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VILLAGE AT VERDIER

**FIRST AMENDMENT AND REAFFIRMATION TO THE
DEVELOPMENT AGREEMENT FOR VERDIER PLANTATION**

**BETWEEN SECURITY BANK OF KANSAS CITY
AND
THE TOWN OF BLUFFTON,
SOUTH CAROLINA**

April 12, 2011

The Development Agreement Between Previous Owner and the Town of Bluffton, South Carolina was subsequently executed on December 18, 2002 ("Original Agreement") and was recorded in the Beaufort County Register of Deeds Office in Book 1683 at Page 1210; and

WHEREAS, the Term of the Original Agreement was extended for 3 months by Ordinance 2007-20 and an additional 5 year extension was approved by Ordinance 2008-04 on March 6, 2008; and

WHEREAS, the Property was transferred to Owner pursuant to an Order of Judgment of Foreclosure on October 2, 2008; and

WHEREAS, the Owner wishes to amend and restate the Original Agreement to address market and economic trends; and

WHEREAS, the Town seeks to protect and preserve the natural environment and to secure for its citizens quality, well planned and designed development and a stable and viable tax base; and

WHEREAS, the Town finds that the program of development proposed by the Owner for this Property is consistent with the Town's comprehensive land use plan; and will further the health, safety welfare and economic well-being of the Town and its residents; and

WHEREAS, the amended development program for the Property presents an unprecedented opportunity for the Town to secure quality planning and growth, protection of the environment and a strengthened and revitalized tax base; and

WHEREAS, this Amendment is being made and entered between Owner and Town, under the terms of the Act, for the purpose of providing assurances to Owner that it may proceed with its development plan under the terms hereof, as hereinafter defined, without encountering future changes in law which would materially affect the ability to develop under the plan, and for the purpose of providing important protection to the natural environment and long term financial stability and a viable tax base to the Town of Bluffton; and

WHEREAS, on April 12, 2011, the Town of Bluffton Town Council held a public hearing and approved the terms of this Amendment with the adoption of Ordinance 2011-05, approved the corresponding amendments to the Village at Verdier PUD with the adoption of Ordinance 2011-06, and approved the corresponding amendments to the Village at Verdier Initial Master Plan by majority vote; and

WHEREAS, even if not mentioned, the provisions of the Original Agreement shall contain all amended provisions hereof, even if not specifically stated that it is amending a previous provision of the Original Agreement.

NOW THEREFORE, in consideration of the terms and conditions set forth herein, and other good and valuable consideration, including the potential economic benefits to both the Town and Owner by entering this Amendment, and to encourage well-planned development by Owner, the receipt and sufficiency of such consideration being hereby acknowledged, Town and Owner hereby agree to the provisions of this Amendment as follows:

I. INCORPORATION.

The above recitals are hereby incorporated into this Amendment, together with the South Carolina General Assembly findings as set forth under Section 6-31-10(B) of the Act.

II. DEFINITIONS.

As used herein, the following terms mean:

"Act" means the South Carolina Local Government Development Agreement Act, as codified in Sections 6-31-10 through 6-31-160 of the Code of Laws of South Carolina (1976), as amended; attached hereto as Exhibit "A";

"Developer" means Owner and all successors in title or right of the Owner who undertake Development of the Property or who are transferred Development Rights;

"Development" means the definition of development as set forth in the Unified Ordinance;

"Development Agreement" means collectively, the Original Agreement as amended by this Amendment;

"Development Agreement Ordinance" means the ordinance ratified by the Town Council of Bluffton on June 10, 1998, establishing procedures for the execution of development agreement in and by the Town of Bluffton, South Carolina;

"Development Rights" means Development undertaken by the Owner or Developer(s) in accordance with the Unified Ordinance and this Amendment;

"Initial Master Plan" means that map of the Property entitled "Initial Master Plan for The Village at Verdier Plantation Planned Unit Development" that has been accepted, amended, and approved by the Town incidental to the Town's zoning of the Property to PUD, and as attached hereto as Exhibit "E";

"Owner" means Security Bank of Kansas City and its successors or assigns;

"Owners Association" means an entity formed pursuant to the Zoning Regulations which is responsible for the construction and/or maintenance and/or upgrading of the infrastructure listed in the Initial

Master Plans and approved under the Zoning Regulations, the Original Agreement, and this Amendment, to include but not be limited to roads; common areas; and water, sewer, and storm water management systems:

“Property” means those certain tracts of land described as Exhibit “B” attached hereto;

“PUD Ordinance” means the Planned Unit Development Ordinance of the Town Council of Bluffton, designated as Section 3.11 of the Town of Bluffton Unified Ordinance;

“Term” means the duration of the Original Agreement, as subsequently amended as stated herein and by this Amendment, all as more particularly set forth in Section III hereof;

“Unified Ordinance” means the Town of Bluffton Unified Ordinance and any subsequent amendments.

“Verdier Plantation PUD” means that certain tract of land described on Exhibit “B” attached hereto and the zoning ordinance amendments affecting the same as referenced in the preamble hereto attached hereto as Exhibit “D”, and further subject to the Initial Master Plan which is attached hereto as Exhibit “E”; and

“Zoning Regulations” means the ordinance adopted by the Town Council of Bluffton establishing a Planned Unit Development for the Property (Verdier Plantation PUD), including but not limited to, the Initial Master Plan for The Village at Verdier Plantation Planned Unit Development, and all attachments thereto, including but not limited to, the narratives, applications, site development standards and applicable ordinances, as the same may be hereafter, in accordance with this Amendment, based upon the Town of Bluffton Unified Ordinance which may be amended or modified at the sole discretion of the Town, and the Town ordinance(s) ratifying the Original Agreement and approving this Amendment. The Zoning Regulations constitute all of the Town’s rules, regulations and ordinances governing the development of the Property as of the date of enactment of the Verdier Plantation PUD, and hereafter the Verdier Plantation PUD Amendment including all other ordinances of the Town existing as of that date.

