Proper Planning Prevents Poor Performance

Roger Ball, MAI     Jerry Roberson     Stephen Roach, MAI, SRA, AI-GRS

2018 AI Connect     Nashville, TN
Our Presentation

- 9 Milestones on the Path to a Good Result in Disputed Valuation
  - Stephen Roach, MAI, SRA, AI-GRS
- The Importance of Client Communication
  - Jerry Roberson
- A Condemnation Case Study
  - Roger Ball, MAI
Proper Planning Prevents Poor Performance

9 MILESTONES ON THE PATH TO A GOOD RESULT IN DISPUTED VALUATION

Stephen Roach, MAI, SRA, AI-GRS

2018 AI Connect  Nashville, TN
Proper Planning . . .

- Presentation includes “Do’s and Don’ts” for 9 milestones on the path to a good result in assignments involving disputed valuation matters.
- Presented in chronological order, not necessarily in order of importance.
- Milestones start with first contact and end with the trial.
- The deposition and trial are NOT the time to prepare for success.
The 9 Milestones

1. The first phone call
2. Determination of the scope of work
3. Assembly of the trial team
4. Interaction between counsel and the team
5. Draft reports / pre-submission conferences
6. Deposition preparation
7. Deposition testimony
8. Trial preparation
9. Trial testimony
1. The First Phone Call

**Do:**
- Clear conflicts (client, property, or issues)
- Determine the timeline
- Determine information available / needed
- Begin prudent workfile management

**Don’t:**
- Accept assignments with conflicts
- Accept assignments with unrealistic timeframes
- Take inaccurate or unnecessary notes
2. The Scope of Work

**Do:**
- Determine the property to be appraised (larger parcel)
- Determine the date of value
- Determine property rights to be appraised (fee, leased fee, leasehold, easement, etc.)
- Determine valuation approaches and methods to be used
- Determine necessary discovery
- Consider prior legal rulings
- Consider needed future legal rulings and jury instructions

**Don’t:**
- Assume that you know any one of the four appraisal elements
- Assume that all approaches to value are appropriate or acceptable
- Discard applicable and necessary approaches
- Assume . . .
3. Assembly of the Trial Team

**Do:**
- Disclose the limits of your expertise
- Ask for other professional expertise when appropriate (engineering, geology, environmental, entitlements, traffic, cost estimating, etc.)
- Interact with the other experts
- Continue prudent workfile management

**Don’t:**
- Opine beyond your expertise
- Act like you are an expert in everything
- Ignore the opinions and conclusions of other team experts
4. Interactions with Counsel

- **Do:**
  - Remember that communications are generally discoverable
  - Assume that all communications will be published to the jury
  - Consider that “no notes” may not be credible
  - Continue prudent workfile management

- **Don’t:**
  - Forget that you are unbiased and independent
  - Forget that you must comply with USPAP
  - Forget that you are the valuation professional
  - Forget that the “e” in email stands for “everybody”
4. Draft Reports/Presubmission Conference

**Do:**
- Remember that workfiles are generally discoverable
- Consider what must be retained per professional standards
- Accurately and succinctly describe the nature of meetings and communications

**Don’t:**
- Hide or obfuscate facts
6. Deposition Preparation

**Do:**
- Consider both the strengths and weaknesses of the appraisal
- Discuss what materials must be produced
- Advise counsel about production requests that are problematic
- Discuss counsel’s goals for the deposition
- Determine if the depo will be videotaped

**Don’t:**
- Fail to prepare
- Plan to go in and “wing it”
- Assume opposing counsel knows nothing about appraisal
7. Deposition Testimony

**Do:**
- Remember counsel’s goals for the deposition
- Listen carefully to each question, and answer *that* question
- Pause before every answer to allow for objections
- Provide an appropriate answer, then wait for the next question
- Answer truthfully; “I don’t know” or “I don’t recall” may be the only truthful answer
- Ask for clarification if you don’t understand the question
- Read the transcript carefully; discuss proposed changes with counsel

**Don’t:**
- Try to be funny or clever
- Assume that you know what the questioner really wants to know
- Forget that the attorney defending the deposition is *NOT* your lawyer
- Answer questions that you do not understand
- Don’t forget that you are on camera (for videotaped depositions)
- Fail to concede obvious points
8. Trial Preparation

