

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

STATE OF SOUTH CAROLINA) PUBLIC-PRIVATE PARTNERSHIP
) AGREEMENT BETWEEN TOWN OF
) SUMMERVILLE, TOWN OF SUMMERVILLE
) REDEVELOPMENT CORPORATION AND
COUNTY OF DORCHESTER) APPLEGATE & CO.

THIS PARTICIPATION AGREEMENT is made and entered into as of July 9, 2014 by and between the Town of Summerville, a body corporate and a municipal corporation of the State of South Carolina (the “TOWN”), the Town of Summerville Redevelopment Corporation (“RDC”), a 501(c)(4) nonprofit organization, and Applegate & Co., a corporation incorporated under the laws of the State of South Carolina (“DEVELOPER,” and together with the TOWN and RDC, “PARTIES”).

WHEREAS, the TOWN owns approximately 1.58 acres of property located in downtown Summerville along West Richardson Avenue, specifically known as TMS# 137-07-4-002 and TMS# 137-07-04-005 (together, “TOWN PROPERTY”), and, in seeking to accelerate continued revitalization of its downtown, openly soliciting a Request-for-Proposals for private development of the TOWN PROPERTY; and

WHEREAS, the TOWN received a high quality proposal from the DEVELOPER for a mixed-use development that includes a hotel, residential units and retail space the TOWN considers beneficial to the economic growth of Summerville; and

WHEREAS, the DEVELOPER has entered into a contract to purchase approximately 0.65 acres of property adjacent to the TOWN PROPERTY, specifically known as TMS# 137-07-04-004 and TMS# 137-07-04-003 (“DEVELOPER PROPERTY”, and together with the TOWN PROPERTY, “PROJECT SITE” as illustrated in Exhibit A); and

WHEREAS, public infrastructure improvements, including a public parking garage, a conference center and streetscape improvements are necessary to service the proposed project as well as future development in the area; and

WHEREAS, the TOWN desires to facilitate the development of both public and private improvements through strategic capital investments, financial assistance and conveyance of a portion or all of the TOWN PROPERTY; and

WHEREAS, the TOWN established the RDC to facilitate financing and funding for various community and economic development projects within the municipal limits of Summerville, and desires to create a partnership to provide for the efficient and timely development of the proposed project; and

WHEREAS, the PARTIES are interested in entering into agreements to formalize responsibilities of each party for the PROJECT.

NOW THEREFORE, KNOW ALL BY THESE PRESENTS that the TOWN, RDC and DEVELOPER in consideration of the premises and the mutual covenants and agreements herein contained do hereby agree as follows:

1. DEVELOPER COMMITMENTS.

a. DEVELOPMENT RESPONSIBILITY AND CAPITAL INVESTMENT.

- i. DEVELOPER will procure all necessary easements or property rights and construct a new mixed-use project on the PROJECT SITE along West Richardson Avenue, South Cedar Street and West 2nd South Street, that will include both private and public improvements as defined in Sections 1(b) and 1(c) (together referred to as "PROJECT"). The project will represent an expected total private capital investment of approximately Twenty Million and No/100 Dollars (\$20,000,000.00), and the DEVELOPER will use its best effort to complete the Project within twenty four (24) months of execution of this Agreement but in no event later than thirty (30) months.
- ii. DEVELOPER agrees, as part of the PROJECT, to construct public improvements as described in Paragraph 1c, and further to manage and operate, or cause the management and operation by means of the SPE (as defined in Section 6(a)) of, the public parking garage and conference center upon completion of the project as detailed in this Agreement and in the Parking Garage/Conference Center Operation Agreement attached as Exhibit B.
- iii. DEVELOPER will be responsible for all things directly related, as well as incidental, to the construction of the PROJECT. This includes, but not limited to, planning, engineering, administration, managing, promotion, marketing, site work, and vertical construction.

b. PRIVATE IMPROVEMENTS. For purposes of this Agreement, "PRIVATE IMPROVEMENTS" include the following privately-owned improvements located inside the boundaries of the PROJECT SITE, unless specifically indicated otherwise.

- i. A hotel of approximately 74,000 square feet, containing no less than 65 rooms, active lower level retail and restaurant space that engages the street and a rooftop bar/restaurant.
- ii. Approximately 34 residential condominium units and associated shared common space.

c. PUBLIC IMPROVEMENTS. For purposes of this Agreement, "PUBLIC IMPROVEMENTS" include the following publicly-owned improvements located inside the boundaries of the PROJECT SITE, unless specifically indicated otherwise.

- i. Conference Center with no less than 10,000 square feet of conference/event space.

- ii. Parking facilities and parking garage with no less than a total combined of 179 spaces (22 surface spaces and 157 garage spaces).
 - iii. Associated streetscape improvements along West Richardson Avenue, South Cedar and West 2nd South Streets, including: Demolition, relocation, construction, widening and paving of sidewalks, streets and roads; undergrounding of stormwater, sewer and water utilities; lighting; and landscaping.
 - iv. Improvements located outside the boundaries of the PROJECT SITE which confer a benefit on property located within the PROJECT SITE, limited to sidewalks, streets, roads, streetscapes, landscaping, street lights, traffic signals, grading and paving for streets, roads, sidewalks, crosswalks, curb-cuts and ramps.
 - v. Infrastructure costs with respect to the above described Public Improvements including related design, engineering, permitting, and site work costs, notwithstanding that such costs may also benefit the Private Improvements.
2. **TOWN COMMITMENTS.** Subject to approval of its Bond Counsel and closing on bond financing under terms acceptable to it, the TOWN hereby agrees to commit to the following.
- a. TOWN will convey to RDC the TOWN PROPERTY by deed. The TOWN PROPERTY shall be used solely for the development of the PROJECT. Any other use of the TOWN PROPERTY shall require approval by the TOWN.
 - b. TOWN will gift to the RDC a grant in the amount of Eight Million Nine Hundred and Fifty Thousand and No/100 Dollars (\$8,950,000) for purposes of participation in the PROJECT, per the terms of the Grant Agreement attached as Exhibit C.
3. **RDC COMMITMENTS.** Subject to approval of the TOWN's Bond Counsel and closing on bond financing under terms acceptable to it, the RDC hereby agrees to commit to the following.
- a. **GAP FINANCING.** RDC will provide an unsecured loan to the DEVELOPER or the SPE with a limited, subordinate personal guarantee of Arthur H. Applegate for the period of time beginning with the first disbursement of the GAP Loan and ending upon completion of constructions of the Hotel, Parking Garage, and Conference Center, in the amount of Three Million Seven Hundred and Fifty Thousand and No/100 Dollars (\$3,750,000) ("GAP LOAN") at no interest for a period of 24 months to assist in financing the PRIVATE IMPROVEMENTS per the terms of the Promissory Note attached in Exhibit D. At end of 24 months the DEVELOPER will begin to make monthly interest payments to the RDC at the rate of 3.75% until the DEVELOPER or the SPE obtains permanent financing for the PROJECT. Funds will be repaid based on the terms of the construction loan for the PROJECT, with final payoff of the GAP LOAN no later than final maturity of the Developer's construction loan as provided in Section 10(c) hereof.
 - b. **PUBLIC IMPROVEMENTS INVESTMENT.**

activities and shall be limited to reasonable rights of entry during normal business hours, and subject to all necessary regulations and restrictions necessary for safety in accordance with the Town's regulations and procedures.

6. PROPERTY SWAP.

- a. At or before the closing of the DEVELOPER'S or SPE's construction loan, the PARTIES shall effectuate a property swap by exchanging title to certain property within the PROJECT SITE. The exact boundaries of the parcels will be determined by the PROPERTY LINE ADJUSTMENT PLAT as referenced in Paragraph 4a. The DEVELOPER will form a special purpose entity ("SPE") to acquire and transfer title and own and operate the PROJECT SITE. The property swap will likely occur simultaneously with the construction loan closing transaction, and will be accomplished through the execution, delivery and recording of a series of deeds conveying the parcels shown on the PROPERTY LINE ADJUSTMENT PLAT, resulting in the RDC owning the parcel that will contain the parking garage and the parcel that will contain the conference center, and the SPE owning the remaining parcel(s).
- b. The RDC will convey title to the SPE by good and sufficient limited warranty deed, subject only to matters approved by the SPE. The SPE will convey title to the RDC by good and sufficient limited warranty deed, subject only to matters approved by the RDC. Notwithstanding the foregoing, the RDC's obligation to convey the TOWN PROPERTY is contingent upon the DEVELOPER and the RDC reaching a mutual agreement on the PROPERTY LINE ADJUSTMENT PLAT per Paragraph 4a and other conditions as outlined in this Agreement.

7. **PROJECT BONDING AND INSURANCE.** Prior to the property swap as outlined in Section 6 of this Agreement, the DEVELOPER will provide the RDC with the following: Evidence of any insurance coverage reasonably required by the RDC; an executed environmental indemnity agreement and an executed completion guaranty, from DEVELOPER and pertaining to the PROJECT; evidence of any construction bonding as may reasonably be required in the sole discretion of the RDC to insure completion of the PROJECT, and any additional documentation or security reasonably required by the TOWN to acquire financing for the PROJECT, including the issuance and sale of bonds.

8. PROJECT DESIGN AND CONSTRUCTION.

- a. **SITE AND ARCHITECTURAL DESIGN.** The project site and architectural design will be based on the conceptual provided in Exhibit F, and as agreed upon by the PARTIES. Prior to submission for review and approval to any required public agency for permitting or certificate of appropriateness, DEVELOPER will submit a final design for both the PRIVATE and PUBLIC IMPROVEMENTS to the RDC for review and approval.
- b. **REGULATORY APPROVALS AND PERMITS.** DEVELOPER agrees that all development, construction, operation and leasing of the PROJECT will be done in accordance with all applicable laws, rules, orders, ordinances, regulations and legal requirements of all governmental or quasi-governmental entities, agencies or

instrumentalities relating to the development, use or condition of the PROJECT, including, without limitation, all building code and zoning requirements applicable to the PROJECT on the date any permits for the PROJECT are issued and any design guidelines provided to DEVELOPER by the TOWN. DEVELOPER is responsible for obtaining all necessary governmental approvals and permits, including those related to certificates of appropriateness and zoning, for the PROJECT. DEVELOPER will provide to the RDC copies of all such approvals and permits that are from entities other than the TOWN.

- c. **PROCUREMENT.** For purposes of procuring contractors and vendors to construct, operate and lease PUBLIC IMPROVEMENTS, DEVELOPER agrees to use procurement practices which seek to secure the greatest value for the public good with the most efficient means available in accordance with reasonable business standards.

9. **ACCEPTANCE AND DEDICATION OF PUBLIC IMPROVEMENTS.**

- a. **PARKING GARAGE AND CONFERENCE CENTER.** When the Conference Center and Parking Garage portion of the PUBLIC IMPROVEMENTS are completed, the DEVELOPER shall provide written notice to the RDC of its completion and request a final inspection of the project for approval and acceptance of the RDC. Within 10 business days after receipt of notice from the DEVELOPER of completion of the PUBLIC IMPROVEMENTS, the RDC shall perform an inspection of the PUBLIC IMPROVEMENTS and provide written notice to the DEVELOPER if the RDC determines that the DEVELOPER has failed to construct any of the PUBLIC IMPROVEMENTS in accordance with applicable plans and specifications, the governmental permits and approvals or RDC/TOWN standards. Such notice shall provide specific, itemized descriptions of how the PUBLIC IMPROVEMENTS does not comply with the aforementioned standards. The DEVELOPER shall have a period of 90 days to pursue and complete the cure of such defects; provided, however, if such cure requires a longer period, such 90-day period shall be extended so long as the DEVELOPER is diligently pursuing the cure of such defects, unless and until the RDC reasonably objects in writing to such longer period.
- b. **DEDICATION OF OTHER PUBLIC IMPROVEMENTS.** DEVELOPER or the SPE will dedicate all other public improvements as described in Paragraphs 1c(iii) and 1c(iv) of this Agreement to the appropriate local or state authorities. All improvements in the road rights-of-way shall go through the South Carolina Department of Transportation (SCDOT) encroachment permit process and must be approved by the RDC prior to submitting to SCDOT.

10. **CONSTRUCTION BUDGET AND FINANCING.**

- a. DEVELOPER will, no later than two hundred seventy (270) days of execution of this Agreement, provide the RDC with (i) a final construction cost breakdown for the PUBLIC IMPROVEMENTS and (ii) evidence acceptable to the RDC of a loan commitment from a financial institution acceptable to the RDC (in the RDC's reasonable discretion) (the "Construction Lender") for construction

financing (the "Construction Loan") and any required equity from investors (the "Equity Investors") sufficient to complete construction of the PROJECT.

