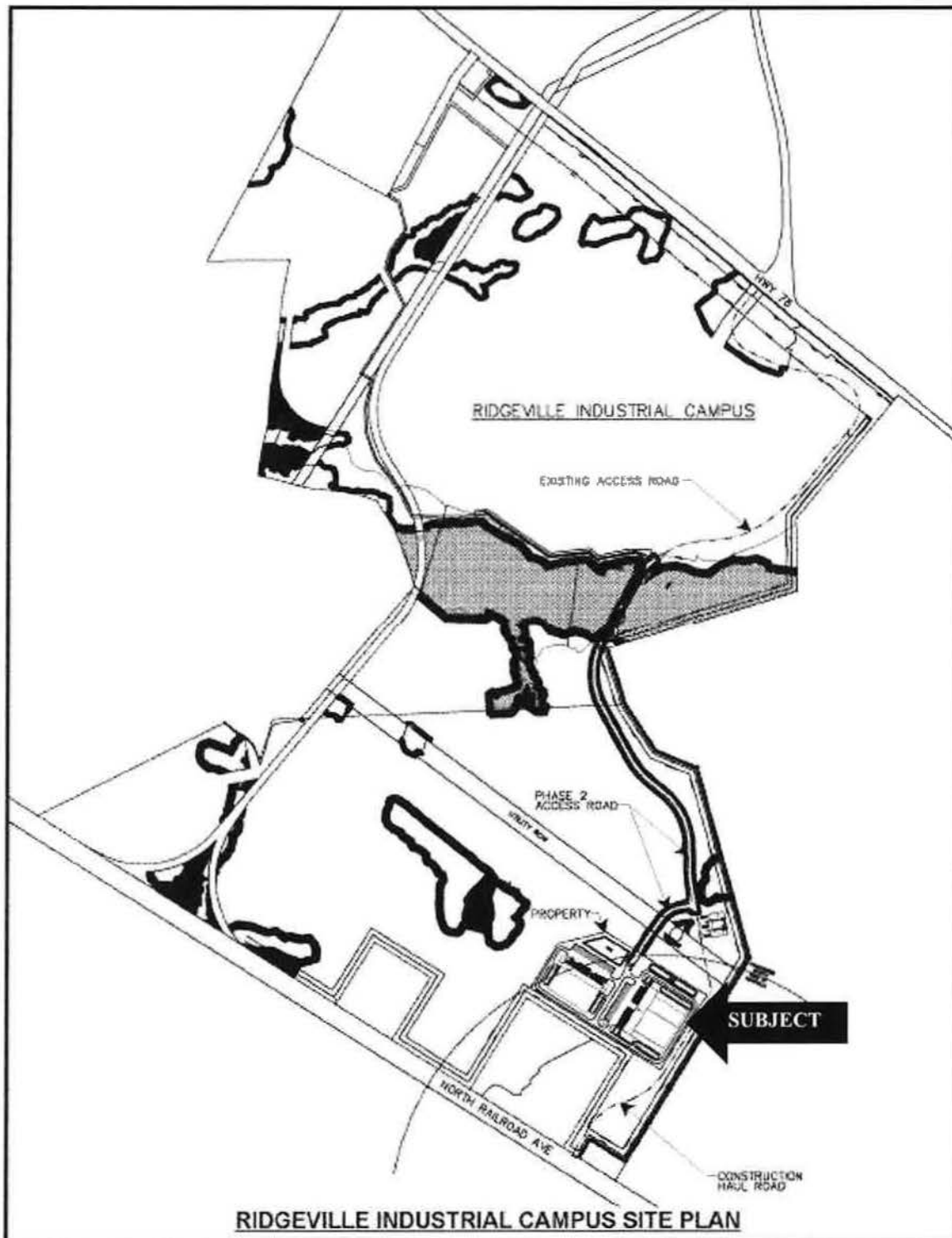
LOCATION	Highway 78, Ridgeville area of Dorchester County, South Carolina
ACCESS	<p>The subject industrial park has access from Highway 78 at the intersection with Highway 27 and on N Railroad Avenue at the rear. Highway 78 is a major thoroughfare in the area running from Charleston to the east to Aiken County to the west. Highway 27 runs from Givhans in Dorchester County to Holly Hill in Berkeley County. This road connects the subject property with Interstate 26. Both roads are two laned, asphalt paved; however, there are recent reports that the roads will be widened to 5-lanes each from Summerville to Interstate 26.</p> <p>N Railroad Avenue is an unpaved road along the railroad line at the rear of the property.</p> <p>There is a planned access road through the industrial park from Highway 78 to the subject property.</p>
AREA	I was provided with a site plan showing the subject property. The site plan does not include the site size; however, according to Mr. Phillip Padgett, the subject property is 30.0-acres. I have utilized this amount to complete this appraisal. Should a subsequent survey indicate a differing size amount, my appraised value will need adjusting.
EASEMENTS	None shown on the subject 30.0-acres.
ENCROACHMENTS	None evident
FLOOD ZONE	FEMA Flood Zone X Map Number 45035C0305E Map Revised: July 18, 2017
ZONING	I, Industrial (Dorchester County)
TOPOGRAPHY	Mostly High. The tract is wooded with pine trees.
UTILITIES	Based on the hypothetical condition that all utilities are extended to the subject tract.
SITE IMPROVEMENTS	The subject tract is vacant. No improvements are considered in this appraisal.
SITE SUITABILITY	With good access to Highway 78 and close to Interstate 26, the site is suitable for industrial uses.

SITE PLAN

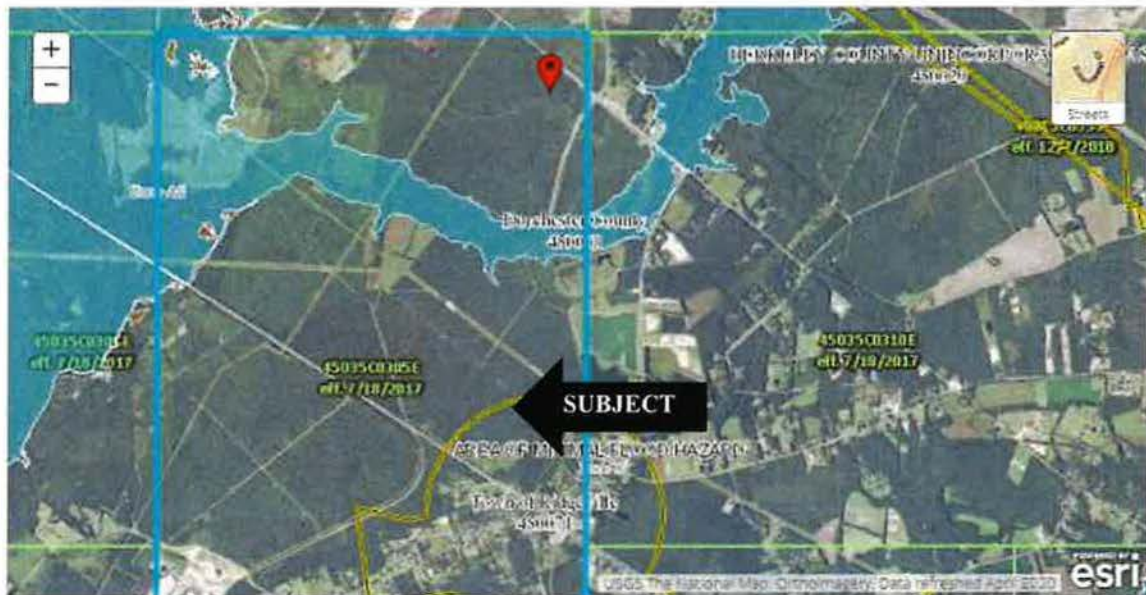


COLD STORAGE FACILITY SITE PLAN

RIDGEVILLE INDUSTRIAL CAMPUS SITE PLAN



FLOOD MAP





**Entrance to Ridgeville
Industrial Campus at
Highway 78 and Highway
27 Intersection**



Signage at the Entrance



N Railroad Avenue



**Interior Road into the
Rear of the Campus**

PROPERTY TAX ANALYSIS

Property other than owner-occupied, single-family residences are assessed at 6%. The subject properties are owned by the South Carolina State Ports Authority. This is a governmental entity and is exempt from property taxes.

In 2006, the citizens of South Carolina approved a change in the property tax laws to reduce taxes for owner occupied homes. The change set a maximum of 15% increase in property value for tax purposes every five years. If a property is sold or transferred, or subject to a lease of greater than 19 years, that triggers a new appraised value for real estate for tax purposes at market value. This can substantially increase taxes for the new owner or the tenant if the taxes are passed through.

In mid-2011 the South Carolina State Legislature passed a revision to the tax law which changes how it operates. The legislation creates a 25% discount for commercial point-of-sale values (including second homes). The discount cannot reduce a tax value to less than it had been, but the total assessment could be reduced if the property declined in value. Many analysts feel this will be a boost to commercial real estate sales.



If all or a portion of the subject property is sold to another entity that is not tax exempt, property taxes would apply.

ZONING

According to the Dorchester County Geographic Information Service (GIS), the subject properties are zoned I, Industrial District. Allowable uses in this zoning district include; residential, multi-family, retail and wholesale business, professional services, office services, transportation, manufacturing, and manufacturing services, outdoor storage, community services, open space and mini-warehouse. The I, Industrial District is defined by the Dorchester County Zoning Ordinances as follows:

Section 7.10 I, Industrial District

7.10.1 Statement of Intent

The intent of this district is:

- (a) To provide for concentrated areas within the county, sufficiently removed from residential development, where the mechanical or chemical transformation of organic or inorganic substances into new products may take place;
- (b) To reserve and protect primary sites suitable for future economic and industrial development; and
- (c) To protect the viability of existing industrial development by ensuring adequate separation and buffering from future residential development.

7.10.2 District Size and Location

Industrial (I) Districts shall principally be mapped in areas of the County designated for Economic Development on the adopted Future Land Use map in the Dorchester County Comprehensive plan. I districts may also be mapped in areas of the County designated as Suburban, provided that the parcel(s) proposed for this district abut(s) an existing industrial use, zoned for industry. I districts shall be located with access to, but not directly abutting or fronting on, major collectors or arterials in the County. In considering whether to approve a request for rezoning to the I district, strong consideration shall be given to whether the parcel has access to an arterial road leading directly to an interstate.

When mapped, an I district approved for creation after adoption of this ordinance shall be no less than 50 and no more than 100 acres in total land area, except that

incremental and contiguous additions of parcels no less than five (5) acres to existing I zoned areas shall be considered for approval.

7.10.3 Use Groups Permitted

I

No.	Name
1(c),(d)	Agriculture
9	Business, Secondary Retail
10	Business, Convenience Retail
11(a)	Business, Communication
12	Business, Wholesale
15(d)	Professional Services
17	Business, General Services
19	Transportation
20	Manufacturing
21	Manufacturing Services
23(d)	Utilities
24(a),(b)	Community Services
25	Open Space
Accessory Uses:	Accessory Structures

7.10.4 Conditional Uses

The following uses may be permitted in the I zoning district provided they conform to the performance standards or conditions listed for each in Section 10.4.

Use Group No.	Group Name
11(b)	Business, Communications.
13(b)	Business, Recreation
14(b)	Business, Personal Services (must comply with 10.4.17)
22	Outdoor Storage Uses
23(a),(b),(c)	Utilities

Accessory Uses:	Accessory Dwelling Unit for the provision of housing property caretakers, security personnel, managers, or other persons whose physical proximity to the principal use is reasonably required during hours the principal use is not in operation. (15)(a),(b),(c),(e): Professional Services provided that such use is supportive and complementary to the principal use of the lot and occupies no more than five percent (5%) of the total lot area on which it is located
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7.10.5 Ancillary Uses

The following uses shall be permitted in an approved I district to serve employees and clients of the principal uses permitted provided they are located with a clearly incidental and subordinate orientation towards the permitted principal uses of the district and do not comprise more than fifteen percent (15%) of the aggregate area of the land area of the individual I district in which they propose to locate:

Use Group No.	Group Name
7(c)	Business, Accommodation and Food Services
16	Business, Office Services
18	Business, Quick Stop Services

7.10.6 Lot and Building Requirements

- (a) Lots zoned I for development of heavy industrial uses shall be a minimum of five (5) acres in size.
- (b) All lots shall be a minimum of 200 feet in width.
- (c) Minimum Yards

Front yard	50 feet
Side yard	25feet
Rear yard	50 feet, except where such property is adjacent to a railroad right of way and written approval from the railroad authorities has been obtained to utilize a railroad spur for loading and unloading.

The above yard requirements may be increased to provide required buffer yards between properties of differing land uses and/or zoning districts as specified in Article XIII.

(d) Height Limitations

There are no generic height limitations for these uses. However, the developer must provide the Zoning Administrator with certification from the appropriate provider of fire protection service showing that such entity has the capability to provide adequate fire protection service to the structure(s) in question; or must certify to the Zoning Administrator that the developer, owner or operator of the facility has such capability.

7.10.7 Maximum Impervious Surface

No more than 80% of the gross acreage of a tract in this district shall be covered by impervious surfaces provided that this requirement will be superseded by specific development guidelines adopted by Dorchester County.

7.10.8 Accessory Uses

Accessory structures are permitted in the rear and side yards of the parcel, provided that no structure is located within 15 feet of the property lines.

7.10.9 General Performance Standards

- (a) No storage of any kind may be located within the required front yard.
- (b) Primary access and vehicular traffic through the I district impacting residential neighborhoods shall not be permitted. Streets serving the development shall not be connected with streets outside the district in such a way that encourages the use of such minor streets by through and construction traffic.
- (c) Industry operators shall ensure that no uses within a nearby residentially zoned district are impacted by noise levels beyond those permitted under Section 13.1 of this ordinance.
- (d) No industrial use shall produce vibration levels at any residential property line.
- (e) No industrial use shall produce noxious or nuisance-oriented emissions that impact nearby residential neighborhoods.

HIGHEST AND BEST USE

The four basic economic principles of supply and demand, substitution, balance and conformity are considered to be the basic tools of analyzing the relationship between economic trends and an appraisal. An understanding of market behavior developed through market analysis is essential to determine highest and best use. Market forces create market value. For this reason, the analysis of highest and best use is very important. When the purpose of an appraisal is to estimate market value, a highest and best use analysis identifies the most profitable, competitive use to which a property can be used.

Highest and best use is defined as:

*"The reasonably probable use of property that results in the highest value."*⁹

An analysis to the highest and best use of the land should be made first and may be influenced by many factors, several of which are as follows:

1. Legally Permissible uses "conform to the land's current zoning classification and local building codes along with any other relevant regulatory or contractual restrictions on land use."
2. Physically Possible land uses "are not unworkable due to some limiting physical characteristic of the land such as inadequate site size, odd shape, irregular topography, or poor soil quality."
3. Financially Feasible uses "must be able to produce a positive return to the land after considering risk and all costs to create and maintain the use."
4. The Maximally Productive use "is the use that produces the highest residual land value, all else being equal."

The highest and best use must meet these criteria or be *reasonably probable to render it so*.

AS VACANT

Legally Permissible

The assembled subject tract is zoned I, Industrial by Dorchester County and makes up the Ridgeville Commerce Park. This zoning encourages development of industrial and/or office to promote commerce in this area of the County. Lots for heavy industrial use must be a minimum of 5-acres. Minimum setbacks/yards are 50' in the front; 25' on the side; and 50' on the rear except where such property is adjacent to a railroad right of way. There are no height limitations and no more than 80% of the gross acreage shall be covered with pervious surfaces. I am unaware of any private restrictions hindering the subject tract.

Physically Possible

The subject tract is 30.0-acres and is all developable highland. The tract will have good access from the industrial parks access road to Highway 78 and Highway 27 and is in proximity to Interstate 26. Although the access road and infrastructure have not been extended throughout the tract, I was asked to appraise the property as if they were already at the 30-acre tract.

⁹ The Appraisal of Real Estate, 14th Ed. (Chicago, Illinois: Appraisal Institute, 2013), pages 332-345

Financially Feasible

The subject tract is located in the Ridgeville area of Dorchester County, north of the Town of Summerville. As Charleston and Summerville grow, there is more growth pressure on the Ridgeville area. Several large-scale master planned developments are occurring south of the subject. Most recently, Wal-Mart constructed a 3 million square foot distribution facility at the entrance to the Ridgeville Industrial Campus on a 240.3-acre tract.

Many large tracts between Jedburg Road and Sheep Island Road are being developed or considered for industrial development. Just across Interstate 26 from the subject, Volvo has an automobile manufacturing facility that was recently constructed in Ridgeville.

This area is characterized by large acreage tracts and several large industrial developments. Most of the surrounding properties are large acreage timber tracts or single-family home sites along the road frontage. Some tracts are being purchased for speculative residential development with a few already underway.

The industrial park where the subject is located is only 1.1 miles from the Highway 27 and Interstate 26 interchange. Highway 78 runs parallel to Interstate 26. Highway 78 and Highway 27 are planned to be widened to 5-lanes each from Summerville to Interstate 26. This will increase the access to the subject site.

Maximally Productive

Based upon the legally permissible, physically possible and financially feasible uses of the subject tract, it is my conclusion that the maximally productive highest and best use of the subject tract as vacant would be for industrial development. There is demand now for sites like the subject; however, the timing may depend on the demand. The most likely buyer is an investor or end user with the intent of developing an industrial building.

THE APPRAISAL PROCESS

In the foregoing sections of this report, we have examined and discussed the subject property. To arrive at an estimate of market value, it is necessary to collect and analyze all available data in the market, which might tend to indicate the value of the subject property. The subject property must be compared to similar properties which can be constructed, assembled, or purchased, or from which a similar monetary return may be received.

Each of the three approaches to value requires data collection from the market and each are governed equally by the principle of substitution. This principle holds that:

*"When several similar or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution. This principal assumes rational, prudent market behavior with no undue cost due to delay. According to the principal of substitution, a buyer will not pay more for one property than for another that is equally desirable."*⁶

The Sales Comparison Approach is defined as:

*"The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison."*⁷

In the Income Capitalization Approach:

*"An appraiser analyzes the property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principal of anticipation is fundamental to the approach. Techniques and procedures from this approach are used to analyze comparable sales dates and to measure obsolescence in the Cost Approach."*⁸

Like the Sales Comparison and Income Capitalization Approaches, the Cost Approach to value is based on comparison.

*"In the cost approach, a property is valued based on a comparison with the cost to build a new or substitute property. The cost estimate is adjusted for the depreciation evident in the existing property."*⁹

Because the subject property is vacant land, I have utilized only the sales comparison approach to value.