**Do:**
- Respect the role of counsel as the “quarterback” of the case
- Review your deposition transcript carefully
- Review the deposition transcripts of other experts
- Consult with counsel regarding trial exhibits (pictures, pictures!)
- Discuss direct and cross with counsel
- Consider how to communicate the case to the trier of fact
- Discuss legal rulings and jury instructions with counsel

**Don’t:**
- Fail to prepare
- Wait until the last minute
- Assume that the case will settle
9. Trial Testimony

**Do:**
- Remember that trial is the time to “tell your story”
- Engage with the trier of fact
- Think of yourself as a teacher
- Integrate the testimony and interact with exhibits
- Be sure to answer the questions asked
- Pause before answers to allow for objections
- Answer truthfully; “I don’t know” or “I don’t recall” may be the only truthful answer
- Ask for clarification if you don’t understand the question

**Don’t:**
- Try to be funny
- Use avoidable jargon; too much sounds arrogant
- Be condescending to the trier of fact
- Talk to the jury the way you talk to each other
- Change your attitude and demeanor on cross exam
- Give answers that are inconsistent with your deposition
- Forget that the question is what would a knowledgeable buyer pay to a knowledgeable seller
2018 Annual Conference of the Appraisal Institute

JERRY D. ROBERSON
JULY 30, 2018
NASHVILLE, TENNESSEE
“Proper Planning Prevents Poor Performance – the importance of client communication”
THE OPINIONS EXPRESSED IN THIS PRESENTATION ARE THOSE OF JERRY D. ROBERSON.

ALABAMA POWER COMPANY’S POSITION AND OR BELIEFS ARE NOT EXPRESSED, GIVEN OR AFFIRMED IN ANY MANNER.

J DR.
I. Little River Canyon
II. Lake Martin – Recreational Lots
III. Lake Martin – Pleasure Point
IV. Lake Martin – The Fingers
V. Bellefonte Nuclear Facility
LITTLE RIVER CANYON ATTRIBUTES

I. 8,500 Acres of Fee Simple Ownership
II. Deepest Canyon East of the Mississippi River
III. Home to Endangered Species
IV. Mineral Rights Associated with the Property
V. Timber Rights Associated with the Property
VI. 5,000 Acres of Water and Diversion Rights
VII. Archaeological Sites
February 18, 1952

Representative Claude Harris
1899 Longworth Building
Washington, D.C. 20515

Dear Representative Harris,

The Little River Coonhunter's Association would like to publicly state our opposition to the Little River National Preserve (Park). We are not opposed to preservation of the area, in fact, we support the idea of having a place for recreation for everybody (hunters included). We feel that there are better alternatives such as the Forever Wild Program administered by the state which would cost the taxpayers nothing. If passed by the voters in Alabama, the funds would come from offshore drilling.

We feel that there are too many mine points as opposed to plus points when the scales are applied to the National Park Service and to Mr. Bevill's House bill HR 3655. There is a condemnation exclusion clause in the bill right now, but there are three statements that when considered should make us wary of that item. The chairman of the House committee, Mr. Bruce Vento, has stated that there will be no bill leaving his committee that does not have a condemnation clause. The National Parks and Conservation Association (the quasi-official lobbying arm of the NPS) in testimony before the House committee stated, "if the Little River area is to be included in the National Park System, the NPS must be able to secure full title to the lands and waters within the park. This includes having the power of eminent domain." We already are hearing that eminent domain (condemnation) is being placed in Mr. Bevill's bill supposedly at the request of Alabama Power. And probably most disturbing is a statement by Senator Shelby that the bill, even if passed without condemnation, could be changed at any time.

It seems that the approximately 15,000 acres that are included in the original bill would not be enough for the NPS.
Proper Planning Prevents Poor Performance – The Importance of Client Communication

Jerry D. Roberson

2018 Appraisal Institute Annual Meeting

If it did, there would be no need for a "secondary" area to be included in the bill introduced by Mr. Búvill. It seems that there is a goal of ultimately obtaining the 34,000 acres that was originally recommended by the NPS survey team.

