

TOWN COUNCIL



STAFF REPORT Department of Administration

MEETING DATE:	July 12, 2016
PROJECT:	AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY OWNED BY THE TOWN OF BLUFFTON TO DOLNIK PROPERTIES, LLC, CONSISTING OF TWO PARCELS OF APPROXIMATELY 0.603 COMBINED ACRES LOCATED IN BLUFFTON VILLAGE IN THE TOWN OF BLUFFTON, SOTUH CAROLINA, SUCH PARCELS BEING ASSIGNED TAX MAP NO. R610-039-000-0716-0000 AND TAX MAP NO. R610-039-000-0722-0000, ALONG WITH THE TRANSFER OF DEVELOPMENT RIGHTS AND THE TRANSFER OR TERMINATION OF AN INFRASTRUCTURE EASEMENT AS PART OF THE SALE OF THE ABOVE-DESCRIBED REAL PROPERTY AND THE ESTABLISHMENT OF A RESTRICTIVE COVENANT AGAINST THE ABOVE-DESCRIBED REAL PROPERTY PROHIBITING THE SALE OF BEER, WINE, LIQUOR OR ANY OTHER AND ALL OTHER ALCOHOLIC BEVERAGES ON THE PROPERTY
PROJECT MANAGER:	Scott Marshall, Deputy Town Manager

REQUEST: Town Council approve First Reading for an Ordinance related to the sale of Town-owned property within Bluffton Village to Dolnik Properties, LLC:

1. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY OWNED BY THE TOWN OF BLUFFTON TO DOLNIK PROPERTIES, LLC, CONSISTING OF TWO PARCELS OF APPROXIMATELY 0.603 COMBINED ACRES LOCATED IN BLUFFTON VILLAGE IN THE TOWN OF BLUFFTON, SOTUH CAROLINA, SUCH PARCELS BEING ASSIGNED TAX MAP NO. R610-039-000-0716-0000 AND TAX MAP NO. R610-039-000-0722-0000, ALONG WITH THE TRANSFER OF DEVELOPMENT RIGHTS AND THE TRANSFER OR TERMINATION OF AN INFRASTRUCTURE EASEMENT AS PART OF THE SALE OF THE ABOVE-DESCRIBED REAL PROPERTY AND THE ESTABLISHMENT OF A RESTRICTIVE COVENANT AGAINST THE ABOVE-DESCRIBED REAL PROPERTY PROHIBITING THE SALE OF BEER, WINE, LIQUOR OR ANY OTHER AND ALL OTHER ALCOHOLIC BEVERAGES ON THE PROPERTY

BACKGROUND: The Town acquired a total of 0.603 acres within Bluffton Village for \$387,409.80 on August 27, 2013. This purchase was made to provide an option for a future Town Hall location. Since this purchase, Town Council has authorized the Town Manager to move forward with the renovation of the existing Town Hall at 20 Bridge Street for which the Town has a lease until 2099 with the Beaufort County School District at the rate of \$1 per year. Including the purchase price and carrying costs to date, the Town has invested \$486,959 in the Bluffton Village property.

Further, per the guidance provided in the South Carolina Attorney General Opinion dated July 8, 2013, there are no statutes requiring an appraisal or public bidding for the sale of municipal property. However, the opinion does caution that the Town should receive some consideration of reasonable equivalent value.

INTRODUCTION: At the Strategic Planning Workshop held on February 10-11, 2016, Town Council directed Town Staff to make available for purchase the Town-owned property located within Bluffton Village. As a result of media coverage regarding this discussion at the Strategic Planning Workshop, Town Staff received two Letters of Intent (LOI) on the property.

The first LOI was from Tim Dolnik representing South Carolina Realty Advisors, LLC and was shared with Town Council during Executive Session on March 8, 2016. The second LOI was from Vonnie Majewksi representing B2K, LLC and was received on March 25, 2016.

Following the Executive Session of May 10, 2016, Town Staff contacted both potential purchasers of the property and requested the submission of a highest and best offer, excluding a commission allowance and with notice of the Town's intention to record a deed restriction and a development rights restriction prohibiting alcohol sales on the Property.

On May 16, 2016, South Carolina Realty Advisors, on behalf of Dolnik Properties, LLC, (herein "Dolnik") submitted a highest best offer, a copy of which is attached to this report as Attachment 1, and is summarized below:

	<u>SC Realty</u>
Purchase Price:	\$582,000
Commission %:	0.00%
Commission Fee:	\$0.00
*Seller Costs:	\$7,000
Total Proceeds:	<u>\$575,500</u>
Inspection Period:	not specified
Closing Period:	30 Days
Use:	Mixed Use
Restrictions:	<u>Alcohol sales prohibited</u>

*fees are estimated based standard rates

On June 8, 2016, the Town Council, by majority vote, approved the "Motion to authorize the Town Manager to enter into negotiations for the sale of Town-owned property within Bluffton Village." Following negotiations with Town Staff, Dolnik agreed to the imposition

of the restriction on the sale of alcoholic beverages against the Property and offered an increased Purchase Price of Five Hundred Ninety-One Thousand and No/100 (\$591,000.00) Dollars.

Since the submission of the Letter of Intent and the offer of the increased Purchase Price, Dolnik and the Town have prepared a draft Agreement for Purchase and Sale outlining specific details of the property transfer such as the purchase price, property description, due diligence period, contingencies, pro-rations and closing date. Further, the draft Agreement is attached hereto as Attachment 2 and includes specific provisions of the sale including:

1. **Development Rights.** In accordance with the Bluffton Village Development Agreement, the Bluffton Village Town Center Declaration and the State Street Commons Declaration, the sale of the Property will transfer 16,675 heated square feet of development rights for Parcel A and 18,615 heated square feet of development rights for Parcel B for a total combined sum of 35,290 heated square feet of development rights for the Property to Dolnik. The Purchaser will not receive a separate Assignment and Assumption of Rights and Obligations Under Development Agreement as the Development Rights were vested in the Property upon the recordation of the Bluffton Village Town Center Declaration.

2. **Termination or Assignment of Infrastructure Easement Agreement.** The Town initially purchased 11 lots in Bluffton Village in 2013. With original development plans for the Property envisioning a single government building occupying the 11 parcel tract, the Town decided to consolidate the lots and recorded a boundary consolidation survey to accomplish the same. Due to POA common area dividing the lots, the Town consolidated the 11 lots into two lots separated by that POA common area. The Town then acquired an Infrastructure Easement over that common area owned by the POA so that a skybridge could be constructed connecting the two proposed buildings. As the Infrastructure Easement will no longer be needed by the Town, the Purchase and Sale Agreement provides a contingency in favor of the Town whereby the Town can either assign the easement to Dolnik or terminate the same, depending on which option Bluffton Village POA approves.

