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RECORDING FEES 12.00

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

SECOND AMENDMENT TO THE
PALMETTO BLUFF
DEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO THE PALMETTO BLUFF DEVELOPMENT AGREEMENT dated this day, March 9, 2005, is entered into by and between **PALMETTO BLUFF DEVELOPMENT, LLC** (f/k/a PALMETTO BLUFF, LLC), a South Carolina limited liability company, and **PALMETTO BLUFF UPLANDS, LLC**, a South Carolina limited liability company (together referred to herein as "Owner"), and the **TOWN OF BLUFFTON, SOUTH CAROLINA** ("Town").

WITNESSETH:

WHEREAS, on or about November 23, 1998, a Development Agreement ("Palmetto Bluff Development Agreement") was entered into by and between Union Camp Corporation and the Town incident to the annexation and future development of certain real property including that tract generally known and described as the Palmetto Bluff Tract ("Palmetto Bluff Tract"), which said Palmetto Bluff Development Agreement was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Official Record Book 1113 at Page 1085; and

WHEREAS, in a series of conveyances, assignments and assumptions, Palmetto Bluff Development, LLC, became "Owner" under the Palmetto Bluff Development Agreement relative to all portions of the Palmetto Bluff Tract now known as Phase I; and Palmetto Bluff Uplands, LLC, became "Owner" under the Palmetto Bluff Development Agreement relative to all portions of the Palmetto Bluff Tract formerly known as the May River Tract, the Cooper River Tract, the Duck Pond Tract (less and except ten (10) acres), and the Bighouse Tract (less and except that portion known as Long Island), less and except those portions of the above-mentioned tracts incorporated into Phase I; and

WHEREAS, on the 21st day of June, 2000, a Development Agreement ("Jones Development Agreement") was entered into by and between New River Farms, L.P., Holly Branch Farms, L.P., Jones Associates, Ltd., Barbara J. Bailey Limited Partnership, Dorothy R. Zetterower, Christopher C. Ryals and Lillian R. Stephenson (collectively, the "Jones Family") and the Town, which said Jones Development Agreement was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Official Records Book 1315 at Page 1099; and

WHEREAS, on the 10th day of June, 2004, the Town adopted Ordinance Number 2004-09 entitled "An Ordinance to Amend the Jones Tract Development Agreement" and Ordinance Number 2004-10 entitled "An Ordinance to Amend the Palmetto Bluff Tract Development

Agreement", which ordinances provided for the amending of the Jones Development Agreement and the Palmetto Bluff Development Agreement, respectively, to allow for the orderly and consolidated development of New Riverside; and

WHEREAS, on the 25th day of August, 2004, the First Amendment to the Jones Development Agreement and the Palmetto Bluff Development Agreement ("First Amendment to the Development Agreements") was entered into by and between New Riverside, LLC, a South Carolina limited liability company, and the Town, which was recorded on the 10th day of December, 2004, in the Office of the Register of Deeds for Beaufort County, South Carolina, in Official Records Book 2065 at Page 1784 (the Jones Development Agreement, the Palmetto Bluff Development Agreement, and the First Amendment to the Development Agreements are collectively referred to herein as the "Development Agreements"); and

WHEREAS, Owners, New Riverside, LLC, and the Town have agreed to address mutual concerns with regard to the adequacy of roads and infrastructure to accommodate recent and projected growth throughout the greater Bluffton area by entering into this Second Amendment to the Palmetto Bluff Development Agreement and the First Amendment to the New Riverside Concept Plan (to be executed simultaneously herewith); and

WHEREAS, on the 9th day of March, 2005, the Town adopted Ordinance Number 2005-06 entitled "An Ordinance to Amend the Palmetto Bluff Development Agreement", so as to reflect and provide for the following amendments to the Palmetto Bluff Development Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy whereof is herewith acknowledged, Owners and the Town do hereby agree to the following Amendments to the Palmetto Bluff Development Agreement, to-wit:

1. The above recitals are incorporated herein.
2. No new initial Master Plans for developments shall be submitted to the Town for New Riverside or Palmetto Bluff prior to June 1, 2005.
3. The following provision shall be added to the Palmetto Bluff Development Agreement as Section X, 7E:

Restriction on New River Access. Expansion of the existing Water access point at Big House as provided for in Article X. of the Palmetto Bluff Development Agreement shall be restricted so that the total number of slips do not exceed 10% of the total cumulative number of approved development units within Palmetto Bluff. This restriction shall not apply to docking areas to be utilized by transient kayaks or other vessels. The first phase of any expansion shall not exceed fifty (50) slips in addition to the areas to be utilized by transient kayaks or other vessels. Any expansion subsequent to the first phase shall be done in phases in order that community docking facilities do not exceed Palmetto Bluff community needs subject to the limitations set forth herein. Any expansion of Water access points shall be subject to State and Federal permitting.

