THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING
Wednesday November 17, 2010
4:00 P.M.
REVISED AGENDA

AS A COURTESY TO OTHERS PLEASE TURN OFF ALL CELL PHONES AND PAGERS DURING THE TOWN COUNCIL MEETING

1) CALL TO ORDER

2) PLEDGE TO THE FLAG

3) INVOCATION

4) FOIA COMPLIANCE – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) PROCLAMATIONS AND COMMENDATIONS

a. Arbor Day

6) APPROVAL OF MINUTES

a. Joint Town Council/Beaufort County Council Meeting of October 27, 2010

b. Regular Town Council Meeting of November 3, 2010

7) REPORT OF THE TOWN MANAGER

a. Town Manager's Items of Interest

b. November 2010 Policy Agenda, Management Targets and CIP Updates

8) REPORTS FROM MEMBERS OF COUNCIL

a. General Reports from Council

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

c. Report of the Personnel Committee – Drew Laughlin, Chairman

d. Report of the Planning and Development Standards Committee – Bill Ferguson, Chairman

e. Report of the Public Facilities Committee – John Safay, Chairman

f. Report of the Public Safety Committee – Bill Harkins, Chairman

9) APPEARANCE BY CITIZENS

10) UNFINISHED BUSINESS

a. Second Reading of Proposed Ordinance No. 2010-27

Second Reading of Proposed Ordinance No. 2010-27 providing for the issuance and sale of not exceeding $25,000,000 in aggregate principal amount of the Town of Hilton

Head Island, South Carolina, Stormwater System Revenue Bonds, in one or more series, for the purpose of financing certain capital improvements and refinancing all or a portion of the $17,000,000 original principal amount, Town of Hilton Head Island, South Carolina, Stormwater System Revenue Bonds, Series 2002, and other matters related thereto; and providing for severability and an effective date.

b. Second Reading of Proposed Ordinance No. 2010-24

Second Reading of Proposed Ordinance No. 2010-24 granting Republic Services, Inc. a non-exclusive franchise for the purpose of conducting waste hauling and recycling collection for single family residential and certain multi-family residential units within the Town of Hilton Head Island; and providing for severability and an effective date.

c. Second Reading of Proposed Ordinance No. 2010-25

Second Reading of Proposed Ordinance No. 2010-25 to amend Title 9 (Health and Sanitation) of the Municipal Code of the Town of Hilton Head Island, South Carolina by amending Chapter 6 (Recycling) Section 9-6-10, Section 9-6-20, and Section 9-6-30; and providing for severability and an effective date.

11) NEW BUSINESS

a. First Reading of Proposed Ordinance No. 2010- 15

First Reading of Proposed Ordinance No. 2010- 15 to amend Title 15 (Building and Building Codes) of the Municipal Code of the Town of Hilton Head Island, South Carolina by adding a new chapter to the Title to include duties of the Building Official; general property maintenance and aesthetics regulations; notices and orders; enforcement actions; appeals process; emergency measures; amending Chapter 1 of Title 15 regarding quorum and voting; and providing for severability and an effective date.

b. Resolution to terminate Forward Delivery Agreement – 2002 Stormwater Utility Bonds

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the Town Manager or his designee to execute any and all documents necessary to cause the termination of the Forward Delivery Agreement associated with the 2002 Stormwater Utility Bonds.

c. First Reading of Proposed Ordinance No. 2010-28

First Reading of Proposed Ordinance No. 2010-28 authorizing the execution of that certain Utility Easement Agreement with Hilton Head No. 1 Public Service District over property owned by the Town of Hilton Head Island, South Carolina, near the intersection of William Hilton Parkway and Old Wild Horse Road pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2009), and Sec. 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

d. First Reading of Proposed Ordinance 2010-29

First Reading of Proposed Ordinance No. 2010- 29 authorizing the execution of that certain Utility Easement agreement with Hilton Head No. 1 Public Service District over portions of property owned by the Town of Hilton Head Island, South Carolina, along William Hilton Parkway pursuant to the authority of S. C. Code Ann. Sec. 5-7-40 (Supp. 2009), and Sec. 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

12) EXECUTIVE SESSION

a. Land Acquisition

13) ADJOURNMENT

Proclamation

BY
THE TOWN OF HILTON HEAD ISLAND
FOR
ARBOR DAY

WHEREAS, *in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and*

WHEREAS, *this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and*

WHEREAS, *2010 is the 138th anniversary of the holiday and Arbor Day is now observed throughout the nation and the world; and*

WHEREAS *trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen and provide habitat for wildlife; and*

WHEREAS, *trees are a renewable resource, giving us paper, wood for our homes, fuel for our fires and beautify our community; and*

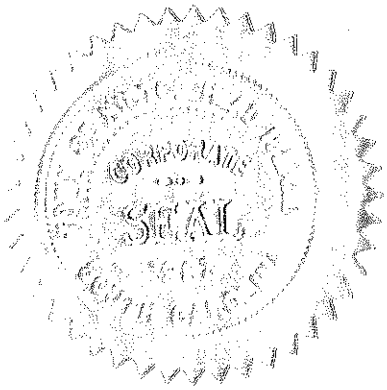
WHEREAS, *trees, wherever they are planted, are a source of joy and spiritual renewal; and*

NOW, THEREFORE, I, *Thomas D. Peeples, Mayor of the Town of Hilton Head Island, hereby proclaim that Friday,* ***December 3rd,*** *shall be known on Hilton Head Island as*

Arbor Day

and urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands. Further, I encourage all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

IN TESTIMONY WHEREOF, *I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this seventeenth day of November, in the year of our Lord, two thousand and ten.*



Thomas D. Peeples

Thomas D. Peeples, Mayor

Attest:

Betsy R. Mosteller

Betsy R. Mosteller, CMC, Town Clerk

THE TOWN OF HILTON HEAD ISLAND
SPECIAL JOINT MEETING OF THE TOWN COUNCIL AND
THE BEAUFORT COUNTY COUNCIL
Hilton Head Island High School Visual and Performing Arts Center

Date: Monday, October 27, 2010 **Time:** 4:00 P.M.

Present from Town Council: Thomas D. Peeples, *Mayor;* Ken Heitzke, *Mayor Pro-Tem;* George Williams, John Safay, Bill Harkins, Drew Laughlin, Bill Ferguson, *Councilmen*.

Present from Town Staff: Stephen G. Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development;* Scott Liggett, *Director of Public Projects & Facilities;* Jill Foster, *Deputy Director of Community Development;* Teri Lewis, *LMO Official;* Sally Krebs, *Natural Resources Administrator;* Anne Cyran, *Senior Planner;* Susan Blake, *Executive Assistant*

Present from Media: Tom Barton, Island Packet

1. **Call to Order**
The meeting was called to order by Mayor Peeples at 6:02 p.m.

2. **Pledge of Allegiance**

3. **FOIA Compliance –** Public information of this joint session of Councils has been published, posted and mailed in compliance with the Freedom of Information Act and Beaufort County and the Town of Hilton Head Island requirements.

4. **Opening Remarks –** Mayor Peeples and Chairman Newton
   a. **Presiding Official**
   Mayor Peeples welcomed everyone and explained the purpose for this joint meeting. They would be hearing the draft 2010 Final Report of the Hilton Head Island Airport Master Plan Update from the consultants. The Mayor recognized and expressed his appreciation for the great relationship between the County Council and Town Council in working together to find solutions for the airport.

   b. **Procedures**
   Beaufort County Council Chairman Weston Newton thanked everyone for being here, and stated he welcomed their participation and public comments. He thanked the Town Council and County Council members for their cooperative efforts. He explained the manner of procedure for Council comments, per Chapter 2, Section 2; time limits and decorum.

   The Mayor invited Talbert and Bright to make their presentation.

5. **Master Plan Presentation –** Talbert & Bright
Mr. Roy Johnson introduced himself and the other consultants present: Mr. Carl Ellington, Ms. Judy Elder and Mr. Pat Turney. Mr. Johnson then provided a recap of their Development Alternatives Analyses for various runway lengths and configurations as well as how they came to their recommendation. It was their recommendation to extend the

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runway to 5,400 ft. in order to ensure the future of both commercial and private air service on the Island.

6. New Business

Chairman Newton noted that there were three resolutions to be discussed this evening; a joint resolution of the Town and the County; a Town resolution and a County resolution. But first there were a couple of "housekeeping" items he wished to address. In the joint resolution, third WHEREAS clause, in the last sentence the phrase "class of private planes" should be changed to read "family of aircraft." And in the fifth WHEREAS clause, fourth line, revise the phrase "….requiring no land acquisition or relocation of roads…." to read "….requiring *minimal* land acquisition *and no* relocation of roads…" The Chairman also proposed to incorporate these changes into the Town Council Resolution (Item 6.b.) and the Beaufort County Council Resolution (Item 6.c.).

a. Resolution – A joint resolution of the Beaufort County Council and the Hilton Head Island Town Council to adopt the 2010 Hilton Head Island Airport Master Plan and direct staff to begin to implement the plan.

Paul Sommerville moved to amend the joint resolution to incorporate the proposed changes. Bill Harkins seconded.

b. Resolution – A resolution of the Town Council for the Town of Hilton Head Island, South Carolina directing the Town Manager to begin the process of amending LMO Section 16-4-1307 to provide for a runway length of 5,000 linear feet.

Drew Laughlin moved to amend the Town Council resolution to incorporate the proposed changes. George Williams seconded.

c. Resolution – A resolution of Beaufort County Council to provide for a runway length of 5,000 linear feet at the Hilton Head Island Airport.

Stu Rodman moved to amend the County Council resolution to incorporate the proposed changes. Jerry Stewart seconded.

Chairman Newton turned the meeting over to Mayor Peeples at this point. The Mayor announced that before the council members discussed the resolutions, he would open the floor to public comments. He reminded the audience that their comments should pertain only to the Master Plan Update and the resolutions that are before them tonight.

7. Public Comments

There were approximately thirty two people who chose to address the councils to express their thoughts on the proposed alternatives. At the conclusion of the public comment period, the Mayor called for a brief recess at 8:10 p.m.

8. Discussion

At 8:20 p.m., Mayor Peeples called the meeting back to order and turned the gavel over to Chairman Newton. The Chairman asked for comments from Council Members. There was a lengthy discussion by everyone, stating their opinions about the proposals. Some of the County Council members presented brief slide shows outlining their ideas and suggestions.

Mr. Ferguson stated that he found the fifth WHEREAS clause in the joint resolution to be

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confusing and objected to the reference to a 5,400 foot runway. Chairman Newton replied that the fifth clause was not intended to state that they were voting to extend the runway to 5,400 feet, but rather only that Alternative 2 provided for a runway of 5,400 ft. Mr. Ferguson was still not in favor of the clause and made a motion to strike the fifth whereas from the joint resolution. The motion died for lack of a second.

Mr. Heitzke asked for some further clarification language in the joint resolution to be added to the final WHEREAS clause and to be repeated in the NOW, THEREFORE, BE IT RESOLVED paragraph. He wished to add "for Phase One/Alternative Two" to the end of the sentence in the first staff actions following adoption: "1) Process the necessary amendments…..that may be in conflict with this Plan *for Phase One/Alternative 2*;" Chairman Newton asked the maker of the original motion, Council member Paul Sommerville, if he agreed to the proposed amendments. Mr. Sommerville said that he did not agree. Subsequently, Mr. Laughlin made a formal motion to amend the joint resolution language as per Mr. Heitzke's proposals. Mr. Ferguson seconded. The motion was approved by Town Council by a vote of 7-0. However, County Council rejected the amendment by a vote of 6-4. Having failed to gain approval by both councils, this amendment to the joint resolution failed.

After some additional comments by the council members, Chairman Newton called for the voting.

6.a. Joint Resolution: Approved by Town Council by a vote of 4-3, with members Mr. Heitzke, Mr. Ferguson, and Mr. Safay opposed. Approved by County Council on a vote of 6-4 with members Mr. Baer, Mr. Dawson, Ms. Von Harten, and Mr. Glaze opposed. Having been approved by both bodies, the joint resolution passed.

6.b. Town Council Resolution: Approved by a vote of 5-2. Mr. Ferguson and Mr. Safay were opposed.

6.c. County Council Resolution: Approved by a vote of 6-4. Mr. Baer, Mr. Dawson, Ms. Von Harten, and Mr. Glaze were opposed.

At this time, Chairman Newton asked that the Beaufort County Council members consider a Resolution to formalize their commitment to Town Council that they will not proceed with any land acquisitions or future master planning without formal consultation with the Town Council of the Town of Hilton Head Island. Ms. Laura Von Harten made the motion to adopt said resolution. Mr. Brian Flewelling seconded the motion. The resolution was adopted unanimously.

9. Adjournment

On a motion by George Williams and seconded by Drew Laughlin, the Chairman adjourned the meeting at 10:28 p.m.

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Susan Blake, Secretary

Approved:

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Thomas D. Peeples, Mayor

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THE TOWN OF HILTON HEAD ISLAND

REGULAR TOWN COUNCIL MEETING

Date: Wednesday, November 3, 2010 **Time:** 4:00 P.M.

Present from Town Council: Thomas D. Peeples, *Mayor;* Ken Heitzke, *Mayor Pro-Tem*, John Safay, George Williams, Bill Harkins, Drew Laughlin, Bill Ferguson, *Councilmen*.

Present from Town Staff: Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities*; Lavarn Lucas, *Fire Chief*; Brad Tadlock, *Deputy Fire Chief, Operations*; Ed Boring, *Deputy Fire Chief, Support Services*; Susan Simmons, *Finance Director;* Nancy Gasen, *Director of Human Resources;* Tom Fultz, *Director of Administrative Services;* Julian Walls, *Facilities Manager;* Brian Hulbert, *Staff Attorney;* Jeff Buckalew, *Town Engineer;* Sally Krebs, *Natural Resources Administrator;* Sarah Skigen, *Natural Resources Associate;* Anne Cyran, *Senior Planner;* Cinda Seamon, *Fire and Rescue Public Education Officer;* Connie Pratt, *Code Enforcement Officer*, Rick Arnold, *Code Enforcement Officer;* Alice Derian, *Contract and Services Administrator;* Joe Orsini, *Network Technician;* Vicki Pfannenschmidt, *Administrative Assistant*

Present from Media: Tom Barton, Island Packet

1) CALL TO ORDER

2) PLEDGE TO THE FLAG

3) INVOCATION

4) FOIA COMPLIANCE – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) PROCLAMATIONS AND COMMENDATIONS

a. Tom Seibt

Tom Seibt accepted the Commendation.

6) APPROVAL OF MINUTES

a. Regular Town Council Meeting of October 19, 2010

Mr. Heitzke moved to approve. Mr. Williams seconded. Mayor Peeples requested the statement he made in Item 10 a. of the October 19 meeting minutes be deleted as it was incorrect. The motion was approved by a vote of 6-0-1. Mr. Safay abstained because he was not present at the October 19, 2010 meeting.

7) REPORT OF THE TOWN MANAGER

a. Town Manager's Items of Interest

The Town Manager reported on some items of interest.

b. Proposed 2011 Town Council meeting dates

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a vote of 7-0.

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8) REPORTS FROM MEMBERS OF COUNCIL

a. General Reports from Council

Mr. Ferguson stated he had several concerns and questions about New Business Item 11c and they would take quite a bit of time. He asked for the item to be postponed until all of his questions are answered. Mayor Peeples suggested it would be best to address his concerns when they reach that item on the agenda.

Mayor Peeples said he would like to take the opportunity to compliment the local candidates in the recent election. He felt the community experienced issue oriented campaigns and all races for office were well run.

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

Mr. Williams reported he attended the recent meeting of LCOG and received a pamphlet concerning information on the four-county region. He said it was distributed to all members of Council and encouraged all to review it as it was very interesting. He also reported LCOG voted on a resolution asking USCB not change their name due to the cost. Included in the resolution it was recommended if USCB does change their name it should be changed to Lowcountry which ties in to the region. He stated this may be an item for discussion at the next Intergovernmental Committee meeting.

c. Report of the Personnel Committee – Drew Laughlin, Chairman

Mr. Laughlin stated there would be a meeting in the near future to interview applicants for the vacant seat on the Design Review Board.

d. Report of the Planning and Development Standards Committee – Bill Ferguson, Chairman

Mr. Ferguson reported the Committee met on October 27 and as a result recommended Town Council vote in favor of Proposed Ordinance 2010-15 concerning Property Maintenance Code which will be on the November 17, 2010 Town Council agenda.

e. Report of the Public Facilities Committee – John Safay, Chairman

No report.

f. Report of the Public Safety Committee – Bill Harkins, Chairman

Mr. Harkins reported the Committee met on Monday, November 1 to review the 3rd Quarter Crime Stats, discussed needs of the Sheriff's office, and safety in various areas of the Island. As a result, Mr. Tom Fultz will be preparing a list of items of concern for Town Manager review.

9) APPEARANCE BY CITIZENS

Mary Amonitti spoke on the recent election.

10) UNFINISHED BUSINESS

a. None.

11) NEW BUSINESS

a. Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, endorsing the creation of a Regional Economic Development Plan by

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the Lowcountry Economic Network and Alliance.

Mr. Heitzke moved to approve. Mr. Laughlin seconded. The motion was approved by a vote of 7-0.

b. First Reading of Proposed Ordinance No. 2010-27 providing for the issuance and sale of not exceeding $25,000,000 in aggregate principal amount of the Town of Hilton Head Island, South Carolina, Stormwater System Revenue Bonds, in one or more series, for the purpose of financing certain capital improvements and refinancing all or a portion of the $17,000,000 original principal amount, Town of Hilton Head Island, South Carolina, Stormwater System Revenue Bonds, Series 2002, and other matters related thereto; and providing for severability and an effective date.

Mr. Heitzke moved for approval. Mr. Harkins seconded. Susan Simmons explained the above ordinance would combine two items; an advance refunding of existing bonds and issuance as new bonds. She further explained interest rates are low but the bond cost is fairly high because of the complicated structure. With that in mind, staff is recommending more funds be borrowed which would last for several years to cover the stormwater costs.

Mr. Williams said he has been struggling with the Stormwater Utility Fee. He stated it is growing rapidly as the millage rate is held steady and we continue to obligate the Town for a period of time without considering long term cash flow and needs.

Mr. Harkins asked if there had ever been an engineering analysis of the Town's exposure to capital outlays of the future. Scott Liggett said there has not been an analysis to that degree. Mr. Liggett explained there is aged infrastructure and problems have arisen that need dealt with on a regular basis. Mr. Harkins spoke of concern for taking on debt without knowing the financial picture. He suggested staff conduct an engineering analysis to determine needs.

