

SETTLEMENT AGREEMENT

Through the execution of this Settlement Agreement (this “*Agreement*”) by their duly authorized representatives, the Town of Port Royal, a municipal corporation of the State of South Carolina (the “*Town*”), with the approval of Town Council of the Town of Port Royal (the “*Town Council*”), as its governing body, and SHM Port Royal, LLC, a Delaware limited liability company, d/b/a Safe Harbor Port Royal, Safe Harbor Port Royal Landing, and Safe Harbor Marinas (“*Safe Harbor*”) (together, the “*Parties*”), agree to the following material terms for resolution of the controversies between them:

1. Within three months of the execution and delivery of this Agreement, the current Development Agreement and PUD (as defined below) zoning for the Safe Harbor development will be amended, and modified, and extended, as applicable, to address the terms of settlement outlined below, including (1) subject to the conditions of Paragraph 8 of this Agreement, a five year extension from the DA Effective Date, as defined below, of the current Development Agreement, as amended, to memorialize the amendments and modifications contemplated herein (the “*Third Amended Development Agreement*”). The effective date of the Third Amended Development Agreement shall be the date of the enactment of an ordinance by Town Council approving the Third Amended Development Agreement (the “*DA Effective Date*”); (2) a temporary use permit for a period of no more than 18-months allowing the use of the property for dock manufacturing for the purpose of building docks for the Safe Harbor and Port Royal marinas associated with the Safe Harbor development, (3) limitations on certain types of dwelling units in the residential areas of the Safe Harbor development, (4) a revised clarifying definition of “light industrial” use that excludes dock manufacturing, (5) movement of the location of certain designated parks and the pedestrian promenade, as agreed by the Parties; and (6) location, width and other access requirements associated with the spine road for the development, as agreed by the Parties.
2. As to Ribaut Village, Bluff Village, and other residential areas (collectively, the “*Residential Areas*”), “*Rental Units*”, consisting of (i) “build to rent” units (defined for purposes of this Agreement and the Third Amended Development Agreement as single-family attached and detached dwelling unit structures that are under one ownership, not offered for sale to individual homebuyers, and leased to individuals), (ii) “Dwelling, Multi-Family” units (having the definition ascribed thereto in that certain Planned Unit Development for the Port of Port Royal Tract dated November 9, 2011, as amended (the “*PUD*”), and (iii) “Dwelling, Single Family Attached” units, shall, in the aggregate, be limited to 15-percent of the total residential units in the Residential Areas. Rental Units shall not include multi-level apartments or condominium developments, which shall be prohibited in the Residential Areas.
3. As to the Spanish Moss Trail, Safe Harbor shall donate by permanent easement the land necessary and designated by the Town to a normal width of 16 feet, including a minimum of 10 feet of paved area and 2 feet of unpaved area on each side for stormwater runoff, as needed, and to a width of 8-12 feet, including 6-8 feet of paved area and 1-2 feet of unpaved area, on each side of the pinch points created by the Harden property (TMS R113 010 000

0282 000) and Fairbanks property (TMS R110 010 000 042A 0000). The easement may be relocated by Safe Harbor or its successors and assigns as required for development of the Residential Areas. All trail designs shall be in keeping with the American Association of State Highway and Transportation Officials' design guidelines for multi-use trail widths and shall be generally consistent with the design, aesthetics, and materials used for existing portions of the Spanish Moss Trail.

4. Safe Harbor agrees to convey "Lot G," the "Beer Garden," and the areas of the marsh adjacent to the Beer Garden and dry stack to the Town in fee simple in exchange for a swap of five in-town townhouse lots, as previously agreed by the Parties, and waiver by the Town of the \$150,000 seafood facility commitment now due under the Development Agreement. The Town shall provide Safe Harbor a timeline for development of Lot G, including plans for completion of development. Development of Lot G may be limited to construction of parking lot or public open space requirements as a result of certain cross-easements that currently encumber such property.
5. As to the Master Plan required by the PUD, including without limitation Sections 2.6.2 and 5.2 thereof, the Parties agree that Safe Harbor will provide a reasonably comprehensive Master Plan that includes timelines for development of the marina area in either Port Village or Marina Village, as permitted by the PUD, including without limitation Sections 4.3 thereof, within six months of the DA Effective Date. Development of the residential areas will be in conformance with the PUD and Development Agreement in effect at the time of submittal.
6. As to the marina contemplated by Section 4.3 of the PUD, the Parties agree that Safe Harbor may include (1) up to eight portable storage containers or Conex boxes on the ground and unstacked, with the area of storage to be screened from public view to the extent possible, and (2) a restroom facility of storage container size connected to public water and sewer for the convenience of users of the marina, and installed per the standards of Beaufort-Jasper Water and Sewer Authority.
7. Town and Safe Harbor agree to meet every three months to discuss status of development, including but not limited to sale development of residential component. The first meeting shall occur within thirty (30) days of Town Council's approval of this Agreement.
8. Upon the enactment of an ordinance by Town Council approving the Third Amended Development Agreement, the Parties will prepare and execute a Mutual Release and Settlement Agreement, releasing all parties or entities from all claims by the other, and a consent order or stipulation of dismissal with prejudice.
9. Additionally, upon the effective date of this Agreement, which is the latest date this Agreement is executed and delivered by the Parties, the Town will dismiss all related summons and charges for ordinance violations against agents or employees of Safe Harbor and Harbormaster.

10. By its execution and delivery of this Agreement and notwithstanding any Town ordinance to the contrary, the Town acknowledges and agrees that, due to the vested rights under the Development Agreement, any moratorium enacted by the Town is not applicable to the property of Safe Harbor subject to the Development Agreement. On or before the DA Effective Date and as a condition to the continued enforcement of this Agreement, the Town shall repeal any provisions of a development moratorium ordinance affecting property governed by the Development Agreement and the PUD.
11. Acting in good faith and by writing agreement signed by both Parties, the Parties may reasonably agree to extend any deadlines described herein.
12. This Agreement is final and binding upon all Parties to this case, governed by the laws of the state of South Carolina, and enforceable in any court of law of general jurisdiction. This Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date, which shall be the last date of execution by the individual Parties.

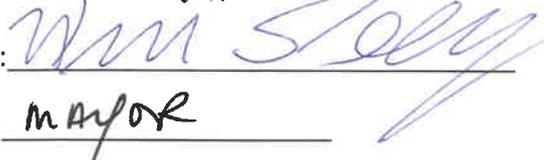
SHM Port Royal, LLC

By: 

Date: 2/7/2025

Its: Authorized Signatory

Town of Port Royal, South Carolina

By: 

Date: 2/12/25

Its: Mayor