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DEVELOPMENT AGREEMENT

SHERWOOD TRACT

HARDEEVILLE, SOUTH CAROLINA

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- A Property Description
- B Sherwood Tract Planned Development District Standards
- C Sherwood Tract Planned Development District Ordinance
- D Form of Partial Assignment of Rights and Obligations
- E Development Schedule
- F Road Descriptions and Scheduling
- G Commercial Fees
- H Industrial/Commercial Credit

WHEREAS, the City 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 City finds that the program of development proposed by Developer for this Property is consistent with the City's comprehensive land use plan and land development regulations as defined herein; and will further the health, safety, welfare and economic well being of the City and its residents; and

WHEREAS, the program for development of the Property presents an opportunity for the City to secure quality planning and growth to protect the environment and strengthen and improve the tax base; and

WHEREAS, this Development Agreement is being made and entered between Owner, Developer, and the City, under the terms of the Act, for the purpose of providing assurances to Owner and Developer that development of the Property may proceed in accordance with the development plan submitted for the Property under the terms hereof, as hereinafter defined, consistent with the approved Planned Development District (PDD) plan, (as hereinafter defined) without encountering future changes in law which would materially affect the ability to develop under the PDD, and for the purpose of providing important protection to the natural environment and long term financial stability and a viable tax base to the City, and for the purpose of providing certain funding and funding sources to assist the City in meeting the service and infrastructure needs associated with the development authorized hereunder.

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 City, Owner, and Developer by entering this Agreement, and to encourage well planned development by Developer, the receipt and sufficiency of such consideration being hereby acknowledged, the City, Owner, and Developer hereby agree as follows:

I. RECITALS.

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

II. DEFINITIONS.

A. Definitions. As used herein:

“**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; incorporated herein by reference.

“**Adjacent Land**” shall mean any real property adjacent to the Sherwood Tract.

“**Adjustment Factor**” “Adjustment Factor” shall mean the percentage of either the Consumer Price Index (CPI)(All Urban Consumers) increase for the applicable year or three percent (3%) per annum simple interest, whichever is greater. All amounts in this Agreement which are

subject to the Adjustment Factor are based upon amounts in effect prior to July 1, 2006, unless otherwise specifically noted. The Adjustment Factor effective July 1, 2006 was three percent (3%). Therefore, all fees and values herein affected by the Adjustment Factor shall be 103.0% of the amount stated until June 30, 2007, at which time such fees and values shall be adjusted on the anniversary date of July 1, 2007 by either 3% or the CPI percentage increase rate, whichever is greater that year. Thereafter, annual adjustments to such amounts shall continue to be adjusted in like manner on July 1 of each subsequent year .

“Additional Adjustment Factor” shall mean that from and after the end of the twentieth (20th) year of the Term of this Agreement, the Development Fee set forth in Section XII(K) for any Development Fees that are payable after the twentieth (20th) year of the Term during the remainder of the Term (if extended) shall be adjusted as of the first day of the twenty-first (21st) year of the Term to an amount equal to the greater of (a) the Development Fee in effect on the last day of the twentieth (20th) year of the Term; or (b) an amount equal to the lesser of (x) one hundred fifty percent (150%) of the amount of the Development Fee in effect on the date of this Agreement, or (y) the Development Fee in effect on the date of this Agreement multiplied by the amount of the Consumer Price Index increase from the date of this Agreement through the first day of the twenty-first (21st) year of the Term.

“Agreement” shall mean this Development Agreement as amended by the City, Owner, and Developer, their successors and assigns, in writing from time to time.

“Association” shall mean one (1) or more property owners’ associations established to maintain portions of the Property.

“Big Box Commercial Development” shall mean Commercial Development comprised of a retail structure or group of structures having a gross floor area of more than 40,000 square feet, and is more particularly defined within the Sherwood Tract Planned Development District Standards (PDD Standards)(attached as Exhibit B).

“BJWSA” shall mean the Beaufort/Jasper Water and Sewer Authority, its successors or assigns.

“Builder” shall mean any Person applying for a building permit to construct a structure on a portion of the Property.

“City” shall mean the City of Hardeeville, South Carolina.

“Combined Public Facilities Site” means a site or sites which combines one or more Police Sites, the Fire Sites, and/or the Park Sites as described in this Agreement, into a multi-purpose facility or facilities for the delivery/provision of public services.

“Commercial Development” shall have the meaning set forth in the Sherwood Tract PDD Standards (attached as Exhibit B).

“**Conceptual Master Plan**” shall mean the schematic Conceptual Master Plan dated January 26, 2007 attached to the Planned Development District Standards.

“**Conceptual Master Plan Traffic Impact Assessment**” or “**Conceptual Master Plan TIA**” shall mean that initial traffic impact assessment to be prepared by Owner and/or Developer which will identify the overall presumed traffic impacts resulting from the Development of the entire Property, all of which is more particularly described in Exhibit F.

“**County**” shall mean Jasper County, South Carolina.

“**Developer**” means Sherwood Village, LLC, a South Carolina limited liability company.

“**Development**” means development, as defined in the Hardeeville MZDO, undertaken by Owner, Developer, or a Subsequent Developer on all or portions of the Property and construction of improvements thereon.

“**Development Fees**” or “**Developer Fees**” shall have the meaning set forth in Section XII(K), and include without limitation Fire Development Fees, Police Development Fees, Park Development Fees, Library Development Fees, School Development Fees, and Road Development Fees.

“**Development Rights**” means the right to undertake either residential or non-residential Development in accordance with the Zoning Regulations and this Development Agreement, as measured by Residential Dwelling Units, commercial square footage or acreage

“**DHEC**” shall mean the South Carolina Department of Health and Environmental Control.

“**Fire Fund**” shall mean the segregated interest-bearing account held by the City into which all Fire Development Fees are deposited.

“**Fire Site**” shall have the meaning set forth in Section XII(C).

“**Fire Site Value**” shall have the meaning set forth in Section XII(C).

“**Library Fund**” shall mean the segregated interest-bearing account to be held by the City into which all Library Development Fees are deposited.

“**Lot**” shall mean an area designated as a separate and distinct parcel of land on a legally recorded subdivision/development plat as filed in the official records of Jasper County, South Carolina.

“**Mall Retail Development**” shall have the meaning set forth in the attached Sherwood Tract PDD Standards (attached as Exhibit B).

“**Mixed Use Dwelling Units**” shall have the meaning set forth in the Sherwood Tract PDD Standards attached as Exhibit B, generally meaning Residential Dwelling Units or Multi-Family

Dwelling Units located in the same building with, adjacent to, or near Commercial Development within the same tract of real property.

“Multi-Family Dwelling Units” shall have the meaning set forth in the Sherwood Tract PDD Standards (attached as Exhibit B), generally meaning a building or series of buildings used or designed as dwellings for one (1) or more families living independently of each other, with the number of families in residence not exceeding the number of dwelling units provided.

“Municipal Improvement District” shall mean any special assessment bond financing district approved by the City pursuant to the Municipal Improvement Act of 1999, codified as Chapter 37, Title 5 of the Code of Laws of South Carolina 1976, as amended, which includes part or all of the Property, revenues from which are to be used for public infrastructure or other lawful purpose serving the Property.

“MZDO” or **“Hardeeville MZDO”** shall mean the Municipal Zoning and Development Ordinance of the City of Hardeeville, South Carolina adopted March 20, 2003, as amended through the date of this Agreement, a copy of which is attached as an Exhibit to the Sherwood Tract PDD Standards.

“Near-Site Roads” means those roads that are adjacent to the Property which connect to On-Site Roads and distribute and carry traffic generated from or through the Property. Near-Site roads include those portions of the roads depicted on the Conceptual Master Plan as Highway 17, those portions of proposed Highway 278-A which are beyond the Property boundaries (both East and West), and Purrysburg Road as further described in Exhibit F.

“Near-Site Roadway Fund” means the segregated interest-bearing account held by the City into which all Road Development Fees for construction of Near-Site Roads as identified herein are deposited.

“Neighborhood Development” shall have the meaning set forth in the Sherwood Tract PDD Standards (attached as Exhibit B), generally meaning the combination of, either in the same structure or in separate structures or a combination of the two, Multi-Family Dwelling Units and retail and service-oriented Commercial Development.

“Off-Site Roads” means those roads which are not located within the boundaries of the Property, which are not Near Site Roads, and serve a regional transportation function.

“Off-Site Roadway Fund” or **“Regional Roadway Fund”** shall mean the segregated interest-bearing account held by the City into which all Road Development Fees for construction of the eligible public roadways identified herein are deposited.

“Office/Institutional Development” shall have the meaning set forth in the attached Sherwood Tract PDD Standards attached as Exhibit B, generally meaning the Commercial Development of office space for sale or for rent for general business purposes, medical use, governmental use, educational use, or any professional service type use, but does not include retail use unless the retail use is incidental to the primary use.

“On-Site Roads” means those roads or portions of roads as shown on the Conceptual Master Plan which are within the boundaries of the Property, and also those portions of such roads as extend across, but not beyond, any intersection of a public road such roads traverse, as more particularly described in Exhibit F.

“On-Site Roadway Fund” shall mean the segregated interest-bearing account held by the City into which all Road Development Fees for construction of the On-Site Roads are deposited.

“Owner” means Sherwood Plantation, Inc., its successors and assigns.

“Park Fund” shall mean the segregated interest-bearing account to be held by the City into which all Park Development Fees are deposited.

“Park Sites” shall have the meaning set forth in Section XII(D).

“PDD” or **“Planned Development District”** shall mean the property included in the Sherwood Tract Planned Development District by ordinance approved by the City of Hardeeville on February 15, 2007.

“PDD Plan” means the schematic Conceptual Master Plan adopted as part of the Planned Development District Standards approved by the City by adoption of an ordinance on February 15, 2007, a copy of which is attached as an Exhibit to the Sherwood Tract PDD Standards.

“PDD Ordinance” shall mean the Sherwood Tract Planned Development District ordinance approved by the City on February 15, 2007, a copy of which is attached as Exhibit C and incorporated into this Agreement.

“PDD Standards” or **“Sherwood Tract PDD Standards”** means the land development regulations for the Property attached as Exhibit B as adopted by the City through the PDD Ordinance, ~~a copy of which regulations is attached as Exhibit B.~~

“Person” means any individual, limited liability company, limited liability partnership, partnership, corporation, trust or other person or entity.

“Police Fund” shall mean the segregated interest-bearing account to be held by the City into which all Police Development Fees are deposited.

“Police Site” shall have the meaning set forth in Section XII(B).

“Police Site Value” shall have the meaning set forth in Section XII(B).

“Project” shall mean the Development to occur on the Property.

“Property” shall mean that certain tract of land described in the attached Exhibit A, also known as the Sherwood Tract.

“**Residential Dwelling Unit**” shall mean a building or portion of a building arranged or designed to provide living quarters for one or more persons, including provisions for living, sleeping, eating, cooking and sanitation.

“**School Fund**” shall mean the segregated interest-bearing account to be held by the City into which School Development Fees are deposited.

“**School Price**” shall have the meaning as set forth in Section XII(E).

“**School Site**” shall have the meaning set forth in Section XII(E).

“**Sherwood Tract**” or “**Property**” shall mean that certain tract of land described on Exhibit A.

“**Single Family High Density Detached Residential Dwelling Units**” shall have the meaning set forth in the attached Sherwood Tract PDD Standards attached as Exhibit B.

“**SCDOT**” means the South Carolina Department of Transportation.

“**Subsequent Developer**” means any and all successors in title or lessees of Owner or Developer who: (a) undertake Development of any portion of the Property; (b) are transferred an interest and/or title to all or a portion of the Property in writing from Owner or Developer, as applicable; and (c) are assigned all or a portion of Development Rights.

“**Tax Increment Finance District**” shall mean any tax increment financing district approved by the City pursuant to the Tax Increment Financing Law, codified as Chapter 6, Title 31 of the Code of Laws of South Carolina 1976, as amended, which includes part or all of the Property.

“**Term**” means the duration of this agreement as set forth in Section III hereof.

“**Zoning Regulations**” or “**Land Development Regulations**” means the development standards for the Property as set forth in: (a) the Sherwood Tract Planned Development District Standards adopted for the Property, and all the attachments thereto, including but not being limited to the Conceptual Master Plan, narratives, descriptions, uses, and site development standards therein, a copy of which is attached hereto as “Exhibit B” and incorporated by reference; (b) this Agreement; and (c) the MZDO dated March 20, 2003 as amended through the date of this Agreement, except as the provisions thereof may be clarified or modified by the terms of the PDD.

B. Other Definitions. Other capitalized terms within this Development Agreement, if not defined within the section or subsection including the term, shall have the same definitions as set forth in the PDD, or as may be defined in the MZDO, as the context indicates.

III. TERM.

The term of this Agreement shall commence on the date this Agreement is executed by the parties and terminate twenty (20) years thereafter; provided however, that the terms of this

Agreement may be renewed by mutual agreement of the parties for two successive five (5) year periods absent a material breach of any terms of this Agreement by the Developer or any Subsequent Developer during the initial or any renewal terms, as applicable. Furthermore, this Agreement may be terminated at the end of the tenth (10th) year upon written notice from the City to Owner and/or Developer, delivered within thirty (30) days prior to the end of such ten (10) year period if the average fair market value of the residences constructed within the Property as of the end of the tenth (10th) year from the date of this Agreement does not average \$180,000.00 per residential dwelling unit, as adjusted by 1), the Adjustment Factor (for example, effective July 1, 2006, the average was equal to \$185,400.00 based upon the original \$180,000.00 figure plus the 3% annual Adjustment Factor), and 2), any credit for the Industrial/Commercial Credit as provided herein (attached as Exhibit H).

IV. DEVELOPMENT OF THE PROPERTY.

The Property shall be developed in accordance with the Zoning Regulations and this Agreement. All costs charged by or to the City for reviews required by the MZDO shall be paid by the Owner, Developer or Subsequent Developer or other party applying for such review as generally charged throughout the City for plan review. The City shall, throughout the Term, maintain or cause to be maintained, a procedure for the processing of reviews as contemplated by the Zoning Regulations and this Agreement.

V. CHANGES TO ZONING REGULATIONS.

The Zoning Regulations relating to the Property subject to this Agreement shall not be amended or modified during the Term, without the express written consent of the Owner and/or, Developer, or Subsequent Developer, as applicable, except in accordance with the procedures and provisions of § 6-31-80 (B) of the Act, which Owner, Developer, or Subsequent Developer, shall have the right to challenge. Owner does, for itself and its successors and assigns, including Developer and Subsequent Developers and notwithstanding the Zoning Regulations, agree to be bound by the following:

A. Water and Sewer Required. Owner, Developer and Subsequent Developers, and their respective heirs, successors and assigns agree that all Development, with the exception of irrigation, incidental maintenance facilities, golf courses, earthworks and similar amenities which exist from time to time, and facilities existing at the date of this Agreement will be served by potable water and sewer prior to occupancy, except as otherwise provided herein for temporary use, temporary being defined as one year or less. Septic tanks and/or wells may be allowed with the permission of BJWSA where there is a specific finding that such use for specific portions of the Property will comply with overall environmental standards.

B. Acreage Requirement for Each Submission With the exception of the first master plan submittal for the Property proposed by Developer or a Subsequent Developer which addresses the entry area for the Project off of Highway 17, which may be less than ten (10) acres, or the platting of a road section, no initial master plan for any portion of the Property shall be submitted for processing unless that plan encompasses ten (10) or more acres of high land which are not jurisdictional wetlands.

VI. TRANSFER OF DEVELOPMENT RIGHTS.

A. Right to Assign. Owner, Developer, and/or Subsequent Developers shall have the right to sell, transfer, ground lease, or assign Development Rights associated with the Property in whole or in part to any Person (an "Assignee") upon written notice to the City in accordance with the notification provisions of Section VI(B) below; provided, however, that the Property subject to the sale, transfer, or assignment of any right or interest under this Agreement shall have been first subdivided in accordance with subdivision plats approved under the Zoning Regulations.

Unless released of certain obligations as set forth in Section VI(C) below, Owner, Developer, or Subsequent Developer, as applicable, shall continue to be obligated under this Agreement with respect to all portions of the Property retained by Owner, Developer or Subsequent Developer. Owner, Developer or Subsequent Developer shall also remain obligated with respect to the dedication and installation of all associated infrastructure improvements regarding the On-Site Roads, Near-Site Roads and Off-Site Roads and the other public infrastructure to be provided by Owner, Developer and/or Subsequent Developer, as applicable under this Agreement, unless released in accordance with the provisions of Section VI(C) and the Approved Assignment of Rights (attached as Exhibit D).