Mayor Peeples stated he didn't want the public to think the Town took over the planned unit developments stormwater infrastructure without knowledge of the costs. He explained it is a service that can and should be provided to gated communities that pay taxes. Mayor Peeples stated 70% of the community lives in gated communities it was a fairness issue and they should receive a return for their stormwater utility fee. Mr. Liggett explained that with the bond money and fees coming, in staff will pursue a study to inventory and model long-term needs. The motion was approved 6-1-0. Mr. Williams was opposed.

c. Consideration of a recommendation that the Town Council of the Town of Hilton Head Island direct staff to initiate a franchise agreement with Republic Services for island-wide waste and recycling collection and initiate a contract with Sonoco Recycling for processing of recyclables from single family residences and cart-based multi-family properties.

Mr. Safay moved to approve. Mr. Williams seconded. Sarah Skigen introduced Jim Frey from Resources Recycling System. Mr. Frey gave a presentation concerning the process, issues and details of the agreement and contract. Ms. Skigen and Mr. Frey answered questions from Council concerning the contract and services which will be offered to citizens. A number of residents, property owners, regime managers and property association representatives spoke in opposition concerning various segments of the entire program.

Mr. Harkins stated his constituents feel the Town should recycle but should set standards for haulers and require all of them to recycle and the customer should have the right to pick their own hauler. He added this would limit the role of government and permit free competition.

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The consequence of free competition is that the good rises to the top and over time there would be one or two haulers for the community. He suggested thinking about limiting the role of government in this instance.

Mr. Ferguson stated in order for him to make a logical and learned decision he would need to combine 11c, 11d and 11e and not vote for them separately. Mayor Peeples explained if Council voted against item 11c there would be no need to move on to 11d or 11e. Mr. Ferguson stated his opposition to having one hauler for the Island and stated he could not vote in favor of the item. He proceeded to ask questions and receive answers concerning the process.

Mr. Heitzke stated it was his understanding that participation is not a requirement but a choice. Mr. Hulbert confirmed it was by choice and residents that choose to participate must use the designated hauler and residents that did not choose to participate would have to take their waste and recyclables to the collection site.

Mr. Laughlin stated he does have concern for the affect on the commercial marketplace. He said he believes this will raise recycling participation rates and will substantially reduce costs to most customers and that those benefits outweigh his concerns for the marketplace. Mr. Laughlin stated his concerns on the RecycleBank noting he is not convinced earning points will have an impact on recycling rates. He added that the RecycleBank actually increases costs. He also mentioned that it might be a good thing to not require participation of condominium regimes.

Mr. Safay informed Council that the Committee evaluated Mr. Harkins' recommendation and the individual haulers informed them the cost would increase by as much as 50%. He stated that after full review it came down to the recommendation before Council today, Mr. Harkins' recommendation, or to do nothing. The Committee felt this was the best proposal. Mayor Peeples stated the agreement should be modified to make sure it is clear there will be no trash picked up on the edge of the road. He stated all trash receptacles are to be in a service yard or up next to the house. He also explained there will be built in mechanisms so the Town can enforce compliance on the part of the franchisee. He confirmed this will add costs to the Town. Mayor Peeples stated the monies received from the franchise fee, free recycling for Town properties and money for the sale of the recyclables will help defray costs to the Town to have such a program.

After lengthy discussion, Mr. Laughlin moved that the RecycleBank, Inc. program be unbundled from the contract with the hauler and considered separately. Mr. Safay seconded. The motion for amendment was approved 5-2. Mr. Harkins and Mr. Ferguson were opposed. Additionally, Mr. Laughlin made a motion that in cases where a horizontal property regime contracts with a hauler as opposed to individual owners, those regimes are allowed to continue to contract with haulers of their choice. The motion for amendment died for lack of a second.

The amended motion was approved 5-2. Mr. Ferguson and Mr. Harkins were opposed.

d. First Reading of Proposed Ordinance No. 2010-24 granting Republic Services, Inc. a non-exclusive franchise for the purpose of conducting waste hauling and recycling collection for single family residential and certain multi-family residential units within the Town of Hilton Head Island; and providing for severability and an effective date.

Mr. Williams moved to approve. Mr. Safay seconded. Sarah Skigen reviewed the materials included with the franchise agreement noting Exhibit A and the pricing schedule will be revised for the second reading as a result of the amended motion to remove RecycleBank, Inc. from the

agreement. Mr. Heitzke moved to amend to strike any references to RecycleBank, Inc. from the franchise agreement and all the exhibits. Mr. Safay seconded. The amended motion was approved 6-1. Mr. Harkins was opposed.

Comments and suggestions were heard from members of the public. Mr. Hulbert explained the definition of non-exclusive franchise and based on cost staff has recommended and Council has chosen to grant one franchise at this time but can grant additional franchises in the future. Mr. Ferguson asked about the "opt out" provision. Mr. Hulbert suggested it be viewed as an "opt in" provision as opposed to opting out. Individual residents are not required to participate and can take their waste and recyclables to a collection center. Mr. Laughlin asked if staff could between now and second reading consider the potential ambiguities that Mr. Chet Williams pointed out in the language of the agreement. Mayor Peeples agreed and suggested they be dealt with tonight. He also commented on the concern of the contract price increasing if the company would unionize and asked the staff attorney for clarification. Mr. Hulbert confirmed the contract pricing would stay the same for the length of the contract which is five years.

The Mayor asked Mr. Riley to review a number of items to change in the agreement. Mr. Riley stated the following items need amended:

Section III, consistency in the use of "scope of work" or "scope of services";

Page 2, reference to the different descriptions of waste. Sarah Skigen stated this comes from Federal Solid Waste Guidelines and she will ask for clarification on all of them. Mr. Riley stated the disposal facility language depends on what the type of waste is, where the facility is, and if the State or the County directed us to a different facility due to closing or if the facility is temporarily unavailable.

He suggested anywhere there is "contractor" referenced, it should be changed to "franchisee", "contractor respondent" should also be "franchisee" and wherever it says "contractor administrator" should read "franchise administrator".

Mr. Heitzke moved to authorize the above changes. Mr. Williams seconded. The motion was approved 5-2. Mr. Ferguson and Mr. Harkins were opposed.

Mr. Hulbert offered to point out page by page the sections that needed to be addressed to eliminate references to RecycleBank. He pointed out the following proposed changes:

Exhibit A:

Scope of Work and Service Performance Specifications.

Section A-1.5, delete: *Paragraphs 5.6 and 5.7*;

Section A-1.8, Paragraph 8.12 – delete: *and implement recycling Participation incentive rewards system (RecycleBank or equivalent as determined by the Town);*

Section 3.7 delete: *both, and the recycling participation system service provider;*

Section A-2.4, Section 4.3 delete: *that will become the foundation for tracking participating in the recycling program*; and *both, and the recycling participation incentive system service provider;*

Section A-2.5: delete in title the words: *Incentive System*

Section 5.1 delete: *the recycling participation data from each service unit that has set out recyclables at the time of collection. These reports must be available online and via email so*

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they can be transmitted to the rewards Provider to manage the rewards program.

Section 5.2 delete: *for the recycling participation incentive system;*

Section 5.4 delete: *incentive system provider, etc.;*

Section 5.5 delete: *and recycling participation incentive systems;*

Section A-2.6: Recycling Participation Incentive Accounts and Recycling Rewards Program.

Rename as: *Recycling Education Program*

Delete: *Paragraphs 6.1 though 6.6*

Modify Fees in Exhibit B To:

Single Family Based Price Year 1 change amount from*: $62.40 to $59.85; all other calculations to be adjusted with a decrease of $2.55 a quarter.*

Multi Family Base Price change amount from: *$44.25 to $41.70; all other calculations to be adjusted with a decrease of $2.55 a quarter.*

Exhibit F:

Delete on title page: *RECYCLING INCENTIVE PROGRAM;*

Delete: *pages 1, 2 and 3 that deal with the RecycleBank.*

Mr. Heizke moved to make the above amendments. Mr. Williams seconded. The motion was approved 5-2. Mr. Ferguson and Mr. Harkins were opposed. The amended motion was approved 5-2. Mr. Ferguson and Mr. Harkins were opposed.

e. First Reading of Proposed Ordinance No. 2010-25 to amend Title 9 (Health and Sanitation) of the Municipal Code of the Town of Hilton Head Island, South Carolina by amending Chapter 6 (Recycling) Section 9-6-10, Section 9-6-20, and Section 9-6-30; and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. William seconded. Brian Hulbert gave an overview of the proposed ordinance. He explained with this amendment residents of single family homes and multi-family units who desire commercial waste collection must use the commercial hauler and at this point there will be only one franchised collector. Public comment followed. Numerous members of the audience spoke of concerns with the proposed ordinance. After questions concerning haulers offering recycling to commercial establishments, Sarah Skigen explained that in Section 9-6-40 sub-section A, because they were addressing residential as the primary they struck commercial establishment and by doing so they inadvertently removed the requirement for waste haulers to offer recycling service to commercial establishments. Mayor Peeples asked Mr. Riley for a recap of the needed changes. Mr. Riley stated the following changes need addressed:

In the Definition Section 9-6-10 amend the definition of single stream to change the section reference from 9-6-30 to 9-6-50;

In Section 9-6-40 Solid waste and recycling collection service stating waste haulers shall offer a reasonable voluntary waste and recycling service to all cart based single family and multifamily residential dwelling which has the crossed out words <u>and commercial establishments</u>, the words commercial establishments need to be included as a separate sentence following multi family residential dwellings;

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Also in Section 9-6-60 sub section (e) on page 5 should state the Town through the franchisee should provide a recycling receptacle.

Mr. Heitzke moved to amend the motion. Mr. Williams seconded. The motion was approved by a vote of 5-2. Mr. Ferguson and Mr. Harkins were opposed.

The amended motion was approved by a vote of 5-2. Mr. Ferguson and Mr. Harkins were opposed.

12) EXECUTIVE SESSION

Mr. Riley said that he needed an executive session for contractual matters pertaining to land acquisition; legal advice pertaining to proposed condemnation of properties for the Dunnagan's Alley roundabout project; and legal advice relating to pending litigation.

At 7:18 p.m., Mr. Heitzke moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Williams seconded. The motion was approved by a vote of 7-0.

Mayor Peeples called the meeting back to order at 7:42 p.m. and asked if there was any business to take up as a result of executive session. Mr. Safay was not present as he had to leave prior to the executive session.

Mr. Williams moved that the Town Council for the Town of Hilton Head Island adopt a resolution authorizing the commencement of condemnation proceedings for the purpose of acquiring right of way for the Dunnagan's Alley/Arrow Road roundabout project. Mr. Heitzke seconded. The motion was approved by a vote of 6-0.

13) ADJOURNMENT

At 7:43 p.m., Mr. Heitzke moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 6-0.

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Vicki Pfannenschmidt, Secretary

Approved:

_____

Thomas D. Peeples, Mayor

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Items of Interest
November 17, 2010

I. Town News

a) The Town will be soliciting proposals for the construction of a roundabout at the intersection of Arrow Road and Dunnagan's Alley this month. The project will include associated pathway connections, landscaping, and storm drainage improvements. Proposals will be received and evaluated in late November. Construction is expected to begin in early January and take four months to complete.

(Contact: Jeff Buckalew, Town Engineer – phone 341-4772)

b) The Town is currently soliciting proposals for the construction of pathway improvements along Mathews Drive north of US 278 and a roundabout at the intersection of Mathews Drive and Beach City Road. The pathway will be built on the western (opposite the airport) side of the road. Proposals will be received and evaluated in November and construction is expected to begin in early January and take four months to complete.

(Contact: Jeff Buckalew, Town Engineer – phone 341-4772)

c) Captain Kenneth Barrett was awarded a Fire Safety Commendation Medal by the Sons of the American Revolution for his long time service to the citizens of Hilton Head Island and his leadership to Fire & Rescue firefighters over 30 years of service.

(Contact: Lavarn Lucas, Fire Chief – phone 682-5153)

d) Firefighter Paramedic Gerald Pfeiffer was awarded an EMS Commendation Medal by the Sons of the American Revolution for performance in the line of duty in which he reacted quickly and professionally saving the life of a 7 year old child suffering from severe anaphylaxis.

(Contact: Lavarn Lucas, Fire Chief – phone 682-5153)

e) Deputy Chief Ed Boring has been appointed to the National Fire Protection Association (NFPA) committee on Confined Space Safe Work Practices. The Committee establishes the minimum safe work practices for all industries in the US that would be conducting work in any area deemed a confined space by OSHA. Chief Boring will be representing the International Association of Fire Chiefs.

(Contact: Lavarn Lucas, Fire Chief – phone 682-5153)

f) Fire & Rescue recently conducted Urban Search & Rescue training at the partially collapsed Fire Station 1. Fire Department personnel from Hilton Head Island, Bluffton, Burton, Mt. Pleasant, and Columbia Fire Departments attended.

(Contact: Lavarn Lucas, Fire Chief – phone 682-5153)

II. Noteworthy Events

a) Some of the upcoming meetings at Town Hall:

- Board of Zoning Appeals – November 22, 2:30 p.m.
- Design Review Board – November 23, 1:15 p.m.
- Accommodations Tax Advisory Committee – November 29, 9:00 a.m.
- Planning Commission – December 1, 9:00 a.m.
- Accommodations Tax Advisory Committee – December 2, 9:00 a.m.
- Public Safety Committee – December 6, 10:00 a.m.
- Public Facilities Committee – December 7, 2:00 p.m.
- Town Council – December 7, 4:00 p.m.

(Meetings subject to change and/or cancellation. Please visit the Towns' website at www.hiltonheadislandsc.gov for meeting agendas)

2010 Hilton Head Island Events

Date	Time	Event	Location
Thur., Nov. 25, 2010	6:00 am - 10:00 am	Piggly Wiggly Turkey Trot	Boathouse II Restaurant Parking Lot/ HH Plantation
Sat., Nov. 27, 2010	3:30 pm - 5:30 pm	Community Holiday Tree Lighting	Arts Center of Coastal Carolina
Sat., Dec. 18, 2010	9:00 am - 10:00 am	HHI Jingle Bell Run	HH Medical Center Campus

November 2010 Policy Agenda

Top Priority		
Target	**Chief Contact**	**Comments**
Economic Development Policy, Strategy and Direction	Shawn Colin	Speakers from Greenville and Columbia provided an outline of their respective Economic Development Programs and organizational structure.
Town Vision: Development	Steve Riley	The Mayor's Task Force has delivered their report, which has been referred to the Planning Commission.
Strategic Growth Area Plan for Coligny Activity Center	Mike Roan	Direction to examine roadway ownership approved by Council. Roadway alternatives presented to Town Manager. Conceptual alternatives for integrated redevelopment of area under design.
Port Royal Beach Erosion Project: Funding	Scott Liggett	Direction established via Town Council decision September 21, 2010

High Priority		
Target	**Chief Contact**	**Comments**
LMO: Rewrite	Teri Lewis	Staff regularly meets to discuss changes; project placed on hold until further direction from the Visioning Committee was available. A schedule has been established to draft process changes for Chapter 3 in early 2011.
Redevelopment Policy, Strategy, and Direction	Shawn Colin	Speakers from Greenville and Columbia provided an outline of their respective Economic Development Programs and organizational structure. Concepts included significant focus on redevelopment areas and tools utilized by public agencies to leverage and incent private investment
Residential Recycling Direction and Implementation	Sarah Skigen	The recycling program is moving forward for consideration at the 11/3 TC meeting. Should TC approve the franchise agreement it will move to the 11/17 TC meeting for Second Reading.
Recreational Center and Aquatic Facilities Direction	Charles Cousins	Draft plan has been received and will be presented to Town Council after election.
Major Event/Public Art Event Support	Shawn Colin	The Public Art Committee continues to work on developing and RFP for artist submissions, work through logistics issues related to the event, and working to devise a realistic budget and fund raising campaign to fund the 2011 Expo and sustain the program into the out years.

Moderate Priority		
Target	**Chief Contact**	**Comments**
Commercial Appearance Standards Evaluation and Direction	Jill Foster	Draft ordinance language to be on Town Council agenda 11-17 for first reading.
Development of Mitchelville Master Plan	Steve Riley	Mitchelville Committee proposal to utilize Jarvis Creek Park site given initial approval by Council.
Dirt Streets Program: Funding and Relations to County	Jeff Buckalew	R/W acquisition ongoing with Town Attorney (Allen and Rhiner Drives). Coordinated with County Public Works and US 278 paving contractor (APAC) to provide asphalt millings and to rehabilitate Mitchellville Lane Ext as necessary for emergency responders (done in late October).

Hickory Forest Beach Erosion Direction and Funding	Scott Liggett	Monitoring and field reconnaissance continues as part of the longstanding and on-going beach survey program. Aerial photography and survey completed in October 2010.
Prioritize pathway links along WHP	Scott Liggett	Proposal contained in the draft FY 2012-21 Capital Improvements Program.
Arts Group Collaboration	Steve Riley	The Art League of Hilton Head has recently reached agreement to operate from the Gallery at the Arts Center.
Historic Group Collaboration	Steve Riley	Mitchelville Group moving forward with plans in coordination with Coastal Discovery Museum and Gullah Museum groups.

2010 Management Targets Template

Top Priority

Target	Chief Contact	Comments
Airport Master Plan: Completion, Policy Direction	TDB	Joint meeting of County and Town Councils held Oct. 27. Plan adopted by both Council's based on two phase plan for Alternative 2.
Bridge Annexations	Curtis Coltrane	Legal obstacles. Have set this aside.

High Priority

Target	Chief Contact	Comments
Comprehensive Plan Update	Shawn Colin	Plan was adopted on May 4, 2010. The Comp Plan Committee and Planning Commission have finalized a list of recommendations from the Comp Plan to provide Town Council in advance of the December 2010 Council retreat to consider including in the 2011 Targets for Action.
Sign & Outdoor Merchandising Regulation & Direction	Teri Lewis	Staff has reviewed a draft of the proposed regulations and it is pending staff's final recommendations.
Business License Issue: Classification and Fee Schedule	Susan Simmons	Funding was removed in FY11 budget so the priority of this item dropped. In conjunction with related work, staff continues to consider what recommendations should be made to Council on the direction and requirements of this issue.
Fire Station 6 Direction	Curtis Coltrane	Staff working with Greenwood Development and Palmetto Dunes POA on final issues related to proposed site.
Create WI-FI at Town-owned properties	Tom Fultz	No additional sites will be done until later in the fiscal year

CIP Monthly Report

Project	Chief Contact	Comments
1. WHP Resurfacing Phase II 2. Fire Station #1 Replacement 3. Mathews Drive / Beach City Road Roundabout 4. Mathews Drive Pathway 5. Dunnagan's Alley / Arrow Road Roundabout 6. Ground Mounted Street Signs – Phase I 7. Squire Pope Area Drainage Project	Scott Liggett	1. Work underway, target completion date November 30, 2010 2. Work underway 3. Bids to be opened November 9, 2010 4. Bids to be opened November 9, 2010 5. Bids to be opened November 17, 2010 6. Work underway 7. Work underway – target completion date November 30, 2010

Memorandum

TO: Town Council

FROM: Steve Riley, Town Manager

VIA: Susan Simmons, Director of Finance

DATE: November 4, 2010

RE: **Second Reading of Proposed Ordinance No. 2010-27**

There were no changes made to Proposed Ordinance #2010-27 during the first reading on November 3, 2010.

