

GRANT AGREEMENT

This agreement ("Agreement"), made as of the 17th day of September 2025, by and between the South Carolina Conservation Bank ("Bank"), the Town of Bluffton ("Grantee"), and, if applicable, the landowner ("Landowner") (collectively referred to as the "Parties"), is for the permanent conservation of real property referred to as Buckwalter Conservation Project ("Property"). By signing this Agreement or accepting any of the Grant funds, the Parties agree to comply with and consent to the terms and conditions set forth herein.

I. **Grant Award.** The Bank hereby awards funding in the amount of One Hundred Forty Six Thousand Six Hundred Sixty Dollars (\$146,660.00) (the "Grant") to Grantee for the acquisition of an interest in real estate for conservation purposes as set forth in Grantee's application for funding ("Application"), which was approved by the Bank's Board of Directors at a public hearing on September 17, 2025 ("Public Hearing"). All representations made by Grantee in the Grant Application and during the Public Hearing are incorporated by reference into this Grant Agreement.

II. **General Terms of Grant.**

- A. Total Grant Amount: \$146,660
- B. Property: Buckwalter Conservation Project
- C. County: Beaufort
- D. Acres: +/- 239.37
- E. Grantee: Town of Bluffton
- F. Date Authorized: 09/17/2025
- G. Grant Period: 09/17/2025 – 09/17/2026

III. **Availability of Funds.** The release of any Grant monies is subject to the availability of Bank funding.

IV. **Use of Grant Funds.**

A. General Use of Funds: The Bank awarded this Grant in reliance upon the accuracy and completeness of the Grantee's Application and supporting documents, and Grantee's representations during the Public Hearing. Grant funds may only be used for the acquisition of real property interests for conservation purposes or qualified closing costs, as represented in the Application and Public Hearing, and approved by the Bank's Board of Directors. Any material changes to the scope or purpose of the Project, as determined in the sole discretion of the Bank, arising after the Bank's Board of Directors approved the Grant ("Date Authorized"), unless subsequently ratified, shall render this Agreement null and void.

B. Bridged Transactions: In the event that Grantee uses Grant Funds to purchase Property and then transfer same to a long-term land steward (Long-Term Steward) at a later date ("Bridged Transaction"), the Grant Award must be treated as a credit toward any consideration due by Long-Term Steward. Additionally, the Long-Term Steward must be approved by the Bank either in the Application, at the Hearing, or by written

approval by the Bank. If Grantee uses debt to purchase the Property, Grantee shall not encumber or collateralize the Property unless expressly approved by the Bank in writing.

V. **Conditions for Disbursement of Grant Funds.** Per the statutory requirements of the South Carolina Conservation Bank Act, Grantee must provide the Bank with the documents listed below before the Bank may authorize Grant funds to be released. The Bank shall determine in its sole discretion whether the provided documents are satisfactory and sufficient. The Bank shall make a good faith effort to process its review within 30-60 days of submittal, but the Bank shall be under no obligation to do so within a specific period of time.

- A. Cover letter listing the final project details, a proposed closing date, and escrow agent information (vendor name, vendor number, and preferred mailing address);
- B. Final appraisal of the Property completed by an appraiser approved by the Bank, listing the Bank as an intended user, and being prepared within 12 months of request for disbursement;
- C. A Phase One Environmental hazard assessment showing no Recognized Environmental Concerns;
- D. A signed and executed contract;
- E. Updated Title Insurance Commitment Letter;
- F. A management/financial resources plan or baseline documentation report (BDR) (including a description of how the property will be managed to protect the conservation values of the property);
- G. A signed copy of this Grant Agreement by the Grantee and, for conservation easements, also by the Landowner;
- H. If applicable, a signed copy of a subordination agreement by a lender; and
- I. Any other data, acknowledgement, or documentation requested by the Board of Directors of the Bank.