If "preservation" of the area is the motivating factor involved in the whole idea, then we must have been doing something right. A new article recently printed in the Times-Journal, our Dekalb County Health Department administrator said that Little River was embarrassingly clean. That must be in part because of efforts by people like Fischer Rescue Squad who take it upon themselves to remove trash from the area.

Also, we cannot agree with the whole idea that would give control of our hunting privileges over to an administrator in the Interior. Mr. Heflin's bill states that the Secretary of the Interior will allow hunting on Little River National Preserve after consultation with the Alabama Department of Conservation. We also may stop a hunting season from game biologists. With which "have" to be based on opinions of hunters today, we feel that the many restrictions placed upon hunters are not compatible. We already must obtain written permission from the landowner or pay the $250 per season cost. If there is no written permission from the landowner who may have given us verbal permission must appear in court or the fine stands. We are not saying that landowners should not control who hunts on their property but rather that we do not need a federal "landowner" who could be even more strict. There are cases of hunting dogs being killed by NPS officials for trespassing. Since dogs cannot read land boundary markings, we feel that situations may arise that would put the hunter at risk.

We respectfully request that you use your influence to stop such a cancer as the NPS from infringing upon the rights of the
people of Northeast Alabama and establishing a foothold from which to spread and control our lives.

Sincerely

A.D. Hawthorne, President
Little River Coonhunter's Association
During early 1993, there were numerous discussions with the NPS in Atlanta and Washington regarding qualifications, experience, designations, and the ability to appraise a very unique tract such as Little River Canyon.

During a conference call on June 22, 1993, Tom Brown, Associate Director, Atlanta Region of the NPS said that any MAI was qualified to appraise Little River Canyon.
I then asked Mr. Brown a question.

“Mr. Brown, if you needed a triple by-pass, would you go to a doc in the box?”

Then there was silence on the other end and the sound of a dead telephone line - he hung up on us.

Needless to say, the rest of the abbreviated discussions were useless.
To further our clarification of an acceptable appraiser, I talked with Will Kriz, Chief Realty Officer, NPS in Washington around August 1993 and the conversation was as follows:

I asked about appraisers NPS would find acceptable and his reaction was any certified professional “as long as it’s not one of those damned public interest guys like Mundy.”

He emphasized that the selection is not a low bid exercise. NPS wants a good solid work product and is prepared to pay for it.
NORTH CAROLINA SPECIAL WARRANTY DEED

THIS DEED made this ____ day of ________19__ by and between

Grantor

DUKE POWER COMPANY
P.O. Box 33189
Charlotte, NC 28262

Grantee

THE NATURE CONSERVANCY,
A non-profit District of Columbia Corporation With Offices at Suite 225, Carr #14 Mall Cary, NC 27512

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors and assigns, and shall include singular, plural, masculine, feminine or neutral as required by context.

WITNESSETH, that the Grantee, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all those certain lots or parcels of land situated in Canada Township, Jackson County and Robeson Township, Transylvania County, North Carolina, and more particularly described as follows:

Tract No. 1: That certain tract of land containing 4700.45 acres, bounded on the north by the tract of land described as Tract No. 2, and on the south by the tract of land described as Tract No. 3, and on the west by Liberty Life Insurance Company, et al., and on the east by the tract of land described as "USPS TRACT N-753" on plat of survey heretofore referred.

Tract No. 2: That certain tract of land containing 1206.24 acres, bounded on the north by United States Forest Service and James McClure Clark, et al., on the east by United States Forest Service, on the south by L. Evans Bass and George R. Corbett, and on the west by remaining lands of Grantor, as shown and designated "USPS TRACT N-753" on plat of survey heretofore referred.

Tract No. 3: That certain tract of land containing 305.69 acres, bounded on the north by George R. Corbett and Louis E. Smith, et al., on the east by Sidney H. Buscher, and on the south and west by remaining lands of Grantor, as shown and designated "USPS TRACT N-753" on plat of survey heretofore referred.

Deed File No. D-4487 (1)
The above three tracts containing in the aggregate a total of 6,294.72 acres are shown on plat of survey prepared by Grantor worked 10/8-91, consisting of 6 sheets recorded in Plat File 5, Slides 99-100 of the Jackson County Registry and in Plat File 4, Slides 13-203 of the Transylvania County Registry; AND BEING a portion of a tract of land conveyed to Grantor by Liberty Life Insurance Company by deed recorded in Book 686 at page 665 in the office of the Register of Deeds for Jackson County and in Book 303 at page 431 in the office of the Register of Deeds for Transylvania County.