ORDINANCE NO. 2010-__ PROPOSED ORDINANCE NO. 2010-27

PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING $25,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, STORMWATER SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL IMPROVEMENTS AND REFINANCING ALL OR A PORTION OF THE $17,000,000 ORIGINAL PRINCIPAL AMOUNT, TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, STORMWATER SYSTEM REVENUE BONDS, SERIES 2002; AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Town of Hilton Head Island, South Carolina (the "Town") has heretofore issued $17,000,000 original principal amount of its Stormwater System Revenue Bonds, Series 2002 (the "Bonds of 2002"), of which $14,325,000 are outstanding as of November 1, 2010;

WHEREAS, the Town Council of the Town (the "Council") has been advised that as a result of the current interest rate environment in the municipal bond market, the Town may have an opportunity to refinance all or a portion of the Bonds of 2002 and achieve significant interest costs thereby; and

WHEREAS, the Town is presently contemplating undertaking certain capital improvements to the System (as defined herein), more particularly described herein as the "Projects;" and

WHEREAS, the Council has been advised that in order to take advantage of the opportunity to refinance all or a portion of the Bonds of 2002 and/or to finance the Projects, Town Council must enact an appropriate ordinance authorizing the issuance of stormwater system revenue bonds, in one or more series.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AS FOLLOWS:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.01. Certain Findings and Determinations.

The Council hereby finds and determines:

(a) This Ordinance (the "Second Supplemental Ordinance") constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in Ordinance No. 2002-44 enacted by the Council on December 3, 2002, as amended (as so

amended, the “General Bond Ordinance”), and is enacted under and pursuant to the General Bond Ordinance.

(b) The Bonds (as defined herein) constitute and are "Bonds" within the meaning of the quoted word as defined and used in the General Bond Ordinance.

(c) The Revenues (as defined in the General Bond Ordinance) pledged under the General Bond Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than (i) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the First Supplemental Ordinance (as define herein) for payment and security of the Bonds of 2002 and (ii) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and this Second Supplemental Ordinance for payment and security of the Bonds.

(d) There does not exist an Event of Default (as defined in the General Bond Ordinance), nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

(e) The estimated Cost of Acquisition and Construction (as defined in the General Bond Ordinance) of the Projects is $10,130,000.

(f) The Town has heretofore issued the Bonds of 2002, of which $14,325,000 are outstanding as of November 1, 2010. The Bonds of 2002 maturing on and after December 1, 2013, are subject to redemption at the option of the Town prior to maturity on and after December 1, 2012, at a redemption price equal to 100% of the principal amount thereof to be redeemed, plus accrued interest to the redemption date.

(g) The Town proposes to issue the Bonds, in one or more Series (as defined in the General Bond Ordinance), for one or more of the principal purposes: (1) financing the Cost of Acquisition and Construction of the Projects, (2) refinancing, together with other available amounts, all or a portion of the outstanding principal amount of the Bonds of 2002 (the “Refunded Bonds”), (3) financing the 2010 Reserve Fund Requirement (if any) through a deposit into the 2010 Debt Service Reserve Fund (if any) of cash, a debt service reserve insurance policy (the “Reserve Policy”), or a combination thereof, and (4) paying the costs of issuing the Bonds.

(h) The period of usefulness of the System is in excess of forty (40) years from the date hereof.

(i) The American Recovery and Reinvestment Act of 2009 (the “ARRA”), Pub.L. 111-5, Feb. 17, 2009, 123 Stat. 115, amends the Code to provide for the issuance of obligations in the form of Build America Bonds (“BABs”) if (a) the interest on such obligations would otherwise be excludable from gross income under Section 103 of the Code (as defined herein); (b) such obligations are issued before January 1, 2011; and (c) the issuer makes an irrevocable election to have Section 54AA of the Code apply to the obligations. BABs are taxable obligations which provide a tax credit in the amount of 35% of the interest payable by the issuer, either as an annual credit to the respective bondholders under Section 54AA(a) of the Code, or, if the bond is qualified

under Section 54AA(g) of the Code, and the issuer so elects, as an annual direct payment to the issuer under Section 6431 of the Code.

(j) It is in the best interest of the Town to authorize the issuance of the Bonds for the purposes set forth in this Second Supplemental Ordinance and for all or a portion (if any) of the Bonds authorized herein to be offered for sale as BABs.

ARTICLE II

DEFINITIONS

Section 2.01. Definitions. The terms in this Section 2.01 and all words and terms defined in the General Bond Ordinance as from time to time amended or supplemented by a Supplemental Ordinance (as so amended and supplemented, the "Ordinance") (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Second Supplemental Ordinance have the respective meanings given to them in the General Bond Ordinance and in Section 2.01 hereof.

"2010 Construction Fund" shall mean the fund established pursuant to Section 4.03 hereof to defray the cost of all or a portion of the Projects and to pay all Costs of Acquisition and Construction in connection therewith.

"2010 Debt Service Fund" shall mean the Fund(s) established pursuant to Section 4.01 hereof to provide for the payment of the principal and interest on the Bonds.

"2010 Debt Service Reserve Fund" shall mean the Fund(s) established pursuant to Section 4.02 hereof (i) to insure the timely payment of the principal and interest on the Bonds and (ii) to provide for the redemption of the Bonds.

"2010 Purchaser" shall mean the purchaser of one or more Series of the Bonds, if sold through a private placement or sale. The 2010 Purchaser shall not mean the Underwriter.

"2010 Reserve Fund Requirement" shall mean the amount established pursuant to Section 4.02 hereof.

"Authorized Investments" shall have the meaning set forth in the General Bond Ordinance; provided, however, that if and to the extent an Insurance Policy is in effect with respect to the Bonds, "Authorized Investments" shall mean, with respect to the 2010 Debt Service Fund and 2010 Debt Service Reserve Fund (if any) established for such Bonds, only such Authorized Investments, as defined in the General Bond Ordinance, as also qualify under the following:

1. (a) Cash (fully insured by the Federal Deposit Insurance Corporation); (b) Direct obligations (other than any obligation subject to variation in principal repayment) of the United States of America ("U.S. Treasury Obligations"), (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (d) obligations fully and unconditionally guaranteed as to timely

payment of principal and interest by any agency or instrumentality of the United States of America; or (e) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes.

(c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations.

(d) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least $15 million.

6. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

7. Money market funds rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better.

8. "State Obligations", which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the

unsecured general obligation debt of which is rated at least "A3" by Moody's and at least "A-" by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");

(d) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(f) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by S&P and "A3" by Moody's; (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by S&P and "A3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "A-" by S&P and "A3" by Moody's and acceptable to the Bond Insurer

(each an "Eligible Provider"), provided that:

(a) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA or 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral");

(b) a third party acting solely as agent for the Town (the "Investment Custodian") has possession of the collateral or the collateral has been transferred to the Investment Custodian in accordance with applicable state and federal laws (other than be means of entries on the transferor's books) and such collateral shall be marked to market;

(c) the collateral shall be marked to market on a daily basis and the provider or Investment Custodian shall send monthly reports to the Town and Bond Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Investment Custodian holding the collateral;

(d) the repurchase agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of Bond Insurer;

(e) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Investment Custodian has a perfect first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(f) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-") by S&P or "A3" by Moody's, as appropriate, the provider must, notify the Town and the Bond Insurer within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (i) provide a written guarantee acceptable to the Bond Insurer, (ii) post Eligible Collateral; or (iii) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten (10) Business Days, the provider shall, at the direction of any custodian or trustee (who shall give such direction if so directed in writing by the Bond Insurer) repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the Town.

11. Investment Agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by S&P and "Aa3" by Moody's, and acceptable to the Bond Insurer (each an "Eligible Provider"); provided that:

(a) interest payments are to be made to the Paying Agent at times and in

amounts as necessary to pay debt service (or, if the investment agreement is for the 2010 Construction Fund, to the Custodian for construction draws) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior written notice; the Town and the Paying Agent hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the provider shall send monthly reports to the Paying Agent, the Town and the Bond Insurer setting forth the balance the Town or Paying Agent has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

(d) the investment agreement shall state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof, or if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and subordinated creditors;

(e) the investment agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Bond Insurer;

(f) the Town and the Bond Insurer shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

(g) the Town and the Bond Insurer shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (b) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (c) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

(h) the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) provide a written guarantee acceptable to the Bond Insurer, (ii) post Eligible Collateral with the Town, or a third party acting solely as agent for a custodian (the "Custodian") free and clear of any third party liens or claims, or (iii) assign the agreement to an Eligible Provider, or (iv) repay the principal of and accrued but unpaid interest on the investment;

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", the provider must, at the direction of the Town (who shall give such direction if so directed in writing by the Bond Insurer), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Town.

(i) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Investment Custodian shall send monthly reports to the Town and the Bond Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Investment Custodian holding the collateral;

(j) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(k) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Town (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Town or the Paying Agent, as appropriate, and (ii) the provider shall become insolvent, not pay its debt as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Town or the Paying Agent, as appropriate.

"Beneficial Owner" shall mean any purchaser who acquires beneficial ownership interest in an Initial Bond (to be defined) held by the Depository. In determining any Beneficial Owner the Town, the Trustee and the Paying Agent may rely exclusively upon written representations made and information given to the Town, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Series 2010 Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

"Book-Entry Form" or "Book-Entry System" shall mean with respect to the Initial Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Initial Bonds may be transferred only through a book-entry and (b) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder,

with the physical bond certificates "immobilized" in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interest in the Initial Bonds, when subject to the Book-Entry System.

"Bond Insurer" shall mean Assured Guaranty Corp. or its successors, as issuer of the Insurance Policy (if any) for one or more Series of the Bonds.

"Bonds" shall mean the Town of Hilton Head Island, South Carolina, Stormwater System Revenue Bonds, in one or more series, in the aggregate principal amount of not exceeding $25,000,000 authorized to be issued hereunder.

"Bonds of 2002" shall mean the $17,000,000 original principal amount Town of Hilton Head Island, South Carolina, Stormwater System Revenue Bonds, Series 2002.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State are required or authorized by law (including executive orders) to close.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any applicable Treasury regulations.

"Continuing Disclosure Certificate" shall mean the meaning given that term in Section 5.02 hereof.

"Depository" shall mean any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Initial Bonds, and to effect transfers of the Initial Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"Escrow Agent" shall mean Wells Fargo Bank, N.A., as paying agent for the Refunded Bonds and, if applicable, escrow agent under the Refunding Trust Agreement.

"First Amending Ordinance" shall mean Ordinance No. 2003-04 enacted by the Council on February 18, 2003.

"First Supplemental Ordinance" shall mean Ordinance No. 2002-45 enacted by the Council on December 3, 2002, authorizing the Bonds of 2002.

"Initial Bonds" shall mean such Bonds (if any) which are registered and held subject to the Book-Entry System of the Depository.

"Interest Payment Date" shall mean March 1 and September 1 of each year commencing March 1, 2011, or such other dates as may be determined by the Town Manager.

"Insurance Policy" shall mean one or more financial guaranty insurance policies (if any) issued by the Bond Insurer guaranteeing the scheduled payment when due of the principal of and interest on one or more Series of the Bonds (as applicable) as provided therein.

"Paying Agent" shall mean Wells Fargo Bank, N.A., as Paying Agent for the Bonds.

"Projects" shall mean, collectively, any and all replacements, enlargements, improvements, extensions, additions and betterments to the System; engineering legal and other professional services, monitoring permitting and other regulatory requirements, and inventory modeling and master planning related to capital improvement activities and functions; and all appurtenances, facilities, lands, rights in land, water rights, franchises and structures in connection therewith or incidental thereto and including the acquisition of any system which shall be combined with or consolidated into the System, including any one or more of the projects described in Schedule I hereto, and such other improvements as the Town may deem necessary or incidental to the System.

"Purchase Contract" shall mean the Bond Purchase Agreement (if any) to be dated the date of execution and delivery thereof between the Town and the Underwriter, as it may relate to one or more Series of Bonds.

"Refunded Bonds" shall mean all or a portion (if any) of the outstanding principal amount of the Bonds of 2002, to be refunded with the proceeds of the Bonds and any other available amounts, as may be determined by the Town Manager.

"Refunding Trust Agreement" shall mean a refunding trust agreement or escrow agreement dated the date of its execution between the Town and the Escrow Agent.

"Refunding Trust Fund" shall mean the fund of that name created pursuant to the Refunding Trust Agreement.

"Registrar" shall mean Wells Fargo Bank, N.A., as Registrar for the Bonds.

"Reserve Policy" shall have the meaning set forth in Section 1.01(g) hereof.

"Second Supplemental Ordinance" means this Ordinance, as it may be amended or supplemented from time to time, authorizing the Bonds.

"Stormwater Act" shall mean the Stormwater Management and Sediment Reduction Act, codified as Section 48-14-10 et. Seq., Code of Laws of South Carolina, 1976, as amended.

"Trustee" shall mean Wells Fargo Bank, N.A., as Trustee for the Bonds.

"Underwriter" shall mean Merchant Capital, L.L.C.

"Value" or "Values" means, if an Insurance Policy is in effect, with respect to any Authorized Investments for the 2010 Debt Service Fund and 2010 Debt Service Reserve Fund established for the Bonds, the amount calculated under this Second Supplemental Ordinance determined as of any date of calculation as follows:

(a) the bid price published by a nationally recognized pricing service as selected by the Town in its sole discretion;

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(c) as to any investment not specified above: the value thereof established by prior agreement between the Town and the Bond Insurer.

In the event that the Bonds authorized herein are not delivered until 2011, references to 2010 as a series designation in each definition including references to the Series 2010 Bond shall be changed to 2011, with each defined term continuing to have the meaning set forth herein, notwithstanding the change in series designation.

ARTICLE III

THE BONDS

Section 3.01. Authorization of Bonds.

(a) There is hereby authorized to be issued one or more Series of Bonds designated "Town of Hilton Head Island, South Carolina Stormwater System Revenue Bonds" (the "Bonds"), in the aggregate principal amount of not to exceed $25,000,000. The proceeds of the Bonds will be used for the purposes of providing funds to (1) finance the Cost of Acquisition and Construction of the Projects, (2) refinance, together with other available amounts, the Refunded Bonds, (3) finance the 2010 Reserve Fund Requirement (if any) through a deposit into the 2010 Debt Service Reserve Fund (if any) of cash, the Reserve Policy (if any) or a combination thereof, and (4) pay the costs of issuing the Bonds, including the payment of the premium of the Insurance Policy (if any); provided, however, that if any Series of Bonds is issued after 2010, any references herein to such Series of Bonds, the 2010 Debt Service Fund, the 2010 Debt Service Reserve Fund (if any), the 2010 Reserve Fund Requirement (if any) or otherwise, which is identified by the relevant year of issue, such references may be modified to reflect the actual year in which such Series of Bonds is issued and the Bonds shall bear such further numbers, letters or additional words as determined by the Town Manager in order to identify individual series thereof, to identify the purposes for which such Bonds are being issued and to identify the taxable or tax-exempt status thereof.

The Bonds shall mature on such date in each of the years and in the principal amounts, and bear interest at the rates per annum, as determined by the Town Manager pursuant to Section 3.06 hereof.

(b) Such of the Bonds as the Town Manager shall determine pursuant to Section 3.06 hereof shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be redeemed, together with interest accrued from the date of redemption, in the years and in the amounts determined by the Town Manager pursuant to Section 3.06 hereof.

The Trustee, without further authorization or direction from the Town, shall give notice of all mandatory redemptions within the time periods and in the manner specified in Article IV of the General Bond Ordinance.

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the Town may (i) deliver to the Trustee for cancellation Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the Town and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Trustee, at one hundred percent (100%) of the principal amount thereof, to the obligation of the Town on those respective mandatory redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

I The Bonds shall originally be dated the date of delivery thereof, or such other date as the Town Manager shall determine pursuant to Section 3.06 hereof, and shall be issued as fully registered Bonds in the denominations of $5,000 and integral multiples of $5,000.

(d) Principal of and redemption premium, if any, on the Bonds shall be payable at the corporate trust office of the Trustee in Jacksonville, Florida. Interest on the Bonds shall be payable semiannually each Interest Payment Date commencing in 2011, in each case to the Holders as of the immediately preceding Record Date, such interest to be paid by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the corporate trust office of the Trustee, in Jacksonville, Florida, or, in the case of a Holder of $1,000,000 or more in principal amount of Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder.

(e) The following Statement of Insurance shall be attached to each Bond, for which an Insurance Policy is obtained:

STATEMENT OF INSURANCE

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on the Bonds to Wells Fargo Bank, N.A., as paying agent on behalf of the holders of the Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the

principal office of the Paying Agent and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this obligation acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

(f) A copy of the approving opinion to be rendered on the Bonds shall be printed on the back of such Bonds, preceding the same a certificate shall appear, which shall be signed on behalf of the Town by a facsimile signature of the Town Clerk. Such certificate shall be in the form substantially as follows:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the Town.

THE TOWN OF HILTON HEAD, SOUTH CAROLINA

By:_____
Town Clerk

Section 3.02. Optional Redemption of Bonds. Such of the Bonds as may be determined by the Town Manager pursuant to Section 3.06 hereof shall be subject to redemption prior to maturity, at the option of the Town, in whole or in part at any time in such order of their maturities as the Town shall determine and by lot within a maturity, at the respective redemption prices with respect to each Series 2010 Bond, expressed as a percentage of principal amount of the Bonds to be redeemed, as shall be determined by the Town Manager pursuant to Section 3.06 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption.

Section 3.03. Designation of Trustee, Registrar and Paying Agent. The Town hereby designates Wells Fargo Bank, N.A. as Trustee, Registrar and Paying Agent for the Bonds. Wells Fargo Bank, N.A. shall signify its acceptance of its respective duties upon delivery of the Bonds.

Section 3.04. Book-Entry System; Recording and Transfer of Ownership of the Bonds.

The Initial Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only through the Depository and its participants in accordance with rules specified by the Depository. Such beneficial ownership must be of $5,000 principal amount of Bonds of the same maturity or any integral multiple of $5,000.

The Initial Bonds will be issued in fully-registered form, as a single Bond or one Bond for each of the maturities and Series of the Initial Bonds, in the name of Cede & Co., as the

nominee of the Depository. When any principal of, premium, if any, or interest on the Initial Bonds becomes due, the Town shall transmit or cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of this Second Supplemental Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the Initial Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to the Depository in accordance with the provisions of the Ordinance.