⁶ "Foundations of Appraisal", The Appraisal of Real Estate, (Chicago: Appraisal Institute, 2013, 14th Edition), page 30.

⁷ "The Sales Comparison Approach", The Appraisal of Real Estate, (Chicago: Appraisal Institute, 2013, 14th Edition), page 377.

⁸ "The Income Capitalization Approach", The Appraisal of Real Estate, (Chicago: Appraisal Institute, 2013, 14th Edition), page 440.

⁹ "The Cost Approach", The Appraisal of Real Estate, (Chicago: Appraisal Institute, 2013, 14th Edition), page 562.

SITE VALUATION

The mechanics of this approach involve the utilization of recent sales of unimproved properties to compare to the subject property. These sales should be similar in character and as near to the subject property as possible to make comparisons credible. An inspection of each property is also necessary for accurate comparisons to the subject.

The first step in the Sales Comparison Analysis is to determine the unit of comparison needed to properly analyze the comparable sales. The unit of comparison depends upon the appraisal problem. Most properties can be analyzed with several units of comparison. The most commonly utilized units of comparison are price per acre, per square foot, price per room, price per unit, and income multipliers. *The unit utilized to appraise the subject tract is the price per usable acre.*

Elements of comparison to be considered include property rights conveyed, financing, terms, conditions of sale, date of sale, location, and physical characteristics. Participants in the market consider these, and other, factors when purchasing vacant land.

In comparing the subject tract to sites that have sold, are selling, or are available for sale in the market, knowledgeable buyers and sellers would rate the sales either superior or inferior to the subject. They would then determine where the subject falls in comparison with other sites in the market. This would typically be the determining factor for negotiated sales price.

In order to reflect how the market determines sales price for a vacant site, I have rated the elements of comparison for each comparable sale on a scale of -5 to +5. This is done after any necessary adjustments for market conditions (time) and size adjustments. The scale used for comparison is shown below.

Rating	Comparison to Subject
-5	Very Inferior
-4	
-3	Inferior
-2	
-1	Slightly Inferior
0	Similar
+1	Slightly Superior
+2	
+3	Superior
+4	
+5	Very Superior

The elements of comparison are weighted based on importance to the typical purchaser in this market. The weighted ratings for each element of comparison are then averaged to arrive at a relative comparison rating for each sale to the subject. *The sales with relative ratings closest to zero are deemed most comparable to the subject. Sales with a relative rating less than zero are inferior to the subject, and those greater than zero are superior.*

This mirrors activity in a properly functioning market, where inferior properties sell for less, and superior properties sell for more. A table showing where the subject falls, in comparison to the comparable sales is included, along with a description of each sale.

The elements of comparison considered in this report are:

Market Conditions (Time)

As market conditions change, so do property values. When an adjustment for changing market conditions can be supported by market data, it is prudent to include one. However, in this case, I was unable to support an adjustment for market conditions.

Size

Typically, industrial tracts in industrial parks sell for a certain amount per acre no matter the size. The tracts range from 10-acres to over 100-acres. Therefore, I have not made a size adjustment in this analysis.

Location

Location is the primary concern of investors and end users of vacant development tracts. When comparing one tract to others that have sold or are available for sale, a purchaser would give strong consideration to variations in location. Therefore, I have given greatest weight to the location of the comparables in comparison with the subject. Factors affecting how the market perceives the location of a site can include proximity to:

- Existing or proposed residential neighborhoods
- Existing or proposed commercial development
- Road and interstate systems
- Suppliers or processors of production needs
- Recreational and cultural facilities
- Other facilities specific to a user's needs

Zoning

Zoning is a consideration secondary to location. The zoning shapes the density and overall plan of proposed development tracts.

Utilities

Availability of utilities is also an important factor when developers consider development tracts.

Site Utility/Shape

Site utility includes factors such as shape and topography, as well as any adverse easements that may hinder full development of a site. The utility of a site, while important, can often be accommodated by building design and/or site fill. Therefore, this is a tertiary concern for most purchasers of vacant land and has been weighted accordingly.

I searched for tracts purchased for or zoned for industrial use in the subject area. The most recent comparable sales found are included in this report.

LAND SALE MAP

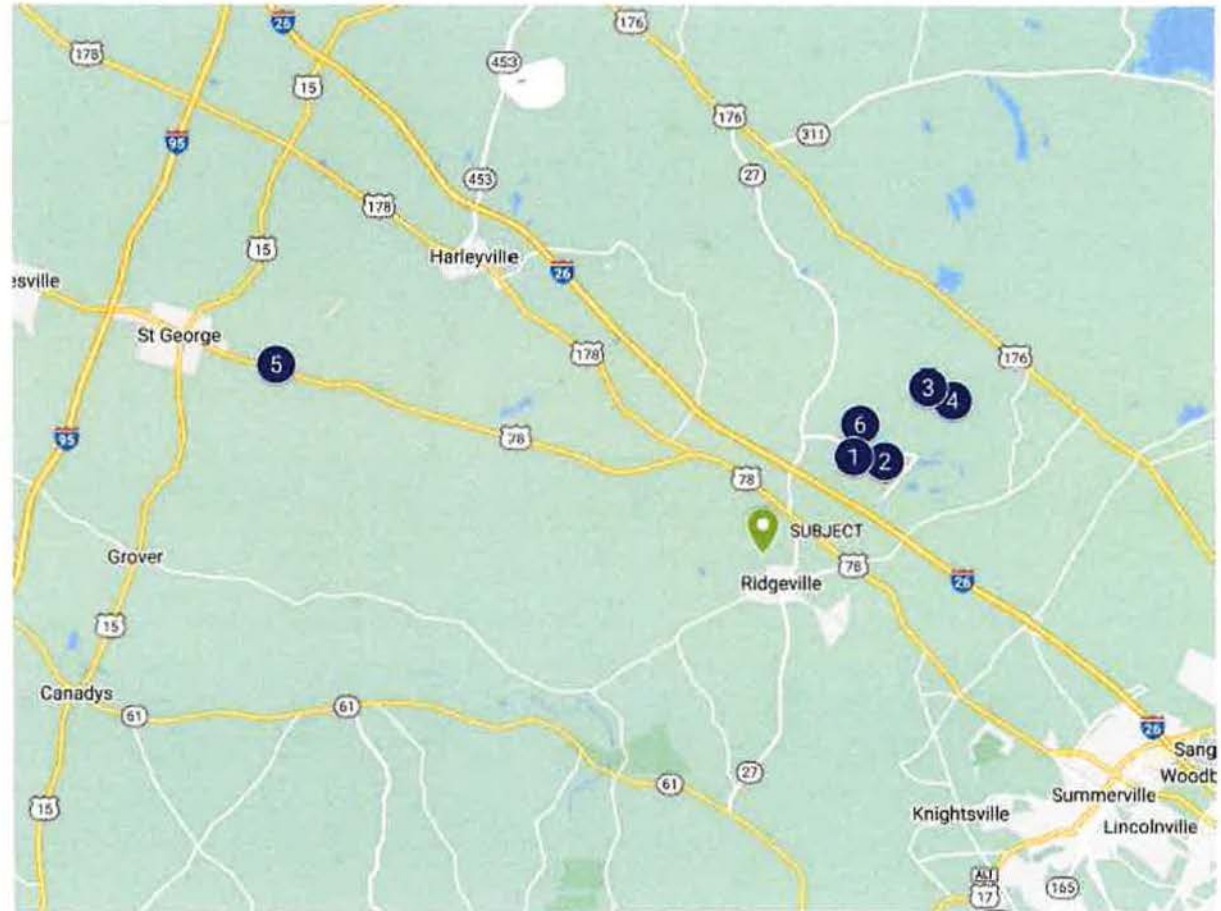
Ridgeville Industrial Campus

SUBJECT

📍 SUBJECT

COMPARABLE LAND SALES

- 1 SALE 1
- 2 SALE 2
- 3 SALE 3
- 4 SALE 4
- 5 SALE 5
- 6 PENDING SALE 6



LOCATION	:	733 Autonomous Drive, Ridgeville, Berkeley County, South Carolina
SALE PRICE	:	\$6,431,720
DATE OF SALE	:	December 20, 2021 DOM: Off Mkt
GRANTOR	:	South Carolina Public Service Authority
GRANTEE	:	SC Ridgeville Autonomous, LLC
SITE SIZE	:	69.91-Acress
TOPOGRAPHY	:	Varies; Wooded
DEED BOOK & PAGE	:	4094-650
ZONING	:	PD-IP/OP (Berkeley County)
UTILITIES	:	All Available
TAX MAP NUMBER	:	157-00-00-035
VERIFIED BY	:	Dan Camp (770) 883-8003
UNIT OF COMPARISON	:	\$92,000/Acre

This is the December 2021 sale of a 69.91-acre tract located on Autonomous Drive in the Camp Hall Commerce Park Near Ridgeville, Berkeley County. The property was purchased by a subsidiary of RealtyLink with the intent of building two buildings totaling 408,240 square feet each. One is planned for cold storage and the other is planned as ambient industrial. I verified the sale with Mr. Camp, the Vice President of Real Estate with SC Public Service Authority. I also found plenty of information on RealtyLink website regarding the property.



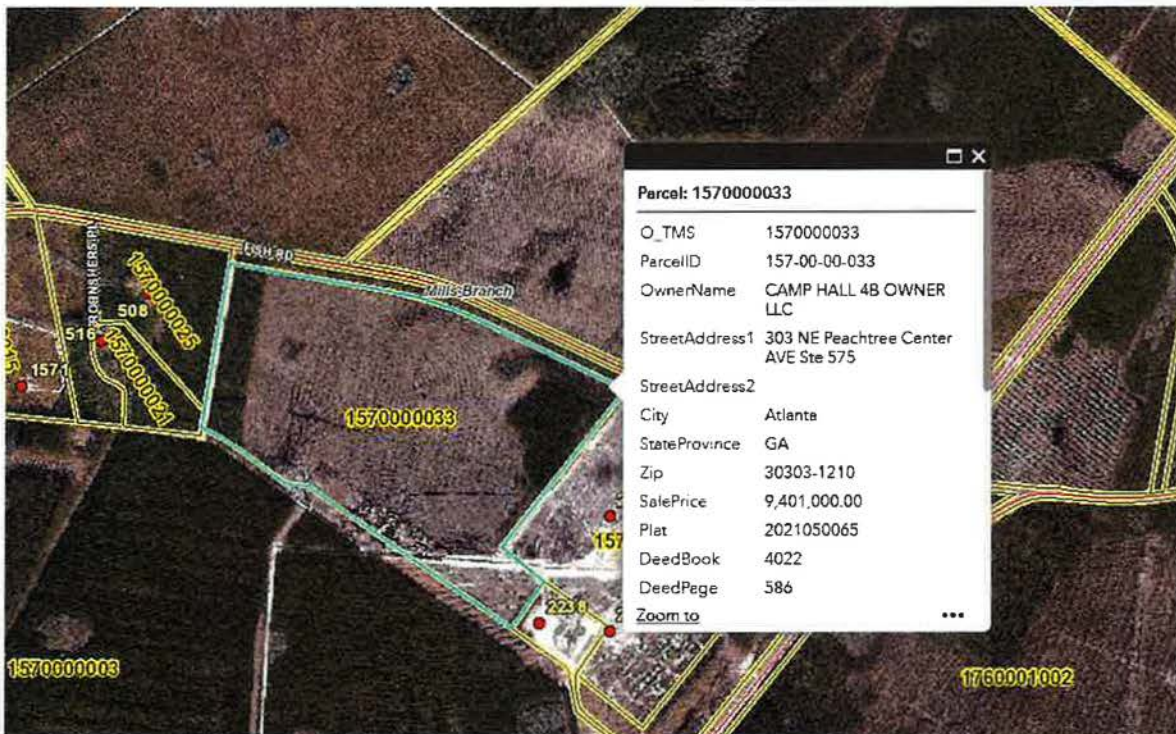
LOCATION	:	464 Autonomous Drive, Ridgeville, Berkeley County, South Carolina
SALE PRICE	:	\$814,400
DATE OF SALE	:	October 28, 2021 DOM: Off Mkt
GRANTOR	:	South Carolina Public Service Authority
GRANTEE	:	Magnus Ch1, LLC
SITE SIZE	:	10.18-Acress
TOPOGRAPHY	:	Varies; Wooded
DEED BOOK & PAGE	:	4029-796
ZONING	:	PD-IP/OP (Berkeley County)
UTILITIES	:	All Available
TAX MAP NUMBER	:	157-00-00-034
VERIFIED BY	:	Dan Camp (770) 883-8003
UNIT OF COMPARISON	:	\$80,000/Acre

This is the October 2021 sale of a 10.18-acre tract located on Autonomous Drive in the Camp Hall Commerce Park Near Ridgeville, Berkeley County. The property was purchased by a subsidiary of Magnus Development Partners with the intent of building a speculative 157,500 square foot warehouse/manufacturing facility. I verified the sale with Mr. Camp, the Vice President of Real Estate with SC Public Service Authority. I also found information on Magnus Development's website regarding the property.



LOCATION	:	Tract 4B Camp Hall, Ridgeville, Berkeley County, South Carolina
SALE PRICE	:	\$9,401,000
DATE OF SALE	:	October 25, 2021 DOM: Off Mkt
GRANTOR	:	South Carolina Public Service Authority
GRANTEE	:	Camp Hall 4B Owner, LLC
SITE SIZE	:	110.6-Acress
TOPOGRAPHY	:	Varies; Wooded
DEED BOOK & PAGE	:	4022-586
ZONING	:	PD-IP/OP (Berkeley County)
UTILITIES	:	All Available
TAX MAP NUMBER	:	157-00-00-033
VERIFIED BY	:	Dan Camp (770) 883-8003
UNIT OF COMPARISON	:	\$85,000/Acre

This is the October 2021 sale of a 110.6-acre tract located off Volvo Cars Drive in the Camp Hall Commerce Park Near Ridgeville, Berkeley County. The property was purchased by a subsidiary of Portman Industrial, who also purchased the adjacent 77.18-acre tract. Portman Industrial plans to construct three buildings totaling 940,000 square feet of industrial space. There will be additional land that could support one or more buildings after the first three are completed. I verified the sale with Mr. Camp, the Vice President of Real Estate with SC Public Service Authority.



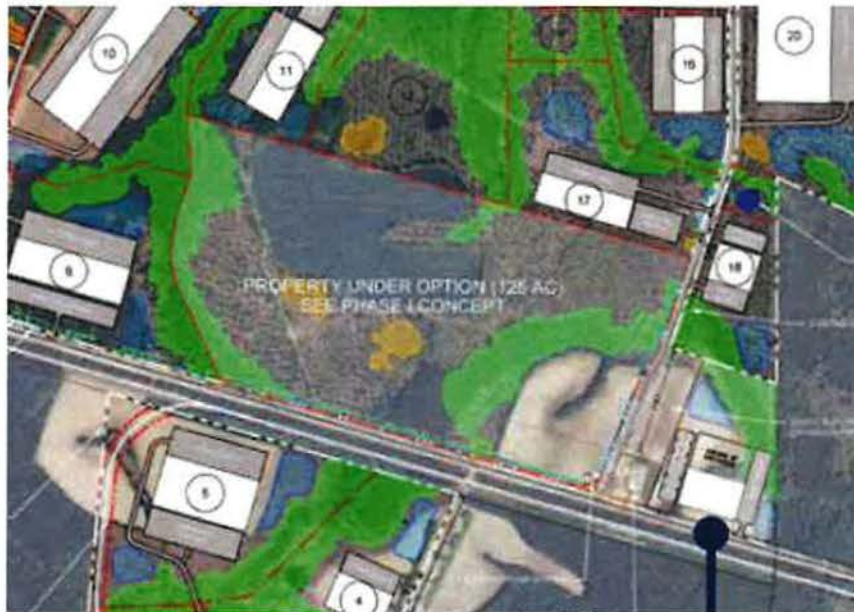
LOCATION	:	Tract 4A Camp Hall, Ridgeville, Berkeley County, South Carolina
SALE PRICE	:	\$13,274,960
DATE OF SALE	:	September 17, 2021 DOM: Off Mkt
GRANTOR	:	Exeter Ridgeville Land, LLC
GRANTEE	:	Camp Hall 4A Owner, LLC
SITE SIZE	:	75.0 Acres Usable (77.18-Acres Total)
TOPOGRAPHY	:	Varies; Wooded
DEED BOOK & PAGE	:	3975-641
ZONING	:	PD-IP/OP (Berkeley County)
UTILITIES	:	All Available
TAX MAP NUMBER	:	157-00-00-031
VERIFIED BY	:	Lee Allen (843) 805-5111
UNIT OF COMPARISON	:	\$176,999/Usable Acre

This is the September 2021 sale of a 77.18-acre tract located on Volvo Cars Drive in the Camp Hall Commerce Park Near Ridgeville, Berkeley County. The property was purchased by a subsidiary of Portman Industrial, who also purchased the adjacent 110.6-acre tract. Portman Industrial plans to construct three buildings totaling 940,000 square feet of industrial space on the assembled tract. There will be additional land that could support one or more buildings after the first three are completed. I verified the sale with Mr. Allen with JLL, who indicated that the property was fully entitled, designed, and permitted, which resulted in a much higher value per acre. This property previously sold on April 23, 2019, for \$5,250,000 or \$70,000 per acre.



