

**STATE OF SOUTH CAROLINA
CITY OF COLUMBIA**

**DEVELOPMENT AGREEMENT
BULL STREET NEIGHBORHOOD**

This Development Agreement ("Agreement") is made and entered into this 31st day of July, 2013, by and between **Hughes Development Corporation**, a South Carolina corporation ("Developer"), and the **City of Columbia, South Carolina** ("City").

WHEREAS, Developer has contracted to purchase approximately 165 acres from the Department of Mental Health, an agency of the State of South Carolina, its current owner, which is more particularly described in the attached Exhibit A (the "Property") and which is also generally known as the South Carolina Department of Mental Health Bull Street Campus ("Campus"), and proposes to master develop a mixed use development on the parcels that it purchases pursuant to its Sale and Purchase Agreement with the Department of Mental Health ("Project"); and

WHEREAS, the City recognizes that the Campus redevelopment is a once-in-a-generation opportunity to secure quality planning and transformative growth for this area of downtown and has determined that the Project will have a positive impact on the City; and

WHEREAS, the City on October 2, 2012, rezoned the Campus as a Planned Unit Development ("PUD") District and adopted PUD zoning and development standards generally referred to as the Bull Street Neighborhood Code ("PUD Ordinance"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, the City and the Developer believe that the orderly development of the Project under the PUD zoning will increase the ad valorem property tax base of the City, will enhance the City's redevelopment efforts in the North Main area and Central Business District by being a prototype of the development the City plans to promote for the area, will alleviate blight that exists on the Campus, and will incentivize the adaptive re-use of tax exempt properties no longer used by the State in order to build a sustainable neighborhood in accordance with the vision created for the Property through many years of public and private planning and stakeholder involvement; and

WHEREAS, the legislature of the State of South Carolina has enacted the "South Carolina Local Government Development Agreement Act," (the "Act") as set forth in Sections 6-31-10 through 6-31-160 of the South Carolina Code of Laws 1976, as amended; and

WHEREAS, Section 6-31-10 (B)(1) of the Act recognizes that "(T)he lack of certainty in the approval of development can result in a waste of economic and land resources, can discourage sound capital improvement planning and financing, can cause the cost of housing and development to escalate, and can discourage commitment to comprehensive planning."; and

WHEREAS, Section 6-31-10 (B)(6) of the Act also states: "Development agreements will

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Agreement - Deed

Fee:\$133.00 County Tax: \$0.00

State Tax: \$0.00



2013064462 John T. Hopkins II

Richland County R.O.D.

Bull Street Final for Execution
July 10, 2013

encourage the vesting of property rights by protecting such rights from the effect of subsequently enacted local legislation or from the effects of changing policies and procedures of local government agencies which may conflict with any term or provision of the Development Agreement or in any way hinder, restrict, or prevent the development of the project. Development Agreements will provide a reasonable certainty as to the lawful requirements that must be met in protecting vested property rights, while maintaining the authority and duty of government to enforce laws and regulations which promote the public safety, health, and general welfare of the citizens of our State"; and

WHEREAS, the Act further authorizes local governments, including city governments, to enter into Development Agreements with owners to accomplish these and other goals as set forth in Section 6-31-10 of the Act; and

WHEREAS, the City and Developer realize that this Agreement and the PUD Ordinance must remain in place but be flexible in order to accommodate future development due to the large scale of this Project and the decades over which it is expected to be developed; and

WHEREAS, this Agreement is being made and entered into among Developer and the City, under the terms of the Act, for the purpose of providing assurances to Developer that Development of the Property may proceed in accordance with the PUD Ordinance without encountering future changes in law which would materially affect the ability to develop under the PUD Ordinance, and for the purpose of providing important protections to the natural environment and historical structures, enhancing the long term financial stability and viable tax base to the City, and for the purpose of providing certain funding and funding sources to assist the City and Developer in meeting the service and infrastructure needs associated with the Project; and

WHEREAS, the parties are now ready to memorialize their respective contributions and commitments in this Agreement in order to assure this Project and its related phased developments and necessary public improvements are designed in coordination, constructed in coordination, and utilized for their respective purposes in coordination with the intended uses for both parties.

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

I. RECITALS.

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

II. THE PROPERTY.

The Property subject to this Agreement currently consists of approximately 165 acres, of which approximately 164 acres are highland. A legal description of the Property is set forth in Exhibit A.

The Campus is comprised of approximately 181 acres, of which approximately 16 acres (the "Hall Institute site") are not currently under contract to Developer. It is anticipated that Developer will contract for the purchase of the Hall Institute site and, as such, the Hall Institute site was included in the PUD Ordinance. The City hereby gives its consent to adding all or any portion of the Hall Institute site to the definition of "Property" subject to the terms of this Agreement. Developer may notify the City from time to time of property within the Hall Institute site to be added to the legal description of the Property by the filing of a legal description of subsequently purchased property with the City's Planning Department and a request for an amendment to the Development Agreement as a minor amendment pursuant to §6-31-100 without the need for a public hearing, with consent to such to be evidenced by an acknowledgment signed by the City Manager, to be filed in the public records of Richland County; provided, however, that no other property not included in the PUD Ordinance shall be added to the Agreement unless this Agreement is duly amended pursuant to § 6-31-60 of the Act as a major amendment.

III. DEFINITIONS.

A. Definitions. As used herein:

"**Bull Street Code**" or "**PUD Ordinance**" shall mean the rezoning and map amendment the City of Columbia, South Carolina approved October 2, 2012, adopting a Planned Unit Development District and development standards for the Property.

"**City**" shall mean the City of Columbia, South Carolina.

"**Consider or consideration**" means a discretionary decision reached by the City Council or Developer, evidenced by a vote or resolution in the case of the City, or a written decision in the case of Developer, after giving careful thought to the applicable issue.

"**County**" shall mean Richland County, South Carolina.

"**Developer**" means Hughes Development Corporation, a South Carolina corporation, its successors and assigns having a legal or equitable interest in the Property.

"**Development**" shall mean development, as defined in § 6-31-20 (3) of the Act and the City Planning, Land Development and Zoning Code ("PLDZC"), that may be undertaken on all or portions of the Property and construction of improvements thereon.

"**Development Rights**" shall mean all rights provided for the Development of the Property in accordance with the Zoning Regulations.



"Master Plan for Public Facilities" shall mean that Master Plan referenced in Section XVII hereinbelow, which sets forth the timing and phasing of the public infrastructure to be funded and constructed using Public Improvement Funds.

"Near-Site Roads" shall mean Bull Street, Colonial Drive, Harden Street, and Calhoun Street and related intersections adjacent to or near the Property which connect to roads within the Property and distribute and carry traffic generated from or through the Property.

"On-Site Roads" means those roads or portions of roads which are within the boundaries of the Property, and also those portions of such roads as they extend across, but not beyond, any intersection of a public road such roads traverse; it shall also include any roads to be developed, designed, approved and permitted for the Property which are to be public roads.

"Parking Facilities" shall mean the structured parking facilities that are designated by Developer as required to achieve the desired urban scale and character of the Project, as further described in Section XIX.

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

"Property" or "Bull Street Neighborhood" shall mean that certain tract of land described on Exhibit A.

"PUD Standards" means the land development regulations for the Property set forth in the PUD Ordinance.

"Public Facilities" shall mean anything permissible as a major capital improvement under § 6-31-20 (12) of the Act and for purposes of this Agreement, and may include the Public Improvements which are to be installed and/or maintained at the expense of the public as set forth in Exhibit C.

"Public Improvement Funds" shall mean public proceeds available to fund Public Facilities, including but not limited to proceeds of bonds issued by the City or other political subdivisions and moneys lawfully appropriated by or on behalf of the City or other political subdivisions for qualifying public facilities and infrastructure.

"Public Improvements" shall mean those certain Public Facilities to be installed or maintained at the expense of the public pursuant to this Development Agreement and its Exhibit C, and may include expenses qualified for such public expense under applicable statutes, and includes but is not limited to: site preparation; demolition; asbestos abatement; contamination remediation; grading; landscaping; tree planting and removal; traffic signals; utilities; public roads and all associated work; storm water ponds; daylighting Smith Branch; and stream restoration. Public Improvements do not include Parking Facilities or a baseball stadium. A preliminary budget for

such Public Improvements is set forth in Exhibit C attached hereto, and this is the infrastructure the parties have agreed is necessary to encourage and promote private investment in the Property.

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

"SCDOT" means the South Carolina Department of Transportation.

"Term" means the duration of this Agreement as set forth in Section VIII hereof.

"Zoning Regulations" means the land development and subdivision regulations for the Property as of the date hereof as set forth including, but not limited to a) the PUD Ordinance, and b) the Planning, Land Development and Zoning Code of the City ("PLDZC), except as the provisions of the PLDZC may be clarified or modified by the terms of the PUD Ordinance, a copy of which is attached hereto as Exhibit B.

IV. CONDITION PRECEDENT.

Due to the existing condition of the Property, which contains inadequate infrastructure and over one million square feet of abandoned buildings in various states of disrepair, significant infrastructure improvements need to be made in order to encourage private investment and master development of the Project, which will enhance the tax base of the City.

It is hereby understood and agreed that a condition precedent to Developer purchasing the Property is the execution and implementation of this Agreement, and that the purchase is a condition precedent to Developer's duties under this Agreement.

V. RELATIONSHIP OF THE PARTIES.

This Agreement creates a contractual relationship between the parties as authorized by the Act. This Agreement is not intended to create, and does not create, the relationship of master/servant, principal/agent, independent contractor/employer, partnership, joint venture, or any other relationship where one party is held responsible for, or to render such party liable in any manner for the acts, debts or obligations of another party.

VI. INTENT OF THE PARTIES.

The City and Developer agree that the burdens of this Agreement bind, and the benefits of this Agreement shall inure to, each of them and their successors in interest provided, however, that nothing hereunder shall constitute a general obligation or pecuniary liability of the City, a charge against its general credit or taxing power, or a pledge of its full faith and credit within the meaning of any constitutional debt limitations. Any reference to a commitment to fund or provide is subject to the above limitation that such a commitment is subject to the general and specific constitutional and statutory local

government borrowing limitations. The City and Developer are entering into this Agreement in order to secure benefits and burdens referenced in the Act. Notwithstanding anything to the contrary herein, the City and Developer shall honor their commitments herein to the full extent of the law.

VII. CONSISTENCY WITH THE CITY'S COMPREHENSIVE PLAN AND LAND DEVELOPMENT REGULATIONS.

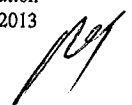
The City finds that the program of development proposed by Developer for the Property is consistent with the City's comprehensive land use plan and land development regulations as defined herein; and will further the health, safety, welfare and economic well-being of the City and its residents.

VIII. TERM.

The term of this Agreement shall commence on the latter of: i) the date this Agreement is executed by the parties and adopted by the City or ii) the Commencement Date as set forth in the Sale and Purchase Agreement between Developer and the Department of Mental Health, attached hereto as Exhibit D; and shall terminate five (5) years thereafter pursuant to § 6-31-40 of the Act, which allows a five (5) year initial term for a development agreement on a tract of highland the size of the Property subject to this Agreement. However, in accordance with §6-31-60 (2), due to the scale and density of the Project, the parties anticipate the Project may take at least twenty (20) years to be fully developed, and, as such, the City and Developer agree to consider in good faith renewals or extensions of this Agreement for three (3) successive five (5) year periods absent a material breach of any terms of this Agreement, during the initial term or any renewals, as applicable, and provided further that Developer is diligently pursuing the development of the Property in accordance with the terms of this Agreement. Nothing in this Agreement shall be interpreted to preclude the Parties from thus or otherwise extending the term by mutual agreement or from entering into subsequent development agreements as authorized by §6-31-60(2). Upon expiration of the term of this Agreement and any applicable extensions, Developer and City shall have no further obligations under this Agreement, unless 1) funds are obtained by Developer, its successors or assigns, through public financing, in which case Developer, its successors or assigns, as applicable, shall be obligated to complete the infrastructure to be financed through such public financing, or 2) there are continuing executory obligations under this Agreement not yet fulfilled or satisfied by the Developer.

IX. DEVELOPMENT SCHEDULE.

The Project will be deemed to commence upon the beginning of the Term of this Agreement, as set forth in Section VIII above. It is anticipated that Developer shall develop the Property generally in accordance with the five year incremental projections indicating commencement and interim completion dates as shown on the development schedule attached as Exhibit C ("Development Schedule"), or as may be amended by Developer in the future to reflect actual market absorption. Development may occur faster



or slower than as set forth in the Development Schedule, as a matter of right.

Pursuant to §6-31-60(B) of the Act, (i) the failure of the Developer to meet the initial or any amended Development Schedule shall not, in and of itself, constitute a material breach of this Agreement, but must be judged by the totality of circumstances, and (ii) if Developer requests a modification in the dates as set forth in the Agreement and is able to demonstrate and establish that there is good cause to modify those dates, those dates must be modified by the City. The Development Schedule is a planning and forecasting tool only, and shall not be interpreted as mandating the development pace initially forecast or preventing a faster pace if market conditions support a faster pace.

Furthermore, periodic adjustments to the Development Schedule which may be submitted by Developer in the future, shall not be considered a major modification or material breach of the Agreement, but shall likewise be judged by the totality of the circumstances, including but not limited to the Developer's good faith efforts to attain compliance with the Development Schedule, and any delays caused by public financing delays, or third party permitting processes. The fact that actual Development may be completed at a different pace, or may not be completed at all, is expected and shall not be considered a default hereunder.

Availability of public facilities (as defined in the Act) that will service the development, including who provides the facilities, the date the new public facilities will be constructed, a schedule to assure public facilities are available concurrent with the impacts of the development, and the coordination of such with the Project, are set forth on the attached Exhibit C, Development Schedule. Notwithstanding the foregoing, there may be additional obligations incurred as part of the public financing or as part of a public-private venture on the Property which have schedules and performance measures independent of the Development Schedule, and nothing contained within this section is intended to alter or amend those obligations, if any.

X. APPLICABLE LAND USE REGULATIONS.

The City specifically recognizes and acknowledges that the PUD Ordinance has modified or replaced many of the traditional provisions of the City's existing Planning, Land Development and Zoning Code ("PLDZC") with respect to the Development of the Project and that continued application of the PUD Ordinance is critical to Developer's ability to develop the Project successfully. Therefore, except as otherwise provided by this Agreement or the Act, the laws and land development regulations applicable to Development of the Property subject to this Agreement are the PUD Ordinance and the PLDZC in force at the time of execution of this Agreement.

In recognition of the significant investment in resources required of Developer in the Development of the Project, the City acknowledges that the rights accorded to the Developer under this Agreement and under the current PUD Ordinance, shall immediately constitute vested rights to undertake



and to continue Development of the Project in accordance with the Zoning Regulations, as they may be modified in the future pursuant to their terms, for the entirety of the Term. Additional provisions regarding statutory vesting of land development permits and plan approvals are available in City ordinances. In return for the respective rights, benefits and burdens undertaken by the parties, Developer shall be, and is hereby relieved of obligations imposed by future land development laws, ordinances and regulations, except those which may be specifically provided for herein.

XI. CHANGES TO ZONING REGULATIONS.

The Zoning Regulations relating to the Property subject to this Agreement shall not be amended or modified during the Term without the express written consent of the Developer, except in accordance with the procedures and provisions of § 6-31-80 (B) of the Act, which Developer shall have the right to challenge. Additionally, future enactments of, or changes or amendments to the City ordinances, including zoning or development standards ordinances which conflict with the Zoning Regulations (except those addressing procedural matters for permitting not specifically addressed in the PUD Ordinance) shall not apply to the Property unless the procedures and provisions of § 6-31-80(B) of the Act are followed, and which Developer shall have the right to challenge. Nothing herein shall preclude Developer and City from agreeing, on a case by case basis, to incorporate such new ordinances or amendments subsequently passed by the City which Developer and City mutually agree to be appropriate and in furtherance of the intent of this Development Agreement and the PUD Ordinance; and in such case the particular ordinances and/or amendments so agreed to shall become part of the Zoning Regulations. Similarly, the City also recognizes and acknowledges that future changes to the PUD Ordinance may become necessary. For that reason, the City agrees that it will give due consideration to any requests by Developer for such changes in order to insure the continued success and ultimate completion of the Project. It is acknowledged that the ability of the City to make changes to the laws in effect at the time of the Agreement is subject to the limitations of § 6-31-80, and changes not in accordance with that section which Developer objects to may be an event of default resulting in a claim for damages, See Section XX.

XII. BUILDING CODES.

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

XIII. LOCAL DEVELOPMENT PERMITS AND OTHER PERMITS NEEDED.

The parties anticipate that the following local development permits and other regulatory permits will be needed to complete the Development of the Project: zoning permits, site plans, plat approvals (preliminary, conditional or final), roads and drainage construction plan approvals, building permits, development permits, certificates of occupancy, City water and/or sewer development contracts, and utility construction and operating permits.

The failure of this Agreement to address a particular permit, condition, term, or restriction does not relieve the Developer of the necessity of complying with the law governing the permitting requirements, conditions, terms or restrictions.

XIV. PERMITTING PROCEDURES.

A. Phasing Allowed. The City agrees that Developer is not required to phase development, but shall have the right to do so. Vesting for future phases of a development within the Property beyond the Term of this Agreement, as such may be renewed or extended, shall be governed by the general vesting Ordinances of the City of Columbia.

B. Process for Review by City. The City agrees to review all land use changes, land development applications, and plats in an expeditious manner in accordance with the time limits and procedures established in the PUD Ordinance. These items may be submitted for concurrent review with the City and other governmental authorities.

C. Architectural Review. It is acknowledged and agreed that pursuant to the terms of the PUD Ordinance, all Development for the Property must receive approval from the Development Review Board prior to issuance of a development permit or subdivision approval by the City.

D. Bond for Plat Recording. The City agrees to allow plat recording with no bond or letter of credit required for such public infrastructure as may be required under the PUD Ordinance or PLDZC for plat recording when Public Improvement Funds are used for such public infrastructure. Where Public Improvements Funds are not used for required infrastructure under the PUD Ordinance or the PLDZC, the City agrees to allow plat recording with a bond or letter of credit in the amount of 125% of the infrastructure cost prior to completion of infrastructure development and to issue building permits and permit sale of lots prior to completion of such bonded infrastructure in accordance with the City's zoning and development ordinances. However, in the event that Developer has posted a bond or letter of credit with a third party governmental body for such infrastructure, the City shall accept evidence of such bond or letter of credit in lieu of requiring an additional bond or letter of credit to be posted, provided the City is made an additional payee under the third party bond or letter of credit.

E. Plan Review Fees. All plan review fees shall be consistent with the fees charged generally in the City at the time of submittal and shall be paid by the Person submitting an application to the City for such review.

XV. PERMITTED DEVELOPMENT USES.

The development uses permitted on the Property, including population densities and building intensities and height are vested rights under this Agreement, and shall be governed by the provisions of the PUD Ordinance, attached as Exhibit B, and this Agreement. In general, Developer shall have the right to utilize a portion of the Property as residential acreage for Single or Multi-Family Residential Dwellings, in accordance with the provisions and requirements of the PUD Ordinance.

XVI. DEVELOPMENT OF THE PROPERTY.

All Development of the Property, if any, shall be completed in accordance with the Zoning Regulations. All costs charged by or to the City for reviews required by the PUD Ordinance or the PLDZC shall be paid by the Person applying for such review as generally charged throughout the City for plan review. The City shall, throughout the Term, maintain or cause to be maintained, a procedure for the processing of reviews as contemplated by the Zoning Regulations. Notwithstanding any provision of this Agreement, the City acknowledges that Developer shall not be obligated under any circumstance to undertake any Development of the Property, unless the public funds contemplated by this Agreement are provided to Developer through public financing. Upon acceptance of public financing and provision of these funds, Developer shall be obligated to complete the infrastructure to be financed through such public financing in accordance with the terms of this Agreement, and such other terms and conditions which are to be set forth in the particular public financing documentation.

XVII. DEVELOPER CONTRIBUTIONS AND COMMITMENTS.

A. Master Developer of Property. Developer commits to serve as the master developer for the Project to ensure a coordinated development plan is implemented for the Project, that development is phased and comprised of a mixture of uses, and that the PUD Ordinance and its associated design guidelines are properly administered. Prior to the City seeking bonding or other methods to obtain funds for Public Facilities, the first submission for site plan approval, or the expenditure of Public Improvement Funds, whichever is earlier, Developer will collaborate with the City in developing a phased Master Plan for Public Facilities and other infrastructure necessary for development of the Property consistent with both the PUD Ordinance and this Agreement.

B. Mixed Use. Developer will recruit office, medical office, residential, retail, civic, and entertainment uses to the Project and see that uses are interspersed within the Project in a complementary manner.

C. **Form Based Code.** Developer has incorporated a form based code within the PUD Ordinance and its terms are an integral part of this Agreement.

D. **Restrictive Covenants.** To add strength and certainty to the PUD Ordinance, Developer has in substantially complete form drafted certain restrictive covenants (the "Covenants") on the Project which are attached hereto as Exhibit E. The Covenants establish standards for the Project which are more restrictive than those established by the PUD Ordinance. The City acknowledges that these Covenants establish an architectural review board for the Property, designated as the Development Review Board (DRB) in the PUD Ordinance and Covenants, as well as providing for certain prohibited uses (attached hereto as Exhibit F). The inclusion of those prohibited uses as a private land use restriction is considered by the City to be a part of the consideration flowing to the City in return for this Agreement. The Developer will impose and maintain the Covenants on the land as each piece is deeded by the Department of Mental Health, and the failure to impose those prohibited uses on all Property acquired by the Developer shall be considered an event of default under this Agreement.

E. **Land Donation.** Pump station. Developer will donate to the City up to one acre of land necessary for the City to expand its pump station along Harden Street to be located in a mutually acceptable location.

F. **Developer Contact with City.** Developer will designate a contact person to communicate with the City's designated contact with it being important that the parties provide accurate and consistent information about their respective portions of the Project and their impact during and after construction.

G. **Public Facilities and Improvements, Parking Facilities.** The City will provide for the design and construction of certain Public Facilities, Public Improvements and Parking Facilities. Upon request by the City and agreement by Developer, and subject to Section XVIII.E below, Developer will, for the City's benefit, contract for the design and construction of certain Public Facilities, Public Improvements and Parking Facilities, provided such improvements are undertaken in accordance with this Agreement and the City's policies, procedures and procurement requirements.

H. **Historic structures.** Developer acknowledges that certain historical structures exist on the Property. Developer commits to follow the provisions established in the PUD Ordinance with respect to such historic structures which include the Babcock buildings' north and south wings, Babcock male and female dining halls, Chapel of Hope, and the central portion of the Williams Building. In accordance with the PUD Ordinance, "Precedent Structures shall be retained and any preservation reconstruction, addition, alteration, repair, or site improvement, erection, or replacement of any sign, marquee, awning or other exterior architectural feature, or attachment of any appurtenance to a Precedent Structure shall require a certificate of design approval appropriately issued by the DRB prior to permitting. The DRB



will use the Standards of the Secretary of the Interior as a guide in the issuance of design approvals. Records of any DRB actions associated with this Section shall be transmitted to the Consolidated Review Committee ("CRC")." If the Developer determines, in its sole and exclusive discretion, that the Ensor, the bakery or the laundry building will not be retained on site, the Developer will offer such building to the City for relocation by the City, so long as the relocation occurs within the Developer's schedule. The City agrees to impose no further restrictions on these or other buildings or lands within the Bull Street Project.

Subject to State approval, the Developer agrees to make available for an archaeological dig, with funding to be obtained within 120 days of the final approval of the Agreement, and for a subsequent duration of no more than 120 days after funding is acquired, the area of the property known as "Camp Asylum". The Developer agrees to pay one-half of the costs of the archaeological dig, up to \$25,000.00. Additionally, the Developer agrees to the placement by the appropriate historic preservation society of a standard sized marker to recognize the historical significance of Camp Asylum.

I. Environmentally Sensitive Property. Protections of any environmentally sensitive areas are provided for in the PUD Ordinance.

J. Tree Survey. The Developer shall submit to the Zoning Administrator a tree condition and location survey for any area to be developed, performed by an ISA certified arborist, of all trees of 12-inch or greater DBH (Diameter Breast Height). Provisions regarding tree preservation are included in the PUD Ordinance.

K. Contracts. The Developer and the City aspire to having significant local, small, minority, and female owned businesses participation in contracts associated with the development of the property. The Developer shall endeavor to include local businesses, small, minority and female businesses in every opportunity for business services and construction. The City will make available to the Developer access and use of any City educational or outreach program material and lists for local, small, minority and female owned businesses. The Developer and the City will meet annually to review the progress of local, small, minority, and female business participation and give a written annual report to the Mayor and City Council. Developer shall request that any future buyers, builders or owners use their best efforts to adhere to these aspirations.

XVIII. CITY CONTRIBUTIONS AND COMMITMENTS.

A. Dedicated Liaison for Permitting and Compliance Matters. After recording of this Agreement, and the subsequent request by Developer after its Effective Date, the City Manager shall within ten (10) days of such request appoint a qualified City representative to serve as a facilitator and liaison to coordinate and guide Developer in the process of dealing with City agencies and utilities to foster and promote a coordinated and supportive effort for Development of this Project.

B. City Contact with Developer. The City will designate a contact person to communicate with Developer. It is important that the parties provide accurate and consistent information about their respective portions of the Project and their impact during and after construction, and for the purposes of facilitating the accurate flow of information on the City's infrastructure improvements and related projects to area businesses, property owners and residents.

C. CRC and BZA-FBC Appointments. The City commits to appoint members to the CRC and Board of Zoning Appeals – Form Based Code (“BZA-FBC”) in a timely manner as established by the PUD Ordinance, and the City commits to provide its Planning and Zoning staffs to support the activities of the BZA-FBC.

D. City's Public Improvements. Substantial public facilities and infrastructure improvements need to be made to the Property and its infrastructure to provide for its redevelopment and encourage and promote private investment. This will require initial investment to improve the Property infrastructure to developable standards and promote future investments, anticipated growth, and private investment in the Project. Therefore, the City commits, subject to Section VI above, to provide Public Improvement Funds for the Public Improvements in accordance with the amounts and in conformity with the schedule of improvements as set forth in Exhibit C, Development Schedule.

Developer will guide the allocation of these funds for Public Improvements according to the terms of this Agreement and the Master Plan for Public Facilities to achieve the best development results, provided, however, that such funds must be held, invested and used in a manner which is permitted by applicable federal and state law. The City's total commitment to provide Public Improvement Funds for Public Improvements under this Section XVIII.D and Exhibit C shall be limited to \$31,250,000. Either party may expend further sums on Public Improvements in its discretion.

E. Construction of Public Improvements/Design Build by Developer. Subject to Developer's compliance with this Agreement and the City's policies, procedures and procurement requirements, including the Local Business Enterprise Preference of the City and any local, small, minority or female outreach policies or programs of the City, and including any subsequent changes or revisions, the City authorizes the Developer to contract for the design and construction of the Public Improvements. Developer shall have the right to decline contracting for the design and construction of Public Improvements. Unless the Developer declines, appropriate contract documents and specifications will be created for mutual acceptance, all of which are to be compliant with the City's policies, procedures and procurement requirements. For the Public Facilities or other Public Improvements designed and constructed by Developer, Developer hereby assures the City that such Public Facilities or Public Improvements will be available concurrent with the phases of Development requiring such infrastructure, as more particularly set forth in Exhibit C. Nothing herein shall preclude the City from

designing and constructing the Public Facilities or Public Improvements, provided the Developer has first considered and approved the work.

XIX. ROADS, INFRASTRUCTURE, AND SERVICES.

A. Private Roads. All private roads within the Property shall be constructed by Developer and maintained by Developer or dedicated for maintenance to other appropriate entities, as applicable. The City will not be responsible for the construction or maintenance of any private roads within the Property. However, Developer shall have the right to dedicate to the City any private road which has been constructed to City standards as established by the Zoning Regulations, including standard supervision by City officials and completion of standard testing by Developer during construction, and the City hereby agrees to accept ownership of such roads meeting these standards, at which time it shall become a public road. Unless otherwise required by state or federal law, Developer shall not be required to post a performance bond or similar surety for construction of private roads.

B. Public Roads.

1. Generally. Based on market conditions and planned phasing of the Project, Developer will identify certain access improvements and right of way acquisitions from the State of South Carolina and/or its agencies required to support the development of the Property. These road and access improvements will be designed and built to then existing City standards, or such other standards as may otherwise be specifically required under the PUD Ordinance, and funded as Public Facilities using Public Improvement Funds (estimates are set forth in Exhibit C). Developer shall not be required to post any type of financial guaranty, including bonding or letters of credit for public roads funded through Public Infrastructure Funds.

The recording of a final plat or plan subdividing a portion of the Property shall not constitute an offer to deed or dedicate any or all streets and rights of ways shown thereon to the City, or any other person or entity, nor as an acceptance by the City, absent an express written agreement to do so.

2. Near-Site Roads.

(a) Bull Street, Calhoun Street, Colonial Street, and Harden Street ("Near Site Roads") are the public roads contiguous to the boundary of Property, providing direct access onto the Property.

(b) Developer shall have the right, subject to SCDOT approval, which is the owner of the Near-Site Roads, to design and construct, or cause to be designed and constructed, road improvements to the "Near-Site Roads" required for the Development of the Property provided that the design is in conformance with this Agreement and the PUD Ordinance. The costs of the Near-Site Roads improvements required by the



Development of the Property will be funded as Public Facilities using Public Improvement Funds.

3. **On-Site Roads.** It is believed that all of the existing roads on the Property are in poor shape and/or not properly located for the development of the Project. Developer may utilize Public Improvement Funds to construct additional or replacement public roadways or improve some or all of the existing roads to facilitate development, which are deemed to be Public Facilities.

In the event there are roads or rights of way which, after due consideration, are determined in the considered opinion of the Developer to not be located properly to service the Property, and the State Department of Mental Health is unable to provide for the closure and abandonment of such existing roads and rights of way prior to transfer to Developer of Property taking access over the road or right of way pursuant to statutory procedure and authorization, to the extent required by statute or otherwise, the City, by approval of this Agreement, agrees to consent to the closure of any such on-site roads.

4. **Conveyance of Roads.** If the costs of the road improvements, right of way acquisition, water and sewer infrastructure, drainage systems, sidewalks, pathways, or related Public Facilities infrastructure are funded through Public Improvement Funds requiring public ownership of such public infrastructure improvements, Developer shall transfer, at no additional cost to the City, title to the paved portions of such roads, water and sewer infrastructure, the drainage systems, adjacent sidewalks, adjacent pathways, and related public infrastructure constructed by Developer upon request of the City, to be not later than three (3) years after completion of such public infrastructure to the City or other governmental entity, unless different time requirements are approved by the City, or are required pursuant to applicable federal or state law. Until such transfer of title, Developer shall be responsible for the maintenance of such roads, drainage, sidewalks, or other infrastructure. At the time of transfer, Developer shall transfer, or cause to be transferred, title to the right-of-way for the constructed paved portions of the roads and any adjacent sidewalks and pathways to the City, and the City shall take full maintenance responsibility with regard to the same, which must be in reasonable condition at the time of transfer of responsibility (i.e. not in need of repair and with at least 75% of the useful life of the final pavement coating remaining). All other transferred infrastructure will be in acceptable condition to the City, based upon the condition or standard required for transfer and acceptance of such infrastructure as generally applicable within the City as of the date of proposed transfer.

5. **Landscaping of Roads.** Public roads landscaping within the Project is designated as a Public Facility, and Public Improvement Funds may be used for their installation. Once dedicated to the City, the City agrees to maintain the trees lying within the public right of way to the City's then current scheduled maintenance standards. If the Developer desires to maintain to a higher standard, Developer may, without obligation, supplement maintenance above the required standard at its

own cost. Notwithstanding the foregoing, the City may agree on a case by case basis, upon request of Developer, to accept maintenance responsibility beyond trees only in specific areas, such as the gateway entrance roads or a major corridor.

6. **Maintenance of Roads and Drainage System.** The City will be responsible for the maintenance of all public roads and adjacent public infrastructure conveyed to the City pursuant to Section XIX.B.4 above within the Project, and these areas will be maintained to the City's then current scheduled maintenance standards. If the Developer desires to maintain to a higher standard, Developer may, without obligation, supplement maintenance above the required standard at its own cost.