The Depository is expected to maintain records of the positions of Participants in the Initial Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Initial Bonds. The Town, the Registrar and the Paying Agent make no assurances that the Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the Town, the Registrar and the Paying Agent shall have no responsibility for any such maintenance of records or transfer of payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

The Town, the Paying Agent and the Registrar may treat the Depository (or its nominee) as the sole and exclusive owner of the Initial Bonds registered in its name for the purpose of payment of the principal of, interest or premium, if any, on the Initial Bonds, giving any notice permitted or required to be given to Bondholders under this Second Supplemental Ordinance, registering the transfer of the Initial Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The Town, the Paying Agent and the Registrar shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Initial Bonds under or through the Depository or any Participant, or any other person which is not shown on the books of registry of the Town maintained by the Registrar as being a Bondholder, with respect to: the accuracy of any records maintained by the Depository or any Participant; the payment by the Depository or any Participant of any amount in respect of the principal of, interest or premium, if any, on the Bonds, any notice which is permitted or required to be given to Bondholders thereunder or under the conditions to transfers or exchanges adopted by the Town or the Registrar; or any consent given or other actions taken by the Depository as a Bondholder.

Section 3.05. Successor Depository.

If (a) the Depository determines not to continue to act as securities depository for the Initial Bonds or (b) the Town has advised the Depository of the Town's determination that the Depository is incapable of discharging its duties, the Town shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the Town or the Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the

Town shall execute and deliver to the successor depository, the Initial Bonds of the same principal amount, interest rate, maturity and Series. If the Town is unable to retain a qualified successor to the Depository, or the Town has determined that it is in its best interest not to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the Initial Bonds might be adversely affected if the Book-Entry System of transfer is continued (the Town undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Initial Bonds by mailing an appropriate notice to the Depository, upon receipt by the Town of the Initial Bonds together with an assignment duly executed by the Depository, the Town shall execute, authenticate and deliver to the Depository Participants the Bonds in fully-registered form, in authorized denominations; provided, however, that the discontinuation of the Book-Entry System of registration and transfer with respect to the Initial Bonds or the replacement of the Depository or any successor depository shall be subject to the applicable rules and procedures of the Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission.

Section 3.06. Sale and Issuance of Bonds; Official Statement.

(a) The Town Manager of the Town is hereby authorized and empowered to determine the aggregate principal amount of the Bonds, if less than authorized by this Second Supplemental Ordinance, and each Series of Bonds, the principal amount of each maturity of each Series of Bonds, the interest rates for each Series of Bonds, the original issue dates, initial Interest Payment Dates and Principal Payment Dates for each Series of Bonds, which Bonds (if any) are Initial Bonds, the Bonds to be subject to mandatory and optional redemption, the redemption prices of the Bonds subject to optional redemption, any Underwriter's, 2010 Purchaser's or original issue discount at which the Bonds will be sold, whether an Insurance Policy will be purchased with respect to each Series of Bonds; whether the 2010 Debt Service Reserve Fund will be established and funded and, if so, the manner in which the 2010 Reserve Fund Requirement will be satisfied, and the portion of the Bonds to be issued as traditional tax-exempt bonds or BABs. If all or a portion of the Bonds will be issued as BABs, the Town Manager is further hereby authorized and directed (1) to determine whether the tax credit shall be provided as a credit to the Bondholders or as a direct payment to the Town, and (2) to make an irrevocable election to have Section 54AA of the Code apply to the Bonds (or if less than all, such portion) which shall be issued as BABs.

(b) Each Series of the Bonds shall either be sold publicly, following a private sale to the Underwriter, or directly to the 2010 Purchaser in a private offering. In connection with a public offering, the Town hereby finds and determines that the Purchase Contract to be dated the date of its execution, submitted by the Underwriter for the purchase of all or a portion (if any) of the Bonds is fair and reasonable and in the best interest of the Town; that, if executed, the Bonds contemplated by the Purchase Contract shall be sold to the Underwriter upon the terms and conditions set forth in the Purchase Contract and upon the basis of the representations therein set forth, and that all conditions precedent to or concurrent with the acceptance of the Purchase Contract by the Town have been met. The Town Manager is hereby authorized and directed to approve the form of Purchase Contract, together with such amendments and modifications to the form thereof as the Town Manager shall negotiate and approve, and to execute the Purchase

Contract, as so modified and amended, and deliver the same to the Underwriter, the Town Manager's execution and delivery of the Purchase Contract constituting conclusive evidence of approval of the matters therein contained. Notwithstanding the foregoing, the Town Manager is hereby authorized to take all actions, including the preparation and dissemination of requests for proposals and the publication and/or distribution of information relating to the Town and the System, to solicit interest and receive offers from financial institutions to purchase one or more Series of the Bonds in a private offering, and to accept such offer which is in the best interest of the Town and execute such documents as may be necessary in connection therewith.

I The Town Manager is hereby authorized and directed to prepare a Preliminary Official Statement, relating to a public offering of the Bonds (the "Preliminary Official Statement"), and to take such actions necessary to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

(d) The Town hereby authorizes the Final Official Statement of the Town to be dated on or about the date of the execution and delivery of the Purchase Contract, relating to the Bonds substantially in the form of the Preliminary Official Statement, with such modifications as the Town Manager approves; the Town Manager of the Town is hereby authorized and directed to execute copies of the Final Official Statement and deliver the same to the Underwriter, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the Town hereby authorizes the use of the Preliminary Official Statement and Final Official Statement and the information contained therein in connection with the public offering and sale of the Bonds by the Underwriter.

(e) A copy of this Second Supplemental Ordinance shall be filed with the minutes of this meeting.

(f) The Town hereby authorizes and directs all of the officers and employees of the Town to carry out or cause to be carried out all obligations of the Town under the aforesaid Purchase Contract and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the Bonds.

(g) The Town hereby authorizes the use of the General Bond Ordinance and this Second Supplemental Ordinance, which together are the "Ordinance" and the information contained therein in connection with the public offering and sale of the Bonds by the Underwriter.

(h) The Council hereby authorizes the Town Manager to negotiate the terms of, and execute, in the name and on behalf of the Town, and deliver investment agreements, forward delivery agreements, repurchase agreements and other agreements in connection with the Bonds, to prepare and solicit bids for providers of such agreements and to execute, in the name and on behalf of the Town, written confirmations of any such agreements and other documents as may be necessary in connection therewith.

(i) The Council hereby ratifies, confirms and approves the actions of the Town Manager heretofore undertaken with regard to applications for the Insurance Policy, the Reserve Policy relating to the 2010 Reserve Fund Requirement, other credit enhancements, and liquidity arrangements relating to the Bonds from municipal bond insurance companies or financial institutions and to enter into, execute and deliver on behalf of the Town, such loan, insurance, reimbursement or guaranty agreements as shall be necessary and advisable, with advice of counsel, in connection with the transactions and other matters referred to herein.

Section 3.07. Authorization to Effect Refunding; Redemption of the Refunded Bonds. The Town Manager is hereby authorized and directed for and on behalf of the Town to take such actions, including but not limited to the execution of the Refunding Trust Agreement or other agreements, and give such directions as shall be necessary to carry out the provisions of this Second Supplemental Ordinance, including directions to the paying agent and/or registrar of the Refunded Bonds calling all or a portion of the Refunded Bonds for redemption on one or more dates. If executed, the Refunding Trust Agreement shall be dated the date of delivery of the related Series of the Bonds to the initial purchaser thereof, and substantially in the form presented to the meeting of Council at which this Second Supplemental Ordinance was enacted with such modifications thereto as the Manager, upon the advice of counsel to the Town, approves. The execution thereof shall be evidence of the approval of any such modification.

Upon delivery of the Series of Bonds issued for such purposes, a portion of the principal proceeds thereof, together with amounts (if any) deposited in the 2002 Debt Service Fund and 2002 Debt Service Reserve Fund (in each case related to the Refunded Bonds) and other available funds of the Town, shall be used to refinance the Refunded Bonds or, if applicable, be deposited with the Escrow Agent and held by it under the Refunding Trust Agreement and in the Refunding Trust Fund. Subject to the terms of the Refunding Trust Agreement, it shall be the duty of the Escrow Agent to keep such proceeds invested and reinvested to the extent that it shall be practical in Government Obligations and to apply the principal and interest of the trust so established in the manner prescribed in such Refunding Trust Agreement and the General Bond Ordinance.

Section 3.08. Form of Bonds. The Bonds shall be in the form substantially as follows:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA,
STORMWATER SYSTEM REVENUE BONDS, SERIES _____

No. R-___

Interest Rate	Maturity Date	Issue Date	CUSIP

Registered Holder:

Principal Amount:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA (the "Town") a public body corporate and politic and a political subdivision of the State of South Carolina (the "State"), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Owner named above or registered assigns, the Principal Amount set forth above on the Maturity Date stated above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the corporate trust office of Wells Fargo Bank, N.A. in Jacksonville, Florida, and to pay interest on such Principal Amount at the annual Interest Rate stated above (calculated on the basis of a 360-day year of twelve (12) 30-day months), until the obligation of the Town with respect to the payment of such Principal Amount shall be discharged. Interest on this Bond shall be payable in semiannual installments on _____ 1 and _____1 of each year beginning _____, 2011, such installments to be of interest only through _____, and thereafter to consist of installments of interest only on each _____1 and principal and interest on each _____ 1. All payments shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month preceding each Bond Payment Date (the "Record Date"). The payments shall be payable by check or draft mailed at the times provided herein from the Town (or the Paying Agent or its behalf) to the person in whose name this Bond is registered at the address shown on the registration books. The payments are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

[If Bond is sold bank-qualified, insert Bank Qualification Rider, if any]

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER [17][21], CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED AND SECTION 48-14-10 ET. SEQ., CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE TOWN WITHIN THE MEANING OF ANY PROVISION, LIMITATION OR RESTRICTION OF THE CONSTITUTION OR THE LAWS OF THE STATE OF SOUTH CAROLINA, OTHER THAN THOSE PROVISIONS AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A REVENUE-PRODUCING PROJECT NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE. THE TOWN IS NOT OBLIGATED TO PAY ANY OF THE BONDS OR THE INTEREST THEREON EXCEPT FROM GROSS REVENUES OF THE SYSTEM. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE TOWN, THE STATE OF SOUTH CAROLINA, OR ANY POLITICAL SUBDIVISION THEREOF.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

This Bond is one of an issue of bonds of the Town in the aggregate principal amount of _____ Million Dollars ($_____) of like tenor, except as to number, rate of interest, date of maturity and redemption provides, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina (the "State"), including particularly Chapter [21][17], Title 6, inclusive, Code of Laws of South Carolina, 1976, as amended, Section 48-14-10 et. Seq., Code of Laws of South Carolina, 1976, as amended, Ordinance No. 2002-44

duly enacted by the Town Council of the Town (the "Council") on December 3, 2002, as amended (as so amended, the "General Bond Ordinance"), and Ordinance No. _____ duly enacted by the Council on _____, 2010 (the "Second Supplemental Ordinance") (the General Bond Ordinance and the Second Supplemental Ordinance are herein collectively referred to as the "Ordinances") for the purpose of providing moneys, which together with other moneys made available by the Town shall be sufficient to (i) [make certain repairs, renovations and improvements to the stormwater drainage system of the Town][refinance all or a portion of the Town's $17,000,000 original principal amount Stormwater System Revenue Bonds, Series 2002], [and] (ii) [satisfy the 2010 Reserve Fund Requirement, and (iii)] pay all costs of issuing the Bonds[, including the premium for a financial guaranty insurance policy].

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Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinances. Certified copies of the Ordinances are on file in the office of the Trustee and in the office of the Clerk of Court for Beaufort County, South Carolina.

The Ordinances contain provisions defining terms, including the properties comprising the System; set forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series herewith which may hereafter be issued on a parity herewith under the Ordinances; set forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the Holder hereof with respect thereto; set forth the terms and conditions upon which and the extent to which the Ordinances may be altered, modified and amended; set forth the terms and conditions upon which this Bond is issued upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the Town thereunder; and set forth the terms and conditions upon which the pledge made in the Ordinances for the security of this Bond and upon which the covenants, agreements and other obligations of the Town made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Ordinances. Reference is hereby made to the Ordinances to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Ordinances shall be a contract with the holder of this Bond.

This Bond and the series of Bonds of which it is one and the interest thereon are special obligations of the Town and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Revenues (as defined in the General Bond Ordinance) derived by the Town from the System.

The General Bond Ordinance authorizes the issuance of additional bonds on a parity with the Bonds of this issue which, when issued in accordance with the provisions of the General Bond Ordinance, will rank equally and be on a parity herewith.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes.

This Bond is transferable, as provided in the Ordinances, only upon the registration books of the Town kept for that purpose and maintained by the Trustee, by the Holder hereof in person or by his duly authorized attorney, upon (a) surrender of this Bond and an assignment with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder hereof or his duly authorized attorney and (b) payment of the charges, if any, prescribed in the Ordinances. Thereupon a new Bond of the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Ordinances. The Town, the Trustee and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

For every exchange or transfer of this Bond, the Town or the Trustee or Registrar, as the case may be, may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

[Redemption Provisions]

If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected at random by the Trustee or Registrar, if any. In the event any of the Bonds or portions thereof are called for redemption, the Trustee or Registrar, if any, shall give notice, in the name of the Town, of redemption of Bonds by first-class mail, postage prepaid, to the Holder thereof as shown on the Books of Registry of the Town and to such Securities Depositories as the Town may designate not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for the redemption thereof. If this Bond be redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment thereof shall be duly made or provided for, interest hereon shall cease or accrue from and after the redemption date hereof.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the Town, does not exceed any limit prescribed by such Constitution or statutes.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA has caused this Bond to be signed by the manual or facsimile signature of its Mayor, its corporate seal to be reproduced hereon and the same to be attested by the manual or facsimile signature of its Town Clerk.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Mayor

(SEAL)

ATTEST:

By:_____
Town Clerk

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Ordinance.

Wells Fargo Bank, N.A., as Trustee

By:_____
Authorized Agent

Date:_____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____

(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:_____ _____

STAMP Language

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed By an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with name as it appears upon the face of the within bond in every Particular, without alteration or enlargement or any change whatever.

ARTICLE IV

ESTABLISHMENT OF FUNDS; DISPOSITION OF BOND PROCEEDS

Section 4.01. Establishment of 2010 Debt Service Fund. In accordance with Section 7.04 of the General Bond Ordinance, the 2010 Debt Service Fund is hereby directed to be established and held by the Trustee on the date of the original delivery of the Bonds for the benefit of the Holders of the Bonds; provided, however, that upon the issuance of more than one Series of Bonds, separate funds or accounts may be established for the payment of debt service on such Series of Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "2010 Debt Service Fund" with respect to the related Series of Bonds. Payments into the 2010 Debt Service Fund shall be made pursuant to the provisions of Section 7.02 of the General Bond Ordinance.

Section 4.02. Establishment of the 2010 Reserve Fund Requirement and 2010 Debt Service Reserve Fund. In accordance with Section 7.05 of the Ordinance, the Town Manager may determine whether it is necessary or desirable to establish the 2010 Debt Service Reserve Fund for the benefit of the Holders of one or more Series of Bonds (if any) and the amount and timing of funding of the 2010 Reserve Fund Requirement, and, if so, such 2010 Debt Service Reserve Fund shall be established on the date of the original delivery of such Series of Bonds and held by the Trustee with regard to the Bonds, all as provided in the Ordinance; provided, however, that (1) upon the issuance of more than one Series of Bonds, separate funds or accounts may be established (if at all) for each Series of Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "2010 Debt Service Reserve Fund" with respect to the related Series of Bonds; and (2) in the event of any full or partial defeasance of a Series of Bonds under Article XVI of the Ordinance, then the 2010 Reserve Fund Requirement established for such Series of Bonds shall be recalculated based on the then Outstanding principal amount of such Series of Bonds. If the 2010 Debt Service Reserve Fund is established, the 2010 Reserve Fund Requirement initially will be satisfied by the Town by the deposit of cash into the 2010 Debt Service Reserve Fund (which may, as designated by the Town Manager, be funded from the proceeds of the Bonds on the date of delivery thereof or from Gross Revenues thereafter), with the purchase of the Reserve Policy, or any combination of the foregoing, in each case for the benefit of the Holders of the Series of the Bonds for which the 2010 Debt Service Reserve Fund (or separate funds or accounts, as applicable) is established.

Section 4.03. Establishment of 2010 Construction Fund. There is hereby created and established the 2010 Construction Fund which fund shall be held by the Town or by one or more banks or other financial institutions designated by the Town. If held by a bank or other financial institution, the Town Manager is authorized and directed to negotiate, execute and deliver such construction fund agreements or other agreements with such bank or other financial institution as may be necessary or desirable in connection therewith. The moneys on deposit in the 2010 Construction Fund shall be used and applied to the payment of the Cost of the Acquisition and Construction of the Projects and to pay all Costs of Issuance incidental to the issuance and sale of the Bonds.

Moneys held for the credit of the 2010 Construction Fund shall be invested to the fullest extent practicable and reasonable, in Authorized Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such Fund.

Withdrawals from the Construction Fund of 2010 shall be made in the manner withdrawals from other funds of the Town are made.

If after the payment in full of all costs of the Projects or after adequate provision has been made for such payment any moneys remain in the 2010 Construction Fund, such excess shall be paid in to the 2010 Debt Service Fund and shall be used only for the payment of the principal of and interest on the Bonds or, in the alternative, to acquire Outstanding Bonds at a price (exclusive of accrued interest) not to exceed the face amount thereof.

Section 4.04. Disposition of Proceeds of Bonds and Certain Other Moneys.

The proceeds derived from the sale of the Bonds, net of the original issue discount or premium, the Underwriter's or 2010 Purchaser's discount, the premium on the Insurance Policy and Reserve Policy (if any), and accrued interest on the Bonds (if any), shall be deposited with the Trustee and the Town, respectively, and used for one or more of the following purposes:

(a) An amount equal to the interest accrued upon the Bonds from the date thereof to the date of delivery thereof and payment therefor shall be deposited in the Interest Account in the 2010 Debt Service Fund to be applied to the payment of the first installment of interest on the Bonds.

(b) A portion of the proceeds of the Bonds shall be deposited with the Town into the 2010 Construction Fund established in Section 4.03 hereof to be used and applied to the payment Cost of Acquisition and Construction and Cost of Issuance as provided in that Section.

I A portion of the proceeds of the Bonds shall be paid over to the paying agent for the Refunded Bonds or the Escrow Agent (as applicable), an amount which the Town Manager determine to be required, together with amounts (if any) transferred from the 2002 Debt Service Fund and 2002 Debt Service Reserve Fund (in each case related to the Refunded Bonds) and other available moneys of the Town, to provide for the payment of principal of, redemption premium, if any, and interest on the Refunded Bonds upon the redemption thereof.

(d) If the Town Manager determines that a 2010 Debt Service Reserve Fund shall be established for a Series of the Bonds and the 2010 Reserve Fund Requirement shall be funded with a portion of the proceeds of a Series of the Bonds, there shall be deposited with the Trustee for deposit into such 2010 Debt Service Reserve Fund an amount equal to the 2010 Reserve Fund Requirement.