- b. The PARTIES acknowledge that certain pre-construction expenditures will be necessary prior to the DEVELOPER beginning construction of the PROJECT, including but not limited to geotechnical and environmental studies, engineering, and civil and architectural design, and that some of the expenditures will be associated with the PUBLIC IMPROVEMENTS as part of a mixed-used development project. Therefore, should the PROJECT not proceed to construction as a result of default of this Agreement by the TOWN or RDC, the RDC agrees to pay the DEVELOPER for those preconstruction costs incurred for the PUBLIC IMPROVEMENTS and for PRIVATE IMPROVEMENTS by the DEVELOPER or the SPE, as substantiated in writing, up to Four Hundred Thousand and No/100 Dollars (\$400,000).
- c. The RDC acknowledges that the DEVELOPER's Construction Lender will likely require a first lien position on the parcels within the PROJECT SITE that will contain the hotel and the residential condominiums. The RDC further acknowledges that the Equity Investors will likely require a second lien position on the PRIVATE IMPROVEMENTS, with regard to payment of interest on their investment in the PROJECT as well as the return of their capital investment. RDC agrees to maintain a subordinate position to the Construction Lender and the Equity Investors with respect to the same. In any event, at such time as the DEVELOPER refinances the Construction Loan to permanent financing and pursuant to Paragraph 3a, the DEVELOPER or the SPE shall repay the RDC in full in the amount of the Gap Loan, plus all accrued but unpaid interest attributable to the same, at the time of the closing of the permanent loan. The parking garage and conference center shall not be part of the Construction Lender's collateral, although it is understood that this Agreement and its exhibits may be collaterally assigned to the construction lender.

11. **ISSUANCE OF LIMITED OBLIGATION BONDS.** Subject to the provisions of Section 10(b) hereof, the PARTIES acknowledge that the obligations of the Town and the RDC hereunder are contingent upon the TOWN's ability to issue, upon reasonable terms and conditions and at reasonable rates of interest, hospitality fee revenue bonds in an amount sufficient, together with other funds (if any) of the TOWN identified by the TOWN for such purpose, to fund the GAP LOAN and the costs of the PUBLIC IMPROVEMENTS, all of which shall be of a nature which satisfies the criteria set forth in Section 6-1-730 of the Code of Laws of South Carolina 1976, as amended.

12. **LEASE, OPERATION AND MAINTENANCE OF PUBLIC IMPROVEMENTS.** Upon completion of the PROJECT, DEVELOPER agrees to enter into, or cause the SPE to enter into, an agreement to maintain and operate the parking garage and conference center portion of the PUBLIC IMPROVEMENTS per the terms as specified in the Parking Garage/Conference Center Operation Agreement attached as Exhibit B and in accordance with the requirements of Internal Revenue Service Revenue Procedure 97-13 or any successor guidelines.

13. **FAILURE TO COMPLETE PUBLIC IMPROVEMENT PROJECT.** If the DEVELOPER or SPE starts but fails to complete all or a portion of the PUBLIC IMPROVEMENTS within a reasonable time period after commencement of construction (except delays due to force majeure), the RDC shall have, in addition to any other rights and remedies which may be available under this Agreement or at law, the right to draw on the Bond proceeds to complete the PUBLIC IMPROVEMENTS and reduce the amount of PUBLIC IMPROVEMENT INVESTMENT to which the DEVELOPER is entitled under Paragraph 3b(ii) of this Agreement in the amount necessary to complete the applicable PUBLIC IMPROVEMENTS. If the RDC exercises its rights to remedy or complete all or a portion of the PUBLIC IMPROVEMENTS as set forth above, the DEVELOPER agrees that it shall make, or cause the SPE to make, any further assignments to the RDC of any construction contracts, professional services contracts (e.g., architectural, engineer or prime contractors) and rights to use plans, drawings and specifications, and any governmental permits or approvals for such PUBLIC IMPROVEMENTS, as may be necessary for the RDC to complete such PUBLIC IMPROVEMENTS.
14. **NOTICES.** All, notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by overnight courier, or by fax, with evidence of delivery, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of delivery. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any party, from time to time, may change its address for notices hereunder.
- a. **DEVELOPER:** Applegate & Co., a South Carolina Corporation, 4130 Faber Place Dr., Suite 111, N. Charleston, SC 29405
 - b. **TOWN:** Town of Summerville Mayor, 200 S. Main St., Summerville, SC 29483
 - c. **Copy to Town Attorney:** Town of Summerville Attorney, 200 S. Main St., Summerville, SC 29483
15. **GENERAL PROVISIONS.**
- a. The TOWN represents to the RDC and the DEVELOPER that it has full power and authority to do business in the State of South Carolina and to perform its obligations under, as and when required by this Agreement and shall, subject to changes in applicable law beyond the control of the TOWN, continue to have such power and authority throughout the term of this Agreement. The TOWN further represents that it will use reasonable efforts and act in good faith in the performance of its obligations under this Agreement.
 - b. The RDC represents to the TOWN and the DEVELOPER that it has full power and authority to do business in the State of South Carolina and to perform its obligations under, as and when required by this Agreement and shall, subject to changes in applicable law beyond the control of the RDC, continue to have such

power and authority throughout the term of this Agreement. The RDC further represents it will use reasonable efforts and act in good faith in the performance of its obligations under this Agreement.

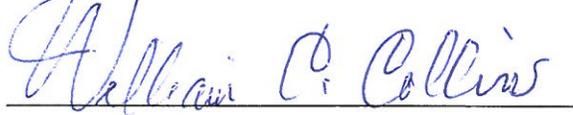
- c. The DEVELOPER represents to the TOWN and RDC that it has full power and authority to perform its obligations under, as and when required by this Agreement and shall continue to have such power and authority throughout the term of this Agreement. The DEVELOPER further represents that it will use reasonable efforts and act in good faith in the performance of its obligations under this Agreement.
- d. No remedy provided herein is exclusive, and each party hereto shall have all remedies available to it at law and in equity.
- e. All promises made by the TOWN or the RDC in this Agreement are intended to be promises to the DEVELOPER in the TOWN's and the RDC's business capacity, and no provisions herein are intended to create a duty where none otherwise exists from the TOWN to the owners, officers, employees, agents, patrons, guests or tenants of the DEVELOPER, and no such person shall be deemed to have any entitlement as a third party beneficiary of this Agreement. The DEVELOPER acknowledges that certain undertakings by the TOWN are subject to enactments of approving ordinances or resolutions, and in some cases, a public hearing, by the Town Council with respect to the matters discussed herein.
- f. This Agreement supersedes all prior discussions and agreements between the parties with respect to the PROJECT. This Agreement contains the sole and entire understanding between the parties, and all other promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the parties, if any, are merged into this Agreement. Nothing in this agreement exempts DEVELOPER from compliance with all local, state, and other authorized jurisdiction permitting processes, building code, or land use requirements.
- g. No modifications, amendments or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all of the Parties hereto.
- h. The DEVELOPER may not assign its rights in this Agreement without the prior written consent of the TOWN and the RDC.
- i. This Agreement shall be governed by and construed under the laws of the State of South Carolina.

16. MEDIATION / ARBITRATION. Any dispute, controversy, difference or claim arising out of, relating to or in connection with this Agreement (a "**Claim**"), shall be negotiated by the parties within twenty (20) days of written notice of a Claim ("**Dispute Notice**"). Such Dispute Notice shall indicate in bold or capital letters that it is a Dispute Notice being filed under the Agreement. If no agreement is reached within such 20-day period, the parties agree to submit the claim to arbitration, as provided in the South Carolina Uniform Arbitration Act, Title 15, Chapter 48 of the Code of Laws of South Carolina ("**Arbitration**"). In the event the parties submit a dispute to Arbitration, it shall be undertaken in Charleston, South Carolina. Either party

may submit the Claim to Arbitration. The party requesting Arbitration shall give a written demand for Arbitration to the other party by registered or certified mail. The demand shall set forth a statement of the nature of the dispute, the amount involved and the remedies sought. No later than thirty (30) calendar days after the demand for Arbitration is served, the parties shall jointly select and appoint an arbitrator. If the parties do not agree on the selection of an arbitrator, each party shall select one arbitrator by written notice to the other party no later than thirty-five (35) calendar days after the demand for Arbitration is served and the two so selected shall select a third arbitrator no later than forty-five (45) calendar days after the demand for Arbitration is served. Such arbitrator shall be knowledgeable in the areas of law governing this Agreement. The failure of a party to select an arbitrator, or the failure of an arbitrator to provide a selection of a third arbitrator, within the times provided herein, shall eliminate the selection of an arbitrator by such party, and the arbitrator shall be the arbitrator selected by the other party in a timely manner. The arbiter's award shall include (i) a provision that the prevailing party in such Arbitration shall recover its costs of the Arbitration and reasonable attorneys' fees from the other party, and (ii) the amount of such costs and fees.

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

**TOWN OF SUMMERVILLE, SOUTH
CAROLINA**



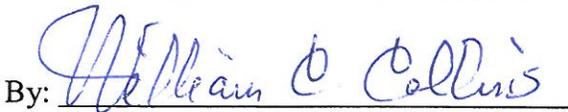
Mayor, Town of Summerville, South Carolina

ATTEST:



Clerk, Town Council of the
Town of Summerville, South Carolina

**TOWN OF SUMMERVILLE
REDEVELOPMENT CORPORATION**

By: 

Its: Chairman

APPLEGATE & CO.

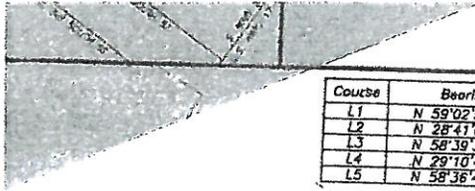
a South Carolina Corporation

By: 

Its: President

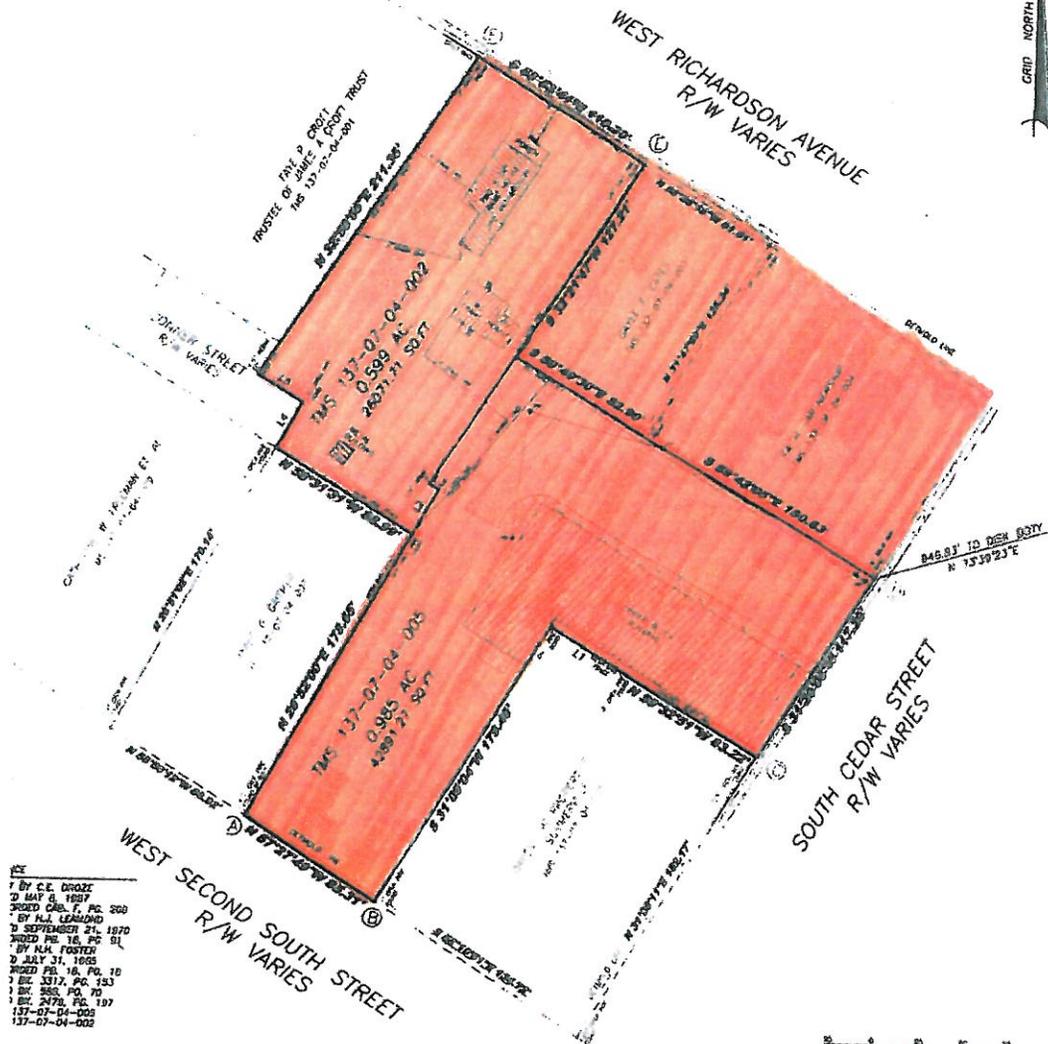
EXHIBITS

- **Exhibit A - Project Site Illustration**
- **Exhibit B – Parking Garage/Conference Center Operation Agreement**
- **Exhibit C - Grant Agreement**
- **Exhibit D – Promissory Note**
- **Exhibit E – Estimate Public Improvements Budget**
- **Exhibit F – Conceptual Site and Architectural Illustrations**