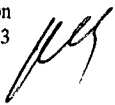
7. **Access Points.** Existing access points for the Property from the adjacent streets and roads are as shown on Exhibits B.2 and B.7 of the Existing Conditions submittal application for the PUD Ordinance, and are attached hereto as Exhibit G. The access points are shown on the Generalized Plan to the Bull Street Neighborhood Code, Exhibit B, *Thoroughfare Connections*, and may be located or relocated in accordance with the PUD Ordinance.

8. **Modification of Access Points.** Modification of access points or the addition of access points will be allowed, subject to SCDOT approval, if required, and provided they are consistent with the PUD Ordinance. If traffic signals are warranted, they may be installed subject to SCDOT approval and permitting. Such signals are deemed to be Public Facilities, and installation may be funded through the use of Public Improvement Funds, or may be funded at Developer's cost to the extent Public Improvement Funds are not available.

9. **Stream and/or Wetland Crossings; Mitigation Credits.** Potential accesses across any streams or stream buffers, or jurisdictional wetlands on or adjacent to the Property, if any, shall be allowed if approved by DHEC and/or the U.S. Army Corps of Engineers, to the extent such approvals are required. To the extent Public Improvement Funds are used in a manner which creates wetland, stream enhancement or other like mitigation credits, control and ownership of such will be that of the City.

10. **Design Standards.** All roads in the Property shall be designed and constructed according to the standards set forth in the PUD Ordinance.

11. **Funding.** The Property may have roads acquired, designed and/or constructed with funding as outlined in this Agreement, as well as other sources that may become available from time to time. The City and Developer agree to make a good faith effort to obtain state, federal, City, County, or other public funding assistance that may be available to defray a portion of the costs of any public roads and related improvements (e.g. sidewalks, street lights, traffic signals, etc.) planned for the Property. To the extent that the costs of these public roads exceed the monies available through Public Improvement Funds (See Section XVIII.D), or other public financing sources approved by City Council, Developer



shall be responsible for any additional costs of these public roads. If the funding source imposes additional expenses beyond those which would be incurred as a market rate project, (e.g., Davis-Bacon, additional testing reporting, etc.,) such additional expenditures shall be the responsibility of the City.

12. **Modifications to Preserve Environment.** Notwithstanding the provisions of this Section, the City agrees to permit modifications to the roadway design standards upon request of Developer to reduce environmental impacts and increase tree and building preservation, provided health and safety concerns are not compromised. To protect and preserve significant trees and buildings, such design is hereby encouraged.

13. **Timing of Road Improvements.** The projected timing of road improvements within the Property and responsibility therefore is further estimated and set forth in Exhibit C hereto.

14. **Utility Improvements/Easements.**

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

(b) **Utility Improvements outside Rights of Way.** Public utilities or other public services to be installed outside the public rights of way will be constructed within usual and customary exclusive easements granted to the City or other public utility or service provider containing such usual and customary terms and conditions as are generally applicable to such utility or service in the area served by such utility or service.

15. **Traffic Impacts.** Given the urban location of the Project and its connected network of street development, the City has granted Developer relief from the traffic study requirements of the City's PLDZC and instead, has imposed standards appropriate to the property in the PUD Ordinance. The parties agree that the traffic study requirements of the PUD Ordinance shall be applicable to the Property. Notwithstanding the foregoing, the Developer is not relieved from any requirement which may be imposed by SCDOT for traffic studies that it may require for the issuance of its encroachment or construction permits.

C. **Services**

1. **Potable Water.** Potable water will be supplied to the Property by the City as prescribed by generally applicable City ordinances. It is believed that all of the existing water lines on the Property are in poor shape and/or not properly located for the development of the Project. Developer may utilize Public Improvement Funds to construct additional or replacement public water lines or improve some or all of the existing water lines to facilitate development, which are deemed to be Public Facilities.

2. **Sewage Treatment and Disposal.** Sewage treatment and disposal will be provided by the City as prescribed by generally applicable City ordinances. It is believed that all of the existing sewer lines on the Property are in poor shape and/or not properly located for the development of the Project. Developer may utilize Public Improvement Funds to construct additional sewer lines or improve or replace some or all of the existing sewer lines to facilitate development, which are deemed to be Public Facilities.

3. **Police Services.** The City shall provide police protection services to the Property at the highest level of police services provided by the City. The City will coordinate its patrol activities with the Department of Mental Health since portions of the Property will be retained by the agency until purchased by Developer. Developer acknowledges the concurrent jurisdiction of the City's police department and the Sheriff of the County for the Property and shall not interfere or in any way hinder law enforcement activities of either on the Property regardless of whether such or any portion thereof may be a restricted access community.

(a) **Local Office.** If a suitable office site is provided at no cost to City or, is funded and constructed through the use of Public Improvement Funds, the City Police Department will staff an office in the Project with police officers.

(b) **Mounted Patrol.** In the event 1) the City of Columbia Police Department should implement an equestrian mounted patrol unit, 2) the Developer agrees to provide, at no cost to the City, a location for stables and associated support infrastructure, 3) Developer agrees to provide for the construction of such stable and supporting infrastructure, or such construction of stables and supporting infrastructure is constructed using Public Improvement Funds, and 4), suitable arrangements are made for the maintenance of the stables and supporting infrastructure, the City agrees to consider in good faith placing a mounted patrol in the Bull Street Property, staffed at such levels as are consistent with other mounted patrol stations in the City, subject to periodic adjustment and annual budgetary appropriation.

4. **Fire Services.** City shall provide fire protection services to the Property on the same basis as is provided to other similarly situated residents and businesses in the City. Developer

acknowledges the jurisdiction of the City's fire department on the Property and shall not interfere or in any way hinder public safety activities on the Property regardless of whether such or any portion thereof may be a restricted access community.

5. **Sanitation Services.** City shall provide sanitation, recycling and trash collection services to the Property on the same basis as is provided to other similarly situated residents and businesses in the City. Notwithstanding this provision, Developer shall have the right to contract for private commercial sanitation services for the Property.

6. **Recreation Services.** Except as set forth below, City shall provide recreation services to the Property on the same basis as the City provides such services to other similarly situated residents and businesses in the City.

7. **Parks and Public Spaces.**

Unless otherwise agreed, the City will be responsible for maintenance of all public parks, greenways and public open space dedicated to and accepted by the City within the Project, and these areas will be maintained to at least the City's then current standards for its landscaping in its other public parks, greenways and public open space. In order to provide these services and maintenance, nothing herein shall prevent the City from entering into such lawful private maintenance agreements with any third party or property owner's association for some or all of the properties within the Project, on such terms and conditions as may be negotiated from time to time. If the Developer desires to maintain to a higher standard, Developer may, without obligation, supplement maintenance above the required standard at its own cost.

8. **Library Services.** Library services currently are provided by Richland County. City shall not be obligated to provide library services to the Property, absent its election to provide such services on a citywide basis.

9. **Emergency Medical Services (EMS).** EMS services currently are provided by Richland County. City shall not be obligated to provide EMS services to the Property, absent its election to provide such services on a citywide basis.

10. **Storm Water Quality/Drainage System.**

(a) Protection of the quality of water in nearby receiving waters and/or wetlands is a primary goal of the City. Developer shall be required to abide by all provisions of applicable federal, state, and local laws and regulations and the then current Best Management Practices in effect at the time of site plan submittal, and all storm water runoff, treatment and drainage system improvements within the Property will be designed and constructed in accordance with the then current storm water ordinances and Best Management Practices of the City at the time of site plan submittal (excepting



improvements for which completed applications have been submitted for approval within the first three (3) years after the Effective Date of this Agreement, which may use standards in effect as of the Effective Date of this Agreement), unless a Master Storm Water Plan has been submitted, approved and permitted for construction for some or all of the Property, in which case that permit shall be honored, including any extensions granted by right, and no changes required for such area are to be included in the permit, unless otherwise required by state or federal law generally applicable to previously constructed or permitted storm water facilities. The City of Columbia must periodically renew its MS4 NPDES permit, and as part of that renewal, additional permit requirements may become applicable.

(b) All storm water runoff, treatment and drainage system improvements for the Property shall be maintained by Developer pursuant to then current Best Management Practices, unless suitable arrangements are made for acceptance of such responsibility by another governmental agency or government sanctioned utility, or such is accepted by the City pursuant to Section XIX.B.4 above. Storm water runoff, treatment and drainage system improvements for the Property to become the property of the City are designated as Public Facilities, and as such, construction may be funded with Public Improvement Funds. Nothing herein shall be construed as prohibiting a storm water utility being implemented for the Project, or a property owner's association from providing for the maintenance costs of any non-public storm water infrastructure as a private assessment.

11. **Buses.** The City will use its best efforts to have public transportation made available to and through the Project by the Central Midlands Regional Transit Authority.

12. **Assistance with tax credit pursuits.** The City commits to assist Developer in its pursuit of various tax credits and special assessments that may become available to Developer, including but not limited to Historic tax credits and "Bailey Bill" tax assessments. The City commits that it is not opposed to Developer's application for these items, is currently unaware of any obstacle to Developer's pursuit of same and agrees to cooperate and assist Developer in preparing, submitting and urging acceptance of application for these or similar programs.

13. **No additional overlays, districts or Landmarks.** The City agrees that Developer's plan as set forth in the PUD Ordinance adequately protects existing structures and conditions within the Project, but further agrees to give due consideration to the approval of any additional overlays, districts, Landmarks or other protective measures for the Project if specifically requested to do so by Developer, but requests for additional overlays, districts, Landmarks or other protective measures for the Project shall not be considered without the concurrence of the Developer.



14. City's Parking Facilities. Developer and City recognize that structured parking facilities are required to achieve the desired urban scale and character of the Project. City commits to construct or cause to be constructed Parking Facilities which shall contain a total of no more than 1,600 parking spaces, in two Parking Facilities, upon the following conditions:

(a) The first Parking Facility shall be comprised of approximately 800 parking spaces and design, permitting and construction shall be undertaken once Developer obtains funding or commitments to: 1) construct a combined 120,000 square feet of office, retail and/or 6% assessed residential space that is subject to real property taxes, 2) rehabilitate the Babcock building, or 3) build a new baseball stadium. Developer shall have the option to defer construction of the first Parking Facility; however, the City's commitment to provide for this Parking Facility shall become a vested right of Developer upon the satisfaction of one of these conditions. The design and permitting shall be undertaken within a reasonable time of receiving written notice from Developer of satisfaction of one or more of these conditions. The City and Developer may enter into a contract allowing either party to design and/or construct either or both of the Parking Facilities.

i. If the first Parking Facility contains less than 700 parking spaces, the City commits to provide, subject to the limitations of Section VI, an additional Parking Facility ("First Additional Parking Facility") that, when combined with the first Parking Facility, provides at least 800 parking spaces.

(b) The second Parking Facility shall be comprised of approximately 800 parking spaces and shall be constructed once 1) Developer has purchased or caused to be purchased 90 acres of the Campus, or 2) Developer and other developers have obtained funding or commitments to construct at least \$75 million in private investments in the Project. Developer shall have the option to defer construction of the second Parking Facility; however, the City's commitment to provide this Parking Facility shall become a vested right of Developer upon the satisfaction of one of these conditions. City shall undertake the design and permitting within a reasonable time of receiving written notice from Developer of satisfaction of one of these conditions.

(c) Developer shall convey sufficient real property free of monetary liens and with marketable title, to the City for the City or the Developer to construct the Parking Facilities.

(d) Failure to construct, rehabilitate or build taxable square footage, investment or buildings as set forth in subsection 14(a) and 14(b) above after obtaining funds from the

City for the parking facilities, shall be a breach of this Agreement, curable by Developer providing substitute funds to replace the revenue lost to the City as a result of the default.

15. **Reimbursement to Developer as Contractor.** Provided the Developer is contracting for the design and construction of the Public Improvements and/or the Parking Facilities, the City will reimburse Developer for the design and construction costs incurred in construction of the Public Improvements and Parking Facilities by making payment in accordance with the standard payment procedures utilized by the City for design and construction of similar scale and type projects.

16. **Baseball Stadium.** The City and Developer have met with representatives of Minor League Baseball and owners of minor league baseball teams about the opportunity to bring a minor league baseball team to Columbia. The parties agree that a new, downtown baseball stadium is necessary to facilitate such a move. Furthermore, the parties acknowledge that Columbia is one of the best markets in the Southeast which does not have a minor league baseball team, and that a new stadium will serve as a community asset and likely host over 400,000 people in events throughout the year. The City and Developer agree to further pursue this opportunity on the following terms:

- (a) The new baseball stadium will be located within the Project and designed to accommodate multiple uses in addition to baseball, as allowed by the PUD Ordinance.
- (b) The City commits to negotiate in good faith with Minor League Baseball, prospective teams and ownership groups in order to establish market rate stadium lease terms and stadium revenue terms which are acceptable to the City.
- (c) Developer commits to plan and incorporate a mixture of uses in the area surrounding the stadium in order to encourage and promote further development in proximity to the stadium.
- (d) The City commits to work in good faith to evaluate the feasibility and potential benefits of building a new downtown stadium.
- (e) The City agrees to consider financing methodologies which could provide approximately \$20 million to construct the new stadium and necessary improvements.
- (f) The new baseball stadium will not be constructed unless noise and lighting studies are completed and the latest construction techniques are agreed to be utilized to mitigate the effects of noise and lighting on the surrounding neighborhoods.

17. **Schools.** If the Developer desires to locate a primary school, public or private, on the site, the Developer will first consult with officials at Richland School District One and give them the first opportunity to operate such school.

XX. DEFAULTS; REMEDIES.

The failure of the Developer or the City to comply with the terms of this Agreement not cured



within thirty (30) days after written notice from the non-defaulting party to the defaulting party (as such time period may be extended with regard to non-monetary breaches for a reasonable period of time based on the circumstances, provided such defaulting party commences to cure such breach within such thirty (30) day period and is proceeding diligently and expeditiously to complete such cure) shall constitute a default, entitling the non-defaulting party to pursue such remedies as provided below, including specific performance; provided however no termination of this Agreement may be declared by the City absent its according Developer the notice, hearing and opportunity to cure in accordance with the Act; provided any such termination shall be limited to the portion of the Property in default; and provided further that nothing herein shall be deemed or construed to preclude the City or its designee from issuing stop work orders or voiding permits issued for Development when such Development contravenes the provisions of the Zoning Regulations, other City or State Building Codes, or this Agreement. The parties recognize that actions taken by a party which prevent performance by the other party in whole or in part, may excuse such non-performance.

This Agreement shall be enforceable by either Party, including successors and assigns, in any court of competent jurisdiction located in Richland County, South Carolina. Enforcement may be sought by an appropriate action at law or in equity for damages or the specific performance of the covenants, agreements, conditions and obligations contained herein. The prevailing party in such action shall have the right to recover reasonable attorney's fees and costs associated with such enforcement.

XXI. MODIFICATIONS OF AGREEMENT.

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

B. Because this Agreement constitutes the plan for certain planned unit development under the City's zoning ordinance, minor modifications to a site plan or to development provisions are authorized to be made without a public hearing or amendment to applicable ordinances as set forth in the PUD Ordinance. Any requirement of this Agreement requiring consent or approval of one of the Parties shall not require amendment of this Agreement unless the text or statutes expressly require such consent to be by amendment, and such approval or consent shall be in writing and signed by the affected Parties. Wherever consent or approval is required, the same shall not be unreasonably withheld, but shall be considered in good faith so as to advance the purposes of this Agreement and the development of the

Project. Unless otherwise required by this Agreement, the PUD Ordinance, or other laws or ordinances which are applicable, consent or approval shall mean the written consent or approval of the City Manager.

XXII. PERIODIC REVIEW.

The City's appointed zoning administrator for permitting and compliance matters and Developer shall review the Project and this Agreement once every twelve (12) months, at which time the Developer shall demonstrate good faith compliance with the terms of this Agreement.

If, as a result of a periodic review, the City finds and determines that Developer has committed a material breach of the terms and conditions of the Agreement, the City shall serve notice in writing within a reasonable time after the periodic review upon the Developer, setting forth with reasonable particularity the nature of the breach and the evidence supporting the finding and determination, and providing the Developer a reasonable time in which to cure the material breach. See Section XX, Default, above for further provisions regarding default.

If Developer fails to cure any material breach within the time given, then the City may unilaterally terminate or modify this Agreement; provided, that the City has first given Developer the opportunity: (1) to rebut the finding and determination; or (2) to consent to amend this Agreement to meet the concerns of the City with respect to the findings and determinations.

XXIII. NOTICES.

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

City Manager
P.O. Box 147
Columbia, SC 29217
(Hand Delivery to 1737 Main Street)

With a copy to:

The City Attorney
P.O. Box 667
Columbia, SC 29202
Attn: City Attorney (Hand Delivery to 1401 Main St., Suite
1000)

To Developer at:

Hughes Development Corporation
P.O. Box 2567
Greenville, SC 29602
Attn: Robert E. Hughes, Jr.
(Hand Delivery to 304 N. Church St., Greenville, SC 29601)

With a copy to:

Robert Coble
Nexsen Pruet, LLC
1230 Main Street, Suite 700
Columbia, SC 29201

XXIV. GENERAL.

A. State and Federal Law. The Parties agree, intend and understand that the obligations imposed by this Agreement are only such as are consistent with state and federal law. In the event subsequently enacted state or federal laws or regulations (collectively, "New Laws") prevent or preclude compliance with one or more provisions of this Agreement, the provisions of this Agreement shall be modified or suspended as may be necessary to comply with such New Laws. The Parties further agree that if any provision of this Agreement is declared invalid, this Agreement shall be deemed amended to the minimum extent necessary to make it consistent with state or federal law, as the case may be, and the balance of the Agreement shall remain in full force and effect. Immediately after enactment of any such New Law, or court decision, parties designated by Developer and the City shall meet and confer in good faith in order to agree upon such modification or suspension based on the effect such New Law would have on the purposes and intent of this Agreement. During the time that these parties are conferring on such modification or suspension or challenging the New Laws, the City may take reasonable action to comply with such New Laws. Should the parties be unable to agree to a modification or suspension, either may petition a court of competent jurisdiction for an appropriate modification or suspension of this Agreement. In addition, Developer and the City each shall have the right to challenge the New Law preventing compliance with the terms of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

The Parties further agree that in the event these New Laws are further modified which, in turn, permits compliance with one or more of provisions of this Agreement that had been modified or suspended as a result of the New Laws, then the Parties agree to restore those original terms of the Agreement.

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

1. that this Agreement is in full force and effect,

2. that this Agreement has not been amended or modified, or if so amended, identifying the amendments,

3. whether, to the knowledge of such party, either party is in default or claimed default in the performance of its obligations under this Agreement, and, if so, describing the nature and amount, if any, of any such default or claimed default, and

4. whether, to the knowledge of such party, any event has occurred or failed to occur which, with the passage of time or the giving of notice, or both, would constitute a default by either party and, if so, specifying each such event.

The party requested shall provide such estoppel certificate within ten (10) business days of request and if no estoppel certificate has been produced in 10 business days, upon demand notice of not less than an additional ten (10) business days to the requested party, it shall be deemed granted.

C. Entire Agreement. This Agreement sets forth, and incorporates by reference all of the agreements, conditions and understandings between the City and Developer relative to the Property and its Development and there are no promises, agreements, conditions or understandings, oral or written, expressed or implied, among these parties relative to the matters addressed herein other than as set forth or as referred to herein.

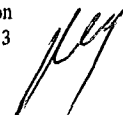
D. Exhibits. All exhibits attached hereto and/or referred to in this Agreement are incorporated herein as though set forth in full.

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

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

G. Assignment.

1. The rights of Developer under this Agreement and its exhibits may not be assigned by Developer without the prior written consent of the City (such consent not to be unreasonably withheld), except to any subsequent purchaser or mortgage holder of the Project upon satisfaction of the notification procedures as set forth below. All such assignments must be made subject to the terms of this Agreement, as from time to time amended by the parties. Moreover, no such assignments shall create any rights on behalf of the assignee, or duties on the part of the City, other than those specifically identified in this Agreement.



2. Developer shall have the right to sell, transfer, ground lease, or assign Development Rights associated with the Property in whole or in part to any Person (an "Assignee") upon written notice to the City in accordance with the notification provisions of Section I hereinbelow provided, however, that the sale, transfer or assignment of any right or interest under this Agreement shall be made only in conjunction with the sale, transfer, lease or assignment of property which shall have been first subdivided in accordance with subdivision plats approved under the Zoning Regulations.

H. Rights of Successors and Assigns. The covenants and conditions contained in this Agreement shall bind and inure to the benefit of the City and Developer and their respective successors and assigns. This Agreement shall also be binding on the City and all future City Councils for the duration of the Term of this Agreement, even if City Council members change.

1. **Transfer of Property.** Developer shall be entitled to transfer any portion or all of the Property to a purchaser(s). Upon such transfer, Developer shall notify the City of the precise number of dwelling units and/or commercial square footage to be assigned to such transfer. This number shall count towards the total number of dwelling units and/or commercial square footage permitted under the PUD Ordinance. This assignment of Development Rights number may be amended from time to time based on the actual number of dwelling units and/or commercial square footage actually constructed or planned to be constructed by purchaser, and any residual Development Rights may be utilized on remaining portions of the Property, subject to Developer's approval of such transfer, which must be provided to the City in the same form and fashion as the initial transfer.

2. **Notice of Transfer.** Concurrently with a sale, transfer, ground lease, or assignment of the Property, Developer shall 1) notify the City, in writing of such sale, transfer, ground lease or assignment, as and when such are transferred to any other party, and 2) Developer shall provide a written assignment and assumption agreement in form reasonably acceptable to the City pursuant to which the assignee shall assume and succeed to the rights, duties, and obligations of Developer with respect to the parcel or parcels of all or a portion of the Property so purchased, acquired, or leased. Such information shall include the identity and address of the acquiring party, a proper contact person, the location and number of acres of the Property transferred, and a description of the specific Development Rights and any obligations to be assigned to the assignee. Developer transferring Development Rights to any other party shall be subject to this requirement of notification, and any entity acquiring Development Rights hereunder shall be required to file with the City an acknowledgment of this Agreement and a commitment to be bound by it.

I. Governing Law. This Agreement shall be governed by the laws of the State of South Carolina, and venue shall be in Richland County.



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

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

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

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

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

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

P. No Waiver. The failure by either City or Developer to exercise any power given to such party under this Agreement, or the failure to insist upon strict compliance by the other party with the terms hereof, shall not be interpreted as a waiver of the right of the objecting party subsequently to exercise such power or to insist upon the other party's compliance.

Q. Hierarchy of Documents. In the event of a conflict among the documents, the hierarchy of documents is first the Development Agreement and the explicit provisions of the PUD Ordinance; and second, the City Ordinances. In the event of an omission, the City Ordinances shall govern. To the extent of ambiguity, the parties shall attempt to review same consistent with the terms of the PUD Ordinance and the City Ordinances.

R. Merger. This Agreement, coupled with its Exhibits which are incorporated herein by reference, shall state the final and complete expression of the parties' intentions

[SIGNATURES ON FOLLOWING PAGES.]



IN WITNESS WHEREOF, the parties hereby set their hands and seals, effective as of the date first above written, and by doing so, agree to be bound by the terms of this Agreement.

WITNESSES:

CITY OF COLUMBIA

Attest: Erika D. Moore
ERIKA D. MOORE, Clerk to Council
Connie Rucis

By: [Signature]
STEPHEN K. BENJAMIN, Mayor

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

ACKNOWLEDGMENT

I HEREBY CERTIFY, that on this 29th day of July, 2013, before me, the undersigned Notary Public of the State and County aforesaid, personally appeared Stephen K. Benjamin, as Mayor of the City of Columbia, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within document, in his stated capacity as the appropriate official of the City of Columbia, South Carolina, who acknowledged the due execution of the foregoing document.

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

Connie Rucis
Notary Public for South Carolina
My Commission Expires: MARCH 14 2016

SIGNATURES AND ACKNOWLEDGMENTS CONTINUE ON THE FOLLOWING PAGE

[Signature]

WITNESSES:

[Signature]

[Signature]

HUGHES DEVELOPMENT CORPORATION

By: [Signature] Pres.
ROBERT HUGHES, Its President

By: [Signature]
, Its Secretary

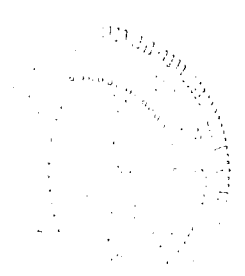
STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

ACKNOWLEDGMENT

I HEREBY CERTIFY, that on this 31st day of July, 2013, before me, the undersigned Notary Public of the State and County aforesaid, personally appeared Robert Hughes, as President of Hughes Development Corporation, and Jennifer Gregory, as Secretary of Hughes Development Corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within document, in their stated capacity as the appropriate officials of the Hughes Development Corporation, known to me (or satisfactorily proven) to be the person(s) whose name is subscribed to the within document, who acknowledged the due execution of the foregoing document.

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

[Signature]
Notary Public for South Carolina
My Commission Expires: 1-13-16



[Handwritten mark]

EXHIBIT A

TO DEVELOPMENT AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

All that piece, parcel, or lot of land known as the South Carolina Department of Mental Health Bull Street Campus as shown on a plat prepared for South Carolina Department of Mental Health dated December 2, 2008, by Cox and Dinkins Engineers and Surveyors and containing three parcels: a Portion of 11501-01-01 containing 181.14 acres, a Parcel "X" containing 2.59 acres, and a Parcel "Y" containing 0.06 acres; and having according to said plat the following metes and bounds to wit:

Portion of 11501-01-01

Beginning at the Intersection of the Eastern right-of-way margin of Bull Street (S.C. Hwy. No. 277) and the Southern right-of-way margin of Colonial Drive at a PK Nail (n), this being the POINT OF BEGINNING (P.O.B.); thence turning and running along the Southern right-of-way margin of Colonial Drive for the following bearings and distances:

N 49°24'22" E for a distance of 955.94 feet to a 5/8" Rebar (o); N 49°38'57" E for a distance of 1054.93 feet to a 1/2" Rebar (n) (a 15' Reference); N 49°38'57" E for a distance of 15.00 feet to a Point; S 39°32'48" E for a distance of 21.83 feet to a Point; a curved line of length 627.19 feet (curve of radius 2331.77 feet, chord bearing of N 46°33'32" E, chord distance of 625.30 feet) to a 1/2" Rebar (n); N 39°57'52" E for a distance of 7.99 feet to a 1/2" Rebar (n); a curved line of length 71.27 feet (curve of radius 2586.45 feet, chord bearing of N 39°05'02" E, chord distance of 71.27 feet) to a 1/2" Rebar (n); S 40°18'38" E for a distance of 32.17 feet to a 1/2" Rebar (n); S 40°18'38" E for a distance of 32.70 feet to a 1/2" Rebar (n); N 23°31'29" E for a distance of 166.30 feet to a 1/2" Rebar (n); a curved line of length 184.83 feet (curve of radius 1475.47 feet, chord bearing of N 26°07'50" E, chord distance of 184.71 feet) to a 1/2" Rebar (n); a curved line of length 45.92 feet (curve of radius 22598.45 feet, chord bearing of N 28°36'58" E, chord distance of 45.92 feet) to a 1/2" Rebar (n); a curved line of length 78.29 feet (curve of radius 42.00 feet, chord bearing of N 75°30'22" E, chord distance of 67.44 feet) to a 5/8" Rebar (o); thence turning and running along the Western right-of-way margin of Harden Street for the following bearings and distances:

S 48°32'49" E for a distance of 8.78 feet to a 5/8" Rebar (o); a curved line of length 390.28 feet (curve of radius 1138.05 feet, chord bearing of S 39°04'28" E, chord distance of 388.37 feet) to a 5/8" Rebar (o); S 20°01'38" E for a distance of 2271.34 feet to a Fencepost (o); thence turning and running in a curved line of length 390.92 feet along the Southern Railway R/W (curve of radius 1484.03 feet, chord bearing of S 24°01'59" W, chord distance of 389.79 feet) to a 5/8" Rebar (o); thence turning and running S 69°51'55" W along the Southern Railway R/W and the property of now or formerly Charlotte Columbia for a distance of 194.33 feet to a 1/2" Rebar (o); thence turning and running S 20°04'08" E along the Southern Railway R/W and the property of now or formerly Charlotte Columbia for a distance of 417.97 feet to a 5/8" Rebar (o); thence turning and running along the Northern right-of-way margin of Calhoun Street for the following bearings and distances:

S 70°21'47" W for a distance of 565.92 feet to a 3/4" Rebar (o); S 69°58'43" W for a distance of 92.19 feet to a Conc. mon. (o); S 69°48'10" W for a distance of 462.72 feet to a 5/8" Rebar (o); S 16°32'02" E for a distance of 13.17 feet to the Corner of a Wall; S 70°01'09" W for a distance of 1009.74 feet to a Point on Face of Wall (Witnessed by a 1" Pinch Top (o) 2.26'); thence turning and running N 20°20'24" W along the property of now or formerly The State of S.C. for a distance of 431.77 feet to a 1" Pinch top (o); thence turning and running S 69°55'11" W along the property of now or formerly The State of S.C. for a distance of 443.49 feet to a 1/2" Rebar (n); thence turning and running N 20°17'34" W along the Eastern right-of-way margin of Bull Street (S.C. Hwy. No. 277) for a distance of 1735.72 feet to a PK Nail (n), the POINT OF BEGINNING (P.O.B.).

Parcel "X"

Commencing at the Intersection of the western right-of-way margin of Harden Street and the Southern right-of-way margin of Colonial Drive, then running approximately 449.06 feet in a southerly direction to a 5/8" Rebar (o), this being the POINT OF BEGINNING 2 (P.O.B. 2); thence turning and running the following bearings and distances: N 65°24'40" E for a distance of 50.16 feet to a Point; S 20°01'38" E for a distance of 2237.40 feet to a Point; a curved line of length 62.76 feet (curve of radius 1484.03 feet, chord bearing of S 32°47'27" W, chord distance of 62.76 feet) to a Fencepost (o); thence turning and running N 20°01'38" W along the western right-of-way margin of Harden Street for a distance of 2271.34 feet to a 5/8" Rebar (o); the POINT OF BEGINNING 2 (P.O.B. 2).

Parcel "Y"

Commencing at the Intersection of the western right-of-way margin of Harden Street and the Southern right-of-way margin of Colonial Drive, then running approximately 309.04 feet in a westerly direction to a 1/2" Rebar (n), this being the POINT OF BEGINNING 3 (P.O.B. 3); thence turning and running the following bearings and distances: S 23°31'29" W along the Southern right-of-way of Colonial Drive for a distance of 166.30 feet to a 1/2" Rebar (n); N 40°18'38" W along the Southern right-of-way of Colonial Drive for a distance of 32.70 feet to a 1/2" Rebar (n); N 34°27'46" E for a distance of 154.69 feet to a 1/2" Rebar (n), the POINT OF BEGINNING 3 (P.O.B. 3).

LESS that parcel of land consisting of 16.1 acres of land, more or less, containing Hall Institute and having boundaries as generally illustrated on the drawing attached as Exhibit A-1.

EXHIBIT B

TO DEVELOPMENT AGREEMENT

**BULL STREET NEIGHBORHOOD PLANNED DEVELOPMENT DISTRICT
STANDARDS**

The Bull Street Neighborhood Planned Development District Standards for the Property hereunder, as approved by the City Council on October 16, 2012 is hereby incorporated into this Agreement by reference, to include all drawings, plans, narratives and documentation submitted therewith, and the City's Zoning and Development Ordinances, as of October 2, 2012, as fully as if attached hereto. The parties hereto may elect to physically attach said documents hereto, or may rely upon the above stated incorporation by reference, at their discretion. In the event of incorporation by reference, the referenced items shall be filed with the City Clerk and electronic copies of the referenced items shall be provided to all parties under the initial of the City Clerk.



EXHIBIT C

DEVELOPMENT SCHEDULE

Development of the Property is projected to occur over the initial five (5) year Term of the Agreement as set forth below. The timing of development will be very much affected by the health of the national and local economies, as well as the demand for various housing and commercial uses for the region. These market conditions make it extremely difficult, if not impossible, to accurately project timing of future phases or development and demand for residential and/or commercial and retail product. Developer has provided the following estimates which are based on information believed to be reasonable at this time. The estimates are subject to change substantially, from time to time, based on market conditions, the supply of competing properties within the area, and other factors, not under the control of Developer.

This Project is expected to be developed over at least twenty (20) years, and future estimates are expected to be updated by Developer as the development evolves over the Initial Term, and thereafter as the Term of the Agreement may be extended or renewed:

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

Initial construction 2013-2014. During the initial phase of development, the actual construction of infrastructure will begin. Various mixed uses of land parcels should be available for sale by the end of 2013. Public improvements will facilitate and link future phases of development.