III. TERM

The Term of the Original Agreement, as amended by this Amendment, commenced on December 18, 2002, and was to terminate five (5) years thereafter (the “Initial Term”); provided however, that the Term of the Original Agreement would be renewed for one (1) additional five (5) year period (the “First Renewal Term”), absent a material breach of any term of the Original Agreement by the Previous Owner, its successor or assign, or any Developer during the Initial Term. The Initial Term was subsequently renewed through the First Renewal Term to terminate thereafter on December 17, 2012. Notwithstanding the above, the Owner and Town hereby agree to extend the Term of the Original Agreement, as amended by this Amendment, for an additional five (5) year renewal term (the “Second Renewal Term”) resulting in an expiration date of December 17, 2017, absent a material breach of any prior term of the

Original Agreement, as amended by this Amendment, by Owner or any Developer prior to the end of the First Renewal Term. The Initial Term, the First Renewal Term, and the Second Renewal Term are collectively referred to herein as the "Term".

IV. DEVELOPMENT OF THE PROPERTY

The Property shall be developed in accordance with the Town of Bluffton's Unified Ordinance and any subsequent amendments as well as this Amendment. The Town shall, throughout the Term, maintain or cause to be maintained, a procedure for the processing of reviews as contemplated by the Unified Ordinance. All costs charged by or to the Town for such reviews shall be paid by the Owner or Developer, as applicable.

V. CHANGES TO UNIFIED ORDINANCE

The Unified Ordinance relating to the Property subject to this Amendment, except as provided for in Paragraph X herein, may be amended or modified at the sole discretion of the Town. Owner does, for itself and its successors and assigns, including Developer(s) and notwithstanding the Unified Ordinance, agree to be bound by the following:

1. The Owner shall be required to notify the Town, in writing, as and when Development Rights are transferred to a Developer. Such information shall include the identity and address of the Developer, a Developer contact person, the location and number of acres of the Property transferred, and the number of residential units and/or commercial acreage, and/or conservation acreage, as applicable, subject to the transfer. A Developer transferring Development Rights to another Developer shall be subject to this requirement of notification, and any Developer acquiring Development Rights shall be required to file with the Town an acknowledgment of this Development Agreement and a commitment to be bound by it.

2. The Owner and Developers, and their respective heirs, successors and assigns, agree that all Development, with the exception of irrigation, incidental maintenance facilities and facilities existing at the date of this Amendment will be served by potable water and sewer prior to occupancy, except as otherwise provided herein for temporary use.

3. The following modifications to the PUD Ordinance, at the election of the Town and without the consent of the Owner, may be made and to which the Amendment shall be subject:

The Town may amend the PUD Ordinance to delegate any or all the review functions required thereunder to any individuals or body, board or commission, provided that such individuals or all persons serving on any such body, board or commission are appointed and/or approved by the Town Council or is the

Town Council, provided that the scope of review pursuant to the PUD Ordinance shall remain unchanged and the Town continues to have the ultimate approval authority.

It is acknowledged that nothing in this Amendment shall be deemed or construed to affect the right of any person to seek a variance from the provisions of the Unified Ordinance in accordance with applicable state and local laws in effect at the time of the variance application.

VI. DEVELOPMENT SCHEDULE.

The Property shall be developed in accordance with the development schedule, attached hereto as Exhibit "C". Pursuant to the Act, the failure of the Owner and Developer(s) to meet the development schedule shall not, in and of itself, constitute a material breach of this Amendment. In such event, the failure to meet the development schedule shall be judged by the totality of circumstances, including but not limited to the Owner's and Developer(s)' s good faith efforts made to attain compliance with the development schedule. These schedules are planning and forecasting tools only. The fact that actual development may take place at a different pace, based on future market forces, is expected and shall not be considered a default hereunder. Furthermore, periodic adjustments to the development schedule, which may be submitted by Owner/Developers in the future, shall not be considered a material amendment or breach of the Agreement.

VII. DENSITY AND LAND USES.

Mixed use development on the Property shall be limited to the following:

- A. 404,000 square feet of commercial;
- B. 404 residential dwelling units; and
- C. 30,000 square feet of civic development; and
- D. Notwithstanding any other provisions contained within the Unified Ordinance, commercial uses within the Property shall be limited to those more fully described in Exhibit "D" attached hereto.

VIII. RESERVED

IX. EFFECT OF FUTURE LAWS

Owner and Developers shall have vested rights to undertake Development of any or all of the Property in accordance with the Unified Ordinance, as defined herein and modified hereby, and as may be modified in the future pursuant to the terms hereof, and this Amendment for the entirety of the Term, and

thereafter if substantial development has commenced in reliance upon the Initial Master Plan. Future enactments of, or changes or amendments to Town ordinances, including zoning or development standards ordinances, which conflict with the Zoning Regulations shall apply to the Property only if permitted pursuant to the Act.

The parties specifically acknowledge that this Amendment shall not prohibit the application of any present or future building, housing, electrical, plumbing, gas or other standard codes, of any tax or fee of general application throughout the Town, or of any law or ordinance of general application throughout the Town found by Bluffton Town Council to be necessary to protect the health, safety and welfare of the citizens of the Town. Notwithstanding the above, the Town may apply subsequently enacted laws to the Property only in accordance with the Act.

X. INFRASTRUCTURE AND SERVICES

Town and Owner recognize that the majority of the direct costs associated with the Development of the Property will be borne by the Owner and Developers, and many other necessary services will be provided by other governmental or quasi-governmental entities, and not by the Town of Bluffton. For clarification, the parties make specific note of and acknowledge the following:

A. Private Roads. All roads within the Property within gated communities, or for the exclusive use by Owners within the Property, shall be constructed by the Owner and/or Developers, and maintained by them and/or an Owner's Association, or dedicated to other appropriate entities. The Town of Bluffton will not be responsible for the construction or maintenance of any roads within the Property, and the Owner and/or Developer and/or Owner's Association shall continue the maintenance.