Course	Bearing	Distance	Point	Northing	Easting
L1	N 59°02'58" W	51.45'	A	439433.799	2251593.500
L2	N 28°41'06" E	29.10'	B	439308.677	2251658.400
L3	N 58°39'35" W	6.28'	C	439274.899	2251674.156
L4	N 29°10'45" E	26.89'	D	439274.835	2251535.416
L5	N 58°36'45" W	29.53'	E	439289.946	2251601.797
			F	439256.873	2251707.437

GRID NORTH MID 83



BY C.E. DROZD
D MAY 8, 1997
SCEO Ch. 7, PG. 200
BY H.L. LEAMOND
D SEPTEMBER 21, 1970
SCEO PG. 16, PG. 91
BY H.M. FOSTER
D JULY 31, 1965
SCEO PG. 16, PG. 10
BY B.L. 3317, PG. 133
BY S.C. 565, PG. 70
BY 2478, PG. 197
137-07-04-005
137-07-04-002

PROPERTY IS LOCATED IN
ONE X, AS PER FIRM
D. 450073 0003 G.
EXEMPT 4, 1995



CH 7, 2006
NO. 06-044



ZONED B-3

SOUTH CAROLINA
DORCHESTER COUNTY
TOWN OF SUMMERVILLE

IT SHOWING TMS 137 07 04 005

EXHIBIT B

PARKING GARAGE/CONFERENCE CENTER OPERATION AGREEMENT
(The Dorchester)

Between

TOWN OF SUMMERSVILLE REDEVELOPMENT CORPORATION,
as the Owner

and

THE DORCHESTER, LLC,
as Manager

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Attachment A – Parking Lease Agreement

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION

PARKING GARAGE/CONFERENCE CENTER OPERATION AGREEMENT
(The Dorchester)

THIS PARKING GARAGE/CONFERENCE CENTER OPERATION AGREEMENT (this "Agreement"), made and entered into as of July 9, 2014, is between TOWN OF SUMMERVILLE REDEVELOPMENT CORPORATION (the "RDC"), a 501(c)(4) organization, and THE DORCHESTER, LLC, a South Carolina limited liability company (the "Manager").

WITNESSETH:

WHEREAS, the Town of Summerville, South Carolina (the "Town"), owns approximately 1.58 acres of property located in downtown Summerville along West Richardson Avenue, specifically known as TMS# 137-07-4-002 and TMS# 137-07-04-005 (together, "Town Property"), and, in seeking to accelerate continued revitalization of its downtown, openly solicited a Request-for-Proposals for private development of the Town Property in accordance with Title 31, Chapter 10 Community Development Law of the South Carolina Code of Laws 91976) *et. seq.*, as amended; and

WHEREAS, the Town received a high quality proposal from Applegate & Co. (the "Developer") for a mixed-use development that includes a hotel, residential units, and retail space (the "Project") the Town considers beneficial to the economic growth of Summerville; and

WHEREAS, the Developer has entered into a contract to purchase approximately 0.65 acres of property adjacent to the Town Property, specifically known as TMS# 137-07-4-004 and TMS# 137-07-04-003 ("Developer Property," and together with the Town Property, "Project Site");

WHEREAS, public infrastructure improvements, including a public parking garage and a conference center on the Project Site, are necessary to service the Project as well as future development in the area; and

WHEREAS, the Town established the RDC to facilitate financing and funding for various community and economic development projects within the municipal limits of Summerville, and to create a partnership to provide for the efficient and timely development of the Project; and

WHEREAS, the Developer agreed in the Public-Private Partnership Agreement, dated as of July 9, 2014 (the "PPP Agreement"), to construct Public Improvements (as defined in the PPP Agreement), including the Parking Garage (the "Parking Garage") and the Conference Center (the "Conference Center"), as part of the Project, and further to manage and operate, or cause the management and operation by means of a special purpose entity formed by the Developer of, the public Parking Garage and Conference Center upon completion of the Project as detailed in the PPP Agreement and in this Agreement; and

WHEREAS, in accordance with the terms of the PPP Agreement, the RDC has agreed to enter into this Agreement with the Manager upon completion of the Project to maintain and operate the Parking Garage and Conference Center;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained the RDC and the Manager agree as follows:

Section 1. Appointment and Acceptance. The RDC hereby appoints the Manager as its exclusive independent contractor for the management of the Conference Center and the Parking Garage, and the Manager accepts such appointment, subject to the terms and conditions set forth herein.

Section 2. Description of the Managed Public Improvements. The Public Improvements to be maintained and operated by the Manager under this Agreement consist of a Conference Center with no less than 10,000 square feet of conference/event space and parking facilities and parking garage with no less than a combined total of 179 spaces located on the Project Site (22 surface spaces and 157 garage spaces).

Section 3. Management and Operation of the Project.

(a) General. The Manager will provide the services described in this Section directly, through its Affiliates, or through Subcontractors. For purposes of this Agreement, the term "Affiliate" means any corporation, limited liability company, partnership, limited partnership, sole proprietor, or other business organization owned by or under common ownership with the Manager. For purposes of this Agreement, the term "Subcontractor" means any person or entity with whom the Manager enters into a contractual relationship in order to provide some or all of the services required to be provided hereunder by the Manager. As provided throughout this Agreement, the Manager will provide services pursuant to this Agreement in its capacity as an independent contractor. The Manager shall operate the Conference Center and the Parking Garage as facilities available for use by any member of the public upon paying the published rates for use and in accordance with the Manager's regulations as agreed upon by the RDC with respect to use of the Conference Center and the Parking Garage.

(b) Operating Standards. The Manager shall employ an adequate staff to manage, operate, maintain, and collect revenue from the Conference Center and the Parking Garage and shall have full authority and complete supervision over the employment, discharge, and performance of duties of all personnel used in the maintenance, operation, and renting of the Conference Center and the Parking Garage including, without limitation, oversight of services performed under third-party service contracts. The Manager shall use its best efforts in the management of the Conference Center and the Parking Garage and the collection of the rents and other income due and to become due therefrom. Management of the Project shall include practices that are customary and usual in the operation and management of comparable conference and parking facilities and in the Conference Center and the Parking Garage having such services as are customarily provided by operators of such conference and parking facilities of comparable class and standing as the Conference Center and the Parking Garage whenever possible.

(c) Marketing. The Manager shall prepare a marketing program for the Conference Center and the Parking Garage and shall supervise the marketing activities for the Conference Center and the Parking Garage including all advertising layouts, brochures, and campaigns. Advertising expenses shall be paid as operating expenses of the Conference Center and the Parking Garage.

(d) Setting and Collection of Fees and Charges. (i) The Manager shall supervise the staff in the renting of the Conference Center and the collection of parking fees for the Parking Garage. Incident thereto, the following provisions shall apply:

- (A) The Manager shall supervise the taking and processing of reservations for the Conference Center.
- (B) The Manager shall prepare all reservation forms for the Conference Center.
- (C) The Manager shall supervise the collection, deposit, and disbursement of advance reservation fees or deposits, if any.

(ii) On behalf of the RDC, the Manager shall establish, on at least an annual basis, the rates and rentals for the use of the Conference Center and for spaces in the Parking Garage. In establishing such rates and rentals, the Manager agrees that it has a fiduciary duty to the RDC to use its best efforts to establish such rates and rentals as will, in its judgment, optimize revenues to be derived from the operation of the Conference Center and the Parking Garage. The RDC understands that the Manager may offer discounts of up to 50% off of the published rates and charges to patrons of the hotel located on the Project Site for use of the Conference Center or spaces in the Parking Garage.

(e) Collection of Charges and Other Receipts. The Manager shall supervise the collection of all charges, and other amounts receivable in connection with the management and operation of the Conference Center and the Parking Garage.

(f) Enforcement of Leases. The Manager shall use its best efforts to secure full compliance by each user of the Conference Center and the Parking Garage with the terms of his or her agreement.

(g) Maintenance and Repair. Manager shall use its best efforts to cause the Conference Center and the Parking Garage to be maintained in good repair, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary. Incident thereto, the following provisions shall apply:

- (i) Special attention shall be given to preventive maintenance, and, to the extent more cost effective, the services of the maintenance employees of the Manager shall be used.
- (ii) The Manager shall contract on behalf of the RDC with qualified independent contractors for the maintenance and repair of heating

and air conditioning systems and for other extraordinary repairs beyond the capability of regular maintenance employees after consultation with the RDC with respect to the cost of such extraordinary repairs. In the event that repairs of an emergency nature are required at a time when it is impracticable to consult with the RDC as to cost, the Manager is hereby authorized to contract on behalf of the RDC to undertake such repairs and shall promptly notify the RDC of such action. The Manager shall review and approve all invoices for maintenance and repair expenses subject to reimbursement or payment by the Conference Center and the Parking Garage. The Manager shall process these invoices in a timely manner to benefit from discounts offered by the appropriate vendor. The Manager shall allow to the RDC any rebate or discount which the Manager shall obtain.

- (iii) The Manager shall receive and promptly investigate all service requests from users of the Conference Center or the Parking Garage and take such action thereon as may be justified and keep records of the same for a reasonable period of time. Incidents requiring repairs of a serious nature shall be reported to the RDC promptly.
- (iv) The Manager is hereby authorized to purchase all materials, equipment, tools, appliances, supplies, and services reasonably necessary for proper maintenance and repair of the Conference Center or the Parking Garage.

(h) Capital Improvements.

- (i) The Manager shall prepare for the RDC's review and approval a Capital Budget Plan (the "Capital Budget Plan") relating to proposed capital expenditures for building, grounds, and furniture ("Capital Improvements") and periodically advise the RDC of the status of the Capital Budget Plan. The Manager is hereby authorized at the reasonable expense of the Conference Center or the Parking Garage, as applicable, to make contracts for all necessary renovations, repairs, additions, or improvements falling under the category of Capital Improvements and outlined in the Capital Budget Plan. All Capital Improvements shall be subject to the prior approval of the RDC.
- (ii) All Capital Improvements and the construction, repair and maintenance thereof shall be constructed and made in a good and workmanlike manner, free from all liens and encumbrances, in accordance with the policies and procedures of the Manager and the RDC for capital improvements.

(i) Utilities and Services. The Manager shall make arrangements and execute any necessary agreements for water, electricity, gas, telephone, data, CATV, internet, sewage

and trash disposal, vermin extermination, snow removal, landscape care and related utilities and services for the Conference Center and the Parking Garage. The Manager is hereby authorized to make such contracts on behalf of the RDC as may be necessary to secure such utilities and services. The expenses incurred for such utilities and services, if any, shall be paid as operating expenses of the Conference Center and the Parking Garage.

(j) *Employees.* All staffing required pursuant to Section 3(a) shall be employees of the Manager, its Affiliates, or Subcontractors. The Manager shall hire, pay, supervise, and discharge such personnel, subject to the following conditions:

- (i) The compensation, including fringe benefits, of the employees performing on-site functions shall be within the Manager's sole discretion. Compensation of bookkeeping, clerical, and other managerial personnel shall be within the Manager's sole discretion.
- (ii) Subject to the limitations set forth in Section 9(b) below, the Manager shall be reimbursed for reasonable compensation, including fringe benefits, payable to all employees performing on-site functions, and for all local, State, and federal taxes, assessments (including but not limited to Social Security taxes, unemployment insurance, and workers' compensation insurance), and other reasonable expenses incident to the employment of such personnel. Such reimbursements shall be paid as operating expenses of the Conference Center and the Parking Garage.

(k) *Records and Reports.* The Manager shall be responsible for all reports related to the operations of the Conference Center and the Parking Garage that the RDC is obligated to prepare, if any, for any governmental agency, at the expense of the Conference Center or the Parking Garage, as applicable, which shall include, without limitation, the following responsibilities with respect to the records and reports:

- (i) The Manager shall establish and maintain a comprehensive system for records, books, and accounts including, but not limited to, records tracking all inventory purchased and used in connection with the Conference Center or the Parking Garage, and records of all maintenance and repairs performed on the Conference Center or the Parking Garage. All records, books, and accounts shall be subject to examination at reasonable hours by any authorized representative of the RDC. The RDC shall have the right to inspect and audit the Manager's books and records with respect to the Conference Center and the Parking Garage.

(1) *Customer Service.* It is the expectation of the RDC that the Manager shall, in the course of its duties hereunder, provide a high level of customer service to the users of the Conference Center and the Parking Garage.

Section 4. Funds and Accounts. The Manager shall establish and maintain certain accounts for the Project as set forth herein. The Manager assumes responsibility for handling all funds in accordance with the terms of this Agreement. The Manager shall bear all damage, loss, cost or expense from the theft or misapplication of funds.