B. Notice of Assignment. Concurrently with a sale, transfer, ground lease, or assignment of the Property, Owner, Developer, or Subsequent Developers, as applicable, shall notify the City, in writing, as and when Development Rights are transferred to any other party. Such information shall include the identity and address of the acquiring party, a proper contact person, the location and number of acres of the Property transferred, and the number of Residential Dwelling Units and/or commercial acreage and square footage of building area, as applicable, subject to the transfer. Subsequent Developers transferring Development Rights to any other party shall be subject to this requirement of notification, and any entity acquiring Development Rights hereunder shall be required to file with the City an acknowledgment of this Agreement and a commitment to be bound by it. Upon the transfer of title to all or a portion of the Property by Developer, approval by the City as provided herein, and provided the documents required by this Agreement have been properly executed and delivered, Developer shall no longer be responsible or liable for future Development, fees, and other obligations related to the portion of the Property and the Development Rights conveyed except as otherwise provided in this Agreement.

C. Release from Obligations. It is expressly acknowledged that Owner intends to assign certain rights and obligations for public infrastructure to Developer, and then Developer to Subsequent Developers. Owner, Developer, and/or Subsequent Developer, as may be applicable, shall be released from obligations under this Agreement in connection with assigning such obligations along with Development Rights to a Subsequent Developer, if prior to the assignment the City Council approves the proposed assignment of such obligations and release of the assignor, which approval shall be based upon the financial ability of the proposed assignee to complete the obligations assigned, and which approval will not be unreasonably withheld. The form of Partial Assignment of Rights and Obligations, attached hereto as Exhibit D, is hereby approved by the City as an allowable and acceptable form for transferring the obligations and rights to be set forth therein and for releasing Owner, Developer, or a Subsequent Developer, as applicable, from all or a portion

of the obligations of this Agreement. If an approval is sought from the City Council, and the City Council fails to respond to such request within forty-five (45) days of the submission of the request the provision of adequate documentation regarding financial means of the assignee for the Council to consider, then the approval shall be deemed granted by the City, and the City Manager must execute a Partial Assignment of Rights and Obligations to evidence such approval. The forty-five (45) day time period shall be tolled if the City Council should request reasonable additional information regarding the financial abilities of the proposed assignee. It is acknowledged that a default as to the Owner, Developer or Subsequent Developer's responsibility for the On-Site Roads, Near-Site Roads and Off-Site Roads, their associated infrastructure or other public infrastructure is a default hereunder, and Owner, Developer or Subsequent Developer, as applicable, shall have to cure such default, unless it shall have been explicitly released from responsibility for such in whole or in part on an appropriately executed Partial Assignment of Rights and Obligations.

VII. DEVELOPMENT SCHEDULE.

The Property shall be developed in accordance with the development schedule, attached as Exhibit E, or as may be amended by Owner, Developer or Subsequent Developer(s) in the future to reflect actual market absorption. Pursuant to the Act, the failure of the Owner Developer and any Subsequent Developer to meet the initial development schedule shall not, in and of itself, constitute a material breach of this Agreement. 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, Developer and Subsequent Developer(s) good faith efforts to attain compliance with the development schedule. These schedules are planning and forecasting tools only, and shall not be interpreted as mandating the development pace initially forecast or preventing a faster pace if market conditions support a faster pace. 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. Development activity may occur faster or slower than the forecast schedule, as a matter of right, depending upon market conditions. Furthermore, periodic adjustments to the development schedule which may be submitted unilaterally by Owner, Developer or Subsequent Developers in the future, shall not be considered a material amendment or breach of the Agreement.

VIII. DENSITY AND USES.

Development on the Property shall be in accordance with the densities and uses as generally set forth below, and further described in the PDD Standards and Conceptual Master Plan:

A. Acreage. Including jurisdictional wetlands, the Sherwood Tract PDD is comprised of some 1,536 acres, more or less. Excluding jurisdictional wetlands, the Conceptual Master Plan places approximately 262.02 acres within the Residential Tracts, 1,028.50 acres within the Commercial and Mixed Use Tracts, including the acreage for future public road rights of way), as generally depicted on the Conceptual Master Plan. There are also approximately 241 acres of jurisdictional wetlands within the PDD.

B. Wetland Acreage. Notwithstanding any other provision of the PDD or this Agreement to the contrary, the parties understand that the wetlands shown on the Conceptual Master Plan, and the acreages of wetlands and non-wetlands set forth in the PDD and this Agreement, are

based upon the jurisdiction assumed by the US Army Corps of Engineers (the “Corps”) and/or DHEC as of the date of this Agreement, and in the event that it is determined that the jurisdiction of the Corps or DHEC is less than assumed, the wetlands shown in the Conceptual Master Plan and the acreage of wetlands and non-wetlands set forth in the PDD and this Agreement shall be adjusted accordingly.

C. Number of Residential Dwelling Units. Subject to the requirements of this Agreement and the PDD, up to 3,688 Residential Dwelling Units (“Presumed Density”) shall be allowed on the Property, of which 809 units may be Multi-Family Dwelling Units, 1,797 units may be Mixed Use Dwelling Units and 1,082 may be Single Family High Density Detached Residential Dwelling Units, provided that the average fair market value of all residences constructed within the Property average \$180,000.00 per residential dwelling unit, as adjusted by 1), the Adjustment Factor (for example, effective July 1, 2006, the average was equal to \$185,400.00 based upon the original \$180,000.00 figure plus the 3% annual Adjustment Factor), and 2), any credit for the Industrial/Commercial Credit as provided in the attached Exhibit H; otherwise, no more than 1,500 of these types of units may be constructed.

D. Commercial Acreage. Up to 1,028 acres of Commercial Development shall be allowed on the Property, which Commercial Development is anticipated to be allocated as follows:

1. Up to 1,165,300 square feet of Commercial Development;
2. Up to 589,000 square feet of Office/Institutional Development;
3. Up to 2,207,500 square feet of Mall/Retail Development;
4. Up to 2,900,000 square feet of Big Box Commercial Development; and
5. Up to 330,000 square feet of Neighborhood Development.

The acreage amount and square foot amounts set forth in this subsection may be increased or decreased by the Developer, its successors and assigns. Each specific type of use listed above may be increased by not more than fifty percent (50%) of the specified square foot amount but only if appropriate infrastructure needs are provided.

E. Commercial Uses. Developer shall have the right to develop those portions of the Property that are designated for Commercial Development for the uses allowed pursuant to the PDD Standards.

F. Conversion of Commercial and Residential Development. Developer and Subsequent Developers (to the extent Subsequent Developers have been expressly assigned conversion rights by Developer or a Subsequent Developer) shall have the right to convert commercial acreage into additional density for Residential Dwelling Units at the rate of 2.7 Residential Dwelling Units for each commercial acre, provided that at least 500 acres of commercial/industrial development exists on the Property. Conversely, Developer and Subsequent Developers shall have the right to convert Residential Dwelling Units to commercial acreage. Developer and Subsequent Developers shall notify the City of conversions during the prior year during each annual compliance meeting.

G. Additional Residential Dwelling Units. In addition to the base maximum of Residential Dwelling Units set forth above, and provided that the requirements of Section VIII(H) are met, up to a maximum of 2.7 additional Residential Dwelling Units shall be allowed for each acre of School Site within the Property, if any, that is not timely acquired by the City pursuant to Section XII(E) of this Agreement.

H. Additional Conversion Requirements Both Commercial and Residential Dwelling Unit conversions and the Additional Residential Dwelling Units as described above which increase density for the Property may be made if Developer, or its assigns, can demonstrate, through a traffic impact analysis acceptable to City, that the traffic generated by such additional density can be adequately handled by existing traffic infrastructure or infrastructure which the City forecasts to be constructed within a reasonable time, and further, that the City determines that adequate provisions have been made for the handling of governmental services, including fire, police, school, park and library services, to serve the additional density. The Developer requirements set forth in this Agreement are based upon a Presumed Density of 3,688 Residential Dwelling Units. Additional density from conversions and additional units as provided below in Section VII(E) and VIII(F) and (G) which results in total units above the Presumed Density figure will require additional dedications for police, fire, parks and schools sites on a pro rata basis, and continued payment of impact fees on the additional units for the various infrastructure and services set forth below in Section XII. Reductions in density may reduce the amount of required dedications for acreage for parks and schools sites on a pro rata basis, but such reductions shall be negotiated in good faith by the City and Owner, Developer, and/or Subsequent Developer, as applicable, based upon the need to provide required levels of service and facilities on a par with other residents and/or similar developments. Prior to the platting of the 2,750th lot and/or dwelling unit, Owner, Developer, and/or Subsequent Developer shall meet to determine the projected build out of the entire Property and determine the amount of additional police/fire/park acreage and/or equipment necessary to adequately serve the projected build out and preserve the existing ISO rating.

I. Non-residential Intensity. Non-residential uses shall have no cap placed on building intensity (building square footage/acre), provided compliance with height, storm-water, parking, buffering, landscaping and other site design requirements of the MZDO and PDD are met. Hotel/Inn/Bed and Breakfast Properties, and assisted living, congregate care, and nursing home facilities shall not have a specified dwelling unit per acre maximum, provided compliance with height, storm-water, parking, buffering, landscaping and other site design requirements of the MZDO and PDD are met. All non-residential development shall be subject to the provisions of the MZDO unless specifically exempted by this Agreement.

IX. RESTRICTED ACCESS.

Developer and/or each Subsequent Developer shall have the right (but not the obligation) to create restricted access communities within the Property as long as such limited access does not adversely affect in any material respect adjacent traffic patterns located on public rights-of-way, and provides for interconnectivity of both internal and external residential developments with the non residential areas of the Property open to the general public so as to minimize the need for road trips off of the Property.

X. EFFECT OF FUTURE LAWS.

Owner, Developer and Subsequent Developers shall have vested rights to undertake Development of any portion or all of the Property in accordance with the Zoning Regulations, as may be modified in the future with the approval of the Developer pursuant to the terms hereof, or in accordance with this Agreement or statutory authority under the Act for the entirety of the Term. Future enactments of, or changes or amendments to the City ordinances, including zoning or development standards ordinances, but not procedures, which conflict with the Zoning Regulations shall not apply to the Property unless the procedures and provisions of § 6-31-80 (B) of the Act are followed, and which Developer and Subsequent Developers shall have the right to challenge. Notwithstanding the above, the Property will be subject to then current fire safety standards and state and/or federal environmental quality standards of general application.

The parties specifically acknowledge that this Agreement shall not prohibit the application of any present or future building, housing, electrical, plumbing, gas or other standard codes, or any ad valorem tax of general application throughout the City found by the City Council to be necessary to protect the health, safety and welfare of the citizens of the City.

XI. ROADS, INFRASTRUCTURE, AND SERVICES.

The City, Owner and Developer recognize that the majority of the direct costs associated with the Development of the Property will be borne by the Developer and Subsequent Developers, and many other necessary services will be provided by other governmental or quasi-governmental entities, and not by the City. Exhibit F hereto provides a methodology for equitably apportioning the responsibility for the design development, permitting, construction and financing of certain improvements believed to be likely necessary. The purpose of the traffic impact assessments and the methodologies set forth herein is to provide a mechanism by which the Owner, Developer, and/or Subsequent Developers address the traffic impacts created by the development of the Property to avoid unacceptable Levels of Service (LOS), being defined as LOS D in accordance with SC DOT standards, and to the extent reasonably practical, avoid conferring a windfall upon other developers arising from the construction undertaken by Owner, Developer or Subsequent Developers by providing for cost sharing, reimbursement, or offsets. For clarification, the parties make specific note of and acknowledge the following:

A. Private Roads. All private roads within the Property shall be constructed by the Developer, Subsequent Developer, or other parties, as applicable, and maintained by such party(ies) and/or Association(s), or dedicated for maintenance to other appropriate entities, as applicable. The City will not be responsible for the construction or maintenance of any private roads within the Property, unless the City specifically agrees to do so in the future. In the event a private road within the Property is constructed to either SCDOT or City standards, and is acceptable as a public road, the City may consider a request to take ownership and assume responsibility for the maintenance of same upon the request of the person or entity which has ownership of the road. The City is under no obligation to accept any private road. If such an offer is made and accepted, the road will become a public road. The City may consider acceptance of any attendant drainage systems separately from acceptance of any road. The City is under no obligation to accept any drainage system for private roads. The recording of a final plat or plan subdividing a portion of the Property

shall not constitute an offer to deed or dedicate any or all streets and rights of ways shown thereon to the City, or any other person or entity, nor as acceptance by the City of the dedication absent an express written agreement to do so.

B. Public Roads.

1. Access to Property. All existing public roads outside the Property that serve the Property are under the ownership and jurisdiction of the State of South Carolina regarding access, construction, improvements and maintenance. Establishing safe and reasonable ingress and egress for the Property is a priority for the Owner, Developer, SCDOT, the City of Hardeeville, and Jasper County. Full access is defined in the accompanying PDD Standards attached hereto as Exhibit B, and generally allows any and all legal vehicular traffic movements into and out of a development. Limited access is likewise defined in the PDD Standards, and generally limits the legal movement of traffic into and out of a development (i.e. right-in-right-out only). Owner and Developer acknowledge they must comply with all applicable state statutes and rules and regulations of the SCDOT or its successor regarding access and use of such public roads. Future public roads may serve the Property. The City shall not be responsible for construction, improvements or maintenance of the public roads which now or hereafter serve the Property, unless set forth in this Agreement or the City otherwise agrees. The Property shall be served by direct access to Highway 17, the proposed roads as shown on the PDD Conceptual Master Plan, and the other roads described in the attached Exhibit F. The timing and extent of the proposed and/or required road improvements or construction is as set forth in Exhibit F, but which is subject to modification upon completion of an initial traffic impact assessment for the entire Property (Conceptual Master Plan Traffic Impact Assessment) to identify traffic requirements, and which may be further modified and refined as each master plan and required traffic impact analysis for specific areas of the Property are submitted for approval as part of the Master Plan PDD process. Additional public and/or private roads may be planned/permitted on the Property in the future, as such are identified during the traffic impact assessment processes. The recording of a final plat or plan subdividing a portion of the property shall not constitute an offer to deed or dedicate any or all streets and rights of ways shown thereon to the City, or any other person or entity, nor as an acceptance by the City absent an express written agreement to do so.

2. Near-Site Roads.

(a) US Highway 17 (“Highway 17”) is the only contiguous improved public road contiguous to the Sherwood Tract, which highway is under the jurisdiction of SCDOT regarding access, construction, maintenance, improvements and which is also under the jurisdiction of the Federal Highway Administration. Purrysburg Road, which is a unimproved public two lane dirt road adjacent to the western boundary of the Sherwood Tract, is initially contemplated as being widened to a 150 foot wide right of way with a minimum of four (4) lanes, with a future interchange at Interstate (“I-95”) (Proposed Exit 3). Certain Purrysburg Road improvements are the subject of a development agreement for the adjacent Hardeeville Tract. It is contemplated that traffic from the Sherwood Tract will

impact Purrysburg Road and its existing and proposed intersections with I-95 and Highway 17. Conversely, traffic from the Hardeeville Tract is anticipated to impact the proposed Highway 278-A roadway on and through the Sherwood Tract and beyond to its proposed connection with the portions of 278-A within Beaufort County. The “Near-Site Roads” are proposed to be constructed and financed in the manner as set forth in Exhibit F, with timing and road requirements to be determined by future traffic impact assessments.

(b) ___Owner, Developer, and/or Subsequent Developers, as applicable, shall have the right to design and construct, or cause to be designed and constructed, upon obtaining permits and rights of way from applicable governmental agencies and authorities, and/or applicable property owners, the road improvements identified in Exhibit F as the “Near-Site Roads,” provided that the design is in conformance with this Agreement and capable of providing adequate capacity to accommodate and distribute the traffic generated by the Development of the Property. Traffic generation anticipated from the adjacent developments may require additional road improvements to the Near-Site Roads, both on and off the Property. Such additional Near-Site Road improvements may be included within the allowable design and construction contracts of those required for the Development of this property, with funding of the additional improvements to be the responsibility of those developments causing the need for the increased road improvements, or the other funding mechanisms described hereafter (not including the Near-Site Fees paid by the Sherwood Tract Development). The costs of the various Near-Site Roads shall be paid from either the Near Site Road Developer Fees (for impacts caused by this Development), a municipal improvement special assessment taxing district (MID) if an election is made as provided hereinafter, the Off-Site Road Developer Fees under this and other development agreements, future Jasper County impact fees, Tax Increment Financing District bond issuances (TIF), or a combination thereof. The Sherwood Near-Site Roads are proposed to be designed and constructed as described in Exhibit F, with the right-of-way for the proposed Highway 278-A Parkway and the Purrysburg Road Connector initially contemplated to be a minimum of 150 feet in width and the typical roadway cross-section as a minimum four-lane divided (2 through lanes in each direction limited access urban arterial roadway with auxiliary lanes, as necessary, for turn storage and a defined, landscaped median. Improvements to Purrysburg Road necessary to be made off-site to accommodate the need to distribute traffic coming from, through or to the Property shall be at least to the standards and design as set forth in the Hardeeville Tract Development Agreement approved by the City on March 2, 2006, with funding to be shared on an equitable basis with the Owners, Developers, and/or Subsequent Developers of the Hardeeville Tract as generally set forth in Exhibit F.