B. Public Roads. All public roads outside the Property that serve the Property are under the jurisdiction of the State of South Carolina regarding access, construction, improvements and maintenance. Owner acknowledges that it must comply with all applicable state statutes and rules and regulations of the South Carolina Department of Transportation, or its successor, and those of Beaufort County, South Carolina. The Town shall not be responsible for construction, improvements or maintenance of the public roads which now or hereafter serve the Property, unless it otherwise agrees.

The Owner agrees to donate and convey 2.99 acres, more or less, of the Property, which is parallel and adjacent to SC Highway 170, to the Town for the purpose of the expansion of utilities and expansion of SC Highway 170 roadway. Developer shall not be responsible for the construction and/or maintenance of the improvements to the right-of-way except as otherwise recommended in the Traffic Assessment, as that term is defined herein.

C. Traffic Light. It is contemplated that at some time in the foreseeable future, a traffic light will be required on Highway 170 at the main entrance to the Property. Upon determination by Beaufort

County, South Carolina Department of Transportation, or applicable governmental agency, the Owner agrees to pay to the Town the sum Fifty Thousand and No/100 Dollars (\$50,000.00), as payment in full for its pro-rata share of the costs to purchase and install said traffic light (the "Traffic Light Payment").

Notwithstanding the foregoing, the Previous Owner and/or the Owner, under the Original Agreement and prior to the execution of this Amendment, donated Fifty Thousand and No/100 Dollars (\$50,000.00) towards a traffic light escrow fund (the "Traffic Light Escrow") to the Town for the purposes stated in the Original Agreement. Per the terms of this Amendment the Owner and Town have agreed these funds currently in Traffic Light Escrow shall be applied towards the Owner's outstanding Administrative Fees and Fee-in-Lieu of Taxes due under the Original Agreement. Furthermore, the above provisions of the Traffic Light Payment hereby supplant the Owner's obligation to further fund the Traffic Light Escrow, and the Traffic Light Payment shall be the sole remaining obligation of the Owner, its successors and assigns, regarding funding the aforementioned traffic light.

D. Traffic Impacts. The public road that is contiguous to and presently serves the Property is identified as South Carolina Highway 170 and is under the jurisdiction of the State of South Carolina regarding access, construction, improvements and maintenance. The Town of Bluffton is concerned with traffic impact resulting from development on South Carolina Highway 170 and its ultimate impact on Highway 278. In connection with the Amendment herein, the Owner has previously has caused to be prepared that certain Village at Verdier Traffic Impact Analysis prepared by Thomas & Hutton Engineering Company and dated January 2011, attached hereto as Exhibit "F" (the "Traffic Assessment"). The Traffic Assessment has calculated daily trip generation figures for the Development proposed under this Amendment. The Town has reviewed and approved this Traffic Assessment. The Town will not grant final development approval for any development on the Property that generates daily trips in excess of that as shown on the Traffic Assessment. Notwithstanding the foregoing, the traffic counts attributable to the civic space contemplated herein shall not count against the daily trip generation figures referenced in the Traffic Assessment.

In addition to the above, the parties hereto recognize the benefit of the interconnectivity of the Property with the Buckwalter PUD. The parties also recognize the difficulty in achieving interconnectivity due to Developer's land plan, the location of wetland areas and the ownership of property owned by third parties lying between the Property and the Buckwalter PUD. The parties agree to cooperate, to the extent possible, in creating interconnectivity subject to these limitations and restrictions.

E. Potable Water. Potable water will be supplied to the Property by Beaufort-Jasper Water and Sewer Authority or some other legally constituted provider allowed to operate in the Town, at the election of the Owner. Owner will construct or cause to be constructed all necessary water service infrastructure within the Property, which will be maintained by it or the provider. The Town of Bluffton shall not be responsible for any construction, treatment, maintenance or costs associated with water

service to the Property. Nothing herein shall be construed as precluding the Town from providing, potable water to its residents in accordance with applicable provisions of laws.

F. Sewage Treatment and Disposal. Sewage treatment and disposal will be provided by Beaufort-Jasper Water and Sewer Authority or some other legally constituted provider allowed to operate in the Town, at the election of the Owner. Owner will construct or cause to be constructed all related infrastructure improvements within the Property, which will be maintained by it or the provider. The Town of Bluffton will not be responsible for any treatment, maintenance or costs associated with sewage treatment within the Property. Notwithstanding the above, should the Town of Bluffton elect to become a retailer or other provider of such services in the future, Owner agrees not to object and to affirmatively support such decision the Town may make in the future. Nothing herein shall be construed as precluding the Town from providing sewer services to its residents, in accordance with applicable provisions of laws.

G. Use of Effluent. Owner agrees that treated effluent will be disposed of only in such manner as may be approved by applicable government agencies, including the Town of Bluffton, and particularly as approved by S.C. Department of Health and Environmental Control and the Beaufort-Jasper Water and Sewer Authority.

H. Water Conservation. Owner agrees to encourage the use of indigenous plants for landscaping purposes, to help minimize irrigation requirements, and to encourage the use of other water conservation methods. Owner shall install, or cause to be installed, rain sensors on automatic sprinkler systems within the common areas of the Property. Owner will agree in any automatic water systems to include rain sensors. Owner will include in its restrictive covenants a provision that requires the inclusion of rain sensors whenever irrigation is installed.

I. Mulching of Landscape Waste. Owner or Developer shall provide facilities for the disposal of landscape waste produced within the Property, either by grinding such waste into mulch for use within the Property, or by contracting to dispose of such landscape waste through a private contractor who grinds such landscape waste into mulch offsite, provided he returns an equivalent tonnage of mulch to the Property. Owner shall make such disposal mandatory within the Property, provided that the Owner shall have the flexibility to participate in regional projects, where practical, and the flexibility to modify the landscape waste disposal method to comply with all applicable laws. This provision shall not apply at all to waste produced during initial site preparation and clearing, or to construction activities within the first five (5) years of Development under any subsequently approved Initial Master Plan, all of which waste may be disposed of in any normal and legal manner.