The respective amounts specified in this Section 4.04 shall be determined by the Town upon delivery of the Series of Bonds applicable thereto.

ARTICLE V
COVENANTS AND AMENDMENTS

Section 5.01. Federal Tax Covenant. The Town hereby covenants and agrees with the Holders of any Series of Bonds issued as tax-exempt obligations (the "Tax-Exempt Bonds") that it will not take any action which will, or fail to take any action which failure will, cause interest on the Tax-Exempt Bonds to become includable in the gross income of the Holders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Tax-Exempt Bonds; provided, however, that for purposes of this covenant only, the Town shall not be in violation of this covenant solely because it issues a portion of the Bonds as taxable obligations and/or makes the irrevocable election under Section 54AA(d) or (g) (as applicable) of the Code with respect to Bonds to be issued as BABs. The Town further covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in the Code; and to that end the Town hereby shall:

(a) comply with the applicable provisions of Sections 54AA, 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as any of the Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and

I make such reports of such information at the times and places required by the Code.

The Town Manager is hereby further authorized, in accordance with the provisions of the Code, to make such election or designation (as applicable) necessary to be made by or on behalf of the Town that all or a portion of the Bonds are "qualified tax-exempt obligations" as defined in the Code.

Section 5.02. Continuing Disclosure. Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), the Town covenants that it will file with a central repository for availability in the secondary bond market when requested:

(a) An annual independent audit, within thirty days of the Town's receipt of the audit; and

(b) Event specific information within thirty (30) days of an event adversely affecting more than five (5%) percent of Revenues or the Town's tax base.

The only remedy for failure by the Town to comply with the covenant of this paragraph shall be an action for specific performance of this covenant. The Town specifically reserves the right to

amend or delete this covenant to reflect any change in Section 11-1-85, without the consent of any Bondholder.

In addition, the Town Manager is hereby authorized and directed to approve the form of, and executed and deliver, a Continuing Disclosure Certificate of the Town, related to one or more Series of the Bonds as required by applicable law, and the Town hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. Notwithstanding any other provisions of this Second Supplemental Ordinance, failure of the Town to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default, and no liability for damages shall attach therefor. The sole remedy for such failure to comply shall be that any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Town to comply with their obligations under this paragraph.

Section 5.03. Modification of General Bond Ordinance. The following provisions of the Ordinance are hereby amended, which amendments to the Ordinance hereinafter set forth shall not become effective until the earlier of the dates on which the following occur: (1) all the Bonds of 2002 shall cease to be Outstanding; or (2) (a) the Holders of 51% in principal amount of all Bonds (as defined in the General Bond Ordinance) then Outstanding and (b) while any of the Bonds of 2002 are Outstanding, MBIA Insurance Corporation, assent to and authorize such amendments to the Ordinance in accordance with Article IX of the Ordinance. Any Bonds (as defined in the General Bond Ordinance), including the Bonds, issued after the date of enactment of this Second Supplemental Ordinance shall contain a reference to the amendments herein made.

(1) The definition of "Annual Principal and Interest Requirement" shall be amended by adding the following text at the end thereof:

> ; provided, further, that for all purposes hereof, in the case of Bonds which have been or shall be issued as taxable Build America Bonds ("BABs") pursuant to the authority of the American Recovery and Reinvestment Act of 2009 or other similar federal legislation (the "ARRA"), for which the Town has or shall be entitled to receive a tax credit in the form of a direct payment from the U.S. government (a "Direct Payment") that effectively reduces the Town's debt service payment obligation therefor, the amount to be paid or set aside in the applicable Debt Service Fund in each Fiscal Year for such payment of interest thereon shall be reduced by the Direct Payment that the Town has or shall be entitled to receive for such purpose.

(2) The definition of "Gross Revenues" shall be amended by adding the following text at the end thereof:

> ; provided, further, that for all purposes other than the additional bonds test in Section 4.02 of the General Bond Ordinance and the rate covenant in Section 5.01 of the General Bond Ordinance), the term "Revenues" shall also include, if and to the extent that the Town issues Bonds as taxable BABs pursuant to the authority of the ARRA, for which the Town has or shall be entitled to receive a Direct Payment, the

Direct Payment that the Town has or shall be entitled to receive therefor.

(3) The amendment to Section 5.01(B) of the General Bond Ordinance which was effected pursuant to the First Amending Ordinance shall be revoked and repealed in its entirety. After giving effect to the previous sentence, Section 5.01(B) of the General Bond Ordinance shall read as follows:

> (B) The Town covenants and agrees that it will, at all times, prescribe and maintain and thereafter collect rates and charges for the services and facilities furnished by the System which, together with other income, are reasonably expected to yield annual Gross Revenues in the current Fiscal Year equal to at least one hundred ten percent (110%) of the Annual Principal and Interest Requirement in such Fiscal Year for all Bonds Outstanding; and, promptly upon any material change in the circumstances which were contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each Fiscal Year, shall review the rates and charges for its services and shall promptly revise such rates and charges as necessary to comply with the foregoing requirement.

ARTICLE VI
MATTERS RELATING TO INSURANCE POLICY

Section 6.01. Insurance Policy and Special Provisions Required Thereby. If the Town elects to purchase the Insurance Policy with respect to one or more Series of the Bonds (such Series of Bonds are hereinafter referred to as the "Insured Bonds"), the provisions of this Section 6.01 shall apply; provided, however, that the Bond Insurer (rather than the Bondholders) shall have the exclusive right to enforce the provisions of this Section 6.01 and/or waive any violations thereof, in each case subject to the following provisions. All capitalized terms used in this Section 6.01 but not specifically defined in the General Bond Ordinance or this Second Supplemental Ordinance shall have the meanings assigned such terms in the Insurance Policy.

(1) So long as there shall be Insured Bonds Outstanding and no Insurer Default has occurred and is continuing, the Town will covenant to the Bond Insurer as follows:

A. Notices and Other Information

(i) Any notice that is required to be given to Holders of the Insured Bonds (the "Bondholders"), any entity required pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission or to the Trustee pursuant to this Second Supplemental Ordinance or to the General Bond Ordinance shall also be provided to the Bond Insurer, simultaneously with the sending of such notices. In addition, to the extent that the Town has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Bonds, all information furnished pursuant to such agreements shall be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(ii) All demands, notices or other information required to be given to the Bond Insurer shall be in writing and shall be sent by registered or certified mail or personally delivered or telecopied to the recipient as follows:

Assured Guaranty Corp.
31 West 52nd Street
New York, New York 10019
Attention: Risk Management Department – Public Finance Surveillance
(Re: Policy No. _____)
Telecopy No.: (212) 581-3268
Confirmation: (212) 974-0100
Email: riskmanagementdept@assuredguaranty.com

In each case in which notice or other communication refers to an Event of Default, a claim on the Insurance Policy or any event with respect to which failure on the part of the Bond Insurer to respond shall be deemed to constitute consent or acceptance, then such demand, notice or other communication shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address and telecopy number above or at generalcounsel@assuredguaranty.com.

(iii) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(iv) The Town will permit the Bond Insurer to discuss the affairs, finances and accounts of the Town with respect to the System or any information the Bond Insurer may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Town and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Town on any Business Day upon reasonable prior notice.

(v) The Trustee shall notify the Bond Insurer of any failure of the Town to provide notices, certificates and other information as provided herein or under the General Bond Ordinance.

B. Defeasance

(i) In the event that the principal and/or interest due on the Insured Bonds shall be paid by the Bond Insurer pursuant to the Insurance Policy, the Insured Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Town, and the pledge of the Revenues and all covenants, agreements and other obligations of the Town to the Bondholders shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Bondholders including, without limitation, any rights that such Bondholders may have in respect of securities law violations arising from the offer and sale of the Insured Bonds.

(ii) In addition to the requirements set forth in the General Bond

Ordinance, the following provisions shall apply with respect to any defeasance of the Insured Bonds:

(a) An opinion of Bond Counsel shall be delivered to the Trustee and the Bond Insurer to the effect that (i) the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Insured Bonds; and (ii) the Insured Bonds are no longer Outstanding under the General Bond Ordinance.

(b) A refunding trust or escrow agreement (the "Escrow Agreement") shall be executed in connection therewith and there shall be delivered to the Trustee and the Bond Insurer an opinion of counsel regarding the validity and enforceability of the Escrow Agreement.

I The Escrow Agreement shall provide that:

(i) any substitution of securities shall require a verification of an independent certified public accountant and the prior written consent of the Bond Insurer.

(ii) the Town will not exercise any optional redemption of Insured Bonds secured by the Escrow Agreement or any other redemption other than mandatory sinking fund redemption unless (a) the right to make any such redemption has been expressly reserved in the Escrow Agreement and such reservation has been disclosed in detail in the official statement for the Insured Bonds, and (b) as a condition of any such redemption there shall be provided to the Bond Insurer a verification of an Accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption.

(iii) the Town shall not amend the Escrow Agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Bond Insurer.

The documents and opinions referred to in Section 6.01(1)(B)(ii)(a), (b) and (c) above shall be delivered to the Bond Insurer no later than five (5) days prior to the funding of the Escrow Agreement.

C. Trustee

(i) The Trustee shall provide prior written notice of any name change of the Trustee or the resignation or removal of the Trustee to the Bond Insurer.

(ii) To the extent otherwise permitted by the General Bond Ordinance, no removal, resignation or termination of the Trustee or the Paying Agent shall take effect until a successor, acceptable to the Bond Insurer, shall be appointed.

(iii) The Trustee or Paying Agent may be removed at any time, at the

written request of the Bond Insurer, for any breach of its obligations hereunder or under the General Bond Ordinance.

(iv) Notwithstanding any other provision hereof or of the General Bond Ordinance, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions thereof, the Trustee shall consider the effect on the Bondholders as if there were no Insurance Policy.

D. Amendments and Supplements

With respect to amendments or supplements hereto which do not require the consent of the Bondholders, the Bond Insurer must be given prior written notice of any such amendments or supplements. With respect to amendments or supplements to the General Bond Ordinance which do require the consent of the Bondholders, the Bond Insurer's prior written consent is required in connection with any amendment or supplement to this Second Supplemental Ordinance or the General Bond Ordinance; provided no such consent shall be required in connection with the issuance of any bonds under Article III of the General Bond Ordinance. Copies of any amendments or supplements to this Second Supplemental Ordinance which are consented to by the Bond Insurer shall be sent to the rating agencies that have assigned a rating to the Insured Bonds.

E. Bond Insurer as Third Party Beneficiary

The Bond Insurer is explicitly recognized as being a third party beneficiary of this Second Supplemental Ordinance and the General Bond Ordinance and may enforce any such right, remedy or claim conferred, given or granted hereunder.

F. Control Rights

The Bond Insurer shall be deemed to be the Holder of all of the Insured Bonds for purposes of (a) exercising all remedies and directing the Trustee to take actions or for any other purposes following an Event of Default; and (b) granting any consent, waiver, direction or approval or taking any action permitted by or required hereunder or under the General Bond Ordinance to be granted or taken by the Holders of such Insured Bonds.

G. Consent Rights of Bond Insurer

(i) *Consent of Bond Insurer.* Any provision herein expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner that affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

(ii) *Consent of Bond Insurer to Bondholder Consent.* Wherever this Second Supplemental Ordinance or the General Bond Ordinance requires the consent of Holders of the Insured Bonds, the Bond Insurer's written consent shall also be required.

(iii) *Consent of Bond Insurer in the Event of Insolvency*. Any reorganization or liquidation plan with respect to the Town must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Bondholders who hold the Insured Bonds guaranteed by the Bond Insurer, absent an Insurer Default under the Insurance Policy.

(iv) *Consent of Bond Insurer upon Default.* Anything in this Second Supplemental Ordinance or the General Bond Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under this Second Supplemental Ordinance and the General Bond Ordinance, including, without limitation, (a) the right to accelerate the principal of the Insured Bonds as described in this Second Supplemental Ordinance and (b) the right to annul any declaration of acceleration. The Bond Insurer also shall be entitled to approve all waivers of Events of Default with respect to the Insured Bonds.

(v) *Acceleration Rights*. Upon the occurrence of an Event of Default as defined herein or the General Bond Ordinance, the Trustee shall, at the written direction of the Bond Insurer, by written notice to the Town, declare the principal of the Insured Bonds to be immediately due and payable, whereupon that portion of the principal of the Insured Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Second Supplemental Ordinance or the Insured Bonds to the contrary notwithstanding.

H. No Purchase by the Town

Without the prior written consent of the Bond Insurer, no Insured Bonds insured by the Bond Insurer shall be purchased by the Town, or any of its affiliates, in lieu of redemption, unless such Insured Bonds are redeemed, defeased or cancelled.

I. Interest Rate Exchange Agreement

Any interest rate exchange agreement ("Interest Rate Exchange Agreement") entered into by the Town and payable from and secured by the Revenues shall meet the following conditions: (i) the Interest Rate Exchange Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding or debt reasonably expected to be issued within the next twelve (12) months after the issuance of the Insured Bonds, and (ii) the Interest Rate Exchange Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Insured Bonds and on any debt on parity with the Insured Bonds. The Town shall not terminate an Interest Rate Exchange Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Town to be in

Default under the Ordinance, including, but not limited to, any monetary obligations thereunder. All counterparts or guarantors to any Interest Rate Exchange Agreement must have a rating of at least "A-" and "A3" by S&P and Moody's, respectively. If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Interest Rate Exchange Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.

J. Reporting Requirements

The Town will furnish or cause to be furnished to the Bond Insurer:

(a) the Annual Budget of the Town within 30 days after the approval thereof; and

(b) Annual audited financial statements of the System within 210 days after the end of the Town's Fiscal Year (presently June 30), together with a certificate of the Chief Financial Officer that the Town is not in Default under the General Bond Ordinance.

I Notice of any draw upon the 2010 Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the 2010 Reserve Fund Requirement and (ii) withdrawals in connection with a refunding any Insured Bonds;

(d) Notice of any Default known to the Trustee within five Business Days after actual knowledge thereof;

(e) Prior notice of the advance refunding or redemption of any of the Insured Bonds insured by the Bond Insurer, including the principal amount, maturities and CUSIP numbers thereof;

(f) Notice of the commencement of any proceeding by or against the Town commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(g) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the applicable Insured Bonds;

(h) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the General Bond Ordinance;

(i) Prior to issuing additional debt secured on a parity with the Insured Bonds, any disclosure document or financing agreement pertaining to such additional debt, which disclosure document or financing agreement shall include, without limitation, the

applicable maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such additional debt;

(j) within thirty (30) days following any litigation or investigation that may have a material adverse affect on the Revenues of the System, notice of such litigation or investigation; and

(k) All reports, notices and correspondence to be delivered under the terms of the General Bond Ordinance.

(2) The Town has further covenanted to the Bond Insurer as follows:

A. Reimbursement Obligations.

(i) The Town hereby agrees to pay or reimburse the Bond Insurer, but solely from available Revenues, (a) all amounts paid by the Bond Insurer under the Insurance Policy, and (b) to the extent permitted by law, any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Insurance Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Second Supplemental Ordinance or the General Bond Ordinance, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Town or any affiliate thereof) relating to this Second Supplemental Ordinance and the General Bond Ordinance, any party to this Second Supplemental Ordinance and the General Bond Ordinance or the transaction contemplated by this Second Supplemental Ordinance and the General Bond Ordinance, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under this Second Supplemental Ordinance and the General Bond Ordinance or any other supplemental ordinance, or the pursuit of any remedies under this Second Supplemental Ordinance and the General Bond Ordinance, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (iv) any amendment, waiver or other action with respect to, or related to, this Second Supplemental Ordinance and the General Bond Ordinance whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described in clauses (ii), (iii) and (iv) above. In addition, the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect to this Second Supplemental Ordinance and the General Bond Ordinance or any other supplemental ordinance. To the extent permitted by law but solely from available Revenues, the Town will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JP Morgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JP Morgan Chase Bank, National Association) plus three percent (3%) per annum (the "Reimbursement Rate"). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JP Morgan Chase Bank ceases to announce its prime

rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as the Bond Insurer shall specify.

(ii) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Town agrees to pay or reimburse the Bond Insurer, to the extent permitted by law but solely from Revenues, any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Ordinance by reason of:

a. any omission or action (other than of or by the Bond Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Insured Bonds;

b. the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Town in connection with any transaction arising from or relating to this Second Supplemental Ordinance, the General Bond Ordinance;

c. the violation by the Town of any law, rule or regulation, or any judgment, order or decree applicable to it;

d. the breach by the Town of any representation, warranty or covenant under this Second Supplemental Ordinance and the General Bond Ordinance or the occurrence, in respect of the Town, under this Second Supplemental Ordinance and the General Bond Ordinance of any Event of Default or any event which, with the giving of notice or lapse of time or both, would constitute any Event of Default; or

e. any untrue statement or alleged untrue statement of a material fact contained in the official statement relating to the Insured Bonds, if any, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an official statement, if any, and furnished by the Bond Insurer in writing expressly for use therein.

(iii) Payments required to be made to the Bond Insurer shall be payable solely from the Revenues of the System and shall be paid (a) prior to an Event of Default, to the extent not paid from the 2010 Debt Service Fund, after required deposits to the 2010 Debt Service Reserve Fund and (b) after an Event of Default, with respect to amounts other than principal and interest on the 2010 of Bonds, on the same priority as payments to the Trustee for expenses. The obligations to the Bond Insurer shall survive discharge or termination of this

Second Supplemental Ordinance.

(iv) This Second Supplemental Ordinance shall not be discharged until all amounts due and owing to the Bond Insurer (including amounts due and owing under any reimbursement agreement related to a Reserve Policy (a "Reimbursement Agreement")) shall have been paid in full. The Town's obligation to pay such amounts shall expressly survive payment in full of the applicable Insured Bonds.

B. Payment Procedure Under the Insurance Policy

(i) At least two (2) Business Days prior to each Interest Payment Date and Principal Payment Date on the Insured Bonds, the Trustee will determine whether there will be sufficient funds to pay all principal of and interest on the Insured Bonds due on the related payment date and shall immediately notify the Bond Insurer or its designee on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Insured Bonds to which such deficiency is applicable and whether such Insured Bonds will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify the Bond Insurer or its designee.

(ii) The Registrar shall, after giving notice to the Bond Insurer as provided above, make available to the Bond Insurer and, at the Bond Insurer's direction, to any fiscal agent (the "Fiscal Agent"), the Books of Registry of the Town maintained by the Registrar, and all records relating to the funds maintained pursuant to the Ordinance.