4. It is hereby specifically acknowledged and agreed that the donation by New Riverside, LLC, of a 42.02 acre park to the Town for use as a park, satisfies the obligation as contained in Section IX, B (page 11) of the Palmetto Bluff Development Agreement requiring Owner to donate no less than ten (10) acres of high land to the Town for a park.

5. It is hereby specifically acknowledged and agreed that the agreements, restrictions, donations, grants, and MIDFs, as set forth in this Second Amendment to the Palmetto Bluff Development Agreement and the First Amendment to the New Riverside Concept Plan shall serve as mitigation assistance for the greater Bluffton area for present and future traffic infrastructure impacts within the Town arising as a result of the development of New Riverside and Palmetto Bluff. Notwithstanding any provisions to the contrary, if any, contained in the Development Agreements, from and after the date hereof, the Town may seek, request, or demand (directly or indirectly) any additional contributions of money, assessments, impact or other fees or development right concessions ("New Taxes") from New Riverside and/or Palmetto Bluff only if enacted pursuant to and in accordance with S.C. Code §6-31-80(B) (as amended) and the applicable Tax Enabling Ordinance or State Statute. This limitation on New Taxes shall not include site-specific project mitigation associated with specific projects that are within the jurisdiction of the Town and allowed under the appropriate Development Standards Ordinance applicable to New Riverside and Palmetto Bluff. For a period of seven (7) years from the date hereof, in the event the Town establishes any New Taxes within New Riverside or Palmetto Bluff in accordance with S.C. Code §6-31-80(B) (as amended) and the applicable Tax Enabling Ordinance or State Statute, the amount of any such New Taxes shall be offset against the MIDFs, thereby reducing the Nine Hundred and 00/100 (\$900.00) Dollars per Residential Dwelling Unit MIDF by the amount of the per unit or per lot New Taxes. In the event the Town enacts New Taxes during the seven (7) year period, the combination of such New Taxes and MIDF's will be guaranteed to be no greater than, but no less than, \$3.7 Million Dollars over the seven (7) year period. Owner and New Riverside, LLC, guarantee to pay the Town any shortfall from the \$3.7 Million Dollars once all MIDF's and/or New Taxes collected over the seven (7) years are reconciled. Owner and New Riverside, LLC, shall use best efforts to cooperate with the Town with regard to the establishment of any tax increment financing districts that include New Riverside, Palmetto Bluff, and other undeveloped portions of nearby properties within the Town to be served by the improvements funded by such tax increment financing district.

6. It is hereby specifically acknowledged and agreed that the agreements, restrictions, donations, grants, and MIDFs, as set forth in this Second Amendment to the Palmetto Bluff Development Agreement and the First Amendment to the New Riverside Concept Plan shall serve as mitigation assistance for the greater Bluffton area for present and future traffic infrastructure impacts within the Town arising as a result of the development of New Riverside and Palmetto Bluff. Notwithstanding any other provisions to the contrary, if any, contained in the Development Agreements, from and after the date hereof, the Town may impose, request, legislate, or demand, directly or indirectly (through ordinance, regulation, emergency regulation, or Development Standards), any further conditions, limitations, slow-down or other infrastructure or traffic related permit controls, or any other restrictions relative to the timing or issuance of development or building permits for development within Palmetto Bluff or New Riverside, including any limitations or restrictions on the issuance of development or building permits based on differences between the actual pace of development and the Development Schedules attached to the respective Development Agreements, only if enacted pursuant to and in accordance with S.C. Code §6-31-80(B) and (C) (as amended). Subject only to the Development Standards as contained within the Development Agreements and to S.C. Code §6-31-80(B) and (C) (as amended), New Riverside, LLC (its affiliates, subsidiaries, successors and assigns), shall have the unrestricted right

(subject only to the terms contained herein) to develop Four Thousand Seven Hundred Thirty-One (4,731) residential dwelling units in New Riverside and Owner (its affiliates, subsidiaries, successors and assigns), shall have the unrestricted right (subject only to the terms contained herein) to develop Two Thousand Nine Hundred Twenty (2,920) residential dwelling units in Palmetto Bluff, in addition to the respective rights for commercial development as provided for in the Development Agreements.