3. **Restrictive Covenant Prohibiting Alcohol Sales.** In accordance with Town Council directive, the Purchase and Sale Agreement acknowledges the Town's intention to establish and record a restrictive covenant prohibiting the sale of beer, wine, liquor and any and all other alcoholic beverages on the Property, and that such restriction will run with the land and may only be released with the express written consent of Town Council.

NEXT STEPS: Upon First Reading approval of the Ordinance by Town Council, the following next steps will be implemented:

1. Finalize and execute the Purchase and Sale Agreement and its associated exhibits.
2. Dolnik to complete due diligence activities within 60 days of the execution of the Purchase and Sale Agreement.

3. In accordance with Section 5-7-40 and 5-7-260 of the South Carolina Code of Laws and Sections 2-13(a)(8) and 2-13(a)(4) of the Code of Ordinances for the Town of Bluffton which requires that Town Council act by Ordinance to convey, lease, or authorize the conveyance or lease of any Town-owned lands, as well as easements and rights-of-sale, the negotiated sale will be submitted to Town Council to hold Second and Final Reading for the adoption of:

a. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY OWNED BY THE TOWN OF BLUFFTON TO DOLNIK PROPERTIES, LLC, CONSISTING OF TWO PARCELS OF APPROXIMATELY 0.603 COMBINED ACRES LOCATED IN BLUFFTON VILLAGE IN THE TOWN OF BLUFFTON, SOUTH CAROLINA, SUCH PARCELS BEING ASSIGNED TAX MAP NO. R610-039-000-0716-0000 AND TAX MAP NO. R610-039-000-0722-0000, ALONG WITH THE TRANSFER OF DEVELOPMENT RIGHTS AND THE TRANSFER OR TERMINATION OF AN INFRASTRUCTURE EASEMENT AS PART OF THE SALE OF THE ABOVE-DESCRIBED REAL PROPERTY AND THE ESTABLISHMENT OF A RESTRICTIVE COVENANT AGAINST THE ABOVE-DESCRIBED REAL PROPERTY PROHIBITING THE SALE OF BEER, WINE, LIQUOR OR ANY OTHER AND ALL OTHER ALCOHOLIC BEVERAGES ON THE PROPERTY

4. Preparation of Deed incorporating any terms and/or restrictions from the adopted Town Council Ordinance as necessary.

5. Closing.

ATTACHMENTS:

1. South Carolina Realty Advisors LLC Highest and Best Offer LOI.
2. Draft Agreement for Purchase and Sale between the Town and Dolnik.
3. Ordinance.

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT FOR PURCHASE AND SALE (herein, the "**Agreement**") is entered into this _____ day of _____, 2016, by and DOLNIK PROPERTIES, LLC, a South Carolina limited liability company, whose address is Post Office Box 314, Bluffton, South Carolina 29910 (herein, the "**Purchaser**" or "**Dolnik**") and the TOWN OF BLUFFTON, a South Carolina municipal corporation, whose address is 20 Bridge Street, Bluffton, South Carolina 29910 (herein, the "**Seller**" or "**Town**"). Seller and Purchaser are sometimes severally referred to in this Agreement as a "party", or jointly referred to as the "parties."

IN CONSIDERATION OF the mutual benefits to the parties, the premises herein contained and other valuable consideration, the receipt and adequacy of such consideration being acknowledged by the undersigned, the parties agree as follows:

1. CONVEYANCE

(a) The Seller agrees to sell and the Purchaser agrees to purchase AS IS, WHERE IS the real estate described on Exhibit "**A**" attached hereto and incorporated herein, said property consisting of two parcels of approximately 0.603 combined acres located in Bluffton Village in the Town of Bluffton, Beaufort County, South Carolina, together with all appurtenances, rights (including water rights), air rights, easements, rights-of-way, permits, approvals, contracts, plans, tenements and hereditaments incident thereto, and all title and interest, if any, of Seller in and to all strips and gores and any land lying in the bed of any street, road, or avenue open or proposed in front or adjoining the property and all other rights, interest and benefits associated with the ownership of the Property (hereinafter referred to as the "**Property**") upon the terms and conditions set forth herein. The parties acknowledge that the Seller has provided to the Purchaser a plat of the Property, identified as Parcel "A" containing 0.300 acres and Parcel "B" containing 0.303 acres as shown on a plat prepared by Terry G. Hatchell, SCRLS No. 11059, Surveying Consultants, dated July 23, 2013, bearing the legend, "*A Boundary Consolidation Survey of Parcels 'A' & 'B' State Street Formerly Lots 1 Thru 11 A Section of Phase II A Bluffton Village,*" which plat was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 137 at Page 62, a copy of which is attached hereto as Exhibit "**B**".

(b) It is specifically understood that the Property is a part of the State Street Commons Owners' Association (the "**SSCOA**") and shall be subject to covenants and restrictions of the SSCOA, a copy of which Seller has provided Purchaser prior to the Effective Date and which are recorded in the Beaufort County ROD in Record Book 2545 at Page 431 (the "**State Street Declaration**"). Furthermore, it is understood that the Property is subject to the existing Bluffton Village PUD and the associated Master Plan requirements, as well as the Bluffton Village Development Agreement with the Town of Bluffton, as amended (the "**Development Agreement**"). The Parties agree and acknowledge that Street Declaration allocates the development rights established by the Development Agreement on a per lot basis. Therefore, in accordance with the Development Agreement and the State Street Declaration, the Purchaser shall acquire 16,675 heated square feet of development rights for Parcel A and 18,615 heated square feet of development rights for Parcel B for a total combined sum of 35,290 heated square feet of development rights for the Property. As the development rights are fixed to the real property by virtue of the State Street Declaration, no Partial Assignment of Density and Development Rights shall need to be executed.

(c) It is further understood that as part of this Seller agrees to assign and Purchaser agrees to accept an assignment of that certain Infrastructure Easement donated to the Seller by Bluffton Village Town Center POA, Inc., which easement was dated August 21, 2013, and recorded in the Beaufort County ROD in Record Book 3267 at Page 3038 (the "**Infrastructure Easement**"). As the Infrastructure Easement was a donation to a governmental entity of certain common areas of Bluffton Village, the Purchaser acknowledges and agrees that this provision is solely for the benefit of the Seller and this contractual provision may be waived in whole or in part by the Seller by an instrument in writing signed by the Seller. The Purchaser further acknowledges that the Seller and the Bluffton Village Town Center POA, Inc., retain the right to terminate the Infrastructure Easement at any time prior to Closing by an instrument in writing signed by the Seller and the POA and recorded with the Office of the Register of Deeds.