J. Drainage System. All storm water runoff and drainage improvements within the Property will be designed in accordance with the Unified Ordinance and Section XII hereof and, best efforts shall be made to coordinate such systems with the Beaufort County Master Drainage Program. All storm

water runoff and drainage system improvements will be constructed by Owner or Developers and maintained by Owner, Developers and/or an Owners Association. The Town of Bluffton will not be responsible for any construction or maintenance costs associated with the drainage system within the Property.

K. Solid Waste Collection. Owner shall provide or cause to be provided solid waste collection services to the Verdier Plantation PUD until such time as: (1) the Town is requested to provide such services; and (2) ad valorem tax revenues generated from the Verdier Plantation PUD, less such amount thereof as are applied to other Town-wide services, are sufficient to pay the costs the Town incurs to provide solid waste collection to the Verdier Plantation PUD, at the level provided to other residents and businesses within the pre-annexation boundaries of the Town.

The Town reserves the right to require refuse generated from the Verdier Plantation PUD to comply with standards promulgated for the Beaufort County landfill, provided the waste is being taken to a landfill designated by Beaufort County.

In the event that a court of competent jurisdiction shall require the Town, prior to its election, to provide solid waste services to the Verdier Plantation PUD, and if, at that time, the ad valorem tax revenues generated from the Verdier Plantation PUD are not sufficient to enable the Town to provide such solid waste service, absent a Town-wide tax increase, the Owner shall be responsible to pay to the Town the costs of providing such service and shall be obligated to continue such payment until such point in time when the ad valorem tax revenues from the Verdier Plantation PUD are sufficient to pay for the solid waste collection services required by it, without the necessity of a Town-wide tax increase. Any such payment to the Town shall be made on an annual basis and within thirty (30) days of the Town notifying the Owner of the costs.

L. Police Protection. The Town shall provide police protection services to the Verdier Plantation PUD on the same basis as is provided to other residents and businesses within the Town with the exception of restricted access communities.

Owner acknowledges the concurrent jurisdiction of the Town's police department and the Sheriff of Beaufort County on the Property and shall not interfere or in any way hinder law enforcement activities of either on the Property.

In the event that a court of competent jurisdiction shall require the Town, prior to its election, to provide police protection services to the Verdier Plantation PUD, without requiring private security, and if the ad valorem tax revenues generated from the Verdier Plantation PUD are not sufficient to enable the Town to provide such police service, without a Town-wide tax increase, the Owner shall be responsible to pay to the Town the costs of providing such service, and shall be obligated to continue such payment until

such point in time when the ad valorem tax revenues from the Verdier Plantation PUD are sufficient to pay for the police protection expenses required by it, without the necessity of a Town-wide tax increase. Payment to the Town shall be made on an annual basis and within thirty (30) days of the Town notifying the Owner of the costs.

M. Recycling Services. The Town shall not be obligated to provide recycling services to the Verdier Plantation PUD.

The Town reserves the right to require recycling materials generated from the Property to comply with standards promulgated by it or Beaufort County, as applicable, if the solid waste is to be deposited in a facility designated by Beaufort County.

In the event a court of competent jurisdiction shall require the Town, prior to its election, to provide recycling services to the Verdier Plantation PUD, and if the ad valorem tax revenues generated from the Verdier Plantation PUD are not sufficient to enable the Town to provide such service without a Town-wide tax increase, the Owner shall be responsible to pay the Town costs of providing such service, and shall be obligated to continue such payment until such point in time when the ad valorem tax revenues from the Verdier Plantation PUD are sufficient to pay for the recycling expenses required by it, without the necessity of a Town-wide tax increase. Payment to the Town shall be made on an annual basis and within thirty (30) days of the Town notifying the Owner of the costs.

N. Emergency Medical Services. Such services are now provided by Beaufort County. The Town of Bluffton shall not be obligated to provide emergency medical services to the Property, absent its election to provide such services on a Town-wide basis.

O. Library Services. Such services are now provided by Beaufort County. The Town of Bluffton shall not be obligated to provide library services to the Property, absent its election to provide such services on a Town-wide basis.

P. School Services. Such services are now provided by Beaufort County. The Town of Bluffton shall not be obligated to provide school services to the Property, absent its election to provide such services on a Town-wide basis.

Q. Fire Services. Such services are now provided by The Bluffton Township Fire District. The Town of Bluffton shall not be obligated to provide fire services to the Property, absent its election to provide such services on a Town-wide basis.

XI. DEDICATIONS, FEES AND RELATED AGREEMENTS

The Town of Bluffton and Owner understand and agree that Development of the Property shall impose certain costs to the Town. Eventually, ad valorem taxes collected from the Property may meet or exceed the burdens placed upon the Town, but certain initial costs and capital expenditures are now required in order to ensure that the present residents of the Town are not called upon to pay higher taxes to accommodate the Development of the Property. The following items are hereby agreed upon to be provided by Owner, its successors and assigns, to offset such future costs and expenditures:

A. Dedication of Greenway and Leisure Trail. Under the Original Agreement, the Previous Owner and/or a Developer agreed to make available to the Town, or its designee, a ten foot (10') wide easement and/or right-of-way within the area generally termed the Highway Corridor Overlay District buffer lying parallel to South Carolina Highway 170, as a leisure trail (the "Leisure Trail") in accordance with that certain Southern Beaufort County Greenway and Leisure Trails Plan prepared by LandPlan Partnership dated the 8th day of August, 2002. The Previous Owner and/or a Developer further agreed to be responsible for the cost of construction of such Leisure Trail under the Original Agreement. However, dedication of the aforementioned Leisure Trail easement is no longer necessary as the pedestrian access afforded under the proposed Leisure Trail is now encompassed within right-of-way donation described in Sections X(B) and XI(L) of this Amendment and any construction costs, sums, or fees associated therewith have been paid in full. As such, the provisions of Section XI(A) of the Original Agreement are hereby deleted in their entirety and replaced with the provisions of Section XI(A) of this Amendment.