7. That certain Declaration of Covenants, Conditions and Restrictions for Palmetto Bluff originally dated the 29th day of June 2000, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Official Records Book 2076 at Page 881, shall be amended as appropriate.
8. The combined status of Palmetto Bluff Development, LLC, and Palmetto Bluff Upland, LLC, as "Owner" under the Palmetto Bluff Development Agreement, as stated herein, and their right and authority to enter into this Second Amendment to the Palmetto Bluff Development Agreement is reaffirmed.
9. The matters and provisions contained in the Palmetto Bluff Development Agreement as previously amended and as amended hereby, are consistent with the Town's Comprehensive Plan, as well as the Town's long-range planning for traffic, wetland protection and other planning goals.
10. All terms and conditions of the Palmetto Bluff Development Agreement not previously amended or specifically further amended herein shall remain in full force and effect.
11. This Second Amendment to the Palmetto Bluff 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.
12. This Second Amendment to the Palmetto Bluff Development Agreement is binding upon the parties, their respective heirs, successors and assigns.

**[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]
[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, Owner and the Town do hereby set their hands and seals as of the day and year first above-written.

Signed, sealed and delivered in the presence of:

Witness

Witness

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

PALMETTO BLUFF DEVELOPMENT, LLC
f/k/a Palmetto Bluff, LLC

By: William G. Peacher
William G. Peacher
Chief Operating Office/General Manager

ACKNOWLEDGMENT

The undersigned notary public does hereby certify that William G. Peacher, as Chief Operating Officer/General Manager of Palmetto Bluff Development, LLC, a South Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 16th day of March, 2005.

Margaret A. Callora
Notary Public for County of Beaufort
My commission expires August 16, 2014

Signed, sealed and delivered in the presence of:

Witness

Witness

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

PALMETTO BLUFF UPLANDS, LLC

By: William G. Peacher
William G. Peacher
Chief Operating Office/General Manager

ACKNOWLEDGMENT

The undersigned notary public does hereby certify that William G. Peacher, as Chief Operating Officer/General Manager of Palmetto Bluff Uplands, LLC, a South Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 16th day of March, 2005.

Margaret A. Callora
Notary Public for County of Beaufort
My commission expires August 16, 2014

Signed, sealed and delivered
in the presence of:

TOWN OF BLUFFTON,
SOUTH CAROLINA

Yvette Clifton
Witness

Henry E. Johnston
Henry E. Johnston, Mayor
Town of Bluffton, SC

Geneva Taylor
Witness

Attest: Sandra Lunceford
Sandra Lunceford, Town Clerk
Town of Bluffton, SC

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

ACKNOWLEDGMENT

I, the undersigned Notary Public for South Carolina, do hereby certify that HENRY E. JOHNSTON, as Mayor of the Town of Bluffton, and SANDRA LUNCEFORD, as Town Clerk of the Town of Bluffton, personally appeared before me this day and, in the presence of the two witnesses above named, acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 14th day of March, 2005.

Catherine J. Carpenter
Notary Public for County of Beaufort
My commission expires 2/28/2017

ORDINANCE NO. 2005-06

TOWN OF BLUFFTON, SOUTH CAROLINA
ORDINANCE TO AMEND THE PALMETTO BLUFF DEVELOPMENT
AGREEMENT

WHEREAS, on the 23rd day of November, 1998, the Town of Bluffton enacted Ordinance No. 1998-02 adopting the Palmetto Bluff Development Agreement; and

WHEREAS, on the 9th day of June, 2004, the Town adopted Ordinance No. 2004-10 providing for the Amendment of the Palmetto Bluff Development Agreement as subsequently amended in that certain First Amendment to the Jones Development Agreement and the Palmetto Bluff Development Agreement dated the 25th day of August, 2004; and