(iii) The Registrar shall provide the Bond Insurer and any Fiscal Agent with a list of registered owners of Insured Bonds entitled to receive principal or interest payments from the Bond Insurer under the terms of the Insurance Policy, and shall make arrangements with the Bond Insurer, the Fiscal Agent or another designee of the Bond Insurer to (i) mail checks or drafts to the registered owners of Insured Bonds entitled to receive full or partial interest payments from the Bond Insurer and (ii) pay principal upon Insured Bonds surrendered to the Bond Insurer, the Fiscal Agent or another designee of the Bond Insurer by the registered owners of Insured Bonds entitled to receive full or partial principal payments from the Bond Insurer.

(iv) The Trustee shall, at the time it provides notice to the Bond Insurer of any deficiency pursuant to clause (i) above, notify registered owners of Insured Bonds entitled to receive the payment of principal or interest thereon from the Bond Insurer (A) as to such deficiency and its entitlement to receive principal or interest, as applicable, (B) that the Bond Insurer will remit to them all or a part of the interest payments due on the related payment date upon proof of its entitlement thereto and delivery to the Bond Insurer or any Fiscal Agent, in form satisfactory to the Bond Insurer, of an appropriate assignment of the registered owner's right to payment, (C) that, if they are entitled to receive partial payment of principal from the Bond Insurer, they must surrender the Insured Bonds for payment first to the Paying Agent, which will note on such Insured Bonds the portion of the principal paid by the Paying Agent and second to the Bond Insurer or its designee, together with an appropriate assignment, in form

satisfactory to the Bond Insurer, to permit ownership of such Insured Bonds to be registered in the name of the Bond Insurer, which will then pay the unpaid portion of principal, and (D) that, if they are entitled to receive full payment of principal from the Bond Insurer, they must surrender the Insured Bonds for payment to the Bond Insurer or its designee, rather than the Paying Agent, together with an appropriate assignment, in form satisfactory to the Bond Insurer, to permit ownership of such Insured Bonds to be registered in the name of the Bond Insurer.

(v) In addition, if the Trustee has actual knowledge that any holder of the Insured Bonds has been required to disgorge payments of principal or interest on the Insured Bonds previously Due for Payment pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy laws, then the Trustee shall notify the Bond Insurer or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(vi) The Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Insured Bonds as follows:

a. If and to the extent there is a deficiency in amounts required to pay interest on the Insured Bonds, the Trustee shall (a) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for the Bondholders in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (b) receive as designee of the respective Bondholders (and not as Trustee) in accordance with the tenor of the Insurance Policy payment from the Bond Insurer with respect to the claims for interest so assigned, and (c) disburse the same to such respective Bondholders; and

b. If and to the extent of a deficiency in amounts required to pay principal of the Insured Bonds, the Trustee shall (a) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for the Bondholders in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the Insured Bonds surrendered to the Bond Insurer in an amount equal to the principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from the Bond Insurer is received), (b) receive as designee of the respective Bondholders (and not as Trustee) in accordance with the tenor of the Insurance Policy payment therefor from the Bond Insurer, and (c) disburse the same to such Bondholders.

(vii) Payments with respect to claims for interest on and principal of Insured Bonds disbursed by the Trustee from proceeds of the Insurance Policy shall not be considered to discharge the obligation of the Town with respect to such Insured Bonds, and the Bond Insurer shall become the owner of such unpaid Insured Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(viii) Irrespective of whether any such assignment is executed and delivered, the Town and the Trustee hereby agree for the benefit of the Bond Insurer that:

a. they recognize that to the extent the Bond Insurer makes payments directly or indirectly (e.g. by paying through the Trustee), on account of principal of or interest on the Insured Bonds, the Bond Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Town, with interest thereon as provided and solely from the sources stated herein and the Insured Bonds; and

b. they will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in this Second Supplemental Ordinance and the Insured Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Insured Bonds to Holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

(ix) The Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Town and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with this agreement, whether or not the Bond Insurer has received a Notice of Nonpayment or a claim upon the Insurance Policy.

(x) In addition, the Bond Insurer shall to the extent it makes any payment of principal or interest on the Insured Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy, and to evidence such subrogation (i) in the case of claims for interest, the Registrar shall note the Bond Insurer's rights as subrogee on the Books of Registry of the Town maintained by the Registrar upon receipt of proof of payment of interest thereon to the registered Bondholders, and (ii) in the case of claims for principal, the Registrar shall note the Bond Insurer's rights as subrogee on the Books of Registry of the Town maintained by the Registrar, upon surrender of the Insured Bonds together with receipt of proof of payment of principal thereof.

Section 6.02. Reserve Policy and Special Provisions Required Thereby. If the Town elects to satisfy the 2010 Reserve Fund Requirement by the purchase of a Reserve Policy the provisions of this Section 6.02 shall apply (any references in this Section 6.02 to "Bonds" shall solely reference the Series of Bonds related to such Reserve Policy, and "2010 Debt Service Reserve Fund" and "2010 Reserve Fund Requirement" shall solely reference such fund and reserve requirement which are related to such Bonds). Notwithstanding anything to the contrary contained in this Second Supplemental Ordinance or in the General Bond Ordinance, so long as a Reserve Policy is in effect and has not been wrongfully dishonored by the Bond Insurer or the Bond Insurer is owed any amounts in connection with a draw on such Reserve Policy and no Insurer Default has occurred and is continuing, the Town shall comply with the provisions of the Reimbursement Agreement; provided, however, that the Bond Insurer (rather than the Bondholders) shall have the exclusive right to enforce the provisions of this Section 6.02 and the Reimbursement Agreement and/or waive any violations thereof, in each case subject to the provisions hereof. The Town Manager is hereby authorized to approve the form of Reimbursement Agreement and execute and deliver the Reimbursement Agreement to the Bond Insurer, the Town Manager's execution and delivery of the Reimbursement Agreement constituting conclusive evidence of his approval of the matters therein contained.

(a) *Payments Due under Reserve Policy.* All amounts on deposit under this Second Supplemental Ordinance (excluding any amounts not pledged to the Bonds) and lawfully available to pay debt service, shall be used to pay debt service on the Bonds before any drawing may be made on the applicable Reserve Policy or any other liquidity facility (other than the Insurance Policy issued by the Bond Insurer).

(b) *Repayment of Draws Under the Reserve Policy.* Any amounts available for replenishment of withdrawals from the 2010 Debt Service Reserve Fund shall be applied first to reimburse the Bond Insurer for payments under the Reserve Policy (following which the Reserve Policy will be reinstated to the "Policy Limit" (as defined therein) to the extent required thereunder) prior to depositing cash and investments to the applicable 2010 Debt Service Reserve Fund. All draws on the applicable Reserve Policy shall be repaid no later than twelve (12) months of such drawing.

I *Other Provisions Required to be in this Second Supplemental Ordinance.*

(1) The Town shall repay (but solely from available Revenues) any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Bond Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., as its principal office in the Town of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Refunding Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank, N.A., ceases

to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Bond Insurer shall specify.

Repayment of draws and payment of expenses and accrued interest thereon on the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the 2010 Debt Service Reserve Fund shall be transferred to the 2010 Debt Service Fund before any drawing may be made on the Reserve Policy or any other credit facility credited to the 2010 Debt Service Reserve Fund in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) <u>after</u> applying all available cash and investments in the 2010 Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the 2010 Debt Service Reserve Fund.

(2) If the Town shall fail to pay any Policy Costs in accordance with the requirements of paragraph I(1) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Bond Ordinance other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

(3) The Ordinance shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The Town's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(4) The additional bonds test set forth in Section 4.02(A)(7) of the General Bond Ordinance, and the rate covenant set forth in Section 5.01 of the General Bond Ordinance are hereby modified to expressly provide for at least one times coverage of the Town's obligations with respect to Policy Costs then due and owing.

ARTICLE VII
MISCELLANEOUS

Section 7.01. Further Actions. The Mayor, Clerk, Town Manager, Chief Financial Officer and Town Attorney are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the Bonds pursuant to the Purchase Contract, to purchase the Insurance Policy including the execution and delivery of the commitment relating thereto and to carry out the intentions of this Second Supplemental Ordinance.

Section 7.02. Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Second Supplemental Ordinance.

Section 7.03. Notices. All notices, certificates or other communications hereunder or under the General Bond Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the Town:

Town of Hilton Head Island, South Carolina
One Town Center Court
Hilton Head Island, South Carolina 29928-2701
Attention: Town Manager

If to the Trustee, Registrar or Paying Agent:

Wells Fargo Bank, N.A.
Corporate Trust Department
Vice President
7077 Bonneval Road, Suite 400
Jacksonville, FL 32216

The Town and the Trustee may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 7.04. Severability. If any section, phrase, sentence, or portion of this Second Supplemental Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 7.05. Codification. This Second Supplemental Ordinance shall be forthwith codified in the Code of Town Ordinances in the manner required by law.

Section 7.06. Effective Date. This Second Supplemental Ordinance shall be effective upon its enactment by the Council of the Town of Hilton Head Island, South Carolina.

Section 7.07. Repeal of Inconsistent Ordinances. All ordinances of the Town, and any part of any ordinance, inconsistent with this Second Supplemental Ordinance are hereby repealed to the extent of such inconsistency.

Be it Ordered and Ordained by the Town of Hilton Head Island, South Carolina, and it is ordained by the authority of the said Council.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Mayor

(SEAL)

ATTEST:

_____
Town Clerk

Approved by:

_____
Town Manager

Approved as to form:

_____
Town Attorney

First Reading:_____
Second Reading:_____

Introduced by:

_____
Effective Date:_____

Schedule I

List of the Projects

1. **Miller Pond**
2. **Arrow Road**
3. **US 278 Flooding Abatement in conjunction with separate resurfacing project**
4. **Inventory & Modeling**
   - Port Royal Plantation
   - Hilton Head Plantation (HHP)
   - Jarvis Creek
   - Unaffiliated Watersheds
   - Indigo Run Plantation
   - Palmetto Hall Plantation
   - Sea Pines Plantation
   - Wexford Plantation
   - Palmetto Dunes
   - Long Cove Club
   - Spanish Wells
5. **Other Professional Services**
   - Surveying
   - Environmental
   - Legal
   - Engineering
6. **Infrastructure Upgrades and Improvements**
   - Sea Pines Pump
   - Port Royal - Grasslawn CIPP
   - Port Royal Culvert Upgrades
   - Fish Haul Curlverts
   - HHP Pond Control Structures, Dredging & Culvert Upgrades
   - Palmetto Hall Weir and Inlet upgrades
   - Jarvis Bypass Channel
   - Gum Tree Road - South Outfall
   - Bay Pines Point Comfort Outfall
   - Wexford Generator Improvment

M E M O R A N D U M

TO: Town Council
FROM: Stephen G. Riley, AICP, Town Manager

VIA: Brian Hulbert, Staff Attorney
Gregory D. DeLoach, Assistant Town Manager
Charles Cousins, Director, Community Development

DATE: November 8, 2010

SUBJ: Republic Services, Inc. Franchise and Services Agreement

Recommendation: Staff recommends that Town Council approve the second reading of Proposed Ordinance Number 2010-24, granting a non-exclusive Franchise to Republic Services, Inc. for the purpose of conducting waste hauling and recycling collection for single family and cart based multi-family residences within Hilton Head Island. On November 3, 2010 Town Council voted 5-2 to approve Proposed Ordinance Number 2010-24 with amendments as described below.

Summary: At the November 3, 2010 Town Council meeting staff was directed to amend the proposed Franchise Agreement in accordance with the following:

Change paragraph III.A of the Agreement identifying exhibit A as "Scope of Work & Service Performance Specifications"; delete reference to "Recycling Incentive Program" in exhibit F.

Delete reference to execution of the "Service Performance Specifications" being executed contemporaneously with the Agreement in paragraph V.

Change the terms Contract, Contractor, and Contract Administrator to read Agreement, Franchisee, and Franchise Administrator in the Franchise Agreement for consistency purposes;

In Exhibit A, Scope of Work and Service Performance Specifications:

Section A-1.5, renumbered subsections and deleted in the title "and Recycling Participation Incentive System"; deleted subsections 5.6 and 5.7;

Section A-1.8, in subsection 8.12 – deleted "and implement recycling participation incentive rewards system (RecycleBank or equivalent as determined by the Town)";

Section A-2.3, subsection 3.7, deleted "both"… "and the recycling participation system service provider";

Section A-2.4, subsection 4.3, deleted "that will become the foundation for tracking participating in the recycling program"; and "both"… "and the recycling participation incentive system service provider";

Section A-2.5, deleted in the title the words "Incentive System";

In subsection 5.1, deleted “the recycling participation data from each service unit that has set out recyclables at the time of collection” and “These reports must be available online and via email so they can be transmitted to the rewards Provider to manage the rewards program.”

In subsection 5.2, deleted “for the recycling participation incentive system”;

Deleted subsection 5.3 and renumbered remaining subsections.

In subsection 5.4, deleted “incentive system provider, etc.”;

In subsection 5.5, deleted “and recycling participation incentive systems”;

Section A-2.6, Renamed section to “Recycling Education Program”

Deleted Subsections 6.1 though 6.6; renumbered remaining subsections to 6.1 and 6.2; deleted “including quantification of reward points earned and spent and active/inactive account totals” from new subsection 6.1; deleted “participation incentive system” in new subsection 6.2 and added the word “program”.

In Exhibit B, 5 Year Fee Schedule,

Modified the fees to reflect a reduction of $2.55 per quarter as a result of not using the RecycleBank program.

Single Family Based Price Year 1 changed the amount from $62.40 to $59.85; all other calculations for years 2-5 were adjusted to reflect a decrease of $2.55 per quarter.

Multi Family Base Price changed the amount from $44.25 to $41.70; all other calculations for years 2-5 were adjusted to reflect the decrease of $2.55 per quarter.

In Exhibit F, RECYCLING INCENTIVE PROGRAM, OUTREACH & PUBLIC EDUCATION

Deleted on the title page “RECYCLING INCENTIVE PROGRAM”;

Deleted pages 1, 2 and 3 that related to the RecycleBank program from this exhibit.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2010- **PROPOSED ORDINANCE NO. 2010-24**

AN ORDINANCE GRANTING REPUBLIC SERVICES, INC. A NON-EXCLUSIVE FRANCHISE FOR THE PURPOSE OF CONDUCTING WASTEHAULING AND RECYCLING COLLECTION FOR SINGLE FAMILY RESIDENTIAL AND CERTAIN MULTI-FAMILY RESIDENTIAL UNITS WITHIN THE TOWN OF HILTON HEAD ISLAND; AND, PROVIDING FOR SEVERABILILTY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-30 of the Code of Laws of South Carolina 1976 (Annotated), as amended, provides that the municipal government within the State of South Carolina may "grant franchises for the use of public streets and make charges for them"; and

WHEREAS, Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island provides that Council grant, renew, or extend franchises, licenses, or rights in public streets or property by ordinance; and

WHEREAS, the Town Council finds that the public health, safety and welfare would be benefitted by the granting of a non-exclusive franchise to Republic Services, Inc. to conduct, within the Town of Hilton Head Island, waste hauling and recycling pick-up for single family residential and cart based multi-family residential properties pursuant to the terms as listed in the Franchise Agreement.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY SAID AUTHORITY OF COUNCIL:

NOTE: **Underlined and bold-face typed** portions indicate additions to the Municipal Code. ~~Stricken~~ portions indicate deletions to the Municipal Code.

Section 1. **Amendment.** The Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby is amended by adding a section, to be numbered Section 10-5-90, which section reads as follows:

"Section 10-5-90. Waste hauling and recycling collection franchise granted to Republic Services, Inc.

A non-exclusive franchise for the use of the public streets and roads within the town limits is granted to Republic Services, Inc. to conduct waste hauling and recycling collection service to single family and cart based multi-family residences pursuant to the terms and

conditions of the franchise agreement which is attached hereto and made a part hereof by reference.

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2010.

_____
Thomas D. Peeples, Mayor

ATTEST:

_____
Betsy R. Mosteller, Town Clerk

First Reading: **November 3, 2010**

Second Reading: _____

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:

STATE OF SOUTH CAROLINA,	**)**	**RESIDENTIAL WASTE AND RECYCLING**
	)	**COLLECTION FRANCHISE AGREEMENT**
COUNTY OF BEAUFORT	**)**	

THIS AGREEMENT is made this _____ day of _____ 2010 between Republic Services of South Carolina, LLC, d.b.a. Republic Services of Hilton Head, (hereinafter called "Franchisee") and the Town of Hilton Head Island, (hereinafter called "Town"), a municipal corporation organized and existing under the laws of the State of South Carolina.

WHEREAS, the Franchisee desires to enter into a franchise agreement with the Town for the purposes of conducting, within the defined service areas, specific residential waste and recycling collection services listed in Exhibit "A" to this Agreement; and

WHEREAS, the Town and the Franchisee desire to enter into an Agreement wherein the Franchisee shall provide such services as set forth herein below.

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and the Franchisee, the parties hereto agree as follows:

I. DEFINITIONS

Administering Service Area means the Town of Hilton Head Island, South Carolina.

Franchise Administrator means the Town Manager, acting personally or through any assistants authorized by the Town Manager.

II. DURATION

This agreement shall become effective at time of execution, and shall require the Franchisee to perform those services and tasks pursuant to the terms and conditions of the agreement from April 1, 2011 until March 31, 2016, unless terminated for breach or as provided in this agreement.

III. SERVICES

A. The Franchisee shall perform those services and tasks pursuant to the terms and conditions as listed in the Scope of Work & Service Performance Specifications attached as Exhibit A, Fee Schedule attached as Exhibit B, Liquidated Damages as Exhibit C, Waste and Recycling Cart Specifications as Exhibit D, Truck Specifications attached as Exhibit E, Outreach and Education as Exhibit F, and Customer Service Standards as Exhibit G.

B. General Scope: The Franchisee agrees to furnish all of the materials, equipment and labor necessary; and to abide by all the duties and responsibilities applicable to it for the franchised services in accordance with the requirements and provisions of the following documents, including all written modifications incorporated into any of the documents, which are incorporated as part of this Agreement.

The Agreement documents are complementary and what is called for by any one shall be binding. The intention of the documents is to include all labor and materials, equipment and transportation necessary for the proper execution of the franchised

services. Materials or work described in words that so applied have a well-known technical or trade meaning have the meaning of those recognized standards.

In case of a conflict among the Agreement documents listed above in any requirement(s), the requirement(s) of the document listed first shall prevail over any conflicting requirement(s) of a document listed later.

B. Quality of Services: The Franchisee's standard of service under this agreement shall be of the level of quality performed by businesses regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Franchise Administrator, in his or her reasonable judgment.

C. Compliance with Applicable Law: The Franchisee shall perform its services under this agreement in compliance with all applicable laws, ordinances and regulations.