Said property is conveyed together with a nonexclusive right to the use of all easements appurtenant and subject to all conditions and restrictions of record pertaining to the use of such easements.

Grantor reserves for itself, its successors and assigns, from this conveyance the following easements and rights of way:

**Namespace Area No. 1:** An easement in that tract of land lying in Canada Township, Jackson County, North Carolina, containing 0.06 acres, as shown on a survey thereof dated August 15, 1989, marked File No. 7-753, recorded in Plat File 5, Slide 100 of the Jackson County Registry. Said easement area to be used by Grantor for constructing, maintaining and using a helicopter landing area. Grantor shall have the right to grade and level said easement area and keep the same free at all times of trees or other obstructions which might interfere with the use of same for a helicopter landing area.

**Namespace Area No. 2:** An easement in that tract of land lying in Canada Township, Jackson County, North Carolina, containing 0.92 acres, as shown on a survey thereof dated September 25, 1989, marked File No. 7-754, recorded in Plat File 5, Slide 103 of the Jackson County Registry. Said easement area to be used by Grantor for constructing, maintaining and using a helicopter landing area. Grantor shall have the right to grade and level said easement area and keep the same free at all times of trees or other obstructions which might interfere with the use of same for a helicopter landing area.


**Tower Road Right of Way:** An easement and right of way in that certain access road shown on Sheet 3 of the plat of survey above referred and on a plat of survey entitled, "Lake Power Company Boatway Mountain Communication Site," dated June 29, 1986, marked File No. 105-87, recorded in Plat File 5, Slide 106 of the Jackson County Registry and in Plat File 4, Slide 23 of the Transylvania County Registry, and being therein indicated "16' Access Road."

This conveyance is made upon the express condition that public access to the property conveyed in fee herein from Cold Mountain Road (S.R. 1391) shall be by that road which extends from Cold Mountain Road in a generally westerly direction toward Schoolhouse Falls and being designated "Road B" on Sheet 3 of the plat of survey above referred. Other roads leading into the interior of the property from Cold Mountain Road or from privately maintained roads interesting Cold Mountain Road shall be closed to vehicular access by the public by means of existing gates now located on such roads, and may be used only by...
the Grantor, its successors and assigns, for access to the 650' wide corridor retained
by Grantor and may be used by Grantee, its successors and assigns, for forest management
and fire protection purposes only.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and
appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor has done nothing to impair such
title as Grantor received, and Grantor will warrant and defend the title against the
lawful claim of all persons claiming by, under or through Grantor, except for the
exceptions hereinafter stated.

Title to the property hereinabove described is subject to all easements and restrictions
of record.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate
name by its duly authorized officers and its seal to be hereunto affixed by authority of
its Board of Directors, the day and year first above written.

ATTEST:

DUKE POWER COMPANY

Assistant Secretary

By

Executive Vice President

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

I, Clarence J. Triplett, a Notary Public for the above State and County,
hereby certify that Louis F. Lampe, Jr. personally came before me this day and
acknowledged that he is Assistant Secretary of DUKE POWER COMPANY, a corporation, and
that by authority duly given and as the act of said corporation, the foregoing and annexed
instrument was signed in its name by William H. Heflin, Jr., its Executive Vice
President, sealed with its corporate seal and attested by himself, as its Assistant
Secretary.

WITNESS my hand and official seal, this the 22 day of November, 1989.

Deed File No. D-4487(1)
I. Went Far and Wide

II. Talked to dozens of appraisers all over the country

III. Talked to Conservation and Non-Profit Organizations

IV. Talked to Numerous Attorneys

V. Talked to Tom Bevill’s Office 2-3 Times

VI. Read dozens of articles and looked at numerous reference books

VII. Reviewed many old government appraisals
I. 44,000 acre lake located in Tallapoosa, Elmore and Coosa Counties

II. Approximately 245 recreational sites associated with this project
I. 32 Acre Tract of Land with Significant Water Frontage  
II. Former Trailer Park
LAKE MARTIN – FINGER'S PROPERTY

I. 54 Acre Tract of Land with Significant Water Frontage

II. Prime Central Location on the lake
I. Old TVA Nuclear Generating Station

II. Tennessee Valley Authority Site in Jackson County, Alabama
THE OPINIONS EXPRESSED IN THIS PRESENTATION ARE THOSE OF JERRY D. ROBERSON.