2015-2016. Various land uses will come under development during this time. The market demand will determine actual land use needs as well as the quantity of those different uses.

2017-2018. Subsequent phases of infrastructure improvements may be triggered during this time as a result of private investment in the Project.

**BULL STREET NEIGHBORHOOD PUBLIC IMPROVEMENTS;
TIMING AND ESTIMATED COST**

I. PHASE ONE INFRASTRUCTURE

Total Public Improvement Funds \$5,250,000.00

To be expended in the first twelve (12) months and allocated as efficiently as possible among but not necessarily to all of the following categories of public improvements*:

1. **Purchase of Tree Allee, Park Area**
Cost: \$ 90,000 per acre
2. **Acquire Harden St. Pump Station Site**
Cost: \$ 0 (land donated by Developer)
3. **Site improvements, landscaping & construction of piazza**
Estimated Cost: \$500,000 - \$1,900,000
4. **Storm Water Improvements including stream daylighting and remediation, water cleaning, system construction**
Estimated Cost: \$100,000 - \$500,000
5. **Water & Sewer Utility Installation, Improvements**
Estimated Cost: \$250,000 - \$1,000,000
6. **Primary Public Roads Acquisitions, Installations, Improvements (Near Site and On-Site)**
Estimated Cost: \$500,000 - \$1,800,000
7. **Other Public Utility Installation and Improvements not paid for by utilities**
Estimated Cost: \$150,000 - \$600,000
8. **Other Permitted Public Improvements**
Estimated Cost: \$50,000 - \$500,000

II. PARKING FACILITY

1. **Commence Construction of Parking Facility provided conditions are met****

Estimated Total Cost: \$16,000,000 for 1,600 parking spaces

* The estimated costs set forth in this Exhibit are given in good faith but are subject to change based on market conditions and the actual improvements that are made in each phase of development. Any amounts not spent in one phase will be carried forward and added to the total Public Improvement Funds available in the subsequent phase.

III. ** As set forth in the Development Agreement, Parking Facilities are not defined as Public Improvements and therefore they will be funded as necessary using proceeds in addition to the Public Improvement Fund amounts set forth herein.

PHASE TWO INFRASTRUCTURE

Total Public Improvement Funds \$7,965,842

To be expended in the second twelve (12) months and allocated as efficiently as possible among the following categories of public improvements*:

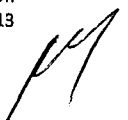
1. **Continued Site improvements, landscaping & completion of piazza**
Estimated Cost: \$1,800,000 - \$5,000,000
2. **Continued and Additional Storm Water Improvements**
Estimated Cost: \$850,000 - \$3,000,000
3. **Continued Water & Sewer Utility Installation, Improvements**
Estimated Cost: \$600,000 - \$2,200,000
4. **Continued Public Road Acquisition, Installation, Improvements (Near Site and On-Site)**
Estimated Cost: \$700,000 - \$2,600,000
5. **Other Public Utility Installation and Improvements not paid for by utilities**
Estimated Cost: \$150,000 - \$600,000
6. **Other Permitted Public Improvements**
Estimated Cost: \$50,000 - \$500,000

IV. PARKING FACILITY

1. Commence or complete construction of Parking Facility provided conditions are met**

* The estimated costs set forth in this Exhibit are given in good faith but are subject to change based on market conditions and the actual improvements that are made in each phase of development. Any amounts not spent in one phase will be carried forward and added to the total Public Improvement Funds available in the subsequent phase.

** As set forth in the Development Agreement, Parking Facilities are not defined as Public Improvements and therefore they will be funded as necessary using proceeds in addition to the Public Improvement Fund amounts set forth herein.



V. PHASE THREE INFRASTRUCTURE

Total Public Improvement Funds \$2,179,342

To be expended in the third twelve (12) months and allocated as efficiently as possible among the following categories of public improvements*:

1. **Continued Site improvements, landscaping & completion of piazza**
Estimated Cost: \$500,000 - \$2,000,000
2. **Continued and Additional Storm Water Improvements**
Estimated Cost: \$100,000 - \$500,000
3. **Continued Water & Sewer Utility Installation, Improvements**
Estimated Cost: \$200,000 - \$1,000,000
4. **Continued Public Road Acquisition, Installation, Improvements (Near Site and On-Site)**
Estimated Cost: \$300,000 - \$1,600,000
5. **Other Public Utility Installation and Improvements not paid for by utilities**
Estimated Cost: \$0 - \$150,000
6. **Other Permitted Public Improvements**
Estimated Cost: \$25,000 - \$250,000

VI. PARKING FACILITY

1. Commence or complete construction of Parking Facility provided conditions are met**

* The estimated costs set forth in this Exhibit are given in good faith but are subject to change based on market conditions and the actual improvements that are made in each phase of development. Any amounts not spent in one phase will be carried forward and added to the total Public Improvement Funds available in the subsequent phase.

** As set forth in the Development Agreement, Parking Facilities are not defined as Public Improvements and therefore they will be funded as necessary using proceeds in addition to the Public Improvement Fund amounts set forth herein.

VII. PHASE FOUR INFRASTRUCTURE

Total Public Improvement Funds \$15,840,816.00

To be expended and available immediately after the third year upon achievement of Development Progress Benchmarks as follows*:

- a) \$5,000,000 once Developer and other developers have obtained funding and commitments to construct taxable improvements valued over \$25,000,000.
- b) An additional \$5,000,000 (\$10,000,000 total) when Developer or other developers have obtained funding and commitments to construct total taxable improvements valued over \$50,000,000.
- c) An additional \$5,000,000 (\$15,000,000 total) when Developer or other developers have obtained funding and commitments to construct total taxable improvements valued over \$75,000,000.
- d) The entire amount (\$15,840,816) shall be available when Developer or other developers have obtained funding and commitments to construct total taxable improvements valued over \$81,250,000.

- 1. **Continued Site improvements, demolition, landscaping & completion of piazza**
Estimated Cost: \$4,000,000 - \$12,000,000
- 2. **Continued and Additional Storm Water Improvements**
Estimated Cost: \$0 - \$1,500,000
- 3. **Continued Water & Sewer Utility Installation, Improvements**
Estimated Cost: \$2,000,000 - \$5,000,000
- 4. **Continued Public Road Acquisition, Installation, Improvements (Near Site and On-Site)**
Estimated Cost: \$2,500,000 - \$7,500,000
- 5. **Other Public Utility Installation and Improvements not paid for by utilities**
Estimated Cost: \$0 - \$1,000,000
- 6. **Other Permitted Public Improvements**
Estimated Cost: \$0 - \$1,000,000

VIII. PARKING FACILITY

- 1. Commence or complete construction of Parking Facility provided conditions are met**

* The estimated costs set forth in this Exhibit are given in good faith but are subject to change based on market conditions and the actual improvements that are made in each phase of development. Any amounts not spent in one phase will be carried forward and added to the total Public Improvement Funds available in the subsequent phase.

** As set forth in the Development Agreement, Parking Facilities are not defined as Public Improvements and therefore they will be funded as necessary using proceeds in addition to the Public Improvement Fund amounts set forth herein.

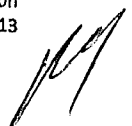


EXHIBIT D

SALE AND PURCHASE AGREEMENT

Bull Street Final for Execution
July 10, 2013

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SALE and PURCHASE AGREEMENT

This Sale and Purchase Agreement (the "Agreement") is made and entered into this ^{16th} day of December, 2010 (the "Effective Date"), by and between the Department of Mental Health, an agency of the State of South Carolina ("DMH"), and Hughes Development Corporation, a South Carolina corporation ("Buyer").

RECITALS

WHEREAS, the South Carolina Department of Mental Health Bull Street Campus (the "Campus") in the City of Columbia is held in a charitable trust by DMH for the care and treatment of the state's mentally ill; and

WHEREAS, DMH has determined that it shall continue to retain and may renovate Hall Institute, but that it will no longer need the balance of the Campus property to accomplish its mission and duties; and

WHEREAS, the South Carolina Supreme Court has held that DMH may sell the unneeded portions of the Campus, provided that the sales proceeds must remain in trust for the benefit of DMH for the care and treatment of the mentally ill; and

WHEREAS, DMH has a fiduciary duty to maximize the proceeds from the sale of the Campus in order to further its mission of the care and treatment of persons with mental illness; and

WHEREAS, DMH has been advised and determined that it should receive a fixed assured fair market price for the sale of the Campus and that it is more likely to attract interested buyers if installment payments are allowed; and

WHEREAS, DMH has been advised that the Columbia City Council, neighbors and other citizens of Columbia have endorsed the master planned, mixed-use development of the Campus; and

WHEREAS, DMH would like to sell the Property, within its obligations above, to a developer knowledgeable of mixed-use developments, public-private partnerships, and master planned communities, and one who would be likely to meet the objectives and desires of the elected officials, neighbors, and citizens of Columbia; and

WHEREAS, Buyer has agreed to purchase all of the Campus, excluding Hall Institute, with its numerous obsolete buildings in "as is" condition, and DMH will not be responsible for any abatement, demolition or infrastructure improvement costs; and

WHEREAS, DMH has determined through independent investigation that Buyer has the necessary expertise and experience and can assemble a first-class team to plan and redevelop the Campus; and

WHEREAS, DMH has been advised and determined that the maximum value can be realized by master planning the entire site and making phased sales with a master developer; and

WHEREAS, DMH recognizes that having a master developer with aligned interests who permits DMH to participate in a significant way in increases in land value, represents the best way in the current economy both to attract and compensate a skilled developer and to realize the greatest value to DMH for its excess property; and

WHEREAS, DMH believes that it has found in Buyer a qualified purchaser with expertise in mixed-use development and public-private partnerships, and that this combination will further assure DMH of receiving maximum value for the Campus; and

WHEREAS, DMH has determined that Buyer should coordinate all efforts to design, manage and implement the redevelopment of the Campus in accordance with this Agreement, in order to maximize the value of the property; and

WHEREAS, DMH has been advised and determined that a sale of the Campus on a wholesale basis will not create the maximum value or the desired return to the charitable trust,

and that the value will be significantly greater if the property is developed by involving a diversified group of sub-developer specialists to spread risks, spur development, and create the highest and best use of the property, all as set forth in this Agreement; and

WHEREAS, DMH has been advised and believes that the City of Columbia and the community will be better served by an assured, coordinated master development; and

WHEREAS, DMH has studied the implications, recommendations, and advantages of the "Duany Plan" and believes this Agreement is the best method of achieving, updating and exceeding the goals and possibilities outlined thereunder; and

WHEREAS, DMH recognizes that increased values from master planned development, as promoted by the "Duany Plan" and endorsed by Columbia City Council, require that care and time be taken in the implementation of the many complex steps involved in such planning and implementation, and that this Agreement enables Buyer to best respond to those desires and values and allows DMH the opportunity to capture some of that value by sharing in the upside; and

WHEREAS, DMH recognizes that the benefits desired by DMH, the City, and the community cannot be assumed to derive from a five-year old plan that, in addition to certain presently depressed markets, also assumes the absence of Hall Institute, but instead will require an updated and refined master plan using both development and planning skills, and DMH believes Buyer can bring the appropriate team and skills to the task in order to reflect current market conditions and stakeholder interests; and

WHEREAS, DMH and Buyer further agree that the portion of the Campus to be sold and redeveloped under this Agreement is shown on the attached Exhibit A and shall be referred to in this Agreement as the "Property;" and

WHEREAS, Buyer and DMH further agree that this Agreement will be submitted to the court for its review and approval, thus avoiding the uncertainty, delay, and resulting loss of value that would occur if the court had to review and approve each individual parcel sale; and

WHEREAS, DMH intends, through this Agreement with Buyer, to achieve a higher overall price for the Property than would be available in an immediate, outright sale, while also providing for guaranteed Fair Market Value proceeds for DMH from the sale of each parcel;

TERMS OF AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, including the potential economic benefits to both DMH and Buyer of entering into this Agreement, the receipt and sufficiency of which are acknowledged, DMH and Buyer agree as follows:

1. Appointment. DMH hereby appoints Buyer as its sole and exclusive agent to design, manage and implement the master development of the Property. Buyer hereby accepts this appointment and agrees to master develop the Property, on the terms and conditions provided in this Agreement.

2. The Project. The master development of the Property on the terms and conditions provided in this Agreement will sometimes be referred to as the "Project."

3. Term.

3.1 The term of this Agreement (the "Term") will begin on the Effective Date set forth above.

3.2 Notwithstanding the foregoing, certain rights and obligations under this Agreement will be tied to the "Commencement Date," which will be the first day after the occurrence of the last to occur of the following events: (i) all necessary approvals by governmental parties, including but not limited to the appropriate Court, and the State Budget and Control Board (collectively, the "DMH Approvals") have been obtained by DMH for the sale of the Property pursuant to this Agreement, provided that if any appeal should be filed, then the Commencement Date will not occur until the appeal is concluded and the approval is final; (ii) a development agreement has been signed with the City of Columbia that provides for the

necessary approvals and commitments by the City, including but not limited to zoning and financial assistance or participation, that are required in order to enable Buyer to proceed with the master development of the Property (the "Entitlements"); and (ii) all ancillary agreements or approvals from other parties that are required to carry out the intent of the foregoing are completed or accomplished, including the Parcel Pricing Agreement.

3.3 The Term will end on the date that is seven years after the Commencement Date, unless either extended or terminated earlier by agreement of the parties or in accordance with specific provisions of this Agreement.

4. Escrows. Within three (3) business days of the last execution of this Agreement, Buyer shall deposit with Escrow Agent (who shall be the party identified in the Escrow Agreement executed simultaneously herewith and who shall discharge the duties of Escrow Agent as specified therein) the sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) to be held in escrow to evidence Buyer's intentions hereunder. If at any time DMH, due solely to matters beyond its control, is failing to make adequate progress in securing the DMH Approvals, or if DMH fails in any one of the DMH Approvals, this contract will, at the option of Buyer, become null and void, and these funds shall immediately be released and returned to Buyer along with interest thereon. Buyer and DMH may agree to extend the times for these approvals, but it is agreed that adequate progress is not being made if all such approvals are not secured within six (6) months of the Effective Date.

Buyer shall begin the entitlement and approval process with the City of Columbia. Buyer shall prepare or cause to be prepared plans, codes, resolutions, studies, and other documents evincing Buyer's plan for the development of the Property. All these will be prepared after consultations and discussions with the City of Columbia and its relevant departments. If, within six (6) months of the final DMH Approval (unless extended by mutual agreement of the Parties), Buyer has failed to secure the necessary Entitlements with the City of Columbia that will allow Buyer to develop the Property according to its plan, then, at the option of either Party, this contract shall become null and void and all escrow monies will be promptly returned to Buyer, and the interest thereon shall be paid to DMH. Notwithstanding the foregoing, in the event delays within DMH's control, including violations of this agreement, cause the timetable for the securing of Entitlements to be extended beyond the six month period, Buyer shall have the option of extending the termination date or terminating the Agreement and receiving a full refund of all sums expended by it, including the escrow deposit and the interest thereon.

If the DMH Approvals and the Entitlements have been secured within the permitted timeframes, then within ten (10) business days of the receipt of the final approval (not subject to rescission or reconsideration), Buyer shall deposit an additional ONE MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,400,000.00) with Escrow Agent to be added to the escrow account.

The escrow amount plus any interest earned thereon shall be applied in full to Buyer's purchase of the final parcel or parcels constituting the Property.

5. Parcel Pricing Plan. Within thirty (30) days after final agreements with the City of Columbia as envisioned in Section 4 above, Buyer will prepare and present to DMH an actual Parcel Pricing Plan in a form similar to the Illustrative Parcel Pricing Plan attached as Exhibit B. The Parcel Pricing Plan will divide the Property into parcels and establish sales prices for each parcel. The total of the parcel prices will be Fifteen Million Dollars (\$15,000,000), and the sales prices will represent the amount which DMH must receive in order to transfer ownership of the identified parcel. The parcel prices will be the confidential property of Buyer and will be exempt from disclosure pursuant to S.C. Code Section 30-4-40(a)(5).

5.1 The Parcel Pricing Plan will be developed with input from the members of Buyer's team, DMH, interested or prospective sub-developers, and other interested parties, and it will be based on uses in the master plan as approved by the City of Columbia. In addition, the Parcel Pricing Plan will reflect the Entitlements and any other relevant government decisions and actions that could affect the values of various parts of the Property.

5.2 The prices will be established on the basis that DMH will sell each parcel in an "as is" condition and will not be responsible for any abatement, demolition or infrastructure improvement costs with respect to the parcel. Nothing herein shall be construed to require Buyer

to pay any such costs, which may be the responsibility of subsequent purchasers of parcels or covered from other sources such as, for example, TIF funds.

5.3 DMH shall designate in writing its authorized agent ("DMH Agent") to represent DMH in connection with the Parcel Pricing Plan. DMH Agent shall be a licensed real estate professional knowledgeable in the sales and marketing of the various product types expected to be in the Project. If DMH Agent shall not agree that all parcels reflect a correct and fair allocation of \$15,000,000 over all the parcels, and the variance, in its reasonable opinion, is greater than 20%, then DMH Agent shall have the right to call for an appraiser panel to settle the dispute. In this event, DMH Agent and Buyer will each promptly select an MAI appraiser licensed in SC and familiar with values and properties similar to the Property. Within seven (7) days of their appointment, the two selected appraisers will select a third MAI appraiser with similar qualifications. The three appraisers shall agree to discharge their duties within thirty (30) days of the appointment of the third appraiser. The three appraisers shall agree on an allocation of the \$15,000,000 purchase price across the parcels as shown on the Parcel Pricing Plan. If the three appraisers cannot agree on an allocation, then on the thirtieth (30th) day, the third appraiser shall allocate the prices to the parcels, attempting to approximate an average of the values of the three appraisers. This allocation shall constitute the Parcel Pricing Plan. Buyer shall have the right to call off the appraisal process before it begins by averaging the prices given by Buyer and DMH Agent as the final Parcel Pricing Plan.

5.4 Consistent with other provisions of this Agreement, Buyer shall have the right to amend the Parcel Pricing Plan from time to time as it sees fit in consultation with and approval of DMH Agent, provided that the sales prices remaining under the Amended Parcel Pricing Plan shall at no time be less than \$15,000,000 minus the sales proceeds attributable to the Parcel Pricing Plan (but not those proceeds attributable to Profit Sharing) already received by DMH from previously purchased parcels.

5.5 The Parcel Pricing Plan may define some parcels as areas to be maintained as public spaces, including primary streets and public amenities (including, for example, the roads that will provide access and service to Hall Institute).

5.6 Hall Institute will remain a part of the Campus and will be reflected on Buyer's plan, although it is not part of the Property being purchased by Buyer. The anticipated renovation of Hall Institute by DMH will be planned to the extent possible in connection with Buyer's plan. DMH will involve Buyer in the design of such renovation, which will be compatible with Buyer's plan and should be undertaken with the intent of enhancing the plan. Buyer will consider the access and infrastructure needs of the renovated Hall Institute in its plan. DMH will provide these needs to Buyer as soon as practical after the execution of this Agreement and will work with Buyer's engineers in achieving a balance between the needs of Hall and the burdens imposed on the neighboring development. In no event shall the final Hall site exceed eighteen (18) acres.

6. Regulatory Assumptions. Buyer's master plan will be based on fundamental assumptions regarding the regulatory environment in which the Project will be implemented, including but not limited to a satisfactory development agreement with the City of Columbia, appropriate zoning of the Property to allow the uses contemplated by the Plan, environmental approvals, and acceptable requirements regarding the historic aspects of the Campus. DMH agrees to cooperate fully as requested by Buyer in applications for regulatory changes or approvals; in discussions and negotiations with elected officials, governmental representatives, and other authorities or parties; and other such actions necessary for the success of the Project. In the event that Buyer determines that the regulatory environment will not permit the Project to move forward as intended, or that a mutually beneficial Plan is effectively frustrated, then Buyer may withdraw from this Agreement upon written notice to DMH, in which case this Agreement will become void and of no further effect and the Escrow will be refunded without interest. In the event of termination or withdrawal from this Agreement by Buyer, Buyer shall provide to DMH, at no cost, all engineering studies, reports, design materials and other Project Plan work applicable to the Property prepared by or at the instance of Buyer up to the date of withdrawal or termination. If the foregoing termination results from actions, inaction or withdrawal on the part of DMH, the Buyer shall be entitled to recover its damages as specified in the Section of this Agreement entitled Remedies.

7. Declarations of Covenants. Multiple declarations of covenants, restrictions and easements (collectively, the "Declarations") will be prepared and recorded as the Plan is developed and the Property sold. To the extent DMH is still the owner of affected property, it

will execute each of the Declarations upon request by Buyer. The Declarations will name Buyer as the enforcing party for the covenants and are expected to include the following:

7.1 Master Declaration.

(a) Buyer will prepare a Master Declaration of Protective Covenants, Conditions, Restrictions and Easements ("Master Declaration") to be recorded before the sale of any parcel within the Property. The Master Declaration will address those matters that will apply to the entire Property, such as necessary easements, overall design and construction requirements, maintenance and upkeep obligations, and Project-level management and fees. DMH shall retain necessary easements to access un-sold parcels on the Property; however, these rights shall be extinguished when benefitted parcels are sold. The Master Declaration may be made effective to the neighborhoods in stages, but in any event will become effective for each neighborhood before its Neighborhood Declaration is recorded. Ultimately the entire site is expected to become subject to the Master Declaration. In some instances these declarations will need to be imposed on some Parcels before a sale is imminent.

(b) DMH agrees to execute the documents necessary to impose these declarations consistent with the Plan. In agreeing to execute necessary documents, Buyer acknowledges that DMH does not waive its right to protect its interests under the Agreement by addressing substantive terms of the documents. For example, DMH can discuss with Buyer options to the location and alignment of easements across unsold parcels.

7.2 Neighborhood Declarations. Buyer may prepare a Neighborhood Declaration for each entire neighborhood, to be recorded prior to the first sale within the neighborhood. The Neighborhood Declarations would address those matters that will apply only to that neighborhood, such as easements applicable to the specific property, special design and construction requirements, possible use restrictions applicable specifically to that neighborhood, and neighborhood-level management and fees.

7.3 Building Site Declarations. A Building Site Declaration is expected to be recorded for each building site sold within the Project and will be recorded prior to the sale of that building site. A building site may be a traditional real estate parcel or an air space parcel, or a combination thereof. The Building Site Declaration would address specific use restrictions and design requirements applicable to the particular building site.

7.4 Property Maintenance During Term of Agreement. From and after the Commencement Date of this Agreement, legal title to the Property will remain vested in DMH until divestiture by sale under the terms of this Agreement. For all purposes of general property maintenance of buildings and grounds constituting the Property under this Agreement, DMH shall be and remain responsible for such maintenance for all portions of the Property until transfer of title from DMH to Buyer or its designee. DMH herewith grants to Buyer a permit and use easement for access to the Property that remains titled in DMH during the development period. DMH and Buyer agree to work with the City of Columbia to determine the most appropriate manner for the City, at its expense, to routinely patrol and police the Property on or before the Commencement Date.

8. Execution of Documents.

8.1 DMH will retain title to unsold portions of the Property and may be the Grantor when parcels are sold and if Buyer directs DMH to deed directly. Deeds issued by DMH will be in a form substantively similar to the example Quit Claim Deed attached as Exhibit C.

8.2 DMH agrees to respond in a timely fashion to all requests from Buyer to sign contracts, deeds, Declarations, utility easements, and other closing agreements, affidavits, closing statements, and other required documents. DMH will designate by appropriate action several persons, by name, or title and position, any one of whom will be authorized to sign documents related to the Project, in order to insure that someone will be available when needed to execute documents. Such authorization will include the authority to execute conveyances, easements, restrictions, regulatory applications, utility agreements, permits and such other documents as are commonly necessary for the development of large mixed-use projects. In return for agreeing to respond in a timely fashion to all requests from Buyer to sign contracts, deeds and other requested documents, Buyer acknowledges that DMH does not waive its right to protect its interests under the Agreement by reviewing the substantive terms of the documents. For example, DMH can request a copy of plats and other documents associated with parcel sales

and seek clarification and agreement regarding the distribution of funds indicated on a proposed closing statement.

8.3 DMH and Buyer anticipate court approval of this Agreement following litigation to be initiated by DMH against the State Attorney General ("AG") as well as approval of the Agreement by the State Budget and Control Board ("Board") upon application by DMH. Because of the importance of DMH being able to promptly respond to Buyer's requests as outlined herein, DMH will seek, and the parties anticipate, inclusion of terms in the court order approving the Agreement and in the Board resolution approving the Agreement which will obviate the need for DMH to seek any future additional approvals by the court, AG or Board prior to its execution of the deeds, easements and other types of documents referred to in this section. For instances, and assuming the issuance of such a court order and Board resolution, the AG would not have to further approve easements granted hereunder by DMH as required by S.C. Code Section 44-11-110 and the Board would not have to concur and acquiesce under S.C. Code Sections 1-11-65 and 10-1-130. In the alternative, DMH may seek "blanket" pre-approvals by the AG and Board.

9. Purchase Price. The total Purchase Price for the Property shall be FIFTYFIVE MILLION AND NO/100 DOLLARS (\$15,000,000.00), plus an amount, if any, as calculated below (the "Profit Sharing").

9.1 Buyer may purchase any parcel at any time at the parcel sales price established by the Parcel Pricing Plan. Buyer may direct DMH to make the conveyance under the same terms to a designee or assignee of Buyer.

9.2 Buyer may also purchase a lesser portion of a parcel provided Buyer pays 120% of the per square foot price of the land in that parcel as a release price (the extra 20% to be credited to the purchase of the balance of that parcel at such time as it occurs) and provided the DMH representative agrees that the portion purchased does not represent a significantly disproportionate part of the value of the parcel.

9.3 In order for DMH to benefit if Buyer creates significant value on the Campus through its plans, development expertise, and purchases, or if the market recovers beyond expectations during the Term, DMH shall receive Profit Sharing equal to 35% of Net Profits, if any, on Qualifying Sales in addition to the Purchase Price, as set forth below:

(a) A Qualifying Sale shall be any sale occurring after the ninetieth (90th) day after the third anniversary of the Commencement Date that is a conveyance by DMH to a third party (not an affiliate or subsidiary owned or controlled by Buyer) or a sale by Buyer to a third party that is the result of a binding non-cancelable contract entered into by Buyer within ninety (90) days of its purchase of the parcel.

(b) Net Profits, for purposes of this Agreement, shall equal the difference, if any, between the net sales proceeds of a Qualifying Sale, and the sum of i) the parcel sales or release price established by the Parcel Pricing Plan, and ii) 15% of the gross sales price.

(c) The following example illustrates the calculation of Profit Sharing from a Qualifying Sale of a parcel: Assumptions: The parcel price according to the Plan is \$1,000,000. The parcel is sold in the fourth year after the Commencement Date to a third party designee of Buyer for net proceeds of \$1,100,000. The gross sales price is \$1,150,000. Allocation: In this example, DMH would receive the first \$1,000,000 as the Parcel Pricing Plan price. Fifteen percent (15%) of the gross sales price would be paid to Buyer, or \$172,500; however, since that amount exceeds the remaining balance of \$100,000, Buyer is only entitled to retain \$100,000, and the difference does not carry forward to the next parcel sale.

(d) The following example illustrates the calculation of Profit Sharing from the next sale following the first example. Assumptions: The parcel price for this parcel is \$1,300,000, and the net proceeds from the sale are \$2,000,000. Assume no costs of sale. Allocation: DMH would receive \$1,300,000 as the Parcel Pricing Plan price. Then 15% of the sales price would be paid to Buyer, or \$300,000. The remaining \$400,000 would be Net Profits and 35% of this amount (\$140,000) would be paid to DMH as Profit Sharing.

(e) When Buyer has purchased all the parcels constituting the Property and DMH has been paid in accordance with the terms hereof, this Agreement shall terminate, notwithstanding the seven year Term established in Section 3.3 or any extension granted under Section 11.

10. Purchase Payment Schedule. Buyer shall pay to DMH a minimum of Fifteen Million Dollars (\$15,000,000) for the purchase of the Property. In order to measure progress toward this amount, the parties have agreed to the following schedule:

<u>Cumulative Amount Received</u>	<u>Time after Commencement Date</u>
\$1,500,000	1 Year
\$3,800,000	2 Years
\$6,000,000	3 Years
\$9,000,000	4 Years
\$12,000,000	5 Years
\$14,000,000	6 Years
\$15,000,000	7 Years

If any one of the above schedules, or schedules as amended as provided for herein, is not achieved, then DMH shall evaluate whether Buyer is performing under this Agreement in a manner that will serve the long term interests of DMH, notwithstanding the failure to meet the schedules. In making that determination, DMH shall consider such things as whether higher sales per acre have been made than projected in the Plan, and whether there has been unusual outside interference with the objectives or other factors beyond Buyer's control. If DMH in its sole discretion determines that appropriate progress is not being made in planning and marketing the Property, DMH may terminate this Agreement. However, if DMH determines that Buyer is performing in a manner that will serve the long term interests of DMH, then DMH will not terminate the Agreement.

Buyer and DMH recognize that sales schedules using end-of-year assumptions can artificially penalize performance that is actually a better result for DMH. Accordingly, Buyer shall have two opportunities to amend the Purchase Payment Schedule if the net present value of sales proceeds actually received is greater than the projected net present value of the Purchase Payment Schedule at that same time. First, at the end of the first year after the Commencement Date, if Buyer has achieved sales that have either closed earlier or resulted in greater proceeds being received by DMH than the purchase schedule for Year 1, then Buyer may adjust the future schedules provided the net present value of the seven year stream of new schedules (using actual sales dates for any sales to date) shall not be less than the net present value of the schedules as originally agreed. Second, at the end of the third year after the Commencement Date, if the net present value of the proceeds received by DMH to that date exceeds the net present value contemplated by the original schedules, then Buyer shall have the right to adjust the future schedules in the same manner as above.

Any amount received by DMH as Profit Sharing shall be in addition to the amounts above.

11. Contract Extension. In the event that sales proceeds have been received by DMH more rapidly than in the Minimum Purchase Schedules set forth above or DMH has determined that Buyer is performing under this Agreement in such a manner that an extension would serve the long term interests of DMH, Buyer shall have the right to extend the initial Term of this Agreement by a period not to exceed five (5) years and the remaining Minimum Purchase Schedules will be adjusted so that the same net present value would result using the actual sales plus the new schedules compared to the original Schedules. Both parties acknowledge that it may take longer than the Term plus any single extension period to fully develop the Campus and maximize the value of the Project. If sales proceeds to DMH continue to progress according to agreed upon schedules, both parties agree to negotiate in good faith the further extensions of this agreement, but never for a single period in excess of five (5) years.

12. Representations and Warranties of DMH. DMH represents and warrants to Buyer as follows:

(a) DMH is the sole owner of good and marketable title to the Property, free and clear of all liens or encumbrances whatsoever, including any leases, physical encroachments, or any covenants, conditions, restrictions, rights-of-way, easements, or other matters materially and adversely affecting the Property for the purposes of this

Agreement, except as disclosed on the survey by Cox & Dinkins dated December 2, 2008, a copy of which has been provided to Buyer.

(b) To the best knowledge and belief of DMH, the Property is in compliance with all material laws, ordinances, rules, permits and regulations of all applicable governmental authorities, including, without limitation, those relating to health, welfare, environmental matters, sanitation, hazardous waste, toxic materials, occupational safety and health, building or fire codes, and zoning matters.

(c) There are no gravesites located on the Property.

(d) There are no actions, suits or proceedings pending or threatened or reasonably anticipated by DMH affecting the Property or relating to the ownership, use, management and operation of the Property, at law or in equity, or by eminent domain or before or in any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or non-governmental arbitration of board or commission.

(e) No representation or warranty made by DMH in this Agreement contains any untrue statement of a material fact known to DMH, or omits to state a material fact known to DMH which is necessary in order to make the statements contained therein not misleading or necessary in order to provide Buyer with adequate information as to the Property.

(f) There is presently in existence no contract or agreement entered into by DMH which could adversely affect or bind Buyer in its performance under this Agreement other than those expressly disclosed below.

Parking lot lease. There exists a parking lot lease with the State Budget and Control Board for the Mills-Jarrett office buildings. DMH has initiated discussions with the users of the office buildings regarding their parking needs in this lot and on the Campus. DMH agrees to work with Buyer and other necessary parties to find a mutually agreeable solution to the issue of the Mills-Jarrett office building users parking on the Campus.