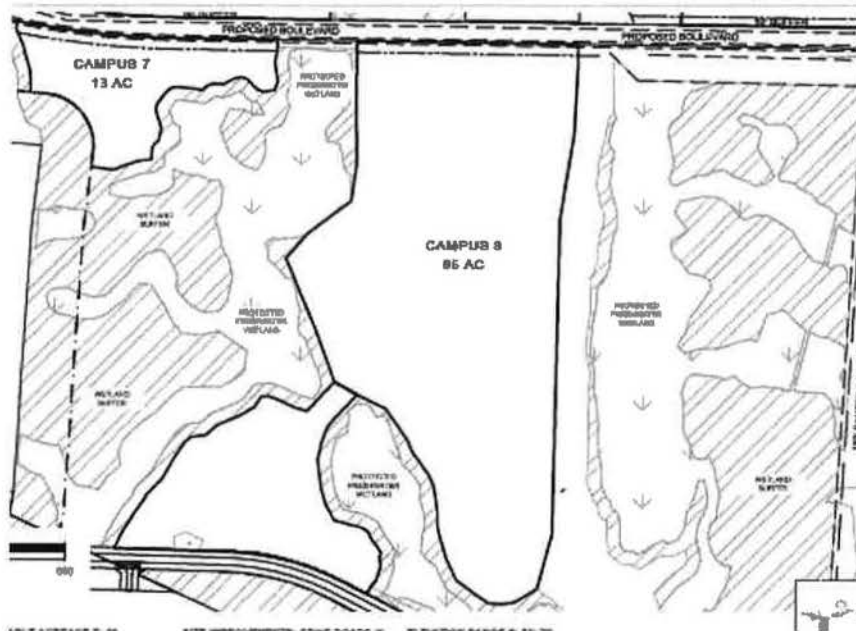
LOCATION	:	101 Winding Woods Road, St. George area of Dorchester County, South Carolina
SALE PRICE	:	\$5,000,000
DATE OF SALE	:	October 21, 2021 DOM: Off Mkt
GRANTOR	:	Excel, LLC
GRANTEE	:	Dorchester Industrial, LLC
SITE SIZE	:	100.0-Acres Usable (124.996-Ac Total)
TOPOGRAPHY	:	Level
DEED BOOK & PAGE	:	13745-345
ZONING	:	I, Industrial (Dorchester County)
UTILITIES	:	All Available
TAX MAP NUMBER	:	059-00-00-101
VERIFIED BY	:	Public Record/Will Crowell (504) 975-1099
UNIT OF COMPARISON	:	\$50,000/Acre

This is the October 2021 sale of a 125.0-acre tract located on Highway 78 in the Winding Woods Commerce Park near St. George, Dorchester County. According to the marketing materials there were some wetlands on the site. The National Wetlands Inventory indicated that there were approximately 25-acres of wetlands leaving 100 acres of uplands. This tract was originally purchased in 2019 to be developed with a 1.7 million square foot distribution center in three buildings. None of the spec buildings leased, so the property was sold to another developer. This property previously sold on January 19, 2019, for \$3,000,000 or \$30,000 per acre. Although, Mr. Crowell was not directly involved in the sale, he does have the remainder of the park listed and shared his knowledge of the situation with this property.



LOCATION	:	Campus 8 Camp Hall, Ridgeville, Berkeley County, South Carolina
SALE PRICE	:	\$7,946,400
DATE OF SALE	:	Pending DOM: Off Mkt
GRANTOR	:	South Carolina Public Service Authority
GRANTEE	:	Subsidiary of Mangus Development
SITE SIZE	:	86.0 Acres Usable (104-Acres Total)
TOPOGRAPHY	:	Varies; Wooded
DEED BOOK & PAGE	:	N/A
ZONING	:	PD-IP/OP (Berkeley County)
UTILITIES	:	All Available
TAX MAP NUMBER	:	157-00-00-003 (portion)
VERIFIED BY	:	Dan Camp (770) 883-8003
UNIT OF COMPARISON	:	\$92,400/Usable Acre

This is the pending sale of the Campus 8 tract located on Autonomous Drive in the Camp Hall Commerce Park Near Ridgeville, Berkeley County. This property is 104-acres with 86-acres of developable land. I was told this property is under contract to Mangus Development and it is supposed to close in April 2022.



FEBRUARY 23, 2022 APPRAISAL SALES COMPARISON APPROACH
A 30.0-ACRE INDUSTRIAL TRACT LOCATED IN RIDGEVILLE COMMERCE PARK
RIDGEVILLE AREA OF DORCHESTER COUNTY, SOUTH CAROLINA

Transaction #	1	2	3	4	5	6
TRANSACTION TYPE	SALE	SALE	SALE	SALE	SALE	PENDING
LOCATION	RIDGEVILLE	RIDGEVILLE	RIDGEVILLE	RIDGEVILLE	ST GEORGE	RIDGEVILLE
ADDRESS	733 Autonomous Dr	464 Autonomous Dr	Tract 4B	Tract 4A	Highway 7B	Campus 8 Camp Hall
GRANTOR	SCPSA	SCPSA	SCPSA	Exeter Ridgeville Land, LLC	Excel, Inc.	SCPSA
GRANTEE	SC Ridgeville Autonomous, LLC	Mangus Ch1, LLC	Camp Hall 4B Owner, LLC	Camp Hall 4A Owner, LLC	Dorchester Industrial, LLC	Mangus Development
DATE	20-Dec-21	29-Oct-21	25-Oct-21	17-Sep-21	21-Oct-21	Pending
CONSIDERATION	\$ 6,431,720	\$ 814,400	\$ 9,401,000	\$ 13,274,960	\$ 5,000,000	\$ 7,946,400
SIZE-AC	69.910	10.180	110.600	75.000	100.000	86.000
DOLLARS/AC	\$ 92,000.00	\$ 80,000.00	\$ 85,000.00	\$ 176,999.47	\$ 50,000.00	\$ 92,400.00
TIME FACTOR	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DOLLARS/AC-W/TIME	\$ 92,000.00	\$ 80,000.00	\$ 85,000.00	\$ 176,999.47	\$ 50,000.00	\$ 92,400.00
SIZE ADJUSTMENT	0%	0%	0%	0%	0%	0%
ADJ. IND./AC	\$ 92,000.00	\$ 80,000.00	\$ 85,000.00	\$ 176,999.47	\$ 50,000.00	\$ 92,400.00
COMPARISON	WEIGHT					
LOCATION	40%	0	0	0	-3	0
ACCESS	20%	0	0	0	0	0
ZONING	20%	0	0	0	4	0
UTILITY/SHAPE	20%	0	0	0	0	0
WEIGHTED RATING (+/- 0)	0.00	0.00	0.00	0.80	(0.40)	0.00
Total Weight	100%	VARIABLES				
SUBJECT AREA	30.00					
COMP AREA/SUB AREA	2.33	0.34	3.69	2.50	3.33	2.87
APPR. DATE	23-Feb-22					

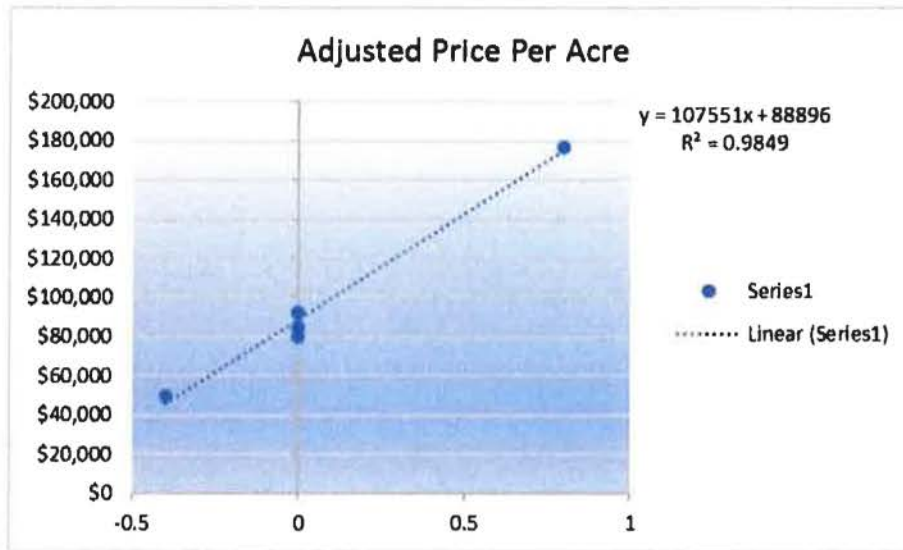
Sale #	Rating	\$/AC	DESCRIPTION
5	-0.40	\$50,000	Sale 5 is a 125-acre tract located on Highway 78 in Winding Wood Commerce Park in the St. George area of Dorchester County. This tract has approximately 100-acres of developable land. It sold in October 2021 for \$50,000 per usable acre. When compared with the subject, its location near St. George is inferior; yet its entitlements and approvals are superior. Overall, this tract is inferior compared with the subject.
2	0.00	\$80,000	Sale 2 is a 10.18-acre tract located on Autonomous Drive in Camp Hall Industrial Park in the Ridgeville area of Berkeley County. It sold in October 2021 for \$80,000 per usable acre. When compared with the subject, it is comparable.
3	0.00	\$85,000	Sale 3 is a 110.6-acre tract located off Volvo Cars Drive in Camp Hall Industrial Park in the Ridgeville area of Berkeley County. It sold in October 2021 for \$85,000 per usable acre. When compared with the subject, it is comparable.
1	0.00	\$92,000	Sale 1 is a 69.91-acre tract located off Autonomous Drive in Camp Hall Industrial Park in the Ridgeville area of Berkeley County. It sold in December 2021 for \$92,000 per usable acre. When compared with the subject, it is comparable.
Subject	0.00		Best Fit for Subject
6	0.00	\$92,400	Pending Sale 6 is an 86.0-acre tract of usable land located off Autonomous Drive in Camp Hall Industrial Park in the Ridgeville area of Berkeley County. It is under contract and suppose to close in April 2022 for \$92,400 per usable acre. When compared with the subject, it is comparable.
4	0.80	\$176,999	Sale 4 is a 75.0-acre tract of usable land located off Volvo Cars Drive in Camp Hall Industrial Park in the Ridgeville area of Berkeley County. It sold in September 2021 for \$176,999 per usable acre. When compared with the subject, its entitlements and approvals are superior. Overall, this tract is superior compared with the subject.

LAND SALE CONCLUSION

After adjustments and ranking, the six comparable properties indicated adjusted prices of \$50,000, \$80,000, \$85,000, \$92,000, \$92,400, and \$176,999 per acre. As shown on the preceding page, the sales with ratings closest to zero are the most comparable to the subject. Specifically, Sales 1, 2, 3, and Pending Sale 6 have comparable ratings. These properties indicate a range from \$80,000 to \$92,400 per acre. According to Mr. Camp, the Vice President of Real

Estate selling Camp Hall, the offers are coming in higher each time. Based on these sales I can conclude a price of \$92,000 per acre is reasonable and well supported for the subject tract.

However, to place all emphasis on these four comparable properties, ignores the others. In an effort to consider all comparable properties, I have used linear regression to assist in estimating the appropriate price per acre for the subject tract. Once adjusted for all other factors and ranked, the sales are plotted on a grid, which follows.



Using the resulting formula ($y = bX + a$), where "x" is the subject's ranking (0.00), "b" is the slope of the line, and "a" is the Y intercept, the appropriate market value can be calculated as follows:

$$107,551 * 0.00 + 88,896 = 88,896$$

The linear regression indicates a price of \$88,896 per acre, which is slightly less than my conclusion from direct comparison. Based on the data presented, I have concluded a price of \$90,000 per acre, is reasonable and well supported for the subject property "as is." Consequently:

30.0-AC DEVELOPABLE @ \$90,000/Acre\$2,700,000

EXPOSURE & MARKETING TIME

According to "The Dictionary of Real Estate Appraisal, 5th Ed." Published by The Appraisal Institute, Exposure Time is defined as follows:

- 1. The time a property remains on the market.*
- 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on analysis of past events assuming a competitive and open market.*

According to "The Dictionary of Real Estate Appraisal, 5th Ed." Published by The Appraisal Institute, Marketing Time is defined as follows:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

In most cases, the estimate of Exposure Time and Marketing Time will be the same or very similar. The estimate of Exposure/Marketing Time utilizes some of the same data collected and analyzed in the Highest and Best Use, Site valuation and Sales Comparison Approach sections of this report. According to the Appraisal Standards Board, it is not intended to be a prediction of a date of sale or a one-line statement. It is an integral part of the analyses conducted during the appraisal assignment. The opinion may be expressed as a range and can be based on one or more of the following:

1. Statistical information about days on market;
2. Information gathered through sales verification;
3. Interviews of market participants.

There are additional factors that should also be considered in this analysis of Exposure Time. These factors include identification of typical buyers and sellers for the type of property involved and typical equity investment levels and/or financing terms.

There are a variety of factors that must be examined in order to estimate exposure time.

- Supply/demand conditions as of the effective date of the appraisal.
- Current cost information.
- Historical sales information (sold after exposure and after completion of negotiations between the seller and buyer.)
- The analysis of future income expectancy projected from the effective date of the appraisal.

Upon examination of pertinent factors, it is my opinion that most likely the exposure time for single-family properties in this area of Dorchester Counties within the subject price range would be between 6- and 24-months. The marketing time would also be 6- to 24-months.

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal report has been made with the following general assumptions:

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
- It is assumed that the use of the land and improvements is confined within the boundaries of the property liens of the property described and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on 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 substances such as asbestos, urea-formaldehyde foam insulation, mold, and other potentially hazardous materials or substances may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in the field, if desired.
- The Biggert-Waters Flood Insurance Reform Act, which went into effect October 1, 2013, removed flood-insurance subsidies for more than a million home owners nationwide. A bill has been passed that delays the largest increases for four years. In the interim, premium increases are capped at 18% a year for subsidized properties and 25% for second homes and properties that have flooded repeatedly. Unless otherwise stated, no elevation certificate or a topographical map was provided. The appraiser(s) is/are not qualified to determine the location or elevation of the subject in relation to the flood plain.

The appraisal report has been made with the following limiting conditions:

- Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public

through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA was made. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Because there no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property was not considered.
- The scope of this appraisal assignment does not include the measurement of any effect of incidents of domestic terror or natural disasters on the real estate market or on the value of the subject property. Therefore, the value opinion and other conclusions expressed in this report are subject to the assumption that any such events have had no effect on the marketability or market value of the subject property. The client and intended users of this appraisal are cautioned that if this assumption is incorrect, the value opinion and other conclusions expressed in this report could be significantly different.

CERTIFICATE OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Neither we nor Sass, Herrin & Associates, Incorporated have any present or prospective interest in the property that is the subject of this report, nor any personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Andrew B. Wilkins, MAI of Sass, Herrin & Associates, Inc. made a personal inspection of the subject property from the street. Herbert R. Sass, III, MAI, SRA did not inspect the subject property, but has read this report and concurs with its conclusions.
- No one provided significant professional assistance to the persons signing this report, except as described in the letter of transmittal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- As of the date of this report, Andrew B. Wilkins, MAI has completed the continuing education program for Designated members of the Appraisal Institute.
- As of the date of this report, Herbert R. Sass, III, MAI, SRA has completed the continuing education program for Designated members of the Appraisal Institute.
- We last appraised the parent tract (696.393-acres) of the subject property on August 18, 2020. I have not performed any other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Based on our investigation, analyses and conclusions, it is our conclusion that, subject to the General Assumptions and Limiting Conditions incorporated by reference into this Certificate, the market value of the subject property, as of February 23, 2022, was:

**A 30.0-ACRE TRACT IN RIDGEVILLE COMMERCE PARK
RIDGEVILLE AREA OF DORCHESTER COUNTY, SOUTH CAROLINA**

**TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
\$2,700,000**

Andrew B. Wilkins

Andrew B. Wilkins, MAI
South Carolina Certified General Real Estate Appraiser CG 4333

Herbert R. Sass III

Herbert R. Sass, III, MAI, SRA
South Carolina Certified General Real Estate Appraiser CG 554

— SASS, HERRIN & ASSOCIATES, INC. —

QUALIFICATIONS OF APPRAISER
ANDREW B. WILKINS, MAI

EDUCATION

Clemson University, Clemson, SC – BS in Marketing - 2001

STATE LICENSE

CG – 4333 South Carolina Certified General Real Estate Appraiser

PROFESSIONAL ORGANIZATIONS

MAI - Appraisal Institute

APPRAISAL COURSES

2002 – Principles of Residential Appraisal (Course L-1), Charleston, SC
2002 – Residential Market Data Analysis (Course L-2), Charleston, SC
2002 – Uniform Standards of Professional Practice (Course L-3), Charleston, SC
2002 – Applied Residential Property Valuation Case Study (Course CR), Charleston, SC
2002 – Real Estate I, Charleston, SC
2004 – Course 110-CE-NSU: USPAP National Standards Update Course, North Charleston
2005 – Basic Income Appraisals (Course C-1), Mt. Pleasant, SC
2006 – Course 110-CE-NSU: USPAP National Standards Update Course, Charleston, SC
2007 – Course 510, Advanced Income Capitalization, Atlanta, GA
2007 – Course 110-C3, Applied Income Property Valuation, Charleston, SC
2008 – Course 110-CE-NSU: USPAP National Standards Update Course, North Charleston
2008 – Course 530, Advanced Sales Comparison and Cost Approaches, Atlanta, GA
2009 – General Market Analysis and Highest & Best Use, Atlanta, GA
2009 – Report Writing and Valuation Analysis, Orlando, FL
2009 – Advanced Applications, Atlanta GA
2010 – Course 400: National USPAP Update, Charleston, SC
2012 – Course 400: National USPAP Update, Columbia, SC
2014 – Course 400: National USPAP Update, Columbia, SC
2015 – Course 400: National USPAP Update, Columbia, SC
2017 – 7-Hour National USPAP Update, Columbia, SC
2018 – Uniform Appraisal Standards for Federal Land Acquisitions, Columbia, SC
2020 – 7-Hour National USPAP Update, Online
2020 – Business Practice and Ethics, Online
2022 – 7-Hour National USPAP Update, Zoom, North Carolina Chapter

SEMINARS

2004 – Appraising for the Secondary Market; Getting along with Fannie and Freddie
2005 – Condo Hotels – Introduction to an Emerging Market
2006 – Subdivision Valuation: A Comprehensive Guide to Valuing Improved Subdivisions
2007 – The Valuation of Wetlands, Columbia, SC
2009 – Property Tax Reform Act of 2006 - Its Effect on Market Value
2009 – Business Practice and Ethics
2011 – Advanced Spreadsheet Modeling for Valuation Applications, Mt. Pleasant, SC
2012 – Business Practice and Ethics, Columbia, SC

2012 – Analyzing Distressed Real Estate
2012 – Marketability Studies: Advanced Considerations & Applications, Atlanta, GA
2014 – Liability Issues for Appraisers Performing Litigation and Other Non-Lending Work: Staying Out of the Courtroom Unless You're Being Paid to be There, Columbia, SC
2014 – Introduction to Green Building: Principles & Concepts, Columbia, SC
2014 – Data Verification Methods - Online
2015 – General Demonstration Report Writing - Online
2015 – Special Use Properties: Hospitality & Senior Housing – Columbia, SC
2016 – Analyzing Tenant Credit Risk and Commercial Lease Analysis – Columbia, SC
2016 – Case Studies Complex Valuation – Columbia, SC
2016 – Using Your HP-12C Financial Calculator – Online
2017 – Real Estate Finance, Value, and Investment Performance – Columbia, SC
2019 – State of South Carolina Economic Summit 2019 – Columbia, SC
2019 – The Valuation of Breweries– Mt. Pleasant, SC
2021 – Getting It Right from the Start: A Workout Plan for Your Scope of Work, Virtual, SC
2021 – State of South Carolina Economic Summit 2021 – Virtual, SC