(a) Operating Expenses. The Manager shall pay all sums payable by the RDC as expenses of the Conference Center and the Parking Garage authorized to be incurred by the Manager under the terms of this Agreement.

Section 5. Administrative and Supervisory Expenses. All administrative and supervisory salaries and expenses and other management overhead expenses (other than expenses for on-site employees) shall be borne by the Manager out of its own funds and shall not be treated as expenses of the Conference Center and the Parking Garage. However, when it is to the financial benefit of the Conference Center or the Parking Garage, normal on-site duties and reasonable expenses (including but not limited to staff, bookkeeping, accounting services, clerical, office supplies and equipment, telephone, and postage) may be performed off-site and paid for and treated as expenses of the Conference Center and the Parking Garage. In addition, when feasible and to the financial benefit of the Conference Center or the Parking Garage, certain functions and services shall be shared with the Private Improvements, and the reasonable cost shall be prorated on an equitable basis and charged to the Conference Center or the Parking Garage. All payments to the Manager shall be subject to the limitations set forth in Section 9(b) below.

Section 6. Management Overhead Expenses. Management overhead expenses, which shall be borne by the Manager out of its own funds and which shall not be treated as operating expenses of the Conference Center or the Parking Garage and shall not be reimbursable to the Manager, shall include: (a) compensation of central office or off-site personnel employed or contracted by the Manager, (b) rent for off-site offices utilized by the Manager; telephone and utility charges incurred at such offices; office supplies; rent for and repair and maintenance of office machines used at such offices; postage used at such offices; any rental for or allocation of depreciation or amortization of any properties owned by or leased by the Manager and used in the performance of its duties hereunder, (c) premiums for fidelity bonds on the Manager's employees not associated with the Conference Center or the Parking Garage, and (d) premiums for general liability, workers' compensation, or other such insurance carried by the Manager not associated with the Conference Center or the Parking Garage.

Section 7 Residential Parking. RDC has agreed to lease up to 55 spaces in the Parking Garage to the Manager on a long-term basis to support the residential portion of the Project per the terms of the Parking Lease Agreement attached hereto as Attachment A.

Section 8. Insurance. The Manager shall arrange periodic conferences with the RDC and an insurance consultant regarding the insurance coverage required for the Conference Center and the Parking Garage.

Section 9. Manager's Compensation.

(a) During the initial one (1) year term of this Agreement, the Manager shall be compensated for its services hereunder by the RDC by payment of a management fee in the amount of \$3,000.00 per month, payable quarterly.

(b) Notwithstanding any other provisions of this Agreement, the total amount payable to the Manager as compensation under any provision of this Agreement, including without limitation Section 3(j) and Section 5 above, shall not exceed in any year the fixed fee compensation set forth in Section 9(a). Reimbursement of the Manager for actual and direct expenses paid by the Manager to unrelated third parties is not treated as compensation to the Manager for purposes of this paragraph.

Section 10. Damage or Destruction.

Damage or Destruction. If the Conference Center or the Parking Garage is damaged, the RDC will promptly commence and expeditiously complete the Restoration in accordance with Section 10(b).

Restoration. Upon receipt of notice from the Manager of an event of damage or destruction of either the Conference Center or the Parking Garage, the RDC will promptly commence and expeditiously complete any necessary restoration. The RDC will restore the Conference Center or the Parking Garage, as applicable, as nearly as possible to its value, condition, and character immediately prior to the damage or destruction. The RDC will complete the restoration as soon as reasonably possible after the date of such damage or destruction. If not completed as provided in the previous sentence, the Manager may terminate this Agreement in accordance with the provisions of Section 13 hereof. In the event that the RDC fails promptly to commence and expeditiously complete any necessary restoration, the Manager may proceed to restore the Conference Center or the Parking Garage, as applicable, as nearly as possible to its value, condition, and character immediately prior to the damage or destruction. The RDC bears the entire costs of such restoration, which the RDC shall promptly pay, upon written demand, to the Manager. The Manager may offset any revenues derived from the operation of the Conference Center and the Parking Garage to satisfy the obligation of the RDC to pay the Manager for the costs of restoration.

Fees. During the period from the date of the damage or destruction, through the: (i) completion of the restoration; or (ii) termination of this Agreement, the RDC will continue to pay the management fee provided in Section 9 hereof.

Section 11. Compliance with Laws. The Manager and its employees and subcontractors, shall perform all of the services under this Agreement in compliance with all applicable rules, regulations, orders, determinations, ordinances, or laws of any federal, State, or local authority. If the Manager shall fail or refuse to comply with or abide by any rule, order, determination, ordinance, or law of any federal, State, or local authority, the RDC may terminate this Agreement in accordance with the provisions of Section 13 hereof.

Section 12. Assignment. The Manager shall not transfer, assign, pledge, or hypothecate in in whole all of its rights, duties, or obligations under this Agreement without

the prior written consent of the RDC except to an Affiliate or to its lender. The RDC shall not assign or pledge its rights under this Agreement without the prior written consent of the Manager.

Section 13. Term of Agreement; Renewal of Term. (a) This Agreement shall be in effect for an initial term of one (1) year, beginning on the date of execution and delivery hereof and ending one year later. The Manager and the RDC may extend the term of this Agreement for an additional one year period up to fifteen (15) years by their mutual agreement on the Manager's compensation under Section 9 for such renewal term.

(b) This Agreement may be terminated prior to the end of the current term in accordance with the following conditions:

(i) This Agreement may be terminated by the mutual consent of the RDC and the Manager at any time.

(ii) Except as hereinafter provided, in the event a petition in bankruptcy is filed by or against either the RDC or the Manager, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other.

(iii) Either the RDC or the Manager may terminate this Agreement by written notice to the other party in the event that the other party shall breach its obligations, duties, or covenants under the terms of this Agreement. Such notice shall specify the nature and scope of the claimed breach of this Agreement and shall provide the breaching party with the right to cure the claimed breach within 30 days of the receipt thereof. If the claimed breach is not cured to the satisfaction of the non-breaching party within the 30-day cure period, this Agreement shall terminate; provided, that so long as a course of action adequate to remedy such failure shall have been commenced by the breaching party within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby within 90 days of such occurrence, this Agreement may not be terminated for such breach.. The non-breaching party shall also have the right to seek damages and exercise such other remedies as may be provided by law or in equity against the breaching party.

(c) Upon termination of this Agreement, the Manager shall submit to the RDC financial statements and information with respect to the Conference Center and Parking Garage reasonably requested by the RDC. The termination of this Agreement shall not affect the rights and obligations of the parties hereto as set forth herein as to matters, events, obligations, and duties that pertained or accrued prior to the date of termination.

(d) Upon termination of this Agreement, the Manager shall promptly turn over to the RDC all of the records with respect to the Conference Center and Parking Garage and any other property of the RDC within the Manager's possession. Notwithstanding the termination of this Agreement, any payments due to the Manager under this Agreement will be paid as provided herein.

(e) Upon termination of this Agreement, the Manager agrees to recognize and accept any successor manager of the Conference Center and Parking Garage selected by the RDC as the manager for the Conference Center and Parking Garage.

Section 14. Manager's Licenses. The Manager represents and warrants that it has obtained and covenants to maintain all licenses necessary for the performance of its obligations under this Agreement.

Section 15. Interpretative Provisions. (a) This written Agreement and attachments hereto (if any) constitute the entire and complete agreement between the parties hereto and supersede any prior oral or written agreements between the Company and the Manager with respect to the management of the Conference Center and Parking Garage. It is expressly agreed that there are no verbal understandings or agreements that in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the Company and the Manager.

(b) This Agreement has been executed in several counterparts, each of which constitute a complete original Agreement and which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.

(c) As used herein, whenever appropriate, the masculine gender shall be construed to mean the feminine or neuter gender, or both of them; the feminine gender shall be construed to mean the masculine or neuter gender, or both of them, and the neuter gender shall be construed to mean the masculine or feminine gender, or both of them.

(d) As used herein, whenever expressed, the singular number shall be construed to mean the plural number and the plural number shall be construed to mean the singular number.

(e) The paragraph headings or captions appearing in this Agreement are for convenience only, and are not to be considered in interpreting this Agreement.

Section 16. Notices. (a) All notices, certificates, demands, requests, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by facsimile transmission, or by personal delivery addressed as follows:

If to the RDC:

Town of Summerville Redevelopment Corporation

Attention: Chairman
Summerville, South Carolina 29483
Telephone: (843) 871.6000
Facsimile: (843) 871.6954

If to the Manager:

The Dorchester, LLC
Attention: Arthur H. Applegate
4130 Faber Place Dr., Suite 111
N. Charleston, South Carolina 29405
Telephone: (843) 577.3900
Facsimile: (843) 577.3903

(b) Either party hereto may, by notice given to each of the other, designate any additional or different addresses to which subsequent notices, certificates, demands, requests, or other communications shall be sent.

Section 17. Applicable Law. This Agreement and all obligations hereunder shall be construed and interpreted under and in accordance with the laws of the State of South Carolina.

Section 18. Successors and Assigns; Changes. This Agreement shall be binding upon the parties hereto and their successors and assigns.

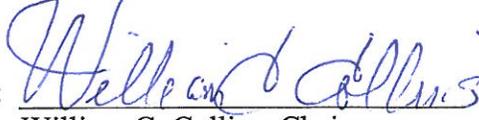
Section 19. Mediation / Arbitration. Any dispute, controversy, difference or claim arising out of, relating to or in connection with this Agreement (a "**Claim**"), shall be negotiated by the parties within twenty (20) days of written notice of a Claim ("**Dispute Notice**"). Such Dispute Notice shall indicate in bold or capital letters that it is a Dispute Notice being filed under the Agreement. If no agreement is reached within such 20-day period, the parties agree to submit the claim to arbitration, as provided in the South Carolina Uniform Arbitration Act, Title 15, Chapter 48 of the Code of Laws of South Carolina ("**Arbitration**"). In the event the parties submit a dispute to Arbitration, it shall be undertaken in Charleston, South Carolina. Either party may submit the Claim to Arbitration. The party requesting Arbitration shall give a written demand for Arbitration to the other party by registered or certified mail. The demand shall set forth a statement of the nature of the dispute, the amount involved and the remedies sought. No later than thirty (30) calendar days after the demand for Arbitration is served, the parties shall jointly select and appoint an arbitrator. If the parties do not agree on the selection of an arbitrator, each party shall select one arbitrator by written notice to the other party no later than thirty-five (35) calendar days after the demand for Arbitration is served and the two so selected shall select a third arbitrator no later than forty-five (45) calendar days after the demand for Arbitration is served. Such arbitrator shall be knowledgeable in the areas of law governing this Agreement. The failure of a party to select an arbitrator, or the failure of an arbitrator to provide a selection of a third arbitrator, within the times provided herein, shall eliminate the selection of an arbitrator by such party, and the arbitrator shall be the arbitrator selected by the other party in a timely manner. The arbiter's award shall include (i) a provision that the prevailing party in such Arbitration shall recover its costs of the Arbitration and reasonable attorneys' fees from the other party, and (ii) the amount of such costs and fees.

Section 20. Attorney's Fees. In the event of a dispute hereunder, the prevailing party shall be entitled to receive reimbursement of its reasonable attorney's fees and court costs.

IN WITNESS WHEREOF, the RDC and the Manager by their duly authorized representatives have executed this Agreement on the date first above written.

RDC:

TOWN OF SUMMerville
REDEVELOPMENT CORPORATION

By: 
William C. Collins, Chairman

MANAGER:

THE DORCHESTER, LLC

By: 

ATTACHMENT A

THIS PARKING LEASE AGREEMENT AND PURCHASE OBLIGATION (this “Lease”) is made and entered into as of this 9 day of July, 2014, by and between **TOWN OF SUMMERVILLE REDEVELOPMENT CORPORATION**, a 501(c)(4) organization, as landlord (“RDC”) and **THE DORCHESTER, LLC**, a South Carolina limited liability company (“Tenant”).

WITNESSETH:

WHEREAS, the Town of Summerville, South Carolina established the RDC to facilitate financing and funding for various community and economic development projects within the municipal limits of Summerville, and to create a partnership to provide for the efficient and timely development of a mixed-use development that includes a hotel, residential units, and retail space (the “Project”) the Town considers beneficial to the economic growth of Summerville; and

WHEREAS, Applegate & Co. (the “Developer”) agreed in the Public-Private Partnership Agreement, dated as of July __, 2014 (the “PPP Agreement”), to construct Private Improvements (as defined in the PPP Agreement), including approximately 34 residential condominium units and associated shared common space (the “Residential Units”) and to construct Public Improvements (as defined in the PPP Agreement), including the Parking Garage (the “Parking Garage”), as part of the Project, and further to manage and operate, or cause the management and operation the public Parking Garage upon completion of the Project as detailed in the PPP Agreement by means of the Tenant pursuant to the terms of the Parking Garage/Conference Center Operation Agreement, dated as of July __, 201_ (the “Operation Agreement”); and

WHEREAS, the RDC has agreed in the Operation Agreement to lease 55 spaces in the Parking Garage to the Tenant for a twenty (20) year term to support the Residential Units per the terms of this Lease; and

WHEREAS, the RDC has agreed to sell and the Tenant has agreed to purchase 55 spaces in the Parking Garage in accordance with the terms hereof;

NOW, THEREFORE, for and in consideration of the mutual promises and benefits herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the RDC and the Tenant hereby agree as follows:

- 1. PREMISES.** The RDC leases to Tenant and Tenant hereby leases from the RDC, in accordance with the terms hereof, those fifty-five (55) parking spaces (the “Premises”) located within the Parking Garage which is located along West Richardson Avenue and S. Cedar Street (“Tenant’s Property”), said Premises being shown as the highlighted area on Exhibit A attached hereto and by this reference made a part hereof.
- 2. TERM.** The initial term (“Term”) of this Lease shall be for a period of twenty (20) years commencing on _____ (the “Commencement Date”). The Term shall end on midnight of the day twenty (20) years subsequent to the Commencement Date.

