

September 25, 2023

Via Electronic Mail Only

F & D, LLC

14 Wedgefield Drive

Hilton Head Island, South Carolina 29928

Re: Non-Binding Letter of Intent/Term Sheet for the Acquisition of 140 Buck Island Road, Town of Bluffton, South Carolina; TMS No. R610-031-0000003-0000

The Town of Bluffton, a South Carolina municipal corporation, and/or its affiliate, assignee or nominee, as the case may be (the "*Town*" and/or "*Purchaser*") is pleased to submit to you this non-binding Letter of Intent ("*LOT*") outlining the terms and conditions under which the Town desires to acquire the Property (as defined herein). It is understood that this LOI constitutes only an expression of the Town's intent and that any final and binding agreement shall be subject to the preparation, negotiation and execution of a formal and definitive purchase and sale agreement (the "*Purchase and Sale Agreement*") in all respects. It is the Town's intention to enter into a Purchase and Sale Agreement that contains, *inter alia*, the following terms and conditions:

Purchaser:	The Town of Bluffton, a South Carolina municipal corporation, and/or its affiliate, assignee or nominee.
Seller:	F & D, LLC
Property:	One hundred (100%) percent of Seller's fee interest in and to the parcel, consisting of approximately 15.03 acres, more or less, as part of a larger parcel shown on that plat recorded in the Beaufort County ROD in Plat Book 109 at Page 83, together with any and all improvements thereon; and, all of Seller's interest in and to appurtenances, fixtures, easements, warranties, chattels and other property appurtenant thereto; and, all of Seller's right, title and interests in 15.03 acres of development rights.
Purchase Price:	\$2,500,000.00 Dollars payable at Closing. The Purchase Price shall be adjusted in accordance with generally accepted accounting procedures and customary real estate practice for pro-rations, credits, etc.
Debts and Liens:	The Property shall be delivered free and clear of any loans, liens, or any other encumbrances that may encumber the Property prior to Closing.
Exclusivity:	Subject to the terms hereof, upon acceptance of this LOI, Seller and Purchaser agree to promptly and in good faith negotiate and execute a Purchase and Sale Agreement mutually acceptable to Seller and Purchaser in all respects within fifteen business (15) days (Monday — Friday) following the date of which Seller

executes this LOI. During such period, Seller shall not show, market, offer or negotiate to sell the Property or any portion thereof or interest therein to any party other than Purchaser, nor shall Seller conduct discussions with any third party with respect to the same.

Closing Costs:

Seller shall pay all applicable transfer taxes/documentary stamps and sales taxes (if any), any title curative work it elects to undertake, all recording fees on the deed, and all real property taxes. Purchaser shall pay the costs of a basic ALTA owner's title insurance policy (including title search and exam fees) and Purchaser shall pay the cost of any endorsements for extended coverage and the cost of any title insurance issued in favor of Purchaser's lender, if any. Purchaser shall pay all costs incurred by Purchaser in connection with Purchaser's due diligence review. Purchaser and Seller shall each pay for their respective attorney's fees.

Due Diligence Period:

The Due Diligence Period shall commence upon the execution of the Purchase and Sale Agreement and terminate ninety (90) calendar days thereafter. During the Due Diligence Period, Purchaser shall be entitled to perform such due diligence as Purchaser deems necessary in Purchaser's sole discretion. Purchaser shall have the unconditional right to terminate the Purchase and Sale Agreement for any reason or no reason at all on or before the expiration of the Due Diligence Period. Seller shall promptly transmit or make available to Purchaser all due diligence materials relating to the Property that are in Seller's or its third-party agent's possession, along with any other relevant materials reasonably requested by Purchaser, immediately following commencement of the Due Diligence Period.