(c) ___The City agrees to reasonably assist the Owner, Developer, and Subsequent Developer, as applicable, in the acquisition of right of way necessary for the construction of the Near-Site Roads, including the use of eminent domain for a public purpose. The City and the Owner, Developer, and/or Subsequent Developer, as applicable shall consult and implement measures to mitigate adverse impacts

- from the siting of such right of way to adjacent landowners. Owner, Developer, and Subsequent Developer, as applicable, shall have no maintenance responsibility for the Near-Site Roads not on the Property following completion of construction of the Near-Site Roads, except as may be set forth within this Agreement.
- (a)

3. On-Site Roads As shown on the Concept Master Plan, certain portions of the proposed Highway 278-A and the Purrysburg Road Connector described above traverse the Sherwood Tract, and other roads either connect to or intersect with Highway 17 and/or Purrysburg Road, all of which are or will become public or publicly accessible roads serving other properties than the Sherwood Tract. These On-Site Roads are necessary to provide distribution of traffic generated on-site from the Development, and accommodate the traffic which has as its primary destination the commercial or industrial development proposed for the Property. Owner, Developer and/or Subsequent Developer, as applicable, shall have the right and obligation to design and construct, or cause to be designed and constructed, upon obtaining permits from applicable governmental authorities the road improvements located within the Property and their intersections as identified in Exhibit F as the On-Site Roads, provided the design is in conformance with this Agreement and capable of providing adequate capacity to accommodate and distribute the traffic generated by the Development of the Property. The costs of the various On-Site Roads shall be paid from either funds provided by the Owner, Developer, and/or Subsequent Developer, as applicable; the On-Site Road Development Fees as provided for hereinafter (or a municipal improvement special assessment taxing district (MID) if an election is made as provided hereinafter); the Off-Site Roadway Development Fees under the development agreements other developers have with the City; future County impact fees; Tax Increment Financing, or any combination of these or other sources that may be available. The On-Site Roads are initially proposed to be designed and constructed as described in Exhibit F, with the right-of-way for the Highway 278 -A Parkway and the(Purrysburg Road Connector) to be a minimum of 150 feet in width and the roadway cross-section as a four-lane divided (2 lanes in each direction) limited access urban arterial roadway with auxiliary lanes as necessary for turn storage and defined, landscaped median, in accordance with road design and operational requirements as determined through the satisfactory preparation of Conceptual Master Plan TIA, with final design to be approved at Master Plan submittal for such portion of the road(s) proposed for construction. The road rights-of-way are being provided by Developer without charge for the land comprising the right-of-way (the other public road rights of way are likewise provided without charge) to accommodate future road widening(s) that may be appropriate, either due to additional road needs generated on-site, or due to increased traffic capacity or operational requirements resulting from traffic impacts generated or occurring outside the Property, with funding and responsibility for these off-site impacts to be the responsibility of the City, other governmental body or bodies, or other developers.

4. Off-Site Roads Owner, Developer, or Subsequent Developer, as applicable, shall have the right to design and construct, or cause to be designed and constructed, upon obtaining permits and right of way access from applicable property owners and governmental authorities and agencies the road improvements identified in Exhibit F as Off-Site Roads, provided the design is in conformance with this Agreement and/or applicable state or federal requirements and capable of providing adequate capacity to accommodate

and distribute the traffic generated by the Development of the Property. The costs of the Off-Site Roads shall be paid from Off-Site Development Fees collected under this Agreement and development agreements for adjacent tracts and as allocated in accordance with the provisions of Exhibit F; a Municipal Improvement District, if created as provided in this Agreement; future County impact fees; a Tax Increment Finance District, if created as provided in this Agreement; or any combination of sources that may be available. The Off-Site Roads are proposed to be designed and constructed as described in Exhibit F Improvements to the portions of Purrysburg Road that is off-site shall conform to the standards and design as set forth in the Hardeeville Tract Development Agreement with the City. Funding for certain Off-Site Roads shall be shared on an equitable basis with the Owners/Developers of the Hardeeville Tract as set forth in Exhibit F. The City agrees to assist the Owner, Developer, and Subsequent Developer, as applicable in the acquisition of right of way necessary for the construction of the Off-Site Roads. Owner, Developer, and/or Subsequent Developer, as applicable, shall have no maintenance responsibility for the Off-Site Roads following completion of construction of the Off-Site Roads except as set forth in this Agreement.

5. Construction of Public Roads; Conveyance to City. In connection with the construction of the Public Roads by Owner, Developer, and/or Subsequent Developers, as applicable, and subject to the further terms and conditions of Exhibit F, it is agreed:

(a) __Except as otherwise provided in this Agreement, the outermost lanes of each roadway section shall be constructed first, rather than the innermost lanes, in those cases where the traffic impact assessments do not identify the need for four or more lanes to be initially constructed to provide adequate levels of service;

(b) __All four initial lanes of the proposed Highway 278-A(as depicted on the Conceptual Master Plan shall be constructed from its intersection with Highway 17 to a point at least three hundred (300) feet west of its intersection with the north-south roadway, as a limited access, divided urban arterial roadway with appropriate auxiliary lanes for turning and storage, and with a defined, landscaped median.

(c) __All four initial lanes of the proposed Purrysburg Road Connector (as depicted on the Concept Master Plan) shall be constructed from its intersection with Highway 17 to its intersection with the Purrysburg Road, as shown on the Concept Master Plan as a limited access, divided urban arterial roadway with appropriate auxiliary lanes for turning and storage, and with a defined, landscaped median.

(d) __All four initial lanes of the proposed North-South Connector as shown on the Concept Master Plan shall be constructed no later than at such the time as the required traffic impact assessments dictate necessary to provide acceptable levels of service and capacity to accommodate the traffic loadings on the road systems serving the Property.

(e) ___Upon completion of the portions of Highway 278-A and the Purrysburg Connector in accordance with the phasing plan set forth in Exhibit F. Owner, Developer, and/or Subsequent Developer will dedicate the road(s) and right(s)-of-way to the City (or other governmental authority), and City shall assume maintenance responsibility for such pavedportion(including curbing) of these roads when and in the manner provided in Section X (B)(7)(b).

(f) ___To the extent practical, Owner, Developer and/or their assigns will utilize construction accesses and temporary construction roads to minimize the use by construction vehicles and construction supply trucks on the public roads to be constructed, to avoid undue wear and tear.

(g) ___Developer and City shall by mutual agreement establish the functional classifications, design speeds and geometrics for public roads in accordance with SCDOT guidelines, as more particularly set forth in Exhibit F. Final roadway design, including earthwork, clearing and construction limits, auxiliary lanes and typical roadway cross-sections will be determined in accordance with the terms of Exhibit F, which include the commissioning of traffic impact assessments to determine road capacity and distributional requirements.

6. Landscaping of Roads. Owner, Developer, and/or Subsequent Developers, as applicable shall install landscaping for the On-Site Roads and Near-Site Roads in a safe manner consistent with the landscape plan to be submitted to and approved by the City as part of the Master Plan PUD approval process. Owner and/or Developer shall establish an Association which shall have the perpetual maintenance obligation for maintaining the landscaping and the sidewalks and pathways of the On-Site Roads located within and along Highway 17 immediately adjacent to the Property. The obligation for perpetual maintenance does not apply to the portions of Highway 278-A outside the Property, or Highway 17 beyond the common boundary with the right of way of Highway 17.

7. Maintenance of Roads.

(a) By Association. The Association shall maintain all aspects of all segments of the East-West On-Site Roads constructed by Developer, including drainage, sidewalks and pathways, and rights of way of the East-West On-Site Roads as they are constructed until two years after the Property has received its 500th Certificate of Occupancy, or upon completion and occupancy of 500,000 square feet of commercial building space, and for three (3) years after completion of any other segment completed after the expiration of the two (2) year period after the Property receives its 1,000th Certificate of Occupancy, or upon completion and occupancy of 1,000,000 square feet of commercial building space. Maintenance of the North-South Road shall remain the responsibility of the Association.

(b) By City. On the date that is two years after the Property has received its 500th Certificate of Occupancy or upon completion and occupancy of 500,000 square feet of commercial building space, whichever should come first, the Owner,

Developer, and/or Subsequent Developer, as applicable, shall transfer title to the right of way for the constructed paved portions of such of the constructed East-West On-Site Roads, and the City shall take full maintenance responsibility with regard to the constructed paved portions of these On-Site roads, which must be in reasonable condition at the time of transfer of responsibility, (i.e., not in need of repair and with at least 50% of the useful life as determined by a qualified Professional Engineer) of the last applied pavement wearing course. Any paved portions of the East-West On-Site Roads constructed after the expiration of the two year period after the Property has received its 1,000th Certificate of Occupancy or upon completion of 1,000,000 square feet of commercial building space, whichever shall occur first, shall become the maintenance responsibility of the City three (3) years after completion of such portions of these On-Site Roads, upon the same terms regarding their condition as set forth above. Acceptance of either 278-A or the Purrysburg Road Connector within the Property by the City may be accelerated to one (1) year after the date of completion of construction of either the Highway 278-A or the Purrysburg Connector Road if either road becomes a road of regional significance as determined through the interpretation of the Southern Jasper County Regional Travel Demand Model and Transportation Plan (e.g. the road connecting Highway 17 with another public road such as Highway 46 or the extension of Highway 278-A. At such time, the condition of the road(s) must be as set forth above. Alternate provisions for construction access(es) must be provided so that construction vehicles do not damage the road beyond general wear and tear on such road(s), or additional warranties shall be made to provide security for repair, renovation, or re-surfacing, as necessary, in the event of such damage.

8. Maintenance of On-Site Drainage System and Right of Way. Notwithstanding the foregoing, and unless the City and Developer have by written agreement made different arrangements, the Association will have perpetual maintenance responsibility for the unpaved portion of the right of way and the entire drainage system serving the On-Site Roads, except those roads or portions of roads expressly noted in Exhibit F. Owner, Developer, and/or Subsequent Developers and their successors or assigns, shall reserve in the deeds of transfer to the City access easements in favor of themselves and/or the Association over the right of way for the On-Site Roads in order to perform such maintenance obligations.

9. On-Site Road Access Point Full access points along the On-Site Roads shall be as shown on the Concept Master Plan, and spaced no closer than 1500 feet unless otherwise modified at master plan approval for commercial zones. Additional access points may be allowed, provided they are warranted and/or consistent with the future access management plan to be developed by the Owner and/or Developer for approval by the City in accordance with the Highway 17 Traffic Management Plan to be developed by the City and County. A traffic impact assessment must be provided that demonstrates that additional access points will not adversely affect traffic flow or public safety through the area and create a compromised or unacceptable level of service. The access points as shown on the Concept Master Plan may be relocated to accommodate traffic modeling information,

wetlands, site specific characteristics and adjacent land uses as part of a traffic management plan.

10. Access to Highway 17. Ingress and egress for the Sherwood Tract to Highway 17 will be provided by a maximum of three (3) full access points on US 17 as generally shown on the Conceptual Master Plan map. These full access points may be signalized when actual traffic volumes or other contributing factors warrant their installation, subject to SCDOT and City approval.

11. Traffic Mitigation on US Highway 17. As set forth more particularly in Exhibit F, traffic mitigation improvements are expected to be necessary both at the intersection of Highway 17 and 278-A, and the Highway 17 full access points. Owner, Developer, and/or Subsequent Developers may be required to make additional lane improvements to Highway 17 at their own expense as may be necessary to accommodate the traffic generation from the Property, including additional lanes leading to I-95 and southward below the Property, dependant upon future traffic impact studies taking into account build-out and types of land uses and occupancies in the commercial tracts, and distribution of trips into the regional traffic system.

12. Access to Highway 278-A. Ingress and egress for the Sherwood Tract to proposed Highway 278-A will be provided by a maximum of three full access points as generally shown on the Conceptual Master Plan. The three (3) full access points may be signalized when actual traffic volumes or other contributing factors warrant their installation, subject to SCDOT and City approval.

13. Final Location and Modification of Access Points. The final location of all access points described above will be determined at the time of a Master Plan submittal for these areas. These accesses may be relocated to accommodate traffic modeling information, site specific characteristics, and adjacent land uses as part of a traffic management plan, and the future access management plan currently being developed by the City, and are to be approved as part of Master Plan submittals. Additional access points may be allowed, provided they are warranted and consistent with the future access management plan currently being developed by the City and are approved as part of a Master Plan submittal. Prior to additional access points being approved, a traffic impact assessment in the City approved format must be provided that demonstrates the additional access point(s) meet the applicable City of Hardeeville and SCDOT access management requirements. If traffic signals are warranted, they shall be installed with funding, if available, as outlined in Exhibit F hereto and are subject to SCDOT approval and permitting. Additional frontage and interconnecting roads will be used to the maximum practical extent to lessen the need for access points and travel on major roads. Planning, design and construction of these accesses will be accomplished in a manner consistent with SCDOT standards, traffic impact assessments and PDD standards. Typical roadway cross-sections will be submitted for review at Master Plan approval stage.

14. Wetland Crossings. Potential accesses across the jurisdictional wetlands on or adjacent to the Property shall be allowed if approved by DHEC, OCRM and the U.S. Army Corps of Engineers.

15. Design Standards Unless otherwise provided in this Agreement or approved by City Council at Master Plan, public roads contemplated by this Agreement will be designed and constructed to the standards of SCDOT, utilizing the information obtained by the commissioning of both the Conceptual Master Plan TIA for the entire Property, and individual traffic impact assessments for those areas submitted for Master Plan PDD and site development approval. Unless otherwise agreed at Master Plan Approval, private roadways and interior subdivision roadways shall be in accordance with SCDOT standards or other engineering standards acceptable to the City Engineer and City of Hardeeville standards. Applicable roadway cross sections will be submitted for review and approval at time of Master Plan submittal. Road location indicated on the Conceptual Master Plan are subject to modification at the time of each Parcel's Development Plan approval based upon specific soil conditions, environmental concerns, physical constraints and design parameters.

16. Funding. The Sherwood Tract PDD may have roads designed and/or constructed with funding as outlined in this Agreement and Exhibit F hereto, as well as other sources that may become available from time to time. The City and Developer agree to make a good faith effort to obtain state and federal assistance that may be available to defray a portion of the costs of the public roads contemplated by this Agreement. Owner, Developer, and/or Subsequent Developer are responsible for the construction of all On-Site and Near-Site public roads improvements necessary to accommodate the traffic impacts of the Development, except as may be set forth herein. To the extent that the costs of these public roads exceed monies available through (as applicable) On-site, Off-Site, or Near-Site Roadway Funds or a Municipal Improvement District, Tax Increment Finance District, or other source approved by City Council, Developer is responsible for any additional costs of these public roads necessary to support and mitigate its traffic impacts. Improvements to Highway 17 (other than intersection improvements at Highway 278-A and the three full access points as set forth above) which are constructed by Owner and/or Developer may receive credit against Off-site Road Fees, and/or may recoup from the Off-site Road Fund (to the extent available and paid in on behalf of the Property) expenditures for these Highway 17 construction improvements.

17. Roadway/Subdivision Linkage. Roadway and sidewalk/pathway linkage of major land use areas, including internal linkage between residential, commercial and recreational uses, shall be provided. A master sidewalk/pathway plan shall be submitted as part of the Conceptual Master Plan TIA submittal, which sidewalk/pathway design shall meet the standards of the MZDO unless otherwise approved by City Council.

19. Modifications to Preserve Environment. Notwithstanding the provisions of this Section, roadway design standards may be modified at Master Plan to reduce environmental impacts and increase tree preservation, provided safety concerns are not compromised. To protect and preserve significant trees, such design is hereby encouraged.

20. Funding for Maintenance for Dedicated Roadways. Maintenance for roadways dedicated to the City (or other governmental authority) may be funded through an ad valorem tax applied Citywide, or such other mechanism as may be selected by the City that is applied City-wide. The parties agree that the City may transfer ownership and maintenance responsibility for the public roads described above to Jasper County, SCDOT, or other public entity, in the event the County, State or public entity agrees to accept same and has a reasonable maintenance program in place.

21. Timing of Road Improvements. Timing of road improvements within the Property, and responsibility therefore, is further described and set forth in Exhibit F.

22. Utility Improvements in Right of Way. To the extent that any third party is permitted by the City to utilize any public road right-of-way within the Property to install underground utilities or other public services within such road right-of-way, then the City shall require that such party perform such work in a good and workmanlike manner, in conformity with all permits and to restore any damage to the right-of-way, including, without limitation, the paved roads, sidewalks, pathways and/or landscaping or other improvements in connection therewith promptly. All utility improvements within such road right-of-way(s) shall be located underground, except such above ground improvements related thereto, such as lift stations, meter boxes, etc.

C. Potable Water. Potable water will be supplied to the Property by BJWSA or some other legally constituted public or private provider allowed to operate in the City. The City shall not be responsible for any construction, treatment, maintenance or costs associated with water service to the Property unless the City elects to provide such services with the agreement of the applicable utility authority then providing such service to the Property. Owner, Developer, or a Subsequent Developer, as applicable, will construct or cause to be constructed all related infrastructure improvements within the Property, which will be maintained by it or the service provider as provided in any utility agreement between the service provider and Owner, Developer, or a Subsequent Developer, as applicable.