3. RENT DURING TERM; PURCHASE OF PREMISES.

(a) During the Term hereof, Tenant shall pay to the RDC a fixed rent according to the following schedule:

Years 1 to 5: Twenty (\$20.00) Dollars per month per space;

Years 6 to 10: Twenty-five (\$25.00) Dollars per month;

Years 11 to 15: Thirty (\$30.00) Dollars per month; and

Years 16 to 20: Thirty-five (\$35.00) Dollars per month.

(b) Should the Term begin or end on a date that is not the first day of the month, the rent shall be prorated to reflect the actual number of days.

(c) The rent is due and payable on the first day of each month at the RDC's address set forth in Paragraph 17 of this Lease, or at such other place as the RDC may from time to time designate in a writing actually received by Tenant.

(d) During the Term hereof, the RDC hereby agrees to sell to the Tenant, and the Tenant hereby agrees to purchase from the RDC, all or any portion of the Premises upon mutually agreed upon terms and price. Such purchase shall be subject to customary and standard provisions regarding the sale and purchase of real estate such as the Premises.

(e) In the event that the Tenant does not purchase the entire Premises during the Term hereof as provided in paragraph (d) of this Section, the Tenant hereby agrees to purchase all of the Premises (to the extent not previously purchased by the Tenant) no later than the day on which this Lease terminates. The purchase price to be paid by the Tenant for the Premises or portion thereof so purchased shall be Fifteen Thousand Dollars (\$15,000.00) per parking space. Such purchase shall be subject to customary and standard provisions regarding the sale and purchase of real estate such as the Premises.

4. HOLDING OVER. If Tenant holds over after the expiration or other termination of this Lease, Tenant shall become a tenant from month to month only upon each and all of the terms herein provided as may be applicable to such month to month tenancy, and such holding over shall not constitute an extension of this Lease. During such holding over, Tenant shall pay rent on a monthly basis upon terms and conditions as existed as of the last month of the then applicable lease term.

5. CONDITION OF THE PREMISES. At the commencement of the Initial Term of this Lease, Tenant shall accept the Premises "as is". No representation, statement, or warranty, express or implied, has been made by or on behalf of the RDC as to the condition or as to the use that may be made of the Premises. Notwithstanding the foregoing, the RDC warrants that it knows of no non-compliance with any law, statute, regulation, ordinance, code or ruling by any governmental body with respect to the condition or operation of the Premises. Should the Premises be deemed to be unsuitable for parking at any time during the Term of this Lease by any governmental or regulatory authority through no fault of Tenant, Tenant may immediately terminate this Lease without penalty.

6. USE OF THE PREMISES. During the Term hereof, Tenant shall have the exclusive use of the Premises for the operation and maintenance by Tenant of automobile parking spaces

to be sublet to owners of the Residential Units and for any other associated lawful purpose. All references to "Tenant" herein regarding the use of the Premises shall include the Tenant's subtenants with respect to the particular parking space that such subtenant subleases from the Tenant. In no event shall Tenant use the Premises for any use which violates any ordinance, statute, law or regulation of any governmental body having jurisdictional authority over the Premises. Tenant shall have the use of and access to the Premises twenty-four hours a day, seven days a week.

7. **ACCESS TO THE PREMISES.** The RDC grants to Tenant, its employees, agents, and independent contractors, and to Tenant's sublessees and invitees, a nonexclusive right for the duration of the Term of this Lease of ingress and egress over all property owned by the RDC where the Premises are located ("**RDC's Property**") to and from the Premises to the extent necessary for the use, operation, and maintenance of the parking spaces. The RDC shall be responsible for the maintenance and repair of the areas covered by this right of ingress and egress.
8. **QUIET ENJOYMENT.** The RDC covenants that if Tenant shall perform all of the covenants and agreements of this Lease to be performed by Tenant, Tenant shall, subject to the terms and conditions of this Lease, at all times during the Term have peaceful possession and occupancy and quiet enjoyment of the Premises, without molestation, hindrance, or disturbance by the RDC or any party. The RDC covenants and warrants that, as of the Effective Date of this Lease, the RDC is the true and lawful owner of and has sole legal title and interest to the Premises, and has the good right and full power to lease the Premises to Tenant. The RDC further represents that there are no liens, judgments, restrictions, covenants, easements, rights of way, leases, or other agreements, written or unwritten, recorded or unrecorded, known to the RDC which would prohibit or in any way restrict Tenant's intended use of the Premises. If Tenant's peaceful and quiet enjoyment of the Premises is interrupted by any person after notice by Tenant to the RDC of such interruption or expected interruptions and ten (10) days elapse during which the RDC has been unwilling or unable to cure such interruption, then Tenant, in addition to its other remedies at law and in equity, may, at its sole option, terminate this Lease, and in such event Tenant will not be required to pay any further rent. Failure to exercise the option to terminate shall not waive subsequent rights Tenant has to terminate.
9. **CONDEMNATION.** In the event a portion or all of the Premises shall be taken by condemnation, eminent domain, or other similar action for public use or purpose, or be purchased by the condemning authority in lieu of condemnation, then, in either case, Tenant may, at its option, cancel and terminate this Lease in its entirety effective at any time after notice of such impending order of condemnation or offer to purchase by giving written notice to the RDC of its intention to do so. Upon the giving of said written notice by Tenant, this Lease shall terminate, any rent paid in advance shall be apportioned and refunded to Tenant and any rent due shall be accounted for as between the RDC and Tenant as of such Lease termination date. Each party shall be free to make claim against the condemning party for the amount of damages incurred by each by such proceeding.
10. **CASUALTY.** If the Premises are totally destroyed (or so substantially damaged as to be unusable for its intended purpose) by storm, fire, earthquake, or other casualty, then this Lease shall terminate as of the date of such destruction or damage, and rent shall be accounted for as between the RDC and Tenant as of that date. If either (a) all or any part of the RDC's Property or (b) all or any part of Tenant's Property is totally destroyed (or

so substantially damaged as to be unusable for its intended purpose) by storm, fire, earthquake, or other casualty, then this Lease shall terminate, at the option of Tenant, as of the date of such destruction or damage, and rent shall be accounted for as between the RDC and Tenant as of that date.

11. INSURANCE.

11.1 Property Insurance. During the Term, the RDC shall maintain, or cause to be maintained, Commercial Property insurance (“**CP Insurance**”) that insures the Premises and the RDC’s personal property at the Premises on a replacement cost basis, and Tenant shall maintain CP Insurance that covers the Tenant's personal property in and about the Premises on a replacement cost basis. Each CP Insurance policy shall, at a minimum, insure against the perils included in the ISO special causes of loss form CP 10 30 and any amendments or “all-risk” coverage, including but not limited to loss or damage due to fire and the risks normally included in extended coverage (e.g., flood, windstorm, earthquake, and terrorism).

11.2 Casualty Insurance. During the Term, the RDC and Tenant shall maintain: (i) Commercial General Liability insurance (“**CGL Insurance**”) with limits of liability not less than \$1,000,000 per occurrence with a general aggregate of not less than \$2,000,000 covering liability arising from each party's operations at the Development or Premises, as applicable, independent contractors, product-completed operations, personal injury, and advertising injury, and contractual liability that includes this Lease as an insured contract; (ii) Business Auto Liability insurance (“**BAL Insurance**”) with limits of liability not less than \$1,000,000 per occurrence covering bodily injury, including death, and property damage for liability arising from use of each party's owned, non-owned, and hired vehicles; (iii) Workers' Compensation insurance (“**WC Insurance**”) in accordance with all federal and state statutory requirements and Employers' Liability insurance (“**EL Insurance**”) in an amount of not less than \$1,000,000 per accident for bodily injury and \$1,000,000 per employee/aggregate for disease; and (iv) Umbrella Liability insurance (“**Umbrella Liability Insurance**”) with limits of liability of not less than \$5,000,000 per occurrence that applies on a “following form” basis and is in excess of the underlying CGL Insurance, BAL Insurance, and EL Insurance limits of liability with the Umbrella Liability Insurance policy listing the CGL Insurance, BAL Insurance, and EL Insurance policies on its schedule of underlying Insurance (collectively, “**Casualty Insurance**”).

11.3 Additional Insureds. With respect to CGL Insurance and Umbrella Liability Insurance, Tenant shall name the RDC as an additional insured with respect to Tenant’s negligence for any claims arising out of Tenant's operations in or upon the Premises, and the RDC shall name Tenant, its employees, officers, directors, subsidiaries, affiliates, partners, or sublessees, as additional insureds with respect to the RDC’s negligence for any claims arising out of operations of the RDC or the RDC’s agents or contractors in or upon the Development, Premises, or Common Areas. In addition, the CGL Insurance and the Umbrella Liability Insurance: (i) must be endorsed to be primary and non-contributory, rather than excess, with respect to each party's additional insured status; (ii) endorsed to provide cross-liability coverage if they do not contain a standard ISO separation of insureds provision; and (iii) have no cross suits exclusion, or any similar exclusion that excludes coverage for claims brought by one insured under the policy against another insured under the policy.

11.4 Rating Requirements. All insurance policies required by this Section 11 (i) must be issued by insurance companies having an “A” rating or better by Standard and Poor's, and if not rated by Standard & Poor's, then a rating of “A” by A.M. Best Company, and (ii) may be satisfied by a primary policy or combination of primary and umbrella policies. The insurance provisions set forth in this Section 11 set forth the minimum amounts and scopes of coverage to be maintained by the RDC and Tenant and are not to be construed in any way as a limitation on each party's liability under this Lease.

11.5 Certificates of Insurance. Each party shall furnish Certificates of Insurance to the other party evidencing all of the above-described insurance policies prior to or upon execution of this Lease and annually thereafter, but not later than ten (10) business days after the expiration of each policy. All policies shall provide that not less than thirty (30) days' prior written notice of cancellation or non-renewal shall be given to the other party.

12. WAIVER OF SUBROGATION.

12.1 Waiver of Subrogation (Property). Tenant and the RDC hereby waive and release each other of and from any and all rights of recovery, claims, actions, or causes of action against each other, including their respective employees, officers, directors, subsidiaries, affiliates, agents, representatives, and assigns, for any loss or damage that may occur to the Development, the RDC's personal property, the Improvements (including any alterations or additions thereto), and Tenant's personal property by reason of fire or other casualty, regardless of cause or origin. The RDC and Tenant shall obtain a waiver of subrogation from their respective insurers and shall endorse their CP Insurance policy to reflect the waiver of subrogation. The above waiver of subrogation applies whether or not there are any deductibles or self-insured retentions and in the absence of any CP Insurance.

12.2 Waiver of Subrogation (Casualty Insurance). Tenant and the RDC hereby waive and release each other of and from any and all rights of recovery, claims, actions, or causes of action against each other, including their respective employees, officers, directors, subsidiaries, affiliates, agents, or representatives to the extent covered by Casualty Insurance. Each Casualty Insurance policy must be endorsed to reflect the insurer's acceptance of this waiver of subrogation. The waiver of subrogation applies whether or not there are any deductibles or self-insured retentions and in the absence of any Casualty Insurance.

13. INDEMNIFICATION. The RDC shall indemnify and save harmless Tenant from all direct loss or damage for personal and bodily injury and tangible property damage (including reasonable attorneys' fees) arising out of the negligence or wilful misconduct of the RDC, its officers, agents, employees, independent contractors or invitees, or the failure by the RDC to perform its obligations under this Lease, provided that Tenant gives the RDC timely notice of any claim coming under the scope of this indemnity, allows the RDC to completely control the settlement and defense of any such claim and cooperates fully with the RDC in the investigation and defense of such claim.

Tenant shall indemnify and save harmless the RDC from all direct loss or damage for personal and bodily injury and tangible property damage (including reasonable attorneys' fees) arising out of the negligence or wilful misconduct of Tenant, its officers, agents, employees, independent contractors, sublessees, or invitees, or the failure by Tenant to perform its obligations under this Lease, provided that the RDC gives Tenant timely notice of any claim coming under the scope of this indemnity, allows Tenant to

completely control the settlement and defense of any such claim and cooperates fully with Tenant in the investigation and defense of such claim.