THIS SALE AND CONVEYANCE OF THE PROPERTY SHALL BE SUBJECT TO ALL PERMITTED EXCEPTIONS (AS DEFINED BELOW).

2. PURCHASE PRICE AND PAYMENT

(a) Purchase Price for Property. The purchase price of the Property ("**Purchase Price**") of the Property is **Five Hundred Ninety-One Thousand and No/100 (\$591,000.00) Dollars.**

(b) Payment of Purchase Price. Purchaser shall pay the Purchase Price at Closing (as hereinafter defined), subject to such other credits, pro-rations and adjustments as are set forth hereinafter, by bank wire transfer of immediately available federal funds to such account as shall be designated by Seller. No Earnest Money is required.

(c) Financing Contingency. The Purchaser's obligations under this Agreement are contingent upon Purchaser securing a loan commitment upon terms acceptable to the Purchaser within sixty (60) days of the Effective Date.

3. INSPECTION OF PROPERTY

(a) Inspection Period. Purchaser shall have up to sixty (60) days from the Effective Date (as hereinafter defined) of this Agreement to examine title to the Property, inspect the Property, and to do all such investigation as deemed necessary or advisable by Purchaser, including to analyze financial or market feasibility of its intended project (such period being herein referred to as the "**Inspection Period**"). Seller shall reasonably cooperate with Purchaser to facilitate the inspections.

(b) Inspection and Indemnification. From and after the Effective Date (as hereinafter defined) until the final Closing or the earlier termination of this Agreement, Purchaser, its agents and representatives, shall have the right to enter upon the Property at any time. Purchaser hereby indemnifies and holds Seller harmless from and against any damages to property or injury to persons, or any other liability, cost or expense, including attorneys' fees, incurred by Seller as a result of Purchaser's activities and/or the activities of its agents on the Property. This indemnity shall survive the Closing hereunder and the termination of this Agreement. The results of all inspections, surveys, tests and studies shall be treated by Purchaser as confidential, and shall not be disclosed to any third party or other governmental entity unless expressly approved by Seller or

required or authorized by law; provided, however, that such results may be disclosed to Purchaser's consultants, investors, attorneys and lenders, provided such parties agree to similarly treat such results as strictly confidential. At Seller's request, Purchaser shall disclose to Seller the results of all inspections, surveys, tests and studies, and shall deliver a copy of all reports and test results to Seller for information purposes only and without any representation or warranty of any kind.

(c) Purchaser's Right to Terminate. During the Inspection Period, if Purchaser is not satisfied with Purchaser's examination of the Property for any reason in Purchaser's sole and absolute discretion, the Purchaser may terminate this Agreement by delivering written notice to Seller prior to 5:00 p.m. Eastern Standard Time on the date of the expiration of the Inspection Period. Upon such termination, Purchaser agrees to convey to Seller for One Dollar (\$1.00) all of Purchaser's right, title and interest in and to any concept and/or site plan for any project on the Property and any environmental tests and/or soil tests relating to the Property on a quitclaim basis without representation or warranty. If Purchaser does not terminate this Agreement in a timely manner, Closing shall occur in accordance with this Agreement.

4. CLOSING

(a) Closing Date. The Closing ("**Closing**") of the Purchase and Sale of the Property shall be held on or before thirty (30) days after the completion of the Inspection Period during normal business hours as designated in writing by Purchaser at the offices of Purchaser's attorney.

(b) At Closing.

(i) Purchaser shall pay to Seller, subject to the adjustments and prorations hereinafter provided for, the balance of the purchase price in good U.S. Funds.

(ii) Seller shall execute and deliver to Purchaser a Limited Warranty Deed conveying in accordance with all applicable laws and ordinances, fee simple and marketable title to the Property using a Legal Description derived from the survey, free and clear of all liens, special assessments, easements, reservations, restrictions, encumbrances whatsoever except for those agreed to by Purchaser in writing during the Inspection Period and that reservation regarding the sale of alcohol set forth in Section 11(a) herein. Seller shall also deliver a non-foreign person certification and affidavit of Seller's residency and a South Carolina residency certification.

(iii) In accordance with S.C. Code Ann. § 12-24-20(B), as the Seller is a municipal corporation of the State of South Carolina, the Purchaser shall pay the State of South Carolina the statutory recording fee (formerly documentary stamps) due and required to be paid in connection with the recording with the Limited Warranty Deed from Seller to Purchaser and Purchaser shall pay the cost of closing for the recording fees incurred in connection with recording the Deed from Seller. Each party shall bear its own attorney's fees and expenses of closing.

5. TITLE

At Closing, Seller shall convey to Purchaser good, marketable and insurable title to the Property by a limited warranty deed which shall expressly be made subject only to: (a) matters

as shown on the Survey; (b) matters approved or waived by Purchaser as provided below and matters otherwise specifically authorized by this Agreement; (c) ad valorem property taxes not due prior to Closing and rollback taxes, if any; (d) general utility and right-of-way easements affecting the Property and any other easements as shown on the Plat; and (e) those certain liens, encumbrances, conditions, easements, assessments, restrictions and other conditions as set forth in Exhibit "C" attached hereto (the "*Permitted Exceptions*").

Within 30 days of the Effective Date, Purchaser, at Purchaser's expense, may obtain either a title opinion or a title insurance commitment for an ALTA owner's title insurance policy. If Purchaser objects to title exceptions or defects (other than those permitted above) or matters as shown on the Plat, such objection shall be specified in writing and shall be delivered to Seller prior to the expiration of the Inspection Period. If Purchaser fails to so notify Seller, Purchaser shall be deemed to have waived its right to object to any title exceptions or defects reflected on such title opinion or commitment, as applicable, and/or the Plat and all such exceptions reflected thereon shall be Permitted Exceptions. Upon timely receipt of written notice from Purchaser objecting to matters shown on the title opinion or commitment, as applicable, or the Plat, Seller may elect to cure such defects or Seller may elect to not cure such defects. If Seller elects to cure such defects, Seller shall have a period not to exceed fourteen (14) days following the receipt of such notice from Purchaser to cure any such defects and the Inspection Period will be extended for such period of time; provided, however, under no circumstance shall Seller be obligated to cure any such defects except for mortgage debt and other encumbrances in the nature of a monetary lien. If Seller is unable or is unwilling to cure any such defects within the 14-day period, Purchaser may either terminate this Agreement or Purchaser may elect to take title to the Property at the applicable Closing, subject to such defects not cured by Seller, without any deduction or adjustment in the portion of the Purchase Price applicable to of the Property. Notwithstanding the foregoing, the Seller must pay on or before the Closing all mortgage debt affecting the Property and other encumbrances in the nature of a monetary lien on the Property.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED THAT SELLER HAS NOT MADE AND IS NOT MAKING, AND HEREBY SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED (OR ARISING BY OPERATION OF LAW), WITH RESPECT TO OR IN ANY WAY RELATED TO OR CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MATTERS OF TITLE (OTHER THAN SELLER'S LIMITED WARRANTY OF TITLE SET FORTH IN THE LIMITED WARRANTY DEED TO BE DELIVERED AT CLOSING), OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS, THE COMPLIANCE OF THE PROPERTY WITH ANY LAWS, RULES, CODES, ORDINANCES OR REGULATIONS, THE SUITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, HABITABILITY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR USE OR PURPOSE, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "**DISCLAIMED MATTERS**"). THE TERMS AND CONDITIONS OF THIS ARTICLE V SHALL EXPRESSLY SURVIVE CLOSING, THE DELIVERY OF THE DEED AND THE PAYMENT OF THE PURCHASE PRICE, WITHOUT REGARD TO ANY LIMITATIONS UPON SURVIVAL SET FORTH IN THIS CONTRACT, AND BUYER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS IN THIS ARTICLE V WILL BE INCORPORATED INTO THE DEED DELIVERED AT CLOSING, BUT THE FAILURE TO SO INCLUDE SUCH LANGUAGE IN THE DEED SHALL IN NO WAY LIMIT THE