B. Administrative Charge for Necessary Planning. The parties acknowledge that the initial development of the Property will affect Town resources and will require the Town to incur expenses solely related to the Development. To enable the Town to appropriately meet the demands of development and to avoid adverse ad valorem tax consequences to the residents of the Town burdening the resources of the Town, Owner agreed under the terms of the Original Agreement, to pay to the Town the annual sum of Forty-four Thousand and no/100 Dollars (\$44,000.00), to be billed by the Town to the Owner, its successors or assigns, on each anniversary of the execution of the Original Agreement through the Term hereof. Said sum is to be paid in advance of each year of the Term hereof. The parties hereby acknowledge all administrative charges and fees due under this subsection have been paid in full and the Owner is current hereunder through administrative charges and fees due for the year December 18, 2010 through December 17, 2011.

C. Interim Development Fees.

1. To assist the Town in meeting expenses resulting from ongoing development, Developers shall pay development fees ("Development Fees") as follows:

DEVELOPMENT FEES AMOUNT

Single Family Residential (SFR) < 1,800	\$400.00
SFR 1,801-2,400	\$500.00
SFR 2,401 - 3,000	\$750.00
SFR > 3,000	\$1,000.00
Multi-Family (MF) -1 Bedroom	\$200.00
MF - 2 Bedroom	\$250.00
MF-3 Bedroom	\$350.00
Commercial Development	\$0.75 per heated and cooled square foot
Civic Development/Dedication	\$0.00

2. Owner agrees that commencing on the third anniversary date of the Original Agreement and for each year thereafter, the Development Fees set forth above shall be increased on an annual basis in accordance with the CPI, not to exceed fifty percent (50%) of the increase in the CPI for the previous twelve (12) months.

3. All Development Fees shall be collected at the time of obtaining a building permit.

4. Notwithstanding any provisions to the contrary contained within this Development Agreement, the Development Fees herein are being paid in lieu of any other impact fees or Development Fees adopted by the Town at any time hereafter during the Term of this Development Agreement; provided, however, that the Owner and/or Developers shall be subject to the payment of any and all present or future fees enacted by the Town that are of Town-wide application and that relate to processing applications, development permits, building permits, review of plans or inspections or other matters.

D. **Boat, Ramp Repair Fund.** As additional consideration for the covenants of the Town of Bluffton hereunder, Owner agrees to pay to the Town of Bluffton Twenty-Five and no/100 Dollars (\$25.00) per dwelling unit, paid one time for each dwelling unit within the Property upon application for a building permit for that dwelling unit, for a boat ramp repair fund which the Town hereby agrees shall be used exclusively for the repair of public access boat ramp facilities in or near the Town of Bluffton.

E. Special Districts. Nothing in this Amendment shall be construed to prevent the establishment by the Town of a tax increment, municipal improvement or other district on the Property in accordance with applicable provisions of the Code of Laws of South Carolina, 1976, as amended.

F. Fee in Lieu of Taxes. The provisions of this Section XI(F) hereby replace, in their entirety, the provisions of Section XI(F) of the Original Agreement. The Town of Bluffton and Owner acknowledge that the Property is located within the New River Tax Increment Financing District ("TIF") established by Beaufort County, South Carolina. Accordingly, a portion of the ad valorem tax revenue that would otherwise accrue to the benefit of the Town shall be subject to the TIF and retained by Beaufort County. Under the Original Agreement, the Previous Owner agreed to pay to the Town an annual fee in lieu of taxes in order to off-set this loss of projected tax revenue to the Town in the amount of Seventy Thousand and no/100 Dollars (\$70,000.00) and commencing on the sixth (6th) anniversary date of the Original Agreement which is due and payable on the same day each year thereafter for ten (10) successive years, or the end of the TIF, whichever event first occurs. The parties hereby acknowledge that two (2) of the fee in lieu of taxes payments, totaling One Hundred Forty Thousand and no/100 Dollars (\$140,000.00), have been paid to-date. Town and Owner agree that the remaining fee in lieu of taxes amount to Five Hundred Sixty Thousand and No/100 Dollars (\$560,000.00) (the "Remaining Fee in Lieu of Taxes Obligation"). However, the Owner and Town agree and acknowledge the Owner's obligation to pay the Remaining Fee in Lieu Obligation shall terminate at the sooner of: 1) the payment by the Owner, its successors or assigns, of Five Hundred Sixty Thousand and No/100 Dollars (\$560,000) to the Town as stated hereunder; 2) the end of the TIF regardless of the amount of the Remaining Fee in Lieu of Taxes Obligation to be paid by the Owner to the Town; or 3) the end of the Term of the Development Agreement regardless of the amount of the Remaining Fee in Lieu of Taxes Obligation to be paid by the Owner to the Town.

In order to accommodate the revised PUD and Initial Master Plan, the parties have agreed to a restructured method of calculation and payment of the Remaining Fee in Lieu of Taxes Obligation. The restructured payment calculation determined the pro rata share estimated development, per Exhibit "C," of the Remaining Fee in Lieu of Taxes Obligation. The Village at Verdier Fee in Lieu of Taxes Calculation Table, which is attached and incorporated as Exhibit "G," provides these calculations resulting in the applicable fee schedule below. Notwithstanding the foregoing, the Village at Verdier Fee in Lieu of Taxes Calculation Table attached hereto as Exhibit "G" contains, as part of the calculation and schedule therein, development numbers for years 2010 through 2017. However, those development numbers are for illustrative purposes only, are non-binding, and in no manner alter Section VI hereof, any other provision herein pertaining to the development schedule of the Property hereunder, or the provisions of Exhibit "C" attached hereto. The parties agree that the aforementioned fee schedule, as outlined in the paragraph above, shall apply throughout the Term of this Amendment, unless the Remaining Fee in Lieu of Taxes Obligation is terminated as stated above.