14. **ENVIRONMENTAL MATTERS**. The RDC warrants and represents that, to the best of its actual knowledge, (i) the RDC is not subject to any existing investigation by any governmental authority under any Environmental Requirements related to the Property, (ii) any handling, transportation, storage, treatment, or use of Hazardous Materials that has occurred on the Property to date by or behalf of the RDC has been in compliance with all Environmental Requirements, and (iii) no leak, spill, release, discharge, emission or disposal of Hazardous Materials has occurred on the Property since the date of the RDC's acquisition of its fee title interest therein. The term "**Environmental Requirements**" means all applicable past, present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; and Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos, and petroleum, including crude oil or any fraction thereof, natural gas, natural liquids, liquefied natural gas or synthetic gas usable for fuel (or mixtures of such natural gas and synthetic gas).

Tenant shall have no liability of any kind to the RDC as to Hazardous Materials on, under or about the Premises and/or on any other property of the RDC (collectively, the "**Property**") caused or permitted by: (i) the RDC, its agents, employees, contractors or invitees (if any); or (ii) any person or entity (other than Tenant and Tenant's employees, agents, invitees or contractors) located outside of the Property (including, without limitation, the migration or leaching of Hazardous Materials from outside the Property on or onto the Property).

The RDC shall and hereby does indemnify Tenant and hold Tenant harmless from and against any and all expense, loss, and liability (including, without limitation, any and all legal and professional fees and costs incurred by Tenant in connection therewith) suffered by Tenant by reason of historic site operations and/or conditions occurring prior to the Effective Date of this Lease, or by reason of contamination on, at or emanating from the Property by reason of the storage, generation, release, handling, treatment, transportation, disposal, or arrangement for transportation or disposal, of any Hazardous Materials (whether accidental, intentional, or negligent) by the RDC or the RDC's employees, agents or contractors, and which does not arise directly from or out of the presence of Hazardous Materials on, at or from the Premises solely as the result of Tenant's use of the Premises or any act or omission of Tenant, its agents, employees, or contractors; provided that, however, the RDC shall not be liable to Tenant for any consequential or punitive damages suffered by Tenant as a result of any breach of the RDC's obligations hereunder. Tenant shall and hereby does indemnify the RDC and hold the RDC harmless from and against any and all expense, loss, and liability (including, without limitation, any and all legal and professional fees and costs incurred by the RDC in connection therewith) suffered by the RDC (except to the extent that such expenses, losses, and liabilities arise

out of the negligence or willful act of the RDC or the RDC's employees, agents, invitees or contractors), by reason of the storage, generation, handling, treatment, transportation, disposal, or arrangement for transportation or disposal, of any Hazardous Materials (whether accidental, intentional, or negligent) by Tenant or Tenant's employees, agents, invitees or contractors, provided that, however, Tenant shall not be liable to the RDC for any consequential or punitive damages suffered by the RDC as a result of any breach of Tenant's obligations hereunder. Notwithstanding anything to the contrary in this Paragraph 14, Tenant shall have no liability to the RDC of any kind as to any Hazardous Materials unless the RDC provides a Phase I environmental investigation which conclusively determines that (a) such Hazardous Materials were not present on the Property on the Effective Date of this Lease, and (b) the release of such Hazardous Materials was caused solely by Tenant, its agents, employees or contractors.

15. COSTS AND EXPENSES. The RDC shall pay the following costs and expenses associated with the Premises: real estate taxes (the RDC shall provide Tenant with evidence of the payment of thereof upon Tenant's request), general and special assessments assessed on the property interest of the RDC in the Premises, property insurance protecting the RDC's interest in the Premises, debt service on any loans on which the RDC or an affiliate of the RDC is the borrower and which are secured by or related to the Premises, any and all repair, maintenance and operation expenses related to the Premises, and any other costs that may be related to the ownership of the Premises and the remainder of RDC's Property.

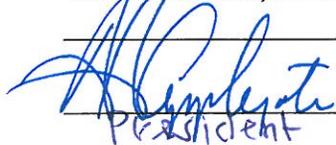
Tenant's costs and expenses related hereto shall be strictly limited to obtaining and maintaining such insurance policies as are required pursuant to Section 11 hereof.

16. REPAIRS AND MAINTENANCE. The RDC shall provide all routine repairs and maintenance to the Premises including, without limitation, painting, cleaning, removal of trash and debris, and routine repairs to the parking surface of the Premises.

17. NOTICES. Whenever, in this Lease, it shall be required or permitted that notice or demand be given or served by either party on the other, such notice or demand shall be given or served in writing (i) by certified mail, return receipt requested, (ii) by courier or hand delivery, or (iii) by reputable overnight courier, at the address specified below for each party or at such other address as the parties may designate:

Tenant:

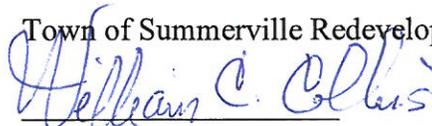
The Dorchester, LLC



President

RDC:

Town of Summerville Redevelopment Corporation



Chairman

Notices sent in accordance with the provisions of this Paragraph 17 shall be deemed given upon receipt, upon the refusal to accept such notice or upon the inability to deliver such notice due to an address change for which notice was not given in accordance herewith.

18. DEFAULT.

(a) Tenant Default. In the event that Tenant (i) shall, after ten (10) days written notice from the RDC, fail to perform, keep, and observe any of the terms, covenants, and conditions of this Lease or (ii) shall be placed into bankruptcy, either voluntarily or by the courts, or become financially insolvent and unable to perform its obligations under this Lease, then the RDC may, at its option and in addition to and not in limitation of any other right or remedy permitted to the RDC at law, in equity or under this Lease, terminate this Lease, in which event Tenant shall surrender the Premises to the RDC within ninety (90) days of such Lease termination.

(b) The RDC Default. In the event that the RDC (i) shall, after ten (10) days written notice from Tenant, fail to perform, keep, and observe any of the terms, covenants, and conditions of this Lease or (ii) shall be placed into bankruptcy, either voluntarily or by the courts, or become financially insolvent and unable to perform its obligations under this Lease, then Tenant may, at its option and in addition to and not in limitation of any other right or remedy permitted to Tenant at law, in equity or under this Lease, terminate this Lease, in which event Tenant shall surrender the Premises to the RDC within ninety (90) days of such Lease termination.

19. LIMITATION OF DAMAGES AND LIABILITY. Except for gross negligence or wilful misconduct resulting in personal injury or property damage to third parties, in no event shall Tenant's or the RDC's liability under this Lease include any liability for incidental, indirect, special, or consequential damages.

20. TERMINATION. The RDC may not terminate this Lease prior to its stated expiration except upon a Tenant Default pursuant to Section 18 hereof and upon ninety (90) days written notice to the Tenant. Tenant may terminate this Lease, in whole or in part, with 30 days' notice to the RDC at any time during the Term of this Lease upon payment to the RDC of one month's rent as an early termination fee.

21. SURRENDER OF PREMISES. Tenant shall, at the end of the Term, or any extension thereof, promptly surrender the Premises in good order and condition and in conformity with the applicable provisions of this Lease, excepting only reasonable wear and tear and any condemnation or casualty.

22. POSTPONEMENT OF ACTION. Whenever the time for the performance or discharge of any obligation or the exercise of any right provided hereunder shall fall on any Saturday, Sunday, or other legal or public holiday, then the time for the performance or discharge of such obligation or the exercise of such right shall be extended to 5:00 p.m. on the next secular or business day.

23. SUCCESSORS AND ASSIGNS. This Lease shall be binding on the parties hereto and their respective successors and assigns.

24. EFFECTIVE DATE. This Lease and its terms shall be in effect as of the date first set forth above (the "Effective Date").

25. **APPLICABLE LAW.** Notwithstanding the location of the entities executing this Lease, this Lease shall be governed by and interpreted in accordance with the laws of the State where the Premises are located.
26. **WAIVER.** The parties may waive any provision of this Lease only by a writing executed by the party or parties against whom the waiver is sought to be enforced. No failure or delay in exercising any right or remedy or in requiring the satisfaction of any condition under this Lease, and no act, omission or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition. A waiver once given is not to be construed as a waiver on any future occasion or against any other person or entity.
27. **TIME IS OF THE ESSENCE.** Time is of the essence regarding all performance under this Lease.
28. **BROKERS.** Each party represents and warrants that it has dealt with no broker, agent, or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, and each party agrees to defend, indemnify and hold the other harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with the indemnitor with regard to this Lease.
29. **ATTORNEYS' FEES.** In the event either party is required to retain counsel to enforce any rights under this Lease, such party if successful as determined by a court issuing a final adjudication and having proper jurisdiction over the parties from which no appeal can be or is taken, shall be entitled to recover from the other party, its reasonable attorneys' fees and expenses.
30. **ENTIRE AGREEMENT.** This Lease, including all exhibits hereto, each of which is incorporated into this Lease, constitutes the entire agreement between the parties hereto with respect to the subject matter of this Lease and no other representations, warranties, or agreements, whether written or oral, shall be binding on either of the parties. This Lease may not be amended, modified, or supplemented unless and except by an instrument in writing signed by both parties.
31. **CAPTIONS.** The captions of this Lease are inserted for the purpose of convenient reference and in no way define, limit, or describe the scope or intent of this Lease or any part hereof.
32. **SEVERABILITY.** Should any term(s), covenant(s), condition(s), provision(s), sentence(s), or part(s) thereof of this Lease be held invalid or unenforceable by any court of competent jurisdiction, the remaining terms and provisions shall, nevertheless, remain in full force and effect.

IN WITNESS WHEREOF, the undersigned parties have caused this Lease to be executed as of the day and year first above written.

**TOWN OF SUMMERSVILLE
REDEVELOPMENT CORPORATION,
as Landlord**

Witnesses:

Madelyne H. Robinson

By: William D. Collins

Its: Chairman

THE DORCHESTER, LLC, as Tenant

Witnesses:

Lisa L. Waller

By: A. Appleby

Its: Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF DORCHESTER)

ACKNOWLEDGMENT

Before me, the undersigned Notary Public, personally appeared Lisa L. Wallace, this 9th day of July, 2014, who executed the foregoing instrument, and acknowledged that he executed the same.

Lisa L. Wallace
Notary Public for South Carolina
My Commission Expires: 7-19-2022



Witnesses:

Marilyn H Robinson
Tiffany J Nutter

The Dorchester LLC,
a South Carolina limited liability company

BY: [Signature]

STATE OF SOUTH CAROLINA)
)
COUNTY OF DORCHESTER)

ACKNOWLEDGMENT

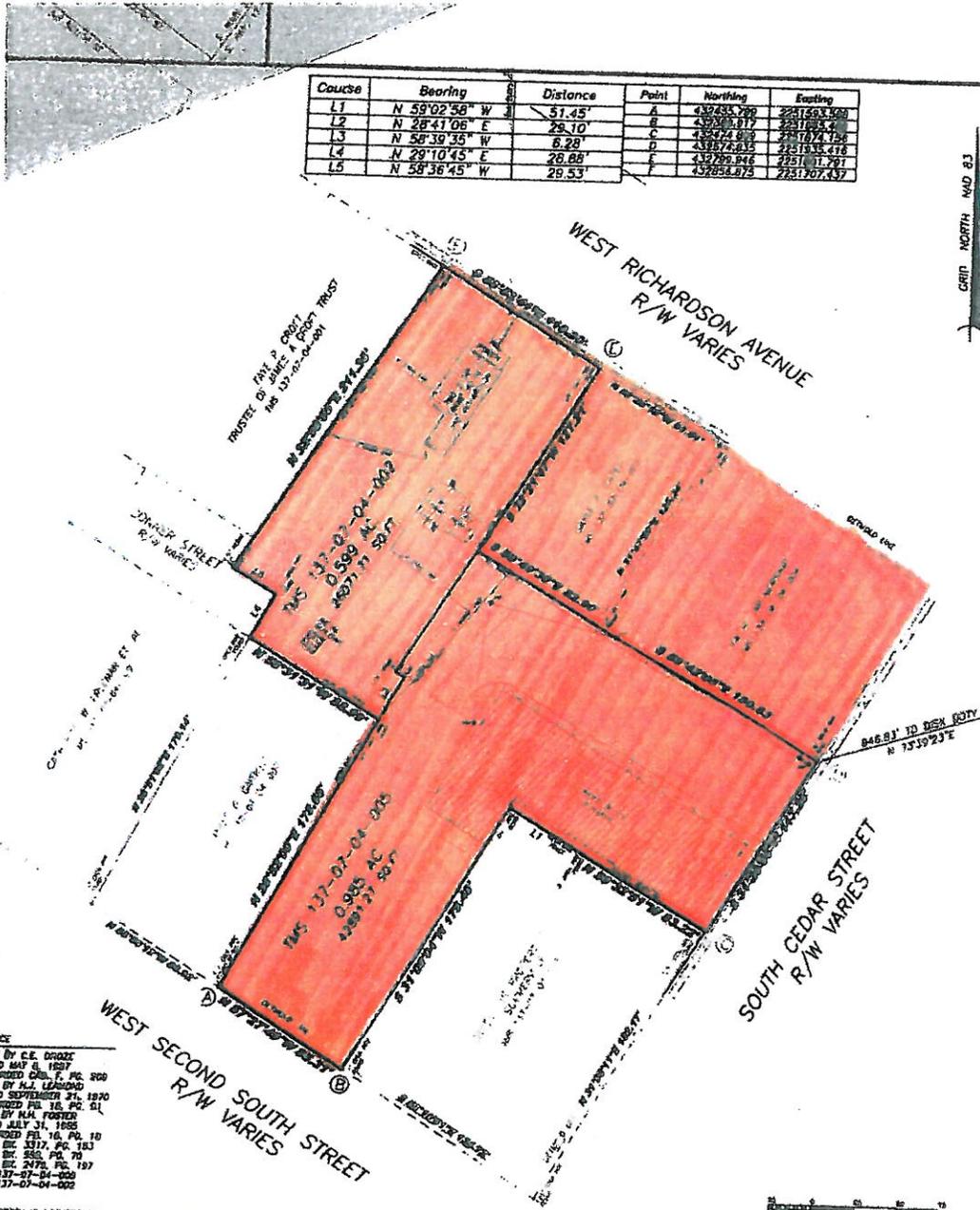
Before me, the undersigned Notary Public, personally appeared Lisa L. Wallace this 9th day of July, 2014, who executed the foregoing instrument, and acknowledged that he executed the same.