TERMS OR SURVIVAL OF THIS ARTICLE V.

6. APPORTIONMENT OF TAXES AND ASSESSMENTS

All income and expenses with respect to the Property, and applicable to the period of time before and after Closing, determined in accordance with generally accepted accounting principles consistently applied, shall be allocated between Seller and Buyer. Seller shall be entitled to all income and shall be responsible for all expenses for the period of time up to but not including the Closing Date and Buyer shall be entitled to all income and shall be responsible for all expenses for the period of time from, after and including the Closing Date. Such adjustments shall be shown on the Closing Statements (with such supporting documentation as the parties hereto may require being attached as exhibits to the Closing Statements) and shall increase or decrease (as the case may be) the Purchase Price payable by Buyer. Without limiting the generality of the foregoing, the following items of income and expense shall be allocated as of the Closing Date as follows:

(a) Ad Valorem Taxes. As the Seller is a municipal corporation exempt from real property taxes pursuant to S.C. Code Ann. § 12-37-222(A)(1), the Parties hereby acknowledge and agree that all real property ad valorem taxes (including rollback taxes) applicable to the Property for the calendar year in which Closing occurs shall be the responsibility of the Purchaser.

(b) Rollback Taxes: Purchaser shall pay 100% of the amount of any rollback taxes applicable to the Property when such rollback taxes become due and payable.

(c) Miscellaneous. Such other items as are usually and customarily prorated between Purchasers and Sellers of commercial properties in the area in which the Property is located shall be prorated as of the Closing Date.

7. CONDEMNATION

If prior to Closing, Seller should receive notice of the commencement or threatened commencement of eminent domain or other like proceedings against the Property, Seller shall immediately notify Purchaser in writing. Purchaser shall elect within ten (10) days of receipt of such notice, by delivering written notice to Seller, either (a) to terminate this Agreement as to the affected Property, in which event the Earnest Money Deposit, if any, shall be refunded to Purchaser; or (b) to continue with this Agreement subject to such proceedings, in which event the Purchase Price of the Property shall remain the same and Seller shall transfer and assign to Purchaser at Closing all condemnation proceeds and rights to additional condemnation proceeds, if any, relating the Property being acquired by Purchaser. If Purchaser elects to continue this Agreement after receipt of such a notice, all actions taken by Seller with regard to such eminent domain proceedings, including, but not limited to, negotiations, litigation, settlement, appraisals and appeals, shall be subject to the approval of Purchaser, which approval shall not be unreasonably withheld or delayed. If Purchaser does not so notify Seller, Purchaser shall be

deemed to have elected to continue this Agreement in accordance with clause (b) of this section.

8. ASSIGNMENT

Except for an assignment to an entity owned or controlled by Purchaser, Purchaser may not assign its rights under this Agreement to any other entity without the prior written consent of the Seller. Any approved assignment shall not relieve Purchaser of its obligations under this Agreement. In all instances of a permitted assignment, Purchaser shall (i) notify Seller of the name, address, telephone and facsimile number of the assignee and the name of the contact person(s) for the assignee and (ii) provide to Seller a signed copy of such assignment, which assignment shall be in a form reasonably acceptable to the Seller.

9. BROKERAGE COMMISSION

Seller and Purchaser represent and warrant to each other that no outside broker or agent is entitled to a real estate commission. Purchaser shall hereby indemnify and hold Seller harmless from and against any and all losses, costs, damages and expenses (including reasonable attorney's fees), incurred or paid as a result of any such claim arising out of the actions of Purchaser, as the case may be should a claim for a commission be made through each of them. The representations, warranties and indemnifications contained in this paragraph shall survive the Closing and delivery of the Deed and any rescission, cancellation or termination of this Agreement.

10. NOTICES

(a) Addresses and Procedures. Whenever notice is required or permitted under the terms of this Agreement, it shall be in writing and personally delivered or sent postage or delivery charges prepaid by either (a) United States mail, certified, return receipt requested, in which case notice shall be deemed given on the certified date of delivery or rejection of delivery, or (b) by any national express delivery service which provides evidence of delivery. All notices shall be addressed to the following address (or at such other address as may hereafter be substituted by notice in writing thereof):

Purchaser:
If by mail

Dolnik Properties, LLC
c/o Tim Dolnik
Post Office Box 314
Bluffton, South Carolina 29910
Attn: _____
Facsimile: (843) _____
Email: _____

Delivery Address:

[Address]
Bluffton, South Carolina 29910
Attn: _____
Facsimile: (843) _____
Email: _____

With Copy to:

Maria Belbas Parker, Esquire

Law Offices of Maria Belbas Parker, P.A.
Post Office Box 7926
Bluffton, South Carolina 29910
Facsimile: (843) 341-9228
Email: mariabparker@hargray.com

Seller: Town of Bluffton
Attn: Marc Orlando, Town Manager
20 Bridge St.
Bluffton, SC 29910

With a copy to: Terry A. Finger, Esq.
Finger, Melnick & Brooks, P.A.
P.O. Box 24005
Hilton Head Island, SC 29925

(b) Time Periods and Changes. The time period in which a response to any notice must be given, if any, shall commence on the date of receipt of the notice by the addressee thereof, except as otherwise provided herein. Rejection or failure to claim delivery of any such notice, or the inability to deliver because of changed address of which no prior written notice was given as required hereinafter, shall be deemed received in such instances as of the date of attempted delivery or two (2) business days from the date of deposit in the United States Mail, whichever is applicable. A party may change its address by giving at least three (3) business day's prior written notice thereof. Notices sent by U.S. Certified Mail, return receipt requested, postage prepaid for which no return receipt is received from the U.S. Post Office or is returned undelivered or unsigned for shall be deemed given two (2) business days from the date deposited in the U. S. mail.