VI. **Additional Terms of Disbursement Grant Funds.**

- A. None

VII. **Discrepancies.**

- A. Acreage Discrepancies. If the interest in the Property is reduced in acreage up to 10% as to that stated in the Application, the Bank may reduce the award on a proportional per acre basis. However, a reduction of acreage exceeding 10% shall be deemed material and will render the original Grant null and void.

B. **Valuation Discrepancies.** In the event that the property values represented in the Application materially deviate by the time Grantee requests funds for closing, as determined by the final appraisal, the Bank reserves the right to require the Grantee to resubmit the application for reconsideration with updated financial figures. Please note that under no circumstances will the Bank's Grant exceed the appraised fair market value of the property interest being purchased.

VIII. **Release of Grant Funds.** The Bank will release the Grant funds once Grantee executes this Grant Agreement and satisfies all other related terms and conditions, as determined by the Bank in its sole discretion.

IX. **Closing Deadline.** Closing must be scheduled within the Grant Period or within 60 days of the release of Grant funds, whichever is sooner, unless otherwise approved by the Bank.

X. **Closing Package.** Grantee shall provide the documents listed below ("Closing Package") to the Bank, **within 30 days of closing** the real estate transaction subject to the Application. The Closing Package shall include:

A. Cover letter listing all enclosed documents, a full accounting of the use of Grant funds, a list of all contributing partners, and a brief acknowledgement that Grantee has satisfied the objectives, terms and conditions of the Project, as set forth in the Application and Public Hearing;

B. Copy of the signed closing statement;

C. Copy of recorded Grant Agreement;

D. Copies of final due diligence and legal documents, and all other recorded documents; and

E. Copy of Title Insurance Binder;

F. All other documentation requested by the Bank.

XI. **Recorded Grant Agreement.** This executed Grant Agreement must be recorded on the deed(s) of the real estate interest(s) subject to the Grant. A copy of the recorded Grant Agreement must be submitted in the Closing Package.

XII. **Annual Report.** A copy of Grantee's initial annual inspection of the Property must be submitted to the Bank within twelve (12) months of the release of Grant funds. Thereafter, copies of all future inspection reports must be submitted to the Bank on an annual basis. Electronic copies of Grantee's annual stewardship reports are acceptable. Grantee is required to give the Bank notice of any stewardship concern that materially threatens the conservation purposes of the Grant within 30 days of discovering it.

XIII. **Indemnification.** Grantee agrees to indemnify, defend and hold harmless the Bank from and against any loss, cost, or damage of any kind arising out of its breach of this Agreement, and

or Grantee's negligence or willful misconduct. Whether Grantee or owner of the Property, this provision shall not apply to a federal, state, or local governmental entity.

XIV. Title Insurance Proceeds. Proceeds arising out of any perfected claim against title will be shared in proportion to the Bank's Grant, as compared to the total cash funds provided from all sources for the acquisition of the interests in the land.

XV. Reversion of Grant Funds. Grantee will immediately return to the Bank any unexpended funds at the end of the Grant period. Funds also shall be immediately returned if the Bank terminates the Grant in accordance with Article V or Article XV.

XVI. Termination. The Bank may terminate the Grant (including any further funding thereof) immediately if, in its sole discretion, it determines the Grantee has breached this Agreement, has not made adequate attempts to fulfill the terms of the Grant, has made a misrepresentation about the organization, including its 501(c)(3) status, or the Project, files bankruptcy, or has misappropriated Grant funds.

XVII. Accounting. Grantee is responsible for the proper expenditure and accounting of funds, and for maintaining adequate supporting records consistent with generally accepted accounting practices. Grantee's financial and accounting records relating to the Grant must be made available for examination by the Bank staff for three (3) years after the Grant period.

XVIII. Publicity. Grantee agrees to coordinate with Bank before issuing press releases or other public statements concerning the Grant.

XIX. Limit of Commitment. The Bank has no obligation to provide any support beyond the Grant period, unless otherwise agreed to in writing between the Parties.