Lisa L. Wallace
Notary Public for South Carolina
My Commission Expires: 7-19-2022



EXHIBIT "A"

THE PREMISES



SEE
 1 BY C.E. DROGG
 2 MAY 6, 1927
 3 RECORDED C.B. F. PG. 206
 4 BY H.L. LEASONS
 5 SEPTEMBER 21, 1920
 6 RECORDED P.H. 16, PG. 51
 7 BY H.A. FOSTER
 8 JULY 31, 1925
 9 RECORDED P.H. 10, PG. 10
 10 BY C.E. DROGG
 11 BY C.E. DROGG
 12 BY C.E. DROGG
 13 BY C.E. DROGG
 14 BY C.E. DROGG
 15 BY C.E. DROGG

PROPERTY IS LOCATED BY
 ONE X AS PER FILE
 2. 450073 000 0.
 DECEMBER 4, 1925



CH 7, 2006
 NO. 06-044

ZONED B-3

SOUTH CAROLINA
 DORCHESTER COUNTY
 TOWN OF SUMMERVILLE

IT SHOWING TMS 137-07-04-005

EXHIBIT C

STATE OF SOUTH CAROLINA)	GRANT AND PROPERTY
)	CONVEYANCE AGREEMENT
)	FOR TOURISM AND OTHER
)	ECONOMIC DEVELOPMENT
COUNTY OF DORECHESTER)	PROJECTS

THIS AGREEMENT is made and entered into as of July 9, 2014 by and between the Town of Summerville, a body corporate and a municipal corporation of the State of South Carolina (herein referred to as "TOWN"), and the Town of Summerville Redevelopment Corporation ("herein referred to as RDC"), a 501(c)(4) nonprofit organization.

WITNESSETH:

WHEREAS, the RDC was established by the Town of Summerville to facilitate financing and funding for various community and economic development projects; and

WHEREAS, the TOWN and the RDC are interested in entering into an agreement for the purposes of encouraging economic development for the benefit of the citizens of the Town of Summerville in accordance with Title 31, Chapter 10 Community Development Law of the South Carolina Code of Laws (1976) *et. seq.*, as amended; and

WHEREAS, the TOWN and the RDC determine that the development of mixed-use project that includes a hotel, retail space, a conference center, residential units, and a parking garage along West Richardson Avenue, South Cedar Street and West 2nd South Street (collectively herein referred to as the "PROJECT") would provide tourism related and other economic development benefits vital to the continued revitalization of downtown, improving services to residents, enhancing the economic development of the Town of Summerville, and providing facilities that will host conferences and special events that will attract visitors from outside of the Summerville community; and

WHEREAS, the TOWN owns approximately 1.58 acres of property located in downtown Summerville along West Richardson Avenue, specifically known as TMS# 137-07-4-002 and TMS# 137-07-04-005 (together, herein referred to as the "TOWN PROPERTY") that is necessary for the development of the PROJECT; and

WHEREAS, on July 9, 2014, the TOWN passed Ordinance No. _____, approving actions necessary to support the PROJECT, including the execution of a Public-Private Partnership Agreement between the TOWN, the RDC and Applegate & Co. (herein referred to as the "PPP AGREEMENT") to leverage and maximize private investment, the construction of public improvements, and the granting of funds to the RDC for the PROJECT; and

WHEREAS, on July 9, 2014, the RDC approved the PPP AGREEMENT by resolution.

NOW, THERFORE, for valuable consideration and the mutual promises hereinafter set forth between the parties hereto, the legal sufficiency of which is hereby acknowledged by the parties, it is agreed as follows:

1. The TOWN agrees to convey by deed fee simple title of the TOWN PROPERTY to the RDC for purposes of developing the PROJECT.
2. The TOWN agrees to provide a grant to the RDC in the total amount of Five Million, Two Hundred Thousand and No/100 Dollars (\$5,200,000) for the purpose of funding the development of the Public Improvements of the PROJECT, including a conference center, parking garage and associated streetscape as further defined in the PPP AGREEMENT.
3. The TOWN agrees to provide a grant to the RDC in the total amount of Three Million Seven Hundred and Fifty Thousand and No/100 Dollars (\$3,750,000) for the purpose of downtown economic development activities, as further defined in the PPP AGREEMENT.
4. The RDC agrees to utilize the PROPERTY and grant funds provided in this Agreement for the purposes of the PROJECT.

9 IN WITNESS WHEREOF, the parties hereto have set their hands and seals this day of July, 2014.

Witnesses:

Madeleine H Robinson

Tiffany J Nater

TOWN OF SUMMERSVILLE
RE DEVELOPMENT CORPORATION

William C. Collins

By: William C. Collins
Its: Chairman

Witnesses:

Madeleine H Robinson

Tiffany J Nater

TOWN OF SUMMERSVILLE

William C. Collins

By: William C. Collins
Its: Mayor

EXHIBIT D

PROMISSORY NOTE/LOAN AGREEMENT

BORROWER'S NAME: The Dorchester, LLC

LOAN NUMBER: _____ DATE: _____

LOAN AMOUNT: \$3,750,000.00 DATE DUE: _____

For value received, the undersigned, promises to pay to the order of the Town of Summerville Redevelopment Corporation (herein called "LENDER"), at _____ Summerville, SC _____, or any other place designated at any time by the holder hereof, in lawful money of the United States of America, the principal sum of Three Million Seven Hundred and Fifty Thousand and No/100 Dollars (\$3,750,000), together with any interest due on the unpaid balance based on the following terms. The payment obligation hereof by the undersigned (the "Borrower") is subordinate in all respects to the payment obligations of the Borrower to the Construction Lender (as defined in the PPPA [as defined below] and to the Equity Investors (as defined in the PPPA).

Terms shall be as follows:

1. Funds shall be disbursed hereunder by the LENDER up to the full amount of the loan (\$3,750,000.00) to The Dorchester, LLC (herein called "BORROWER") on a pro-rata basis with the application of funds of the Equity Investors upon receipt of written requests submitted to the RDC by the project architect.
2. No interest shall be due for 24 months from the date of funding by the LENDER. Interest on this note shall begin the day following 24 months from the funding by LENDER at the rate of 3.75% per annum. From that date, the interest payment shall be due on the 1st day of each month, and continue until this note is paid off. In any event, this Note shall be due and payable in full with all accrued interest on or before forty-eight (48) months from date of funding by the LENDER.
3. Interest shall be paid in arrears. The first interest payment on the loan shall be due on the first day of the month following the first day interest begins to accrue. This payment of interest shall be calculated at Three Hundred Ninety and 625/1000 (\$390.625) Dollars per day beginning the first day interest begins to accrue until the beginning of the following month.
4. Thereafter during the balance of the Term, a monthly interest payment of Eleven Thousand Seven Hundred Eighteen and 75/100 Dollars (\$11,718.75) shall be paid by BORROWER.
5. At the end of the Term of this Promissory Note or any extension thereof, a final payment of principal in the amount of Three Million Seven Hundred and Fifty Thousand and No/100 Dollars (\$3,750,000), plus any accrued and unpaid interest, shall become due and payable.

6. This Note may be prepaid, in full, prior to maturity, without penalty to the undersigned.
7. Events of Default; Acceleration: The following shall constitute defaults or events of default hereunder (“Events of Default”):
 - (a) Failure by the Borrower, or any other party to keep, perform or observe any agreement, covenant, or condition contained herein or in the Public-Private Partnership Agreement between Town of Summerville, Town of Summerville Redevelopment Corporation and Applegate & Co. (the “PPPA”); or (b) Failure by the Borrower to pay any installment required to be paid by this Note within five (5) days after the due date; or (c) A default by one or more of any guarantors under any agreement, covenant or condition contained in any guaranty agreement executed by the guarantors in connection with the loan evidenced by this Note. The remaining unpaid principal of this Note and all accrued and unpaid interest thereon shall immediately become due and payable, at the option of the holder hereof, upon the occurrence of an Event of Default. The Lender shall be entitled to recover all expenses, including reasonable attorneys’ fees and expenses of legal counsel, incurred by the Lender in any way arising from or relating to the enforcement or attempted enforcement of this Note and any related guaranty, collateral document or other document and the collection or attempted collection, whether by litigation or otherwise, of this Note.
8. Application of Payments: All payments on this Note shall be applied first to accrued interest, then to fees, then to principal due and then to late charges. Any remaining funds shall be applied to the further reduction of principal. Notwithstanding the foregoing, upon the occurrence of a default hereunder, payments shall be applied as determined by Lender in its sole discretion.
9. Interest After Default: Any past due installments, whether of principal or interest, shall bear interest at the rate or rates herein set out until paid, except that after this Note shall become due, whether by acceleration or otherwise, this Note shall bear interest at the lesser of (a) the highest contract rate, if any, permitted by applicable law or (b) a rate per annum equal to fifteen percent (15%). The applicable interest rate herein shall apply whether before or after any judgment hereon.
10. Late Charge: Time is of the essence of this Note. To the extent not prohibited by law, a late charge of five percent (5%) shall be assessed on any payment remaining past due for 10 days or more unless interest on this Note is payable in advance, in which case such period shall instead be 30 days or more; provided, however, that if any applicable statute allows a shorter minimum time period for the imposition of a late charge, such shorter time period shall prevail. Borrower agrees that the late charge provided above is fair and reasonable compensation to Lender for the additional administrative time and effort incurred in collecting and processing delinquent payments. Borrower further agrees that the Default Rate is a fair and reasonable rate of interest to be charged after maturity or acceleration of this Note

in light of the increased risks to Lender inherent in a past due loan and the administrative time and effort incurred in collecting a past due loan.

11. Collateral: This Note is unsecured.

12. Governing Law; Changes: The Note may not be changed orally and shall be governed by and construed in accordance with the laws of the State of South Carolina without regard to principles of conflict of laws.

13. Jurisdiction; Venue: The Borrower (a) submits to personal jurisdiction in the circuit court for the first judicial circuit for the State of South Carolina, for the enforcement of this Note, (b) waives any and all personal rights under the law of any jurisdiction to object on any basis (including, without limitation, inconvenience of forum) to jurisdiction or venue within the circuit court for the first judicial circuit for the State of South Carolina for the purpose of litigation to enforce this Note, and (c) agrees that service of process may be made upon the Borrower in any manner prescribed by applicable state rules of civil procedure or by applicable local rules or laws of civil procedure for the giving of notice to the Borrower. Nothing herein contained, however, shall prevent the Lender from bringing any action or exercising any rights against any security and against the Borrower personally, and against any assets of the Borrower, within any other state or jurisdiction.

14. Payments Not to Violate Law: Nothing herein contained nor any transaction related thereto shall be construed or so operate as to require the Borrower to pay interest at a rate greater than it is now lawful in such case to contract for under applicable law, or to make any payment or to do any act contrary to applicable law, and the Lender shall reimburse the Borrower for any interest paid in excess of the highest rate allowed by applicable law or any other payment which may inadvertently be required by the Lender to be paid contrary to applicable law; and if any clauses or provisions herein contained operate or would prospectively operate to invalidate this Note, in whole or in part, then such clauses and provisions only shall be held for naught, as though not herein contained, and the remainder of this Note shall remain operative and in full force and effect.