ALABAMA POWER COMPANY’S POSITION AND OR BELIEFS ARE NOT EXPRESSED, GIVEN OR AFFIRMED IN ANY MANNER.

J DR.
Thank You

Jerry D. Roberson
Team Leader
Corporate Real Estate
Alabama Power Company
Birmingham, AL 35203
Proper Planning Prevents Poor Performance

A CONDEMNATION CASE STUDY
ROGER BALL, MAI
Where is Vance, Alabama?
Where is Vance, Alabama?
Mercedes-Benz U.S. International Facts and Figures

- Site – 966 Acres
- Plant – More than 5 million square feet
- Original Investment - $400 Million
- Total Investment by 2018 – Over $6 Billion
- Current Employment – ±3,700
- Vehicles Produced – GLE Sport Utility (SUV), GLS Class Luxury SUV, C Class Sedan, GLE Coupe
- Economic Impact – More than $1 Billion in finished product exported to 135 countries.
Time Line

**Appraisal agreement**  
September 15, 2015

**Certified letter sent to owner**  
October 7, 2015

**Property inspection**  
October 13, 2015

**Initial appraisal completed**  
November 3, 2015

**March 20, 2016**  
*Date of Value of the Appraisal*

- Alabama Power filed the Condemnation Complaint in Tuscaloosa County Probate Court
- It is always important to search for any new sales before going to court
Sales Used in the Valuation

[Map showing comparable land sales and the proposed transmission line location]
After Adjustments were made to the Comparable Sales I reconciled at $70,000 per acre.

Based on this value, it was my opinion that the value of all of the rights Alabama Power was seeking to acquire was $39,000.

<table>
<thead>
<tr>
<th>Sale Number</th>
<th>Address, City</th>
<th>Date of Sale</th>
<th>Sales Price</th>
<th>Size (Acres)</th>
<th>Price per Acre</th>
<th>Highest and Best Use</th>
<th>Road Frontage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Will Walker Road, Vance</td>
<td>03/06/13</td>
<td>$300,000</td>
<td>6.72</td>
<td>$44,643</td>
<td>Commercial / Industrial</td>
<td>2-Lane County Road</td>
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<tr>
<td>2</td>
<td>U.S. Highway 11, Vance</td>
<td>12/31/14</td>
<td>$320,000</td>
<td>8.09</td>
<td>$39,555</td>
<td>Commercial / Industrial</td>
<td>2-Lane U.S. Highway</td>
</tr>
<tr>
<td>3</td>
<td>U.S. Highway 11, Vance</td>
<td>05/23/13</td>
<td>$200,000</td>
<td>2.78</td>
<td>$71,942</td>
<td>Commercial / Industrial</td>
<td>2-Lane U.S. Highway</td>
</tr>
<tr>
<td>4</td>
<td>Will Walker Road, Vance</td>
<td>08/07/15</td>
<td>$155,000</td>
<td>2.43</td>
<td>$63,786</td>
<td>Commercial / Industrial</td>
<td>2-Lane County Road</td>
</tr>
<tr>
<td>5</td>
<td>U.S. Highway 11, Cottondale</td>
<td>01/15/13</td>
<td>$300,000</td>
<td>6.00</td>
<td>$50,000</td>
<td>Commercial / Industrial</td>
<td>2-Lane U.S. Highway</td>
</tr>
<tr>
<td>6</td>
<td>Diesel Drive, McCalla</td>
<td>07/29/15</td>
<td>$139,650</td>
<td>1.44</td>
<td>$96,979</td>
<td>Commercial / Industrial</td>
<td>Interstate Visibility</td>
</tr>
</tbody>
</table>