D. Sewage Treatment and Disposal Sewage treatment and disposal will be provided by BJWSA or some other legally constituted public or private provider allowed to operate in the City. The City will not be responsible for any treatment, maintenance or costs associated with sewage treatment within the Property, unless the City elects to provide such service with the agreement of the applicable utility authority then providing such service to the Property. Nothing herein shall be construed as precluding the City from providing sewer services to its residents in accordance with applicable provisions of law. Owner and/or, Developer, or a Subsequent Developer, as applicable, will construct or cause to be constructed all related infrastructure improvements within the Property, which will be maintained by it or the service provider as provided in any utility agreement between the service provider and Owner, Developer, or a Subsequent Developer, as applicable.

E. Use of Effluent Owner and/or Developer agree that treated effluent will be disposed of only in such manner as may be approved by DHEC and the BJWSA. The City will use good faith efforts to cooperate with the Owner and/or Developer to support Developer and Subsequent

Developers in its obtaining gray water in connection with providing irrigation water for the landscaped areas, golf courses, and the like, if any, within the Property. Owner, Developer or Subsequent Developers or their designees shall have the right to operate an irrigation system to provide irrigation services in connection with all or any portion of the Property, provided such is approved by DHEC or other applicable regulatory authority.

G. Police Services. City shall provide police protection services to the Property on the same basis as is provided to other similarly situated residents and businesses in the City with the exception of any restricted access communities, which may elect in writing to provide in-house patrol services by security forces and/or constables and to forego regular City patrol functions. Owner and Developer acknowledge the concurrent jurisdiction of the City's police department and the Sheriff of the County on the Property and shall not interfere or in anyway hinder law enforcement activities of either on the Property regardless of whether such may be a restricted access community.

H. Fire Services City shall provide fire protection services to the Property on the same basis as is provided to other similarly situated residents and businesses in the City. Developer acknowledges the jurisdiction of the City's fire department on the Property and shall not interfere or in anyway hinder public safety activities on the Property regardless of whether such may be a restricted access community.

Notwithstanding the forgoing, fees for fire protection will be charged as if the owner of the Property was a non-resident under the fire protection fee ordinance (Section 8-120 of the City Code of Ordinances) until such time as a site specific development or subdivision plat is approved for an area of the Property, at which time the non-resident treatment shall be removed as to that area only.

J. Sanitation Services. City shall provide sanitation and trash collection services to the Property on the same basis as is provided to other similarly situated residents and businesses in the City.

K. Recreation Services. City shall provide recreation services to the Property on the same basis as the City provides such services to other similarly situated residents and businesses in the City. Notwithstanding the above, the City shall not be obligated to improve any of the Park Sites until such time as Park Development Fees are adequate to fund the design and construction of the site or bond such improvement. Should the Developer desire to construct improvements upon any of the Park Sites prior to these funds being adequate, Developer or Subsequent Developer may elect to do so, in accordance with the provisions of Section XII(C) (4) below.

L. Library Services Library services currently are provided by the County. City shall not be obligated to provide library services to the Property, absent its election to provide such services on a city-wide basis. City shall allocate, at its discretion, Library Development Fees to assist with library services in southern Jasper County.

M. Emergency Medical Services (EMS) EMS services currently are provided by the County. City shall not be obligated to provide EMS services to the Property, absent its election to provide such services on a city-wide basis.

N. Drainage System. All storm water runoff, treatment and drainage system improvements within the Property will be designed in accordance with the then current Zoning Regulations and Best Management Practices (“BMP”). All storm water runoff, treatment and drainage system improvements for the Property shall be constructed by Owner, Developer, Subsequent Developer or an Association. The City will not be responsible for any construction or maintenance cost associated with the storm water runoff, treatment and drainage system within the Property. The parties agree to coordinate the drainage for roads constructed by Developer to promote economies of scale and lessen environmental impacts.

O. Storm Water Quality. Protection of the quality in nearby waters and wetlands is a primary goal of the City. Owner, Developer and Subsequent Developers shall be required to abide by all provisions of federal and state laws and regulations. Further provisions regarding storm water are included within the PDD for this Project.

XII. CONVEYANCES AND CONTRIBUTIONS.

The City, Owner and Developer understand and agree that future development of the Property shall result in additional public services being required to be provided by the City and other governmental agencies. The City, Owner and Developer acknowledge it is desirable that certain public facilities be located in the vicinity of the Property. The Owner and Developer agree to participate in mitigating certain initial costs of the City for such services as provided in this Agreement. The following items are hereby agreed upon to be provided by Owner and/or Developer, its successors and assigns, to offset such future costs and expenditures created by the Development of the Property:

A. Roads. Owner, Developer, or Subsequent Developer, as applicable, shall transfer to the City certain right of way and roads within the Property as described in Section XI and Exhibit F.

B. Police Site.

1. Owner, Developer, or Subsequent Developer, as applicable, shall transfer to the City two (2) acres within the Property at a location or locations mutually agreed upon to be utilized as a police station site or sites (collectively “Police Site”) which may be combined with other public safety and support, and/or recreational/civic facilities, which site shall be dedicated to the City no later than the period between when the five hundredth (500th) residential certificate of occupancy is issued on the Property and prior to when the six hundredth (600th) residential certificate of occupancy is issued on the Property, or between completion of 250,000 sq. ft. and 300,000 sq. ft. of commercial building, or the completion of a combination of either (i.e., 250 residential units and 125,000 sq. ft of commercial, 125 residential units and 187,500 sq. ft of commercial, etc.) unless dedication of the site and construction of a combined Fire/Police/Park facility is required sooner to preserve the City’s ISO rating (currently a 3) for fire protection or as otherwise agreed. If there are to be more than two (2) Police Sites, or Combined Public Facilities Sites, the additional sites shall be identified as being necessary by City during this period and

dedicated simultaneously. The parties acknowledge that the value of the Police Site for purposes of this Agreement shall be deemed to be One Hundred Fifty Thousand Dollars (\$150,000) per acre plus the Adjustment Factor from the date of such transfer until such amount is credited against Police Development Fees (“Police Site Value”), and the Owner, Developer, and/or Subsequent Developer shall be entitled to credits against the Police Development Fees payable with respect to the Property in the amount of the Police Site Value. If at the request of Owner, and/or Subsequent Developer a Municipal Improvement District or a special tax assessment district is implemented and funded the City may request and the Owner shall transfer such Police Site to the City, and construction may begin when such funding becomes available, even if prior to the triggering events set forth above. It is further acknowledged that the actual value of the site may be in excess of One Hundred Fifty Thousand (\$150,000.00) Dollars, and the donor may be eligible for a state and/or federal tax credit or deduction to the extent of such excess.

2. It is agreed that the City will, within six (6) months after the Police Site is transferred to the City, design and permit a police facility on the Police or Combined Public Facilities Site. If more than one Police Site is transferred, the City shall only be obligated to design and permit one police facility within this time frame. Unless a Municipal Improvement District has been implemented for the Property as set forth above, within thirty (30) days after the City has designed and permitted such police facility, Developer shall pay one million dollars (\$1,000,000.00) (less any Police Development Fees previously paid in regards to the Property and as adjusted by the annual adjustment factor) as a capital contribution into the Police Fund to be utilized by the City to construct and equip a police facility, and Developer shall receive credits against Police Development Fees payable with respect to the Property for such payment. The City shall begin construction of the necessary facilities on the Police or Combined Public Facilities Site promptly upon City’s receipt of Developer’s payment of the one million dollars (\$1,000,000.00) into the Police Fund, as adjusted by the Adjustment Factor and any credits for Police Development Fees previously paid for the Property.

3. Subject to the provisions of Section VIII above regarding changes in residential density or commercial square footage, it is specifically acknowledged that the obligation of Owner, Developer, or Subsequent Developer, as applicable, as to the Police Site is limited to two (2) acres for a Police Site, and its capital contribution to the Police Facility(ies) is one million dollars (\$1,000,000.00) (as adjusted). Developer acknowledges that the City may elect to combine the Police Site, the Fire Site, and or the Park Site into a Combined Public Facilities Site.

4. The Police or Combined Public Facilities Site shall be located as to be able to primarily provide police and other municipal services to residents and businesses located upon the Property in an efficient manner. The City may choose to combine the Police Site(s) with the dedications from the Developer for the Fire Site(s), Park Site(s), and/or other public infrastructure, and also may combine the Developer’s dedications and payments with those from owners and developers of Adjacent Land to maximize utilization of resources. The City and the Developer shall mutually agree as to the location of such sites, which may

wholly or in part include off-site, combined, or shared facilities as described in Section XI (I) below.

5. All Police Development Fees collected as hereafter provided shall be placed in the Police Fund held by the City. The Police Development Fees may be combined with the Fire Development Fees and/or the Park Fees to be allocated for the construction and equipping of the police station(s), the fire station(s) and/or park facilities on the Police or other Combined Public Facilities Site(s), as the City determines in its discretion. These fees shall be utilized to construct and equip the police facility or combined facilities on the Police or Combined Public Facilities Site(s), and/or as a credit enhancement as set forth herein below in connection with obtaining bond financing by the City to construct such facilities on the site or sites.

6. Developer consents that upon completion of construction, the City shall be entitled to utilize any excess funds in such account which are not needed in connection with the initial construction, equipping and debt servicing of such site(s) in conjunction with other Development Fees to mitigate impacts relating to the Development of the Property.

C. Fire Site.

1. Developer shall transfer to the City two (2) acres within the Property at a location or locations mutually agreed upon to be utilized as a fire station or sites (collectively, "Fire Site") which may be combined with other public safety and support facilities, and/or recreation/civic sites, which site shall be dedicated to the City no later than the period between when the five hundredth (500th) residential certificate of occupancy is issued on the Property and prior to when the six hundredth (600th) residential certificate of occupancy is issued on the Property, or between completion of 250,000 sq. ft. and 300,000 sq. ft. of commercial building, or the completion of a combination of either (i.e., 250 residential units and 125,000 sq. ft of commercial, 125 residential units and 187,500 sq. ft of commercial, etc.) unless dedication of the site and construction of a combined Fire/Police/Park facility is required sooner to preserve the City's ISO rating (currently a 3) for fire protection or as otherwise agreed. It is acknowledged that if there are to be more than two (2) Fire Sites, or Combined Public Facilities Sites, the additional sites shall be identified as being necessary by City during this period and dedicated simultaneously. The parties acknowledge that the value of the Fire Site for purposes of this Agreement shall be deemed to be One Hundred Fifty Thousand Dollars (\$150,000) per acre plus the Adjustment Factor from the date of such transfer until such amount is credited against Fire Development Fees ("Fire Site Value"), and the Owner, Developer and/or Subsequent Developer shall be entitled to credits against the Fire Development Fees payable with respect to the Property in the amount of the Fire Site Value. If at the request of Owner a Municipal Improvement District or a special tax assessment district is implemented and funded the City may request and the Owner, Developer and/or Subsequent Developer shall transfer such Fire Site to the City, and construction may begin when funding becomes available, even if prior to the triggering events set forth above. It is further acknowledged that the actual value of the site may be in excess of Fifty Thousand (\$50,000.00) Dollars, and the donor may be eligible for a state and/or federal tax credit or deduction to the extent of such excess.

2. It is agreed that the City will, within six (6) months after the Fire Site is transferred to the City, design and permit a fire facility on the Fire or Combined Public Facilities Site. If more than one Fire Site is transferred, the City shall only be obligated to design and permit one fire facility within this time frame. Unless a Municipal Improvement District has been implemented for the Property, within thirty (30) days after the City has designed and permitted such fire facility, Owner, Developer and/or Subsequent shall pay one million dollars (\$1,000,000.00) (less any Fire Development Fees previously paid and as adjusted by the annual adjustment factor) as a capital contribution into the Fire Fund to be utilized by the City to construct and equip the Fire facility on the Fire Site, and Owner, Developer and/or Subsequent Developer shall receive credits against Fire Development Fees for such payment. The City shall begin construction of the necessary facilities on the Fire Site promptly upon City's receipt of Developer's payment of the one million dollars (\$1,000,000.00), as adjusted by the Adjustment factor and any credits for Fire Development Fees previously paid for the Property.

3. Subject to the provisions of Section VIII above regarding changes in residential density or commercial square footage, it is specifically acknowledged that Developer's obligation as to the Fire Site is limited to two (2) acres for a Fire Site, and its capital contribution to the fire facilities is one million dollars (\$1,000,000.00), as adjusted by the Annual Adjustment factor. Developer acknowledges that the City may elect to combine the Police Site, the Fire Site and/or the Park Site into a Combined Public Facilities Site.

4. The Fire or Combined Public Facilities Site shall be located as to be able to primarily provide fire and other municipal services to residents and others located upon the Property in an efficient manner. The Fire Development Fees may be combined with the Police Development Fees and/or the Park Fees to be allocated for the construction and equipping of the police station(s), the fire station(s) or park facilities on the Police or other Combined Public Facilities Site(s), as the City determines in its discretion. It is further agreed that the City may choose to combine this Fire Site with the dedications from the Developer for the Police Site, Park Site, and other public infrastructure, and also may combine the Developer's dedications and payments with those from owners and developers of Adjacent Land to maximize utilization of resources. The City and Developer shall mutually agree as to the location of such Fire Site and Police Site, which may wholly or in part include off-site, combined, or shared facilities as described in Section XII(H) below.

5. All Fire Development Fees collected as hereafter provided shall be placed in the Fire Fund to be held by the City. The Fire Development Fees may be combined with the Police Development Fees and/or the Park Development Fees to be allocated for the construction and equipping of the Police facility, Fire facility, and/or Park facility on the Fire or Combined Public Facilities Site(s), as the City determines in its discretion. These fees shall be utilized to construct and equip the Fire facility or combined facilities on the Fire or Combined Public Facilities Site(s), and/or as a credit enhancement as set forth herein below in connection with obtaining bond financing by the City to construct such facilities on the site or sites.

6. ___Developer consents that any Fire Development Fees collected may be available for construction and equipment costs, and debt service as set forth below. Upon completion of construction, the City shall be entitled to utilize any excess funds in such account which are not needed in connection with the construction, equipping and debt servicing of such site in conjunction with other Development Fees to mitigate impacts relating to the Development of the Property.

D. Park Sites.

1. ___Owner, Developer and/or subsequent Developer shall transfer to City up to thirty (30) acres, based upon ultimate density figures, for parks at locations as shown on the Conceptual Master Plan or as otherwise agreed upon to be utilized as park sites (“Park Sites”). A formula of one (1) acre of park site for each 125 Residential Dwelling Units of the density authorized in Section VIII above shall be used to determine the total number of acres of Park Sites to be transferred by Developer to City. The thirty (30) acres referenced above reflects the application of this formula to the Presumed Density of 3,688 units, and the actual density as is eventually master planned for the Property may result in the total acreage for parks being adjusted upward. This thirty (30) acres is to be utilized as a Park site or sites (collectively “Park Site”) which may be combined with the Police facility, Fire facility, other public safety and support facilities, and/or recreational/civic facilities, which site shall be dedicated to the City no later than the period between when the five hundredth (500th) residential certificate of occupancy is issued on the Property and prior to when the one thousandth (1,000th) residential certificate of occupancy is issued on the Property, or between completion of 250,000 sq. ft. and 500,000 sq. ft. of commercial building, or the completion of a combination of either (i.e., 250 residential units and 125,000 sq. ft of commercial, 125 residential units and 350,000 sq. ft of commercial, etc.) unless dedication of the site and construction of a combined Fire/Police/Park facility is required sooner to preserve the City’s ISO rating (currently a 3) for fire protection or as otherwise agreed. The parties acknowledge that the value of the Park Site for purposes of this Agreement shall be deemed to be Fifty Thousand Dollars (\$50,000) per acre plus the Adjustment Factor from the date of such transfer until such amount is credited against Park Development Fees (“Park Site Value”), and the Owner, Developer, and/or Subsequent Developer shall be entitled to credits against the Park Development Fees payable with respect to the Property in the amount of the Park Site Value. If at the request of Owner, Developer and/or Subsequent Developer a Municipal Improvement District or a special tax assessment district is implemented and funded the City may request and the Owner, Developer and or Subsequent Developer, as applicable shall transfer such Park Site to the City, and construction may begin when funding becomes available, even if prior to the triggering events set forth above.

2. ___The City shall construct park improvements upon some or all of the Park Sites in accordance with a plan devised by the City and reasonably approved by Developer. The City shall commence to design such park improvements within six (6) months after the Park Sites are transferred by Developer to the City and shall proceed with all due diligence to design, permit and construct such park improvements promptly thereafter, if and to the extent that sufficient Park Development Fees are available.

3. ___Park Development Fees shall be placed in the Park Fund, and monies in the Park Fund shall be utilized to construct and equip the improvements within the Park Sites. Park Development Fees may be used jointly with adjoining tracts of land with similar agreements with the City. Any Park Development Fees collected prior to the commencement of construction will be available for construction and equipment costs. Upon completion of construction, the City shall be entitled to utilize any excess funds in such Park Fund which are not needed in connection with the initial construction and equipping of such sites in conjunction with other Park Development Fees to mitigate impacts relating to the Development of the Property.