D. Location: The Franchisee shall provide all of these services within the Town of Hilton Head Island.

E. Waste: The waste and recyclable materials collected by Franchisee shall not include any Excluded Waste. Excluded Waste means highly flammable substances, hazardous waste, liquid wastes, special wastes, certain pathological and biological wastes, explosives, toxic materials, radioactive materials, material that the disposal facility is not authorized to receive or dispose of, and other materials deemed by state, federal or local law, or in the reasonable discretion of Franchisee, to be dangerous or threatening to health or the environment, or which cannot be legally accepted at the applicable disposal facility. Title to and liability for any Excluded Waste shall at no time pass to Franchisee and shall remain with the generator of such waste. Title to waste and recyclable materials shall pass to Franchisee when it is loaded into Franchisee's truck or delivered to Franchisee's facility, as appropriate.

IV. RELATIONSHIP OF PARTIES

A. The parties to this agreement agree that it is not a contract of employment but is an agreement to accomplish a specific result. Franchisee is an independent Franchisee performing services for the Town. Nothing contained in this agreement shall be deemed to constitute any other relationship between the Town and the Franchisee.

B. The Franchisee certifies that it shall not acquire any such interest, direct or indirect, which would conflict in any manner with the performance of services under this agreement.

C. Franchisee does not have any authority to execute any contract or agreement on behalf of the Town, and is not granted any authority to assume or create any obligation or liability on the Town's behalf, or to bind the Town in any way.

D. Franchisee certifies that it is not, and shall not become, overdue or in default to the Town for any contract, debt, or any other obligation to the Town including real or personal property taxes. Town shall have the right to set off any such overdue debt against compensation awarded for services under this agreement.

V. FRANCHISE CONSIDERATION

A. Franchise Fee: During the term of the Agreement, including any renewal term, a franchise fee in the amount of five percent (5%) of the Franchisee's annual gross receipts shall be paid by the Franchisee quarterly to the Town. Said payments shall be made no later than the last day of the following month after the month during which the receipts are received. All amounts paid shall be subject to audit and re-computation by Town and acceptance of payment shall not be construed, as an accord that the amount paid is in fact the correct amount. If any audit reveals an error by Franchisee of five percent (5%) or more during any audit period, Franchisee shall be responsible for Town's reasonable out of pocket costs associated with the audit.

B. Service Agreement: In addition to the Franchise Fee described above, the Franchisee agrees to execute the "Service Performance Specifications" which is attached hereto and incorporated herein as Exhibit "A" and to perform the obligations thereunder. Any breach of failure to perform by the Franchisee of its obligations under the "Service Performance Specifications" shall be deemed a material breach of this Franchise.

C. Service Compensation: For services to be rendered as referenced above, the Franchisee shall be paid on the basis of the Fee Schedule shown in Exhibit B, "Franchisee's Compensation". It is understood and agreed between the parties that the compensation stated above is inclusive of any and all remuneration to which the Franchisee may be entitled, except as otherwise expressly authorized under the terms of this agreement.

VI. INSURANCE

A. The Franchisee shall procure and maintain during the life of this agreement, such insurance policies, including those set forth below, as will protect itself from all claims for bodily injuries, death or property damage which may arise under this agreement; whether the acts were made by the Franchisee or by any sub-contractor or anyone employed by them directly or indirectly. The following insurance policies are required:

1. Worker's Compensation Insurance in statutory amounts:

2. Comprehensive Commercial General Liability Insurance endorsed to include product and completed operations and contractual liability in a minimum amount of $1,000,000 combined single limit.

3. Motor vehicle liability insurance with minimum limits of $500,000/$1,000,000 (or $1,000,000 combined single limit).

Each policy shall provide that it may not be canceled or changed without at least thirty (30) day's prior notice to the Town. The Town of Hilton Head Island shall be included as a named insured on the comprehensive general liability policy, and the Franchisee shall deliver to the Town, upon request, a copy of the policy and any endorsements to the policy.

VII. PERFORMANCE BOND

A. The Franchisee shall provide a performance bond to the Town in the amount of Seven Hundred and Fifty Thousand dollars ($750,000.00) within ten (10) days of execution of this agreement.

1. The bond shall be valid and non-cancelable for an initial period not less than five (5) years and, for the duration of the Agreement.

2. The bond shall be for the use and benefit of the Town of Hilton Head Island, with a surety company authorized to do business in the State of South Carolina and acceptable to the Town of Hilton Head Island. Said bond shall be conditioned that should such Franchisee faithfully perform each and every term, condition, and provision of this Agreement, said bond shall remain in effect for the duration of the franchise agreement term and shall not be rendered null and void until prior to the end of this term without the express written permission of the Town Manager. The bond shall be further conditioned to cover any person(s) performing such work or services and said bond shall contain appropriate recitations that it is issued pursuant to this Agreement.

VIII. NO AGENCY CREATED

The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by this Agreement. Nothing contained herein creates any relationship between the Town and the Franchisee other than that which is expressly stated herein. The Town is interested only in the results to be achieved under this Agreement, and the conduct and control of the agents and employees of the Franchisee and the methods utilized by the Franchisee in fulfilling its obligations hereunder shall lie solely and exclusively with the Franchisee and its agents and employees shall not be considered agents or employees of the Town for any purpose. No person employed by the Franchisee shall have any benefits, status, or right of employment with the Town.

IX. COMPLIANCE REQUIREMENTS

A. Nondiscrimination. There shall be no discrimination as to races, sex, color, creed, disability, or national origin in the operations referred to by this Agreement; and further there shall be no discrimination regarding any use, service, maintenance, or operation.

B. Franchisee acknowledges and agrees that it shall comply with requirements of the Immigration Reform and Control Act of 1986 including the non-discrimination provisions thereof, and shall complete all required I-9 documentation for all workers employed by it.

C. Franchisee, by signing this Agreement, hereby certifies that Franchisee shall comply with all applicable requirements of the South Carolina Illegal Immigration Reform Act, S.C. Code Ann. §41-8-10 (2007) et seq., (the "Act"), and that Franchisee covenants and agrees as follows:

a. Franchisee shall not knowingly or intentionally employ any unauthorized alien and, unless excluded from coverage of the "Act", shall verify the work authorization of all new hires performing work under the Agreement by either:

i. Registering and participating in the Federal Work Authorization Program (E-verify) and verifying the work authorization of every newly hired employee within five (5) business days after employing employee; or

ii. Employing only workers who, at the time of said employment:

1. Possess a valid South Carolina driver's license or identification card; or

2. Are eligible to obtain a South Carolina driver's license or identification card by providing proof of name, social security number and date and place of birth; or

3. Possess a valid driver's license or identification card from another state deemed by the Executive Director Department of Motor Vehicles to have requirements at least as strict as those in South Carolina.

iii. Franchisee may choose either option C.a. (i) or option C.a. (ii) but acknowledges that Franchisee cannot use both.

b. Franchisee agrees to provide to the Town all documents requested by it to establish either:

i. The applicability of the South Carolina Illegal Immigration Reform Act to Franchisee; or

ii. Compliance with the South Carolina Illegal Immigration Reform Act by Franchisee.

c. Franchisee agrees to include in any contracts with its sub-contractors language requiring its sub-contractors to:

i. Comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws; and

ii. Include in their contracts with the sub-contractors language requiring the sub-contractors to comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws.

D. Franchisee certifies it shall comply with all state, federal, and local laws, rules, regulations and orders applicable to it in performance of work under the Agreement.

X. WARRANTIES BY FRANCHISEE

A. The Franchisee warrants that the quality of its services under this Agreement shall conform to the level of quality performed by professionals regularly rendering this type of service and shall meet the minimum level described in their proposal.

B. The Franchisee warrants that it has all the skills, equipment, and experience necessary to perform the services it is to provide pursuant to this agreement. The Franchisee may rely upon the accuracy of reports and surveys provided to it by the Town except when defects should have been apparent to a reasonably competent Franchisee or when it has actual notice of any defects in the reports and surveys.

XI. TERMINATION OF AGREEMENT; RIGHTS ON TERMINATION

A. The Town Manager may terminate this Franchise Agreement in whole or in part at any time for the convenience of the Town.

B. The violation of any provision of this Franchise Agreement by the Franchisee and/or its agents or employees may result in termination of this Agreement. If the Franchisee shall fail to fulfill in a timely and proper manner the Franchisee's obligations under this Agreement, or if the Franchisee violates any of the terms and conditions of the Agreement, the Town may give the Franchisee written notice of the violation and an opportunity for corrective action within five (5) consecutive working/collection days or longer period of time decided by the Town. If the Franchisee shall fail to cure the violation within a period of five (5) days or a longer period specified in writing, the Town shall have the right to terminate this Agreement by giving written notice to the Franchisee specifying the effective date of the termination, at least five (5) days before such effective date. Notwithstanding the above, the Franchisee shall not be relieved of liability to the Town for damages sustained by the Town by virtue of any breach of this Agreement by the Franchisee.

C. Failure of the Franchisee to collect and transport the materials required to be collected pursuant to the Franchise Agreement documents or failure of the Franchisee to perform the work in the manner required to be performed pursuant to the Franchise Agreement documents shall constitute a breach of the Franchise Agreement, provided such failure is not due to an event of Force Majeure. "Force Majeure" means any event that prevents a party from complying with its obligations under this Agreement, including acts of God (including, without limitation, earthquakes, tornadoes, hurricanes and severe weather events), impassable roadways, industrial disputes or disturbances at designated processing center or landfill, civil disturbances, interruptions by government or court orders, necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction, acts of the public enemy, events affecting facilities or services of non-affiliated third parties, or any other cause of like kind not reasonably within the control of the party claiming Force Majeure and which by the exercise of due diligence such party could not have prevented or is unable to overcome. Except with regard to a party's obligation to make payments due under this agreement, in the event either party hereto is rendered unable, wholly or in part, by Force Majeure to carry out its obligations, then upon a written notice setting forth the specifics within a reasonable time, the obligations of the party giving such notice, insofar as they are affected by such Force Majeure, from its inception, shall be excused during the entire period of any inability so caused but for no longer period.

D. If the Franchisee fails to collect and transport the materials required to be collected pursuant to the agreement or fails to perform the work in the manner required to be

performed pursuant to the Agreement documents, the Town may take the following actions, at its discretion:

1. The Town shall give the Franchisee written notice of the breach and an opportunity for corrective action within five (5) consecutive working/collection days or longer period of time decided by the Town. If the Franchisee fails to correct the breach within the time provided after the written notice, the Town may terminate the agreement for breach of contract by the Franchisee and all liability of the Town under the agreement to the Franchisee shall cease, provided that the Franchisee shall be entitled to collect fees owed for services performed prior to the termination of the agreement from existing customers.

2. If the Franchisee has repeat violations for which a notice of breach and opportunity to correct has been issued within the previous six months, or if two notifications have been issued for the same violation within the past twelve months, the Town may terminate the agreement immediately.

3. If the Franchisee has three or more separate violations for which a notice of breach and opportunity to correct has been issued within the past twelve months, the Town may terminate the agreement immediately.

4. If the Franchisee knowingly collects and transports materials not covered by this agreement with refuse collected and transported under the terms of this agreement, such action shall be a breach of the agreement for which the Town may terminate the agreement immediately.

5. If the Town terminates the agreement for breach by the Franchisee, the Town may take over refuse collection operations and shall be free to negotiate with other potential Franchisees for the performance of the work. A contract entered into with another Franchisee shall not release the Franchisee of its liability to the Town for breach of this agreement, including any excess costs resulting from the breach.

6. If the Franchisee fails to collect and transport refuse materials required to be collected pursuant to the agreement, except due to event of Force Majeure, the Town may perform the refuse collection operations that the Franchisee failed to perform and shall be free to negotiate with other potential Franchisees for the performance of the work.

E. Neither a decision by the Town to not take action nor the failure of the Town to take action in the event of a breach by the Franchisee shall constitute a waiver of the Town's right to take action in the future on said breach in the event of a subsequent breach by the Franchisee.

F. If Franchise Agreement services are terminated for reasons other than the breach of the agreement by the Franchisee, the Franchisee shall be compensated for services rendered prior to effective date of the termination. Source of compensation will be generated from the existing customers being serviced as a result of the Franchise Agreement.

XII. LIQUIDATED DAMAGES

A. The Town and Franchisee agree, in addition to any other remedies available to the Town, the Franchisee will make payments to the Town in the amounts specified in Exhibit C as liquidated damages for failure of the Franchisee to fulfill its obligations as determined by the Town:

B. The liquidated damages provided for herein are not considered as penalties and were not calculated in contemplation or anticipation that the Franchisee would default. In the event the Franchisee does default or otherwise abandon the project, the Town reserves the right to collect from the Franchisee or its surety, in addition to the liquidated damages, the actual damages incurred by the Town as a result of the default or abandonment.

XIII. OBLIGATIONS OF THE TOWN

A. The Town agrees to give the Franchisee access to appropriate Town staff and Town owned properties as required to perform the necessary services under the agreement.

B. The Town shall notify the Franchisee of any defects in the services of which the Town has actual notice.

XIV. NOTICE

All notices and submissions required under the agreement shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this agreement or such other address as either party may designate by prior written notice to the other. Notice shall be considered delivered under this agreement when personally delivered to the Franchise Administrator or placed in the U.S. mail, postage prepaid to the Administering Service Area/Unit, care of the Town Manager, One Town Center Court, Hilton Head Island, South Carolina 29928.

Notices to Franchisee shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this agreement or such other address as they may designate by prior written notice to the Town Manager. Notice shall be considered delivered under this agreement when personally delivered to the Franchisee or placed in the U.S. mail, postage prepaid to Republic Services, of South Carolina, LLC, 109 Josephine Drive, Beaufort, South Carolina 29906.

XV. DISPUTE RESOLUTION PROCESS

The Town and the Franchisee agree to first use the following process to resolve disputes about issues related to the performance of this Agreement. If an issue arises requiring resolution, either party shall initiate this dispute resolution process by notifying the other party and scheduling a meeting. The meeting shall serve as an opportunity to identify the issue, clarify the problem, review the applicable provisions of the Franchise Agreement documents relating to the issue, discuss alternative remedies, and agree upon a means of dispute resolution. The parties shall make a good faith effort to complete the agreed-upon tasks within 15 days of the initial dispute resolution meeting, or specify an alternative schedule and deadline for resolving the issue. This dispute

resolution process shall be considered as one alternative to the Town invoking other available remedies. Nothing in this section, Dispute Resolution Process, shall be construed or implied to reduce, eliminate or otherwise affect the rights of the Town or the Franchisee at any time to use any and all other legal remedies.

XVI. General Terms

1. Should any part of this Agreement be rendered void, invalid, or unenforceable by any court of law, such a determination shall not render void, invalid, or unenforceable any other part of this Agreement.

2. This Agreement has been made and entered into in the State of South Carolina, and the laws of South Carolina shall govern the validity and interpretation of this Agreement in the performance due hereunder.

3. The Agreement may not be modified unless such modification is in writing and signed by both parties.

4. The Franchisee may not assign this Agreement without the prior written approval of the Town.

5. The Franchisee shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney's fees, whether incurred prior to the institution of litigation, during litigation, or on appeal to the extent arising Franchisee's negligence or willful misconduct in the performance of any requirements imposed pursuant by this Agreement, or a breach of the terms and conditions of this agreement.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.

WITNESSES: REPUBLIC SERVICES OF SOUTH CAROLINA, LLC

_____ By: _____

_____ Its: _____

WITNESSES: TOWN OF HILTON HEAD ISLAND

_____ By: _____
Stephen G. Riley, CM

_____ Its: Town Manager

EXHIBIT A:

SCOPE OF WORK &

SERVICE PERFORMANCE SPECIFICATIONS

Section A-1.1: General Service Standards
1.1: Franchisee will provide waste collection services – year round.
1.2: Franchisee is encouraged to provide recycling collection services same day as waste, year round, except when customer has subscribed to additional refuse collection days beyond 1 time per week service without adding additional recycling collection days.
1.3: Franchisee will provide all labor, supervision, equipment, materials, supplies, insurance, bonds and all other items required to perform the services specified.
1.4: Franchisee will complete all work in a thorough and professional manner.
1.5: All work to be performed by Franchisee between the hours of 7:00 a.m. and 5:00 p.m. or to be completed in compliance with times designated by the Town of Hilton Head Island, Planned Unit Developments or Property Owner Associations.
1.6: Franchisee will prevent materials from being spilled, scattered or leaked during the collection process and will promptly clean-up all spilled materials if any are spilled during collection/transportation. Failure to comply will yield a penalty in the form of liquidated damages by schedule to be provided in the franchise agreement.
1.7: Franchisee will conduct all collection and transport equipment operations as quietly as practical and shall conform to applicable federal, State, County and Town of Hilton Head Island noise level regulations and ordinances as well as private community covenants.
1.8: Franchisee will return all waste and recycling carts or containers to an upright position with lids left closed and shall exercise due care in preventing damage to any waste and recycling cart or container provided by the service unit or Town.
1.9: Franchisee shall compensate the service unit or Town for any cart or container that Franchisee has damaged.
1.10: In case of storm or other disaster, Town may grant the Franchisee reasonable variances from regular schedules and routes. As soon as practical after such storm or disaster, the Franchisee shall advise Town of the estimated time required before regular schedules and routes can be resumed.
Section A-1.2: Waste and Recyclables Delivery
2.1: Franchisee shall deliver all waste to the licensed disposal site designated by Beaufort County or the Town.
2.2: Franchisee shall not be responsible for paying any disposal costs associated with waste collected under this contract. Beaufort County covers disposal costs for all residential units serviced by this franchise agreement (except for those units determined to not be eligible for the county reimbursement based upon County ordinance).
2.3: Franchisee shall deliver single stream recyclables to the designated single stream Recycling Processing Center designated by the Town, and not landfill or incinerate recyclables under any circumstances.
Section A-1.3: Basic Waste Service Specifications
3.1: Franchisee shall collect, within the designated service areas, waste placed in the designated service yard (rear, side or front location to be determined by service unit) by eligible service units who have prepared their waste in compliance with Town rules and regulations.
3.2: Franchisee shall provide eligible multi-family properties with collection services for associated structures on subject property free of charge, to include pool/recreational areas and/or management offices.