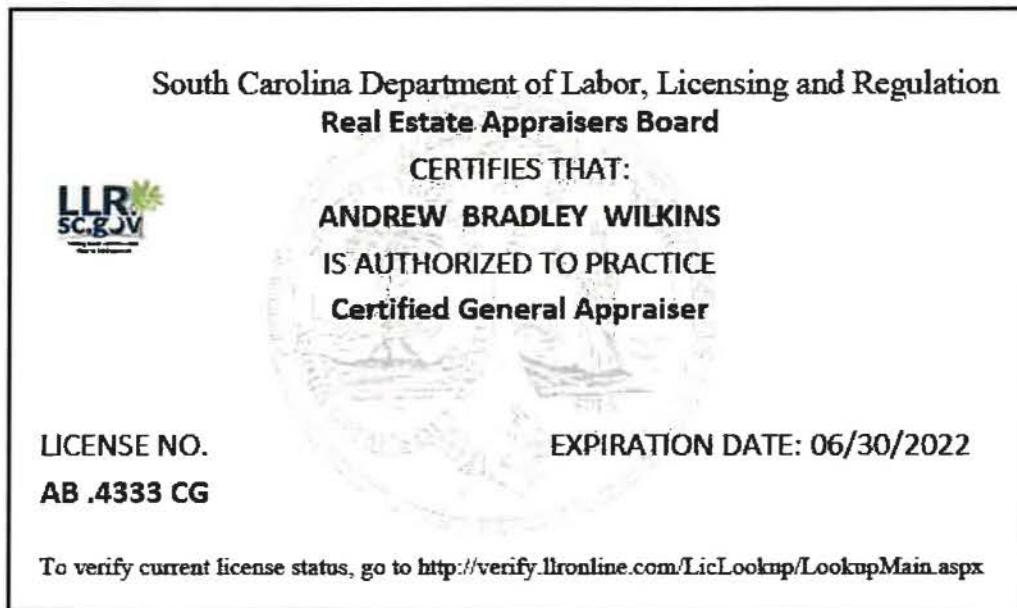
ACTIVITIES/HONORS

Eagle Scout; Boy Scouts of America
 Brotherhood Member; Order of the Arrow; Boy Scouts of America
 1997 South Carolina ATA State champion

WORK EXPERIENCE

2002 – Present

Sass, Herrin & Associates
 Charleston, SC 29407
 Real Estate Appraiser



**QUALIFICATIONS OF APPRAISER
HERBERT R. SASS, III, MAI, SRA**

Residence: 413 Hobcaw Drive, Mt Pleasant, South Carolina
Married: 7/17/82 Virginia Agnew Sass
Children: Sarah Ravenel Sass & Elizabeth Hutson Sass

FORMAL EDUCATION

Graduated from The Citadel in 1976 with a degree in Business Administration.

PROFESSIONAL DESIGNATIONS & LICENSES

MAI - 1991

SRA - 1988

South Carolina State Certified Real Estate Appraiser # CG 554

South Carolina Licensed Real Estate Broker since 1977

BUSINESS & PROFESSIONAL AFFILIATIONS

APPRAISAL INSTITUTE SERVICE

2012 - President South Carolina Chapter of the Appraisal Institute

2011 - 1st Vice President South Carolina Chapter of the Appraisal Institute

2010 - 2nd Vice President South Carolina Chapter of the Appraisal Institute

2009 - Treasurer South Carolina Chapter of the Appraisal Institute

2008 - Secretary South Carolina Chapter of the Appraisal Institute

2010, 2011, 2012 - Regional Representative South Carolina Chapter Appraisal Institute

2007, 2008 - Leadership Development Council for SC Chapter, Washington, DC

2002, 2004 - Chair Governmental Relations Committee, SC Chapter

Secretary/Treasurer 1988-1989, 1989-1990 - Charleston Chapter 122, SREA

SOUTH CAROLINA REAL ESTATE APPRAISERS BOARD SERVICE

Appointed Appraiser Member, South Carolina Appraiser's Board 1995, 1998, 2002, 2009

Chairman, South Carolina Real Estate Appraisers Board 1997 - 2001, 2004 - 2011

ASSOCIATION OF APPRAISAL REGULATORY OFFICIALS

Regional Director, Association of Appraiser Regulatory Officials (AARO) 1998-2001, 2003 - 2004

National Director, Association of Appraiser Regulatory Officials (AARO) 2004 - 2006

CHARLESTON TRIDENT BOARD OF REALTORS

Director, Multiple Listing Service, Charleston Board of Realtors 2007 - 2009

Member Charleston Trident Board of Realtors, Governmental Relations Committee 2005 - 2008

Member Multiple Listing Task Force Selection Committee 2006

PUBLIC SERVICE

March 8, 2011 - Placed Second in Four Person Primary Election Charleston County Council

March 22, 2011 - Won Run Off Election for District 1, Charleston County Council

April 26, 2011 - Elected to Charleston County Council District 1 in Special Election

November 4, 2014 - Re-elected to Charleston County Council District 1 (Vice Chair 2017, 2018)

November 6, 2018 - Re-elected to Charleston County Council District 1 (Vice Chair 2019)

OTHER AFFILIATIONS & SERVICE

1983 - Charleston Area Chairman, Ducks Unlimited
1988 - President Downtown Athletic Club
1993 - President, Charleston Area Citadel Club
2004, 2005 - President Hobcaw Point Homeowners Association
2006, 2007, 2008 - Charleston Chamber of Commerce Developer's Steering Committee

QUALIFYING EDUCATION

Appraisal courses successfully completed and offered by the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers:

- *Course 1-A* - AIREA - 1978 University of GA - Principles, Methods, Techniques of Real Estate Appraising
- *Course 102* - SREA - 1983 University of FL - Applied Residential Property Valuation
- *Course 2-3* - AIREA - 1986 Asheville, NC - Standards of Professional Practice
- *Course 1-B-A* - AIREA - 1986 Atlanta, GA - Capitalization Theory and Techniques, Part A
- *Course 1-B-B* - AIREA - 1987 University of Portland, OR - Capitalization Theory and Techniques, Part B
- *Course 2-1* - AIREA - 1987 University of NC - Case Studies in Real Estate Valuation
- *Course 2-2* - AIREA - 1989 University of NC - Report Writing and Valuation Analysis
- *Course 410* - AI - 1996 Columbia, SC - Standards of Professional Practice Part A
- *Course 420* - AI - 1997 Columbia, SC - Standards of Professional Practice Part B
- *Course 430* - AI - 2001 Columbia, SC - Standards of Professional Practice Part C
- *Course 420* - AI - 2006 Columbia, SC - Business Practices and Ethics
- *Course N420DM* - AI - 2010 Columbia, SC - Business Practices & Ethics

Examinations Successfully Challenged

Comprehensive Examination - Appraisal Institute - August 1991
Course 1-A-1 - AIREA - Real Estate Appraisal Principals - 1988
Course 1-A-2 - AIREA - Basic Valuation Procedures - 1988

Demonstration Appraisals - Awarded Credit

AIREA - Commercial Demonstration Appraisal - 1990
SREA - Residential Demonstration Appraisal - 1988

Appraisal Seminars Attended

1977 - AIREA: Residential Appraisal Seminar, Wilmington, NC
1984 - SREA: Condominium Planned Unit Development, Ft. Lauderdale, FL
1984 - Marshall Swift: Residential Cost Handbook, Charleston, SC
1985 - AIREA: Introduction to Electronic Spreadsheet, Columbia, SC
1985 - SREA: Recent Developments in Income Property Appraising, Columbia, SC
1985 - AIREA: R-41b and the Appraiser, Myrtle Beach, SC
1987 - AIREA: Subdivision Analysis, Columbia, SC
1987 - SREA: A Guide to Federal Home Loan Bank Board Memorandum R-41c, Charleston, SC
1987 - AIREA: Capitalization Overview, Columbia, SC
1988 - SREA: Narrative Report Writing Seminar, Jacksonville, FL
1988 - AIREA: Valuation Under FHLBB Regulations, Hilton Head, SC
1988 - AIREA: Industrial Valuation - Part I, Columbia, SC
1989 - AIREA: Rates, Ratios and Reasonableness, Columbia, SC

1989 - SREA: Professional Practice & The SREA, Charleston, SC
 1989 - SREA: Appraising After Hurricane Hugo, Charleston, SC
 1990 - AIREA: Discounted Cash Flow Analysis, Columbia, SC
 1991 - Whitmer: Comprehensive Appraisal Workshop, Orlando, FL
 1992 - AI: Hotel/Motel Valuation, Columbia, SC
 1993 - FUNB: Contaminated Property Liability and Due Diligence Requirements, Charleston, SC
 1993 - AI: Powerline Easements and Electromagnetic Force, Hilton Head, SC
 1994 - AI: Appraisal Regulations of The Federal Banking, Columbia, SC
 1996 - AI: Fair Lending and the Appraiser, Columbia, SC
 1996 - AI: Subdivision Analysis, Columbia, SC
 1997 - AI: High Tech Appraisal Office, Columbia, SC
 1997 - Historic Charleston Foundation, The Law of Preservation and Conservation Easements, Medway Plantation, SC
 1998 - AI: New Technologies for the Real Estate Appraiser - Columbia, SC
 1998 - AI: Eminent Domain and Condemnation Appraising - Savannah, GA
 1998 - Historic Charleston Foundation, The Protection of the Built and Natural Environment, Medway Plantation, SC
 1999 - AI: USPAP in Cross-Examination, Columbia, SC
 1999 - AI: Litigation Skills for Appraisers, Columbia, SC
 1999 - AI: Case Studies and Appraisal Litigation, Cancun, Mexico
 2002 - AI: Real Estate Fraud - The Appraiser's Responsibilities and Liabilities, Columbia, SC
 2002 - AI: Appraising and Analysis of Proposed Subdivisions and Condominiums, Columbia, SC
 2002 - AI: Partial Interest - Divided, Columbia, SC
 2002 - AI: Analyzing Distressed Real Estate, Columbia, SC
 2002 - AI: Introduction to Environmental Issues, Charleston, SC
 2003 - AI: Convincing Residential Appraisals, Columbia, SC
 2003 - AI: Supporting Capitalization Rates, Columbia, SC
 2003 - AI: Analyzing Commercial Lease Clauses, Columbia, SC
 2003 - AI: Land Valuation Adjustment Procedures, Columbia, SC
 2004 - AI: Scope of the Work, Columbia, SC
 2004 - AI: An Appraiser's Primer to the International Building Code, Columbia, SC
 2004 - AI: Appraisal Summit Conference, Washington, DC
 2005 - AI: USPAP Seven Hour Update, Savannah, GA
 2005 - AI: Real Estate Investment and Development, Columbia, SC
 2006 - AI: Scope of Work - American Bankers Association, Charleston, SC
 2006 - AI: Loss Prevention - Liability Insurance Administrators, Charleston, SC
 2006 - AI: Agency Perspectives Easements and Eminent Domain, Charleston, SC
 2007 - AI: Inverse Condemnation, Columbia, SC
 2007 - AI: New Technologies for the Real Estate Appraiser, Columbia, SC
 2007 - USPAP Update Course, Charleston, SC
 2007 - AI: The Valuation of Wetlands, Columbia, SC
 2007 - AI: Spotlight USPAP, Hypothetical Conditions & Extraordinary Circumstances, Kiawah SC
 2008 - AI: Analyzing Distressed Real Estate, Columbia, SC
 2009 - AI: SC Property Valuation Act of 2006, Columbia, SC
 2009 - USPAP Update Course, Charleston, SC
 2010 - AI: Spotlight on USPAP, Appraisal Review, Columbia, SC
 2010 - AI: Business Practices and Ethics, Columbia, SC
 2010 - AI: Residential Design: The Making of a Good House, Charleston, SC
 2010 - AI: Financial Reform Legislation, Appraisal and Real Estate Impacts, Webinar

2010 - AI: Step Up to Leadership, Atlanta, GA
 2011 - AI: Advanced Spreadsheet Modeling for Valuation Applications, Charleston, SC
 2011 - USPAP Update Course, Charleston, SC
 2011 - AI: Uniform Appraisal Data Set, Fannie Mae & Freddie Mac, Charleston, SC
 2012 - AI: Appraising the Appraisal: Appraisal Review General, Columbia, SC
 2013 - AI: USPAP Update Course, Columbia, SC
 2014 - AI: Marketability Studies; Six Step Process; Columbia, SC
 2014 - AI: Introduction to Green Buildings: Principles and Concepts; Columbia, SC
 2015 - AI: Special Use Properties: Hospitality & Senior Housing; Columbia, SC
 2015 - AI: USPAP Update Course, Columbia, SC
 2016 - AI: USPAP Update Course, Columbia, SC
 2016 - AI: Contract or Effective Rent Course, Columbia, SC
 2016 - AI: Business Practices and Ethics Course, Columbia, SC
 2017 - AI: Parking and Its Impact on Value on South Carolina, Charleston, SC
 2018 - AI: Advancing the Appraisal Profession, Charleston, SC
 2018 - USPAP Update Course, Mt. Pleasant, SC
 2018 - AI: Global Valuation and Techniques, Charleston, SC
 2019 - AI: State of SC Economic Summit, Columbia, SC
 2019 - AI: The Valuation of Breweries, Charleston, SC
 2020 - USPAP Update Course, Mt Pleasant, SC
 2020 - AI: Business Practices & Ethics, Virtual Classroom

EMPLOYMENT HISTORY

Upon graduation from The Citadel in 1976, I entered the Real Estate profession as a sales agent with the Three-S Company. The Three-S Company was owned and operated by my father, Herbert R. Sass, who was the exclusive sales agent for Georgia-Pacific Investment Company. We were responsible for the sale and development of thousands of acres of land in and around the Charleston area. As agents for Georgia-Pacific we were also responsible for coordinating industrial, residential, commercial development, and large tract land sales. This type of development required much coordination and planning with local engineers, developers, governmental agencies and appraisers. I had some limited appraisal experience during this time and worked with several local appraisers on a fee basis.

From September 1982 to September 1984, I was associated with Southeastern Appraisal Service as a staff appraiser. I was responsible for residential appraisal assignments in the Tri-county area. In April 1983, I was accepted as an appraiser by FHA-HUD and appointed to the local HUD panel for Berkeley, Charleston and Dorchester Counties. I left Southeastern Appraisal because I wanted to appraise commercial properties. When I left, Southeastern had grown to a staff of five appraisers.

In October 1984, I became associated with Charleston Appraisal Service, Inc., and Michael C. Robinson, MAI, SRA. Due to an increase in commercial assignments, I requested and received my release from the FHA-HUD panel in 1985. While at Charleston Appraisal Service, I handled commercial appraisals and earned the MAI and SRA designations. After seven and a half years, I left Charleston Appraisal Service on March 30, 1992 to start a firm with five other appraisers.

On April 1, 1992, Burk Y. Herrin, Jr., SRA and I with four other appraisers, formed Sass, Herrin, and Associates, Inc., a full service appraisal firm. Since that time, Sass, Herrin and Associates, Inc. has grown to a staff of eight appraisers and two support staff. We have one of the largest and most experienced staffs of commercial and residential appraisers in the Tri-county area.

We prepare appraisals for office, retail, industrial, institutional properties, historic plantations, large tracts, multi-family subdivisions, conservation easements, and vacant site appraisals. We also prepare feasibility studies, condemnation and right-of-way, court testimony, and review and consultation services.

PARTIAL LIST OF MAJOR CLIENTS

American Federal Savings Bank	Alumax of South Carolina
Atlantic Savings Bank	Bank of America
Bank of South Carolina	Bon Secours, St. Francis Hospital
Branch Bank and Trust of South Carolina	Chicago Title Company
Carolina First Bank	Charleston County Aviation Authority
Charleston County Parks & Recreation Commission	Charleston County Public Works Dept.
Charleston Commissioners of Public Works	Community First Bank
Carolina Federal	Edisto Beach, Town of
South State Bank	First Citizens Bank
First American Title Insurance Company	First Palmetto Savings Bank
Georgia Pacific Corporation	National Bank of South Carolina
Nature Conservancy	National Bank of the South
City of North Charleston	RBC Centura Bank
Edisto Island Open Land Trust	SC Electric and Gas Company
The Trust for Public Land	SC Public Service Authority
SC Highway Department	SunTrust Bank
SouthCoast Bank	Tidelands Bank
Town of Mt. Pleasant	Wachovia National Bank
WR Grace Company	Veterans Administration
Lowcountry Open Land Trust	Wells Fargo

Numerous Mortgage Bankers

Various Attorneys, Relocation Services, Developers and Builders

Qualified as an Expert Witness in Charleston, Berkeley and Dorchester Counties.



AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Educational Television Space on Broadcast Tower and Associated Buildings and Space at 5035 Sewee Road, Awendaw

SC Educational Television ("ETV") requests approval to enter into an agreement with Gray Media Group, Inc. ("Gray") to license space on Gray's tower and to lease a 2000 square foot building along with space outside the building sufficient to place ETV's fuel tank at 5035 Sewee Road, Awendaw, SC. ETV has contracted for space at this location since 1992. The current lease will expire on August 31, 2022.

After contacting state agencies to verify no adequate State space was available, the Department of Administration conducted a solicitation seeking tower access and space for associated equipment including a transmitter building of 2000 square feet for a twenty-year term. The current landlord submitted the only bid.

ETV did request a right to purchase clause in the lease but the Landlord would not agree to such. Additionally, in ETV's current CIP, they have listed a project to build a tower in the Charleston area; however, the agency was not able to complete a comprehensive evaluation before this lease expired. ETV has gone through the OSE process to retain an engineering firm to provide an analysis to build a tower, and ETV has begun working with the Department of Administration to help identify property that would accommodate a tall tower structure in the Charleston area. Identification of an appropriate site will also require the engineering firm to do a frequency interference analysis with the FCC to make sure that ETV is able to move its transmission location for radio, television, microwave, and two-way radio transmitters. The tower build is also dependent on local municipality approvals, budget approvals including but not limited to JBRC and SFAA approvals, as applicable, and FCC and FAA approvals. If ETV does find a suitable site and is able to build a new tower, they do have the option to terminate this agreement.

If ETV is not able to build a tower that they own, they have indicated that it is in their best interest to have a long-term lease arranged to have a set escalator which keeps their increase at 2% versus having to renegotiate a new rate that could be raised higher due to market inflation. The landlord for the selected location originally wanted a 3.5% increase every year.