XX. Applicable Law. This Grant shall be governed by and construed in accordance with the laws of South Carolina. In carrying out the Project, Grantee will comply with all applicable laws, regulations, and rules, and will not infringe, misappropriate, or violate the intellectual property, privacy, or publicity rights of any third party.

XXI. Legal Relationship and Liability. Nothing contained herein shall create a partnership, joint venture, employment, agency or fiduciary relationship between the parties. Neither party has the right or authority to control or direct the activities of the other or the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party, unless expressly authorized in this Agreement. Neither party to this Agreement shall be liable to the other party for any consequential, punitive, special or exemplary damages (including lost profits) resulting from or arising out of any breach of this Agreement, or any party's performance under this Agreement

XXII. Counterparts. This Agreement may be executed in any number of counterparts (or upon separate signature pages bound together in one or more counterparts), each executed counterpart constituting an original agreement, but altogether constituting only one agreement. This Agreement may be executed via facsimile or electronic document (including PDF) signature.

XXIII. Escrow Agent. All approved Grant funds shall be disbursed to an escrow agent with an active state vendor number for the acquisition of the real estate interest, as set forth in the Grant Application. As an exception, if the Grantee owns the property interest prior to the release of the Grant Award, Grantee may request payment in the form of a check mailed to Grantee's address. In such circumstances, the Grantee must provide documentation to ensure that the Grant Award is consistent with all laws and regulations, including the Bank's internal policies, governing eligible use of funds.

XXIV. Entire Agreement. This Grant Agreement constitutes the entire agreement between the Grantee and the Bank. No oral representations or other agreements have been made by the Grantee or the Bank except as stated herein.

XXV. Permanent Protection of Property Interest. The Parties acknowledge and agree that the use of Bank monies to acquire the interest in the Property will render the Property *permanently* protected. Any subsequent change to the use or legal status of the Property that undermines its permanent protection shall constitute a breach of contract and entitle the Bank to seek legal remedies, including the reimbursement of grant funds.

XXVI. Permanency of Property Protection Unaffected by Donor's Qualification for Associated Tax Deductions. The Parties agree and acknowledge that the limitations and restrictions on the uses of the Property effectuating its permanent protection, as set forth in this Grant Agreement, or by reference to collateral deeds, conservation easements, etc., will remain intact and unaffected even if a court or governmental body subsequently determines that the underlying transaction or a component thereof fails to satisfy the requirements necessary to qualify for a federal or state tax deduction.

XXVII. State and Federal Tax Deductions and Credits. The Bank makes NO representations that the proposed transaction will qualify for federal or state conservation-related tax deductions or credits. The undersigned participating Landowner shall be solely responsible for any tax considerations and should rely on independent tax advisors for counsel on such matters.

XXVIII. Post-Closing Mortgages and Liens. If Grantee acquires a fee simple interest in real property with the Grant, Grantee nor any successor owner may encumber the Grant Property thereafter with any lien or mortgage unless expressly approved in writing by the Bank's Executive Director. This provision shall not apply when the Grant funds the acquisition of a conservation easement interest. Notwithstanding the foregoing, any preexisting lien or mortgage on the Property must be satisfied or subordinated prior to Closing.

I hereby acknowledge that I have read, understand and agree to the terms of this Grant Agreement as of the _____ day of _____, 20__.

WITNESSES:

TOWN OF BLUFFTON

By: _____
Name: _____
Its: _____

STATE OF _____)
COUNTY OF _____)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me by Town of Bluffton, by _____, its _____, this ____ day of _____, 20__.

Notary Public for _____
Name: _____
My Commission Expires: _____

I hereby acknowledge that I have read, understand and agree to the terms of this Grant Agreement as of the _____ day of _____, 20__.

WITNESSES:

LANDOWNER (IF APPLICABLE)

By: _____
Name: _____
Its: _____

STATE OF _____)
COUNTY OF _____)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me by _____, this ____ day of _____, 20__.

Notary Public for _____
Name: _____
My Commission Expires: _____