11. SPECIFIC PROVISIONS

(a) Restriction on the Sale of Alcohol. Purchaser hereby agrees and acknowledges that as a material inducement in the Town's decision to convey the Property to the Purchaser for the Purchase Price, the Purchaser agreed to accept title to the Property subject to a restrictive covenant that prohibits the sale of beer, wine, liquor and any and all other alcoholic beverages on the Property, and that such restriction will run with the land and may only be released with the express written consent of Town Council (the "*Alcohol Restriction*"). The Alcohol Restriction may be incorporated into the Limited Warranty Deed and/or may be recorded as a separate agreement between the parties.

(b) Sale of Property by Municipality. The Purchaser hereby acknowledges that the Seller is a municipal corporation and, therefore, may only sell real property, convey development rights, and assign or grant easements by ordinance in accordance with the Town of Bluffton Municipal Code and Sections 5-7-40, 5-7-260 and 5-7-270 of the South Carolina Code of Laws, 1976, as amended.

12. REPRESENTATIONS

(a) Representations. Except as is herein specifically set forth, Seller has not made, does

not make and has not authorized anyone else to make, any representations as to: (i) the location of the Property or any portion thereof within any flood plain, flood-prone area, water shed or the designation of any portion thereof as "wetlands" or (ii) the present or future physical condition or suitability of the Property for any purpose. Purchaser acknowledges that no representations have been made by or on behalf of Seller and, in entering into this Agreement, Purchaser has not relied and does not rely on any representations other than those expressly set forth in this Agreement. Purchaser shall take the Property in its "as is" condition on the date of Closing.

(b) No Warranties. Except as expressly set forth in this Agreement, **PURCHASER ACKNOWLEDGES THAT (i) SELLER MAKES NO EXPRESS OR IMPLIED WARRANTIES RELATING TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ON THE TYPE OR NUMBER OF SQUARE FEET THAT MAY BE DEVELOPED ON THE PROPERTY, AND (ii) PURCHASER SHALL BE SOLELY RESPONSIBLE FOR OBTAINING ALL PERMITS AND LICENSES, IF ANY, REQUIRED BY PURCHASER TO CARRY ON ITS INTENDED OPERATIONS AT THE PROPERTY.**

(c) Authority to Act. Each of the parties represents to the other party that (i) it is duly organized and in good standing under the laws of the state of its formation or incorporation; (ii) the execution and delivery of this Agreement by signatories and the performance of this Agreement by the parties hereto (including the execution and delivery of any documents at the Closing) have been or will be duly authorized by their respective company or corporate boards, (iii) this Agreement is binding and enforceable against the parties hereto in accordance with the terms hereof, and (iv) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in a breach of or default under any agreement to which the representing party is a party or by which the representing party is bound, or violate any law, rule, regulation, restriction, court order agreement to which the representing party is subject. The representations made in this Agreement by the parties shall be continuing and shall be deemed remade by each party as of the date of each Closing with the same force and effect as if remade at that time.

(d) Evidence of Authority. Following a request from either party, the other party shall furnish evidence of that party's authority to execute this Agreement and to consummate the transactions contemplated herein. Such evidence shall be in form and substance reasonably acceptable to the requesting party, and shall be delivered within fourteen (14) days after the request or prior to each Closing, whichever shall occur first in time.

(e) Seller's Warranties And Representations.
Seller hereby represents and warrants to Purchaser that:

(i) Seller has good, indefeasible, marketable and insurable title to the Property and has the full power and authority to execute, deliver and perform this Agreement and all agreements and documents referred to in this Agreement.

(ii) At the time of execution of this Agreement, there is no action, suit or proceeding pending or threatened against Seller or affecting the Property or relating to or arising out of the ownership or development of the Property, including without limitation,

condemnation or eminent domain actions or proceedings.

(iii) Neither the entering into of this Agreement, the consummation of the sale, nor the conveyance of the Property to Purchaser, has or will constitute a violation or breach of any of the terms of any contract or other instrument to which Seller is a party or to which Seller is subject.

(iv) To the best of Seller's actual knowledge, no portion of the Property contains petroleum or any substance which may be classified as a hazardous, toxic, chemical or radioactive substance, or a contaminant or pollutant (collectively "Hazardous Substances") under applicable federal, state or local law, ordinance, rule or regulation ("Applicable Laws") or which may require any cleanup, remediation or other corrective action pursuant to such Applicable Laws and no portion of the Property has been used by Seller for the use, disposal or storage of Hazardous Substances. Further, Seller has no actual knowledge of underground storage tanks located on the Property.

(v) No notice by any governmental or other public authority has been served upon Seller relating to violations of any applicable safety, fire or other ordinances or any of the Applicable Laws.

13. DEFAULT

(a) Default by Purchaser. If Purchaser defaults in its obligation to close on the Property hereunder, Seller's sole remedy shall be to terminate this Agreement.

(b) Default by Seller. If Seller defaults in its obligations hereunder, Purchaser shall have as its sole remedies the right to either (i) terminate this Agreement, or (ii) to specifically enforce performance of this Agreement.

14. MISCELLANEOUS

(a) Sole Agreement. This Agreement contains all of the terms and conditions agreed to between the parties and supersedes all prior agreements, and there are no oral agreements relating to the transaction covered hereby. This Agreement cannot be altered, amended, changed or modified unless each such alteration, amendment, change or modification shall have been set forth in writing in its entirety and signed and delivered by each party.

(b) Waiver. No provision, condition or covenant of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting thereto.

(c) Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(d) Other Documents. The parties hereto shall execute and deliver such other

instruments and documents as reasonably may be necessary to implement and effectuate the terms of this Agreement.

(e) Good Faith. All parties shall act in good faith in performing and discharging their respective duties and obligations hereunder. Any provision requiring the approval of Seller shall not be unreasonably withheld.

(f) Applicable Law. This Agreement has been made in the State of South Carolina, and shall be interpreted in accordance with South Carolina law, and any enforcement of this Agreement shall be brought in the State of South Carolina.

(g) Interpretation. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Purchaser have contributed substantially and materially in the preparation of this Agreement.

(h) Time of the Essence. Time is of the essence of this Agreement.

(i) Survival of Agreements. All agreements, undertakings, hold harmless, and indemnifications contained in this Agreement shall expressly survive the Closing of the Property and delivery of the applicable Deed and such agreements, undertakings and indemnifications shall not be merged therein.

(j) Effective Date. The Effective Date of this Agreement shall be the latest date on which both parties have executed this Agreement as shown on the signature page.