SCE&G lease.

DMH representations to City of Columbia. In a letter dated September 16, 2009, DMH agreed to give the City of Columbia a minimum of 90 days notice prior to any actual conveyance of any portion of the Property within the proposed historic Overlay district from DMH to a buyer. Both parties believe that this was intended to refer to the Commencement Date, before which no conveyance would take place. This Agreement anticipates that the City will be informed of the status of the Project through the Development Plan process and consequently will have the requisite advance notice.

(g) Compliance with the terms of this Agreement shall not conflict with or, with or without notice or passage of time, result in a breach of any of the terms or provisions, or constitute a default under, any instrument or agreement to which DMH is a party or by which DMH or the Property, or either of them, are bound or under any applicable regulation of any governmental agency, or judgment, order or decree of any court or arbitration board having jurisdiction over DMH or the Property, or either of them.

(h) To the best knowledge of DMH, the agreements contained herein will not be in violation of any federal, state or local laws, ordinances, rules or regulations.

(i) DMH has entered into a Responsible Party "Voluntary Cleanup Contract" with the South Carolina Department of Health and Environmental Control, dated October 28, 2008, a copy of which has been provided to Buyer. Except as disclosed in the "Remedial Investigation Report," prepared by S&MB and dated October 23, 2009, DMH has no knowledge (i) of the presence of any Hazardous Substances in, on or about the Property; (ii) of any spills, releases, discharges, or disposal of Hazardous Substances that have occurred or are presently occurring in, on or about the Property which have not been cleaned up, abated and removed in accordance with all existing applicable laws and regulations; or (iii) of any spills, releases, discharges or disposal of Hazardous Substances that have occurred or are

occurring off the Property as a result of any construction, demolition, renovation or operation and use of the Property which have not been accomplished or will not be accomplished in accordance with all applicable laws and regulations pertaining thereto. As used in this Agreement, "Hazardous Substances" shall mean: Any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous or toxic substance, or other similar term, by any federal, state or local environmental statute, regulation, order or ordinance presently in effect, including, without limitation, asbestos in friable form and petroleum products.

(j) DMH represents that, with respect to the Property, it has no knowledge of any failure to comply with any applicable local, state and/or federal environmental laws, regulations, rules or ordinances or with any administrative or judicial orders relating to the generation, recycling, reuse, sale, storage, handling, transport or disposal of any Hazardous Substances, and that the Property is not now the subject of any ongoing or, to the best knowledge of DMH, threatened enforcement action or compliance order issued by any governmental authority for any alleged violation in relation thereto, and that DMH is not aware of any circumstance which would or might give rise to any such enforcement or compliance order. DMH has not received any notice or citation for non-compliance by DMH with any of the foregoing related to the Property. DMH agrees that, as between DMH and Buyer, DMH would be the potentially responsible party ("PRP") with respect to any enforcement action or compliance order related to Hazardous Substances that exist on the Campus as of the Effective Date.

(k) DMH will not grant any additional easements or otherwise change the status of the Property as represented above during the term of this Agreement without the written consent of Buyer.

(l) DMH is duly authorized to enter into and complete the transactions contemplated in this Agreement.

13. Representations and Warranties of Buyer. Buyer hereby represents and warrants to DMH as follows:

(a) Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina.

(b) Buyer has the full power and authority to execute, deliver and perform this Agreement and to carry out the transactions contemplated hereby. All necessary action, corporate or otherwise, has been taken by Buyer to authorize the execution, delivery and performance of this Agreement and the transactions and agreements contemplated hereby and the same constitute the legal, valid and binding obligations of Buyer enforceable in accordance with their respective terms.

(c) Neither the execution, delivery and performance of this Agreement nor the performance of the transactions contemplated hereby will: (i) constitute a breach or violation of Buyer's articles of incorporation or bylaws; (ii) conflict with or constitute (with or without the passage of time or the giving of notice) a breach of, or default under any material agreement, instrument or obligation to which Buyer is a party or by which it or its assets are bound which would materially affect the performance by Buyer of its obligations under this Agreement; or (iii) result in a violation of any law, regulation, administrative order or judicial order applicable to Buyer.

(d) There is no litigation pending or, to the knowledge of Buyer, threatened against Buyer which could have a material adverse effect on its properties, assets or business or which would prevent or hinder the consummation of the transactions contemplated by this Agreement.

14. Remedies. In the event there is a material breach of this Agreement by Buyer, DMH shall be entitled to terminate this Agreement and retain the Escrow Deposit. In the event there is a material breach of this contract by DMH, Buyer shall be entitled either (a) to terminate this Agreement and recover its actual damages resulting from the breach or (b) to specific performance or other equitable remedy.

15. Eminent Domain. If any of the Property should be taken by eminent domain after the establishment of the actual Parcel Pricing Plan but before its conveyance, the parties

agree that Buyer shall have all equitable interests of the property owner in the condemnation proceedings, including all rights and authority to represent that interest. Accordingly, Buyer shall bear all risks of valuation and shall be entitled to receipt of any condemnation award or proceeds derived from such proceedings. Provided, however, except as herein below specified, neither the event of condemnation proceedings relative to any portion of the Property or the amount of condemnation proceeds or award(s) therefor shall alter, diminish or otherwise affect the Minimum Price owed to DMH, applicable to any parcel pursuant to the final Parcel Pricing Plan or the overall Minimum Price of Fifteen Million Dollars (\$15,000,000.00). In the event Buyer determines that the land taken by eminent domain is of such importance that it will not permit the Project to move forward as intended, and that a reasonable amended plan is effectively frustrated, then Buyer may withdraw from this Agreement upon written notice to DMH, in which case this Agreement will become void and of no further effect except as may be necessary to pursue the condemnation award, and DMH will refund any funds remaining in the Escrow Account.

16. Assignment. Buyer shall have the right to assign this Agreement to any subsidiary or affiliate of Buyer that is commonly controlled with Buyer, in which case Hughes Development Corporation will be released from all obligations under this Agreement and the assignee will become the Buyer for all purposes.

17. Relationship of Parties. It is the intention of the parties that Buyer will be an independent contractor in carrying out the terms of this Agreement. Nothing contained herein will be construed as creating any relationship of employer/employee, partnership, or joint venture between DMH and Buyer.

18. Notices. All notices, demands, requests and other communications required or permitted under this Agreement will be in writing and will be deemed to be delivered when either (i) deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, or (ii) sent by Federal Express or other generally recognized overnight delivery service providing proof of delivery, addressed as follows:

If to DMH:	Office of the General Counsel South Carolina Department of Mental Health 2414 Bull Street, Suite 403 P.O. Box 485 Columbia, SC 29202
If to Buyer (US Mail Address)	Hughes Development Corporation Attn: Robert B. Hughes, Jr. Post Office Box 2567 Greenville, SC 29602-2567
If to Buyer (Delivery Service)	Hughes Development Corporation Attn: Robert B. Hughes, Jr. 304 North Church Street Greenville, SC 29601

Addresses for notice may be changed by providing notice in accordance with this Section.

19. Entire Agreement. This Agreement and the exhibits hereto contain the entire agreement between DMH and Buyer with respect to the subject matter hereof, which supersedes all other previous or contemporaneous written or oral negotiations, commitments or writings. Provided, however, certain aspects of this Agreement are executory in nature and will require execution of subsequent, related or collateral documents in order to implement the terms of this Agreement, specifically including, but not limited to documents of approval by the State Budget and Control Board and process documents referenced in environmental sections.

20. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of South Carolina.

21. Descriptive Headings. The captions and descriptive headings contained in this Agreement are inserted only as a matter of convenience and reference, and they in no way define, limit, extend, modify, describe or in any manner control the scope and intent of this Agreement.

22. Partial Invalidity. In the event any part of this Agreement shall be determined to be invalid or unenforceable, the remaining terms and conditions of this Agreement which are not so invalid or unenforceable shall continue in full force and effect.

23. Waiver. The waiver by any party of any right under this Agreement shall be effective only if in writing and shall not constitute a waiver of any other right under this Agreement.

24. Construction of Agreement. All of the parties to this Agreement have participated fully in the negotiation and preparation hereof, and accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.

25. Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, successors and assigns.

26. Amendment. This Agreement may be amended only by an instrument in writing signed by both parties. Oral agreements in conflict with any of the terms of this Agreement shall be without any force and effect.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF the parties have executed this Agreement as of the date first set forth above.

DEPARTMENT OF MENTAL HEALTH

By: *John F. Magill*
Name: John F. Magill
Title: State Director

HUGHES DEVELOPMENT CORPORATION

By: *Robert R. Hughes, Jr.*
Robert R. Hughes, Jr. President

[Handwritten initials]

EXHIBIT A

PROPERTY DESCRIPTION

All that piece, parcel, or lot of land known as the South Carolina Department of Mental Health Bull Street Campus as shown on a plat prepared for South Carolina Department of Mental Health dated December 2, 2008, by Cox and Dinkins Engineers and Surveyors and containing three parcels; a Portion of 11501-01-01 containing 181.14 acres, a Parcel "X" containing 2.59 acres, and a Parcel "Y" containing 0.08 acres; and having according to said plat the following metes and bounds to wit:

Portion of 11501-01-01

Beginning at the intersection of the Eastern right-of-way margin of Bull Street (S.C. Hwy. No. 277) and the Southern right-of-way margin of Colonial Drive at a PK Nail (n), this being the POINT OF BEGINNING (P.O.B.); thence turning and running along the Southern right-of-way margin of Colonial Drive for the following bearings and distances:

N 49°24'22" E for a distance of 955.94 feet to a 5/8" Rebar (o); N 49°38'57" E for a distance of 1054.93 feet to a 1/2" Rebar (n) (a 16" Reference); N 49°38'57" E for a distance of 15.00 feet to a Point; S 39°32'48" E for a distance of 21.83 feet to a Point; a curved line of length 627.19 feet (curve of radius 2331.77 feet, chord bearing of N 46°33'32" E, chord distance of 626.30 feet) to a 1/2" Rebar (n); N 39°57'52" E for a distance of 7.99 feet to a 1/2" Rebar (n); a curved line of length 71.27 feet (curve of radius 2586.45 feet, chord bearing of N 39°05'02" E, chord distance of 71.27 feet) to a 1/2" Rebar (n); S 40°18'38" E for a distance of 32.17 feet to a 1/2" Rebar (n); S 40°18'38" E for a distance of 32.70 feet to a 1/2" Rebar (n); N 23°31'29" E for a distance of 166.30 feet to a 1/2" Rebar (n); a curved line of length 184.83 feet (curve of radius 1475.47 feet, chord bearing of N 28°07'50" E, chord distance of 184.71 feet) to a 1/2" Rebar (n); a curved line of length 45.92 feet (curve of radius 22598.45 feet, chord bearing of N 28°36'58" E, chord distance of 45.92 feet) to a 1/2" Rebar (n); a curved line of length 78.29 feet (curve of radius 42.00 feet, chord bearing of N 76°30'22" E, chord distance of 67.44 feet) to a 5/8" Rebar (o); thence turning and running along the Western right-of-way margin of Harden Street for the following bearings and distances:

S 48°32'49" E for a distance of 8.78 feet to a 5/8" Rebar (o); a curved line of length 390.28 feet (curve of radius 1138.05 feet, chord bearing of S 39°04'28" E, chord distance of 388.37 feet) to a 5/8" Rebar (o); S 20°01'38" E for a distance of 2271.34 feet to a Fencepost (o); thence turning and running in a curved line of length 390.92 feet along the Southern Railway R/W (curve of radius 1484.03 feet, chord bearing of S 24°01'59" W, chord distance of 389.79 feet) to a 5/8" Rebar (o); thence turning and running S 69°51'55" W along the Southern Railway R/W and the property of now or formerly Charlotte Columbia for a distance of 194.33 feet to a 1/2" Rebar (o); thence turning and running S 20°04'08" E along the Southern Railway R/W and the property of now or formerly Charlotte Columbia for a distance of 417.97 feet to a 5/8" Rebar (o); thence turning and running along the Northern right-of-way margin of Calhoun Street for the following bearings and distances:

S 70°21'47" W for a distance of 565.92 feet to a 3/4" Rebar (o); S 69°58'43" W for a distance of 92.19 feet to a Conc. mon. (o); S 69°48'10" W for a distance of 462.72 feet to a 5/8" Rebar (o); S 18°32'02" E for a distance of 13.17 feet to the Corner of a Wall; S 70°01'09" W for a distance of 1009.74 feet to a Point on Face of Wall (Witnessed by a 1" Pinch Top (o) 2, 26"); thence turning and running N 20°20'24" W along the property of now or formerly The State of S.C. for a distance of 431.77 feet to a 1" Pinch top (o); thence turning and running S 69°55'11" W along the property of now or formerly The State of S.C. for a distance of 443.49 feet to a 1/2" Rebar (n); thence turning and running N 20°17'34" W along the Eastern right-of-way margin of Bull Street (S.C. Hwy. No. 277) for a distance of 1735.72 feet to a PK Nail (n), the POINT OF BEGINNING (P.O.B.).

Parcel "X"

Commencing at the intersection of the Western right-of-way margin of Harden Street and the Southern right-of-way margin of Colonial Drive, then running approximately 449.06 feet in a southerly direction to a 5/8" Rebar (o), this being the POINT OF BEGINNING 2 (P.O.B. 2); thence turning and running the following bearings and distances: N 65°24'40" E for a distance of 50.16 feet to a Point; S 20°01'38" E for a distance of 2237.40 feet to a Point; a curved line of length 62.76 feet (curve of radius 1484.03 feet, chord bearing of S 32°47'27" W, chord distance of 62.76 feet) to a Fencepost (o); thence turning and running N 20°01'38" W along the western right-of-way margin of Harden Street for a distance of 2271.34 feet to a 5/8" Rebar (o), the POINT OF BEGINNING 2 (P.O.B. 2).

Parcel "Y"

Commencing at the intersection of the western right-of-way margin of Harden Street and the Southern right-of-way margin of Colonial Drive, then running approximately 309.04 feet in a westerly direction to a 1/2" Rebar (n), this being the POINT OF BEGINNING 3 (P.O.B. 3);

thence turning and running the following bearings and distances; S 23°31'29" W along the Southern right-of-way of Colonial Drive for a distance of 166.30 feet to a 1/2" Rebar (n); N 40°18'38" W along the Southern right-of-way of Colonial Drive for a distance of 32.70 feet to a 1/2" Rebar (n); N 34°27'46" E for a distance of 154.69 feet to a 1/2" Rebar (n), the POINT OF BEGINNING 3 (P.O.B. 3).

LESS, HOWEVER, a parcel of land not to exceed 18 acres containing Hall Institute and having final boundaries to be determined by the Plan referenced in the Master Sales Agreement, but shown generally as cross-hatched on the drawing attached hereto as Exhibit A-1.



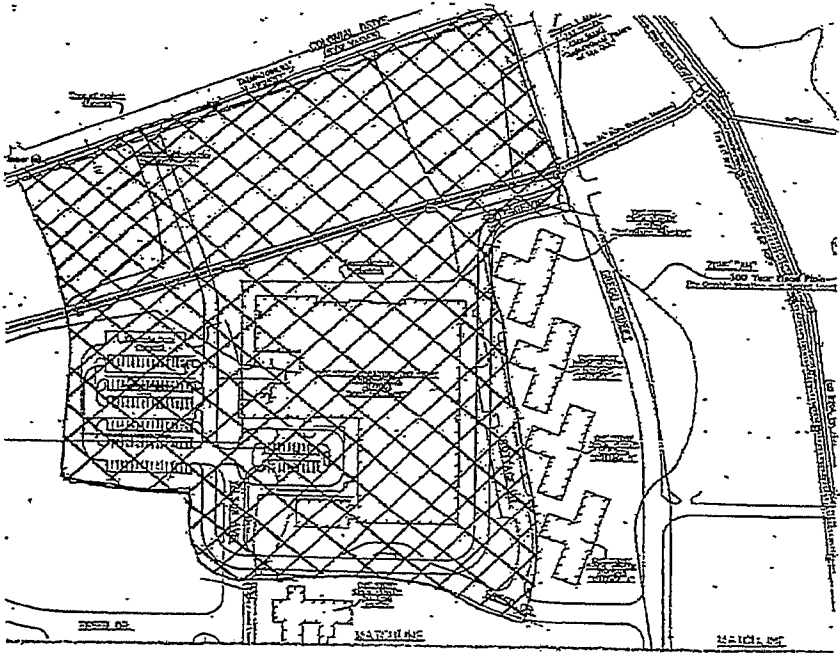


EXHIBIT A-1

Exhibit C

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) QUITCLAIM
) DEED

WHEREAS, pursuant to its statutory authority and role as trustee of a judicially recognized charitable trust, the South Carolina Department of Mental Health ("DMH"), acting through its Mental Health Commissioner, determined on July 10, 2007 that it is in the best interest of the mentally ill to sell the Property (as defined below) for one million, two hundred thousand dollars (\$1,200,000.00) and to hold the funds in trust for the benefit of the Department for the care of the mentally ill.

WHEREAS, the Mental Health Commission also authorized the State Director, who is its Executive Secretary, to enter into a contract with the Lexington/Richland Alcohol and Drug Abuse Council ("LRADAC"), provided it constructs a substance abuse facility on the Property, and to obtain any necessary court approval to conclude the sale as required by S.C. Dept. of Mental Health v. McMaster, 642 S.E.2d 552 (2007).

WHEREAS, DMH and LRADAC entered into a Contract for Purchase of Property on October 31st, 2007,

WHEREAS, DMH filed a lawsuit to obtain court approval of the sale and the caption of the litigation is *South Carolina Department of Mental Health, as Trustee vs. Lexington/Richland Alcohol and Drug Abuse Council, Henry Dargani McMaster, Attorney General of South Carolina and State Budget and Control Board* and bears case number 2008-CP-40-0268.

WHEREAS, by Order of Joseph M. Sfikland, Special Court Circuit Judge, executed the 3rd day of March, 2008 ("Order"), DMH, through its State Director/Executive Secretary to the Mental Health Commission, was authorized to convey by quitclaim deed the Property to LRADAC.

~~WHEREAS, a dispute exists over who holds title to the Property; therefore, contemporaneous herewith, the State Budget and Control Board is delivering to LRADAC a quitclaim deed for any interest it holds in the Property.~~

WHEREAS, pursuant to the Order, the \$1,200,000.00 purchase price described herein shall be deposited with DMH and maintained by the State Treasurer in an interest bearing account until there is a final determination made as to whether DMH or the State is entitled to the purchase price.

NOW THEREFORE,

KNOW ALL MEN BY THESE PRESENTS, that the South Carolina Department of Mental Health, in consideration of Five and no/100ths (\$5.00) dollars, other consideration to be paid in accordance with the terms of the Order, and other valuable consideration, including the benefits gained by provision of services to mutual clients, to it in hand paid at and before the sealing and delivery of these presents by the Lexington/Richland Alcohol and Drug Abuse Council (the receipt whereof is hereby acknowledged) have remise, released and forever quit-claimed, and by these presents do remise, release and forever quit-claim unto the said Lexington/Richland Alcohol and Drug Abuse Council, the following (the "Property"):

ALL that certain piece, parcel or lot of land, situate, lying and being in the County of Richland, State of South Carolina, shown as five (5.0) acres and identified as a "Plat prepared for Lexington/Richland Alcohol and Drug Abuse Council," dated the 28th day of November, 2007 and revised the 7th day of December, 2007, prepared by Inman Land

Surveying Company, Inc., and recorded in the Office of the Register of Deeds for Richland County, South Carolina in Plat Book _____ at Page _____, and setting forth the following metes and bounds, to wit:

Beginning at a 5/8" rebar (o) on the western right of way of Colonial Drive approximately 987' northeast of its intersection with Bull Street; thence along property of the S.C. Department of Mental Health the following courses and distances:

N 15° 06' 56" W for a distance of 303.54' to a 1/2" Rebar (n); thence N 50° 44' 04" E for a distance of 590.07' to a 1/2" Rebar (n); thence along the western side of an Access Easement on property of the S.C. Department of Mental Health the following courses and distances:

Along a curve having a chord bearing of S 61° 57' 23" E for a distance of 147.55' to a 1/2" Rebar (n); thence along a curve having a chord bearing of S 68° 42' 07" E for a distance of 96.52' to a 5/8" rebar (o); thence along a curve having a chord bearing of S 45° 18' 39" E for a distance of 23.46' to a 5/8" rebar (o); thence S 34° 12' 30" E for a distance of 61.93' to a 5/8" rebar (o); thence S 10° 09' 10" W for a distance of 35.65' to a Mag Nail (n) in Juno.Box at the intersection of the Access Easement and the right-of-way of Colonial Drive;

Thence, S 54° 27' 57" W for a distance of 790.23' along the western right of way of Colonial Drive to the point of beginning.

Be all measurements a little more or less.

Being a portion of the property granted by: (a) Nathaniel B. Barnwell (Master) to The Regents of the Lunatic Asylum of South Carolina by deed dated October 9, 1880 and recorded in the Office of the Clerk of Court for Richland County, South Carolina in Deed Book N at Page 64 and; (b) William Wallace Trustee/Special Master, to the Regents of the State Hospital for the Insane by deed dated March 30, 1896 and recorded in the Office of the Clerk of Court for Richland County, South Carolina in Deed Book Z at Page 324.

Portion of TMS No. 14400-01-01

Grantee's Address:
1800 St. Julian Place
Columbia, South Carolina 29250


Property Address: Colonial Drive
Columbia, South Carolina 29202

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining:

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto the said Lexington/Richland Alcohol and Drug Abuse Council, its successors and assigns, forever, so that neither the said South Carolina Department of Mental Health nor its successors nor any other person or persons, claiming under it shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part or parcel thereof, forever.

Witness my hand and seal this _____ day of _____ in the year of our Lord two thousand eight.

South Carolina Department of
Mental Health



Signed, Sealed and Delivered }
(L.S.) }
in the presence of }

By: _____

John H. Magill
State Director of Mental Health and
Executive Secretary to the Commission

THE STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

ACKNOWLEDGEMENT

I, a Notary Public for South Carolina, do hereby certify that the foregoing Instrument was acknowledged before me this _____ day of _____, 2008 by

_____,
the duly authorized Director of the South Carolina Department of Mental Health and Executive Secretary to the Mental Health Commission, who personally appeared before me this day and acknowledged the due execution of the foregoing Instrument on behalf of the within-named Grantor.

Notary Public for South Carolina
My Commission Expires:

EXHIBIT E
RESTRICTIVE COVENANTS

A handwritten signature in black ink, appearing to be initials or a stylized name, located in the bottom right corner of the page.

**MASTER DECLARATION
OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR BULL STREET NEIGHBORHOOD
COLUMBIA, SOUTH CAROLINA**

Handwritten signature or initials in the bottom right corner of the page.

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MASTER DECLARATION
OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR BULL STREET NEIGHBORHOOD
COLUMBIA, SOUTH CAROLINA

THIS MASTER DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR BULL STREET NEIGHBORHOOD, COLUMBIA, SOUTH CAROLINA, dated as of the ___th day of _____, 2012 (this "Declaration") by the DEPARTMENT OF MENTAL HEALTH, an agency of the State of South Carolina ("Declarant").

WITNESSETH:

WHEREAS, Declarant owns that certain real property known as the South Carolina Department of Mental Health Bull Street Campus and defined below as Bull Street Neighborhood; and

WHEREAS, Bull Street Neighborhood Development, LLC, a South Carolina limited liability company ("Developer"), working with Declarant, is developing and intends to develop the above-described property as a mixed-use development that may include residential, office, hotel, retail, civic and other components; and

WHEREAS, Declarant wishes to enter into this Declaration to provide a general plan (i) for the ownership, sale, use and occupancy of Bull Street Neighborhood and (ii) for the subdivision, development and improvement of Bull Street Neighborhood in an orderly manner, with appropriate architectural, landscaping, construction, development and maintenance controls to maintain the value, aesthetic appearance and architectural harmony of Bull Street Neighborhood during and after development;

NOW, THEREFORE, Declarant hereby declares that Bull Street Neighborhood is now and shall be hereafter owned, held, developed, transferred, sold, conveyed, leased, subleased, used, maintained, occupied, and mortgaged or otherwise encumbered subject to the protective covenants, conditions, restrictions, and easements hereinafter set forth in this Declaration, and every grantee of any interest in Bull Street Neighborhood, by acceptance of a deed or other conveyance, whether or not that deed or other conveyance shall be signed by the grantee and whether or not the grantee shall otherwise consent in writing, shall take subject to this Declaration and shall be deemed to have assented to and agreed to its terms.

ARTICLE 1
DEFINITIONS

1.1. Certain Defined Terms. As used herein, the following terms shall have the following meanings (which shall be applicable to both the singular and plural forms of the terms defined):

1.1.1. "Aggregate Assessment Allocation" for Bull Street Neighborhood shall mean the sum of the Assessment Allocations for all Building Sites within Bull Street Neighborhood pursuant to Building Site Declarations recorded as of the date of the computation of Assessments for any given Fiscal Year.

1.1.2. "Appointing Authority" shall mean the Person that from time to time possesses the power, pursuant to Article 3 hereof, to appoint the members of the DRB.

1.1.3. "Approve," "Approved" or "Approval" shall mean an express prior approval in a written statement signed by the approving Person. When Approval by Developer or the DRB is required hereunder, that Approval shall be in the sole discretion of Developer or the DRB, as the case may be, unless expressly provided otherwise in this Declaration.

1.1.4. "Assessment Allocation" shall mean the number of square feet of Gross Development Area (or portion thereof) allocated by Developer to a Building Site pursuant to the terms and provisions of a Building Site Declaration.

1.1.5. "Assessment Ratio" of a Building Site for any Fiscal Year shall mean a fraction, expressed as a percentage, the numerator of which is (x) the Assessment Allocation for that Building Site and the denominator of which is (y) the Aggregate Assessment Allocation.

1.1.6. "Assessments" shall mean the amounts payable by an Owner under this Declaration in accordance with Section 7.5 hereof.

1.1.7. "Board of Directors" or "Board" shall mean the board of directors of the Master Owners Association, which is the governing body of the Master Owners Association.

1.1.8. "Building" shall mean and include, but not be limited to, both the main portion of a structure built for permanent use and all projections or extensions thereof, including, but not limited to, garages, outside platforms and docks, carports, canopies, dumpster storage areas, pools and pool decks, and porches.

1.1.9. "Building Site" shall mean any parcel of land, including any airspace and/or subsurface rights, or any parcel consisting solely of an airspace estate, that is part of Bull Street Neighborhood and that is designated as a "Building Site" by Developer pursuant to a Building Site Declaration filed by Declarant (or by Developer if Developer then holds title to the parcel). Subject to Section 4.3 hereof, if the entirety of a Building Site should be submitted to the South Carolina Horizontal Property Act, or if any portion of a Building Site should be subdivided into lots intended for any other multi-owner regime, then the entirety of the property so submitted to the South Carolina Horizontal Property Act or so subdivided shall be deemed a single Building

Site for purposes of this Declaration. Subject to Section 4.3 hereof, if only a portion or part of a Building Site is submitted to the South Carolina Horizontal Property Act, each of (x) that portion of the Building Site submitted to the South Carolina Horizontal Property Act and (y) the remaining portion of the Building Site not so submitted to the South Carolina Horizontal Property Act shall be deemed a separate "Building Site" for purposes of this Declaration. Subject to Section 4.3 hereof, if a Building Site is split, divided or subdivided with the written Approval of Developer, the resulting portions shall be deemed separate "Building Sites" for purposes of this Declaration if and to the extent Developer so provides in its written Approval.

1.1.10. "Building Site Declaration(s)" shall mean and include each and all of those certain Building Site Covenants, Conditions, and Restrictions for Bull Street Neighborhood that shall be Approved by Developer and executed and recorded by Declarant (or by Developer if Developer then holds title to the Building Site) at the time of conveyance of a Building Site, and that shall govern and control the use, operation, and development of each Building Site, to the extent the same are in full force and effect. At the option of Developer and Declarant, they may elect to separate the function of the Building Site Declaration into two or more parts and recorded documents: one that would apply to a particular area or neighborhood or to a particular category of use (e.g., residential) within Bull Street Neighborhood, and the other that would apply to the individual Building Site.

1.1.11. "Bull Street Code" shall mean the PUD zoning code for Bull Street Neighborhood approved by the City of Columbia upon application of the Developer.

1.1.12. "Bull Street Neighborhood" shall mean all that real property described on Exhibit A attached hereto and by this reference made a part hereof and any real property subsequently made subject to this Declaration pursuant to Article 8.

1.1.13. "Business Day" shall mean any day, excluding Saturdays and Sundays, on which CertusBank or its successor is open for business.

1.1.14. "Commercial Lot" shall mean any Building Site that is designated by Developer as a Commercial Lot pursuant to the terms and provisions of a Building Site Declaration, including but not limited to those Building Sites that shall be predominately utilized for, and upon which the Bull Street Code permits the development and operation of office, retail, entertainment, hotel, general commercial, and all other types of non-residential uses, including Commercial Units if permitted under the Building Site Declaration.

1.1.15. "Commercial Unit" shall mean any individual commercial condominium unit or other commercial structure located on a Commercial Lot at Bull Street Neighborhood that is devoted primarily to office, retail, entertainment, general commercial, or other type of non-residential use and that may be owned individually by a Person other than the Owner of the Commercial Lot. Separately owned Commercial Units may only be created if specifically allowed in the Building Site Declaration for the Commercial Lot.

1.1.16. "Common Areas" shall mean and include, (i) any parcels of land that are a part of Bull Street Neighborhood and that are designated by Developer or Declarant, or a

designee or agent of Developer or Declarant, as "Common Areas" on any recorded plat of Bull Street Neighborhood or that are the subject of any deed or other conveyance to the Master Owners Association, a Governmental Authority, or a utility provider by Developer or Declarant, or a designee or agent of Developer or Declarant, including, but not limited to, road rights-of-way, utility or drainage easement areas, project entrances, and Civic Space for the benefit of Bull Street Neighborhood, (ii) any and all easements, rights and other interests for the common use and enjoyment of the Owners and Occupants of Bull Street Neighborhood, and (iii) any other property or areas intended to be devoted to the common use and enjoyment of the Owners and Occupants of Bull Street Neighborhood (regardless of the location within Bull Street Neighborhood of the property or areas). Title to the "Common Areas" may be vested in a Governmental Authority, a utility provider, Declarant, Developer, a designee of Developer, an Owner or Occupant, or the Master Owners Association. Developer or Declarant shall have the right to reserve easements for any purpose and for its benefit over, through, to, and in portions of said "Common Areas" at the time of its conveyance of the same to the applicable entity. Developer and/or the Master Owners Association shall have the right, power, and authority to dedicate or convey, for consideration or not, any Common Areas and/or Common Facilities to a Governmental Authority or non-profit organization. Areas or interests that may be designated as common areas with respect to an individual Building Site shall not be considered Common Areas for purposes of this Declaration unless they are clearly designated as being for the benefit of Bull Street Neighborhood as a whole and are accepted or Approved as such by Developer or the Master Owners Association.

1.1.17. "Common Expenses" shall mean and include all of those expenses and costs associated with and related to the operation, maintenance, management, repair and/or replacement of the Common Areas and the Common Facilities for which Owners must pay Assessments in accordance with Section 7.5 hereof.

1.1.18. "Common Facilities" shall mean and include any and all Buildings and other Improvements located on or in Common Areas.

1.1.19. "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers - U.S. City Average for All Items - (1982-1984=100) of the Bureau of Labor Statistics of the United States Department of Labor. If the Consumer Price Index published by the Department of Labor, Bureau of Labor Statistics is changed so that it affects the calculations achieved hereunder, the Consumer Price Index shall be converted in accordance with a conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Consumer Price Index is discontinued or revised during the term hereof, such other government index or computation as replaces it shall be used in order to obtain substantially the same result as would have been obtained if the Consumer Price Index had not been discontinued or revised. If the Consumer Price Index is discontinued and no government index or computation replaces it, the Board of Directors shall in good faith establish a suitable substitute.

1.1.20. "Declarant" shall mean the Department of Mental Health, an agency of the State of South Carolina. Declarant has contracted with Developer to develop the Bull Street Neighborhood, and Declarant grants Developer complete and exclusive authority to exercise all

of the rights and authority reserved herein to either Developer or Declarant. Upon conveyance by Declarant of any property within Bull Street Neighborhood, either to Developer or directly to a third party, all rights of Declarant hereunder with respect to that property shall automatically be assigned and transferred to Developer, without further action or conveyance being required. Upon conveyance by Declarant of all its interests in the real property constituting Bull Street Neighborhood, either to Developer or directly to third parties, all rights of Declarant hereunder shall automatically be assigned and transferred to Developer, without further action or conveyance being required.