4. ___Subject to the provisions of Section XII(H) of this Agreement, in the event that the Developer or Subsequent Developer, as applicable, shall choose, at its exclusive option, to construct park improvements on one or more of the Park Sites prior to the date that the City can make such park improvements on the Park Sites, then the City shall make its design requirements for such park improvements available to the Developer or Subsequent Developer, as applicable, and the Developer or Subsequent Developer, as applicable, may submit a design/permitting proposal in accordance with such design requirements. Upon the City's reasonable review and approval of such design and costs to construct such improvements, the City agrees that the Developer or Subsequent Developer, as applicable, shall have the right to construct such park improvements on one or more of the Park Sites, whereupon the City shall make available all funds in the Park Fund. To the extent any such approved costs or expenses incurred by Developer or Subsequent Developer, as applicable, are not able to be reimbursed from available funds in the Park Fund, the Developer or Subsequent Developer, as applicable, will be entitled to a credit for all such approved costs and expenses incurred by the Developer or Subsequent Developer, as applicable, plus the Adjustment Factor on such sums against future Park Development Fees which are collected pursuant to this Agreement.

5. ___The Park Sites shall be located as to be able to primarily provide recreation services to residents and others located upon the Property in an efficient manner. Neighborhood or local parks may be integrated into master plan subdivisions within the Property and may be private or public as determined by the Developer or Subsequent Developer creating such parks. Unless otherwise agreed by Developer and City, Park Development Fees shall not be used for neighborhood or local parks.

E. School Sites.

1. ___The Owner, Developer and/or Subsequent Developers and the City acknowledge that all School Development Fees shall be placed in the School Fund to be utilized for the improvement of up to a total of thirty (30) acres for public school site(s) based upon Presumed Density figures for public school site(s) to be selected by mutual agreement of the Owner and City ("School Sites") at a purchase price of Fifty Thousand Dollars (\$50,000) per acre ("School Price"), to be utilized as neighborhood school sites serving the Property and the surrounding area in an efficient manner. It is further agreed that the City may choose to combine the dedications and payments of Owner, Developer, or

Subsequent Developer, as applicable, with those from adjacent landowners/developers to maximize utilization of resources. A formula of one (1) acre of School Site for each 125 Residential Dwelling Units in the density authorized in Section VIII above shall be used to determine the total number of acres of School Sites to be transferred by Developer to City. The thirty (30) acres referenced above reflects the application of such formula to the base density, and such actual density as is eventually master planned shall adjust the total either upward or downward, as applicable. The City may obtain school sites in phases from the total acreage reserved at any time after execution of this Agreement. The City shall be required to identify and accept dedication of at least fifteen (15) acres of the School Site(s) on or before ninety (90) days after the one thousandth (1,000th) residential certificate of occupancy is issued and notice from the Developer to the City of the approaching threshold for exercising the option is issued with respect to the Property. The City shall be required to identify any remaining acreage for the School Sites on or before the ninetieth (90th) day after the two thousandth (2,000th) residential certificate of occupancy is issued and notice from the Developer to the City of the approaching threshold for exercising the option is issued with respect to the Property, provided the total number of acres required based on the total density as master planned is available at that time. If not available, the City may extend its time to exercise such option until the ninetieth (90th) day after the total density is established, and notice from the Owner, Developer, or Subsequent Developer, as applicable, to the City of the approaching threshold for exercising the option is issued with respect to the Property.

2. The parties acknowledge that the value of the School Site for purposes of this Agreement shall be deemed to be Fifty Thousand Dollars (\$50,000) per acre plus the Adjustment Factor from the date of such transfer until such amount is credited against School Development Fees (“School Site Value”), and the Owner, Developer, and/or Subsequent Developers shall be entitled to credits against the School Development Fees payable with respect to the Property in the amount of the School Site Value. It is further acknowledged that the actual value of the site may be in excess of Fifty Thousand Dollars (\$50,000) Dollars, and the donor may be eligible for a state and/or federal tax credit or deduction to the extent of such excess.

3. In the event any School Site is acquired by the City, but any such areas are not developed with school(s) thereon within ten (10) years after such School Site is conveyed to the City, the Developer shall have the right, during the term of this Agreement, to repurchase the School Site or a portion thereof, at ninety percent (90%) of the then appraised fair market value, or 100% of the agreed upon valuation set forth above plus the Adjustment Factor, whichever is greater, plus the City’s documented costs of acquisition. The right to repurchase shall be included in the deed of conveyance for each such School Site.

4. All School Development Fees shall be solely utilized for schools and associated infrastructure, unless otherwise mutually agreed. The City shall be entitled to utilize any excess funds in such account which are not needed in connection with the land improvements of such site for associated infrastructure costs, schools in the Southern Jasper County area, and/or enhancement of recreational and library services.

F. Efficient Construction. In order to minimize disturbance to the Property and adverse impacts to public roads, Developer shall have the right to use and access the Police, Fire, and School Sites for use as staging areas and for the temporary storage of construction materials, equipment, supplies, soil, and cleared debris. Developer may reserve easements for such use and access in Developer's deeds of conveyance to the City for the Police, Fire, and School Sites. Following the City's acquisition of any of the Police, Fire, and School Sites, upon City providing to Developer ninety (90) days written notice, Developer shall remove all such materials stored on a particular site and shall grade such site. Developer's usage of the Police, Fire, and School Sites shall be in places and in such manner as provided in the PDD and grading of the sites shall be in accordance with the PDD. If the City intends to clear an area of the Park Sites for construction, Developer, with City's prior written consent, shall have the right to use and access such Park Site area pursuant to the terms of this paragraph.

G. No Other Dedications. Except with respect to the dedications and/or conveyances of the properties set forth in this Agreement, including without limitation Sections ~~XX~~*Public Roads, Infrastructure and Services*, Section XII, *Conveyances and Contributions* and Exhibit F, no other dedications or conveyances of lands for public facilities shall be required in connection with the development of the Property.

H. Consolidation of Fire, Police, and Park Sites/Facilities by City City, at its sole option, may determine that it is in the best interest of the residents of the Property and the City to convert funding and sites for Fire, Police, or Park Sites, or any combination thereof, for a Combined Public Facilities Site (s) for civic facilities, such as a Central Fire Station, Central Police Station, City Hall, City Park, or other City offices. Subject only to the condition that sufficient fire services are available or provided to maintain the City's ISO rating of 3, in the event of an election by the City to consolidate on a site or sites, the dedication of such of the requested consolidated site or sites comprising up to thirty-four (34) acres shall be made within ninety (90) days of notice of the election by the City to Owner, Developer, or Subsequent Developer, as applicable, and all Police, Fire and Park Funds may be combined, and made available for the design, permitting and construction of the consolidated Combined Public Facilities site. In the event a Municipal Improvement District is implemented for public infrastructure construction, the Development Fees (as adjusted by the Annual Adjustment factor which was to be made available as set forth above in Section XII, subsections (B) and (C) and (D), shall instead be made available to the City upon the initial funding of the Municipal Improvement District, and the cost of the land as set forth above shall be paid to the Owner, Developer, and/or Subsequent Developer, as applicable.

J. Employment Costs Owner, Developer and the City agree that certain costs may be incurred early in the development, or pre-development process, making it difficult for the City to provide the necessary funds for employment costs and interim government services prior to actual development and the eventual collection of funds through property, sales and other taxes, and other sources provided hereunder. Developer agrees to contribute to the City, for a period of five (5) years commencing October 1, 2007, eighty five thousand dollars (\$85,000.00) per year as a contribution to the employment costs of City. The City agrees to utilize its best efforts to attract and retain qualified personnel to staff the positions funded by this contribution. The City agrees that all submissions for governmental approvals with respect to the Property shall be expeditiously

processed, in accordance with MZDO procedures as modified by the PDD for this Project. The City shall maintain personnel qualified to review plans and plats.

K. No Wetlands. All conveyances and dedications of lands pursuant to this Agreement shall mean upland gross acres of highlands, net of wetlands.

L. Development Fees.

1. Fee Chart. To assist the City in meeting expenses resulting from ongoing development, upon application for a building permit from the City for any portion of the Property, each Builder shall pay Development Fees for Road, Police, Fire, School, Library and Parks (“Development Fees”) which shall be adjusted by the Additional Adjustment Factor (if the Term is extended) on the first day of the 21st year of the Term, as set forth in the table below. With the exception of On-Site Road Fees, Police and Fire Fees, the Development Fees set forth below are based upon 2005 figures. The Development Fee amounts (including Exhibit G) were increased by the annual 3% Adjustment Factor effective July 1, 2006 and shall increase henceforth each July 1 by the applicable Adjustment Factor.

FEE CHART

DEVELOPMENT TYPE	DEVELOPMENT FEE AMOUNT
Commercial Uses	See attached Exhibit G which is incorporated into this Agreement
Single Family Residential Dwelling Units Total: \$6,842.00	\$4,480 plus the Adjustment Factor per unit - Road* [\$2,500 is for internal, On-Site or Near-Site roads; \$1,980 is for external, Off-Site roads] \$400 plus the Adjustment Factor per unit - Police** \$400 plus the Adjustment Factor per unit - Fire*** \$500 plus the Adjustment Factor per unit - School \$100 plus the Adjustment Factor per unit - Library \$962 plus the Adjustment Factor per unit - Park
Multifamily Residential Dwelling Units Total: \$5,230.00	\$3,636 plus the Adjustment Factor per unit - Road* [\$2,250 is for internal, On-Site or Near-Site roads; \$1,386 is for external, Off-Site roads] \$300 plus the Adjustment Factor per unit - Police** \$300 plus the Adjustment Factor per unit - Fire*** \$250 plus the Adjustment Factor per unit - School \$70 plus the Adjustment Factor per unit - Library \$674 plus the Adjustment Factor per unit - Park

(a) *Internal, On-Site Road Development Fees. All Development Fees collected under the category of Internal, On-Site or Near-Site Roads, as set forth in the table above, shall be for the construction, equipping and/or maintenance of the On-Site and Near Site Roads designated in the attached Exhibit F, and as are generally described in Section XI (B) above. The City agrees, upon notification from Owner and/or Developer, as applicable, to take such action as necessary to implement a Municipal Improvement District to provide a method for funding and financing the On-Site and Near-Site Roads. The City’s agreement to create a Municipal Improvement District is conditioned on: (i) receipt by the City of the notice from the Owner, Developer, or Subsequent Developer, as applicable, prior to the sale of the first Residential Dwelling Unit within the Project; (ii) agreement

among the Owner and Developer, as applicable, and the City on the terms and conditions for the imposition of assessments for road construction purposes; (iii) the bond financing being non-recourse as to the City; and (iv) arrangements suitable to the City being made to guarantee completion of construction of the On-Site and Near-Site Road infrastructure. If Municipal Improvement District financing is used for the construction of the On-Site and Near-Site Roads, which may be in phases, then the City shall cause the design, permitting and construction of the road components (or phased portions of the road components, as may be the case). Nothing herein shall preclude the submission of a design/build proposal by the Owner, Developer, or Subsequent Developer, as applicable, which complies with the procurement requirements of the City. Upon the creation of the Municipal Improvement District, and the issuance of bonds and funding, the development fees for On-Site Roads and Near-Site Roads shall not be collected and Road Development Fees with respect to (A) commercial uses shall be as set forth in Exhibit G attached hereto (unless included in the district, in which case an equitable reduction will be calculated); (B) single family residential dwelling units shall be reduced from Four Thousand, Four Hundred and Eighty and 00/100 Dollars (\$4,480.00) per residential unit to One Thousand Nine Hundred Eighty and 00/100 Dollars (\$1,980.00) per residential unit for Roads, and (C) multi-family residential dwelling units shall be reduced from Three Thousand, Six Hundred and Thirty-Six and 00/100 Dollars (\$3,636.00) per unit to One Thousand Three Hundred Eighty-Six and 00/100 Dollars (\$1,386.00) per multi-family unit (2005 values, to be adjusted as set forth above). Notwithstanding the above, Owner, Developer, or Subsequent Developer, as applicable, may begin construction of the On-Site and Near-Site Road components prior to the creation of the Municipal Improvement District upon presentation of appropriate documentation as may be required by the Municipal Improvement District statutes to become eligible for reimbursement, and if the Municipal Improvement District is created, Owner, Developer, or Subsequent Developer, as applicable, shall be reimbursed for any qualifying expenditures for the design, permitting and construction of the On-Site and Near-Site Roads made prior to the creation of the Municipal Improvement District. Any On-Site and/or Near-Site Road Development Fees replaced by a Municipal Improvement District assessment shall be returned to the Payor.

(b) ****Police.** All Development Fees collected under the category of Police, as set forth in the table above, shall be for the design, permitting, construction, equipping and/or maintenance of police facilities as provided in Section XII(B). The City agrees, upon notification from Owner, Developer, or Subsequent Developer, as applicable, to take such action as necessary to implement a Municipal Improvement District to provide a method for funding and financing the agreed upon costs of the Police Site facilities required under this Agreement. The City's agreement to create a Municipal Improvement District is conditioned on: (i) receipt by the City of the notice from the Owner, Developer, and/or Subsequent Developer, as applicable, prior to the sale of the first Residential Dwelling Unit within the Project; (ii) agreement among the Owner, Developer and/or Developer, as applicable, and the City on the terms and conditions for the imposition of assessments for police

facilities; (iii) the bond financing being non-recourse as to the City; and (iv) arrangements suitable to the City being made to guarantee completion of the construction of the police facilities. The purpose of creating a Municipal Improvement District for police facilities is to provide an alternative way of raising one million dollars (\$1,000,000.00) in principal proceeds (as adjusted by the Annual Adjustment Factor) required to be paid by Developer as provided in Section XII(B)(2), plus the cost of the Police Site. Monies from the Municipal Improvement District shall be used for payment of the costs of designing, permitting constructing and equipping the Police Site improvements and facilities related thereto or for payment of the police portion of the acquisition and improvements to a Combined Public Facility site. If Municipal Improvement District or special assessment district is created and funded, then the City shall cause the design, permitting, construction and equipping of the facility upon funding of the MID bonds to the extent the funds allow. Nothing herein shall preclude the submission of a design/build proposal by the Owner, Developer, and/or Subsequent Developer, at the sole discretion and request of the City, which complies with the procurement requirements of the City. Upon the funding of the One Million Dollars (\$1,000,000.00)(as adjusted) and the cost of the land through a Municipal Improvement District, no Police Development Fees shall be payable with respect to the issuance of building permits as provided in this Section XII for the Presumed Density and the City shall retain One Million and 00/100 Dollars (\$1,000,000.00)(as adjusted) of such proceeds received by creating such municipal improvement district or special assessment district as payment in full for all Police Development Fees for the Presumed Density with respect to the Property for the improvement and equipping of the police facility on the Police Site, or for the police portion of improvements to a Combined Public Facility site, and simultaneous with receipt of such sums, the City shall pay to Owner, Developer and/or Subsequent Developer, as applicable, at the rate of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) per acre, an amount equal to the acreage occupied by the police facility on the Police Site or the police portion of a Combined Public Facility site. Any Police Development Fees paid prior to the creation and funding of the Municipal Improvement District shall be returned to the payor.

(c) ***Fire. All Development Fees collected under the category of Fire, as set forth in the table above, shall be for the design, permitting, construction, equipping and/or maintenance of the Fire Site facilities as provided in Section XII(C). The City agrees, upon notification from Owner, Developer, and/or Subsequent Developer, as applicable, to take such action as necessary to implement a Municipal Improvement District to provide a method for funding and financing a portion of the agreed upon costs of the Fire Site facilities required by this Agreement. The City's agreement to create a Municipal Improvement District is conditioned on: (i) receipt by the City of the notice from the Owner, Developer, or Subsequent Developer, as applicable, prior to the sale of the first Residential Dwelling Unit within the Project; (ii) agreement among the Owner, Developer, and/or Subsequent Developer, as applicable, and the City on the terms and conditions for the imposition of assessments for Fire Site facilities; and (iii) the bond financing being non-recourse as to the City; and (iv) arrangements suitable to the City being made to guarantee

completion of the construction of the Fire Site facilities. The purpose of creating a Municipal Improvement District for Fire Site facilities is to provide an alternative way of raising one million dollars (\$1,000,000.00)(as adjusted by the Annual Adjustment Factor) required to be paid as provided in Section XII(C)(2), plus the cost of the Fire Site. Monies from the Municipal Improvement District shall be used for payment of the costs of designing, permitting, constructing and equipping the Fire Site improvements and facilities related thereto or for payment of the fire portion of the acquisition and improvements to a Combined Public Facility site. If Municipal Improvement District or special assessment district is created and funded, then the City shall cause the design, permitting, construction and equipping of the facility upon funding of the MID bonds to the extent the funds allow. Nothing herein shall preclude the submission of a design/build proposal by the Owner, Developer, and/or Subsequent Developer, at the sole discretion and request of the City, which complies with the procurement requirements of the City. Upon the funding of the One Million Dollars (\$1,000,000.00) (as adjusted) and the cost of the land through a Municipal Improvement District , no Fire Development Fees shall be payable with respect to the issuance of building permits as provided in this Section XII for the Presumed Density and the City shall retain One Million and 00/100 Dollars (\$1,000,000.00) (as adjusted) of such proceeds received by creating such municipal improvement district or special assessment district as payment in full for all Fire Development Fees for the Presumed Density with respect to the Property for the improvement and equipping of the police facility on the Fire Site, or for the police portion of improvements to a Combined Public Facility site, and simultaneous with receipt of such sums, the City shall pay to Owner, Developer and/or Subsequent Developer, as applicable, at the rate of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) per acre, an amount equal to the acreage occupied by the police facility on the Police Site or the police portion of a Combined Public Facility site Any Fire Development Fees paid prior to the creation and funding of the Municipal Improvement District shall be returned to the payor.