(k) Tax-Deferred Exchange. In the event that Purchaser or Seller desires to affect a tax-deferred exchange in connection with the conveyance of the Property (or any portion thereof), Purchaser and Seller agree to cooperate in affecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Purchaser shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

(l) Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, then this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

(m) Tax Donations. In the event that the Seller desires to affect a tax donation for the difference between the selling price and the fair market value of the Property, Purchaser agrees to cooperate in affecting such donation; provided, however, that the Seller shall be responsible for all additional costs associated with such tax event, and provided further, that the Purchaser

shall not assume any additional liability with respect to such tax donation.

Intentionally left blank, signatures on next page

PRELIMINARY DRAFT

IN WITNESS WHEREOF, the parties hereto have set their respective hands the day and year indicated below.

WITNESSES:

SELLER:

TOWN OF BLUFFTON

By: _____
Name: Marc Orlando
Its: Town Manager
Date Signed: _____

PURCHASER:

DOLNICK PROPERTIES, LLC

By: _____
Name: _____
Its: _____
Date Signed: _____

PRELIMINARY DRAFT

EXHIBIT "A"
(Legal Description)

PRELIMINARY DRAFT

EXHIBIT B

(A Boundary Consolidation Survey of Parcels 'A' & 'B' State Street Formerly Lots 1 Thru 11 A
Section of Phase II A Bluffton Village)

PRELIMINARY DRAFT

EXHIBIT C
(Permitted Exceptions)

The real property described herein above is SUBJECT to the following restrictions, covenants, conditions, easements, and rights-of-way affecting subject property of record in the Office of the Register of Deeds for Beaufort County, South Carolina:

1. All liens for taxes, assessments, both general and special and other governmental charges which are not yet due and payable.
2. The existing Infrastructure Easement between Bluffton Village Center POA, Inc., and the Town of Bluffton, recorded in Record Book 3267 at Page 3038; and any variable width ingress/egress and general utility easements, Isolated Non-jurisdictional freshwater wetland, and rights-of-way shown on that those plats recorded in the aforesaid county records in Plat Book 31 at Page 29, Plat Book 31 at Page 62, Plat Book 75 at Page 45, Plat Book 33 at Page 68, Plat Book 38 at Page 136, Plat Book 117 at Page 187 and Plat Book 137 at Page 62.
3. All obligations, conditions, restrictions, covenants, limitations, easements, options, etc., of record by virtue of that Declaration of Covenants, Conditions, and Restrictions for Bluffton Village Town Center, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Record Book 1517 at Page 1361, as thereafter amended by Amendments and Supplemental Declarations, which are recorded in Book 1592 at Page 2400; Book 1682 at Page 79; Book 1744 at Page 223; and Book 2018 at Page 893; and any further which may be hereafter amended.
4. All obligations, conditions, restrictions, covenants, limitations, easements, options, etc., of record by virtue of that Declaration of Covenants, Conditions, and Restrictions for State Street Commons and Provisions for State Street Commons Owners' Association, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Record Book 2545 at Page 431, as thereafter may be amended from time to time.
5. The Bluffton Village Development Agreement with the Town of Bluffton recorded in the ROD Office for Beaufort County in Book 1349 at Page 1698, as thereafter amended by that First Amendment recorded in Record Book 2309 at Page 700, as thereafter may be amended from time to time, and the associated Bluffton Village Master Plan and PUD.
6. Limited Quitclaim and Assignment of Declarant Rights Under the Declaration of Covenants, Conditions and Restrictions for Bluffton Village Town Center by Bluffton Village, LLC, f/k/a Rowkris Development I, LLC, to May Hill, LLC, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Record Book 2498 at Page 697.
7. Assignment of Density for Bluffton Village Town Center dated January 9, 2007, from Bluffton Village, LLC f/k/a Rowkris Development I, LLC to May Hill, LLC, as recorded in the Beaufort County ROD in Book 2528 at Page 1632.

8. Easement dated August 4, 2005, from Bluffton Village, LLC f/k/a Rowkris Development I, LLC to South Carolina Electric and Gas, as recorded in the Beaufort County ROD in Book 2249 at Page 372.
9. Deed from Bluffton Village, LLC f/k/a Rowkris Development I, LLC to South Carolina Department of Transportation as recorded in the Beaufort County ROD in Book 2776 at Page 1581.
10. Amended Articles of Organization of Rowkris Development I, LLC, n/k/a Bluffton Village, LLC, recorded in Record Book 1941 at Page 1133.
11. Quitclaim Deed dated November 29, 2006, from Bluffton Village, LLC f/k/a Rowkris Development I, LLC to Bluffton Village Town Center Property Owners Association, Inc., as recorded in the Beaufort County ROD in Book 2519 at Page 1117.
12. Water/Sewer Utility Easement to Beaufort-Jasper Water and Sewer Authority recorded in Record Book 3058 at Page 95; and, Water/Sewer Utility Easement to Beaufort-Jasper Water and Sewer Authority recorded in Record Book 3058 at Page 105.

f:\client\b\bluffton\bluffton village\dolnik purchase\contract of sale (erl.draft.1).docx

**SOUTH CAROLINA REALTY ADVISORS
PO BOX 314
BLUFFTON, SC 29910**

Date: May 16, 2016
To: Town of Bluffton hereinafter referred to as "Town"
From: Tim Dolnik
SC Realty Advisors, LLC
Broker-in-Charge
Re: Purchase of Town-Owned Land at Bluffton Village

Richardson,

I am pleased to submit to you the following Letter of Intent (LOI) on behalf of Dolnik Properties, LLC for the purchase of the property more specifically known as Lot 3-A, 3-B, 3-C, 3-D, 3-E, Lot 4, and Lot 5-A, 5-B, 5-C, 5-D, 5E of Bluffton Village, Bluffton, SC 29910. This offer is to be considered the highest and best offer:

Premises: 0.56 acres
Owner: Town of Bluffton
Purchaser: Dolnik Properties, LLC
Purchase Price: \$582,000.00 (Six Hundred Thousand and no/100 Dollars)
Finance Contingency: Purchaser will have thirty (30) days from the date of an executed contract to provide loan commitment from Lender.
Contingency: Densities of commercial development will be required to be specified within contract.
Closing Date: Thirty (30) days after the final approved reading by Town Council.
Use: Professional office/ Retail/ Restaurant (possibly residential if permitted by the Town/ zoning)
Restricted Use: All land will be restricted from the sale of alcohol and this shall be recorded in the appropriate PUD documents and deed.
End Users: Include prominent Bluffton restaurant & catering company, architectural, accounting, engineering and developer offices.
Architecture: To be subject to Town's approval; consistent with the current Coastal Plains Insurance and Just Be buildings (recently constructed).