The requested term will be twenty (20) years. ETV will pay \$18,614.70 per month for the first year of the term. Thereafter the rate will increase annually by 2%. The total rent to be paid over the 20-year term will be \$5,427,459.00, as more specifically set forth in the chart below.

The lease will contain the right for SCETV to extend the Term for up to two consecutive terms of ten (10) years each upon the same terms and conditions. If ETV wished to exercise the extended terms, they will seek additional approvals from JBRC and SFAA at that time. ETV shall pay for all utilities for the operation of their equipment.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Educational Television Space on Broadcast Tower and Associated Buildings
and Space at 5035 Sewee Road, Awendaw

	Annual Charge	Monthly Charge
Year 1	\$223,376.40	\$18,614.70
Year 2	\$227,843.93	\$18,986.99
Year 3	\$232,400.81	\$19,366.73
Year 4	\$237,048.82	\$19,754.07
Year 5	\$241,789.80	\$20,149.15
Year 6	\$246,625.60	\$20,552.13
Year 7	\$251,558.11	\$20,963.18
Year 8	\$256,589.27	\$21,382.44
Year 9	\$261,721.05	\$21,810.09
Year 10	\$266,955.48	\$22,246.29
Year 11	\$272,294.59	\$22,691.22
Year 12	\$277,740.48	\$23,145.04
Year 13	\$283,295.29	\$23,607.94
Year 14	\$288,961.19	\$24,080.10
Year 15	\$294,740.42	\$24,561.70
Year 16	\$300,635.22	\$25,052.94
Year 17	\$306,647.93	\$25,553.99
Year 18	\$312,780.89	\$26,065.07
Year 19	\$319,036.51	\$26,586.38
Year 20	\$325,417.24	\$27,118.10

Agency has adequate funds for the agreement according to a Budget Approval Form which also includes a multi-year plan. Payments will be funded through tower lease revenue. The agreement was approved by JBRC on May 17, 2022.

AUTHORITY ACTION REQUESTED:

As requested by the SC Educational Television Network (ETV), and recommended by the Department of Administration, approve the proposed twenty-year agreement with Gray Media Group, Inc. to license space on their tower and lease a 2000 square foot building, along with space outside the building sufficient to place ETV's fuel tank at 5035 Sewee Road, Awendaw.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 31, 2022

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: SC Educational Television space on broadcast Tower and associated buildings and space at 5035 Sewee Road, Awendaw, South Carolina

3. Summary Background Information:

SC Educational Television ("ETV") requests approval to enter into an agreement with Gray Media Group, Inc. ("Gray") to license space on Gray's tower and to lease a 2000 square foot building along with space outside the building sufficient to place ETV's fuel tank at 5035 Sewee Road, Awendaw, SC. ETV has contracted for space at this location since 1992. The current lease will expire on August 31, 2022.

After contacting state agencies to verify no adequate State space was available, the Department of Administration conducted a solicitation seeking tower access and space for associated equipment including a transmitter building of 2000 square feet for a twenty-year term. The current landlord submitted the only bid.

ETV did request a right to purchase clause in the lease but the Landlord would not agree to such. Additionally, in ETV's current CIP, they have listed a project to build a tower in the Charleston area; however, the agency was not able to complete a comprehensive evaluation before this lease expired. ETV has gone through the OSE process to retain an engineering firm to provide an analysis to build a tower, and ETV has begun working with the Department of Administration to help identify property that would accommodate a tall tower structure in the Charleston area. Identification of an appropriate site will also require the engineering firm to do a frequency interference analysis with the FCC to make sure that ETV is able to move its transmission location for radio, television, microwave, and two-way radio transmitters. The tower build is also dependent on local municipality approvals, budget approvals including but not limited to JBRC and SFAA approvals, as applicable, and FCC and FAA approvals. If ETV does find a suitable site and is able to build a new tower, they do have the option to terminate this agreement.

If ETV is not able to build a tower that they own, they have indicated that it is in their best interest to have a long-term lease arranged to have a set escalator which keeps their increase at 2% versus having to renegotiate a new rate that could be raised higher due to market inflation. The landlord for the selected location originally wanted a 3.5% increase every year.

The requested term will be twenty (20) years. ETV will pay \$18,614.70 per month for the first year of the term. Thereafter the rate will increase annually by 2%. The total rent to be paid over the 20-year term will be \$5,427,459.00, as more specifically set forth in the chart below.

The lease will contain the right for SCETV to extend the Term for up to two consecutive terms of ten (10) years each upon the same terms and conditions. If ETV wished to exercise the extended terms, they will seek additional approvals from JBRC and SFAA at that time. ETV shall pay for all utilities for the operation of their equipment.

	Annual Charge	Monthly Charge
Year 1	\$223,376.40	\$18,614.70
Year 2	\$227,843.93	\$18,986.99
Year 3	\$232,400.81	\$19,366.73
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Year 8	\$256,589.27	\$21,382.44
Year 9	\$261,721.05	\$21,810.09
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Year 11	\$272,294.59	\$22,691.22
Year 12	\$277,740.48	\$23,145.04
Year 13	\$283,295.29	\$23,607.94
Year 14	\$288,961.19	\$24,080.10
Year 15	\$294,740.42	\$24,561.70
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Year 18	\$312,780.89	\$26,065.07
Year 19	\$319,036.51	\$26,586.38
Year 20	\$325,417.24	\$27,118.10

Agency has adequate funds for the agreement according to a Budget Approval Form which also includes a multi-year plan. Payments will be funded through tower lease revenue. The agreement was approved by JBRC on May 17, 2022.

-
4. **What is the Authority asked to do?** Approve the proposed twenty-year agreement with Gray Media Group, Inc. to license space on their tower and lease a 2000 square foot building, along with space outside the building sufficient to place ETV's fuel tank at 5035 Sewee Road, Awendaw.
-

5. **What is recommendation of the division of Facilities Management and Property Services?** Approve the proposed twenty-year agreement with Gray Media Group, Inc. to license space on their tower and lease a 2000 square foot building, along with space outside the building sufficient to place ETV's fuel tank at 5035 Sewee Road, Awendaw.
-

6. **Private Participant Disclosure – Check one:**

- ☒ No private participants will be known at the time the Authority considers this agenda item. Gray is a wholly owned subsidiary of a publicly traded company, Gray Television, Inc.
- ☐ A Private Participant Disclosure form has been attached for each private participant.
- As referenced on the Disclosure forms, a private participant is a natural person or non-governmental

legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
 - (b) Office Name: Click or tap here to enter text.
-

8. List of Supporting Documents:

- (a) Letter from SC Educational Television Commission
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



**SOUTH CAROLINA
public radio**

South Carolina ETV • South Carolina Public Radio
1041 George Rogers Boulevard, Columbia, SC 29201

April 29, 2022

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, 6th floor
Columbia, SC 29201

RE: Lease for 5053 Sewee Road Awendaw, SC 29429

Dear Ms. Lancaster:

SCETV requests approval from the Joint Bond Review Committee and the State Fiscal Accountability Authority to enter into a 20-year lease, with the right to exercise up to two ten year extensions, with Gray Media Group, Inc. for 2,000 rentable square feet of broadcast space and space on the tower for TV, FM, Microwave and two-way radio communications at 5053 Sewee Road Awendaw, SC 29429. SCETV's current lease at 5053 Sewee Road Awendaw, SC 29429 expires on August 31, 2022. SCETV requires this access to broadcast the educational content and emergency communications in the Charleston region. We use this tower to provide television and radio broadcast to support the Agency mission to educate, empower and inspire the communities of South Carolina through the services we provide.

After contacting state agencies to verify that there was no adequate state space available, the Department of Administration solicited for commercial space and the selected location provided the only proposal. The location meets all criteria required for broadcast operations and FCC requirements. The rental rate will start at \$18,614.70 per month for the first year, for an annual amount of \$223,376.40, which is the same as the current rate. Thereafter the rent will increase annually by 2%. The cumulative cost of the lease during the term is \$5,427,459.00.

Thank you for your consideration of this request and please let me know if you need any additional information.

Sincerely,

Anthony Padgett

Anthony Padgett (Apr 29, 2022 17:12 EDT)

Anthony Padgett
President and CEO

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification—Parks, Recreation and Tourism
In accordance with S.C. Code Ann. § 11-35-1210, the Division of Procurement Services audited the procurement operating policies and procedures of the South Carolina Department of Parks, Recreation, and Tourism (SCPRT) to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations (Code and Regulations). With the implementation of the recommended corrective action, the internal controls of SCPRT's procurement system are adequate to ensure compliance with the Code and Regulations as described in the audit report.

Per S.C. Code Ann. §11-35-1210, the Authority previously authorized SCPRT to make direct procurements at the limits noted below. SCPRT requests that the Authority to reauthorize it to make direct procurements at these same limits.

PROCUREMENT AREAS

*CERTIFICATION LIMITS

Supplies and Services ¹	**\$ 250,000 per commitment
Construction Contract Award	**\$ 250,000 per contract award
Construction Contract Change Order	\$ 250,000 per change order
Architect/Engineer Contract Amendment	\$ 50,000 per amendment

* Per the Code and Regulations, all agencies have unlimited authorization to conduct their own sole source and emergency procurements.

** Total potential purchase commitment whether single year or multi-term contracts are used.

AUTHORITY ACTION REQUESTED:

Grant procurement certification, in accord with Section 11-35-1210, for the Department of Parks, Recreation and Tourism within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

Parks, Recreation and Tourism: supplies and services¹, \$250,000** per commitment; construction contract award, \$250,000** per contract award; construction contract change order, \$250,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

* Per the Code and Regulations, all agencies have unlimited authorization to conduct their own sole source and emergency procurements.

** Total potential purchase commitment whether single year or multi-term contracts are used.

ATTACHMENTS: Agenda item worksheets and attachments

¹ Supplies and Services includes non-IT consulting services


**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: May 31, 2022

Regular Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:



John St. C. White, Materials Management Officer

2. Subject: Audit and Certification

3. Summary and Background Information:

In accordance with S.C. Code Ann. § 11-35-1210, the Division of Procurement Services audited the procurement operating policies and procedures of the South Carolina Department of Parks, Recreation, and Tourism (SCPRT) to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations (Code and Regulations). With the implementation of the recommended corrective action, the internal controls of SCPRT's procurement system are adequate to ensure compliance with the Code and Regulations as described in the audit report.

Per S.C. Code Ann. § 11-35-1210, the Authority previously authorized SCPRT to make direct procurements at the limits noted below. SCPRT requests that the Authority to reauthorize it to make direct procurements at these same limits.

PROCUREMENT AREAS

***CERTIFICATION LIMITS**

Supplies and Services ¹	**\$ 250,000 per commitment
Construction Contract Award	**\$ 250,000 per contract award
Construction Contract Change Order	\$ 250,000 per change order
Architect/Engineer Contract Amendment	\$ 50,000 per amendment

* Per the Code and Regulations, all agencies have unlimited authorization to conduct their own sole source and emergency procurements.

** Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT consulting services.

4. What is Authority asked to do?

Authorize SCPRT to make direct procurements at the limits set forth above.

5. What is recommendation of the submitting agency involved?

Authorize SCPRT to make direct procurements at the limits set forth above.

6. Private Participant Disclosure – Check one:

- ☒ No private participants will be known at the time the Authority considers this agenda item.
☐ A Private Participant Disclosure form has been attached for each private participant.
As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

8. List of Supporting Documents:

- (a) S.C. Code Ann. § 11-35-1210
 - (b) PRT's March 2022 update to its implementation of corrective actions in its original response
 - (c) PRT's 5/16/22 Status Update for Corrective Action Plan
-

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop.

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES

DELBERT H. SINGLETON, JR.
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CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

March 31, 2022

Mr. Delbert H. Singleton Jr.
Director
Division of Procurement Services
6th Floor-Wade Hampton Building
Columbia, South Carolina 29201

Subject: SC Dept of Parks, Recreation, and Tourism (SCPRT)
Procurement Audit Report

Delbert:

I have attached SCPRT's procurement audit report issued by the Office of Audit and Certification. I concur with the report and its recommendation that the State Fiscal Accountability Authority approve a three-year procurement certification for SCPRT.

Sincerely,

John St. C. White
Materials Management Officer

Attachment

HENRY MCMASTER, CHAIR
GOVERNOR

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G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

March 29, 2022

Mr. John St. C. White
Materials Management Officer
Division of Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Re: South Carolina Parks, Recreation and Tourism (PRT)
Procurement Audit Report

John:

We audited the internal procurement operating policies and procedures of PRT for the period January 1, 2015 through September 30, 2020. The objective of our audit was to determine whether the internal controls of PRT's procurement system were adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

The audit disclosed conditions as described in the attached report which we believe require corrective action or improvement. Corrective action based on the recommendations made in the report will place PRT in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Sincerely,

Crawford Milling
Director of Audit and Certification

Attachment

SECTION 11-35-1230. Auditing and fiscal reporting.

(1) The Division of Procurement Services, through consultation with the chief procurement officers, shall develop written plans for the auditing of state procurements.

(2) In procurement audits of governmental bodies thereafter, the auditors from the Division of Procurement Services shall review the adequacy of the governmental body's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. A noncompliance discovered through audit must be transmitted in management letters to the audited governmental body and the board. The Division of Procurement Services shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations, the board may revoke certification as provided in Section 11-35-1210 and require the governmental body to make all procurements through the appropriate chief procurement officer above a dollar limit set by the board, until such time as the board is assured of compliance with this code and its regulations by that governmental body.



South Carolina
Department of Parks, Recreation, and Tourism
INDEPENDENT PROCUREMENT AUDIT REPORT
For the Audit Period:
January 1, 2015 to September 30, 2020

Office of Audit & Certification
Division of Procurement Services
May 13, 2021

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INTRODUCTION

The Division of Procurement Services (DPS) audited the Department of Parks, Recreation, and Tourism's (PRT) internal procurement operating policies and procedures, as outlined in their internal Procurement Operating Procedures Manual, under § 11-35-1230(1) of the South Carolina Consolidated Procurement Code (Code) and Regulation 19-445.2020.

The primary objective of the audit was to determine whether the internal controls of PRT's procurement system was adequate to ensure compliance with the Code and ensuing regulations.

The management of PRT is responsible for the agency's compliance with the Code. Those responsibilities include the following:

- Identifying the agency's procurement activities and understanding and complying with the Code
- Establishing and maintaining effective controls over procurement activities that provide reasonable assurance that the agency administers its procurement programs in compliance with the Code
- Evaluating and monitoring the agency's compliance with the Code
- Taking corrective action when instances of noncompliance are identified, including corrective action on audit findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

INTRODUCTION

Our audit was also performed to determine if recertification under § 11-35-1210 is warranted.

On November 7, 2016, the State Fiscal Accountability Authority granted PRT the following procurement certifications:

PROCUREMENT AREAS

CERTIFICATION LIMITS

Supplies and Services	*\$250,000 per commitment
Construction Contract Award	*\$250,000 per commitment
Construction Contract Change Order	\$250,000 per change order
Architect/Engineer Contract Amendment	\$ 50,000 per amendment

*Total potential purchase commitment whether single-year or multi-term contracts are used.

During the audit PRT did not request a change in its certification limits.

Total Expenditures

During the audit period, the agency made expenditures as follows:

Period	\$ Amount (000s)		Total Spend
	POs	DEVs	
Q3,4; FY 2015	14,841	21,217	36,058
FY 2016	28,360	61,928	90,288
FY 2017	30,627	72,361	102,988
FY 2018	26,059	50,229	76,288
FY 2019	28,756	63,014	91,770
FY 2020	45,446	78,693	124,139
Q1; FY 2021	3,763	21,431	25,194
Total	177,852	368,873	546,725

SCOPE

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about PRT's compliance with the Code for the period January 1, 2015 through September 30, 2020, the audit period, and performing other procedures that we considered necessary in the circumstances. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our audit included, but was not limited to, a review of the following:

- (1) Internal procurement and purchasing card (P-Card) procedure manuals
- (2) Written determinations for all sole source and emergency procurements during the audit period. PRT reported the following sole source and emergency procurement activity to DPS during the audit period:

Fiscal Year	Sole Source		Emergency	
	Count	\$ Amount	Count	\$ Amount
Q3,4; 2015	9	212,721	4	14,970
2016	46	1,460,210	4	21,137
2017	42	1,414,065	7	400,407
2018	35	1,477,132	2	7,961
2019	38	1,309,351	7	98,992
2020	22	2,222,710	4	43,358
Q1; 2021	7	262,476	1	5,586
Total	199	8,358,665	29	592,411

- (3) Procurement transactions for the audit period as follows:

- a) Seventy-one payments each exceeding \$10,000
- b) A block of sequential expenditures over a two-month period reviewed for order splitting or the use of favored vendors
- c) Twenty-five P-Card transactions for the months of April 2017 and July 2020.
PRT's total P-Card spend for the audit period was as follows:

Fiscal Year	Population
	\$ Amount
Q3, 4; 2015	1,516,561
2016	2,912,543
2017	3,117,892
2018	3,741,372
2019	4,120,317
2020	4,230,183
Q1; 2021	1,054,132
Total	20,693,000

SCOPE

- (4) Small and Minority Business utilization plans and progress reports. The following activity was reported to the Division of Small and Minority Business Contracting and Certification (SMBCC):

Fiscal Year	Annual \$ Goal	\$ Actual
Q3, 4; 2015	754,712	81,042
2016	690,008	98,803
2017	855,407	230,957
2018	1,479,732	263,014
2019	1,110,438	-0-
2020	-0-	-0-
Q1; 2021	-0-	-0-

- (5) Surplus property dispositions, and approval of trade-ins in excess of \$5,000

- (6) Disposition of unauthorized procurements. The following unauthorized procurement activity was reported to DPS:

Fiscal Year	Count	\$ Amount
Q3 , 4; 2015	4	44,362
2016	6	20,209
2017	3	13,617
2018	10	42,861
2019	7	35,180
2020	5	16,185
Q1; 2021	5	65,497
Total	40	237,911

SUMMARY OF FINDINGS

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PRT did not report seven sole source procurements to DPS, and six sole sources were reported late to DPS.	
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PRT did not assign P-Card Liaisons to review transactions for compliance with the Code.	
B. <u>Span of Control for P-Card Oversight Was Not Manageable</u>	9
Monthly reviews of all P-Card transactions had been assigned to two P-Card Administrators for 243 cardholders. The reviews were not documented.	
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Periodic independent audits of the P-Card program had not been performed.	
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Two employees with P-Cards lacked cardholder agreements required by State P-Card Policy.	
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Cardholder agreements do not specify the approved STL.	
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There was no documentation of cardholder training prior to P-Cards being issued.	
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Eleven P-Cards listed as active had not been used within the most recent 12 months.	