2. Payment of Fees Except as may be otherwise provided in Section XII(K)(1) above, all Development Fees in this Section K shall be collected at the time a Builder obtains a building permit for any portion of the Property and placed in separate interest-bearing escrow accounts held and established by the City for Police, Fire, School, Library and Parks, which may be utilized for the purposes set forth in this Agreement.

3. No Other City Impact Fees. Notwithstanding any provision to the contrary contained within this Agreement, the Development Fees are being paid in lieu of any other impact fees, development fees or any other similar fees presently existing or adopted solely by the City at any time hereafter during the term of this Agreement; provided, however, the Owner, Developer, a Subsequent Developer, or a Builder shall be subject to the payment of any and all present or future permitting fees enacted by the City that are of City-wide application and that relate to processing applications, development permits, building permits, review of plans, or inspections (but no other capital improvement related impact, development or other extractions).

4. Other Governmental Fees. Except as set forth in this Agreement, nothing herein shall be construed as relieving the Owner, Developer, a Subsequent Developer, or a Builder, their successors and assigns, from payment of any such fees or charges as may be assessed by entities other than the City, provided however, if an entity other than the City imposes, or is permitted by City to impose, fees or obligations similar in nature to those contemplated by this Agreement, the affected Owner, Developer, Subsequent Developer, or Builder shall be entitled to an offset against the Development Fees of this Agreement in the amount of such fees or obligations which are collected. The provisions of this section shall not preclude the City or another governmental authority from imposing a fee of a nature which is not for services or improvements under this Agreement (*i.e.*, police, fire, roads, parks, schools, libraries and other obligations contemplated under this Agreement), which are imposed on a consistent basis throughout the area regulated by such governmental authority imposing such obligations. The City or other governing body shall not be precluded by this Agreement from charging fees for delivery of services to citizens or residents (*i.e.*, an EMS response fee or the like), nor from charging fees statutorily authorized in the future (*i.e.*, a real estate transfer fee or the like). The City shall not oppose Owner's, Developer's, or Subsequent Developer's challenge to any developer fee, impact fee or other obligation imposed by other governmental authorities to the extent that such fees or obligations are not specifically permitted to be imposed pursuant to the terms of this Agreement.

5. Increase in Fees. The Development Fees set forth by the City above are vested for the entire Property and shall not be increased by the City, except for the Adjustment Factor and Additional Adjustment Factor as provided in this Agreement.

6. Assignment of Fees. Any Development Fees paid and/or credits for Development Fees with respect to property conveyed, services performed and/or money paid as provided in this Agreement may be assigned by the Developer and/or Subsequent Developer owning such credits and all such credits shall remain valid until utilized on the Property. The City shall recognize all such written assignments of such rights and shall credit same against any Development Fees which are owed pursuant to this Agreement.

7. Special Tax District. The City, County or other governmental entity may establish, solely or in conjunction with each other, a Tax Increment Financing District, FILOT, Multi-County Business Park, or any other special tax district or financing vehicle authorized by applicable provisions of the Code of Laws of South Carolina 976, as amended), which does not impose additional ad valorem taxes or assessments against the Property. The establishment by the City, County or other governmental entity, solely or in conjunction with each other, of a special tax district or other financing vehicle authorized by applicable provisions of the Code of Laws of South Carolina,(1976, as amended), which increases the assessments solely within the Property solely, shall require the consent of the Owner, Developer, or Subsequent Developer, (as applicable), unless such is otherwise expressly permitted pursuant to the terms of this Agreement. It is acknowledged that at the written election of Owner, Developer, or Subsequent Developer, as applicable, a Municipal Improvement District may be implemented with the consent of the City for the Property as set forth in this Agreement.

8. Roadway Funds and Reimbursements.

(a) ___All Road Development Fees for On-Site or Near-Site Roads to be constructed which are collected shall be held by the City in segregated interest-bearing accounts as set forth in this Agreement, and all such monies and accrued interest shall be utilized, unless otherwise agreed by the City and Owner, Developer, or Subsequent Developer, as applicable, to reimburse Owner, Developer, or Subsequent Developer, as applicable, for the design, permitting and construction of the On-Site and Near-Site Roads as set forth in Exhibit F if a Municipal Improvement District as set forth above is not utilized. City shall pay such reimbursement to Owner, Developer, or Subsequent Developer, as applicable, within thirty (30) days after substantial completion and delivery of such customary construction and engineering documentation and pay requests by Owner, Developer, or Subsequent Developer, as applicable, of each pre-approved phase of the On-Site Roads, (as described above in Section XI(B) and in Exhibit F, out of the first funds in the On-Site and Near-Site Road Fund on a pro rata basis as then current definitive plans indicate to be necessary to complete the On-Site and Near-Site Roads to the extent such funds are collected and as may be thereafter available.

(b) ___If Owner, Developer, or Subsequent Developer, as applicable, is entitled to reimbursement from the Off-Site Roadway Fund, then the reimbursement shall be paid by the City in the same manner and subject to the same conditions as reimbursements from the On-Site and Near-Site Roadway Fund.

9. Fees for Review of Agreement and PDD Developer agrees to pay the actual costs and reasonable, actual expenses of the City's consultants and professionals incurred in negotiating, processing and evaluating this Agreement and the PDD. City will provide sufficient documentation of these charges. Developer shall pay such fees within sixty (60) days of the delivery by City of the invoice(s).

M. Shared Public Facilities It is acknowledged that another landowner owns adjacent real property known as the Hardeeville Tract, which is subject to a Development Agreement with the City. Recognizing the potential interconnectivity of the Property and the adjacent Hardeeville Tract, the City, Owner and Developer acknowledge and agree that it may be practical for land planning and economical reasons to consider combining and/or sharing the Development Fees and associated land dedications for the Police, Fire, Park, Library and/or School requirements under this Agreement with those required for the Hardeeville Tract, so as to meet similar needs of both tracts in a more efficient manner. If a reasonable basis is demonstrated for combining and/or sharing the Development Fees and associated land dedications for the Police, Fire, Park, Library and/or School requirements for the Hardeeville and Sherwood Tracts to better meet their combined needs, the City, Owner and/or Developer agree to negotiate in good faith with the Owner/Developers of the Hardeeville Tract for the joint use of such Development Fees and land dedications to more efficiently meet the collective needs of the properties.

XIII. PERMITTING PROCEDURES.

A. Model Homes. The City agrees to allow the Developer and/or any Subsequent Developer the ability to permit and construct model homes without utilities (*i.e.*, dry models) and to relocate the models as necessary within each subdivision; and the ability to permit and construct temporary sales and construction offices with temporary utilities.

B. Phasing Allowed. The City agrees that the Developer and/or any Subsequent Developer is not required to phase development but shall have the right to do so.

C. Plan Review by City. The City agrees to review all land use changes, land development applications, and plats in an expeditious manner in accordance with the MZDO as modified by the PDD for this Project. A Subsequent Developer may submit these items for concurrent review with the City and other governmental authorities. City may give conditional final approval to any submission, but will not grant authorization to record plats or begin development construction activities until all permitting agencies have completed their reviews.

D. Signage. Signage for the Project is governed by the provisions of the PDD for this Project.

E. Architectural Review Guidelines The City acknowledges that the Developer and Subsequent Developers have or will have an internal set of architectural guidelines and will employ an architectural review board, which are to be adopted as provided in the PDD by the first Master Plan submittal. These architectural guidelines and review procedures must meet the minimum guidelines and standards set forth in the MZDO for architectural review.

F. Bond for Plat Recording. The City agrees to allow plat recording with a bond of 125% of the infrastructure cost prior to completion of infrastructure development and to issue building permits and permit sale of lots prior to completion of such bonded infrastructure; in accordance with the MZDO as modified by the PDD for this Property.

G. No Additional Development Obligations. The City agrees that the Property is approved and fully vested for intensity, density, development fees, uses and height, and Developer shall not have any obligations to the City for on or off site transportation or other facilities or improvements other than as provided in this Agreement and its attachments and Exhibits, but must adhere to then current PDD, subdivision plat, and development plan procedural guidelines in accordance with the then current MZDO. The City may not impose additional development obligations or regulations in connection with the ownership or development of the Property, except in accordance with the procedures and provisions of § 6-31-80 (B) of the Act, which the Owner, Developer, or Subsequent Developer shall have the right to challenge.

H. Roadway Drainage Systems. Roadways (public or private) may utilize swale drainage systems and are not required to have raised curb and gutter systems in areas of less than one (1) unit to the acre. Roadway cross sections utilizing swale drainage will be designed, constructed and maintained to meet BMP standards (imposed by regulatory agencies) for storm water quality, and provide for pedestrian and non-vehicular pathways and sidewalks to provide

interconnectivity. Typical roadway cross sections will be approved by City Council with the Master Plan submission, and roadway cross sections will be submitted for final approval at the time of proposed construction of such roadway based upon engineering and planning standards consistent with the Master Plan submissions.

I. Plan Review Fees. All plan review fees shall be consistent with the fees charged generally in the City.

XIV. DEVELOPER ENTITLEMENTS.

City acknowledges that Developer is vested with the following items:

A. Water and Sewer Capacity. The City agrees to sell water and sewer capacity to the Developer, Subsequent Developers, or Builders at the City rates in place as of the effective date of the Agreement as provided under the City/BJWSA Agreement for transfer of Assets, plus a Two Hundred Fifty Dollar (\$250.00) administration fee so long as such is available. The Developer or Subsequent Developer shall each have the right to assign any of its water and sewer capacity which it has acquired to third parties and collect administration fees in connection therewith in accordance with Section 5.6 of the City/BJWSA Agreement. The administrative fee shall be payable to the City at the time BJWSA issues its capacity certificate acknowledging payment of the capacity fees.

B. Irrigation. Provided all required permits are obtained, Owner, Developer, or Subsequent Developer or its written designee may own and operate an internal irrigation company and system that serves the Property and the City will grant a franchise and such easements over public rights-of-way as may be reasonably required by the Developer (or Subsequent Developer or its written designee) to implement such irrigation system. The City agrees to cooperate with the Developer or Subsequent Developer or its written designee in connection with providing such irrigation water in connection with the Development of the Property to the extent such cooperation does not violate the terms of the City/BJWSA Agreement to Transfer Assets.

C. Public Transportation. The City will, to the extent available, promote public transportation within the City to service the Property.

D. Telecommunications / Utility Easements The City agrees to grant a non-exclusive franchise for an on-site telecommunications company to Developer on terms consistent with then current franchise agreements. The City agrees that the Owner, Developer, or Subsequent Developer shall not be required by the City to provide easements to any utility companies other than over public rights of way which may be located within the Property. The City agrees to grant easements within public rights-of-way to telecommunication providers which statutes require the City to grant, and/or which Developer or Subsequent Developer authorize, to provide service within the Property, upon payment of applicable franchise fees to the City. Additionally, the City agrees that it will enter into a franchise agreement, on terms consistent with then current franchise agreements to such party providing telecommunication services to the Property, to enable such company to perform such service; provided, however, the City shall have the right to grant other franchises to third party telecommunication companies providing telecommunication services within the City.

E. Drainage Systems. All drainage systems constructed within the Project shall be owned and maintained by one (1) or more Association(s) which may be established for various portions of the Property and the City shall have no responsibility for the construction, operation or maintenance of such systems.

F. Sidewalks/Pathways. Sidewalks and pathways for pedestrians and non-vehicular traffic for the Property shall be governed by the MZDO, subject to the minimum interconnectivity requirement of Section XI(B)(17) above.

G. On-Site Burning. On-site burning will be permitted within the Property upon obtaining applicable permits.

H. Roadway Permitting. The City agrees to cooperate with the Developer and each Subsequent Developer with county, state and federal roadway permitting in connection with the Development of portions of the Property.

I. City Services. City services, including, but not limited to, police, fire, sanitation, recreational parks and other governmental services shall be supplied to the Property in the same manner and to the same extent as provided to other properties within the City, subject to the terms and limitations (if any) of Section XI above. Subject to the terms and limitations of Section XI above (if any), should the Developer require enhanced services beyond those that are routinely provided within the City, then the City agrees that upon the written request of Developer and/or Subsequent Developer, it shall negotiate in good faith with the Developer or Subsequent Developer to provide such enhanced services to the Property upon reasonable terms.

J. Private or Charter Schools. The City shall not oppose private schools, charter schools, and other alternate educational systems which Developer may desire to have located within the Property.

XV. COMPLIANCE REVIEWS.

As long as Owner, Developer, or Subsequent Developer owns any of the Property, Owner, Developer, or Subsequent Developer, as applicable, or their/its designee, shall meet with the City, or its designee, at least once per year during the Term to review Development completed by Owner, Developer, or Subsequent Developer, in the prior year and the Development anticipated to be commenced or completed by Owner, Developer, or Subsequent Developer, in the ensuing year. Owner, Developer, or Subsequent Developer, or their/its designee, shall 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 or certificates of completion received in the prior year, the number of permits anticipated to be issued in the ensuing year, Development Rights transferred in the prior year, and Development Rights anticipated to be transferred in the ensuing year. Owner, Developer, or Subsequent Developer, or their/its designee, shall be required to compile this information, upon forms approved by the City, within a reasonable time after written request by the City.

XVI. DEFAULTS.

The failure of the Owner, Developer, Subsequent Developer or the City to comply with the terms of this Agreement not cured within fifteen (15) days after written notice from the non-defaulting party to the defaulting party (as such time period may be extended with regard to non-monetary breaches for a reasonable period of time based on the circumstances, provided such defaulting party commences to cure such breach within such fifteen (15) day period and is proceeding diligently and expeditiously to complete such cure) shall constitute a default, entitling the non-defaulting party to pursue such remedies as provided for in Section XIX; provided however no termination of this Agreement may be declared by the City absent its according the Developer and any relevant Subsequent Developer the notice, hearing and opportunity to cure in accordance with the Act; and provided any such termination shall be limited to the portion of the Property in default, and provided further that nothing herein shall be deemed or construed to preclude the City or its designee from issuing stop work orders or voiding permits issued for Development when such Development contravenes the provisions of the Zoning Regulations or this Agreement. A default as to construction of the On-Site Roads and Near-Site Roads necessary to service the Property and the traffic generated from the Property is a default hereunder, and Developer and Subsequent Developers, as applicable, will have to cure such default. Notwithstanding issues dealing with the construction of the On-Site Roads and Near-Site Roads, a default of the Developer shall not constitute a default by Subsequent Developers, and default by Subsequent Developers shall not constitute a default by the Developer. The parties acknowledge that individual residents and owners of completed buildings within the Project shall not be obligated for the obligations of the Developer or Subsequent Developer set forth in this Agreement.

XVII. MODIFICATIONS OF AGREEMENT.

This Agreement may be modified or amended only by the written agreement of the City, Owner, Developer, and their successors and assigns; such written agreement may be by resolution or ordinance at the City's sole discretion, unless required by statute to be made by ordinance. No statement, action or agreement hereafter made shall be effective to change, amend, waive, modify, discharge, terminate or effect an abandonment of this 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.

This Agreement may be modified or amended as to a portion of the Property only by the written agreement of the City and the owner of said portion of the Property. No statement, action or agreement hereafter made shall be effective to change, amend, waive, modify, discharge, terminate, or effect an abandonment of this Agreement in whole or in part unless such change, amendment, waiver, modification, discharge, termination or abandonment is sought to be enforced.

If an amendment affects less than all the persons and entities comprising the owners of the Property, then only the City and those affected persons or entities need to sign such written amendment. Because this Agreement constitutes the plan for certain planned unit development under the City's zoning ordinance, minor modifications to a site plan or to development provisions are authorized to be made without a public hearing or amendment to applicable ordinances. Any requirement of this Agreement requiring consent or approval of one of the Parties shall not require

amendment of this Agreement unless the text or statutes expressly require amendment, and such approval or consent shall be in writing and signed by the affected parties. Wherever said consent or approval is required, the same shall not be unreasonably withheld.