Stories: Two stories (possibly three if permitted by the Town/ zoning)

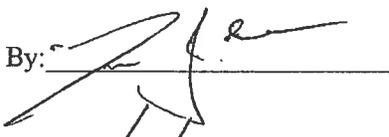
Brokerage: Owner and Purchaser represent to the other that no broker(s) has been involved in this transaction. SC Realty Advisors, LLC represents the Purchaser but is waiving its right to a commission at the request of the Town of Bluffton. It is agreed that each such party to the transaction contemplated hereby whose actions or alleged actions or commitments form the basis of any such claim other than the brokers specified above, agrees to indemnify and hold harmless the other party from and against any and all such claims or demands with respect to any brokerage fees or agents' commissions or other compensation asserted by any person, firm, or corporation in connection with the transaction contemplated hereby SC Realty Advisors, LLC shall be paid 0% commission of the total sales price. Please note Tim Dolnik, Owner and Broker-In-Charge of SC Realty Advisors, LLC is a principal in Dolnik Properties, LLC (the Purchaser).

This letter is intended merely as an expression of intent, and by signing below, each party agrees that (i) this letter does not create any binding obligation on either party, (ii) either party may terminate purchase and sale negotiations at any time for any reason without liability to the other party, and (iii) any party proceeding on the basis of this letter (whether with or without the knowledge of the other party) is doing so at its sole risk.

Please evidence your agreement with the foregoing provisions of this letter by signing the enclosed counterpart of this letter and returning the same to me.

Owner:

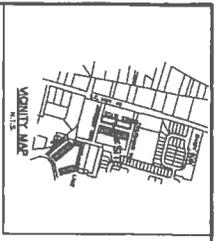
Purchaser: Tim Dolnik (E-signature)

By:  _____

By: Owner - Dolnik Properties, LLC

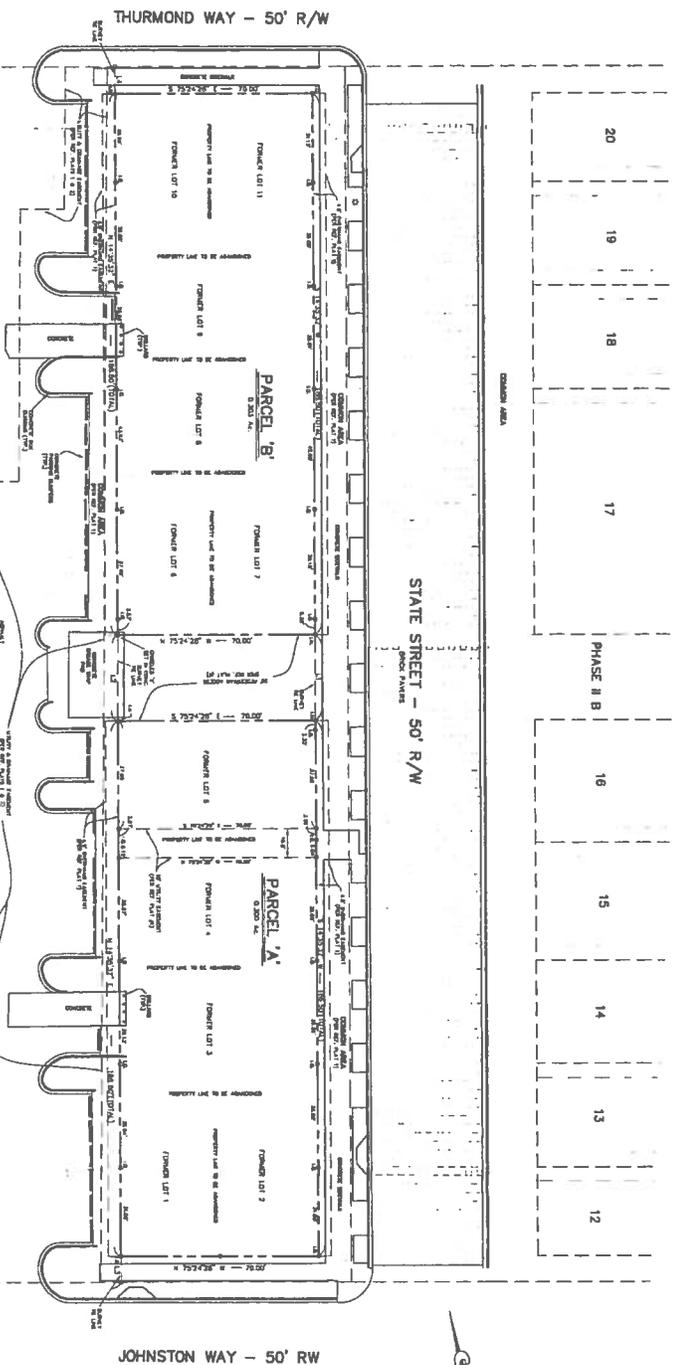
Date: 5/16/16 _____

Date: May 16, 2016



LOT	AREA (AC)	PERMITS
1	0.200	RESIDENTIAL
2	0.200	RESIDENTIAL
3	0.200	RESIDENTIAL
4	0.200	RESIDENTIAL
5	0.200	RESIDENTIAL
6	0.200	RESIDENTIAL
7	0.200	RESIDENTIAL
8	0.200	RESIDENTIAL
9	0.200	RESIDENTIAL
10	0.200	RESIDENTIAL
11	0.200	RESIDENTIAL
12	0.200	RESIDENTIAL
13	0.200	RESIDENTIAL
14	0.200	RESIDENTIAL
15	0.200	RESIDENTIAL
16	0.200	RESIDENTIAL
17	0.200	RESIDENTIAL
18	0.200	RESIDENTIAL
19	0.200	RESIDENTIAL
20	0.200	RESIDENTIAL

LEGEND
 0 1A 800' WIDE 1/2" THICK SET BACK CURB
 0 1B 800' WIDE 1/2" THICK FORMAL ROAD



- ATTENTION PLATS:**
- 1) BOUNDARY RECONSIDERATION OF LOTS 1-A - X.
 2) LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 3) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 4) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 5) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 6) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 7) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 8) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 9) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 10) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 11) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 12) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 13) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 14) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 15) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 16) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 17) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 18) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 19) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.
 20) A SUBDIVISION PLAN OF PARCELS A, B, AND C, WITH LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.