1.1.21. "Declaration" shall mean this Master Declaration of Protective Covenants, Conditions, Restrictions, and Easements for Bull Street Neighborhood, including the exhibits attached hereto, as amended and in effect from time to time.

1.1.22. "Developer" shall mean Bull Street Neighborhood Development, LLC., a South Carolina limited liability company, and any other Person or Persons (the "Successor Developer") that succeed to the rights, duties, and obligations of Developer hereunder pursuant to a written document or instrument executed by an authorized representative of Developer and an authorized representative of Successor Developer that is filed in the Office of the Register of Deeds for Richland County, South Carolina and that sets forth and outlines the assignment by Developer of its rights and duties hereunder as "Developer" to the Successor Developer and the assumption by Successor Developer of the obligations of "Developer" hereunder. The term "Developer" as used in this Declaration shall be construed in all cases to include any Successor Developer.

1.1.23. "Distribution Share" for a Building Site shall mean, for any Fiscal Year, a fraction, expressed as a percentage, the numerator of which is (x) the Assessment Allocation for that Building Site and the denominator of which is (y) the Maximum Total Assessment Allocation.

1.1.24. "DRB" shall mean the Development Review Board for Bull Street Neighborhood created and established pursuant to Article 3 hereof.

1.1.25. "Fiscal Year" shall mean the fiscal year of the Master Owners Association which, unless and until otherwise approved by the Board of Directors, shall be the calendar year.

1.1.26. "Foreclosure" shall mean, without limitation (i) the judicial foreclosure of a Mortgage; (ii) the exercise of a power of sale contained in any Mortgage; (iii) conveyance of the property encumbered by a Mortgage in lieu of foreclosure thereof; or (iv) any action commenced or taken by a lessor to regain possession or control of property leased to a lessee in a transaction commonly known as a "sale/leaseback."

1.1.27. "Governmental Authority" shall mean the United States of America, the State of South Carolina, Richland County, the City of Columbia, South Carolina, and any agency, authority, court, department, commission, board, bureau or instrumentality of any of them.

1.1.28. "Gross Development Area" shall mean the maximum number of square feet of enclosed floor area intended for the exclusive use by the Owner or Occupant thereof and its customers, whether or not actually developed, leased or occupied, that is permitted by Developer pursuant to the terms of a Building Site Declaration (or otherwise Approved by Developer) to be developed on a Building Site. Unless included by a Building Site Declaration, Gross Development Area shall not include: (i) outside selling areas that are not heated or air conditioned; (ii) loading docks and truck ramps; (iii) upper levels of multi-deck storage areas located on any single floor; (iv) rooftop mechanical structures; (v) penthouses used for mechanical purposes; and (vi) any other areas excluded under the applicable Building Site Declarations. If not otherwise specified in a Building Site Declaration, Gross Development Area shall be measured from the exterior face of the exterior walls.

1.1.29. "Improvement" or "Improvements" shall mean and include every structure and all appurtenances thereto of every kind and type and any other man-made or man-caused physical change upon, over, across, above or under Bull Street Neighborhood or part thereof. "Improvements" shall include, but not be limited to, the following facilities and activities, whether of a permanent or temporary nature: any and all Buildings, out buildings, streets, roads, access roads, driveways, sidewalks, walkways, pedestrian malls, bike paths, ways or trails, running or jogging paths, traffic control devices and signs, parking lots and other parking areas, loading areas, signs, canopies, awnings, trellises, fences, lawns, landscaping (including, without limitation, landscaping of balconies, plazas and other portions of Buildings), plazas, patios, recreational facilities such as tennis courts and swimming pools, shelters, security and safety devices, bridges, construction trailers and other temporary construction outbuildings, screening walls, retaining walls, stairs, decks, benches and other exterior furniture, hedges, windbreaks, plantings, planted trees and shrubs, poles, exterior air conditioning, heating or air-handling equipment, water softener fixtures or equipment, aerials, antennas, lighting fixtures, drainage structures, communications equipment, including, without limitation, microwave dishes and relay equipment coaxial and fiber optic cables, satellite transmitting and/or receiving ground stations, poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities, and the color, texture, or material or other change to any Improvement.

1.1.30. "Maintenance and Operational Activity" shall mean any activity or function that takes place on an ongoing basis or intermittently for the purpose of maintaining or operating any Improvement subsequent to the time when the construction or installation of that Improvement has been completed or substantially completed, or for the purpose of enabling or facilitating any Project Use to take place. A Project Use is not a Maintenance and Operational Activity.

1.1.31. "Master Owners Association" shall mean Bull Street Neighborhood Master Owners Association, Inc., a South Carolina nonprofit corporation organized by Developer pursuant to Article 7 hereof, and its successors and assigns, if any.

1.1.32. "Maximum Total Assessment Allocation" for Bull Street Neighborhood shall mean the sum of the Assessment Allocations as of the date of the computation of Assessments for any given Fiscal Year for all Building Sites.

1.1.33. "Mortgage" shall mean a mortgage or other similar security instrument now or hereafter duly recorded in the Office of the Register of Deeds for Richland County, South Carolina, conveying a lien upon or security title to Bull Street Neighborhood, any part thereof or any interest or estate therein, or any Improvements thereon, or any lease of Bull Street Neighborhood, any part thereof, any interest or estate therein, or any Improvements thereon, in a transaction commonly known as a "sale/ leaseback."

1.1.34. "Mortgagee" shall mean the holder of a Mortgage.

1.1.35. "Mortgagor" shall mean the grantor of a Mortgage.

1.1.36. "Occupant" shall mean (i) any Person leasing, possessing or using any of the real property subject to this Declaration; (ii) any Person owning a Residential Unit; or (iii) any Person owning a Commercial Unit.

1.1.37. "Owner" shall mean any Person or Persons, including, without limitation, Declarant or Developer, who own or hold an aggregate fee simple interest in an entire Building Site, as shown by and in the records of the Office of the Register of Deeds for Richland County, South Carolina, subject to the following special rules:

1.1.37.1. Any Person having an interest in a Building Site solely as security under a Mortgage shall not be deemed an Owner, unless that Person shall have excluded the Mortgagor from possession thereof by appropriate legal proceedings following a default under the Mortgage or has acquired fee simple title to the property by Foreclosure;

1.1.37.2. Individual tenants or lessees of any portion of a Building Site shall not be deemed an Owner thereof, unless otherwise agreed by the fee simple or remainder title holder thereof and Approved in writing by the Master Owners Association;

1.1.37.3. Any Person holding or owning any easements, rights-of-way or licenses that pertain to or affect a Building Site shall not be deemed an Owner solely by reason thereof;

1.1.37.4. With respect to (i) a Building Site developed as a condominium under the South Carolina Horizontal Property Act or other controlling authority, or (ii) a Building Site that is not a condominium but is developed with multiple owners of individual Residential Units or Commercial Units, the condominium association of those Persons owning the Residential Units and/or Commercial Units that are a part of the condominium, or the community association of those Persons owning the Residential Units or Commercial Units that are not a part of a condominium, shall be deemed the Owner of the Building Site for purposes of this Declaration, including without limitation membership in the Master Owners Association and the obligation to pay Assessments in accordance with this Declaration; and

1.1.37.5. Except as otherwise provided in the preceding subsection 4 of this definition, in the event an Owner of any Building Site consists of more than one Person, those Persons shall, within thirty (30) days after the date of their acquisition of any Building Site, execute and deliver to the Master Owners Association a written instrument, including a power of attorney appointing and authorizing one Person as their agent to receive all notices and demands to be given pursuant to this Declaration, to cast all votes, and to take any and all actions required or permitted to be taken by them under this Declaration. The owning Persons may change their designated agent by written notice to the Master Owners Association, but the change shall be effective only after actual receipt of notice by the Master Owners Association.

1.1.38. "Person" shall mean any corporation, limited liability company, partnership, co-tenancy, joint venture, individual, business trust, real estate investment trust, trust, banking association, federal or state savings and loan institution, or any other legal entity, whether or not a party hereto.

1.1.39. "Prime Rate" shall mean the interest rate announced, from time to time, by CertusBank at its principal office in Greenville, SC, or by its corporate successor, as its prime rate (which rate is only a benchmark, is purely discretionary, and is not necessarily the best or lowest rate charged borrowing customers of CertusBank). In the event CertusBank discontinues the practice of announcing such a rate, the term Prime Rate shall mean the highest rate charged by CertusBank on short term, unsecured loans to its most creditworthy large corporate borrowers for commercial loans of short-term maturities.

1.1.40. "Project" shall mean Bull Street Neighborhood, as defined above.

1.1.41. "Project Interest" shall mean a continued role of Developer in Bull Street Neighborhood. A Project Interest may be a management, supervisory or oversight role as well as a direct or indirect ownership or economic interest. A Project Interest shall conclusively be deemed to exist until a written document or instrument executed by an authorized representative of Developer is filed in the Office of the Register of Deeds for Richland County, South Carolina, referring to this Declaration and specifically canceling the Project Interest.

1.1.42. "Project Use" shall mean the intended functions of, or activities that take place on a temporary or ongoing basis on, in or with respect to any parcel or element of real property that is part of Bull Street Neighborhood, all of which shall be established, approved, governed, and controlled by Developer pursuant to the terms and provisions of each of the Building Site Declarations.

1.1.43. "Proposed Plans" shall have the meaning ascribed to that term in Section 4.2 of this Declaration.

1.1.44. "Proposed Work" shall have the meaning ascribed to that term in Section 4.2 of this Declaration.

1.1.45. "Requirement of a Governmental Authority" shall mean and include any law, ordinance, order, requirement, rule, writ or regulation of a Governmental Authority, including, without limitation, the Bull Street Code.

1.1.46. "Residential Lot" shall mean any Building Site that is designated by Developer as a Residential Lot pursuant to the terms and provisions of a Building Site Declaration and upon which the Bull Street Code permits the development, construction, operation, sale, and/or leasing of Residential Units and/or apartments.

1.1.47. "Residential Unit" shall mean any individual residential condominium unit, townhouse, house, or other similar structure located on a Residential Lot at Bull Street Neighborhood that may be owned individually by a Person other than the Owner of the Residential Lot. Separately owned Residential Units may only be created if specifically allowed in the Building Site Declaration for the Residential Lot.

1.1.48. "Retail Uses" means any establishment wherein the primary occupation is the sale of merchandise in small quantities, in broken lots or parcels, not in bulk, for use or consumption immediately. This term shall also include photographic and portrait studios, health clubs, salons, and eating establishments.

1.1.49. "South Carolina Horizontal Property Act" shall mean S.C. Code Ann. § 27-31-10, *et seq.*, as the same may be amended from time to time.

1.2. Other Terms. All capitalized terms used in this Declaration that are not defined in this Article 1 shall have the meanings set forth elsewhere in this Declaration.

ARTICLE 2 PURPOSE OF THIS DECLARATION

2.1. Purpose. The purpose of this Declaration, in conjunction and harmony with each of the Building Site Declarations, is to ensure the proper use and appropriate development, improvement, and management of all real property that comprises and constitutes Bull Street Neighborhood so as to provide a harmonious development that will promote the general welfare of the Owners and Occupants thereof and will protect the present and future value of Bull Street Neighborhood and all parts thereof; to ensure the orderly and attractive development and use of Bull Street Neighborhood; to prevent the erection in Bull Street Neighborhood of any Improvements built of improper or unsuitable design and/or materials; to prevent any haphazard and inharmonious improvement of Building Sites; to protect Owners against improper use of surrounding Building Sites that will depreciate the value of their Building Sites; to encourage the erection of attractive Improvements; to provide for the orderly and effective maintenance and operation of Bull Street Neighborhood; to provide for the construction, installation, and maintenance of Common Facilities; and to preserve the architectural integrity, aesthetic appearance, and economic value of Bull Street Neighborhood and the Improvements constructed thereon from time to time.

2.2. Run With the Land. This Declaration and all of the provisions hereof are and shall be real covenants running with the land within Bull Street Neighborhood and shall burden and bind Bull Street Neighborhood for the duration hereof. To that end, this Declaration shall be deemed incorporated into all deeds and conveyances hereinafter made by Declarant, Developer and/or any Owner or Occupant. Every Person, including a Mortgagee, acquiring or holding any interest or estate in any portion of Bull Street Neighborhood shall take or hold that interest or estate, or the security interest with respect thereto, with notice of the terms and provisions of this Declaration, and in accepting an interest or estate in, or a security interest with respect to, any portion of Bull Street Neighborhood, that Person shall be deemed to have consented to this Declaration and all of the terms, provisions, and conditions hereof.

ARTICLE 3 THE DRB

3.1. Creation. There is hereby established the Development Review Board (the "DRB") for Bull Street Neighborhood. The number of members comprising the DRB at any given time shall be determined from time to time by the Appointing Authority, in its sole and absolute discretion. At least one member of the DRB must be a representative of Developer except as otherwise provided in this Article.

3.2. Purpose. The DRB is formed and established to provide an effective means of ensuring that all Buildings (new and existing historic) and other Improvements developed, constructed, installed, rebuilt, altered and renovated within Bull Street Neighborhood shall be aesthetically consistent and in harmony with a first-class mixed-use development, via the orderly and systematic review and approval processes outlined in Article 5 hereof.

3.3. Appointment of Members.

3.3.1. All members of the DRB shall be appointed by the Appointing Authority and need not be Owners, Occupants, or members of the Master Owners Association.

3.3.2. As long as Developer holds a Project Interest in Bull Street Neighborhood, Developer shall be the Appointing Authority and shall appoint all members of the DRB and shall have the right to remove any and all members from the DRB prior to the expiration of their respective terms, with or without cause. Developer may, from time to time, assign in writing, for a definite or indefinite period of time, this right of appointment and removal of one or more of said members to the Master Owners Association. When such an assignment occurs, for the specified period of time and with respect to the appointment or removal of that member or members only, the assignee of the right shall be the Appointing Authority.

3.3.3. At all times one member of the DRB shall be a member of the American Institute of Architects.

3.3.4. When Developer no longer holds a Project Interest in Bull Street Neighborhood, the Master Owners Association shall be the Appointing Authority, and the Master Owners Association shall appoint all members of the DRB and shall have the right to

remove, prior to the expiration of their respective terms, any and all members from the DRB, at any time and from time to time for any reason, with or without cause.

3.4. Term of Members. Each member of the DRB shall hold office for one (1) two-year term. However, the Appointing Authority may remove any members of the DRB prior to the expiration of their respective terms, at any time and from time to time for any reason, with or without cause, and, in that event, shall appoint a replacement or replacements for the member or members so removed. If any member of the DRB shall resign from the DRB prior to the expiration of his or her term, that member shall be replaced in conformance with Section 3.3 hereof. Notwithstanding the foregoing, however, to the extent any member of the DRB is not replaced as provided for in Section 3.3 hereof at the expiration of his or her term, that member shall be deemed to have been reappointed or reselected, as the case may be, to serve an additional two-year term on the DRB.

3.5. Chairman of the DRB. The Appointing Authority shall designate one of the members of the DRB to be Chairman of the DRB. The Person appointed Chairman shall serve in that capacity from the date of his or her appointment until such time as he or she has resigned as Chairman, has been removed, his or her term on the DRB has expired, or a successor has been appointed as provided herein, whichever occurs sooner. As of January 31 of each calendar year, the Appointing Authority shall determine whether to reappoint as Chairman the Person then serving in that capacity or to appoint someone else to that position and shall take action accordingly. The Appointing Authority may remove a Person as Chairman of the DRB at any time and from time to time, with or without cause and, in that event, shall appoint a replacement Chairman. The Appointing Authority also may appoint any member of the DRB as Acting Chairman to perform the duties of the Chairman in the absence of the Chairman.

3.6. DRB Staff.

3.6.1. The Appointing Authority may also appoint, employ or engage staff and consultants to the DRB, including, without limitation, architects, planners, engineers, attorneys, accountants and other Persons whose knowledge, expertise or skills will assist the DRB in carrying out its functions. Any costs and expenses incurred pursuant to this Section shall be Common Expenses of the Association and shall be recovered through Assessments as provided for in Article 7 hereof. Nothing shall prevent the DRB from employing its members as consultants so long as the DRB makes an affirmative determination that the employment will not compromise the mission or intent of this Declaration and the DRB.

3.6.2. These staff members and consultants may be authorized by the DRB to attend its meetings and to participate in all discussions that take place at the meetings, to advise the DRB in their respective areas of expertise, and to perform any and all other tasks requested by the DRB to assist the DRB in carrying out its functions.

3.7. Change in Developer. If, at any time, Developer assigns its rights as the "Developer" as permitted under this Declaration, the power of appointment of the members of the DRB, the staff thereof and the consultants thereto automatically shall pass to the Successor Developer.

3.8. Voting. The affirmative vote or written consent of a majority of the members of the DRB shall constitute the decision of the DRB on any matter before the DRB. Voting need not occur at a meeting of the DRB but may take place through polling of members in writing or over the telephone or by any other means of communication.

3.9. Duties and Authority of the DRB.

3.9.1. The DRB shall have the duties and authority expressly conferred upon it pursuant to this Declaration, together with any duties and authority set forth in any of the Building Site Declarations that are delegated and/or assigned to the DRB by Developer.

3.9.2. All actions of the DRB shall be in accordance with or consistent with the purpose and intent of this Declaration, including any specific criteria set forth in or promulgated pursuant hereto, and the Bull Street Code.

3.10. Bylaws: Meetings. The DRB may (but shall not be obligated to) adopt bylaws governing the time, place and manner in which the business of the DRB will be conducted. In order to be placed on the agenda of any meeting of the DRB, any matter shall have been submitted to the Chairman of the DRB, or his or her designee, no less than seven (7) Business Days prior to the scheduled meeting date at which action thereon is requested, unless that time period is waived by the Chairman of the DRB in his or her sole discretion.

3.11. Subcommittees. The DRB may (but shall not be obligated to) designate from among its members an executive subcommittee and one or more other subcommittees. Each subcommittee shall have the authority set forth in the resolution or other action establishing said subcommittee.

3.12. No Disqualification of Members. No member (including the Chairman and any member of the DRB and no staff member) or consultant employed by the DRB shall be disqualified from taking part in any DRB action or discussion on account of that Person's having a financial interest in the matter under consideration.

3.13. Limitation on Liability. Declarant, Developer, any manager, member, director, officer, agent, or employee thereof, the DRB, any member thereof, any staff member thereof, any consultant thereto, the Appointing Authority, or any manager, member, director, officer, agent or employee thereof, shall not be liable to any Owner or Occupant or to any other Person for any loss, damage or injury, or claim thereof arising out of or in any way connected with the performance or nonperformance of the DRB's or the Appointing Authority's duties under this Article unless due to the willful misconduct, gross negligence or bad faith of the party in question. The Master Owners Association shall indemnify, protect, defend, and hold harmless Declarant, Developer, the manager, members, directors, officers, agents, or employees thereof, the DRB, the members of the DRB, any staff member thereof, any consultant thereto, the Appointing Authority, or any manager, member, director, officer, agent, or employee thereof, from and against all claims, expenses, liabilities, losses, damages, and costs, including reasonable attorneys' fees, actually incurred in connection with, arising from, due to, or as a result of the performance or non-performance of the DRB's or the Appointing Authority's duties

under this Article unless due to the willful misconduct, gross negligence or bad faith of the party seeking indemnification.

ARTICLE 4
CONTROL AND LAND-USE

4.1. Restrictions. To further the purpose of this Declaration as set forth in Article 2 hereof, Bull Street Neighborhood shall be subject to the restrictions outlined in this Article.

4.2. Buildings.

4.2.1. No Building shall be constructed on any parcel of land that is part of Bull Street Neighborhood unless that parcel constitutes a Building Site Approved by Developer pursuant to the terms and provisions of a Building Site Declaration.

4.2.2. Prior to an Owner commencing, or permitting to be commenced, any work on the construction or alteration or removal of any Buildings or other Improvements on its Building Site (the "Proposed Work"), (i) all requirements of the applicable Building Site Declaration must be satisfied, and (ii) the plans and specifications for the Proposed Work (the "Proposed Plans") must be Approved by the DRB in accordance with the terms, provisions, and procedures set forth in Article 5 of this Declaration.

4.2.3. Notwithstanding the preceding subsection, alterations or remodeling that (i) take place completely within a Building; (ii) do not change the Project Use; (iii) do not change the exterior appearance of the Building or alter the structural integrity of the Building; (iv) are not visible from the outside of the Building; and (v) do not create a demand for extraordinary services or utilities may be undertaken without the Approval of the DRB, unless specifically prohibited by said Building Site Declaration.

4.3. No Subdivision. Unless otherwise provided for in the applicable Building Site Declaration, no Building Site shall be split, divided or subdivided, nor shall the size, dimensions or boundaries of any Building Site be otherwise changed or altered, without the prior written Approval of Developer.

4.4. Use Restrictions.

4.4.1. Developer shall have the sole and exclusive right and authority to designate in the applicable Building Site Declaration the Project Use for any Building Site. No Project Use shall be engaged in and no change shall be made in any Project Use designated and Approved by Developer in the applicable Building Site Declaration unless and until all plans for the Project Use or change in Project Use shall have been Approved by Developer pursuant to the terms and provisions of the applicable Building Site Declaration.

4.4.2. Each Building Site shall be used only for the Project Use designated and Approved by Developer in and pursuant to the terms and provisions of the Building Site Declaration applicable to that Building Site.

4.4.3. No portion of Bull Street Neighborhood shall be used for any of the purposes listed and outlined below:

(a) Swap shop, pawn shop, "second hand store," "surplus store" or stores selling primarily merchandise that is used or damaged; provided that sales of refurbished or high quality merchandise may be permitted if Approved by Developer;

(b) Massage Parlor;

(c) Adult Bookstore;

(d) Facility for the sale of paraphernalia for use with illicit drugs;

(e) Any use that emits a noxious odor, noise or sound that can be heard or smelled outside of any Building; provided, however, this provision shall not prohibit an outdoor paging system, nor shall it prohibit the reasonable emanation of cooking odors from any restaurant so long as the restaurant complies with all requirements of Developer and the Master Owners Association and all applicable Requirements of a Governmental Authority for venting odors to permissible areas;

(f) Fire sale or bankruptcy sale (unless pursuant to a court order);

(g) Dry cleaning or laundry plants (except for an establishment that only receives and dispenses items for laundering and/or dry cleaning, with the processing of those items being done elsewhere);

(h) Tattoo parlor; or

(i) Any uses prohibited by the City of Columbia in the Development Agreement for Bull Street Neighborhood

4.5. Temporary Structures. No temporary Buildings or other temporary Improvements, other than temporary construction, sales, or leasing trailers or offices, shall be permitted on any Building Site unless otherwise Approved by Developer.

4.6. Maintenance.

4.6.1. Each Owner shall be responsible for keeping, or for causing to be kept, its Building Site (whether or not improved), Buildings, and other Improvements in a safe, clean, neat, and orderly condition and shall prevent rubbish from accumulating on its Building Site and shall prevent any rubbish on its Building Site from being blown or carried by the wind or otherwise transported onto the surrounding Common Areas, public areas, or other Building Sites. Landscaping of a Building Site shall be maintained in a neat and orderly manner. Each Owner shall keep, or cause to be kept, its Building Site and all Improvements in good working order and repair, including, but not limited to, painting and repairing Improvements, replacing worn or

faded awnings or other external features, washing buildings and windows, care and refreshment of any flowers or planter boxes, prohibiting for sale signs or any other signs or displays on or in the windows of Residential Units or apartments, prohibiting clothing or towels or other items from being hung on balconies or porches, and other appropriate external care of all landscaping and Improvements. The Owner shall make, or shall cause to be made, diligent efforts to prevent and promptly correct any unclean or unsightly conditions or Improvements on its Building Site.

4.6.2. During any periods of construction or demolition of any Improvements on a Building Site, the Owner of the Building Site shall comply with any standards or guidelines promulgated by Developer pursuant to the terms and provisions of the applicable Building Site Declaration for construction site practices and maintenance and with any standards or guidelines promulgated by the DRB pursuant to this Declaration for construction site practices and maintenance. Furthermore, if in the course of any construction or demolition activity, including but not limited to activity to establish a utility hook-up to a Building Site, any existing utility lines, streets, curbs or other Improvements are damaged in any way, the Owner or Occupant conducting the construction or demolition shall restore or repair the lines, streets, curbs or other Improvements to a condition at least as good as existed prior to the damage and shall pay any cost or expenses, including attorneys fees, incurred by any other Person arising from or as a result of such damage; and any repairs necessitated by the damage shall be completed within ten (10) Business Days.

4.6.3. The DRB and/or Developer may determine that a Maintenance and Operational Activity either causes or results in a violation of or is inconsistent with the purpose and intent of this Declaration and require the Person or Persons engaging in or permitting that activity to cease or to correct the Maintenance and Operational Activity in question.

4.6.4. All obligations of this Section shall be carried out in a manner at least consistent with the levels and standards of quality existing at comparable first class facilities located within the Columbia, South Carolina, area.

4.7. Compliance with Zoning. Without the Approval of Developer or unless otherwise permitted pursuant to the applicable Building Site Declaration, no Owner or Occupant shall file with any Governmental Authority having jurisdiction over Bull Street Neighborhood or any part thereof any application or petition for zoning, rezoning, special use permit, or zoning variance, any subdivision plan, plat or application, any request for annexation, or any similar filing affecting the use of any portion of Bull Street Neighborhood. The Owners and Occupants of Bull Street Neighborhood shall develop and use their respective Building Sites in accordance with the Bull Street Code, other zoning requirements, and all other requirements of this Declaration, to the extent they are applicable.

4.8. Hazardous Materials. Each Owner and Occupant shall, at all times, comply with the following:

4.8.1. Each Owner and Occupant agrees that it shall not bring onto and/or into Bull Street Neighborhood any Hazardous Materials, except to the extent the same are of a type and are held only in a quantity normally used in connection with the construction, occupancy,

and/or operation of buildings and other improvements that are comparable to those Buildings and other Improvements located within the applicable Building Site and that are in compliance with applicable Hazardous Materials Laws. As used herein, "Hazardous Materials" shall mean any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste, or other hazardous, toxic, contaminated or polluting materials, substances or waste, including, without limitation, any "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" (collectively, the "Hazardous Materials") under the Federal Water, Pollution Control Act (33 U.S.C. § 1251, *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §6901, *et seq.*), the Safe Drinking Water Act (42 U.S.C. §3000f, *et seq.*), the Toxic Substances Control Act (15 U.S.C. §2601, *et seq.*), the Clean Air Act (42 U.S.C. § 7401, *et. seq.*), the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601, *et seq.*), and other applicable local, state and federal laws, ordinances, or regulations currently in force or enacted in the future (collectively, the "Hazardous Materials Laws"). Under no circumstances may any Owner or Occupant locate, place and/or store (or cause to be located, placed, and/or stored) an underground storage tank ("UST") in, on, and/or under its Building Site or any other area of Bull Street Neighborhood without the express Approval of the DRB, which may impose such requirements and conditions as it deems appropriate. To the extent these laws change to become more restrictive, the new requirements will apply.

4.8.2. Each Owner and Occupant shall, to the extent the same are applicable to its Building Site and at its own expense, procure, maintain in effect and comply with all conditions of all permits, licenses, and other governmental and regulatory approvals required for each Owner's and Occupant's use of its Building Site and the Improvements located thereon, including, without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer and storm drainage facilities serving its Building Site.

4.9. Conduct. No noxious or offensive activities shall be carried out upon or within any Building Site, nor shall anything be done or placed on any Building Site, that is or may become a nuisance, or that causes disturbance or annoyance or interferes with the enjoyment of Occupants of other Building Sites or of the general public outside the Building Sites. No activity shall be conducted upon any Building Site that is or might be unsafe or hazardous to any Person or property. No sound shall be emitted from any Building Site that is unreasonably loud or annoying. No odor shall be emitted from any Building Site that is noxious or offensive to others. No light shall be emitted from any Building Site that is unreasonably bright or causes unreasonable glare. Pets kept in Residential Units or apartments must comply with these limitations. Additionally, the owner of any pet shall be responsible for promptly removing and disposing of any feces left by the animal on any Common Area or public property and for complying with all applicable City ordinances regarding pets and animals. The Master Owners Association may establish other rules regarding pets as set forth in the Rules and Regulations subsection below. The Master Owners Association shall make the determination of whether an activity or conduct violates this provision, and its determination shall be final.

4.10. Association Rules and Regulations. In addition to the requirements of this Article and other provisions of this Declaration, the Master Owners Association may from time to time adopt such rules and regulations governing the conduct of Persons and the maintenance, operation and use of Building Sites and the Common Area as it may deem necessary or

appropriate in order to assure the peaceful and orderly use and enjoyment of Bull Street Neighborhood and the enhancement of the appearance and reputation of Bull Street Neighborhood, all as more specifically provided in Section 7.9.

4.11. Remedies. Without limiting any other available remedies, the provisions of Article 13, including without limitation Section 13.6, shall apply if an Owner or Occupant fails to comply with the requirements of this Article. Specifically, if any Occupant by its conduct or its failure to comply with this Article causes additional expense to Developer or the Master Owners Association, including expenses otherwise coming within Common Expenses, the expense may be charged against the responsible Occupant and not as a Common Expense; and the expense may be collected by any remedy provided for collecting Assessments or other sums under this Declaration or the applicable Building Site Declaration. By way of example only, if the patrons or customers of a restaurant or other retail establishment cause litter within Bull Street Neighborhood or adjoining public areas, the additional cost of collecting that litter may be charged against the restaurant or retail establishment.

4.12. Community Associations. Subject to Section 4.3 hereof, if all or any portion of a Building Site (i) is to be developed as a condominium under the South Carolina Horizontal Property Act or other controlling authority, or (ii) is to be developed with multiple owners of individual Residential Units or Commercial Units, then the Owner of the Building Site shall first establish and create, in accordance with applicable South Carolina law, a condominium association of those Persons who will own the Residential Units or Commercial Units that are a part of the condominium, or a community owners association of those Persons who will own the Residential Units or Commercial Units that are not part of a condominium, and in either case, the association shall be deemed the Owner of the Building Site for purposes of this Declaration, including, without limitation, the obligation to pay Assessments in accordance with this Declaration and membership in the Master Owners Association.

4.13. Establishment of Additional Covenants. Developer shall have the right and power at any time to create, declare and establish additional protective or restrictive covenants, conditions, and easements ("Additional Covenants") if Developer, in its sole discretion, determines it to be advisable. Developer shall establish the Additional Covenants by recording appropriate documents in the Office of the Register of Deeds for Richland County, South Carolina. Notwithstanding the foregoing, however, no Additional Covenants shall be created, declared, and/or established if they would have the effect of (i) materially and adversely affecting the value and marketability of any Building Site; (ii) materially and adversely affecting the means of ingress and egress to and from any Building Site; (iii) materially increasing the costs associated with the construction and development of the Improvements on any Building Site, which construction and development have been previously Approved by Developer pursuant to the terms and provisions of the applicable Building Site Declaration; (iv) materially altering or changing the design and/or layout plans for the Improvements proposed to be constructed and developed on any Building Site as those plans have been previously Approved by Developer pursuant to the terms and provisions of the applicable Building Site Declaration; or (v) materially and adversely delaying the ability of an Owner to develop its Building Site in accordance with plans that have been previously Approved by Developer pursuant to the terms and provisions of the applicable Building Site Declarations.

ARTICLE 5
APPROVAL OF PLANS

5.1. Jurisdiction.

5.1.1. Each Owner, by accepting a deed or other instrument of conveyance of a portion of Bull Street Neighborhood, acknowledges that as the developer of Bull Street Neighborhood, Developer has a substantial interest in ensuring that the Buildings and other Improvements within Bull Street Neighborhood enhance Developer's reputation as a community developer and do not impair Developer's ability to market, sell, and/or lease any portions of Bull Street Neighborhood. Therefore, each Owner agrees that it shall not initiate, or permit to be initiated, any Proposed Work unless and until all requirements of the applicable Building Site Declaration have been satisfied and Owner has received the approval of the DRB according to the terms herein. In establishing and enforcing requirements under the Building Site Declarations, Developer shall be acting in its own interest and shall have no duty to any other Person. The rights reserved to Developer under the various Building Site Declarations are or will be exercised as independent rights of Developer and not as an agent or instrumentality of the DRB or the Master Owners Association.