Average: 4.58 $61,151
### Danger Tree Area

**Vertical Braced Horizontal Post Construction: 43° Conductor Clearance to Groundline**

<table>
<thead>
<tr>
<th>Distance from C/I, Construction (FT)</th>
<th>Max Tree Ht (FT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>42.9</td>
</tr>
<tr>
<td>20</td>
<td>45.2</td>
</tr>
<tr>
<td>25</td>
<td>48.0</td>
</tr>
<tr>
<td>30</td>
<td>51.1</td>
</tr>
<tr>
<td>35</td>
<td>54.4</td>
</tr>
<tr>
<td>40</td>
<td>58.0</td>
</tr>
<tr>
<td>45</td>
<td>61.7</td>
</tr>
<tr>
<td>50</td>
<td>65.6</td>
</tr>
<tr>
<td>55</td>
<td>69.6</td>
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<td>60</td>
<td>73.6</td>
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<td>65</td>
<td>78.0</td>
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<td>70</td>
<td>82.3</td>
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<td>75</td>
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<td>80</td>
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<td>90</td>
<td>100.5</td>
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<tr>
<td>95</td>
<td>104.6</td>
</tr>
<tr>
<td>100</td>
<td>109.6</td>
</tr>
<tr>
<td>105</td>
<td>114.0</td>
</tr>
<tr>
<td>110</td>
<td>118.7</td>
</tr>
<tr>
<td>115</td>
<td>123.4</td>
</tr>
</tbody>
</table>

*Note 1: Danger trees are identified based on any tree that could fall within 5 feet of the conductor at maximum sag.

*Note 2: The right to cut danger trees is a continuous right, and is subject to change as conditions change.

*Note 3: This chart is for appraisal purposes only. Actual danger trees will be determined at the time of construction and throughout the life of the transmission line.

*Note 4: This chart applies to Survey AX-426483, Sta. 54+61 · 71+61. This chart indicates distances from the C/I of construction.

*Note 5: For the purpose of this chart, C/I of Construction is on C/I of Survey.

*Danger trees on same side of road as transmission line.*
Roger Ball

From: Drummond, Jason S. <JSDRUMMO@southernco.com>
Sent: Wednesday, October 28, 2015 4:02 PM
To: rball@cvsappraisals.com
Cc: Roberson, Jerry D.
Subject: RE: Daimler Benz Danger Tree and Guy Areas

Roger,

Jeff Beason and I sat down and looked at the properties in question. In Jeff's opinion, there is no timber of value on these properties. Jeff stated you could apply $500 an acre for an average value and that would be more than enough.

Thanks,
Jason
### Before and After Value Calculations

<table>
<thead>
<tr>
<th>Area of the Entire Tract (Acres)</th>
<th>Area of the Remainder (Acres)</th>
<th>Area to be Acquired (Acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.840</td>
<td>9.372</td>
<td>0.468</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value Before Acquisition</th>
<th>Total Value</th>
<th>Value After Acquisition</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size (Acres)</strong></td>
<td><strong>Price Per Acre</strong></td>
<td><strong>Total Value</strong></td>
<td><strong>Size (Acres)</strong></td>
</tr>
<tr>
<td>Land</td>
<td>9.840</td>
<td>$70,000</td>
<td>$688,800</td>
</tr>
<tr>
<td>Improvements - Timber on R.O.W.</td>
<td></td>
<td>$234.00</td>
<td></td>
</tr>
<tr>
<td>Improvements - Timber in Danger Tree Area</td>
<td></td>
<td>$739</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$689,773</td>
<td></td>
</tr>
</tbody>
</table>

**Difference**: $38,906
May 30, 2016

**Probate Commission Hearing**
- The Probate Commissioners award the owner $47,800
- Alabama Power pays into the court so construction of the project can begin.

June 15, 2016

**The owner appeals the Probate Court ruling to Tuscaloosa County Circuit Court**
- After the owner appeals, Alabama Power has ongoing negotiations with the owner’s attorney to settle the case.
- Owner refuses all settlement offers.
Before Condition

After Condition
Preparing for Circuit Court

- The Circuit Court Trial is Scheduled for April 17, 2017.

- The Team meets several weeks ahead of time to discuss strategy.
  - The meeting involved several attorneys, the acquisition agent, a surveyor, several engineers, the review appraiser, and the appraiser.
There were certain aspects of the case that we felt very good about and other aspects that had us concerned.

I was concerned because since the time of my appraisal, there had been three transactions in close proximity to the subject property. Each of these properties sold at a per unit price that was significantly higher than any of my other Comparable Sales Data.