AREA TABLE:

PARCEL 'A'	0.200 AC.
PARCEL 'B'	0.200 AC.
TOTAL CONSOLIDATION AREA	0.803 ADRES

BLUFFTON ROAD - R/W VARIES
 S.C. HIGHWAY 48



SG SURVEYING CONSULTANTS
 21 Woodland Park Blvd., Suite 100
 Bluffton, SC 29910
 Phone: 843.882.7777
 Fax: 843.882.7778

BOUNDARY RECONSIDERATION
 OF
 PARCELS 'A' & 'B'
 STATE STREET
 LOTS 1 THRU 11
 PHASE II A
 A SECTION OF
 BLUFFTON VILLAGE
 TOWN OF BLUFFTON, BLUFFTON COUNTY, SOUTH CAROLINA
 DATE: 7/27/2013 208 NC SC130077A

Town of Bluffton
 Planning & Growth Agent
 [Signature]

ORDINANCE NO. 2016 - ____

TOWN OF BLUFFTON, SOUTH CAROLINA

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY OWNED BY THE TOWN OF BLUFFTON TO DOLNIK PROPERTIES, LLC, CONSISTING OF TWO PARCELS OF APPROXIMATELY 0.603 COMBINED ACRES LOCATED IN BLUFFTON VILLAGE IN THE TOWN OF BLUFFTON, SOUTH CAROLINA, SUCH PARCELS BEING ASSIGNED TAX MAP NO. R610-039-000-0716-0000 AND TAX MAP NO. R610-039-000-0722-0000, ALONG WITH THE TRANSFER OF DEVELOPMENT RIGHTS AND THE TRANSFER OR TERMINATION OF AN INFRASTRUCTURE EASEMENT AS PART OF THE SALE OF THE ABOVE-DESCRIBED REAL PROPERTY AND THE ESTABLISHMENT OF A RESTRICTIVE COVENANT AGAINST THE ABOVE-DESCRIBED REAL PROPERTY PROHIBITING THE SALE OF BEER, WINE, LIQUOR OR ANY OTHER AND ALL OTHER ALCOHOLIC BEVERAGES ON THE PROPERTY

WHEREAS, the Town of Bluffton, South Carolina, (the "*Town*") presently owns two parcels of approximately 0.603 combined acres located in Bluffton Village in the Town of Bluffton, Beaufort County, South Carolina, identified as Parcel "A" containing 0.300 acres and Parcel "B" containing 0.303 acres as shown on a plat prepared by Terry G. Hatchell, SCRLS No. 11059, Surveying Consultants, dated July 23, 2013, bearing the legend, "*A Boundary Consolidation Survey of Parcels 'A' & 'B' State Street Formerly Lots 1 Thru 11 A Section of Phase II A Bluffton Village,*" which plat was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 137 at Page 62 (the "*Property*"), a copy of which plat is attached hereto as Exhibit "A" and fully incorporated herein by reference; and,

WHEREAS, on May 16, 2016, South Carolina Realty Advisors, on behalf of Dolnik Properties, LLC ("*Dolnik*") submitted a Letter of Intent to the Town outlining its proposed purchase of the Property for the total purchase price of Five Hundred Eighty-Two Thousand and No/100 (\$582,000.00) Dollars; and,

WHEREAS, on June 8, 2016, the Town of Bluffton Town Council (the "*Town Council*"), by majority vote, authorized the Town Manager to enter into negotiations for the sale of the Property to Dolnik conditioned on the Property being conveyed subject to a restrictive covenant that prohibits the sale of beer, wine, liquor and any and all other alcoholic beverages on the Property, and that such restriction will run with the land and may only be released with the express written consent of Town Council; and,

WHEREAS, following negotiations with Town Staff, Dolnik agreed to the imposition of the restriction on the sale of alcoholic beverages against the Property and offered an increased proposed Purchase Price of Five Hundred Ninety-One Thousand and No/100 (\$591,000.00) Dollars; and,

WHEREAS, in accordance with the Bluffton Village Development Agreement, the Bluffton Village Town Center Declaration and the State Street Commons Declaration, the sale of the

Property will transfer 16,675 heated square feet of development rights for Parcel A and 18,615 heated square feet of development rights for Parcel B for a total combined sum of 35,290 heated square feet of development rights for the Property to Dolnik; and,

WHEREAS, a part of the sale of the Property, the Town desires to either terminate the existing Infrastructure Easement between Bluffton Village Center Property Owners Association, Inc., and the Town of Bluffton, recorded in Record Book 3267 at Page 3038, or assign the same to Dolnik; and,

WHEREAS, Sections 5-7-40 and 5-7-260 of the South Carolina Code of Laws and Sections 2-13(a)(8) and 2-13(a)(4) of the Code of Ordinances for the Town of Bluffton requires that Town Council act by Ordinance to convey, lease, or authorize the conveyance or lease of any Town owned lands as well as easements and public rights-of-way.

NOW, THEREFORE, BE IT ORDERED, ORDAINED AND ENACTED BY THE TOWN COUNCIL OF THE TOWN OF BLUFFTON, SOUTH CAROLINA, in accordance with the foregoing, as follows:

SECTION 1. SALE OF TOWN-OWNED PROPERTY. The Town of Bluffton hereby approves of the sale of those two parcels of approximately 0.603 combined acres located in Bluffton Village in the Town of Bluffton, Beaufort County, South Carolina, identified as Parcel "A" containing 0.300 acres and Parcel "B" containing 0.303 acres, as detailed in the *Legal Description and Plat* attached hereto as Exhibit "A", to Dolnik Properties, LLC, for the purchase price of Five Hundred Ninety-One Thousand and No/100 (\$591,000.00) Dollars and, in conjunction with the sale, the transfer of 35,290 heated square feet of development rights for the Property to Dolnik.

SECTION 2. ADOPTION OF RESTRICTIVE COVENANT LIMITING SALE OF ALCOHOLIC BEVERAGES. The Town of Bluffton hereby approves of the establishment of a restrictive covenant prohibiting the sale of beer, wine, liquor and any and all other alcoholic beverages on the Property, and that such restriction will run with the land and may only be released with the express written consent of Town Council.

SECTION 3. TERMINATION OR ASSIGNMENT OF INFRASTRUCTURE EASEMENT. The Town of Bluffton hereby approves either the termination of the existing Infrastructure Easement between Bluffton Village Center Property Owners Association, Inc., and the Town of Bluffton, recorded in Record Book 3267 at Page 3038, or the blanket assignment of the same to Dolnik.

SECTION 4. ORDINANCE IN FULL FORCE AND EFFECT. This entire Ordinance shall take full force and effect upon its final adoption.

DONE, RATIFIED AND ENACTED this ____ day of _____, 2016.

This Ordinance was read and passed at first reading on _____, 2016.

Lisa Sulka, Mayor
Town of Bluffton, South Carolina

Sandra Lunceford, Clerk
Town of Bluffton, South Carolina

This Ordinance was read and passed at second reading on _____, 2016.

Lisa Sulka, Mayor
Town of Bluffton, South Carolina

Sandra Lunceford, Clerk
Town of Bluffton, South Carolina