15. Miscellaneous: The Borrower and all endorsers, sureties, and guarantors, if any, hereby waive presentment for payment, demand, protest, notice of nonpayment or dishonor and of protest, and any and all other notices and demands whatsoever, and agree to remain bound under this Note until the principal and interest are paid in full, notwithstanding any extensions of time for payment which may be granted even though the period or periods of extension be indefinite and notwithstanding any inaction by, or failure to assert any legal rights available to the holder of this Note. Borrower acknowledges that Lender may reproduce (by electronic means or otherwise) any of the documents evidencing and/or securing this Note and thereafter may destroy the original documents. Borrower does hereby agree that any document so reproduced shall be the binding obligation of Borrower enforceable and admissible in evidence against it to the same extent as if the original documents had not been destroyed. This Note may be assigned by Lender with or without recourse.

16. WAIVER OF JURY TRIAL. BORROWER, TO THE MAXIMUM EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION ARISING FROM OR RELATED TO THIS PROMISSORY NOTE.

If BORROWER shall at any time default in making any payment of principal or interest on the Note, BORROWER agrees that it will, to the full extent permitted by law, pay to the holder of the Note, an amount equal to the reasonable costs and expenses of collection or enforcement incurred by such holder in such collection (including attorney's fees).

IN WITNESS WHEREOF, this Promissory Note has been executed under seal the day and year first above written.

THE DORCHESTER, LLC

a South Carolina Limited Liability Company

By: _____

Its: _____

Remainder of Page Intentionally Left Blank
[Additional Terms on Following Page]

GUARANTEE OF PROMISSORY NOTE

In consideration of the sum of three million seven hundred fifty thousand and 00/100 Dollars (\$3,750,00.00) paid in hand, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the extension of credit to The Dorchester, LLC, a South Carolina Limited Liability Company, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned does hereby jointly and severally, absolutely and unconditionally, guarantee to Lender, its successors, personal representatives, legal representatives, and assigns, the due and punctual payment of the principal and interest due on the Promissory Note owed by The Dorchester, LLC, a South Carolina Limited Liability Company, of even date and any penalties for late payment with a personal guarantee by Arthur H. Applegate; subject, however, to the following limitations:

1. This guarantee shall be effective and in force and effect only for the period of time beginning with the first disbursement of funds under the Promissory Note/Loan Agreement to the Borrower thereunder, and shall terminate in full upon completion of construction of the Hotel, the Parking Garage, and the Conference Center (as defined in the PPPA).
2. The obligation of the guarantor hereunder is junior and subordinate to the obligations of the guarantor to the Construction Lender and the Equity Investors (as defined in the PPPA), which obligations shall be, and shall remain, prior and superior to the obligation of the guarantor hereunder.

Further, the undersigned does hereby, jointly and severally, unconditionally guarantee payment of all expenses (including attorney's fees) incurred in the enforcement of this guarantee. The undersigned hereby waive presentment, demand, notice of dishonor, notice of default, protest and all other notices whatsoever. The undersigned hereby waive notice of acceptance and this guarantee binds the undersigned, their heirs, personal representatives, legal representatives, and assigns. This guarantee shall inure to the benefit of Lender, its successors, personal representatives, legal representatives, and assigns.

This guarantee shall be governed by, construed and controlled under the laws of the State of South Carolina, without regard to any conflict of laws.

WAIVER OF JURY TRIAL. THE UNDERSIGNED, TO THE MAXIMUM EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION ARISING FROM OR RELATED TO THIS GUARANTEE OF PROMISSORY NOTE.

IN WITNESS WHEREOF, the undersigned have executed and sealed this Guarantee of Promissory Note on this ____ the day of _____, 2014.

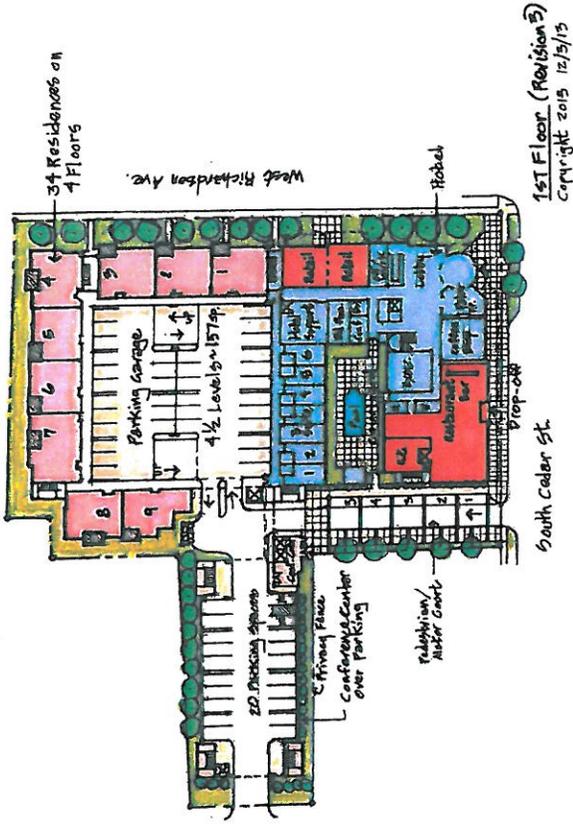
Witnesses: _____

Arthur H. Applegate

The Dorchester
Estimated Public Improvements Budget

Construction Cost	\$	4,391,324
Soft Cost	\$	808,676
Total Project Cost	\$	5,200,000
Construction Costs		
Vertical Construction	\$	3,503,266
Land Improvements	\$	375,660
Contractor Liability/Builders Risk	\$	41,740
Bond Premium	\$	41,740
General Requirements	\$	166,960
Builder's General Overhead	\$	62,610
Furniture, Fixtures, Equipment	\$	199,348
Total Construction Cost	\$	4,391,324
Soft Cost:		
Architect/Structural Engineer	\$	229,043
Interior Design Services	\$	30,000
Civil Engineering	\$	65,500
Surveying (Topo, Boundary, Tree, UTL Locations, etc)	\$	8,395
Geo Tech	\$	6,600
Consultants (Traffic)	\$	7,500
Environmental (Phase I)	\$	2,200
Organizational/Legal Costs	\$	25,000
Construction Management/Inspection Fees	\$	52,000
Development Fee	\$	260,000
Operating Deficiency Reserve	\$	60,000
General Contingency	\$	62,438
Total Soft Costs	\$	808,676
Total Project Cost	\$	5,200,000

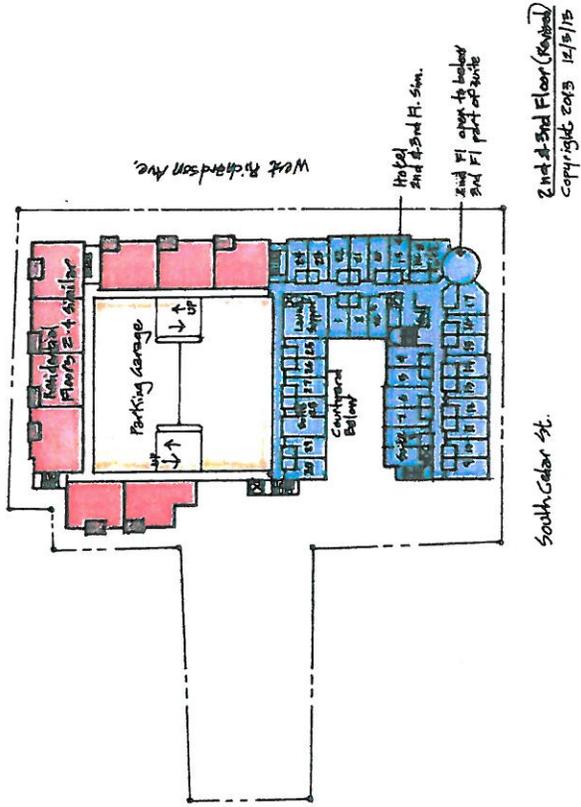
Exhibit F-1



Goff • D'Antonio Associates

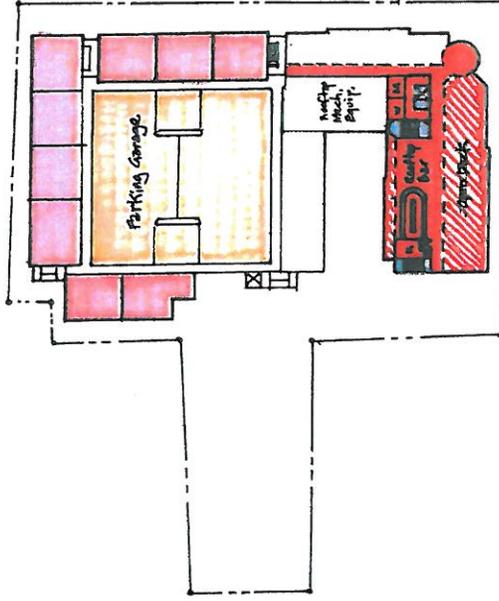
The Dorchester / Mixed Use

1st Floor (Revision 5)
Copyright 2015 12/15/15

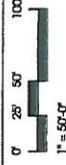


The Dorchester / Mixed Use

Goff & D'Antonio Associates



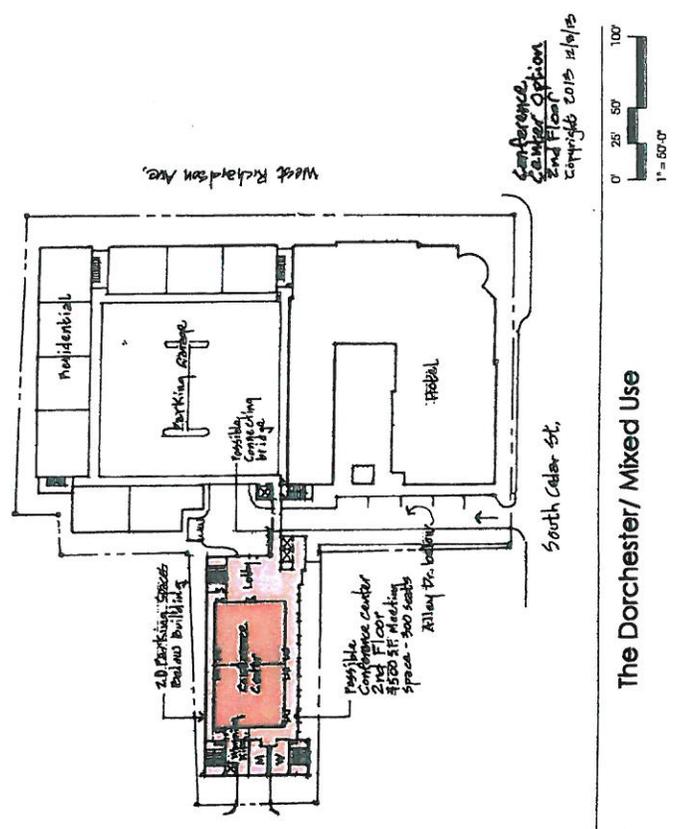
4th Floor (Revised)
Copyright 2015 12/18/15



South Cedar St.

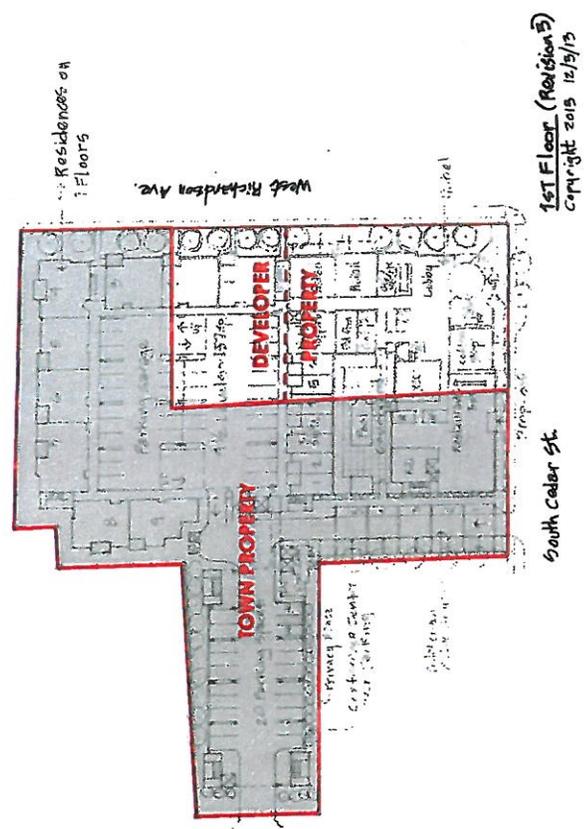
The Dorchester / Mixed Use

Goff • D'Antonio Associates



The Dorchester/ Mixed Use

Goff & D'Antonio ASSOCIATES



Goff & D'Antonio Associates

The Dorchester / Mixed Use



The Dorchester/ Mixed Use

Goff*Antonio Associates



Exhibit F-7



4 Floors of Residences

Hotel

Hotel Entrance

Hotel Entrance

West Richardson Ave
Elevation
Copyright 2013 12/3/13

Goff & D'Antonio Associates

The Dorchester / Mixed Use





Suttonville
Conference Center
Copyright 2015 12/15/15



The Dorchester/ Mixed Use

Coffi-D'Antonio Associates