Therefore, pursuant to the provisions of this Section, at the time of issuance of any development permit or development permit revision the following fees shall be paid:

<u>Development Type</u>	<u>Pro Rata Fee in Lieu of Taxes</u>
Town Home	\$2,379.00 per unit
Single Family-Neighborhood Residential	\$2,685.00 per unit
Single Family-Village Hamlet	\$2,685.00 per unit
Multi Family	\$0.62 per square foot
Mixed Use Commercial	\$0.86 per square foot

Notwithstanding the foregoing, the Town and Owner hereby agree and acknowledge any provision existing under the Original Agreement requiring the Owner to submit any portion of the Property to a Horizontal Property Regime in accordance with South Carolina code Section 27-31-10, et seq., 1976, as amended ("Horizontal Property Act") is hereby deleted in its entirety, to have no further force and effect.

G. Business Park Donation. The Town and Owner agree that any provision of Section XI(G) of the Original Agreement requiring the donation of a business park is hereby deleted in its entirety, to have no further force and effect.

H. Access Easement to Okatie Regional Park: The Owner agrees to provide a non-vehicular public Access Easement to the Okatie Regional Park ("Access Easement") upon request by Beaufort County or the Town. Upon request, Owner shall agree to work with the Town regarding the location of the Access Easement and agree that it shall align with any pathway plan of the Property. The Owner will not be responsible for the pathway construction associated with this Access Easement to the Okatie Regional Park, nor shall Owner, its successors or assigns, be responsible for any repair or maintenance costs of said Access Easement or the improvements thereto.

I. Donation of 83 Dwelling Units to the Town of Bluffton Density Bank: The residential density is reduced from 510 Dwelling Units approved in the Original Agreement to 404 Dwelling Units as outlined in Section VII of this Amendment. The Owner agrees to transfer and assign 83 of the 510 Dwelling Units under the Original Agreement to the Town for deposit into the Town of Bluffton Density Bank to be used at the Town's discretion. The 83 Dwelling Units donated shall not affect the newly allocated Dwelling Units (404) per Section VII of this Amendment.

J. Donation of Civic Site: The Owner agrees to donate and convey to the Town or applicable governmental agency, upon time of need, a site, not to exceed one and one-half (1.5) acres and

mutually agreeable by both Owner and the Town, for the construction of a multi-story civic building not to exceed thirty thousand (30,000) square feet. Said one and one-half (1.5) acre site shall contain the multi-story building, accommodate any and all site and building setbacks, and shall accommodate any required on-site parking. The Owner and Town agree that any conveyance hereunder shall contain such deed restriction that said civic site shall be solely used for governmental and public purposes and for the following limited uses: a library; governmental administrative offices; and/or a conservation and environmental educational center.

K. Allocate 5% of DU for Affordable Housing and Workforce Housing: Owners shall allocate five percent (5%) of the 404 Dwelling Units approved with this Amendment for affordable and/or workforce housing.

L. Donation of ROW: The donation of right-of-way as described in Section X(B) above is hereby restated for reference.

M. Traffic Light Contribution: The donation of a Traffic Light Contribution as described in Section X(C) above is hereby restated for reference.

XII. PROTECTION OF ENVIRONMENT AND QUALITY OF LIFE

The Town of Bluffton and Owner recognize that new development can have negative as well as positive impacts. Specifically, the Town considers the protection of the natural environment and nearby waters, and the preservation of the character and unique identity of the Town of Bluffton, to be mandatory goals, to be achieved without compromise. Owner shares this commitment and therefore agrees to the following:

A. Storm Water Quality. Protection of the quality in nearby waters is a primary goal of the Town of Bluffton. The Owner and Developers shall be required to abide by all provisions of federal and state laws and regulations, including those established by the South Carolina Department of Health and Environmental Control, the Office of Ocean and Coastal Resource Management, and their successors for the handling of storm water. In order to protect water quality of the rivers, the Owner agrees to prepare a study of pre-development drainage characteristics of the Property, prepare a master plan of the storm water drainage systems for each Initial Master Plan, construct storm water drainage systems in accordance with the approved plans, and maintain the systems allowing proper operation and function. In order to meet the water quality and anti-degradation goals which are impacted by the amount of impervious surfaces, Owner, its successors and assigns commits to design storm water management systems in such a way that the storm water quality delivered to the receiving waters is mitigated to a level which is no more than that associated with ten percent (10%) impervious coverage. Further, Owner agrees to provide pretreatment BMP's, including supplemental open space (in accordance with Beaufort

County's Manual for Storm Water Best Management Practices, prepared by Camp Dresser & McKee, as of March, 1998, as amended from time to time), where required by engineering design and calculations. In addition to the water quality safeguards as committed to by Owner above, notwithstanding Section V hereof, Owner and Developers shall adhere to the most current manual for Stormwater Best Management Practices prepared by Camp, Dresser and McKee governing detention, filtration and treatment of storm water, provided those ordinances and regulations apply town wide and are consistent with sound engineering practices. It is specifically agreed however, that any such ordinances of the Town that directly or indirectly affect the setback, buffer or open space requirements permitted pursuant to the Zoning Regulations will not be applicable to the Owner and Developers and the Property without the Owner and Developers express written consent thereto; provided, however, open space requirements may be modified as a result of specific implementation requirements for future storm water management BMP's related to detention and treatment of storm water that apply Town-wide and are consistent with sound engineering practices.

In the event of conflict between the Unified Ordinance and any provision or provisions of this Section, the Unified Ordinance shall control.

B. Tree Preservation. All standards, as amended and set forth in the Unified Ordinance, shall apply fully to development within the Property and standards shall be applied based upon the entire boundaries of the Property as the development (disturbed) area for purposes of replacement calculations and otherwise.