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Management's electronic approval of P-Card transactions was late in four instances.

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Two pieces of equipment were disposed of without notifying the Surplus Property Office (SPO).

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MBE Annual Utilization Plans and Quarterly Progress Reports had not been submitted since 2018.

Note: The agency's corrective action plans in response to issues raised in this report have been inserted immediately following the recommendations in the body of the report. The cover letter is at the end of the report as Attachment 1.

RESULTS OF AUDIT

I. PRT's Procurement Manual Lacked Key Provisions

PRT's internal procurement policies and procedures manual did not provide procedures for application of key provisions of the Code as required by Code and Regulation 19-445.2005. Key provisions not addressed by PRT include, among others, procedures for the use of source selection methods commonly used by the agency, and a filing system that provides for consistent organization and retention of procurement files, as well as assignment of roles and responsibilities.

SC Code Ann. § 11-35-540(3) states, "Governmental bodies shall develop internal operational procedures consistent with this code; except, that the operational procedures must be approved in writing by the appropriate chief procurement officer (CPO)."

Recommendation: We recommend PRT revise its internal procurement manual to provide procedures for procurement personnel conducting source selection methods commonly used by the agency, a consistent filing system and the assignment of roles and responsibilities. Procurement Services provides a Procurement Manual checklist on its website that may assist in revising the manual. Once the manual has been revised, we recommend PRT submit the manual to Audit and Certification for approval as required by SC Code Ann. § 11-35-540 and Reg. 19-445.2005. Then, we recommend retraining staff on the revised procedures.

Agency Response

SCPRT will revise its internal procurement manual to address the missing provisions noted in the audit report. Once revised, SCPRT will submit the manual to Audit and Certification for approval, and upon approval, staff will be trained on the revised procedures.

II. Sole Source Procurements

During the audit period PRT reported 199 sole source procurements totaling approximately \$8.36M to DPS. Written determinations for all sole source procurements pursuant to SC Code Ann. § 11-35-1560, were evaluated to assess the appropriateness of the procurement actions as well as the accuracy of the quarterly reports required by § 11-35-2440.

A. Required Written Sole Source Determinations Not Provided

PRT did not provide written determinations for nine sole source procurements totaling \$467,292 out of 199 sole source determinations tested. Without written determinations, we were unable to determine the appropriateness of making these procurements without competition. Per SC Code Ann. § 11-35-1560, "a contract may be awarded for a supply, service, information technology, or construction item without competition if, ...the head of the purchasing agency, or a

RESULTS OF AUDIT

designee of either officer, above the level of the procurement officer, determines in writing that there is only one source.”

Recommendation: We recommend PRT develop and implement procedures, including management review and approval, to ensure that written determinations are properly prepared and reported for all sole source procurements.

Agency Response

SCPRT will ensure that sole source procurements are properly prepared, documented/retained, and reported as required by the Code.

B. Sole Source Procurements Not Reported or Reported Late to DPS

PRT did not report seven sole sources totaling \$149,320 in required quarterly reports to DPS. Additionally, six sole source procurements totaling \$117,425 were reported late. SC Code Ann. § 11-35-2440 requires that governmental bodies submit quarterly, a record listing of all sole source and emergency contracts made pursuant to § 11-35-1560 to the CPO.

Recommendation: We recommend PRT develop and implement reporting procedures, including management review and approval, to ensure complete, accurate, and timely reporting of sole source procurements.

Agency Response

SCPRT will ensure that sole source procurements are reported quarterly and in a timely manner as required by the Code.

C. Sole Source Approval Dates Missing

Authorized approvers did not date their signatures on 23 sole source written determinations totaling \$759,552. Therefore, we could not determine if authorization for these sole source procurements occurred before contract execution. Regulation 19-445.2105 states that the determination must be authorized prior to contract execution.

Recommendation: We recommend that PRT develop and implement procedures to ensure that written determinations are prepared and properly authorized, signed and dated, prior to contract execution for all sole source procurements as required by the Code.

Agency Response

SCPRT will ensure that sole source determination records are complete (including proper dates and signatures) and accurate.

RESULTS OF AUDIT

III. P-Cards

PRT had 243 P-Card holders with a total spend of approximately \$20.7M during the audit period. Due to the volume of usage, there is enhanced risk of misuse without adequate management oversight.

1. P-Card Program Administration

We reviewed PRT's P-Card Policies and Procedures for compliance with the State P-Card Policy and identified areas of non-compliance.

A. No P-Card Liaisons Roles Assigned

PRT did not assign P-Card Liaisons to review transactions for compliance with Code. PRT's internal P-Card Manual describes Liaison roles and responsibilities; however, in practice, these reviews were performed by two P-Card Administrators (PCA's).

Per State P-Card Policy, III(C), the Liaison reviews the transactions for all cardholders assigned to him/her to determine compliance with State P-Card Policy, i.e., no prohibited transactions, no split transactions, purchases are made from contract vendors when available, no deliveries to other than the business address(es), no blocked MCC codes, etc. ...3. "Perform documented monthly reviews of all transactions for assigned cardholders to verify that there have been no un-allowable transactions."

Recommendation: We recommend PRT assign Liaisons, as required by State and agency P-Card Policy, to perform a documented monthly review for STL, prohibited or split transactions, and the use of blocked MCC codes. Accepted practice is to use a checklist to document and ensure adequate, consistent reviews.

Agency Response

SCPRT will designate P-Card Liaisons to perform documented monthly transaction reviews, and SCPRT will develop a checklist to be used by P-Card Liaisons to ensure reviews are adequate and consistent.

B. Span of Control for P-Card Oversight Was Not Manageable

Two PCA's were assigned responsibility for monthly reviews of transactions for all 243 P-Card holders; however, we found no documentation that these reviews were performed. The span of control is too large for two PCA's to effectively review the transactions of that many cardholders each month. State P-Card Policy assigns this role to P-Card Supervisor/Approvers.

RESULTS OF AUDIT

Per Section III. A. 3. of the State P-Card Policy, "Establish appropriate limits on the number of Cardholders assigned to supervisor/approving officials, and Liaisons in order to ensure adequate review of business need and documentation for each purchase."

Recommendation: We recommend PRT implement and develop appropriate limits on the number of cardholders assigned to one liaison for review to ensure effective oversight.

Agency Response

SCPRT will develop and implement limits on the number of cardholders assigned to P-Card Liaisons to ensure effective oversight of the P-Card program.

C. Independent Audit of P-Cards Not Performed

Independent audits of P-Card activity had not been performed by PRT as required. Section V. 6. of the State P-Card Policy requires the agency to create a "provision for an annual independent audit or review of the P-Card Program by the P-Card Administrator, Internal Audit unit, or other unit assigned audit responsibilities". PRT's P-Card Manual does not require a periodic independent audit or review of the P-Card program.

Recommendations: We recommend PRT develop and implement procedures to require periodic independent audits of the P-Card program which includes program administration and transaction testing. We further recommend individuals not associated with the P-Card program perform these audits.

Agency Response

SCPRT will develop and implement audit procedures in compliance with the State P-Card Policy.

D. Missing P-Cardholder Agreements

PRT did not execute cardholder agreements for two P-Cardholders whose cards were approved via email and issued in 2018. Per Section III A.1.g. of the State P-Card Policy, each cardholder must have a cardholder agreement to acknowledge receipt of a P-Card account.

Recommendation: We recommend that procedures be developed and implemented that require all new cardholders sign cardholder agreements in accordance with State P-Card Policy. We further recommend PCAs maintain cardholder agreements.

Agency Response

SCPRT will develop a revised P-Cardholder Agreement to be signed by cardholders upon completion of Cardholder Training and prior to issuance of P-Cards to ensure agreements are on file for all cardholders. SCPRT Procurement will maintain cardholder agreements.

RESULTS OF AUDIT

E. P-Card STLs Not Communicated to Cardholders

Cardholder agreements do not specify the cardholder's STL's. State P-Card Policy section V. B. states that spending limits enable management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the State or the organization to unnecessary risk. Section III. A. 1. g. requires that each agency ensure that a credit limit is assigned to each Cardholder Account and record the dollar amount of this credit limit on the employee Cardholder Agreement to be acknowledged by the prospective Cardholder upon receipt of a P-Card Account.

Recommendation: We recommend that PRT revise the cardholder agreement form to include the cardholder's approved STL and credit limit amounts.

Agency Response

SCPRT will revise the P-Cardholder Agreement to ensure that P-Card spending limits are clearly identified and acknowledged by cardholders.

F. No Documented Cardholder Training Program

PRT did not have a documented training program for cardholders. They also did not consistently maintain documentation of cardholder training before issuing P-Cards. Section III. A. 4. of the State P-Card Policy requires that each agency develop a documented, agency-specific training program that must be completed for all prospective cardholders, supervisors/approving officials, and Liaisons prior to issuance of the P-Card.

Recommendation: We recommend PRT develop and implement documented Level I and II training programs for all P-Card personnel. We further recommend PRT document receipt of training by all P-Card personnel. PRT could revise the Cardholder Agreement form to include a cardholder acknowledgement of training prior to receipt of the P-Card.

Agency Response

Although P-Card policies and procedures are reviewed with cardholders prior to issuance of cards, SCPRT acknowledges that a more formal, documented training program is needed in order to comply with the State P-Card Policy. A mandatory, agency-specific training program will be developed and implemented. SCPRT currently has no plans to allow P-Card use for purchases exceeding the "no competition" threshold, so training will be limited to Level I P-Cardholders per the State P-Card Policy.

RESULTS OF AUDIT

G. Inactive P-Cards Not Cancelled

PRT had not cancelled eleven P-Cards which cardholders had not used in the last 12 months. Section III. A. 1. a. xi. of the State P-Card Policy requires agencies to monitor cardholder accounts for inactivity and promptly close accounts and cards that are no longer needed.

Recommendation: We recommend that PRT develop and implement a procedure to promptly close P-Card accounts that have been inactive for more than 12 months as required by State P-Card Policy.

Agency Response

SCPRT will develop and implement procedures for monitoring and closing inactive P-Cards in compliance with State P-Card Policy.

2. P-Card Transaction Testing

We judgementally selected two-months of P-Card transactions with a total spend of \$609,354 from which we tested a sample of 25 transactions totaling \$20,717. Transaction testing identified an area of non-compliance, that PRT had not identified during the monthly review and reconciliation of cardholder statements.

Late Management Approval of P-Card Activity

PRT's practice is for supervisor/approvers to approve transactions electronically in Works by an internally established cutoff date. We identified four P-Card transactions totaling \$8,389 where cardholders' supervisors did not electronically approve the transactions before the cutoff date. Section III. A. 5. c. of the State P-Card Policy, requires agencies to establish reconciliation procedures between cardholders, supervisors/approving officials, and agency accounts payable unit to ensure timely payment of the monthly P-Card billing statement. In addition, PRT's internal P-Card Policy Section B. 7. states that reports are due to Finance by the 10th of every month.

Recommendation: We recommend that PRT provide cardholder supervisors training to reinforce the requirement of timely approval of cardholder Activity statements as set forth by the agency's P-Card Manual. We recommend the agency assign the PCA responsibility for ensuring required reviews are performed by P-Card Supervisor/Approvers and Liaisons prior to signing the P-Card Statement Certification.

Agency Response

SCPRT will reinforce the requirement and importance of timely approval of cardholder statements when providing training to card holder supervisors. Agency P-Card Administrators will be responsible for ensuring required reviews have been performed prior to signing the P-Card Statement Certification.

RESULTS OF AUDIT

IV. Surplus Property

Improper Disposal of Assets

There were two unauthorized disposals totaling more than \$10,285 during fiscal year 2017 out of five surplus property transactions tested during the audit period. Per Reg 19-445.2150 (B) (1) Reporting, "Within 180 days from the date property becomes surplus, it must be reported to the Surplus Property Management Office (SPMO) on a turn-in-document designed by SPMO."

Recommendation: We recommend PRT develop and implement procedures for the disposal of Surplus Property to ensure compliance with Regulation 19-445.2150.

Agency Response

SCPRT will develop and implement procedures to ensure that disposals of surplus property are processed and reported in compliance with Regulation 19-445.2150.

V. Assistance to Minority Business Enterprises (MBE)

Required MBE Reporting Not Submitted to SMBCC

PRT has not submitted required Annual MBE utilization plans and quarterly progress reports since November 2018. SC Code Ann. § 11-35-5240 requires each agency director to develop an MBE utilization plan. MBE utilization plans must be submitted to the SMBCC for approval no later than July 30th, annually, and that progress reports be submitted to the SMBCC no later than 30 days after the end of each fiscal quarter.

Recommendation: We recommend PRT develop and implement procedures, including management review, for submitting Annual Utilization Plans and Quarterly Progress reports to the SMBCC as required by SC Code Ann. § 11-35-5240.

Agency Response

SCPRT will ensure that future MBE utilization plans and quarterly progress reports are submitted to SMBCC as required by the Code.

CERTIFICATION RECOMMENDATION

We believe corrective action based on the recommendations in this report will make the Department of Parks, Recreation, and Tourism's internal procurement operations consistent, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations.

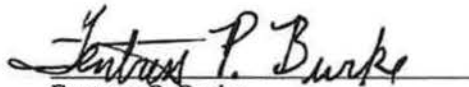
As provided in SC Code Ann. § 11-35-1210, we recommend that the Department of Parks, Recreation, and Tourism's procurement authority to make direct agency procurements be re-certified up to the following limits for three years:

PROCUREMENT AREAS

CERTIFICATION LIMITS

Supplies and Services ¹	*\$ 250,000 per commitment
Construction Contract Award	*\$ 250,000 per commitment
Construction Contract Change Order	\$ 250,000 per change order
Architect/Engineer Contract Amendment	\$ 50,000 per amendment

* Total potential purchase commitment whether single year or multi-term contracts are used.



Fentress P. Burke
Audit Manager
Audit & Certification



Crawford Milling, CPA, CGMA
Director, Audit & Certification

¹ Supplies and Services includes non-IT consulting services



South Carolina Department of
Parks, Recreation & Tourism

Henry McMaster
Governor

Duane N. Parrish
Director

January 27, 2022

Crawford Milling, CPA, CGMA
Director, Audit & Certification
Division of Procurement Services/Audit & Certification
1201 Main Street, Suite 600
Columbia, SC 29201

RE: SCPRT Procurement Audit Response

Mr. Milling,

Attached please find updates on the corrective actions that the South Carolina Department of Parks, Recreation & Tourism (SCPRT) submitted in November in response to the findings noted in the Procurement Audit Report for the period of January 1, 2015 through September 30, 2020. If any additional information is needed, please let us know. Thank you and your staff for your support, cooperation and guidance throughout the audit process.

Thank you,

A handwritten signature in black ink, appearing to read "Duane Parrish".

Duane Parrish
Agency Director
S.C. Dept. of Parks, Recreation & Tourism
1205 Pendleton Street, Suite 248
Columbia, SC 29201

A handwritten signature in black ink, appearing to read "James Jackson".

James Jackson
Procurement Director
SC Dept. of Parks, Recreation & Tourism
1205 Pendleton Street, Suite 517
Columbia, SC 29201

Attachment: Status Update for Corrective Action Plan

Status Update for Corrective Action Plan

Finding – PRT's Procurement Manual Lacked Key Provisions

SCPRT Response/Corrective Action: SCPRT will revise its internal procurement manual to address the missing provisions noted in the audit report. Once revised, SCPRT will submit the manual to Audit and Certification for approval, and upon approval, staff will be trained on the revised procedures.

Status of Corrective Action: SCPRT anticipates having the updated manual submitted to Audit and Certification for their review by March 1, 2022.

Finding – Required Written Sole Source Determinations Not Provided

SCPRT Response/Corrective Action: SCPRT will ensure that sole source procurements are properly prepared, documented/retained, and reported as required by the Code.

Status of Corrective Action: Procedures have been put in place to ensure that all sole source procurements are properly prepared, documented and reported as required by the Code.

Finding – Sole Source Procurements Not Reported or Reported Late to DPS

SCPRT Response/Corrective Action: SCPRT will ensure that sole source procurements are reported quarterly and in a timely manner as required by the Code.

Status of Corrective Action: Procedures have been put in place to ensure that all sole source procurements are properly prepared, documented and reported as required by the Code.

Finding – Sole Source Approval Dates Missing

SCPRT Response/Corrective Action: Procedures have been put in place to ensure that all sole source procurements are properly prepared, documented and reported as required by the Code.

Status of Corrective Action: Procedures have been put in place to ensure that all sole source procurements are properly prepared, documented and reported as required by the Code.

Finding – No P-Card Liaisons Roles Assigned

SCPRT Response/Corrective Action: SCPRT will designate P-Card Liaisons to perform documented monthly transaction reviews, and SCPRT will develop a checklist to be used by P-Card Liaisons to ensure reviews are adequate and consistent.

Status of Corrective Action: Due to agency size and staffing issues, this is a complex issue that we are working to resolve. We hope to have a solution in place by March 31, 2022.

Finding – Span of Control for P-Card Oversight Was Not Manageable

SCPRT Response/Corrective Action: SCPRT will develop and implement limits on the number of cardholders assigned to P-Card Liaisons to ensure effective oversight of the P-Card program.

Status of Corrective Action: As noted for the previous finding, due to agency size and staffing issues, this is a complex issue that we are working to resolve. We hope to have a solution in place by March 31, 2022.

Finding – Independent Audits of P-Cards Not Performed

SCPRT Response/Corrective Action: SCPRT will develop and implement audit procedures in compliance with the State P-Card Policy.

Status of Corrective Action: SCPRT does not have an auditor on staff. Currently, all reviews of the P-Card program are conducted by staff directly involved in the P-Card program. We are working towards a solution that will satisfy the State P-Card Policy requirements for independent audit by an individual(s) not directly involved in the P-Card program. We hope to have a solution in place by March 31, 2022.

Finding – Missing P-Cardholder Agreements

SCPRT Response/Corrective Action: SCPRT will develop a revised P-Cardholder Agreement to be signed by cardholders upon completion of Cardholder Training and prior to issuance of P-Cards to ensure agreements are on file for all cardholders. SCPRT Procurement will maintain cardholder agreements.