Title and Survey:

Purchaser, at Purchaser's expense, may cause to be delivered a current ALTA plat of survey of the Property, prepared by a duly licensed land surveyor acceptable to Purchaser (the "*Survey*"). Seller shall promptly transmit or make available to Purchaser all prior title policies, surveys, existing reciprocal easement agreement(s) (each an "*REA*"), if any, plats and any and all other title and survey related information in its possession to Purchaser immediately following commencement of the Due Diligence Period. Title to the Property shall be good, marketable and insurable at regular rates, free and clear of all liens, mortgages and encumbrances except for (i) any applicable real estate taxes not yet due and payable, which shall be the obligation of the Seller and not subject to proration, and (ii) such liens and encumbrances against the Property that Purchaser expressly accepts and permitted encumbrances, if any.

Closing Date:

Thirty (30) days after termination of the Due Diligence Period.

- Representations:** The Purchase and Sale Agreement shall contain customary covenants, conditions, agreements, indemnities, representations and warranties, as well as others that Purchaser and Seller may agree upon.
- Assignment:** Purchaser shall have the right, after giving written notice to Seller, to assign its rights under this LOI and under the Purchase and Sale Agreement to any entity controlled or under common control with Purchaser.
- Broker:** Seller and Purchaser represent and warrant Kevin Farruggio of ROI Real Estate is the only real estate broker, salesperson, or finder in connection with this transaction.
- Conditions:** Purchaser's acquisition of the Property shall be subject to the approval of Purchaser's governing body or bodies, which approval (or disapproval, as the case may be) will be obtained prior to the expiration of the Due Diligence Period.
- Governing Law:** This LOI and related documents shall be governed by, and construed and interpreted in accordance with the laws of the State of South Carolina, without regard to principles of conflicts of laws as to all matters, including, but not limited to matters of validity, construction, effect, performance, and remedies.
- Expiration:** This LOI and the terms contained herein shall be deemed to have been withdrawn without any further action required on Purchaser's part, and shall be deemed null and void and of no further force and effect as of 5:00 p.m. EST on **September 29, 2023** unless Purchaser shall have received a copy of this LOI duly executed by Seller prior to the aforementioned time and date.

This LOI is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. Purchaser and Seller intend that neither shall have any contractual obligations to the other with respect to the matters referenced herein unless and until a formal and definitive Purchase and Sale Agreement has been fully executed and delivered by all parties thereto. Purchase and Seller hereby agree that this LOT is not intended to create any express agreement or obligation by either party to enter into a Purchase and Sale Agreement and imposes no duty whatsoever on either party to continue negotiations. Prior to delivery of a Purchase and Sale Agreement, and without any liability to the other party, either party may propose different terms from those summarized herein, or unilaterally terminate all negotiations with the other party hereto, by providing written notice to the other, for any reason or no reason. Except with regard to the Exclusivity provisions set forth herein, which shall be binding on the parties, it is understood that this LOI is not a binding agreement in any way and that the purpose of this LOI is to work towards acceptable terms by which a Purchase and Sale Agreement will be mutually acceptable to Seller and Purchaser. In the event of a conflict between the terms of this LOI and the terms of the Purchase and Sale Agreement, the terms of the Purchase and Sale Agreement shall prevail. This LOT is only for the express benefit of the parties hereto and no third party shall derive any benefit or interest

herein. This LOI sets forth the entire agreement between Seller and Purchaser with regard to the Property and all other prior agreements, whether written or oral, shall be deemed to have merged herewith.

If the foregoing terms and conditions are acceptable to Seller, please so indicate by executing this LOI below and returning an electronic copy to Purchaser's attention prior to expiration of this LOI.

Sincerely,

PURCHASER:

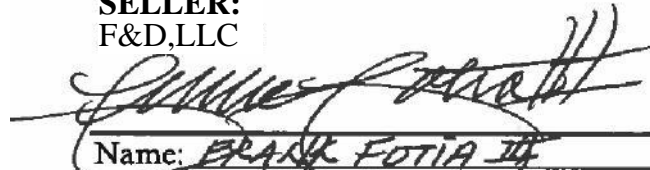
THE TOWN OF BLUFFTON,
a South Carolina municipal corporation,



Name: Stephen Steese
Title: Town
Manager Date: 09/25/2023

SELLER:

F&D, LLC



Name: FRANK FOTIA III
Title: MEMBER
Date: 9/25/2023