C. Sign/Highway Corridor/Telecommunications Tower Ordinance. The Property shall be subject to the standards of the Town of Bluffton Sign Ordinance, the Town of Bluffton Highway Corridor Overlay District and the Town of Bluffton Telecommunications Tower Ordinance, as modified by the Unified Ordinance.

XIII. COMPLIANCE REVIEWS.

As long as Owner owns any portion of the Property subject to the Development Agreement, the Owner, or its designee, shall meet with the Town, or its designee, at least once, per year, during the Term to review Development completed in the prior year and the Development anticipated to be commenced or completed in the ensuing year. The Owner, or its designee, shall be required to provide such information as may reasonably be requested, to include but not be limited to, acreage of the Property sold in the prior year, acreage of the Property under contract, the number of certificates of occupancy issued in the prior year, and the number anticipated to be issued in the ensuing year, Development Rights transferred in the prior year, and anticipated to be transferred in the ensuing year. The Owner, or its designee, shall be required to compile this information for its Development and that of Developers.

XIV. DEFAULTS.

The failure of the Owner, Developer or Town to comply with the terms of this Amendment shall constitute a default, entitling the non-defaulting party to pursue such remedies as deemed appropriate, including specific performance and the termination of this Development Agreement in accordance with the Act; provided however no termination of this Development Agreement may be declared by the Town absent its according the Owner and Developers the notice, hearing and opportunity to cure in accordance with the Act; and provided further that nothing herein shall be deemed or construed to preclude the Town or its designee from issuing stop work orders or voiding permits issued for Development for monetary or non-monetary defaults under the Development Agreement or when such Development contravenes the provisions of the Zoning Regulations or this Development Agreement.

A default of the Owner shall not constitute a default by a Developer, and a default by a Developer shall not constitute a default by the Owner. Notwithstanding the foregoing, it is acknowledged by all persons, firms or entities claiming or accorded interests in this Development Agreement that the following events shall constitute a default as to the Owner and all Developers, entitling the Town to pursue the termination of this Development Agreement, in accordance with the Act:

1. the failure of the Owner to timely remit payments required hereunder or deed to the Town any land per the terms of this Development Agreement;
2. the failure of the Owner to timely donate and construct the public facilities per the terms of this Development Agreement;
3. if at any time during the Term, prior to the Owner having fulfilled any of its payment obligations or land donations, there shall be filed by or against the Owner in any court, pursuant to any state or federal statute, a petition in bankruptcy or insolvency, or for reorganization or appointment of a receiver or trustee of all or part of the assets of Owner, or if Owner makes an assignment for the benefit of creditors.

XVI. MODIFICATION OF AGREEMENT.

This Development Agreement, as amended, may be modified or amended only by the written agreement of the Town and the Owner. No statement, action or agreement hereafter made shall be effective to change, amend, waive, modify, discharge, terminate or effect an abandonment of this Development Agreement in whole or in part unless such statement, action or agreement is in writing and signed by the party against whom such change, amendment, waiver, modification, discharge, termination or abandonment is sought to be enforced.

XVII. NOTICES.

Any notice, demand, request, consent, approval or communication which a signatory party is required to or may give to another signatory party hereunder shall be in writing and shall be delivered or addressed to the other at the address below set forth or to such other address as such party may from time to time direct by written notice given in the manner herein prescribed, and such notice or communication shall be deemed to have been given or made when communicated by personal delivery or by independent courier service or by facsimile or if by mail on the fifth (5th) business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, consents, approvals or communications to the Town shall be addressed to:

The Town at: Town of Bluffton
 Post Office Box 386
 Bluffton, SC 29910
 Attention: Town Clerk

And to the Owner at: Security Bank of Kansas City
 701 Minnesota Avenue
 Kansas City, KS 66101
 Attn: Tommy Wells

With a Copy to: Roberts Vaux, Esq. and Justin John Price, Esq.
 Vaux & Marscher, P.A.
 Post Office Box 769
 Bluffton, SC 29910

With a Copy to: Matt Rowe
 Carson Realty
 2 Hampton Hall Boulevard
 Bluffton, SC 29910

With a Copy to: Michael W. Kronimus
 KRA architecture & design
 18 Oak Forest Road, Suite C
 Bluffton, SC 29910

XIII. ENFORCEMENT

Any party hereto shall have the right to enforce the terms, provisions and conditions of this Amendment by any remedies available at law or in equity, including specific performance, and the right to recover attorneys' fees and costs associated with said enforcement.

XIX. GENERAL:

Subsequent laws. In the event state or federal laws or regulations are enacted after the execution of this Development Agreement or decisions are issued by a court of competent jurisdiction which prevent or preclude compliance with the Act or one or more provisions of this Development Agreement ("New Laws"), the provisions of this Development Agreement shall be modified or suspended as may be necessary to comply with such New Laws. Immediately after enactment of any such New Law, or court decision, a party designated by the Owners and Developers and the Town shall meet and confer in good faith in order to agree upon such modification or suspension based on the effect such New Law would have on the purposes and intent of this Development Agreement. During the time that these parties are conferring on such modification or suspension or challenging the New Laws, the Town may take reasonable action to comply with such New Laws. Should these parties be unable to agree to a modification or suspension, either may petition a court of competent jurisdiction for an appropriate modification or suspension of this Development Agreement. In addition, the Owner, Developers and the Town each shall have the right to challenge the New Law preventing compliance with the terms of this Development Agreement. In the event that such challenge is successful, this Development Agreement shall remain unmodified and in full force and effect.

Estoppel Certificate. The Town, the Owner or any Developer may, at any time, and from time to time, deliver written notice to the other applicable party requesting such party to certify in writing:

1. that this Development Agreement is in full force and effect;
2. that this Development Agreement has not been amended or modified, or if so amended, identifying the amendments;
3. whether, to the knowledge of such party, the requesting party is in default or claimed default in the performance of its obligations under this Development Agreement, and, if so, describing the nature and amount, if any, of any such default or claimed default; and
4. whether, to the knowledge of such party, any event has occurred or failed to occur which, with the passage of time or the giving of notice, would constitute a default and, if so, specifying each such event.