5.1.2. The DRB shall have all of the Approval rights conferred to it under this Declaration and any additional rights under the Building Site Declarations delegated and/or assigned to it by Developer, if any, from time to time.

5.2. Approval Required. No Proposed Work may be initiated without the Approval of the Proposed Plans by the DRB pursuant to the terms and conditions of this Declaration. The provisions of this Article shall be in addition to, not in lieu of, the requirements, covenants, conditions and restrictions contained in any of the Building Site Declarations.

5.3. Application.

5.3.1. Subject to 4.2.2. hereof, prior to commencing any Proposed Work on its Building Site, an Owner must submit the Proposed Plans to the DRB showing, inter alia, the proposed site layout, structural design, exterior elevations, exterior materials and colors, signage, landscaping, drainage, lighting, utility facility layout, and screening therefor and any other features of the Proposed Work required by the Building Site Declaration or as may be required by the DRB.

5.3.2. In reviewing any submitted Proposed Plans, the DRB may consider with respect to the proposed Improvements the following: visual impact, natural platforms and finish grade elevation, harmony of external design with surrounding structures and the environment, location of the proposed Improvements in relation to surrounding structures and plant life, and other related aesthetic considerations. The DRB may also consider other aesthetic features of the submitted Proposed Plans as it, in its sole discretion, may deem relevant. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular Buildings and other Improvements.

Decisions of the DRB may be based upon purely aesthetic considerations. The DRB shall have no power or authority to Approve or disapprove other non-aesthetic features of the submitted Proposed Plans unless that power and authority has been delegated and/or assigned to the DRB by Developer.

5.3.3. Within thirty (30) Business Days after receipt of each submission of Proposed Plans, the DRB shall (i) if it Approves the Proposed Plans, advise the submitting Owner in writing, at an address specified by the Owner at the time of submission, of the DRB's Approval of the Proposed Plans or (ii) if it disapproves the Proposed Plans, advise the submitting Owner in writing of the disapproval, specifying the segments or features of the Proposed Plans that are objectionable and suggestions, if any, for the curing of those objections. The DRB may also make other reasonable efforts, at no cost to the DRB or Developer, to aid the submitting Owner in preparing Proposed Plans that would be acceptable to the DRB. If any costs are incurred by the DRB in connection with those efforts, the payment of the costs by the submitting Owner shall be a condition precedent to final Approval. Any subsequent resubmission by any Owner shall be reviewed and acted upon by the DRB as outlined herein as soon as reasonably practicable.

5.3.4. The Proposed Plans required to be submitted to the DRB pursuant to this Article shall be submitted in both hard copy form and in an electronic form Approved by the DRB. The Owner shall submit four (4) copies of the Proposed Plans to the DRB for its consideration. This does not replace or supersede any requirements for submissions under the Bull Street Code but, to the extent it can be accomplished, Owner is encouraged to include all requirements for approvals under the Bull Street Code and these Covenants in one submission.

5.4. Effect of Approval. Approval of any Proposed Plans with regard to a Building Site (i) shall not be deemed a waiver of the DRB's right, in its discretion, to disapprove similar plans, or any of the features or elements included therein, submitted for any other Building Site, and (ii) shall be final as to the Building Site for which they have been submitted; provided, however, that the Improvements on the Building Site are constructed and maintained in substantial conformity with the Approved Proposed Plans.

5.5. Plan Submittals to Governmental Authority. Under no circumstances shall a Person submit its Proposed Plans to the Governmental Authority having jurisdiction for review and approval unless and until it shall have received DRB Approval of those Proposed Plans, unless otherwise Approved by Developer. In no case may any Owner presume any governmental approval or avoid any governmental approval as a result of DRB or Developer Approval.

5.6. Payment of Fees. The DRB may require payment of reasonable fees by Persons requesting Approval of Proposed Plans for Improvements, with said payment to be used to cover costs of the DRB and compensation of its consultants. Furthermore, the DRB may promulgate and adopt, as part of the DRB's rules, fee schedules for applications and inspections.

5.7. Design Criteria. The design standards set out in Article 6, together with the criteria outlined in Section 5.3, shall be used by the DRB to determine the suitability of all proposed Improvements in or on Bull Street Neighborhood.

5.8. Construction After Approval. Upon receipt of Approval from the DRB, the Owner to whom the Approval is given, as soon as practicable, shall satisfy any conditions of the Approval, obtain necessary permits from the City, and diligently proceed with the commencement and completion of all Approved construction. Unless work on the Approved construction is commenced within six (6) months after the later of (i) the date of Approval or (ii) the date upon which the Owner acquires its Building Site, and thereafter continuously prosecuted to completion, the Approval automatically shall be revoked, unless the DRB has given written permission for a different schedule or an extension of time.

5.9. Communications to DRB and Developer. All communications and submittals to the DRB and Developer shall be addressed in accordance with the Notice Section of this Declaration.

5.10. Limitation on Liability. Developer, any manager, member, director, officer, agent, or employee thereof, the DRB, any member thereof, any staff member thereof, any consultant thereto, the Appointing Authority, or any manager, member, director, officer, agent or employee thereof shall not be liable to any Owner or Occupant or to any other Person for any loss, damage or injury, or claim thereof arising out of or in any way connected with the performance or nonperformance of the DRB's or the Appointing Authority's duties under this Declaration. The Master Owners Association shall indemnify, protect, defend, and hold harmless Developer, any manager, member, director, officer, agent, or employee thereof, the DRB, the members of the DRB, any staff member thereof, any consultant thereto, the Appointing Authority, or any manager, member, director, officer, agent, or employee thereof, from and against all claims, expenses, liabilities, losses, damages, and costs, including reasonable attorneys' fees, actually incurred in connection with, arising from, due to, or as a result of the performance or non-performance of the DRB's or the Appointing Authority's duties under this Declaration.

5.11. Rights of Third Parties. Approval by the DRB or Developer of any plans with regard to a Building Site shall not constitute any judgment or opinion on the part of the DRB, Developer, or any members thereof, or the Appointing Authority or any officer, director, employee, agent, or member thereof, as to the quality or soundness of the matters described in the plans or their fitness for any particular use or application. In particular, the Approval shall not be construed as a representation to third parties concerning the quality of the construction of any Improvements or the absence of any defects.

5.12. Insurance Requirements for Building Sites.

5.12.1. Property Insurance. Effective upon the commencement of the construction of any Improvements on a Building Site, each Owner or Occupant shall obtain and maintain, or cause to be obtained and maintained, a policy of property insurance as is reasonably available from time to time and used with respect to property located in Richland County, South Carolina, that is of a similar size and that has a similar use and occupancy (which at the date of this Declaration is a policy insuring against "causes of loss - special form"), including coverage for earthquake loss and, at that Owner's or Occupant's sole option, coverage for flood loss, covering all Improvements (including all signs affixed to all Buildings and other Improvements) on its

Building Site, in an amount consonant with the full replacement value of the insurable Improvements; provided, however, for all Improvements insured under any such policy, the policy may contain a reasonable deductible provision. The policy shall include an endorsement covering the removal of any damaged Improvements that are not repaired or rebuilt and the restoration of the property to a clean and safe condition. Any of the insurance required under this Section may be carried under a "blanket" policy or policies covering other properties of the Owner or Occupant and its subsidiaries, controlling or affiliated corporations. Each Owner or Occupant shall review its insurance coverage annually and make (or cause to be made) any changes necessary to satisfy the requirements of this Section. Each Owner and/or Occupant shall furnish to the Master Owners Association certificates of insurance evidencing the existence of the insurance required to be carried pursuant to this Section. Unless otherwise Approved by the Master Owners Association, any insurance required pursuant to this Section shall be issued by a financially responsible insurance company licensed to do business in the State of South Carolina with a rating of A-VIII or better by The A.M. Best Company ("Best's"). During the term of this Declaration, the insurance industry may change, among other things, the scope of coverage afforded by the various policies of insurance named in this Declaration or the nomenclature by which the scope of coverages contemplated under the various policies of insurance named in this Declaration are known in the insurance industry. In the event of any such change, it is the intent of this Declaration and the obligation of the Owners and Occupants at all times during the term of this Declaration to maintain the scope of insurance coverage afforded at the date of this Declaration by the forms of the various policies of insurance named in this Declaration, to the extent that maintaining the same is reasonably or commercially practicable, regardless of the nomenclature by which the scope of coverages may be or become known in the insurance industry.

5.12.2. General Liability Insurance. Each Owner or Occupant shall at all times during the term of this Declaration maintain or cause to be maintained commercial or comprehensive general liability insurance covering that Owner's or Occupant's Building Site, the Improvements located thereon, and any rights or interests in the Common Areas, insuring against the risks of bodily injury, property damage and personal injury liability, with a limit of not less than Two Million and No/100 Dollars (\$2,000,000.00) in the general aggregate, Two Million and No/100 Dollars (\$2,000,000.00) for products and completed operations aggregate, Two Million and No/100 Dollars (\$2,000,000.00) per occurrence, and Two Million and No/100 Dollars (\$2,000,000.00) for personal injury and advertising injury; provided that these amounts shall be reviewed and adjusted by the Master Owners Association annually for increases recommended by insurance industry standards for property located in Richland County, South Carolina. Additional insurance may be required by Building Site Declarations if deemed appropriate by Developer. Unless otherwise Approved by the Master Owners Association, said insurance shall be issued by an insurance company with a Best's rating of A-VIII or better. Any increase in the coverage amounts described in this Section shall be made by written notice from the Master Owners Association to the various Owners and Occupants of Bull Street Neighborhood. Each Owner and/or Occupant shall furnish to the Master Owners Association certificates of insurance evidencing the existence of the insurance required to be carried pursuant to this Section and shall have Developer and the Master Owners Association named as "additional insureds" in the policy required to be carried pursuant to this Section (with any and all rights of subrogation against said additional insureds being waived). Notwithstanding anything to the contrary contained in this

Section, however, (i) Persons that own a Residential Unit shall maintain the types of coverages outlined in this Section, but the amount of said coverages shall be in the minimum amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00); and (ii) Persons that lease an apartment shall not be required to maintain the types of coverages required under this Section; but nothing in this sentence shall affect the coverages required to be maintained by the Owner of the Residential Lot.

5.12.3. Insurance Coverage During Construction. Prior to commencing any construction activities within Bull Street Neighborhood, each Owner or Occupant shall obtain, or require its contractor to obtain and thereafter maintain, so long as the construction activity is occurring, at least the minimum coverages set forth below:

a. Worker's compensation and Employer's Liability Insurance.

(1) Workers compensation insurance as required by any applicable law or regulation; and

(2) Employer's liability insurance in the amount of One Million and No/100 Dollars (1,000,000.00) for each accident for bodily injury, and One Million and No/100 Dollars (\$1,000,000.00) for each employee for bodily injury by disease.

b. General Liability Insurance. Commercial general liability insurance covering all operations by or on behalf of the general contractor and containing the following coverages:

(1) Premises and operations;

(2) Products and completed operations;

(3) Contractual liability, insuring any indemnity obligations assumed by the contractor under various contract documents;

(4) Broad form property damage (including completed operations);

(5) Explosion, collapse and underground hazards; and

(6) Personal injury liability.

Each of the above coverages shall have the following minimum limits of liability:

(1) One Million and No/100 Dollars (\$1,000,000.00) for each occurrence (for bodily injury and property damage);

(2) One Million and No/100 Dollars (\$1,000,000.00) for personal injury liability;

(3) One Million and No/100 Dollars (\$1,000,000.00) in the aggregate for products and completed operations (which shall be maintained for a three (3) year period following final completion of the work); and

(4) One Million and No/100 Dollars (\$1,000,000.00) in the general aggregate applying separately to Bull Street Neighborhood.

(5) The policy for general liability insurance shall be endorsed to provide that each of the aforementioned coverages shall be aggregate per job site coverages for said contractor.

c. Automobile Liability Insurance. Any automobile liability insurance (bodily injury and property damage liability) including coverage for owned, hired, and non-owned automobiles, shall have limits of liability of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit each accident for bodily injury and property damage combined. The general contractor shall require each of its subcontractors to include in their liability insurance policies coverage for automobile contractual liability.

d. Umbrella and Excess Liability Insurance. Each general contractor shall also procure Five Million and No/100 Dollars (\$5,000,000.00) for each occurrence and in the aggregate to provide excess coverage for those items described in subparagraphs a., b., and c. above. Additional insurance may be required by Building Site Declarations if deemed appropriate by Developer.

The amount of coverage required under this Section may be reviewed and adjusted by the Master Owners Association periodically. Each Owner and/or Occupant shall furnish to the Master Owners Association certificates of insurance evidencing the existence of the insurance required to be carried pursuant to this Section and shall have Developer and the Master Owner's Association named as "additional insureds" or "loss payees," as the case may be, in the policies required to be carried pursuant to subsections b., c., and d. above (with any and all rights of subrogation against said additional insureds waived). Unless otherwise Approved by the Master Owners Association, all insurance required to be carried pursuant to this Section shall be issued by companies having a Best's rating of at least A-VIII.

5.12.4. Building Site Indemnity. Each Owner or Occupant shall indemnify, protect, defend and hold the other Owners and Occupants, Developer, and the Master Owners Association harmless from and against all claims, expenses, liabilities, loss, damage and costs, including any actions or proceedings in connection therewith and including reasonable attorneys' fees, incurred in connection with, arising from, due to or as a result of the death of or any accident, injury, loss or damage, howsoever caused, to any Person or loss or damage to the property of any Person as shall occur on the indemnifying Owner's or Occupant's Building Site or as shall result or arise from anything falling, emanating, or otherwise coming from that Building Site, except claims that result from the gross negligence or willful misconduct of the

indemnified Person, or the agents, servants, employees, visitors or guests of the indemnified Person.

ARTICLE 6 DESIGN STANDARDS

6.1. Compliance Required. All proposed Improvements in Bull Street Neighborhood shall comply with the standards in this Article, unless a variance is allowed as provided in Section 6.18. Terms used in this Article shall have the meaning prescribed by the Bull Street Code if not separately defined in this Declaration.

6.2. Building Codes. Any Improvement, including electrical, plumbing and mechanical systems, shall be of an appropriate type of construction or installation as defined in applicable Requirements of a Governmental Authority. In addition, each Owner is also encouraged and may be required to employ, utilize, practice, encourage, and/or participate in, as the case may be, certain "green measures" in designing, constructing, operating, and utilizing its Improvements, including, but not limited to the following: (i) building materials containing a low level of volatile organic compounds; (ii) building and construction materials that are manufactured and produced in the local area; (iii) recycled materials; (iv) efficient and industry-recognized construction waste management practices and procedures; (v) materials and appliances that are energy efficient or that promote energy efficiency (the United States Environmental Protection Agency Green Lights and Energy Star Building Programs are included); (vi) materials that shall promote indoor air quality; (vii) recycling programs; (viii) alternative transportation (e.g., the construction of secure bicycle storage areas, shower and changing facilities for cyclists) by Occupants, customers, visitors; and/or employees; and (ix) water conservation and erosion control practices and procedures.

6.3. Landscaping. Landscaping shall be designed to unify the Building and its site, existing adjacent buildings, and existing adjacent landscaping. Owners shall be responsible for landscaping and sprinklers in Common Areas around their Building Sites as designated by the DRB. Plant and paving materials shall be appropriate in type and amount to local climatic conditions and to the overall design and theme of development in or on Bull Street Neighborhood.

6.4. Parking, Loading, and Unloading Areas. The DRB must Approve all parking, loading and unloading areas.

6.5. Service, Screening, and Storage Areas. Garbage and refuse containers shall be concealed and contained within the Buildings or other areas Approved by the DRB. These elements shall be integrated with the concept of the Building plan, shall be designed so as not to attract attention, and shall be located in the most inconspicuous manner possible. Unless specifically Approved by the DRB hereunder, no materials, supplies, garbage, refuse, or equipment shall be stored in any area on a Building Site except inside a closed Building, so that they are not visible from neighboring Building Sites, Common Areas, or public streets.

6.6. Exterior Materials, Colors. Finished building materials shall be applied to all sides of a Building and shall be harmonious and compatible with colors of the natural surroundings and other adjacent Buildings. In this regard, hard-surface materials such as brick, stone, masonry, marble, granite, limestone, finished concrete, glass and metal curtain walls are encouraged and desired.

6.7. Signs. All signs, including neon or illuminated signs, and other advertising devices located within Bull Street Neighborhood shall be designed, erected, altered, reconstructed, moved, and maintained in whole or in part in accordance with the Proposed Plans Approved by the DRB hereunder. No sign or other advertising device of any nature shall be placed or maintained on any Building Site, on any Building or other any Improvement on any Building Site, or on any other portion of Bull Street Neighborhood without the prior Approval of the DRB. The location and height of Building identification signs shall conform to design criteria for signs herein and the terms and provisions of each of the Building Site Declarations.

6.8. Utilities, Mechanical Equipment, and Roof Projections.

6.8.1. All mechanical equipment, utility meters, and storage tanks shall be located in such a manner as not to be visible to the general public from public rights of way or Common Areas. If concealment within the Building is not possible, then these utility elements shall be concealed by screening. The location, placement, operation, and maintenance of antennae, satellite dishes, and other communications devices, if any, on the tops of roofs or other portions of any Improvements located within Bull Street Neighborhood shall be subject to the Approval of the DRB, which may impose additional requirements or limitations.

6.8.2. Penthouses and mechanical equipment screen walls shall be of a design and materials similar to and compatible with those of the Building.

6.8.3. Underground utility lines throughout Bull Street Neighborhood shall be used unless exception is made and/or granted by Developer pursuant to the terms and provisions of the applicable Building Site Declaration.

6.8.4. Large items such as air conditioning, ventilating, or other mechanical equipment must be placed in locations Approved by the DRB and, where so placed, shall be adequately enclosed or screened from view.

6.9. Building Frontages. Building frontages along streets that are designated an A-Grid shall be designed to support pedestrian activity. Mixed-use buildings on an A-Grid shall require a retail shopfront, gallery, or arcade frontage type as described in the Bull Street Code along the entire length of a Building's Private Frontage. Building frontages along streets that are designated a B-Grid should be designed to support pedestrian activity and may be more readily permitted to allow automobile-oriented standards, but mixed-use buildings on a B-Grid are not required to utilize retail frontage types.

Buildings on corner Lots shall have two Private Frontages. Prescriptions for the second and third Layers pertain only to the Principal Frontage. Prescriptions for the first Layer pertain to both Frontages.

6.10. Block Sizes. Block sizes shall facilitate ease of pedestrian circulation. Without specific approval from the DRB, which is likely to be withheld, block lengths in T-4 Zones shall not exceed 1,200 feet, and block lengths in T-5 Zones shall not exceed 1,600 feet. Exceptions can be granted for reasons deemed relevant by the DRB. For extended blocks, pedestrian cross paths are encouraged and may be required.

6.11. Street Connections. Rear lanes or alleys may not access onto a street designated as an A-Grid without Approval by the DRB.

6.12. Buildings. Buildings shall be disposed in relation to the boundaries of their Lots according to Table 15 of the Bull Street Code. One Principal Building at the Frontage, and one Back Building and one Outbuilding to the rear of the Principal Building, may be built on each Lot. Rear Setbacks for Outbuildings shall be a minimum of three feet (3').

6.13. T-4 Requirements. In any areas zoned T-4:

(a) Open parking areas shall be located at the second or third Lot Layers, except that Driveways, drop-offs and unpaved parking areas may be located at the first Lot Layer.

(b) Garages shall be located at the third Layer except that side- or rear-entry types may be allowed in the first or second Layer by the DRB.

(c) Driveways at Frontages shall be no wider than ten (10) feet in the first Layer.

(d) All parking areas and garages shall be located at the second or third Layer.

(e) Frontages shall be built out to a minimum of 50% at the setback line.

(f) Lot coverage shall be a maximum of 70%.

(g) Lots shall be a minimum of 24 feet wide and a maximum of 96 feet wide at one Principal Frontage.

(h) For the Principal building setbacks shall be: Front: 0' minimum and 18' maximum.

6.14. T-5 Requirements. In any areas zoned T-5:

(a) Vehicular entrances to parking lots, garages, and Parking Structures shall be no wider than twenty-four (24) feet at the Frontage.

(b) Pedestrian exits from all parking lots, garages, and Parking Structures shall be directly to a Frontage Line (i.e., not directly into a building) except underground levels which may be exited by pedestrians directly into a building.

(c) Frontages shall be built out to a minimum of 80% at the setback line.

(d) Lots shall be a minimum of 18 feet wide and a maximum of 180 feet wide at one Principal Frontage.

(e) For the Principal building setbacks shall be: Front: 0' minimum and 12' maximum; and Side: 0' minimum and 12' maximum.

6.15. Parking Requirements.

(a) The required parking for T4 Retail shall be 4 spaces per 1,000 square feet of net retail space.

(b) The required parking for T5 or SD Retail shall be 3 spaces per 1,000 square feet of net retail space.

(c) The DRB shall determine required parking for All Transect Zones for Civic or Other uses by considering the use type, shared parking factor from the Bull Street Code, the available parking within the walkable vicinity, and other relevant factors.

6.16. Lighting. No light source other than one for Thoroughfare lighting shall emit light exceeding One (1) foot-candle at the Lot Line in T-4 and T-5 Zones, including, without limitation, lighting of Parking Areas and Parking Lots and drive-in, drive-through, and drive-up services. The DRB may waive this standard for site plans that are compatible with neighbors and that promote savings by sharing illumination across boundaries.

The mounting height, spacing and luminance for Parking Areas and Parking Lots shall provide a minimum average horizontal illumination in the Parking Area or Parking Lot of 0.40 foot-candles.

6.17. Additional Design Criteria. In addition to the design criteria set forth in this Article, the applicable Building Site Declaration, and Section 5.3.2, the DRB may from time to time promulgate and adopt, with the prior written Approval of Developer, additional design criteria that are not inconsistent with those set forth in this Article or in the Bull Street Code and that implement the statement of purpose set forth in Article 2 hereof. Any such additional design criteria promulgated by the DRB may from time to time be amended by further action of the DRB with the prior written Approval of Developer.

6.18. Variances From Design Criteria. The DRB, in its sole discretion, may from time to time authorize variances from compliance with any of the design criteria set forth in or promulgated in accordance with this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or planning objectives or considerations may so warrant. Any authorized variance must comply with the Bull Street Code and any related Administrative Adjustments, Warrants and Amendments. Each variance must be Approved by a majority of the members of the DRB. If a variance is granted, no violation of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive or to render unenforceable any of the terms and provisions of this Declaration for any purpose except as to the particular Building Site, provision, and instance covered by the variance, nor shall the granting of a variance be deemed to set a precedent with respect to any subsequent requests for variances. Notwithstanding any provision to the contrary contained in this Declaration, the DRB shall not delegate to any single member or group of members or to any other Person the power to grant variances pursuant to this Section.

ARTICLE 7
MASTER OWNERS ASSOCIATION

7.1. Establishment.

7.1.1. On or prior to the effective date of this Declaration, Developer shall establish Bull Street Neighborhood Master Owners Association, Inc. (the "Master Owners Association") as an association consisting of all of the Owners in accordance with the provisions of this Declaration and the South Carolina Nonprofit Corporation Code, as then in effect. Each Owner and any other Person that owns a Residential Unit or Commercial Unit, by accepting a deed to any portion of Bull Street Neighborhood or otherwise being deemed an "Owner" for purposes of this Declaration, shall be deemed to have consented to be bound by the Articles of Incorporation, the by-laws and the rules and regulations of the Master Owners Association.

7.1.2. Developer (whether or not an Owner) and each Owner shall automatically be a member of the Master Owners Association. Developer shall remain a member of the Master Owners Association so long as it holds a Project Interest in Bull Street Neighborhood. Each Owner shall remain a member of the Master Owners Association for the entire period of its ownership of a Building Site. Membership in the Master Owners Association shall be appurtenant to the Building Site to which it appertains, shall be transferred automatically by conveyance of that Building Site, and, subject to subsection 2 in the definition of "Owner," may be transferred only in connection with the conveyance of title to that Building Site.

7.1.3. So long as Developer holds a Project Interest in Bull Street Neighborhood, Developer shall automatically be a member of the Master Owners Association. The membership rights granted to Developer under this Section may only be transferred to a Successor Developer as defined in the definition of "Developer" in Article 1.

7.1.4. So long as Developer holds a Project Interest in Bull Street Neighborhood, Developer shall have the sole and exclusive right, power and authority to appoint or remove the members of the Board of Directors and the officers of the Master Owners Association. Upon the cancellation of Developer's right to appoint and remove members of Board of Directors and officers of the Master Owners Association, or, if earlier, upon Developer's filing a written notice in the Office of the Register of Deeds of Richland County, South Carolina, that it has and does relinquish its rights, powers and authorities hereunder, then that right shall automatically pass to the Master Owners Association, and the election processes shall be conducted and governed in accordance with the by-laws of the Master Owners Association.

7.1.5. Upon the cancellation of Developer's right to appoint and remove members of Board of Directors and officers of the Master Owners Association, or sooner if Developer should so elect, Developer shall convey, transfer, and assign to the Master Owners Association Developer's right, title, and interest in and to the Common Areas and Common Facilities (as then existing), reserving and excepting, however, the rights, privileges, and easements granted to Developer as an Owner or otherwise reserved by Developer hereunder.

7.2. Purpose.

7.2.1. The Master Owners Association is formed to provide for the maintenance, improvement, and beautification of the Common Areas and Common Facilities of Bull Street Neighborhood and to undertake such other activities as are related to maintaining Bull Street Neighborhood as a desirable development for members of the Master Owners Association.

7.2.2. The Master Owners Association shall be authorized to hold title to real property and shall accept and retain legal title to those lands designated as Common Areas or Common Facilities within Bull Street Neighborhood and such other open or park areas as may hereafter be deeded to it, whether the legal title is deeded by Developer in accordance with Section 7.1.5 hereof, is deeded by any other Person, or passes to the Master Owners Association by operation of law in accordance with the terms of any recorded instrument of title.

7.3. Duties.

7.3.1. The duties and powers of the Master Owners Association shall be those granted to it in this Declaration, the South Carolina Nonprofit Corporation Code, and its Articles of Incorporation and by-laws, together with those reasonably implied to effect the purposes of the Master Owners Association.

7.3.2. The Master Owners Association shall have the authority to enforce the obligations of Owners and Occupants under this Declaration, the Building Site Declarations, and any rules, regulations, operating manuals and other interpretations issued pursuant thereto. In furtherance of that authority, the Master Owners Association may exercise any of the enforcement rights and remedies provided in Article 13.

7.3.3. The Master Owners Association shall be responsible for the maintenance, landscaping and upkeep of the Common Areas and the Common Facilities.

7.3.4. The Master Owners Association shall provide services of benefit to Bull Street Neighborhood as a whole and to the Owners and Occupants generally, including but not limited to security, promotions, general marketing of Bull Street Neighborhood, the sponsoring of events, oversight and approval of events sponsored by Owners or Occupants, and other activities approved by the Board of Directors.

7.3.5. The Master Owners Association shall carry out the other functions identified in Section 7.5.2.1 that, in the judgment of the Board of Directors, are of common benefit to the Owners and Occupants.

7.3.6. The Master Owners Association may provide shared services to fewer than all the Owners by agreement with those Owners, as provided in Section 7.5.2.4. Any Owner may take advantage of any shared service, provided the Owner agrees to the terms and conditions under which the service is provided and the allocation of cost established by the Master Owners Association.

7.3.7. Except to the extent otherwise required by the South Carolina Nonprofit Corporation Code, this Declaration, or the Master Owners Association's Articles of Incorporation and by-laws, the powers herein or otherwise granted to the Master Owners Association shall be exercised by the Board of Directors, acting through its officers, without any further consent or action on the part of the Owners.

7.4. Voting.

7.4.1. The right to cast votes, and the number of votes that may be cast, for the election of members of the Board of Directors and on all matters to be voted on by the members of the Master Owners Association shall be calculated in accordance with this Section, subject, however, to Section 7.1.4 hereof. Each member of the Master Owners Association, including Developer, shall be entitled to the following number of votes: (i) each Owner (other than Developer) shall have one vote for each one thousand (1,000) square feet of Gross Development Area (or portion thereof) allocated by Developer pursuant to the terms and provisions of a Building Site Declaration and actually developed on any Building Site owned by that Owner, and (ii) so long as it is a member, Developer shall have one vote for each vote existing under item (i) of this Section at any point in time, plus one additional vote.

The total votes for all members of the Master Owners Association may increase if any additional property is made subject to this Declaration pursuant to Article 8 hereof. Unless expressly set forth herein or in the by-laws of the Master Owners Association to the contrary, a majority vote (based on the number of votes cast) of the members of the Master Owners Association shall control. Any Owner may assign any vote to which it is entitled to any Occupant on such terms as they may agree upon, and so long as any Occupant holds such a vote assignment, the Occupant shall be deemed a member of the Master Owners Association to the extent of the vote assignment; but (i) the total number of votes attributable to that Owner shall not be increased by any assignment and (ii) as provided in the definition of "Owner" in Section 1.1, the parties must designate one Person as their agent for purposes of this Declaration.

7.4.2. Any member of the Master Owners Association Owner may give a revocable, written proxy to any other member of the Master Owner's Association authorizing the other member to cast that member's vote on any matter. The written proxy shall be in such form as may be prescribed by the Bylaws of the Master Owners Association.

7.5. Assessments.

7.5.1. Obligation. Each Owner, and each other Person that owns a Residential Unit or Commercial Unit, by accepting a deed for any portion of Bull Street Neighborhood or otherwise being deemed an "Owner" for purposes of this Declaration, covenants and agrees to pay to the Master Owners Association annual Assessments or charges and special Assessments or charges provided by this Declaration, together with interest thereon, which shall be fixed, established and collected from time to time as hereinafter provided.

7.5.2. General Assessments. Commencing January 1, 2013, the amount of all Common Expenses to be incurred in and for 2013 and beyond not specially assessed pursuant to

the other provisions of this Declaration, less the amount of all undistributed and unreserved common profits, shall be assessed against all Building Sites. The annual Assessments payable by each Owner under this Section shall be levied by the Board of Directors after they are determined as set forth in this Section. On or before December 1, 2013, and on or before December 1 of each succeeding year, the Board of Directors shall prepare, adopt, and submit in writing to the members of the Master Owners Association a budget of the Common Expenses for the next succeeding Fiscal Year to be paid by Assessments collected from the Owners, together with notice of the amount of the annual Assessment payable by each Owner during that Fiscal Year. If the budget proves inadequate for any reason, the Board of Directors may at any time levy additional Assessments against the Owners and notify the Owners accordingly. If for any reason an annual budget is not adopted by the Board of Directors, a payment in the amount required by the last prior Assessment shall be due upon each Assessment due date until changed by a new budget adopted by the Board of Directors. Any member may, upon reasonable and timely written notice, review the books of the Master Owners Association regarding the determination of the Common Expenses.

7.5.2.1. Common Expenses of the Master Owners Association to be paid through annual Assessments shall include, but shall not be limited to, the following:

(a) costs and expenses associated with the general maintenance, operation, utility costs, repair, and/or replacement of the Common Areas and Common Facilities, including, without limitation, costs and expenses associated with street and road lighting, sprinkler systems, drainage facilities, project signage, directory signs, and other such expenses;

(b) costs of providing services to enhance Bull Street Neighborhood as a whole and to benefit the Owners and Occupants generally, including but not limited to security, promotions, general marketing of Bull Street Neighborhood, the sponsoring of events, oversight and approval of events sponsored by Owners or Occupants, and other activities approved by the Board of Directors.

(c) any costs and expenses associated with the landscaping and appearance of the Common Areas and of the rights of way of public and private roads, streets and amenities in the vicinity of Bull Street Neighborhood, including any costs and expenses associated with trash collection and removal, and pest and rodent control measures;

(d) the costs and expenses incurred in connection with the procurement and maintenance of comprehensive general liability insurance, property damage insurance, directors' and officers' insurance, and any other insurance required to be maintained by the Master Owners Association hereunder or that the Board of Directors may from time to time approve.

(e) ad valorem real and personal property taxes assessed against the Common Areas and Common Facilities that are owned by the Master Owners Association. It is expected that properties owned by the Master Owners

Association will not be subject to property taxes as the Property is held for the enjoyment of all and (unless specifically declared) is not restricted against use by the public at large. As such, this property is analogous to public property that exists for the benefit of the public, not any individual, and should not be taxed. Any value conferred by the presence or existence of such property is reflected in the increased values of the private properties nearby, and thus revenue is generated from the Common Areas by the taxation of the increased values of the benefitted property.