The team concluded that additional investigation needed to occur in order to find out as much about these three sales as possible.
# Recent Brose Purchases

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Sale Date</th>
<th>Price</th>
<th>Size in Acres</th>
<th>Price/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>West of Daimler Benz Boulevard</td>
<td>05/24/2016</td>
<td>$400,000</td>
<td>1.870</td>
<td>$213,904</td>
</tr>
<tr>
<td>2.</td>
<td>10537 Daimler Benz Boulevard</td>
<td>05/24/2016</td>
<td>$500,000</td>
<td>1.960</td>
<td>$255,102</td>
</tr>
<tr>
<td>3.</td>
<td>10549 Daimler Benz Boulevard</td>
<td>11/10/2016</td>
<td>$1,500,000</td>
<td>1.700</td>
<td>$882,353</td>
</tr>
</tbody>
</table>
Another Recent Sale in the Neighborhood
Truck & Wheel Group – Vance, AL

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Sale Date</th>
<th>Price</th>
<th>Size in Acres</th>
<th>Price/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Will Walker Road (Eaton Road)</td>
<td>12/14/2016</td>
<td>$712,320</td>
<td>22.400</td>
<td>$31,800</td>
</tr>
</tbody>
</table>

Purchased on December 14, 2016
$31,800 per Acre
Current Listings in the Neighborhood

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Sale Date</th>
<th>Price</th>
<th>Size in Acres</th>
<th>Price/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>17419 U.S. Highway 11 North</td>
<td>03/30/2017</td>
<td>$130,000</td>
<td>2.000</td>
<td>$65,000</td>
</tr>
<tr>
<td>2.</td>
<td>17500 U.S. Highway 11 North</td>
<td>03/30/2017</td>
<td>$219,900</td>
<td>3.000</td>
<td>$73,300</td>
</tr>
</tbody>
</table>
Scheduled Trial
• Trial is postponed due to scheduling issues with the Judge.

January 23, 2017

Circuit Court Trial in Tuscaloosa County
• We go on the offensive and discuss and refute the three Brose Sales before the property owner has the opportunity to present them.
• I believe this strategy is why judge ultimately ruled in our favor.

April 17, 2017

Judge rules that the just compensation is $39,000
• Alabama Power gets a refund of $8,800.
• This is a huge victory for The Company and was a true team effort by all parties involved.
• Alabama Power attorney only remembers this happening one other time in his nearly 40 year career.

May 30, 2017
APCo called Roger Ball, a state-certified appraiser, to testify concerning the valuation of the subject property, before and after the acquisition of the easement rights by APCo. Mr. Ball testified concerning his appraisal work, and the sales of comparable properties on which he bases his opinion that the difference between the fair market value of the subject property before the acquisition of the easement rights, and the fair market value of the remainder after the acquisition, is $39,000. He further testified about sales of three properties (two occurring in May 2016, and another in November 2016), located north of the subject property, to Brose (a supplier to Mercedes Benz) for an expansion of its facilities. Mr. Ball testified that, based on his investigation and analysis, these sales were not “fair market value” sales, as defined in § 18-1A-172, and thus should not be relied upon to establish the value of the subject property. Kenneth Boyd was the only Defendant to testify, as an owner under § 18-1A-192(b), concerning his opinion of the value of the subject property, but his values were predicated on the three sales to Brose. The Court accepts Mr. Ball’s testimony about these sales to Brose, and thus concludes that the Defendants’ valuation testimony is not consistent with the applicable legal standard.
Based on the admissible and relevant testimony and evidence presented, the Court hereby FINDS and ORDERS that Defendants have and receive as the just compensation for the easements, rights and rights-of-way on, across, under and over the land described in Parcel 1, the sum of Thirty-Nine Thousand and 00/100 Dollars ($39,000). APCo, having heretofore deposited into court the sum of Forty Seven Thousand Eight Hundred and 00/100 Dollars ($47,800), is entitled to a refund in the amount of Eight Thousand Eight Hundred and 00/100 Dollars ($8,800).
Proper Planning Prevents Poor Performance

Roger Ball, MAI  Jerry Roberson  Stephen Roach, MAI, SRA, AI-GRS

2018 AI Connect  Nashville, TN