Entire Agreement. This Development Agreement sets forth, and incorporates by reference all of the agreements, conditions and understandings among the Town and the Owner relative to First Amend. and Reaffirmation to the Dev. Agree. for Verdier Plantation FINAL 4-12-2011

the Property and its Development and there are no promises, agreements, conditions or understandings, oral or written expressed or implied, among these parties relative to the matters addressed herein other than as set forth or as referred to herein.

No Partnership or Joint Venture. Nothing in this Development Agreement shall be deemed to create a partnership or joint venture between the Town, the Owner or any Developer or to render such party liable in any manner for the debts or obligations of another party.

Exhibits. All exhibits attached hereto and/or referred to in this Development Agreement are incorporated herein as though set forth in full.

Construction. The parties agree that each party and its counsel have reviewed and revised this Development Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Development Agreement or any amendments or exhibits hereto.

Assignment. Other than Development Rights as defined herein, no other rights, obligations, duties or responsibilities devolved by this Development Agreement on or to the Owner, Developer(s) or the Town are assignable to any other person, firm, corporation or entity.

Governing Law. This Development Agreement shall be governed by the laws of the State of South Carolina.

Counterparts. This Development Agreement may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

Agreement to Cooperate. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Development Agreement, the parties hereby agree to cooperate in defending such action; provided, however, each party shall retain the right to pursue its own independent legal defense.

Eminent Domain. Nothing contained in this Development Agreement shall limit, impair or restrict the Town's right and power of eminent domain under the laws of the State of South Carolina.

No Third Party Beneficiaries. The provisions of this Development Agreement may be enforced only by the Town, the Owner and Developers. No other persons shall have any rights hereunder.

XX. STATEMENT OF REQUIRED PROVISIONS

A. Specific Statements. Section 6-31-60(A) of the Act requires that a development agreement include certain mandatory provisions. Although certain of these items are addressed elsewhere in this Development Agreement, the following listing of the required provisions is set forth for convenient

reference. The numbering below corresponds to the numbering utilized under Section 6-31-60(A) for the required items:

1. Legal Description of Property and Legal and Equitable Owners. The legal description of the Property is set forth in Exhibit "B" attached hereto. The present legal owner of the property is Security Bank of Kansas City.

2. Duration of Agreement. The duration of this Development Agreement is five (5) years plus any renewals pursuant to Section III.

3. Permitted Uses; Densities, Building Heights and Intensities. A complete listing and description of permitted uses, population densities, building intensities and heights, as well as other development related standards, are contained in the Unified Ordinance

4. Required Public Facilities. The utility service available to the Property are described generally above regarding electrical service, telephone and solid waste disposal. The mandatory procedures of the Unified Ordinance will ensure availability of roads and utilities to serve the residents on a timely basis.

5. Dedication of Land and Provisions to Protect Environmentally Sensitive Areas. The only dedications of land for public purposes are the donations of lands which are described above. The Unified Ordinance, described above and incorporated herein, contains numerous provisions for the protection of environmentally sensitive areas. All relevant state and federal laws will be fully complied with, in addition to the provisions set forth in this Development Agreement.

6. Local Development Permits. The Development shall be as set forth in the Unified Ordinance. Specific permits must be obtained prior to commencing Development, consistent with the standards set forth in the Unified Ordinance. Building permits must be obtained under Town law for any vertical construction, and appropriate permits must be obtained from the State of South Carolina, its applicable departments and agencies, and the U.S. Army Corps of Engineers, when applicable, prior to any impact upon salt or freshwater wetland., It is specifically understood that the failure of this Development Agreement to address a particular permit, condition, term or restriction does not relieve the Owner, its successors and assigns, of the necessity of complying with the law governing the permitting requirements, conditions, terms or restrictions.

7. Comprehensive Plan and Development Agreement. The Development permitted and proposed under the Unified Ordinance, is consistent with the Comprehensive Plan and with current land use regulations of the Town.

8. Terms for Public Health, Safety and Welfare. The Town Council finds that all issues relating to public health, safety and welfare have been adequately considered and appropriately dealt with under the terms of this Development Agreement, the Unified Ordinance, and existing law.

9. Historical Structures. No specific terms relating to historical structures are pertinent to this Development Agreement. Any historic structure issues will be addressed through the permitting process of at the time of development the Unified Ordinance and no exception from any existing standard is hereby granted.

[Balance of page intentionally blank. Signatures on following pages.]

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In Witness Whereof, the parties hereto, in and through their authorized representatives, have caused these instruments to be executed on their behalf effective the date first above written.

Witnesses: [Signature]
Town of Bluffton, South Carolina
By: [Signature]
Its: Mayor
Attest: Sandra B. Luceford
Town Clerk

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT) ACKNOWLEDGMENT

I, Catherine Carpenter, Notary Public for South Carolina do hereby certify that Lisa Sella on behalf of Town of Bluffton, South Carolina, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this the 23rd day of May, 2011.
Catherine Carpenter
Notary Public for South Carolina
My Commission Expires Feb. 29, 2012

Witnesses:

Antonia deza
Donna Jean Miller

SECURITY BANK OF KANSAS CITY

Tommy G. Wells

By: Tommy G. Wells

Its: Executive Vice President

STATE OF SOUTH CAROLINA)

COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I, Paula Kay Kruse, Notary Public for Kansas
do hereby certify that Tommy G. Wells on behalf of Security Bank of Kansas
City, personally appeared before me this day and acknowledged the due execution of the
foregoing instrument.

Witness my hand and seal this the 18 day of May, 2011.

Paula Kay Kruse
Notary Public for Kansas
My Commission Expires: July 2, 2012