(f) principal, interest, and other charges payable with respect to loans made to or assumed by the Master Owners Association to perform its authorized functions;

(g) expenses and costs associated with the organization and operation of the Master Owners Association and the DRB, including rent for any central office maintained by the Master Owners Association;

(h) reasonable management fees paid to Developer or any other party; expenses of administration, including legal and accounting fees;

(i) any governmental charges and assessments not separately assessed against Building Sites;

(j) costs and expenses associated with the establishment and maintenance of a reasonable reserve fund or funds for the maintenance, operation, repair, and replacement of the Common Areas and Common Facilities that must be replaced on a periodic basis; and

(k) such other expenses as may be contemplated by this Declaration or determined from time to time by the Board of Directors to be appropriate Common Expenses under this Declaration.

7.5.2.2. Assessments for Common Expenses for each Building Site for a given Fiscal Year shall equal the product of (x) the Assessment Ratio for that Building Site multiplied by (y) the total Common Expenses for Bull Street Neighborhood for that Fiscal Year.

7.5.2.3. Each Owner shall be obligated to pay its Assessment to the Master Owners Association annually or in such other reasonable manner as the Board of Directors shall designate from time to time. In any year in which there is an excess of Assessments and other income over expenditures, the Board of Directors, by resolution and without the necessity of a vote of the members of the Master Owners Association, may determine either to apply the excess or any portion thereof to reduce the subsequent year's Assessments or to allocate the same to one or more reserve accounts of the Master Owners Association described above.

7.5.2.4. When the Master Owners Association agrees to provide a service to be shared by less than all of the Owners by agreement with those owners, such as an emergency power supply or a community fire pump, the Master Owners Association will charge the Owners sharing the service for their respective shares of the cost thereof. The allocation of the cost may be calculated differently than the allocation of Assessments for Common Expenses and shall be based upon the actual cost of providing the service to the sharing Owners, together with a reasonable charge for managing the service, all as determined by the Master Owners Association. No charge for a shared service shall be made to Owners who do not share in the benefit of the service. The cost of a shared service shall be considered an additional Assessment against the sharing Owners for purposes of this Declaration, specifically including all remedies for collection and enforcement of Assessments.

7.5.2.5. Notwithstanding anything to the contrary contained in this Section, Assessments for any capital improvements, capital additions, capital repairs, and/or capital replacements to any Common Areas or Common Facilities shall be governed by Section 7.5.3 hereof, except to the extent that expenses under Section 7.5.2.4 may be considered capital expenses.

7.5.3. Special Assessments for Capital Improvements. In addition to the Assessments authorized above, the Board of Directors may levy special Assessments for the purpose of defraying, in whole or in part, the cost of any capital addition to or capital improvement (including but not limited to upgrades to existing Common Facilities) of the Common Areas and Common Facilities (including the necessary fixtures and personal property related thereto), or for the cost of repair or replacement of a portion of the Common Areas or Common Facilities (including the necessary fixtures and personal property related thereto), that is for the benefit of all Owners and Occupants; provided however that any special Assessments must be approved by members of the Master Owner's Association holding not less than two-thirds ($\frac{2}{3}$) of the total votes in the Master Owner's Association. The special Assessments under this Section shall be assessed against each Building Site on the basis of that Building Site's Assessment Ratio. The due date for payment of any special Assessment shall be as specified in the resolution authorizing the Assessment; provided however, that the Board of Directors may make special Assessments payable in installments over a period that may, in the Board's discretion, extend beyond the Fiscal Year in which adopted.

7.5.4. Priority of Lien. All sums assessed against any Building Site pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges, and interest as provided herein, shall be the personal obligation of each Owner and shall be secured by an equitable charge and continuing lien on the Building Site and (subject to Section 7.5.7 below) all Residential Units and Commercial Units within the Building Site in favor of the Master Owners Association, to the extent not prohibited by any applicable Requirement of a Governmental Authority. Subject to any applicable Requirement of a Governmental Authority, the lien shall be superior to all other liens and encumbrances on the Building Site (or Residential Unit or Commercial Unit) except only for: (i) liens of ad valorem taxes, and (ii) the lien of any first priority Mortgage held by an institutional lender or by Developer, including all amounts advanced pursuant to that Mortgage and secured thereby in accordance with the terms of the

Mortgage instrument; provided, however, that the subordination of the lien for Assessments to the foregoing Mortgages shall apply only to Assessments that have become due and payable prior to a sale or transfer of the Building Site (or Residential Unit or Commercial Unit) pursuant to a Foreclosure. Such a sale or transfer shall not relieve the Building Site (or Residential Unit or Commercial Unit) from liability for any Assessments accruing after the sale or transfer. All Persons acquiring Mortgages other than a first priority Mortgage held by an institutional lender or by Developer, or other liens or encumbrances, on any Building Site (or Residential Unit or Commercial Unit) after the effective date of this Declaration shall be deemed to have subordinated the Mortgages, liens or encumbrances to the future liens for Assessments provided herein, whether or not the subordination is specifically set forth in the Mortgages or other instruments creating the liens or encumbrances.

7.5.5. Nonpayment of Assessments. Any Assessments or any portion thereof that are not paid when due shall be delinquent. Any Assessment delinquent for a period of more than ten (10) calendar days shall incur a late charge in an amount as may be determined by the Board of Directors from time to time, and the Board of Directors shall cause a notice of delinquency to be given to the Owner responsible for the Assessment. If any installment of an Assessment has not been paid within thirty (30) calendar days of the due date, the entire unpaid balance of the Assessment may be accelerated at the option of the Board of Directors and, if so accelerated, shall thereupon become forthwith due and payable in full. The continuing lien and equitable charge of the Assessment shall include the late charge established by the Board of Directors, interest on the principal amount due at the maximum rate allowable under the laws of the State of South Carolina (not to exceed the Prime Rate, as it may change from time to time, plus four percentage points), all costs of collection, including reasonable attorneys' fees and court costs, and any other amounts provided or permitted hereunder or by law. If the Assessment remains unpaid after sixty (60) calendar days from the original due date, the Master Owners Association may institute suit to collect the amounts due and to foreclose its lien. The equitable charge and lien provided for in this Section shall be in favor of the Master Owners Association, and each Owner and any other Person that owns a Residential Unit or Commercial Unit, by accepting a deed to any portion of Bull Street Neighborhood or otherwise being deemed an "Owner" for purposes of this Declaration, vests in the Master Owners Association or its agents the right and power to sue or otherwise proceed against such Owner or other Person for the collection of the charges due and/or to foreclose the Master Owners Association's liens. The Master Owners Association shall have the power to bid on the Building Site, the Residential Unit, or the Commercial Unit that is the subject of the lien at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. The Master Owners Association shall also have the power and authority to impose and assess fines and suspend voting rights if any Assessments or any portion thereof are not paid when due.

7.5.6. Suit to Collect. In addition to the lien rights granted herein, any delinquent Assessment shall be a personal obligation of the then Owner (or, in the case of a Residential Unit or Commercial Unit, the owner of the Residential Unit or Commercial Unit); and upon any conveyance of property that is subject to a lien, the delinquent Assessment shall become the joint and several obligation of the Owner (or the owner of the Residential Unit or Commercial Unit) and its successors-in-title, whether or not expressly assumed by them.

7.5.7. Limitations with Respect to Residential or Commercial Units. Notwithstanding anything to the contrary contained in Sections 7.5.4, 7.5.5, and 7.5.6 hereof, the amount of an Assessment owed by any individual Residential Unit or Commercial Unit, and the Master Owners Association's right to enforce the remedies provided for in Sections 7.5.4, 7.5.5, and 7.5.6 hereof, shall be limited as follows: (i) the maximum amount for which the Occupant of the Residential Unit or Commercial Unit may be liable in any suit to collect any delinquent Assessment against the entire Building Site is that Occupant's pro rata share of the delinquent amount, and (ii) any lien that attaches to the Residential Unit or Commercial Unit arising from an Assessment against the entire Building Site shall only attach to the extent of that Residential Unit's or Commercial Unit's pro rata share of the delinquent amount. For purposes of this Section, a Residential Unit's or Commercial Unit's pro rata share of any delinquent amount shall equal: (i) for a condominium, that Residential Unit's or Commercial Unit's allocated interest in the common elements of the condominium of which it is a part, or (ii) for a Residential Unit or Commercial Unit that is not part of a condominium, that Residential Unit's or Commercial Unit's share of the Assessments owed by the community owners association for the Building Site under Section 4.12. Nothing in this Section shall limit or affect (i) any Assessment made directly against the individual Residential Unit or Commercial Unit, or (ii) the obligations arising under Sections 14.2 (Listing Agreement) or 14.3 (Community Enhancement Fee) with respect to the sale of an individual Residential Unit or Commercial Unit.

7.5.8. Exemptions. The following property and Persons subject to this Declaration shall be exempted from the Assessments hereunder:

7.5.8.1. The grantee in conveyances made for the purpose of granting utility easements; and

7.5.8.2. All Common Areas and Common Facilities owned in fee simple by Declarant, Developer, the Master Owners Association, or any Governmental Authority, and all Improvements of every kind constructed, installed, or planted by Declarant, Developer, the Master Owners Association, or any Governmental Authority in any part of the Common Areas.

7.5.9. Special Assessments for Damage. In addition to all other Assessments and special Assessments authorized above, the Board of Directors may at any time, in its discretion, levy a special Assessment against an Owner or Occupant for the repair of any damage to any area, including but not limited to Common Areas and public road rights of way (other than normal wear and tear), caused by that Owner or Occupant or their permittees. The notice of the special Assessment shall describe the nature of the damage and the necessary repairs, and any special Assessment shall be due and payable to the Master Owners Association on or before the tenth (10th) day following the Owner's or Occupant's receipt of the notice. The Board of Directors may, in its discretion, levy a special Assessment prior to the commencement of the repairs for which the special Assessment is levied; provided, however, that upon receipt of payment of the special Assessment, the Board of Directors shall promptly undertake to have the repairs made and shall refund to the Owner or Occupant any excess of the amount assessed and paid over the cost of the repairs. In the event that the cost of the repairs exceeds the amount assessed and paid, the Board of Directors may assess the Owner or Occupant for the excess

costs. By way of illustration and not limitation, the special Assessments provided for in this Section may be made for the purposes of repairing roadway damage caused by heavy trucks and construction vehicles during construction on any Building Site.

7.5.10. Waiver of Use. No Owner may exempt itself from liability for Assessments duly levied by the Master Owners Association, nor release the Building Site or other property owned by it from the liens and charges hereof, by non-use or waiver of the use and enjoyment of the Common Areas and Common Facilities or by abandonment of its Building Site or any other property owned by the Owner within Bull Street Neighborhood.

7.6. By-Laws. The Board of Directors shall establish by-laws for the conduct of the Master Owners Association's affairs that shall include notice to each member prior to any meeting of the members of the Master Owners Association. Decisions of the Master Owners Association shall be by majority of votes cast at any meeting, except as otherwise provided herein or in the by-laws.

7.7. Employment of Manager. In performing its responsibilities hereunder, the Master Owners Association, through its Board of Directors and officers, shall have the authority to delegate to Persons of its choice (including, without limitation, Developer or Persons affiliated with Developer) such duties of the Master Owners Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, the Master Owners Association may employ any Person (including, without limitation, Developer or Persons affiliated with Developer) to manage its affairs or any part thereof, as well as such other personnel as the Master Owners Association shall deem necessary or desirable, whether those personnel are furnished or employed directly by the Master Owners Association or by any Person with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be Common Expenses of the Master Owners Association.

7.8. Legal and Accounting Services. The Master Owners Association may pay, as a Common Expense, for such legal and accounting services as are necessary or desirable in connection with the conduct of the business and affairs of the Master Owners Association or the interpretation, amendment, or enforcement of this Declaration, the By-Laws of the Master Owners Association, or the published rules and regulations of the Master Owners Association.

7.9. Rules and Regulations. The Master Owners Association, through its Board of Directors, may from time to time and at any time (but is not obligated to) make, establish, abolish, amend and/or enforce reasonable nondiscriminatory rules and regulations concerning the use of Bull Street Neighborhood or any portion thereof, including without limitation the Common Areas and Common Facilities, that do not materially and adversely affect any Project Use(s) previously Approved by Developer pursuant to the terms and provisions of any Building Site Declaration. The text of any such rules and regulations and amendments thereto shall be furnished by the Master Owners Association to each Owner. The rules and regulations shall be binding upon the Owner and Occupants until and unless the rules or regulations are specifically overruled, cancelled or modified by the Master Owners Association by the vote of its members, in person or by proxy, holding fifty one percent (51%) of the total votes in the Master Owners Association. Notwithstanding the foregoing, the approval of the Master Owners Association

shall not be required in order to give effect to any Approvals of the DRB and/or Developer provided for herein or in any of the Building Site Declarations.

7.10. Limitation on Liability. Neither Developer nor the Master Owners Association, or any director, officer, manager, member, agent, or employee thereof, as the case may be, shall be liable to any Owner or Occupant or to any other Person for any loss, damage or injury, or claim thereof, arising out of or in any way connected with the performance or nonperformance of the Master Owners Association's duties under this Article.

7.11. Directors' and Officers' Insurance. The Master Owners Association may purchase and maintain as a Common Expense directors' and officers' insurance on behalf of any person who is or was a director or officer of the Master Owners Association to insure against any liability asserted against that person or incurred by that person in that capacity, or arising out of the person's status as director or officer.

7.12. Enforcement of Directors' Duties. In the event that the Board of Directors should fail to perform any duty or duties required under this Declaration, the South Carolina Nonprofit Corporation Code or the Articles of Incorporation and bylaws of the Master Owners Association, any Owner who is aggrieved by the failure shall have the right to proceed in equity to compel the Board of Directors to perform the duty or duties. In no event, however, except as otherwise provided in Section 7.10 hereof, shall any member or members of the Board of Directors have any personal liability to any owner for any failure by the Board of Directors to perform any such duty or duties. If any Owner prevails in such a proceeding, the Master Owners Association shall pay to the Owner, as a Common Expense of the Master Owners Association, the Owner's reasonable costs and expenses incurred in connection with the proceeding, including court costs and reasonable attorneys' fees actually incurred. If the Board of Directors or the Master Owners Association prevails in the proceeding, the Owner instituting the proceeding shall pay to the Master Owners Association the reasonable costs and expenses incurred in the defense of the proceeding, including court costs and reasonable attorneys' fees actually incurred.

7.13. Insurance. The Master Owners Association may purchase and maintain as a Common Expense (a) insurance for all of the insurable improvements on the Common Areas that can be insured for a reasonable premium, insuring against "causes of loss-special form," including, if determined by the Master Owners Association to be reasonably necessary, coverage for earthquake or flood (in an amount consonant with the full replacement value of any of the Improvements); (b) fidelity coverage against dishonest acts on the part of its directors and officers responsible for handling funds belonging to or administered by the Master Owners Association in an amount deemed reasonable by the Board of Directors; (c) comprehensive general liability insurance, in amounts established by the Board of Directors from time to time; and (d) such other types of insurance as are either required by law or authorized by the Board of Directors from time to time.

ARTICLE 8
EXTENSION OF DECLARATION TO
ADDITIONAL PROPERTY

8.1. Additional Property. Declarant or Developer may, at any time during the pendency of this Declaration, add all or a portion of any real property or properties that are subject to the Bull Street Code to the Declaration (whether or not the properties are separated by any street, roadway, railroad, right-of-way, easement, expected future Property, or Common Area) and the property shall be included within the meaning and definition of the terms "Project" and "Bull Street Neighborhood" as used herein. Declarant or Developer shall file in the Office of the Register of Deeds for Richland County, South Carolina, a Supplemental Declaration that the additional real property is made subject to this Declaration and that the property shall be included within the meaning and definition of the terms "Project" and "Bull Street Neighborhood" as used herein. The Supplemental Declaration may contain such complementary additions and modifications of the provisions contained in this Declaration as may be necessary or convenient in the judgment of Developer to reflect the different character, if any, of the added properties.

8.2. Declaration Binding on Additional Property. Upon filing of the Supplemental Declaration in the Office of the Register of Deeds for Richland County, South Carolina, this Declaration shall run with the real property already subject hereto and with the additional real property as if this Declaration had always applied to all of the additional real property from the inception hereof and as if the additional real property had always been included within the meaning and definition of the terms "Project" and "Bull Street Neighborhood" as used herein (provided, however, nothing contained in this Section shall be construed to require the Owners of any of the additional property to pay any Assessments with respect to the additional property for any period of time prior to the date Declarant or Developer files its aforementioned notice in the Office of the Register of Deeds), and shall inure to the benefit of and be binding upon the Owners of all the property, Declarant, Developer, and any others having an interest therein, as Occupants or otherwise, and their respective heirs, successors, and assigns.

ARTICLE 9
DURATION, MODIFICATION, AND TERMINATION

9.1. Duration.

9.1.1. The provisions of this Declaration shall run with and bind title to Bull Street Neighborhood and shall be binding upon and inure to the benefit of Declarant, Developer, the Master Owners Association, and all Owners, Occupants, and Mortgagees, and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect perpetually, to the extent permitted by South Carolina law. In the event that South Carolina law limits the period during which covenants restricting lands to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind Bull Street Neighborhood for a period of fifty (50) years from the date this Declaration is filed in the Office of the Register of Deeds for Richland County, South Carolina, after which time the provisions shall be automatically extended, if permitted by South Carolina law, for successive periods of

twenty (20) years, unless an instrument signed by members of the Master Owners Association holding not less than fifty-one percent (51%) of the total votes in the Master Owners Association has been recorded in the Office of the Register of Deeds for Richland County, South Carolina, agreeing to terminate the provisions in whole or in part.

9.1.2. Notwithstanding anything in this Section to the contrary, the easements granted and reserved in Article 12 hereof are and shall be perpetual, unless otherwise provided for herein, except that dedication to and acceptance by an appropriate Governmental Authority or conveyance or grant to an appropriate public utility of the facilities that are the subject of any of the easements shall terminate those easements if the dedication, conveyance, or grant so provides.

9.1.3. Notwithstanding anything in this Section to the contrary, to the extent Declarant or Developer conveys and/or dedicates any portion of Bull Street Neighborhood for right-of-way purposes to any Governmental Authority, any terms, conditions, and provisions of this Declaration that are inconsistent with the terms or purposes of the conveyance or dedication shall automatically cease to be applicable to or affect the areas so conveyed and/or dedicated.

9.2. Amendment.

9.2.1. Except as otherwise provided in Article 8 and Sections 9.2.2 and 9.2.3 hereof, this Declaration may be amended at any time and from time to time by action of (i) the members of the Master Owners Association holding not less than sixty percent (60%) of the total votes in the Master Owners Association, voting in person or by proxy at a meeting duly called and held for that purpose, and (ii) Developer, so long as Developer holds a Project Interest in Bull Street Neighborhood. Notwithstanding anything to the contrary contained in this Section, however, this Declaration may not be amended if the amendment would have the effect of (i) materially and adversely affecting the value and marketability of any Building Site; (ii) materially and adversely affecting the means of ingress and egress to and from any Building Site; (iii) materially increasing the cost of the construction and development of the Improvements on any Building Site, if construction and development have been previously Approved by Developer or the DRB; (iv) materially altering or changing the design and/or layout plans for the Improvements proposed to be constructed and developed on any Building Site as those plans have been previously Approved by the DRB; or (v) materially and adversely delaying an Owner's ability to develop its Building Site in accordance with plans that have been previously Approved by the DRB.

9.2.2. Subject to the right of annexation by Declarant or Developer as set forth in Article 8 hereof, so long as the same shall not (a) adversely affect the title to any Building Site; (b) change the number of votes or the Assessment Ratio and/or Distribution Share appertaining to a Building Site; or (c) materially alter or change any Owner's right to the use and enjoyment of its Building Site and the Common Areas and Common Facilities, each Owner agrees that this Declaration may be amended solely by Developer by an instrument in writing executed by Developer and placed of record in the Office of the Register of Deeds for Richland County, South Carolina if (i) the amendment is necessary to bring any provision hereof into compliance or conformity with, or remove any conflict or inconsistency with, the provisions of any

applicable Requirement of a Governmental Authority; (ii) the amendment is required by any Requirement of a Governmental Authority applicable to or promulgated by a governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, or a private commercial lender, to enable the lender or purchaser to make or purchase mortgage loans on any portion of Bull Street Neighborhood; (iii) the amendment is necessary to enable any Governmental Authority to insure mortgage loans on any portion of Bull Street Neighborhood based on any Requirements of the Governmental Authority; or (iv) the amendment is permitted by any other provision hereof.

9.2.3. Notwithstanding anything to the contrary contained in this Declaration, any amendment to this Declaration that would change, alter, modify or rescind any right, title, interest or privilege herein expressly granted to a Mortgagee shall require the prior written approval of the Mortgagee.

9.2.4. Amendments to this Declaration may be proposed by Developer, by the Board of Directors, or by a petition signed by members of the Master Owners Association having at least thirty percent (30%) of the total votes in the Master Owners Association. Agreement of the required Owners or any members of the Master Owners Association to any amendment of this Declaration shall be evidenced by the sworn statement of the President, any Vice President or the Secretary of the Master Owners Association, attached to or incorporated into an amendment executed by the Master Owners Association, in which sworn statement it is stated that agreement of the required Owners or members of the Master Owners Association was lawfully obtained.

9.2.5. Amendments made pursuant to the provisions of this Section shall inure to the benefit of and be binding upon Declarant, Developer, all Owners, and Occupants and their respective Mortgagees.

9.3. Binding Effect. Each purchaser or grantee of any interest in any real property now or hereafter made subject to this Declaration, by acceptance of a deed or other conveyance thereof, agrees that the conditions, covenants, restrictions, easements, and reservations of this Declaration may be amended, terminated, or extended as provided above.

9.4. Effective Date of Declaration. The effective date of this Declaration shall be the date of the filing of the Original Declaration for record in the Office of the Register of Deeds for Richland County, South Carolina.

9.5. Rights of Third Persons. This Declaration shall be recorded solely for the benefit of Declarant, Developer, the Owners, the Occupants, and their respective Mortgagees as herein provided. No adjoining property owner or other Person shall have any right, title or interest whatsoever in Bull Street Neighborhood, this Declaration, the operation or continuation of this Declaration, or the enforcement of any of the provisions hereof; and this Declaration may be amended, modified or otherwise changed in accordance with its terms without the consent, permission or approval of any adjoining owner or third Person.

ARTICLE 10
ESTOPPEL CERTIFICATES

10.1. Estoppel Certificates. Any Owner, any Occupant, the DRB, the Master Owners Association, or Developer shall from time to time, within ten (10) days after receipt of written request from any other Owner, Occupant, the DRB, Developer, or the Master Owners Association (the "Requesting Party"), execute, acknowledge and deliver to the Requesting Party, or to any existing or prospective purchaser or mortgagee designated by the Requesting Party, a certificate (the "Estoppel Certificate") stating, to the extent accurate and applicable:

(1) that the terms and provisions of this Declaration are unmodified and are in full force and effect or, if modified, identifying any modifications;

(2) whether there is any existing default hereunder (or grounds therefor after giving the requisite notice hereunder) by the Requesting Party and, if so, specifying the nature and extent thereof;

(3) whether there are any sums (other than those arising out of the normal course of operation of Bull Street Neighborhood within the previous forty-five (45) days) that the Person executing the Estoppel Certificate owes as an Assessment or is entitled to receive or demand from the Requesting Party, and if there is any such sum, specifying the nature and amount thereof;

(4) the nature and extent of any set-offs, claims, counterclaims, and/or defenses then being asserted or capable of being asserted after giving the notice, if any, required hereunder or otherwise known by the Person executing the Estoppel Certificate against the enforcement of the Requesting Party's obligations hereunder;

(5) the total amount of all sums owed as Assessments hereunder and all liens being asserted or capable of being asserted after giving notice, if any, required hereunder by the Person executing the Estoppel Certificate under the provisions of this Declaration, describing the applicable provision or provisions and the details of any lien claim;

(6) the current address or addresses to which notices given to the Person executing the Estoppel Certificate are to be mailed; and

(7) such other facts or conclusions as may be reasonably requested.

ARTICLE 11
EMINENT DOMAIN AND CASUALTY

11.1. Common Areas and Common Facilities. In the event of damage to, destruction of, or condemnation of all or any portion of the Common Areas or Common Facilities, the provisions of this Section shall govern the repair and restoration thereof.

11.1.1. If the insurance proceeds or condemnation award are sufficient to effect total restoration or replacement, then the Master Owners Association shall cause the Common Areas and the Common Facilities owned by the Association to be so repaired, reconstructed and/or replaced substantially as they previously existed. The Master Owners Association may employ any Person to manage and oversee this work as provided in Section 7.7.

11.1.2. If the insurance proceeds or condemnation award are insufficient to effect total restoration, repair and/or replacement of the Common Areas and Common Facilities owned by the association, then the Board of Directors may (i) cause the Common Areas and Common Facilities owned by the Association to be repaired, reconstructed and/or replaced in a way that utilizes all available insurance proceeds or condemnation award to the extent of those proceeds; or (ii) request the approval of the members of the Master Owners Association for a special Assessment under Section 7.5.3 hereof; or (iii) elect not to rebuild, repair and/or replace the Common Areas and Common Facilities and elect to distribute the available insurance proceeds and condemnation award to the Owners and Developer, and their respective Mortgagees, based upon their respective Distribution Share. In the event the Board of Directors shall elect its option under clause (ii) and the Master Owners Association fails to approve the special Assessment, then the Board of Directors shall proceed under clause (i) or (iii). In the event after any repair, reconstruction and/or replacement there remains any unused insurance proceeds, condemnation award or special Assessments, the Board of Directors, by resolution and without the necessity of the vote of the members of the Master Owners Association, shall determine either (a) to apply the excess or any portion thereof to reduce the subsequent year's general Assessments under Section 7.5.2 hereof; (b) to allocate the same to one or more reserve accounts of the Association described in Section 7.5.2 hereof; or (c) to distribute the excess or any part thereof proportionately to the Owners and Developer, and their respective Mortgagees, based upon their respective Distribution Share.

ARTICLE 12 EASEMENTS

12.1. General Easements. Exclusive easements for the installation, construction, use, maintenance, repair, and/or replacement of (i) underground and above-ground utility lines and other related utility facilities (including, without limitation, water, gas, electric, telephone, cablevision, computer or other communication or telecommunication, sanitary sewer and storm drainage lines and facilities, and other services that may become necessary or appropriate in the future) in the Common Areas (provided other uses may be made of those areas so long as the aforesaid easement rights are not unreasonably impacted by the other uses) and in all public and/or private roads, streets, drives and transit ways; (ii) drainage facilities; (iii) pedestrian walkways; (iv) roads, streets, drives, and transit ways; and (v) any other common facilities that are or may become necessary or desirable to serve all or portions of Bull Street Neighborhood, are hereby reserved by Declarant (for its own benefit and the benefit of Developer) on, over, across, and through all parts of Bull Street Neighborhood, together with rights of access, ingress and egress to effect the same and together with the right and privilege of granting to others rights and easements to use the same; provided, however, that no new easement shall be created that would materially interfere with existing Improvements or operations on any Building Site.

12.2. Encroachment Easements. Declarant hereby reserves for its own benefit and for the benefit of Developer and each Owner and their successors and assigns non-exclusive perpetual easements over all Building Sites and the Common Areas for (i) minor encroachments created by construction, reconstruction, renovation, settling, shifting or other causes of movement, and (ii) overhangs approved by the DRB; provided, however, that any such encroachment or overhang shall not materially interfere with existing Improvements or operations on any Building Site.

12.3. General Construction Easements. Declarant hereby reserves for its own benefit and for the benefit of Developer and each Owner and their respective successors and assigns non-exclusive perpetual easements over all Building Sites and the Common Areas for access and temporary encroachments by contractors and subcontractors (and the equipment and employees thereof) during construction to the extent reasonably necessary to construct the Improvements on the various Building Sites and the Common Areas; provided, however, (i) Declarant, Developer, Owner, and Occupants and their respective lessees, successors, assigns, employees, and invitees shall exercise their rights under this Section in such a manner as to minimize disruption of all other parties' quiet enjoyment, use, and operation of their respective Building Sites within Bull Street Neighborhood; (ii) any access and encroachment activities permitted by this Section shall be completed as soon as reasonably possible once commenced; (iii) no easement is herein granted to any Owner or Occupant for the storage of materials or equipment upon any other Owner's or Occupant's property; and (iv) each Owner or Occupant exercising its rights under this Section agrees to indemnify the other Owners or Occupants from any loss, costs, damages or expenses incurred by the other Owners or Occupants as a result of the exercise by the indemnifying Owner of its right under this Section .

12.4. Emergency Access. Declarant hereby reserves for its own benefit and for the benefit of Developer and each Owner and their respective successors and assigns non-exclusive perpetual easements over all Building Sites and the Common Areas for emergency ingress, egress, and access.

12.5. Utility Easements. Prior to such time as the DRB Approves an Owner's Proposed Plans hereunder, Declarant (or Developer, if Developer then owns title to the property in question) shall have the right to reserve for its own benefit and for the benefit of Developer and each Owner and their respective successors and assigns non-exclusive, perpetual easements, rights, and privileges to construct, install, operate, maintain, repair, and replace utility lines and other related utility facilities (including, without limitation, water, gas, electric, telephone, cablevision, computer or other communication or telecommunication, sanitary sewer and storm drainage lines and facilities, and other services that may become necessary of appropriate in the future) on, in, over, across, through, and under certain designated areas of the Owner's Building Site. Subsequent to the date upon which the aforementioned Approvals are granted, Declarant or Developer shall no longer have the right, without the prior Approval of the Owner of the affected Building Site, to establish and create the utility easements referenced in the preceding sentence. Notwithstanding the foregoing, no Owner or Occupant or their respective lessees, successors, assigns, employees, or invitees shall construct, install, operate, maintain, repair and/or replace utility lines and other related utility facilities (including, without limitation, water, gas, electric, telephone, cablevision, computer or other communication or telecommunication, sanitary sewer and storm drainage lines and facilities, and other services that may become necessary of

appropriate in the future) on, in, over, across, through, or under any of the Common Areas, including any public or private roads, streets, drives, or transit ways located outside of the boundaries of any Building Site, without the prior Approval of Developer.

12.6. Slope Easements. Prior to such time as the DRB Approves an Owner's Proposed Plans hereunder, Declarant (or Developer, if Developer then owns title to the property in question) shall have the right to reserve for its own benefit and for the benefit of Developer and each Owner and their respective successors and assigns on all portions of Bull Street Neighborhood lying within twenty-five (25) feet of any roadway perpetual and/or temporary slope easements for the purpose of providing reasonable and adequate lateral support for the roadways or portions of Bull Street Neighborhood adjacent to such roadways. Subsequent to the date upon which the aforementioned Approvals are granted, Declarant or Developer shall no longer have the right, without the prior Approval of the Owner of the affected Building Site, to establish and create the slope easement referenced in the preceding sentence.

12.7. Signage Easements. Declarant hereby reserves for its own benefit and for the benefit of Developer easements for the location, erection, maintenance, use, installation and removal of one or more street, traffic, directional, Project identification, and other related signs on and over all Building Sites and Buildings located thereon; provided, however, nothing contained in this Section shall permit the location, erection, maintenance, use, and/or installation of signs if the location, erection, maintenance, use, and/or installation would cause the signage to materially obstruct access to or visibility of any Building located on the Building Site.

12.8. Grading Easements. Declarant hereby reserves for its own benefit and for the benefit of Developer and each Owner and their respective successors and assigns non-exclusive easements over the Common Areas for grading purposes during construction to the extent reasonably necessary to construct the contemplated Improvements; provided, however, (i) each Owner, Declarant, and Developer shall exercise its rights under this Section in such a manner as to minimize disruption of Declarant's, the other Owners', or Developer's quiet enjoyment, use and operation of their respective portions of Bull Street Neighborhood; (ii) any grading activities permitted by this Section shall be completed as soon as reasonably possible once commenced; (iii) no easement is herein granted to Declarant, any Owner or to Developer for the storage of materials or equipment upon any other Owner's or Declarant's or Developer's property or the Common Areas; and (iv) Declarant, each Owner or Developer who exercises its rights under this Section agrees to hereby indemnify the other Owners or Declarant or Developer from any losses, costs, damages or expenses incurred by the other Owners, Declarant or Developer as a result of the exercise by the indemnifying Owner or Declarant or Developer of its rights under this Section. Under no circumstances shall any grading occur on any of the Common Areas without Developer's consent, which consent may be conditioned or withheld for any reason.