WHEREAS, Palmetto Bluff Development, LLC, Palmetto Bluff Uplands, LLC (as Owner(s) under the Palmetto Bluff Development Agreement), and the Town have agreed to address mutual concerns with regard to the adequacy of roads and infrastructure to accommodate recent and projected growth throughout the greater Bluffton area; and

WHEREAS, the Town has determined that the changes contained in the Second Amendment to the Palmetto Bluff Development Agreement (attached hereto) will better ensure the health, safety and public welfare of its citizens; and

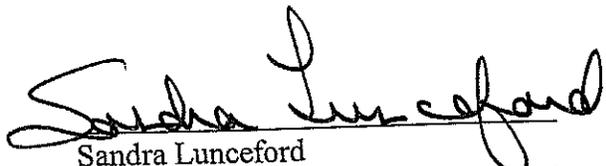
WHEREAS, the Town has determined that said changes are consistent with the Town's Comprehensive Plan, as well as the Town's long-range planning for traffic, wetland protection, and other planning goals;

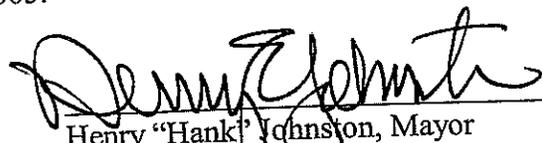
NOW, THEREFORE, in accordance with the foregoing, the Town hereby amends the Palmetto Bluff Development Agreement in the following particulars:

1. The Palmetto Bluff Development Agreement shall be amended in accordance with the terms and conditions of the Second Amendment to the Palmetto Bluff Development Agreement attached hereto.
2. In the event of any conflict between the terms and conditions of the Palmetto Bluff Development Agreement as amended by the First Amendment to the Jones Development Agreement and the Palmetto Bluff Development Agreement dated the 25th day of August, 2004, and the Second Amendment to the Palmetto Bluff Development Agreement, the terms and conditions of the Second Amendment to the Palmetto Bluff Development Agreement shall control and the Palmetto Bluff Development Agreement shall be deemed amended to that extent.
3. All other terms and conditions of the Palmetto Bluff Development Agreement dated November 23, 1998, not changed or otherwise modified by the First Amendment to the Jones Development Agreement and the Palmetto Bluff Development Agreement dated the 25th day of August, 2004, and/or the Second Amendment to the Palmetto Bluff Development Agreement (as attached hereto), are reaffirmed and remain unchanged.

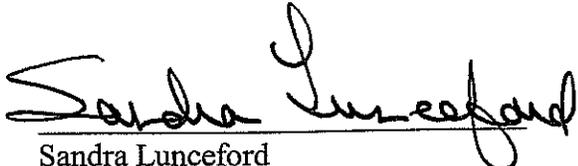
IT IS SO ORDAINED.

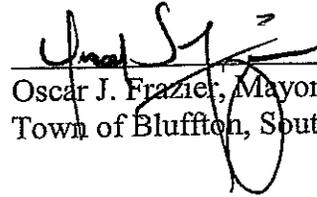
First reading by title only held on February 9, 2005.


Sandra Lunceford
Clerk, Town of Bluffton, South Carolina

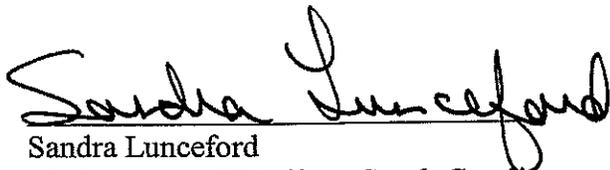

Henry "Hank" Johnston, Mayor
Town of Bluffton, South Carolina

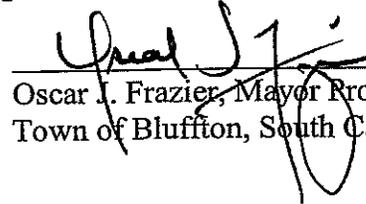
A public hearing was held on this Ordinance on March 9, 2005.


Sandra Lunceford
Clerk, Town of Bluffton, South Carolina


Oscar J. Frazier, Mayor Pro Tempore
Town of Bluffton, South Carolina

This Ordinance was passed at second reading held on March 9, 2005.


Sandra Lunceford
Clerk, Town of Bluffton, South Carolina


Oscar J. Frazier, Mayor Pro Tempore
Town of Bluffton, South Carolina

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