XVIII. 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. Until different addresses are provided, all notices, demands, requests, consents, approvals or communications to the City shall be addressed to the City at:

City Manager
City of Hardeeville, SC
205 East Main Street
P.O. Box 609
Hardeeville, South Carolina 29927

And to Developer at:

Mr. T. Michael Copeland
Sherwood Village, LLC
P.O. Box 11665
Columbia, SC 29211

Mr. Joseph C. Lassiter
Sherwood Village, LLC
4505 Falls of Neuse Road
Suite 270
Raleigh, NC 27609

With Copy To:

D. Thomas Johnson, Jr., Esq.
Law Offices of Darrell Thomas Johnson, Jr.
P.O. Box 1125
Hardeeville, SC 29927

J. Michael Ey, Esq.
McNair Law Firm, P.A.
P.O. Box 11390
Columbia, SC 29211

XIX. ENFORCEMENT.

Each Party recognizes that the other Party would suffer irreparable harm from a material breach of this Agreement, and that no adequate remedy at law exists to enforce this Agreement. Consequently, the Parties agree that any Party or their successors and/or assigns who seeks enforcement of the Agreement is entitled to the remedies as provided in the Act, and is entitled to the remedies of injunction and specific enforcement but not to any other legal or equitable remedies,

including, but not limited to damages; provided, however, the Owner, Developer, or Subsequent Developer, as applicable, shall not forfeit its right to just compensation for any violation by City of Owner's, Developer's, or Subsequent Developers' Fifth Amendment rights.

XX. GENERAL.

A. Subsequent Laws In the event state or federal laws or regulations are enacted after the execution of this 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 Agreement ("New Laws"), the provisions of this 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 Developers and Subsequent Developer(s) and the City 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 Agreement. During the time that these parties are conferring on such modification or suspension or challenging the New Laws, the City 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 Agreement. In addition, the Developer, Subsequent Developers and the City each shall have the right to challenge the New Law preventing compliance with the terms of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

B. Estoppel Certificate. The City, Owner, Developer, or any Subsequent 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 Agreement is in full force and effect,
2. ___that this 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 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, or both, would constitute a default and, if so, specifying each such event.

C. Entire Agreement This Agreement sets forth, and incorporates by reference all of the agreements, conditions and understandings among the City, Owner, and Developer relative to 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.

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

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

F. Construction. The parties agree that each party and its counsel have reviewed and revised this 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 Agreement or any amendments or exhibits hereto.

G. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid and unenforceable provision were omitted.

H. Assignment. No sale, transfer or assignment of all portion of the Property, or creation of a joint venture or partnership, shall require the amendment of this Agreement.

I. Right to Assign. Owner, Developer, and/or Subsequent Developers shall have the right to sell, transfer, ground lease, or assign Development Rights associated with the Property in whole or in part to any Person (an "Assignee") upon written notice to the City in accordance with the notification provisions of Section V(A) herein; provided, however, that the sale, transfer, or assignment of any right or interest under this Agreement shall be made only together with the sale, transfer, ground lease, or assignment of all or a portion of the Property subdivided in accordance with subdivision plats approved under the Zoning Regulations. Concurrently with such sale, transfer, ground lease, or assignment, Owner, Developer or Subsequent Developers shall (i) notify City in writing of such sale, transfer, or ground lease, and (ii) Owner, Developer or Subsequent Developer and Assignee shall provide a written assignment and assumption agreement in form reasonable acceptable to the City pursuant to which the Assignee shall assume and succeed to the rights, duties, and obligations of Owner, Developer or subsequent Developer with respect to the parcel or parcels of all or a portion of the Property so purchased, acquired, or leased. Owner, Developer, or Subsequent Developer shall continue to be obligated under this Agreement with respect to all portions of the Property retained by Owner, Developer or Subsequent Developer. Owner, Developer or Subsequent Developer shall also remain obligated with respect to the dedication and installation of all associated infrastructure improvements regarding the roads and the other public infrastructure to be provided by Owner and/or Developer under this Agreement, unless a Municipal Improvement District or special assessment district providing for the construction of such infrastructure has been created and funded. A default as to construction of the On-Site or Near-Site Roads necessary to service the traffic loads associated with the Property, their associated infrastructure or other public infrastructure is a default hereunder, and Owner and/or Developer shall have to cure such default, unless it shall have been explicitly released from responsibility for such in whole or in part by resolution of City Council. It is expressly acknowledged that Owner intends to assign certain rights and obligations for public infrastructure to Developer, and Developer to Subsequent Developers, and the form of the Partial Assignment of Rights and Obligations Under Development Agreement attached as Exhibit D is accepted and approved by the City as being

effective in transferring the obligations and rights to be set forth therein, with Owner, Developer or Subsequent Developer released from those responsibilities enumerated, if, and only if, Hardeeville City Council approves any such Owner, Developer or Subsequent Developer release in the future, based upon the financial ability of the proposed Assignee to perform such obligations, which approval shall not be unreasonably withheld.

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

K. Counterparts. This 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.

L. 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 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.

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

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

O. Effective Date. The Effective Date of this Agreement shall be the date the Agreement is signed by all parties, and if the parties do not sign on the same date, the date on which it is signed by the last party.

P. Approvals. For any approval required to be given by a party or their successors and/or assigns, such approval shall not be unreasonably withheld.

XXI. STATEMENT OF REQUIRED PROVISIONS.

The Act requires that a development agreement must include certain mandatory provisions, pursuant to Section 6-31-60 (A). Although certain of these items are addressed elsewhere in this 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:

A. Legal Description of Property and Legal and Equitable Owners. The legal description of the Property is set forth in Exhibit A attached hereto. The present legal owner of the Property is Sherwood Plantation, Inc. Sherwood Village, LLC (Developer) is an equitable owner of the property pursuant to an option to purchase with Owner.

B. Duration of Agreement. The duration of this Agreement shall be as provided in Section III.

C. 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 Zoning Regulations. Based on prior experience with the type of Development contemplated by the Zoning Regulations, it is estimated that the average size household of the Property will be 2.2 persons. Based on the Presumed Density build out, the population density of the Property is anticipated to be no more than 8,140 persons.

D. Required Public Facilities. The utility services available to the Property are described generally above regarding water service, sewer service, cable and other telecommunication services, gas service, electrical services, telephone service and solid waste disposal. The mandatory procedures of the Zoning Regulations and this Agreement will ensure availability of roads and utilities to serve the residents on a timely basis.

E. Dedication of Land and Provisions to Protect Environmentally Sensitive Areas Requirements relating to land transfers for public facilities are set forth in Section XII above and Exhibit F. The Zoning Regulations described above, and incorporated herein, contain numerous provisions for the protection of environmentally sensitive areas. All relevant State and Federal laws will be fully complied with, in addition to the important provisions set forth in this Agreement.

F. Local Development Permits The Development standards for the Property shall be as set forth in the Zoning Regulations. Specific permits must be obtained prior to commencing Development, consistent with the standards set forth in the Zoning Regulations. Building Permits must be obtained under applicable law for any vertical construction, and appropriate permits must be obtained from the DHEC and the U.S. Army Corps of Engineers, when applicable, prior to any impact upon freshwater wetlands. It is specifically understood that the failure of this Agreement to address a particular permit, condition, term or restriction does not relieve the Owner, Developer, or Subsequent Developer, as applicable, and their successors and assigns, of the necessity of complying with the law governing the permitting requirements, conditions, terms or restrictions, unless otherwise provided hereunder.

G. Comprehensive Plan and Development Agreement The Development permitted and proposed under the Zoning Regulations and permitted under this Agreement is consistent with the Comprehensive Plan and with the land use regulations of the City, which include a Planned Development District for the Property.

H. Terms for Public Health, Safety and Welfare. The City 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 Agreement, the Zoning Regulations and existing laws.

I. Historical Structures. Any cultural, historical structure or sites will be addressed through the applicable federal and state regulatory and permitting process at the time of development.

WITNESSES:

City of Hardeeville, South Carolina

Witness
Tem

By: _____ (SEAL)
~~Rodney Cannon~~ A. Brooks Willis, Mayor Pro

Notary

Attest: _____
Cynthia Thompson, Clerk to Council

STATE OF SOUTH CAROLINA

)

ACKNOWLEDGMENT

)

COUNTY OF JASPER

)

I HEREBY CERTIFY, that on this ____ day of _____, 2007, before me, the undersigned Notary Public of the State and County aforesaid, personally appeared A. Brooks Willis, Mayor Pro Tem ~~Rodney Cannon, Mayor~~, and Cynthia Thompson, Clerk to Council, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within document, as the appropriate officials of the City of Hardeeville, South Carolina, who acknowledged the due execution of the foregoing document.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above mentioned.

Notary Public for South Carolina

My Commission Expires: _____

EXHIBIT A

TO DEVELOPMENT AGREEMENT

PROPERTY DESCRIPTION

ALL that certain piece, parcel or tract of land, with improvements thereon, located in Jasper County, South Carolina, known as Sherwood Plantation, containing 1,536.522 Acres, more or less, as more particularly shown and described on a plat entitled "Boundary Survey Prepared for Dowling Family", prepared by Beaufort Surveying, Inc., certified by David S. Youmans, R.L.S. (S.C. #9765), and recorded in the Office of the Clerk of Court for Jasper County, South Carolina in Plat Book 28 at Page 217 on October 6, 2005 (the "Plat"). For a more detailed description as to metes and bounds, reference may be had to the above described Plat of record.

TM: 030-00-01-007 ~~and 030-00-01-013~~
030-00-00-017
040-00-02-124
040-00-02-125

EXHIBIT B

TO DEVELOPMENT AGREEMENT

SHERWOOD TRACT PLANNED DEVELOPMENT DISTRICT STANDARDS

The Sherwood Tract Planned Development District Standards for the Property hereunder, as approved by the City Council on February 15, 2007 is hereby incorporated into this Agreement by reference, to include all drawings, plans, narratives and documentation submitted therewith, and the MZDO dated March 20, 2003, as amended through the date of this Agreement, as fully as if attached hereto. The parties hereto may elect to physically attach said documents hereto, or may rely upon the above stated incorporation by reference, at their discretion.

EXHIBIT C
TO DEVELOPMENT AGREEMENT
SHERWOOD TRACT PLANNED DEVELOPMENT DISTRICT ORDINANCE

EXHIBIT D
TO DEVELOPMENT AGREEMENT
FORM OF PARTIAL ASSIGNMENT OF RIGHTS AND OBLIGATIONS

Assignee hereby assumes and agrees to perform all of Assignor's rights, privileges and obligations as described in the Development Agreement, applicable to the Transferred Property, except for the Excluded Obligations. Assignee acknowledges receipt of the Development Agreement and all Exhibits thereto and agrees to be bound by the terms thereof and to develop the Transferred Property in accordance with such terms. The rights and obligations hereby assigned and assumed shall be covenants running with the land, binding upon the parties hereto and their successors and assigns.

2. Excluded Obligations. The following are hereby excluded from Assignor's assignment and Assignee's assumption herein:

a. the obligations of Owner to pay fees set forth in the Development Agreement, including

i. the obligation to pay any and all Development Fees identified in Article XII(K) of the Development Agreement, as said Development Fees relate to the Retained Property only; and,

ii. the obligation of the Owner to comply with the terms of Article XII(I) of the Development Agreement, concerning the payment of Administrative Charges, as said Administrative Charges relate to the Retained Property, only; and,

b. the obligations of Owner to construct and convey the On-Site Roads, and to construct the required Near-Site Roads, as said obligations are set forth in Article XI(B) and Exhibit F of the Development Agreement;

provided, however, Assignee assumes the obligations to pay any and all Development Fees identified in Article XII(K) of the Development Agreement as they relate to the Transferred Property, and to pay any and all Administrative Charges related to the Transferred Property and the transfer of it by Assignor to Assignee, as said obligations are set forth in Article XII(I) of the Development Agreement.

3. Enumeration of Specific Rights, Privileges and Obligations Being Assigned and Assumed. For purposes of illustration only, and not as a limitation on the assignment and assumption effectuated by Paragraph 1 above, Assignor hereby assigns and Assignee hereby assumes and agrees to perform and be bound by the following:

a. Assignor shall assign and does hereby transfer to Assignee all of Assignor's rights, title and interest to develop up to _____ Dwelling Units and up to _____ acres of Commercial development and _____ square feet of _____ (type of commercial development) ("Development Rights"); and

b. Assignee assumes the obligation to pay any fees identified in Article XII, Conveyances and Contributions, Development Fees, of the Development Agreement, as they relate to the Transferred Property, other than as set forth in Paragraph 2(a) and (ii) above; and

c. ___Assignee assumes a proportionate obligation of Owner to construct and/or convey ___ Roads, as said obligations are set forth under Section XII(B), and Exhibit F of the Development Agreement, in the amount of _____%; and

d. ___Assignee assumes a proportionate obligation of Owner to convey and construct, if applicable, the Police Site, the Fire Site, the Park Site, and the School Site(s), as said obligations are set forth under Article XI (A)(B)(C) and (D) of the Development Agreement, as said sites are depicted on the Conceptual Master Plan or as may be otherwise mutually agreed between Assignee and City in the future, in the amount of _____%; and

e. ___The parties hereto agree that Assignor and Assignee may cooperate toward a joint Municipal Improvement District for infrastructure improvements, as provided in the Development Agreement, or alternatively, either may pursue such financing options separately as to their respective properties as described hereunder, subject to approval by the City of specific terms thereof; and

f. ___Assignor reserves the rights to certain credits against development fees as set forth in separate agreement by Assignor and Assignee. Assignee and Assignor will cooperate and take all steps necessary to reflect this arrangement as it relates to the allocation of credits and provide that information to the City on an ongoing and as needed basis.

4. Consent and Release by City. By its signature below and the attachment of a properly adopted Resolution, City hereby acknowledges the assignment of development rights and obligations as set forth herein, and specifically approves the assumption of the obligation set forth above, and releases Sherwood Village, LLC, from the obligations of the Development Agreement which are assumed by Assignee under this Partial Assignment and Assumption Agreement, provided that the Transferred Property is actually conveyed to Assignee within _____ months hereof. Any further assignments by the original Owner, Sherwood Village, LLC, or by Assignee, must be approved by City, consistent with the terms of the Development Agreement.

5. Default and Enforcement of Provisions. As provided in Section XVI of the Development Agreement and as herein provided, upon the failure of Assignor or Assignee to comply with the terms of the Development Agreement and this Partial Assignment and Assumption incident to the Property, the non-defaulting party may pursue any and all legal or equitable remedies, including specific performance, against the defaulting party.

6. Indemnification. Assignee agrees to indemnify, defend and hold harmless Assignor, its agents, principals, successors and assigns, and their affiliates from and against all losses, costs, damages or other matters arising out of any breach by Assignee of the Development Agreement.

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

As to Assignee:

With a required copy to:

To Assignor:
Sherwood Village, LLC
Mr. T. Michael Copeland
P.O. Box 11665
Columbia, SC 29211

Mr. Joseph C. Lassiter
4505 Falls of Neuse Road
Suite 270
Raleigh, NC 27609

With a required copy to:
D. Thomas Johnson, Jr., Esq.
Law Offices of Darrell Thomas Johnson, Jr.
P.O. Box 1125
Hardeeville, SC 29927

J. Michael Ey, Esq.
McNair Law Firm, P.A.
P.O. Box 11390
Columbia, SC 29211

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

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

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

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

Signed, sealed and delivered
in the presence of:

ASSIGNEE:

Witness

By:_____

Notary

By:_____

Name Printed:_____

Its:_____

STATE OF SOUTH CAROLINA
COUNTY OF _____

)
)
)

ACKNOWLEDGMENT

I, the undersigned Notary Public for South Carolina, do hereby certify that _____, as _____ of _____, 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 seal this _____ day of _____, 200 ____.

Notary Public for South Carolina
My commission expires:

Signed, sealed and delivered
in the presence of:

WITNESSES:

HARDEEVILLE, SOUTH CAROLINA

By: _____

Its: _____

STATE OF SOUTH CAROLINA

)

)

ACKNOWLEDGMENT

COUNTY OF JASPER

)

I HEREBY CERTIFY, that on this ____ day of _____, 200__, before me,
the undersigned Notary Public of the State and County aforesaid, personally appeared
_____, known to me (or satisfactorily proven) to be the person whose
name is subscribed to the within document, as the appropriate officials of the City of
Hardeeville, South Carolina, who acknowledged the due execution of the foregoing document.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day
and year last above mentioned.

Notary Public for South Carolina
My Commission Expires: _____

EXHIBIT E
TO DEVELOPMENT AGREEMENT
DEVELOPMENT SCHEDULE

Development of the Property is expected to occur over the twenty (20) year term of the Agreement, with the sequence and timing of development activity to be dictated largely by market conditions. The following estimate of expected activity is hereby included, to be updated by Developer as the development evolves over the term:

Type of Development	Year(s) of Commencement / Total Completion				
	2010	2015	2020	2025	2030
Commercial (square ft)	450,000	6,000,000	1,150,000		
Multifamily/Apartments (785 units)	200	350	235		
Residential, Single Family (1,165 units)	200	650	315		
Mixed Use (1,750 units)	100	450	1200		

TOTAL 3,700 Residential Dwelling Units
7,600,000 commercial square footage

As stated in the Development Agreement, Section VII, actual development may occur more rapidly or less rapidly, based on market conditions and final product mix.