Status of Corrective Action: Procedures have been put in place to ensure that copies of signed cardholder agreements are maintained by SCPRT procurement. SCPRT will begin using an updated agreement when the new P-Card training program (discussed below) rolls out in April of 2022.

Finding – P-Card STLs Not Communicated to Cardholders

SCPRT Response/Corrective Action: SCPRT will revise the P-Cardholder Agreement to ensure that P-Card spending limits are clearly identified and acknowledged by cardholders.

Status of Corrective Action: SCPRT will begin using an updated agreement when the new P-Card training program (discussed below) rolls out in April of 2022.

Finding – No Documentation of Cardholder Training

SCPRT Response/Corrective Action: Although P-Card policies and procedures are reviewed with cardholders prior to issuance of cards, SCPRT acknowledges that a more formal, documented training program is needed in order to comply with the State P-Card Policy. A mandatory, agency-specific training program will be developed and implemented. SCPRT currently has no plans to allow P-Card use

for purchases exceeding the "no competition" threshold, so training will be limited to Level I P-Cardholders per the State P-Card Policy.

Status of Corrective Action: SCPRT anticipates rolling out its new P-Card training program in April of 2022, so that it can coincide with P-Card Liaison assignments and training.

Finding – Inactive P-Cards Not Cancelled

SCPRT Response/Corrective Action: SCPRT will develop and implement procedures for monitoring and closing inactive P-Cards in compliance with State P-Card Policy.

Status of Corrective Action: Procedures have been put in place to ensure that inactive P-Cards are closed in compliance with State P-Card Policy.

Finding – Late Management Approval of P-Card Transactions

SCPRT Response: SCPRT will reinforce the requirement and importance of timely approval of cardholder statements when providing training to cardholder supervisors. Agency P-Card Administrators will be responsible for ensuring required reviews have been performed prior to signing the P-Card Statement Certification.

Status of Corrective Action: SCPRT continues to stress the importance of timely approvals to P-Card approvers.

Finding – Improper Disposal of Assets

SCPRT Response: SCPRT will develop and implement procedures to ensure that disposals of surplus property are processed and reported in compliance with Regulation 19-445.2150.

Status of Corrective Action: Procedures have been put in place to ensure that disposals of surplus property are processed and reported in compliance with State Regulation.

Finding – Required MBE Reporting not Submitted to SMBCC

SCPRT Response: SCPRT will ensure that future MBE utilization plans and quarterly progress reports are submitted to SMBCC as required by the Code.

Status of Corrective Action: Procedures have been put in place to ensure that MBE utilization plans and quarterly progress reports are submitted to SMBCC as required by the Code.

Parks, Recreation and Tourism
Status Update for Corrective Action Plan
May 16, 2022

Finding – PRT's Procurement Manual Lacked Key Provisions

Status of Corrective Action: SCPRT has revised its Procurement Manual to address the missing provisions noted in the audit report, and the manual has been submitted to Audit & Certification for review/approval.

Finding – Required Written Sole Source Determinations Not Provided

Status of Corrective Action: Procedures have been put in place to ensure that all sole source procurements are properly prepared, documented and reported as required by the Code.

Finding – Sole Source Procurements Not Reported or Reported Late to DPS

Status of Corrective Action: Procedures have been put in place to ensure that all sole source procurements are properly prepared, documented and reported as required by the Code. All reports for FY22 have been reported in compliance with the submission deadlines set by SFAA-DPS.

Finding – Sole Source Approval Dates Missing

Status of Corrective Action: Procedures have been put in place to ensure that all sole source procurements are properly prepared, documented and reported as required by the Code.

Finding – No P-Card Liaisons Roles Assigned

Status of Corrective Action: SCPRT has designated employees to perform P-Card Liaison roles. To aid in the liaison review process and make transaction information easier to access, SCPRT is in the process of migrating to all receipts being uploaded into the Bank of America Works application. We anticipate having all cardholders uploading receipts to the Work application by June 30, 2022.

Finding – Independent Audits of P-Cards Not Performed

Status of Corrective Action: SCPRT does not have an auditor on staff. An annual audit of the P-Card program will be conducted by an audit team of SCPRT Finance Division staff members to address adequacy of and compliance with agency and state policies/procedures.

Finding – Missing P-Cardholder Agreements

Status of Corrective Action: Procedures have been put in place to ensure that copies of signed cardholder agreements are maintained by SCPRT procurement. An updated agreement has been developed for all new cardholders, which must be signed upon completion of SCPRT's P-Card training program.

Finding – P-Card STLs Not Communicated to Cardholders

Status of Corrective Action: SCPRT has revised its cardholder agreement to include transaction limits (both single transaction and cycle/monthly limits).

Finding – No Documentation of Cardholder Training

Status of Corrective Action: SCPRT has developed a P-Card training program. All new cardholders will be required to complete the training program prior to card issuance, as well as sign a cardholder agreement acknowledging attendance and understanding of the policies/procedures covered in the training.

Finding – Inactive P-Cards Not Cancelled

Status of Corrective Action: Procedures have been put in place to ensure that inactive P-Cards are closed in compliance with State P-Card Policy.

Finding – Late Management Approval of P-Card Transactions

Status of Corrective Action: SCPRT continues to stress the importance of timely approvals to P-Card approvers.

Finding – Improper Disposal of Assets

Status of Corrective Action: Procedures have been put in place to ensure that disposals of surplus property are processed and reported in compliance with State Regulation.

Finding – Required MBE Reporting not Submitted to SMBCC

Status of Corrective Action: Procedures have been put in place to ensure that MBE utilization plans and quarterly progress reports are submitted to SMBCC as required by the Code. All FY22 reports have been reported in compliance with the submission deadlines set by SMBCC.

AGENCY: Division of Procurement Services

SUBJECT: Audit and Certification – South Carolina State University

The Procurement Code and Regulations (Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Codes §§11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. South Carolina State University (SCSU) has not been delegated any additional authority.

On April 30, 2014, the Budget and Control Board adopted a resolution approving an interagency loan agreement to SCSU. The resolution and loan agreement placed several requirements upon SCSU that included obtaining prior approval of the Division of Procurement Services (DPS) before posting a solicitation for or execute, amend, renew, or otherwise extend a contract greater than \$2,500. On February 4, 2020, the Authority granted a request from SCSU to lift the procurement restrictions. However, the Authority directed that DPS conduct an audit of the ensuing year of SCSU's procurement activity.

In accordance with the Authority's directive and S.C. Code Ann. § 11-35-1210, the Division of Procurement Services audited the procurement operating policies and procedures of South Carolina State University to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations. Because South Carolina State University is not certified and has not requested procurement certification, this report is submitted as information only.

AUTHORITY ACTION REQUESTED:

Receive as information the South Carolina State University procurement audit as recommended by the Division of Procurement Services.

ATTACHMENTS:

Agenda item worksheet and attachments

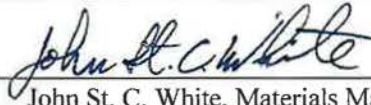
**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: May 31, 2022

Regular Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:



John St. C. White, Materials Management Officer

2. Subject: Audit and Certification

3. Summary and Background Information:

The Procurement Code and Regulations (Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Codes §§11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C(1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. South Carolina State University (SCSU) has not been delegated any additional authority.

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In accordance with the Authority's directive and S.C. Code Ann. § 11-35-1210, the Division of Procurement Services audited the procurement operating policies and procedures of South Carolina State University to determine whether the internal controls of the Agency's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations. Because South Carolina State University is not certified and has not requested procurement certification, this report is submitted as information only.

4. What is Authority asked to do?

Receive the South Carolina State University procurement audit report for information only.

5. What is recommendation of the submitting agency involved?

DPS recommends that the Authority receive the report for information only.

6. Private Participant Disclosure – Check one:

- ☒ No private participants will be known at the time the Authority considers this agenda item.
☐ A Private Participant Disclosure form has been attached for each private participant.
As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

8. List of Supporting Documents:

- (a) S.C. Code Ann. § 11-35-1210

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop.

SECTION 11-35-1210. Certification.

(1) Authority. In an amount up to fifty thousand dollars in actual or potential value, individual governmental bodies may make direct procurements not under term contracts. Subject to the following and subject to any ensuing regulations:

(a) the board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of Procurement Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract; and

(b) the Director of the Division of Procurement Services may authorize an individual governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. All authority granted pursuant to this item must be in writing, and the director shall advise the board in writing of all such authorizations.

(2) Policy. Authorizations granted by the board or the Director of the Division of Procurement Services to a governmental body are subject to the following:

(a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

(3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

(4) Subject to subsection (1), the State Board for Technical and Comprehensive Education, in coordination with the appropriate chief procurement officer, may approve a cumulative total of up to fifty thousand dollars in additional procurement authority for technical colleges, provided that the Division of Procurement Services makes no material audit findings concerning procurement. As provided by regulation, any authority granted pursuant to this paragraph is effective when certified in writing by the Division of Procurement Services.

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



HARVEY S. PEELER, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

THE DIVISION OF PROCUREMENT SERVICES

DELBERT H. SINGLETON, JR.
DIVISION DIRECTOR
(803) 734-8018

JOHN ST. C. WHITE
MATERIALS MANAGEMENT OFFICER
(803) 737-0600
FAX: (803) 737-0639

April 8, 2022

Mr. Delbert H. Singleton Jr.
Director
Division of Procurement Services
6th Floor-Wade Hampton Building
Columbia, South Carolina 29201

Subject: South Carolina State University
Procurement Audit Report

Delbert:

I have attached South Carolina State University's procurement audit report issued by the Office of Audit and Certification. I concur with the report and its recommendation that the State Fiscal Accountability Authority approve a three-year procurement certification for SCSU.

Sincerely,

John St. C. White
Materials Management Officer

Attachment

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES

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HARVEY S. PEELER, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

April 6, 2022

Mr. John St. C. White
Materials Management Officer
Division of Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Subject: South Carolina State University
Procurement Audit Report

John:

We have audited the internal procurement operating policies and procedures of South Carolina State University, for the period of February 1, 2020 to January 31, 2021, to determine whether the internal controls of the university's procurement system were adequate to ensure compliance, in all material respects, with the South Carolina Procurement Code and ensuing regulations.

The audit disclosed conditions, as explained in the report, which we believe require corrective action or improvement. Corrective action by South Carolina State University based on the recommendations described in the report will, in all material respects, place the university in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Sincerely,

Crawford Milling
Director of Audit & Certification

Attachment



South Carolina State University

INDEPENDENT PROCUREMENT AUDIT REPORT

**For the Audit Period:
February 1, 2020 to January 31, 2021**

**Office of Audit & Certification
Division of Procurement Services
June 23, 2021**

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Scope.....	2
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Results of Audit	5
Conclusion	15
SCSU Response Cover Letter.....	Attachment 1

INTRODUCTION

The Division of Procurement Services (DPS) audited South Carolina State University's (SCSU) internal procurement operating policies and procedures, as outlined in their Internal Procurement Operating Procedures Manual, under § 11-35-1230 (1) of the South Carolina Consolidated Procurement Code (Code) and Reg. 19-445.2020 of the ensuing regulations.

The primary objective of our audit was to determine whether the internal controls of SCSU's procurement system were adequate to ensure compliance with the Code and ensuing regulations.

The management of SCSU is responsible for the university's compliance with the Code. Those responsibilities include:

- Identifying the university's procurement activities and understanding and complying with the Code
- Establishing and maintaining effective controls over procurement activities that provide reasonable assurance that the university administers its procurement programs in compliance with the Code
- Evaluating and monitoring the university's compliance with the SC Consolidated Procurement Code
- Taking corrective action when instances of noncompliance are identified, including corrective action on audit findings of this audit

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our review and evaluation of the system of internal control over procurement transactions, as well as our overall audit of procurement policies and procedures, was conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

Total Expenditures

During the audit period, the university made expenditures as follows:

	<u>\$ Amount</u>
PO's	21,909,000
DEV's	<u>5,013,000</u>
Total Spend	26,922,000

SCOPE

We conducted our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit included testing, on a sample basis, evidence about SCSU's compliance with the Code for the period February 1, 2020 through January 31, 2021, the audit period, and performing other procedures that we considered necessary in the circumstances. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our audit included, but was not limited to, a review of the following:

- (1) Internal procurement and purchasing card (P-Card) procedure manuals.
- (2) All sole source and emergency procurement justifications. SCSU reported the following sole source and emergency procurement activity during the audit period:
 - Seven sole source procurements totaling approximately \$834,000, and
 - Twelve emergency procurements totaling approximately \$342,000.
- (3) Procurement transactions for the audit period as follows:
 - a) Seventy payments each exceeding \$10,000 totaling \$9.8M.
 - b) Ten direct expenditure vouchers (DEVs) totaling \$26 thousand.
 - c) A block of sequential expenditures over a two-month period reviewed for order splitting or the use of or favored vendors
 - d) Thirty-seven P-Card transactions.
- (4) Three construction contracts and one Architect/Engineer and Related Professional Service Contracts for compliance with the Manual for Planning and Execution of State Permanent Improvements, Part II.
- (5) Disposition of unauthorized procurements. During the audit period, three unauthorized procurements totaling \$175,854 were reported to the DPS.
- (6) Surplus property dispositions, and approval of trade-ins in excess of \$5,000.
- (7) Small and Minority Business utilization plans and reports. The following activity was reported to the Division of Small and Minority Business Contracting and Certification (SMBCC):

<u>Fiscal Year</u>	<u>\$</u>	<u>Goal</u>	<u>\$ Actual Reported</u>
2020	2,565,900		-0-
2021	2,565,900		-0-

SUMMARY OF FINDINGS

	<u>PAGE</u>
I. <u>Procurement Manual</u>	5
SCSU's Procurement Manual was out of date.	
II. <u>Sole Source Procurements</u>	
A. <u>Unauthorized Sole Source Procurements</u>	5
Two sole source procurements lacked management authorization.	
B. <u>Sole Source Determinations Inadequate</u>	6
Four sole source determinations were found to be inadequate.	
C. <u>Sole Source Procurements Not Advertised in SCBO</u>	7
Required public notice of intent to award for three sole source procurements was not posted in SCBO.	
D. <u>Sole Source Procurements Not Reported Timely to DPS</u>	8
Six sole source procurements were not reported to DPS in a timely manner.	
III. <u>Emergency Procurements Not Reported Timely to DPS</u>	8
Twelve emergency procurements were not reported to DPS in a timely manner.	
IV. <u>Purchasing Card Program Administration</u>	
Weaknesses in management oversight of the P-Card program increase the risk that inappropriate use of P-Cards could go undetected.	
A. <u>Insufficient Purchasing Card Manual</u>	9
SCSU's internal P-Card Manual is outdated and does not address key parts of State P-Card Policies & Procedures (State P-Card Policy).	
B. <u>Bank Statements Lacked Management and Cardholder Approval</u>	10
There were multiple instances where the manager and/or cardholder did not date the bank statements or signed the bank statements after the audit began.	
C. <u>Required Liaison Reviews Not Performed</u>	11
There was no documentation of required reviews of P-Card transactions by liaisons.	
D. <u>No Chief Procurement Officer Approval for STLs greater than \$10,000</u>	11
Four employees had a \$15,000 single transaction limit (STL) without Chief Procurement Officer (CPO) approval.	
E. <u>Cardholder Exceeded Transaction Limit and Credit Limit</u>	12
One cardholder exceeded their STL eight times and their credit limit twice.	

SUMMARY OF FINDINGS

	<u>PAGE</u>
F. <u>Independent Audit of Purchasing Cards Not Performed</u>	13
Periodic independent audits of the P-Card program had not been performed.	
G. <u>P-Card Training Program</u>	13
SCSU had no documented Level I or Level II training program.	
H. <u>Inactive P-Cards Not Cancelled</u>	14
Two P-Cards had not been used in over a year and four P-Cards had never been used.	
V. <u>Assistance to Minority Businesses</u>	
A. <u>Annual Utilization Plans Not Filed Timely</u>	15
Two annual utilization plans were not filed in a timely manner.	
B. <u>Quarterly Progress Reports Not Filed Timely</u>	15
Two quarterly progress reports were not filed in a timely manner.	
VI. <u>Delays in Access to Procurement Records</u>	16
We experienced unusual delays in responses to requests for documentation or explanation during the audit.	

Note: SCSU's responses to the findings in this report have been inserted after each recommendation and a copy of the response cover is attached after the report.

RESULTS OF AUDIT

I. Procurement Manual

SCSU's procurement manual was last updated on October 3, 2013 and is not in compliance with the Code and regulations in key areas. For example:

- The small purchase procedures have not been updated to reflect Code § 11-35-1550.
- There is no reference to commercially available off-the-shelf (COTS) products per Regulation 19-445.2141.
- There are no requirements for advertising all sole source and emergency procurements greater than \$50,000 as required by SC Code Ann. § 11-35-1560.

Per SC Code Ann. § 11-35-540 (3) Approval of Operational Procedures, "Governmental bodies shall develop internal operational procedures consistent with this code; except, that the operational procedures must be approved in writing by the appropriate CPO."

Recommendation: We recommend SCSU develop an internal procurement procedures manual as required by SC Code Ann. § 11-35-540 and Reg. 19-445.2005, and that SCSU submit the manual to DPS for approval.

University Response

Since the completion of the audit report, South Carolina State University hired a new Procurement Director who is currently seeking to identify changes that are needed in the manual to make it current as of 2022. Such changes shall be in accordance with the Procurement Manual Checklist (Revised 03/29/2021) provided by SFAA DPS; and shall also ensure that all office forms offered on SFAA DPS's website are used for SCSU's operations. SCSU will have a current (2022 version) submitted to DPS for approval by the end of the Fiscal Year (June 30, 2022).

II. Sole Source Procurements

We tested all seven sole source written determinations for compliance with the code.

A. Unauthorized Sole Source Procurements

The justifications for two sole source procurements totaling \$302,430 were dated after the purchase order (PO) date. These two procurements are unauthorized and must be either ratified or acknowledged and declared null and void.

Regulation 19-445.2015 states: "Upon discovering after award either (a) that a person lacking actual authority has made an unauthorized award or modification of a contract or (b) that a contract award or modification is otherwise in violation of the Code or these regulations, the appropriate official must decide to either ratify the contract in accordance with this regulation or acknowledge and declare the contract null and void. If ratified, the contract maybe continued or terminated. The contract may be ratified only if ratification is in the interest of the State."

RESULTS OF AUDIT

Recommendation: We recommend the appropriate official ratify and continue or terminate, or acknowledge and declare null and void, all unauthorized contracts still in effect, and prepare the appropriate written determinations as required by Regulation 19-445.2015 (A) and (G).