12.9. Cross Utility Easements. Declarant hereby reserves for its own benefit and for the benefit of Developer, each Owner and their respective successors and assigns non-exclusive, perpetual easements, rights and privileges of ingress, egress, access, passage and use, on, over and across those portions of adjacent Building Site(s) that contain utility systems, structures, lines, pipes and other related utility Improvements that are shared and utilized by both Building Sites (the "Shared Facilities") for the purpose of installing, maintaining, operating, repairing or

replacing said Shared Facilities; provided, however, the easement in this Section shall terminate at such time, if ever, as the Shared Facilities are dedicated to a Governmental Authority or utility provider.

12.10. Easements for Enforcement. Declarant hereby declares, establishes, creates, and reserves for Developer, the Master Owners Association, and the DRB, as the case may be, non-exclusive, perpetual easements for and of access to the applicable areas of Bull Street Neighborhood to undertake any inspections authorized pursuant to Section 13.5 hereof and to take any enforcement actions authorized pursuant to Section 13.3 and Section 13.5 hereof; provided, however, that Developer, the Master Owners Association, and the DRB shall not have the right to exercise the easements established, created, and reserved in this Section with respect to any Residential Unit or apartment except in situations in which Developer, the Master Owners Association, and/or the DRB, as the case may be, in their sole but reasonable discretion, determine that an emergency exists. Any entry and access pursuant to this Section shall not constitute a trespass.

12.11. Access. All easements reserved and established in this Article shall include the rights of ingress and egress; provided that any damage to a Building Site or Improvements thereon resulting from the installation, maintenance, or repair of any underground utilities, supply and transmission lines, or drainage facilities shall be repaired or replaced at the expense of the party that undertook the activities causing the damage.

12.12. Dedication of Easements for Utilities and Roadways. Declarant (or Developer to the extent that Developer has acquired the property in question) shall have the exclusive right and power (i) to convey or dedicate all or any part of the Common Areas, the Common Facilities, rights of way, streets, ways, utilities, and any of the easements reserved and established by this Declaration, to public use and benefit and/or to the Master Owners Association; (ii) to grant easements over and across any of the Common Areas or any of the roads, streets, drives, and/or transit ways within Bull Street Neighborhood for access, ingress, and egress to and from any portion of Bull Street Neighborhood; (iii) to grant easements on, in, under, over, through, and across any of the Common Areas, the Common Facilities or any of the roads, streets, drives, and/or transit ways located within Bull Street Neighborhood for the purposes of installing, replacing, repairing, maintaining and using master television antenna systems, internet, security and similar systems, and all utilities, including, but not limited to, electrical, gas, communication, water, sanitary sewer, and storm drainage lines and related facilities; (iv) to permit any Governmental Authority or utility to exercise any of the rights and easements reserved and established in this Declaration; and (v) to grant such other easements with respect to the Common Areas as Declarant (or Developer to the extent that Developer has acquired the property in question) may Approve. Declarant (or Developer to the extent that Developer has acquired the property in question) shall also have the sole and exclusive right and power (but not the obligation) to reserve, in connection with any of the conveyances and dedications referenced in this Section, exclusive subsurface and above-ground rights, as the case may be, to own, operate, use, connect to, repair and/or replace any and all utility lines, cables, devices and related utility facilities (including, but not limited to, water, gas, electric, telephone, cablevision, computer or other communication or telecommunication, and sanitary sewer and storm drainage lines and facilities). Consistent with the definition of "Developer" in Section 1.1,

Declarant agrees to exercise the powers set forth in this Section in accordance with the requests of Developer.

12.13. Installation, Maintenance and Repair. Developer, the Master Owners Association, each and every Owner and Occupant and any other Person exercising their respective rights under the easements granted, reserved and created in this Article agree to, with and for the benefit of Developer, the DRB, the Master Owners Association and the other Owners that any and all construction, installation, repair, replacement, relocation and maintenance of any streets, roads, driveways, walkways, sidewalks, trails, paths, connections, utility lines, signs and other facilities (i) shall be done by, and at the sole cost and expense of, the Person so exercising its rights under this Article; (ii) shall be done only upon reasonable notice to the Owner whose Building Site is so affected; and (iii) shall be done in a manner so as to minimize, to the extent reasonably possible, any interruption and interference to the Owners in the normal operation of their properties and the Improvements thereon. After the completion of any construction, installation, repair, replacement, relocation and maintenance of any streets, roads, driveways, walkways, sidewalks, trails, paths, connections, utility lines, signs, and other facilities, the Building Site on, over, under or through which the work was done shall be left in a clean and good condition, with all debris removed therefrom, with trenches and cuts properly filled, with any plants, shrubbery or other landscaping that may have been disturbed by the work restored to their former condition, and with all area within which dirt has been exposed, reseeded.

12.14. No Rights in Public Generally. The easements and rights created in this Article do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public.

12.15. Rights of Other Parties. Each of the easements created, granted, conveyed, and/or reserved pursuant to this Article may be utilized by the lessees, employees, invitees, permittees, contractors, subcontractors, assigns, and successors of each Owner, Occupant, and/or Developer, as the case may be.

12.16. Scope of Easements. Each of the easements created by this Declaration shall (unless expressly provided herein to the contrary) be perpetual in duration and shall, both as to the benefits and the burdens thereof, run with the title to, and burden the title to, the property identified.

ARTICLE 13 ENFORCEMENT

13.1. Responsibility of Owner. Each Owner shall be responsible for compliance with the terms, provisions, and conditions of this Declaration by its Occupants, employees, agents, independent contractors, tenants, customers, invitees, and visitors.

13.2. Failure to Pay Assessments. If any Assessment is not paid when due, the applicable Owner and the Building Site shall be subject to the provisions of Section 7.5 hereof.

13.3. Nonmonetary Violations. If any Owner or Occupant shall violate or breach any of the provisions, covenants, conditions, restrictions, and/or obligations set forth in this Declaration, and the breach or violation is not cured within fifteen (15) Business Days after the Owner or Occupant has received written notice from one or more of the DRB, the Master Owners Association, Developer, or another Owner or Occupant (all such parties joining in the notice being collectively referred to as the "Notifying Owner") of the breach or violation, the Notifying Owner shall be entitled to: (i) institute and prosecute proceedings for the recovery of damages against the Owner or Occupant for the violation or breach; (ii) institute and prosecute proceedings for the purpose of preventing or enjoining any violation or breach or attempted violation or breach of the provisions, covenants, conditions, restrictions, and/or obligations set forth in this Declaration; (iii) bring a suit for specific performance of the same; (iv) terminate services provided to the Owner or Occupant by the Notifying Owner; (v) terminate the right of the Owner or Occupant to the use of Common Areas; and/or (vi) to the extent applicable, exercise those rights and remedies set forth in Section 13.6 hereof; provided, however, if the breach or violation is not cured within the aforementioned notice and cure period and the Owner or Occupant is diligently prosecuting to completion the cure of the breach or violation, the Notifying Owner shall not be entitled to exercise the remedies set forth in subsections (i), (iv), (v) and (vi) of this Section. Except as otherwise provided for in this Declaration, these remedies shall be cumulative of and in addition to any and all other remedies expressly provided for in this Declaration or that otherwise may now or hereafter be available at law or in equity, separately, concurrently, or in any combination.

13.4. Failure to Enforce Not a Waiver. The failure of the DRB, the Master Owners Association, Developer, or another Owner to enforce any of the provisions, covenants, conditions, restrictions, and/or obligations set forth in this Declaration shall in no event be deemed to be or constitute a waiver of the right to thereafter enforce the same as to any continuing or subsequent violation or breach or attempted violation or breach of the same provision, covenant, condition, restriction and/or obligation, whether occurring prior or subsequent thereto. No suit shall lie against the DRB, the Master Owners Association, Developer, or any Owner for any failure, refusal, or omission to institute or join in any action or proceeding for the enforcement hereof or to restrain the violation of any of the provisions hereof.

13.5. Inspection. Subsequent to reasonable notice to the applicable Owner, the DRB, the Master Owners Association, Developer, and their authorized representatives may from time to time at any reasonable hour or hours, enter and inspect any Building or Building Site to ascertain compliance with this Declaration and any other documents promulgated pursuant hereto.

13.6. Right to Enter and Cure.

13.6.1. If any Owner or Occupant violates or breaches any covenant, provision, condition, restriction, and/or obligation contained herein or in any other document promulgated pursuant hereto and fails to cure the same within fifteen (15) Business Days after the Owner has received written notice from the DRB, the Master Owners Association, or Developer of the same (or without notice if the DRB, the Master Owners Association, or Developer, in its sole but reasonable discretion, determines that the violation or breach has resulted in an emergency situation that poses an immediate risk to any Persons or property), the DRB, the Master Owner's

Association, and/or Developer shall have the right to enter upon the Building Site and summarily abate and remove, at the expense of the Owner or Occupant thereof, any structure, thing, or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof or any documents promulgated pursuant hereto, or to do anything that should have been done by an Owner or Occupant hereunder or under any other document promulgated pursuant hereto; provided, however, notwithstanding anything to the contrary contained in this Section, the DRB, the Master Owners Association, and Developer shall not have the right under this Section to enter upon any applicable Building Site to summarily abate and remove any structure or thing that is attached to, connected to, or a part of any Building on the Building Site if the structure or thing has been previously Approved by the DRB pursuant to this Declaration. Notwithstanding any other provision contained in this Section, if a breach or violation is not cured within the notice and cure period set forth in this Section, the DRB, the Master Owners Association, and Developer shall not be entitled to exercise the rights conferred upon them in this Section so long as the Owner or Occupant is diligently prosecuting to completion the cure of the breach or violation, unless the DRB, the Master Owners Association, and/or Developer, in their sole but reasonable discretion, determine that the violation or breach has resulted in an emergency situation.

13.6.2. By purchasing or leasing property subject to this Declaration, each Owner or Occupant binds itself, its successors and assigns, to pay to the DRB, the Master Owners Association, or Developer, as the case may be, the actual cost incurred or required to cure any violation hereunder, together with liquidated damages equal to ten (10%) percent of the cost, which damages are to be applied toward defraying the cost of enforcing this provision. In addition, the amounts expended by the DRB, the Master Owners Association, and/or Developer in accordance with this Section shall be Assessments against the Building Site on which the violation occurred.

13.7. Attorney's Fees. Any Owner or Occupant shall be obligated to pay reasonable attorney's fees and related costs and expenses, including court costs, actually incurred by the DRB, the Master Owners Association, or Developer, as the case may be, in bringing an action against the Owner or Occupant for the enforcement of the provisions of this Declaration, to the extent the DRB, the Master Owners Association, or Developer is the prevailing party in the action.

13.8. Assessments. All sums expended by the DRB, the Master Owners Association, or Developer in enforcing this Declaration, including without limitation sums expended pursuant to Section 13.6 hereof, shall be immediately due and payable by the Owner or Occupant in violation, shall be deemed Assessments against the Owner or Occupant and the Owner's or Occupant's Building Site(s), and shall constitute a lien and be subject to enforcement and collection as provided in Section 7.5.

13.9. Remedies Cumulative. The remedies provided herein shall be in addition to and not in substitution for any rights and remedies now or hereafter existing at law or in equity. The remedies provided herein or otherwise available shall be cumulative and may be exercised concurrently. The failure to exercise any one of the remedies provided herein shall not constitute

a waiver thereof, nor shall use of any of the remedies provided herein prevent the subsequent or concurrent resort to any other remedy or remedies.

ARTICLE 14
SALES OF BULL STREET PROPERTY INTERESTS

14.1. Right of First Refusal: In the event an Owner other than Declarant or Developer proposes at any time to sell a Building Site and the Improvements thereon in the Bull Street Neighborhood, except single family residences (including attached townhouses and residential condominiums), the owner shall first notify Developer by disclosing to the Developer in writing the key financial terms (within 10% of the final contracted financial terms) of the proposed purchase and sale contract at least 15 business days prior to contract execution or as soon as such financial terms are reasonably firm and then provide Developer with copies of an executed sales agreement identifying the proposed purchaser and setting out the purchase price and any other material financial terms of the proposed sale. Developer shall have fifteen (15) days from receipt of the executed sales agreement within which to exercise an option to purchase (or to designate an assignee to purchase) the Building Site at the same purchase price and on the same material financial terms contained in the third party sales agreement provided that Developer must receive notice of all key financial terms (within 10% of the final contracted financial terms) for a total of at least twenty (20) business days in which to have adequate time for evaluation and the time for exercise may be extended accordingly. The Developer agrees to waive this right in less than the time allotted when and where possible. During the option period, Developer shall have full access to the Building Site upon reasonable notice for purposes of inspection and appraisal.

If Developer exercises its option by notice to the Owner, the closing of the sale to Developer or Developer's designee shall occur on or before the date designated in the third party sales agreement at a location in Richland County designated by the purchaser. The Owner shall appear at the closing and execute a deed and all other closing papers necessary to complete the sale, including without limitation affidavits required for the issuance of title insurance to the purchaser. From the sales price, all liens and encumbrances on the property shall be paid, so that the purchaser shall receive a good, marketable, insurable fee simple title to the property. The sale shall be subject to the payment by the Owner of a commission as provided in Section 14.2 below. The Owner shall also pay for preparation of the deed, the statutory recording fee, and other closing costs typically allocated to the seller in commercial closings in the local market. The balance of the sales price shall then be paid to the Owner.

If Developer does not exercise its option to purchase the Building Site within the time period provided above, then the Owner may sell the lot, but only to the proposed purchaser and only at the price and on the terms and conditions in the sales agreement provided to Developer. If the sale to the identified purchaser is not closed on the identified terms within six months of the initial notice, then the right to sell shall terminate, and any future sale shall again be subject to the provisions of this Section.

This Section shall not apply to or affect a mortgage of the Building Site in connection with a financing transaction; a foreclosure by such a mortgagee or the acceptance of a deed in lieu of foreclosure; or a foreclosure sale (provided Developer is given at least ten days written

notice of the sale). This Section shall, however, apply to a sale by the mortgagee or its designee after acquiring title through a foreclosure sale or a deed in lieu of foreclosure.

Upon the receipt of information demonstrating that a proposed sale or transfer comes within one of the above exceptions, or upon the failure of Developer to exercise an option under this Section, Developer upon request shall execute an appropriate acknowledgment or release of any rights under this Section. The right of first refusal for each Building Site shall expire for the subject Building Site 20 full years after the first sale of the subject Building Site.

14.2. Listing Agreement: Unless an owner enters into an exclusive listing with a licensed broker or elects to sell without a broker, whenever any owner of a Building Site or any owner of a Commercial Unit or a Residential Unit in Bull Street Neighborhood desires to sell or otherwise transfer the Building Site or Unit to another party, the owner shall list the property with Developer as its real estate broker or, if Developer does not maintain a broker's license, shall list the property with a broker designated by Developer to handle Bull Street Neighborhood sales (the "Designated Broker"). The Designated Broker may be affiliated with Developer, and Developer may change the Designated Broker at any time. The commission payable to Developer or the Designated Broker shall be at a market rate based on the gross cash sales price upon the sale of the property interest in question. Developer or the Designated Broker will pay an agreed commission to any selling or cooperating broker from its commission.

An Owner of a Building Site or an owner of a Commercial Unit or Residential Unit shall not be precluded from listing his or her property with another listing broker in addition to Developer or the Designated Broker. The compensation paid to any additional listing broker shall not affect the commission payable to Developer or the Designated Broker, and the commission of any selling or cooperating broker shall be paid in two equal shares from the commission of Developer or the Designated Broker and the commission of the additional listing broker. Any offer secured by the additional listing broker shall be submitted to Developer or the Designated Broker for review before execution, and Developer or the Designated Broker shall participate in the closing.

This Section shall not apply to or affect sales or transfers in the following categories:

- (a) The sale of any Building Site by Declarant or Developer to an Owner;
- (b) The first sale of any completed Residential Unit or Commercial Unit;
- (c) The sale or transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to the spouse or a direct linear descendant of the Person selling or transferring the property;
- (d) The transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to a trust whose beneficiaries are solely the spouse and direct linear descendants of the Person selling or transferring the property;
- (e) The transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to an entity in which the Person transferring the property owns, directly or indirectly, not less than fifty one percent (51%) of the ownership interests in the entity;

- (f) The transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to an entity that owns, directly or indirectly, not less than fifty one percent (51%) of the ownership interests in the Person transferring the property;
- (g) A Mortgagee acquiring title to a Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit or a portion thereof pursuant to a foreclosure action or a conveyance in lieu of foreclosure; this Section shall, however, apply to a sale by the Mortgagee or its designee after acquiring title through a foreclosure action or a deed in lieu of foreclosure; or
- (h) Any transfer as to which the Developer, in its sole discretion, waives in writing the provisions of this Section.

Except for sales or transfers described in (a) and (b) above, as to which no notice shall be required, any Person intending to consummate a transaction which it believes is exempt from the provisions of this Section shall provide Developer at least thirty (30) days prior written notice of the transaction, together with sufficient documentation to establish that the transaction is exempt. If the transaction is determined to be exempt, any subsequent sale or transfer of the same property, or any portion thereof, shall again be subject to the provisions of this Section unless the subsequent sale or transfer independently qualifies as an exempt transaction under this Section.

The provisions of this Section may be modified by Developer with respect to a particular Building Site in the Building Site Declaration for that Building Site. The terms of this Section, including any applicable modification in a Building Site Declaration, shall be a covenant that runs with the land and is binding upon all subsequent Owners of Building Sites and owners of Commercial Units and Residential Units in Bull Street Neighborhood. If the commission payable to Developer or the Designated Broker is not paid upon a sale covered by this Section, it may be collected by Developer, on behalf of Developer or the Designated Broker, as an Assessment against the Owner of the Building Site or the owner of the Commercial Unit or Residential Unit, including the purchasing Owner or owner, and shall be subject to the enforcement provisions of Article 13.

Notwithstanding the above, any Owner may enter into an exclusive sales listing with a licensed broker or sell without a licensed broker, so long as that broker or owner, as applicable, agrees in writing with Developer that it will not allow any potential buyer to enter in a contract to purchase without the potential buyer signing a receipt acknowledging review and understanding of all recorded covenants, the Development Agreement and all Exhibits as well as any other rules, regulations or disclosures that Developer deems appropriate and that the potential buyer is not relying on any oral representations of any broker or agent regarding the development.

14.3. Community Enhancement Fee. Except for transactions which are specifically excluded below, upon the sale or transfer of title to any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit or any portion thereof, a Community Enhancement Fee shall be due and payable at the time of closing of the sale or transfer. The Community Enhancement Fee shall be due from the Purchaser and shall be determined by the Master Owners Association on an annual basis in the same manner as the Common Expenses budget is determined pursuant to Article 7 but shall not exceed one-quarter of one percent

(0.25%) of the total sales price. The Community Enhancement Fee shall be paid to the Master Owners Association and shall be used by the Master Owners Association, in its sole discretion, for any purpose or purposes for which Assessments authorized under Section 7.5 may be used. The purchasing and/or selling Owner shall provide the Master Owners Association with reasonable written documentation of the sales price. The purchaser or the closing attorney shall be responsible for delivery of the Community Enhancement Fee to the Master Owners Association. If the Community Enhancement Fee is not paid and delivered at closing, the amount due shall be a lien against the real property sold or transferred and shall bear interest and be collectible as an Assessment in accordance with the provisions of Section 7.5.

Notwithstanding the foregoing, the Community Enhancement Fee shall not be due and payable for the following transactions:

- (a) The sale of any Building Site by Declarant or Developer to an Owner;
- (b) The first sale of any completed Residential Unit or Commercial Unit;
- (c) The sale or transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to the spouse or a direct linear descendant of the Person selling or transferring the property;
- (d) The transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to a trust whose beneficiaries are solely the spouse and direct linear descendants of the Person selling or transferring the property;
- (e) The transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to an entity in which the Person transferring the property owns, directly or indirectly, not less than fifty one percent (51%) of the ownership interests in the entity;
- (f) The transfer of any Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit, or any portion thereof, to an entity that owns, directly or indirectly, not less than fifty one percent (51%) of the ownership interests in the Person transferring the property;
- (g) A Mortgagee acquiring title to a Building Site, Residential Lot, Residential Unit, Commercial Lot or Commercial Unit or a portion thereof pursuant to a foreclosure action or a conveyance in lieu of foreclosure; this Section shall, however, apply to a sale by the Mortgagee or its designee after acquiring title through a foreclosure action or a deed in lieu of foreclosure;
- (h) Any transfer as to which the Developer, in its sole discretion, waives in writing the Community Enhancement Fee; or
- (i) Any transfer as to which the Master Owners Association, in its sole discretion, waives in writing the Community Enhancement Fee.

Except for sales or transfers described in (a) and (b) above, as to which no notice shall be required, any Person intending to consummate a transaction which it believes is exempt from payment of the Community Enhancement Fee shall provide the Master Owners Association at least thirty (30) days prior written notice of the transaction, together with sufficient documentation to establish that the transaction is exempt. If the transaction is determined to be exempt, any subsequent sale or transfer of the same property, or any portion thereof, shall again

be subject to payment of the Community Enhancement Fee unless the subsequent sale or transfer independently qualifies as an exempt transaction under this Section.

The provisions of this Section may be modified by Developer with respect to a particular Building Site in the Building Site Declaration for that Building Site. The terms of this Section, including any applicable modification in a Building Site Declaration, shall be a covenant that runs with the land and is binding upon all subsequent Owners of Building Sites and owners of Commercial Units and Residential Units in Bull Street Neighborhood. If the Community Enhancement Fee is not paid upon a sale covered by this Section, it may be collected by the Master Owners Association as an Assessment against the Owner of the Building Site or the owner of the Commercial Unit or Residential Unit, including the purchasing Owner or owner, and shall be subject to the enforcement provisions of Article 13.

ARTICLE 15 MISCELLANEOUS

15.1. Governing Law. This Declaration concerns real property located in the State of South Carolina and shall be governed by and interpreted in accordance with the laws of the State of South Carolina. The venue for any action or suit brought against any Owner or Occupant relating to this Declaration or the enforcement of any provisions hereof shall be Richland County, South Carolina.

15.2. Severability. The invalidity of any one of the covenants, agreements, conditions or provisions of this Declaration, or any portion thereof, shall not affect the remaining portions of this Declaration, or any part hereof, and this Declaration shall be modified to substitute in lieu of the invalid provision a like and valid provision that reflects the intent of Declarant and Developer with respect to the covenant, agreement, condition or provision that has been deemed or determined to be invalid.

15.3. Waiver. No consent or waiver, express or implied, by any Owner or Occupant to or of any breach or default by any other Owner or Occupant in the performance of any obligations under this Declaration shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the other Owner or Occupant of the same or any other obligations under this Declaration. Failure on the part of any Owner or Occupant to complain of any act or failure to act of any other Owner or Occupant or to declare the other Owner or Occupant in default, irrespective of how long the failure continues, shall not constitute a waiver by the Owner or Occupant of the rights thereof under this Declaration.

15.4. Conflicts. The Bull Street Code, other zoning requirements, applicable building and inspection codes and regulations, and any and all other Requirements of a Governmental Authority shall be observed. In the event of any conflict among this Declaration, any of the Building Site Declarations, and any Requirements of a Governmental Authority, the provisions that require more restrictive standards shall apply.

15.5. Unavoidable Delays. No Person shall be deemed to be in default in the performance of any obligation created under or pursuant to this Declaration, other than an obligation requiring

the payment of a sum of money, if and so long as non-performance of the obligation shall be caused by fire or other casualty, national emergency, governmental or municipal laws or restrictions, enemy action, civil commotion, strikes, material adverse weather conditions, inability to obtain labor or materials, war or national defense preemptions, acts of God, delays in obtaining applicable approvals pursuant to any Requirement of a Governmental Authority (so long as the approvals are being diligently pursued), energy shortages or similar causes beyond the reasonable control of that Person ("Unavoidable Delays"); and the time limit for performance shall be extended for a period equal to the period of the Unavoidable Delay. The Person unable to perform (the "Non-Performing Party") shall notify any other Person affected by the Unavoidable Delay (including Developer, the Master Owners Association, and any other Owners or Occupants) in writing of the existence and nature of any Unavoidable Delay within a reasonable time after the onset of any the Unavoidable Delay. The Non-Performing Party shall keep any Person affected by the Unavoidable Delay fully informed, in writing, of all further developments concerning any the Unavoidable Delay.

15.6. No Reverter. No covenant or restriction set forth in this Declaration is intended to be or shall be construed as a condition subsequent, a conditional limitation, or as creating a possibility of reverter.

15.7. Terminology. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural; and the plural shall include the singular. All references in this Declaration to Articles, Sections or Subsections shall refer to the corresponding Article, Section or Subsection of this Declaration unless specific reference is made to the articles, sections or subdivisions of another document or instrument.

15.8. Grants and Agreements. The grants, reservations, creation and establishment of the easements, rights and privileges in this Declaration are independent of any contractual agreements or undertakings hereunder, and a breach by Declarant, Developer, any Owner or any Occupant of any such contractual agreements or undertakings shall not cause or result in a forfeiture, termination or reversion of the easements, rights and privileges created by this Declaration.

15.9. Interpretations. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction that will best effect the intent of the purpose set forth in Article 2 hereof. No provision of this Declaration shall be construed against or interpreted to the disadvantage of any Owner, including, without limitation, Declarant or Developer, by any court or other Governmental Authority by reason of that Owner's having or being deemed to have structured or dictated the provision.

15.10. Captions. The captions of each Article, Section and paragraph hereof are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article, Section or paragraph to which they refer.

15.11. Rule Against Perpetuities. It is the understanding, intent and desire of Declarant and Developer that the provisions of this Declaration do not and shall not violate the Uniform

Statutory Rule Against Perpetuities or any other rule of law with respect to remoteness of vesting of property interests, and Declarant and Developer hereby covenant not to make any contrary assertion, contention, claim or counterclaim, or seek the benefit of the Uniform Statutory Rule Against Perpetuities or other such rule of law, in any action, suit or other legal proceeding involving this Declaration. In the event, however, that the Uniform Statutory Rule Against Perpetuities, or any rule of law with respect to remoteness of vesting of property interests, shall limit the time within which any property interest granted herein must vest, then the vesting shall occur only within the period of time permitted for the vesting by the Uniform Statutory Rule Against Perpetuities or such other rule of law, which period of time shall be measured as that period commencing on the date of this Declaration and terminating on the date that is the later of ninety (90) years from the date of this instrument or twenty-one (21) years from and after the date of the death of the last survivor of the now living descendants of (i) Barack Obama, President of the United States; and (ii) Her Majesty Queen Elizabeth II, Queen of the United Kingdom of Great Britain and Northern Ireland. In the event that the future vesting of such property rights ever shall be so limited in time, Declarant and Developer hereby state their further intent and desire to amend or supplement this Declaration, if and to the extent permitted by law, at some future time to cause the future property rights to be valid, enforceable and exercisable throughout the term of this Declaration.

15.12. Mortgagee Rights. Any Mortgagee shall have the right to enforce or perform any rights or obligations of any Owner or Occupant hereunder to the same extent as the Owner or Occupant of the portion of Project encumbered by the Mortgagee's Mortgage may do so hereunder; provided, however, that no Mortgagee may exercise the voting rights of any Owner or Occupant hereunder. The breach of any covenants or restrictions contained in this Declaration shall not defeat or render invalid the lien of any Mortgage made in good faith, but all of the provisions, restrictions and conditions contained herein shall be binding upon and effective against any Owner or Occupant of any portion of Bull Street Neighborhood that acquires title by Foreclosure.

15.13. Exhibits. All exhibits referred to herein and attached hereto are deemed incorporated herein by reference with the same force and effect as if each exhibit were set forth in the body of this Declaration in its entirety.

15.14. Successors and Assigns. This Declaration is and shall be binding upon and shall inure to the benefit of each of the parties hereto, each Owner and Occupant of Bull Street Neighborhood, and their respective successors, assigns, heirs, administrators, executors, and legal representatives.

15.15. Notice. Any and all notices, elections or demands permitted or required to be made under this Declaration shall be in writing, signed by the party giving the notice, election or demand, and shall be delivered by hand delivery (in which case a written, signed receipt shall be obtained), by overnight delivery service providing proof of delivery (such as Airborne, Federal Express, UPS or similar service) for next day delivery, delivery charges prepaid, or by certified mail, return receipt requested, to the other party at the address set forth below, or at such other address within the continental United States of America as the party may designate in writing in accordance with the provisions hereof.

Notices to Developer shall be addressed to:

For hand delivery or overnight delivery service:
Bull Street Neighborhood Development, LLC.

For certified mail, return receipt requested:
Bull Street Neighborhood Development, LLC.

Notices to the Master Owners Association shall be addressed to:

For hand delivery or overnight delivery service:
The Master Owners Association, Inc.
c/o Bull Street Neighborhood Development, LLC.

For certified mail, return receipt requested:
The Master Owners Association
c/o Bull Street Neighborhood Development, LLC.

Notices to the DRB shall be addressed to:

For hand delivery or overnight delivery service:
Development Review Board
c/o Bull Street Neighborhood Development, LLC.

For certified mail, return receipt requested:
Development Review Board
c/o Bull Street Neighborhood Development, LLC.

15.16. Right to Transfer Developer's Interests. Any or all of Developer's rights and obligations set forth in this Declaration or the by-laws may be transferred or assigned in whole or in part to other Persons; provided, however, the transfer or assignment shall not release Developer from liability for any of Developer's obligations accruing hereunder prior to the date of the transfer, reduce an obligation, or enlarge a right beyond that which Developer has under this Declaration or the by-laws, as the case may be. No transfer or assignment shall be effective unless it is evidenced by a written instrument signed by Developer and the Person to whom the assignment is made and filed in the Office of the Register of Deeds Office for Richland County, South Carolina.

15.17. Time of Essence. Time is of the essence with respect to this Declaration and every provision hereof.

[SIGNATURE ON NEXT PAGE]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed and delivered the date first above written.

DECLARANT:

Signed, sealed and delivered in the presence of:

DEPARTMENT OF MENTAL HEALTH
(SEAL)

Witness

By: _____

Witness

Title: _____

STATE OF SOUTH CAROLINA §
 §
COUNTY OF RICHLAND §

ACKNOWLEDGMENT

The foregoing Declaration was acknowledged before me this ____ day of _____, 2012, by _____ as _____ of the Department of Mental Health, an agency of the State of South Carolina, on behalf of the Department.

Notary Public for South Carolina
My Commission Expires: _____

DEVELOPER CONSENT

Developer hereby consents to and joins in this Declaration and agrees to the terms, conditions and provisions hereof.

DEVELOPER:

BULL STREET NEIGHBORHOOD
DEVELOPMENT, LLC.
A South Carolina limited liability company

WITNESSES:

Witness

By: _____
Robert E. Hughes, Jr., President

Witness

STATE OF SOUTH CAROLINA §
 §
COUNTY OF RICHLAND §

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Robert E. Hughes, Jr., President of Bull Street Neighborhood Development, LLC., a South Carolina limited liability company, on behalf of the company.

Notary Public for South Carolina
My Commission Expires: _____



EXHIBIT A

[Descriptions will be inserted as pieces are taken down.]

A handwritten signature in black ink, appearing to be 'J. Roy' or similar, located in the bottom right corner of the page.

EXHIBIT F
PROHIBITED USES

No portion of the Project shall be used for any of the purposes listed and outlined below:

- a. Swap shop, pawn shop, "second hand store," "surplus store" or stores selling primarily merchandise that is used or damaged; provided that sales of refurbished or high quality merchandise may be permitted according to certain terms in the covenants;
- b. Massage Parlor;
- c. Adult Bookstore;
- d. Facility for the sale of paraphernalia for use with illicit drugs;
- e. Any use that emits a noxious odor, noise or sound that can be heard or smelled outside of any Building; provided, however, this provision shall not prohibit an outdoor paging system, nor shall it prohibit the reasonable emanation of cooking odors from any restaurant so long as the restaurant complies with all applicable Requirements of a Governmental Authority for venting odors to permissible areas; Fire sale or bankruptcy sale (unless pursuant to a court order);
- f. Dry cleaning or laundry plants (except for an establishment that only receives and dispenses items for laundering and/or dry cleaning, with the processing of those items being done elsewhere); or
- g. Tattoo parlor.



EXHIBIT G

ACCESS POINTS

A handwritten signature in black ink, appearing to be initials or a stylized name, located in the bottom right corner of the page.

SMARTCODE
Bull Street Neighborhood