EXHIBIT F

TO DEVELOPMENT AGREEMENT

ROAD DESCRIPTIONS AND SCHEDULING

A. GENERAL CONSIDERATIONS FOR THE ALLOCATION OF COST SHARING FOR TRANSPORTATION INFRASTRUCTURE IMPROVEMENTS

1. The City, Owner and Developer recognize that the viability and market potential of the Property are highly dependent upon surface transportation access and mobility within; entering and exiting; and mobility surrounding the Property. The foundation of this Agreement is premised on the mutual understanding by and between the Owner, Developer and the City that any existing, proposed or contemplated transportation improvements, modifications or adjustments are intended to, at a minimum, maintain, and when possible improve upon, the safety, capacity and operational conditions of the on-site, near-site and off-site transportation systems for the traveling public.

2. The City, Owner and Developer further recognize that transportation improvements must be constructed in a manner, degree and rate which are commensurate with, and for the support of, the proposed development, occupancy and travel patterns associated with or resulting from development of the Property. The determination of necessary improvements will be identified through the preparation of comprehensive Traffic Impact Assessments by qualified professionals, and in accordance with the City standard requirements. A Conceptual Master Plan Traffic Impact Assessment (“Conceptual Master Plan TIA”) will be commissioned identifying road impact impacts necessary to mitigate the development impacts of the entire proposed Project, utilizing information from this Agreement and the PDD to identify certain base-line requirements for an adequate road system that would avoid failing Levels of Service, defined as LOS D. Each discrete development component of subsequent Master Plan submittals will require a individual Development Traffic Impact Assessment (“Development TIA”) prior to, or concurrent with, the final review and approval of such Development component. The individual Development Traffic Impact Assessment is a stand-alone document which evaluates both the individual, as well as the cumulative consequences, of the proposal. Prior to the authorization by the City to the Developer and/or or Subsequent Developer for the approval of any types of traffic-generating or traffic-receiving facilities or structures, the Developer and/or Subsequent Developer must provide adequate proof that the proposal will not have an adverse affect on the transportation system to the traveling public, or that subject to the limitations of Section C(3) of this Exhibit, the Developer and/or Subsequent Developer has made or will make adequate provisions to mitigate any induced operational, capacity or safety concerns which may result from the Development. This will be accomplished through the preparation of the Traffic Impact Assessment prepared by the Developer and/or Subsequent Developer to the satisfaction of the City.

3. The City, Owner and Developer further recognize that transportation improvements to support the viability of the Development of the Property will also have an inherent

and tangible benefit to abutting and/or adjoining private and public properties; to local and regional transportation operations and efficiencies; and to the overall regional modal mobility.

4. ___ Developer has identified initial transportation improvements which are believed to be necessary to support the land uses contemplated in this Agreement, those from adjacent properties, and/or those that will arise from the generalized development of the region. Those transportation improvements are identified and described in Section B of this Exhibit F. For the purposes of this Agreement those improvements are also categorized as on-site, near-site and off-site improvements, or combinations thereof, based upon the intent of the operational function. The specifics, scheduling and degree of the improvements (e.g. the actual number of lanes, extent of auxiliary lanes and turning lanes, etc) will require substantiation and confirmation through the preparation of both a Conceptual Master Plan TIA for the entire Property, and individual and specific Development Traffic Impact Assessments for each Master Plan PDD submission.

5. ___ On-site Road improvements are those improvements which are contained within the boundaries of the Property and may have multiple functions of service for traffic within the Property or which pass through the Property. Near-site Road improvements are identified as those improvements which are partially within the Property or which are immediately adjacent to the Property. Off-site Road improvements are those improvements which extend some distance away from the Property and are typically associated with access between the Property and the regional transportation network.

6. ___ The City may, at the time of Master Planning of the individual parcels for Owner, Developer, and/or Subsequent Developers, require the Owner, Developer, and/or Subsequent Developer to make certain road improvements as may be identified in the Development TIA as necessary to mitigate the traffic impacts of the proposed development, or conversely, assign responsibility of all or a portion to others. The Development TIA shall be performed by a qualified Traffic Engineer acceptable to the City. The responsibility of the traffic mitigation to improve roads to avoid a failing Level of Service is a responsibility and an obligation that may be transferred by the “Partial Assignments of Rights and Obligations”, upon the terms and conditions of this Agreement. These traffic impact assessments may modify the timing and design specifications of Specific Road Elements set forth below.

B. ___ SPECIFIC ROAD ELEMENTS

The spine road construction includes the construction of the major road system on and through the Property as well as the construction of the portion of the Highway 278-A from the eastern property boundary to and including an interchange at Exit 3 with I-95, and from Highway 17 to Highway 46. In addition, included in the estimates is the extension of a southern Connector street, named Purrysburg Road Connector, from Exit 3 at I-95 through the Property with an intersection with Highway 17 and on to an intersection with Highway 46. The specifics, scheduling, and degree of improvements may be subject to change pending the preparation of the Conceptual Master Plan TIA and the individual Development TIA as noted above. I-95 Exit 3 improvements have been intentionally omitted, but may become a required element as development of this and other properties develop. The City agrees to use its best efforts to obtain approval for the creation of the new I-95 Exit 3 interchange which likely will require a cooperative public-private effort, including

both Jasper and Beaufort Counties the State of South Carolina, and the federal government. Rights of Way set forth below are conceptual and are subject to change, as noted above.

1. __ Highway 278-A from Highway 17 through the Property and the Hardeeville Tract: 9,600 LF, four and six lanes with median and turn lanes, 150' ROW,
2. __ Highway 278-A from Highway 17 intersection to Highway 46: 10,500 LF, four and six lanes with median and turn lanes, 150' ROW,
3. __ Purrysburg Road Connector within the Property boundaries to service the business park at the intersection of Highway 17: 12,580 LF, four lane with graduated turn lanes where needed, 150' ROW,
4. __ 3a. Purrysburg Road Connector from northwestern Property boundary to I-95: 150' ROW, 3,250 LF,
5. __ North/South Spine Road from Purrysburg Road Connector to residential: 3,380 LF, four lane with graduated turn lanes where needed, 120' ROW,
6. __ East/West Spine Road from Highway 17 to residential: 1,100 LF, four lane with graduated turn lanes where needed, 120' ROW,
7. __ North/South Spine Road from Highway 278-A through Multi-Family Tract: 2,500 LF, four lane with graduated turn lanes where needed, 120' ROW,
8. __ Purrysburg Road from the Property to Purrysburg Road Connector: 3,000 LF, four lane with graduated turn lanes where needed, 150' ROW,
9. __ Purrysburg Road Connector from the southern property boundary to Highway 46: 13,500 LF, four lane with graduated turn lanes where needed, 150' ROW,
10. __ I-95 interchange with Highway 17, resurface bridge, build on/off ramps, signalize, signage,
11. __ East/West Spine Road intersection with Highway 17, fully signalized, double left turn lanes, single right turn lanes,
12. __ North/South Spine Road intersection with Purrysburg Road Connector, fully signalized, double left turn lanes, single right turn lanes,
13. __ Purrysburg Road Connector intersection with Highway 17, fully signalized, double left and right turn lanes,
14. __ Purrysburg Road Connector intersection with Highway 46, fully signalized, single left and right turn lanes,

15. ___North/South Spine Road intersection with Highway 278-A, fully signalized, one extra straight lane for stacking into mall site, double left turn lanes, single right turn lanes,

16. ___Highway 278-A intersection with Highway 17, fully signalized, one extra straight lane for stacking into mall site, double left turn lanes, single right turn lanes

17. ___Highway 278-A intersection with Highway 46, fully signalized, double left turn lanes, single right turn lanes,

Total Length: 59,410 LF

C. ___COST SHARING METHODOLOGY.

1. ___The City recognizes and acknowledges that timely development of the above referenced roads is essential to the Development of the Property, particularly those portions of the roads that are clearly directly related to the Development of the Property. Further, the Parties recognize and acknowledge that the costs of these road improvements are to be shared by several entities and that Developer is equitably responsible for only a portion of the costs of the road improvements, being those necessary to adequately service the proposed development on the Property to prevent an inadequate level of Service (LOS D) on the transportation system. The Parties recognize and acknowledge that each entity responsible for a portion of the costs of these roads may be unable to have its funding in place in the time or manner that allows for the timely development of these roads. It is for this reason that a mechanism is included in this Agreement to allow the Developer to move forward with development of portions of these roads even if funding from other entities is not in place.

2. ___In so much as the Developer agrees to fund and construct transportation improvements for the mutual and shared benefit of Developer; adjoining private and public properties; local and regional transportation operations and efficiencies; and overall mobility for the region, an allocation of cost sharing is required. The purpose and structure of the cost sharing will be developed with the intent that the Developer and/or Subsequent Developer responsible for the funding and construction of the improvements may recover equitable and incremental amounts of financial compensation to offset some portion of Developer's initial cost burden for funded and constructed improvements.

3. ___The actual pro-rata distribution of cost allocations and sharing will be re-visited and refined or adjusted as necessary for the duration of this Agreement. The basis for the refined or adjusted pro-rata cost sharing will stem from the professional interpretation of outputs resulting from the most-current population data and maintenance input of the regional travel demand model for Jasper County, and the utilization of the Conceptual Master Plan TIA and individual Development TIAs prepared for this and other projects impacting the regional road system servicing the Property. The Jasper County Regional Travel Demand Model is being expressly developed for the purposes of transportation planning throughout the area and will provide a more definitive estimate of on-site trips, through trips, pass-by trips, origins and destinations of trips, and local and

regional travel patterns. It is understood and agreed that when the Conceptual Master Plan Traffic Impact Assessment is completed for the Property, and approved by the City, responsibility for the required improvements will be assessed to the Owner and/or Developer as applicable. There will not be a reassessment of traffic mitigation responsibility against the Owner, Developer, or any Subsequent Developer, once the initial assessment of responsibility is assigned and approved based upon the Conceptual Master Plan TIA. Provided, however, in the event Developer and/or a Subsequent Developer submits a Master Plan with an individual Development TIA, which deviates from the basis of the assignment of responsibility presumed in the Conceptual Master Plan TIA, there may be a reassessment of road mitigation responsibility against such Developer and/or Subsequent Developer.

4. _____

~~E.~~ City agrees to use its best efforts to ensure that each entity responsible for a portion of the costs of these road improvements has its respective funding mechanism in place as the road improvements become necessary.

5. _____

~~E.~~ Developer may at any time request the City to provide documentation that each entity responsible for a portion of the costs of these road improvements has its respective funding mechanism in place. The City's response to the request must be provided to the Developer within forty-five (45) business days of the City's receipt of the request. If such documentation is not timely provided, or if Developer is not satisfied that the funding mechanisms are in place, or scheduled to be in place when necessary for construction of the relevant road improvements, then Developer may implement or provide for the implementation of part or all of these roads. The determination of which of the roads to implement, and upon what schedule, is in the discretion of the Developer, provided the required Traffic Impact Assessment validates the ability of the road improvements proposed to provide adequate service for the Development. Costs incurred by Developer and/or Subsequent Developer, as applicable, for these road improvements in excess of their financial obligation for these road improvements as provided in this Agreement shall be reimbursed by the City by credits against Road Development Fees or from the first monies available to the City from the other entities that have a financial obligation for these road improvements, as appreciated by the time value of the monies advanced by the Developer and/or Subsequent Developer as measured by the Adjustment Factor, to the extent such are available.

~~F.~~ 6. _____ It is expressly acknowledged and agreed that the purpose of the Conceptual Master Plan TIA and individual Development TIAs and the methodologies set forth above is to provide a mechanism by which the Owner, Developer, and/or Subsequent Developers address the traffic impacts created by the Development of the Property, and to the extent reasonably practical, avoid conferring a windfall upon other developers arising from the construction undertaken by Owner, Developer or Subsequent Developers. The City cannot warrant the collection and recoupment of monies from other developers who might use the roads referenced herein, but does agree to use its best efforts to fairly apportion responsibility for the road improvements and effectuate the agreements contained herein whose purpose is to recoup those expenditures made by Owner, Developer, and/or Subsequent developers that are beyond that required to address the traffic impacts of the Development of the Property.



**EXHIBIT G
TO DEVELOPMENT AGREEMENT
COMMERCIAL FEES**

Land Use Type	Offsite Roads	Near and On-Site Roads	Police	Fire	Park	Library	Schools	TOTAL
GENERAL								
Hotel/Motel (Per Room)	\$990.00	\$2,500.00	\$400.00	\$400.00	\$481.00	-	-	\$4,771.00
Bed & Breakfast (Per Room)	\$742.00	\$1,250.00	\$400.00	\$400.00	\$481.00	-	-	\$3,273.00
OFFICE								
General Office (per 1,000 s.f.)	\$990.00	\$1,500.00	\$400.00	\$400.00	-	-	-	\$3,290.00
Medical Office (per 1,000 s.f.)	\$1,980.00	\$3,500.00	\$400.00	\$400.00	-	-	-	\$6,280.00
RETAIL/COMMERCIAL								
Retail under 100,000 s.f. (per 1,000 sq. ft.)	\$1,237.50	\$3,500.00	\$400.00	\$400.00	-	-	-	\$5,537.50
Retail 100,000 to 499,99 s.f. (per 1,000 sq. ft.)	\$1,188.00	\$3,250.00	\$400.00	\$400.00	-	-	-	\$5,238.00
Retail over 500,000 s.f. (per 1,000 sq. ft.)	\$1,138.50	\$3,000.00	\$400.00	\$400.00	-	-	-	\$4,938.50
Gasoline/Convenience Store (per pump)	\$2,970.00	\$5,000.00	\$400.00	\$400.00	-	-	-	\$8,770.00
Day Care Center (each)	\$1,732.50	\$2,000.00	\$120.00	\$200.00	-	-	-	\$4,052.50
Hospital (per bed)	\$792.00	\$2,000.00	\$120.00	\$200.00	-	-	-	\$3,112.00
Nursing Home & Assisted Living (per bed)	\$148.50	\$1,250.00	\$120.00	\$200.00	-	-	-	\$1,718.50
Movie Theatres (per seat)	\$35.00	\$100.00	\$5.76	\$5.76	-	-	-	\$146.52
Golf Course (per acre)	\$247.50	\$500.00	\$96.00	\$288.00	-	-	-	\$1,131.50
INDUSTRIAL								
Warehousing (per 1,000 s.f.)	\$396.00	\$600.00	\$58.00	\$600.00	-	-	-	\$1,654.00
General Industrial (per 1,000 s.f.)	\$495.00	\$600.00	\$58.00	\$600.00	-	-	-	\$1,753.00

**Uses not listed above will be compared against the listed uses and the most appropriate category will be applied.*

*** All fees are based upon 2005 values and are subject to the Annual Adjustment factor from that Date.*

**EXHIBIT H
TO DEVELOPMENT AGREEMENT**

INDUSTRIAL/COMMERCIAL CREDIT

The Sherwood Tract PDD contains a significant proportion of industrial and commercial acreage, in excess of that minimum amount guaranteed by similar Planned District Developments (Argent West and Argent East). To recognize the additional tax base industrial and commercial development provides in excess of residential, credits against the average \$180,000 valuation of residential property required in this Development Agreement will be provided as set forth in the Table below upon the following terms and conditions.

TERMS AND CONDITIONS

No credit shall be given for the first 100 acres of commercial development, excluding Light Industrial (as defined in the Sherwood Tract PDD). Thereafter, subject to the requirement that average assessed value not be reduced beyond a floor of \$120,000.00, credit shall be given for both commercial and industrial development.

Table 1 -Estimate results using year 15 analysis point

Minimum average residence value	Reduction in minimum average residence value (%)	Light industrial/ Commercial assessed valuation required in year 15 to break even (millions)	Difference in industrial/Commercial valuation from base case (millions)
\$180,000		\$3.11	
170,000	5.56	8.15	\$5.04
160,000	11.11	13.20	10.09
150,000	16.67	18.24	15.13
140,000	22.22	23.28	20.17
130,000	27.77	28.42	25.21
120,000	33.32	33.56	30.25

A reduction in minimum average residence value of \$10,000 (or 5.56%) is offset by Industrial/Commercial development with an assessed value of \$5.04 million in the fifteenth year. In other words, each \$1 million of light Industrial/Commercial assessed valuation in year 15 will offset a 1.1% reduction in minimum average residence value.

The values given in Table 1 assume that the minimum residence value is reduced for the entire residential development. However, they can be used to determine the equivalent reduction if only a portion of the development is to be assigned a reduced residence value.

For example:

Suppose the developer wants a 10 percent reduction on 25 percent of the residential development. A 10 percent reduction on the entire development would require \$9.09 million of industrial/commercial assessed valuation in year fifteen (10% divided by 1.1% = 9.09). If only 25 percent of the development were to be allowed a reduced minimum value, then the required industrial/commercial development would be \$2.27 million (\$9.09 million x 0.25)