University Response

SCSU acknowledges this recommendation as an appropriate resolution. Since the completion of the audit report, SC State University hired a new Procurement Director who is currently collaborating with Accounts Payable Staff to identify the unauthorized purchases described in the recommendation and move forward to continue or terminate, or acknowledge and declare null and void, all unauthorized contracts still in effect, and prepare the appropriate written determinations as required by Regulation 19-445.2015 (A) and (G).

B. Sole Source Determinations Inadequate

Four sole source justifications totaling \$251,941 are inadequate. The justifications were for software annual subscriptions. The same justification was used for each year of the contract.

SC Code Ann. § 11-35-1560 requires governmental bodies to determine in writing that there is only one source for the required supply, service, information technology, or construction item. SC Regulation 19-445.2105 further specifies that “the determination must contain sufficient factual grounds and reasoning to provide an informed, objective explanation for the decision.” An adequate justification would define the university’s need, describe the methods used to determine suitable products available in the market, and weigh the advantages/disadvantages of the identified options.

Recommendation: We recommend that SCSU review and revise its procedures for sole source procurements to require that written determinations first document the university’s need, then explain the basis for its determination that only one source was available or no other was suitable or acceptable to meet the need. Written determinations must contain sufficient factual grounds and reasoning to provide an informed, objective explanation for the decision, and to ensure that in cases of reasonable doubt, competition is obtained as required by SC Code Ann. § 11-35-1560 and Regulation 19-445.2015 (C).

University Response

Since the completion of the audit report, SCSU hired a new Procurement Director, who created a Sole Source Procurement Guideline effective December 15, 2021. The language from the guideline will be added to 2022 version of the Procurement Manual; and includes SFAA DPS’s recently revised Sole Source Form (MMO#102) issued 08/09/2021. By using the new form, SCSU has a foundation, which ensures that written determinations provide sufficient information and

RESULTS OF AUDIT

documentation to justify a purchase as a sole source. Also, the new Procurement Director is preparing a virtual professional development series for faculty and staff as a Procurement Month event, which will include training on Sole Source procurements by March 30, 2022.

C. Sole Source Procurements Not Advertised in SCBO

Public notice of intent to award three sole source procurements totaling \$471,544 were not posted in South Carolina Business Opportunities (SCBO) as required for sole source procurements greater than \$50,000.

SC Code Ann. § 11-35-1560 states: "Except for contracts with a total potential value of fifty thousand or less, adequate public notice of the intent to award without competition must be posted in SCBO, except that public notice is not required if the appropriate [CPO], after consultation with the head of the purchasing agency, determines in writing that award without such notice is in the interest of the State. Notice must contain a right to protest under § 11-35-4210(1) and must be posted at least five business days before entering a contract. For contracts with at total potential value greater than two hundred fifty thousand dollars, such notice must be posted at least ten business days before entering a contract."

Recommendation: We recommend SCSU review and revise its procedures to ensure that any sole source procurements greater than \$50,000 provide adequate public notice as required by SC Code Ann. §11-35-1560.

University Response

Since the completion of the audit report, SCSU hired a new Procurement Director, who created a Sole Source Procurement Guideline effective December 15, 2021. The language from the guideline will be added to 2022 version of the Procurement Manual; and includes the compliance to the 2019 statutory requirement to advertise sole sources in SCBO.

D. Sole Source Procurements Not Reported Timely to DPS

Six sole source procurements totaling \$554,371 were reported late. SC Code Ann. § 11-35-2440 requires that governmental bodies submit quarterly, a record listing of all contracts made pursuant to § 11-35-1560 to the CPO.

Recommendation: We recommend that SCSU develop a documented process, to include management review and approval, to ensure that an accurate and complete list of all sole source procurements is reported quarterly in a timely manner.

University Response

Since the completion of the audit report, SCSU hired a new Procurement Director, and commits to developing written procedures for Sole Source reporting. The Director shall have

RESULTS OF AUDIT

responsibility for review and approval prior to submission. SCSU will develop a database by March 1, 2022, to collect records of Sole Source Procurements to make reporting preparation more efficient and automated.

III. Emergency Procurements Not Reported Timely to DPS

We tested written determinations for all 12 emergency procurements totaling \$341,991 for compliance with the code. They were all reported late.

SC Code Ann. § 11-35-2440 requires that governmental bodies submit quarterly, a record listing of all contracts made pursuant to § 11-35-1570 to the CPO.

Recommendation: We recommend that SCSU develop a documented process, to include management review and approval, to ensure that an accurate and complete list of all emergency source procurements is reported quarterly in a timely manner.

University Response

Since the completion of the audit report, SCSU hired a new Procurement Director, and commits to developing written procedures for Emergency reporting; The Director shall have responsibility for review and approval prior to submission. SCSU will develop a database by March 1, 2022, to collect records of Emergency Procurements to make reporting preparation more efficient and automated.

IV. Purchasing Card Program Administration

SCSU had 52 cardholders who spent \$384,927 in 906 transactions during the audit period. Due to the volume of usage, there is increased risk of misuse or abuse of the P-Card without adequate management oversight.

A. Insufficient Purchasing Card Manual

We reviewed SCSU's P-Card manual for compliance with the South Carolina Purchasing Card Policy and Procedures (State P-Card Policy) and identified areas of non-compliance. SCSU does not have a separate P-Card manual. Their P-Card policies and procedures are included in their Procurement Manual which was last updated on November 3, 2013 and did not address critical elements of the State P-Card Policy as follows:

- Inadequate roles and responsibilities for the documentation of manager/supervisor approval.
- Inadequate procedures for addressing prohibited transactions.
- No procedures for department liaisons to review transactions to ensure transactions are for legitimate public expenditures.

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- No procedures for the use BOA Works.
- No procedures for establishing and administering a documented Level 1 and Level 11 training program.

Recommendation: We recommend SCSU revise its internal P-Card Manual to cover the key requirements of the State P-Card Policy. A P-Card Manual checklist is available on the Procurement Services website that may aid in addressing critical elements. We further recommend that SCSU's P-Card manual be separate from the Procurement manual.

University Response

Since the completion of the audit report, SCSU hired a new Procurement Director, who was the State Procurement Card Administrator for SFAA DPS and contributed to many of the January 1, 2020, revisions of the State's P-Card Manual. SCSU will utilize the P-Card Manual Checklist to revise the Purchasing Card Manual for alignment with standards of use provided in the September 9, 2021 updated version of the State's P-Card Policy and Procedures manual. The revised P-Card manual shall be completed and effective by the commencement of the next Fiscal Year (July 1, 2022).

B. Bank Statements Lacked Management and Cardholder Approval

SCSU managers did not date their approval of P-Card statements in 13 instances. There were 12 instances where the manager's signature was dated after the audit began. State P-Card Policy section III (B)(8), Supervisors/Approving Officials, requires managers to, "Sign the cardholder monthly bank statements signifying review and approval for payment. This responsibility cannot be delegated to another person; a) All signatures are original signatures. Signatures made with rubber stamps are prohibited."

There were four instances where the cardholder did not sign the bank statement, and six instances where the cardholder did not date the bank statement approval. There were eight instances in which the cardholder signed the bank statements after the audit began. State P-Card Policy III (D)(4) Cardholders, Sign Monthly Bank Statements, requires cardholders to, "Sign the cardholder monthly bank statements attesting to the accuracy and completeness of the statement. All signatures must be original signatures. Signatures made with rubber stamps are prohibited."

Recommendation: We recommend that SCSU follow the State P-Card Policy that both management and the cardholder sign the activity statements. We also recommend that SCSU's P-Card Policy be updated to comply with the state P-Card policy. We further recommend that P-Card holders and Departmental Administrators be provided refresher training to reinforce compliance with the State P-Card Policy.

RESULTS OF AUDIT

University Response

Bank statements received since the audit report require manager and cardholder signatures. The P-card manual will be revised to address this requirement. The Procurement Department is planning mandatory refresher training events for cardholders, liaisons, and approvers to include (1) a virtual session about mitigating p-card fraud, abuse, and misuse by March 30, 2022. As is the case with new cardholders, existing cardholders will receive individual training each time a new card is issued because of fraud or expiration. Also, once the revised p-card manual is complete, a corresponding training and test will be required for all cardholders, liaisons, and approvers who are tied to the pcard program. Training records will be retained collectively in a training file and in the corresponding Cardholder's p-card file.

C. Required Liaison Reviews Not Performed

There were no documented liaison reviews of any P-Card transactions. SCSU's procurement/p-card manual did not address liaison reviews.

State P-Card Policy section III(C) Liaison Responsibilities states: "The liaison reviews the transactions for all cardholders assigned to him/her to determine that the cardholder and supervisor/approver are complying with this State P-Card Policy; i.e., no prohibited transactions, no split transactions, purchases are made from contract vendors when available, no deliveries to other than the business address(s), no blocked MCC codes, etc."

Recommendation: We recommend that SCSU's P-Card manual be revised to describe the review process and require P-Card Liaisons to document their review. We recommend checklist be developed to ensure consistency in Liaison reviews.

University Response

The P-Card manual will be revised to provide a liaison review process and checklist to be included with monthly statements.

D. CPO Approval for STLs Greater Than \$10,000

Four employees had STLs of \$15,000; however, board and CPO approvals for these STLs had not been obtained.

State P-Card Policy section II D. Single Transaction Limits states: "To raise the Single Transaction Limit above the "no competition" limit set forth in Section 11-35-1550(2)(a), the P-Card Administrator must first obtain the written approval of its governing board or if there is no governing board, Agency head. The P-Card Administrator must then submit a written request for the change, along with the approval of its governing board or Agency head, to the Materials Management Officer for approval."

RESULTS OF AUDIT

Recommendation: We recommend that SCSU comply with the State P-Card policy and their internal policy pertaining to approvals for purchases in excess of the STL. We further recommend liaison reviews include verification that purchases do not exceed approved STLs.

University Response

SCSU will remain in compliance with Section II.B.2 of the State's P-Card manual and shall not allow purchases in excess \$2,500.00 per card unless there is prior approval by the President or Board of Trustees. Purchases in excess of \$10,000.00 will require approval by the President or Board of Trustees and the State Chief Procurement Officer. Any permanent changes in a cardholder's single transaction limit will require a revised cardholder agreement signed by the cardholder, supervisor and other appropriate stakeholders.

E. Cardholder Exceeded Transaction Limit and Credit Limit

One cardholder exceeded their STL four times in the month of May 2020 and four times in the month of June 2020. The cardholder exceeded their credit card limit in both May of 2020 and June of 2020. Management indicated that the cardholder was given the authority to exceed both limits due to the COVID-19 emergency, but no documentation of approval to move the card to emergency status could be provided.

State P-Card Policy section II E. Emergency Procedures states: "The governing board of Group A and B agencies or the agency head or the designee of either may authorize the agency to designate certain cards to be moved to Emergency Status in the event of a disaster affecting that agency or a declared emergency. This approval should designate the maximum STL that can be assigned to such cards."

Recommendation: We recommend that SCSU's P-Card procedures be revised to ensure that before any P-Card is moved to an emergency status that documented approval be obtained from the University's governing board or designee as required.

University Response

SCSU will revise the P-Card procedures to ensure that SCSU's P-Card administrator receives documented approval from the governing board or designee before any P-Card is moved to an emergency status.

F. Independent Audit of Purchasing Cards Not Performed

SCSU had not performed independent audits of P-Card activity as required. Per the State P-Card Policy, Section III(A)(1)(a)(ix), agencies must "Create a provision for audit or other independent review of all areas of program administration and transactions at least annually."

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Recommendation: We recommend SCSU develop and implement procedures to ensure independent audits of the P-Card program are conducted, at least annually, to include program administration and transaction testing. We further recommend that these audits be performed by individuals not associated with the P-Card program.

University Response

The Procurement Director will develop a procedure to require an annual audit of the program by an independent auditor. Annual audits shall begin in fall 2022 for fiscal year 2021-2022 records.

G. P-Card Training Program

SCSU did not have a documented training program for Level I and Level II P-Cardholders. Regarding Level I training, Section III (A)(4) of the State P-Card Policy states "Develop a documented, agency-specific training program that must be completed for all for all Cardholders, Supervisors/Approving Officials and Liaisons prior to issuance of the P-Card." Additionally, the Manual requires Level II training, also referred to as "Procurement Official" training, for those making purchases exceeding the no competition threshold.

Recommendation: We recommend that SCSU ensure adequate training is provided to cardholders and supervisors/approving officials providing oversight responsibilities. The training course should be documented, and completion dates recorded in the cardholder's file.

University Response

SCSU is currently planning to implement a training program through the University's Learning Management System (LMS), which will provide and document on-demand training and require successful completion of the training and a subsequent test by the Cardholder, Liaison, and Approver prior to a card being issued to a Cardholder.

H. Inactive P-Cards Not Cancelled

There were two P-Cards that had not been used in over one year, and four additional cards that had never been used. Per State P-Card Policy Section III(A)(1)(a)(xi), SCSU must "Monitor Cardholder accounts for inactivity and promptly close accounts and cards that are no longer needed."

Recommendation: We recommend closing all unused P-Card accounts and developing and implementing procedures to require monitoring and timely closing of inactive cards as required by the State P-Card Policy.

University Response

SCSU closed unused p-card accounts; and will develop a process for continued closing of unused p-card accounts and place it in the P-Card manual. This process shall become effective by

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April 1, 2022, and will address how often the P-Card Administrator or designee reviews cards for inactivity. It will also include a form, which will demonstrate who performed the review and when it occurred.

V. Small and Minority Business Plans and Reports Not Filed Timely

A. Annual Utilization Plans Not Filed Timely

Two annual utilization plans were not filed in a timely manner. SC Code Ann. 11-35-5240(2) states: "MBE utilization plans must be submitted to the SMBCC for approval no later than July 30th, annually."

University Response

SCSU will develop and implement procedures to comply with statutory requirements to submit a Utilization Plan prior to July 30th of each year.

B. Quarterly Progress Reports Not Filed Timely

Two quarterly progress reports were not filed in a timely manner. SC Code Ann. 11-35-5240(2) states: "Progress reports must be submitted to the [SMBCC] no later than thirty days after the end of each fiscal quarter."

Recommendation: We recommend that SCSU develop and implement procedures, including management review, to comply with SC Code Ann. § 11-35-5240 (2) by submitting annual utilization plans and quarterly progress reports to the SMBCC in a timely manner.

University Response

SCSU will develop a database to collect records regarding minority outreach and participation to make reporting preparation more efficient and automated. SCSU will develop and implement procedures and milestone dates to comply with statutory requirements which will allow completion of management review and submission of quarterly reports a timely manner. The database and procedures will be effective by June 30, 2022.

VI. Delays in Access to Procurement Records

We experienced unusual delays in response to requests for documentation or explanation during the audit. Required procurement records did not appear to be organized in a consistent manner or location for access by current procurement personnel.

SC Code Ann. § 11-35-2430 states: Retention of procurement records, requires that "All procurement records of governmental bodies shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the Department of Archives and History after consultation with the Attorney General." Regulation 19-445.2005 (B), Procurement Records,

RESULTS OF AUDIT

states: "Each governmental body must maintain procurement files sufficient to satisfy the requirements of external audit."

Recommendation: We recommend SCSU develop and implement documented procedures that establish a consistent methodology for organization and location of required documentation of procurement activity as required by the Code and Regulations.

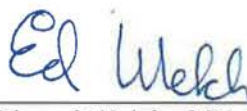
University Response

Since the completion of the audit report, SCSU hired a new Procurement Director, who implemented a central cloud-based repository for all procurement files. Use of the indexed repository is required by all Procurement Staff and the procedures for use will be included in the revisions to the Procurement Policy and Procedures Manual.

CONCLUSION

We believe corrective action based on the recommendations described in this report will bring South Carolina State University into compliance with the South Carolina Consolidated Procurement Code.

SCSU did not request increased procurement certification above the statutory limit of \$50,000. Subject to the corrective action listed in this report, we recommend SCSU be allowed to continue procuring supplies and services, information technology, and construction services up to \$50,000 as allowed by the South Carolina Consolidated Procurement Code.



Edward Welch, CPA
Audit Manager
Audit & Certification



Crawford Milling, CPA, CGMA
Director, Audit & Certification



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SFAA DPS, Director, Audit and Certification

From: Stacy Gregg, NIGP-CPP, CPPO, CPPB

Cc: Alexander Conyers
Ken Davis, CPMM, FMP

Date: February 8, 2022

Re: Response to South Carolina State University's Audit Findings

Attached is South Carolina State University's response to your most recent audit findings.

Since my arrival at SCSU on December 1, 2021, I've worked diligently to identify inefficiencies in procurement processes. In doing so, I have found that much of what I have seen has resulted in the findings found by you and your team. We have addressed some of your findings and made changes accordingly. Likewise, we are currently in the process of elevating the Procurement program at South Carolina State University by taking the following steps:

- Building separate databases to house Sole Source, Emergency, Unauthorized, and SWMBE procurements;
- Revising both the Procurement and P-Card policy and procedure manuals to be current and in compliance with the ones set forth by the State;
- Using a central cloud-based storage filing repository to hold Procurement records;
- Refreshing SCSU's financial management system, Banner, so that it will have many of the same functions as SCEIS such as providing robust reporting and holding SWMBE information in the supplier database and purchase order attachments.
- Developing a full spectrum Disadvantaged Business program to actively seek, train, and document utilization of SWMBE businesses;
- Reinstated professional memberships to SCAGPO, NIGP, and NAEP as resources for procurement staff training. Also, registered for complimentary (self-paced) Procurement U courses through NASPO and setting aside one hour each day to work on the courses.
- Set goals and obtained resources to promote 100% of eligible staff to be tested and certified by the UPPCC by July 2023; and
- Implementing a procurement training program for faculty and staff, which will address procurement and p-card process.

As we move forward following the audit, I humbly offer that as the new Procurement Director, I have the experience and knowledge necessary to cure the deficiencies found in the related audit. I have been employed at the State Fiscal Accountability Authority, in the very same office that processes SCSU's large purchases. My logic is that of someone who is at the Division of Procurement Services because I was trained there and worked as a Procurement Manager and the P-card Administrator for the State and Division programs. I am a nationally recognized procurement instructor, holding 3 national certifications. Also, for more than 23 years, I never worked under a limited Procurement Certification and have extensive experience with large and complex procurements.

South Carolina State University's official responses to audit findings are enclosed.

Audit Response Affirmed:

February 8, 2022

Date

DocuSigned by:

Alexander Conyers

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Alexander Conyers
Interim President
South Carolina State University