3.3: Franchisee shall collect waste free of charge from designated Town facilities. A list of properties to be serviced will be provided by the Franchise Administrator.
3.4: Franchisee shall collect and transport all waste (with the exception of hazardous waste) which the service unit may desire to have removed and for which the Town through this agreement and its rules and regulations has authorized the Franchisee to so collect and transport for the price herein.
3.5: The collection of waste shall be a minimum frequency of once each week, with additional collection provided at service unit request twice, three or four times weekly including Saturday service if desired, all at additional charge.
3.6: For improperly set-out waste, the Franchisee will affix to non-conforming waste a sticker or tag, approved by the Town, stating the reason for the non-collection and notify the Town if collection is not made, at which time the Town, at the request of the service unit with the tagged waste, shall determine if the waste is collectible, and if so, the Franchisee will promptly return to the site and collect the waste at the Franchisee's expense.
Section A-1.4: Basic Single Stream Recycling Service Specifications
4.1: Franchisee shall collect all recyclables prepared in compliance with Town rules and regulations and placed in the designated service yard by eligible service units.
4.2: Franchisee shall collect and transport all single stream recyclables which the service unit may desire to have removed and for which the Town through this agreement and its rules and regulations has authorized the Franchisee to so collect and transport for the agreed upon price.
4.3: Franchisee shall collect recyclables free of charge from designated Town facilities. A list of properties to be serviced will be provided by the Franchise Administrator.
4.4: Single stream recyclables shall be collected from carts or containers provided by the Franchisee, each service unit, the Town, or other providers as determined by the Town.
4.5: The collection of single stream recyclables shall be a minimum frequency of once each week, with additional collection provided at service unit request twice, three or four times weekly including Saturday service if desired, all at additional charge.
4.6: Acceptable Recyclables shall include the following items clean of food and contamination: newspapers, newspaper inserts, cardboard, pizza boxes, magazines, catalogs, phone books, residential mail, junk mail, office paper, paper bags, box board, cereal cartons, beverage cartons, gift wrapping paper, shredded office paper, all closed mouth plastic bottles, #1 through #7 household plastics (no Styrofoam), glass containers of any color, milk/juice cartons and aseptic containers, aluminum cans, other aluminum, aluminum foil, steel cans, tin cans, aerosol cans, and other small household scrap metal.
4.7: The recyclables shall be collected "single stream", compacted as required for efficient transportation, and delivered to the single stream recycling facility designated by the Town.
4.8: Recyclables are not to be mixed with any other trash or yard waste.
4.9: For improperly set-out recyclables, the Franchisee will affix to non-conforming recyclables a sticker or tag approved by the Town stating the reason for the non-collection and notify the Town if collection is not made, at which time the Town shall determine if the recyclables are collectible, and if so, the Franchisee will promptly return to the site and collect the recyclables at the Franchisee's expense.
Section A-1.5: Recycling Containers
5.1: The Franchisee will work with a recycling container manufacturer acceptable to the Town, such that all of the requirements of A-2 Section 1, Recycling Container Construction and Warranty and Section 2, Recycling Container Labeling, Identification and Database are met in full.
5.2: Franchisee will distribute the recycling containers to each service unit following procedures identified below in A-2 Section 3, Recycling Container Distribution, working with subcontractors (e.g. Container manufacturer or recycling incentive system provider) such that all requirements of this section are met in full.
5.3: The Franchisee shall be encouraged to work with individual properties to accommodate space needs as required through the provision of alternative cart sizes.

5.4: Franchisee will provide ongoing recycling container service and maintenance following procedures identified below in A-2 specifically Section 4, Ongoing Recycling Container Service and Maintenance, such that all requirements of this section are met in full.
5.5: The recycling containers and container distribution database will become the property of the Town at no additional cost after the end of the term of Franchisee's Service.
Section A-1.6: Franchisee's Personnel
6.1: Franchisee shall furnish two (2) temporary customer service personnel at a Town designated location for an eight (8) week period to help service new customer calls during initial roll-out period of franchise.
6.2: Franchisee shall furnish qualified drivers in compliance with specifications.
6.3: Franchisee shall provide company standards for drivers.
6.4: All drivers shall be trained and qualified in the operation of waste/recycling collection vehicles and must have in effect a valid Commercial Drivers License of the appropriate class, issued by the State of South Carolina Department of Motor Vehicles.
6.5: Franchisee shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of materials under this Agreement.
6.6: Franchisee shall train its employees in waste and recycling collection protocols to identify and prevent the collection of hazardous waste or other prohibited wastes.
6.7: Training shall include customer relations communication skills to assure quality interactions with Town residents in the performance of the Agreement.
6.8: Franchisee shall not, nor shall it permit its employees to, demand, solicit or accept, directly or indirectly, any additional compensation or gratuity from members of the public for services provided under the Agreement.
6.9: Franchisee shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner, which shall include regularly training in customer courtesy and prohibitions on the use of loud or profane language and instructions to collection crews to perform the work as quietly as possible.
6.10: Franchisee will take all appropriate corrective measures If any employee is found not to be courteous or not to be performing services in the manner required by the Agreement.
6.11: Franchisee shall designate qualified employees as supervisors of field operations, who shall be in the field inspecting Franchisee's work and be available by phone during the Franchisee's hours of operation to handle calls and complaints from the Town or to follow up on problems and inspect Franchisee's operations.
6.12: Franchisee's employees shall wear all company and OSHA required protective equipment at all times including shirts with company logo and have company identification available on request.
6.13: Franchisee will train its employees as to the collection rules and regulations of the Town's program being serviced under this Agreement.
6.14: Franchisee's employees will leave notices of improperly prepared waste and recyclables on the container or on the door to the residence.
Section A-1.7: Collection Vehicles and Equipment
7.1: Franchisee shall be responsible for providing fleet of collection vehicles and equipment of such type and in such quantity and capacity to efficiently fill obligations.
7.2: Franchisee shall be responsible for vehicle operation, maintenance, fuel, tires, insurance, bonds, traffic tickets and repair of all such vehicles and equipment in a manner sufficient to ensure that such vehicles and equipment are capable of providing all of the required services set forth in the Agreement including maintenance of all vehicles to State of South Carolina standards.
7.3: Town shall have right to inspect all vehicles to be used in servicing this Agreement before services commence, each year of the Agreement and at any other time that the Town determines to be necessary to determine compliance with these requirements and Franchisee shall immediately repair and/or replace any vehicle that Town determines has failed to meet a requirement of the Agreement.
7.4: All vehicles used by Franchisee in providing collection of materials under the Agreement shall be designed to prevent leakage, spillage or overflow. All such vehicles shall comply with U.S. Environmental Protection Agency noise and pollution emission regulations as well as other applicable noise control regulations.
7.5: Franchisee shall ensure that gross vehicle weight of all vehicles, even when loaded, does not

exceed vehicle license limitations to protect the highways and roads of the Town.
7.6: Franchisee's name, local telephone number and a unique vehicle identification number designed by Franchisee for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less than four (4) inches high.
7.7: Franchisee shall furnish Town with a written inventory of all vehicles used in providing service, listing all vehicles by manufacturer, ID number, date of acquisition, type and capacity, and shall update the inventory when changes are made or annually, whichever is more frequent.
7.8: Franchisee shall maintain all of its properties, facilities and equipment used in providing service under the Agreement in a safe, neat, clean and operable condition at all times including thoroughly washing all vehicles used in the collection of materials under the Agreement on a regular basis so as to present a clean appearance.
7.9: Franchisee shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule and shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to the Town upon request.
7.10: Franchisee shall inspect each vehicle and complete a report daily to ensure that all equipment is operating properly, with vehicles that are not operating properly taken out of service until they are repaired and do operated properly.
7.11: Franchisee shall arrange to store all vehicles and other equipment in safe and secure locations(s), where applicable, in accordance with applicable laws and ordinances.
Section A-1.8: Collection Service Management
8.1: Franchisee will provide designated contact person for Agreement management.
8.2: Franchisee will provide designated on-site field supervisor for day-to-day operations management who will be in constant communication with Town throughout the service period.
8.3: Franchisee will work with the Town's designated Franchise Administrator.
8.4: Franchisee will maintain office/call center for contact by phone and email.
8.5: Franchisee will have phone dispatch system for communicating with all vehicles.
8.6: Franchisee understands that Franchisee will handle all service and complaint calls and that Town, should it receive any service or complaint calls, will immediately inform Franchisee's field representative of any service issues that have been identified as a result of those calls (e.g. missed pickups, damaged containers, etc.).
8.7: Franchisee will maintain an active log of all calls (missed pickups, service changes, complaints, new container requests, damaged containers, etc.) and close out all received service issues within 24 hours of receipt. Franchisee will inform the Town via email that provides an active link to an updated version of the log showing resolution of each service issue including description of issue, actions taken, responsible party for Franchisee and any required follow-up.
8.8: Franchisee will provide, no later than 12 months after Agreement award, web accessible service issue tracking for all service units so that the customer can check the status of their account and service issues online.
8.9: Franchisee will invoice each service unit at the beginning of each quarter of service for services scheduled to be provided for that quarter, with full itemization of services and costs by service type and unit counts, and all costs and charges taken from the current schedule of services and fees established by the Town Franchise agreement.
8.10: Franchisee will provide a 5% discount for a one-year pre-pay and a 3% discount for paperless invoicing and bill payment.
8.11: Franchisee will provide monthly and annual reports in a format determined to be acceptable by the Town which shall be transmitted electronically to the Town along with its monthly invoice and shall, at a minimum, include number of units serviced by service type, total waste tons collected, total single stream recycling tons collected, and total bulk waste tons collected.
8.12: Franchisee will work with the Town to provide recycling containers designed to meet Town specifications as required to meet the Town's recycling goals.
8.13: Franchisee will abide by all administrative procedures required for compliance with these specifications.
8.14: Franchisee understands the dispute resolution process (included in the Collection Franchise Agreement) and liquidated damages penalties are provided for in the agreement.
Section A-2.1: Recycling Container Construction and Warranty

1.1: Recycling Container Type and Size: 32 gallon injection molded HDPE round recycling container with a reinforced construction on the bottom of the container to prevent wear through and a tight fitting, detachable snap lid. The containers must be nestable and have well rounded handles that are integrally molded into the container with sides and bottom to assist in manual dumping. Container must have a smooth surface area on at least two sides for labeling and a corrugated/channeled body to deter rolling. Acceptable containers would be manufactured by Rehrig Pacific or equivalent.
1.2: Thirty percent minimum recycled content and material must be stabilized to prevent degradation by ultraviolet light with manufacturer's material specification and details of UV stabilization submitted with proposal.
1.3: Recycling container must have a minimum resin weight of 9 lbs. and shall be 100% recyclable.
1.4: The container shall be free from sharp corners, edges, points, or other structures that could represent a hazardous nuisance.
1.5: The body walls shall have a minimum thickness of 0.120" and have a slight taper so that the top of the body is slightly larger than the bottom for nesting during shipment.
1.6: The top of the container shall be molded with a reinforced rim to add structural strength to the container and to provide a adequate handle space for comfortable lifting.
1.7: The container bottom must have drain holes so as not to retain water and to prevent recyclables from soaking up moisture from the container bottom.
1.8: Interior surfaces shall be smooth and non-porous, all interior and exterior surfaces shall be uniform in appearance, and free of foreign substances, shrink holes, cracks, blowholes, webs, and other superficial or structural defects that could adversely affect the appearance and performance of the container. It shall not support bacterial growth.
1.9: Minimum five (5) year warranty. The container shall be warranted to be free from manufacturing or materials defects for non-prorated replacement for 60 months from delivery date.
Section A-2.2: Recycling Container Labeling, Identification and Database
2.1: Franchisee shall provide containers with Town of Hilton Head Island private label custom standard and custom logo markings including art work, stamps, etc. on two sides of container.
2.2: Franchisee shall outline the container labeling options and associated costs including in-molded label (IML) options on the lid for recycling instructions. The container must be labeled at the time of manufacture.
2.3: Franchisee shall provide an adhesive bar code/serial number label and a blank address label that will be affixed to the container at the time of manufacture. An acceptable bar code/serial number sequence is 32R000001 in order to classify the container as a 32 gallon recycling container. The bar code must be programmed to be read by a handheld device in Code 128.
2.4: Container shall include easily readable unique serial number.
2.5 At time of manufacture, a data file will be created that will identify the serial number and date of manufacture of each container.
Section A-2.3: Recycling Container Distribution
3.1: Franchisee shall provide distribution services for each recycling container pairing the Bar Code/Serial Number and address for each distributed container and provision of that database to the Town for ownership and use.
3.2: Franchisee shall provide sufficient number of crews and all other required labor, materials, supplies, as required to distribute containers to designated service units. Each container must have a blank address label attached it and the distribution crew will need to write in the unit number (if applicable) for the address that the container is delivered to.
3.3: Franchisee shall review accuracy and completeness of customer address database with Town data.
3.4: Franchisee shall utilize bar code reading handheld recording devices to perform container distributions and associate each container's bar code/serial number to the household that it was delivered to.
3.5: Franchisee shall work with Town and/or Town representative to scrub Town database and prepare for container distribution including downloading of database to scanners, scanning of each bar code and matching to database address at time of distribution and updating database in the field to add any new or revised locations to the database with more accurate field verified

information.
3.6: Franchisee shall upload from scanners at the end of each day to the resulting database of all distributed containers including container model, address, serial number and bar code/serial number and any other data fields that the Town deems necessary, creating summary delivery reports and detailed distribution reports to be made available to the Town via e-mail or online after each delivery day is completed.
3.7: Franchisee shall provide the up to date container distribution database to the Town at the end of the initial recycling container distribution as well as at the end of the program, and at any other time that the Town shall request.
3.8: Franchisee shall provide and attach to each container instructions in container use and care – content to be finalized with Town.
3.9: Franchisee shall include instructional/educational materials (provided by the Franchisee) and attached to delivered container.
Section A-2.4: Ongoing Recycling Container Service and Maintenance
4.1: Franchisee shall have an on-going container maintenance program that meets the Town's need for repair and replacement of damaged containers within one (1) week of customer request.
4.2: After the initial distribution, Franchisee will provide one additional standard container to any customer that requests it at no additional charge. Franchisee may be required to provide additional types of recycling containers in larger wheeled rolling cart capacities at pricing and terms to be negotiated.
4.3: Franchisee will utilize an asset tracking software in conjunction with handheld devices to track all additional recycling containers distributed and all recycling containers exchanged during the program. The software must manage container inventories, repairs, deliveries, swap outs and other service requests in the field in order to maintain an accurate account database. This software will maintain the proper bar code/serial number for each address and, when the changes are made, the updated information will be sent in electronic format to the Town.
Section A-2.5: Recycling Participation Data Management
5.1: Franchisee will provide each collection worker with a bar code handheld device that is operating the asset tracking software as outlined above. These devices will be used by the collection worker on each route to scan the bar codes on each container that is picked up with recyclables on the day of collection. At the end of the collection day, the handhelds will be docked and synced with the asset tracking software that is managing the container to serial number database. The household participation data (container serial numbers) that are collected by the handhelds during collection and transferred to the asset tracking software will be linked to the appropriate address in the asset tracking software in order to report.
5.2: Franchisee will successfully complete all required data collection tasks in the field during each day of recycling collection including maintaining the required equipment (handheld devices) to enable successful collection of data.
5.3: Franchisee will troubleshoot, on a daily basis with all suppliers (container supplier, asset tracking system provider) as needed to insure continued successful recording of real participation data on a daily basis.
5.4: Franchisee shall then manage data as needed to feed the service unit account management as provided for below.
5.5: Franchisee must provide access to weekly and monthly Participation Reports showing total number of households that have put out recyclables in a given month, broken down by route number and day of service.
5.6: Franchisee must provide access to on-demand reports via the web. The queries for running these reports will be developed and customized by the Town and the Franchisee (e.g. participation counts for a specific period for a specific neighborhood or block). The Franchisee may reserve the right to charge a fee for additional custom reports beyond those described above or originally developed and customized for the Town.

Section A-2.6: Recycling Education Program
6.1: On a twice yearly basis, the Franchisee shall report on all marketing, public education and information activities undertaken during the period, including community information and events, and other activities related to the provision of services. This report shall discuss the impact of these activities on recycling program participation and lbs per household diversion, and provide details of events and activities planned for the next period.
6.2: The Franchisee will facilitate transition, at the end of the franchise term, of the recycling program and all of its key components to the next holder of the Town's waste and recycling Franchise, including transfer of all distributed recycling containers and containers held in inventory and the most current version of the distributed recycling container database – to enable a seamless switch for the Town's service units.

EXHIBIT B:

5 YEAR FEE SCHEDULE

5 Year Pricing Schedule for the Town of Hilton Head Island:					
Price is per quarter based on a 2.25% fuel escalation fee/year					
PER/QTR	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Single Family Base Price (2X per week Trash and 1X per week Recycling Pick-Up)	$59.85	$61.20	$62.58	$63.99	$65.43
Multi Family Base Price (2X per week Trash and 1X per week Recycling Pick-Up)	$41.70	$42.64	$43.60	$44.58	$45.58
Reduction off Base Price for 1X per wk Trash & Recycling Service	$7.35	$7.35	$7.35	$7.35	$7.35
Waste Cart Rental/per cart	$3.00	$3.00	$3.00	$3.00	$3.00
Added Recycling Cart/per cart	$2.50	$2.50	$2.50	$2.50	$2.50
Waste Container Liner	$2.50	$2.50	$2.50	$2.50	$2.50
Added Day Trash Service (no SAT)	$21.60	$21.60	$21.60	$21.60	$21.60
Added Day Recycling Service (no SAT)	$12.60	$12.60	$12.60	$12.60	$12.60
Added Saturday Recycle Service (Min Participation Required)	$13.60	$13.60	$13.60	$13.60	$13.60
All Bulky Items	$35.00	$35.00	$35.00	$35.00	$35.00

EXHIBIT C:
LIQUIDATED DAMAGES

The Franchise Administrator or designee shall notify the Franchisee for each violation of the franchise Agreement reported to the Town. Failure to remedy the cause of the complaint within the specified time period shall constitute a breach of this Agreement. The assessment of liquidated damages shall be determined by the Franchise Administrator or the designee. The decision of the Franchise Administrator or the designee in the matter will be binding. The Franchisee may at their option initiate the dispute resolution process included in the Franchise Agreement to contest a determination of liquidated damages. For the purpose of computing damages under the provisions of this section, it is agreed that the Town shall have the authority to deduct from payments due the Franchisee, the following amounts as liquidated Damages.

In the event the Franchisee defaults or abandons the project, the Town reserves the right to collect from the Franchisee or its surety, in addition to the liquidated damages, the actual damages incurred by the Town as a result of the default or abandonment.

Section C-1.1: Liquidated Damages		
	Description	**Damages**
1.1:	Failure to clean up spillage or litter caused by Franchisee by end of work day of the day of notification	$100 per incident or per customer
1.2:	Failure to repair damage to customer property caused by Franchisee or its personnel within 24 hours	$250 per incident per location
1.3:	Failure to maintain equipment in a clean, safe, and sanitary manner	$250 per incident per work day
1.4:	Failure to comply with the hours of operation as required by this agreement	$100 per incident
1.5:	Failure to return container or cart to the service yard without throwing it	$100 per incident
1.6:	Failure to repair and/or replace damaged containers and related equipment within one (1) week of service unit request	$100 per incident
1.7:	Failure to leave a completed informational form in the recycling container explaining the reason the non-recyclable materials were not collected	$100 per incident

EXHIBIT D:
WASTE AND RECYCLING CART SPECIFICATIONS

REPUBLIC SERVICES, INC.

Republic Waste Services
Hilton Head, South Carolina

RESIDENTIAL COLLECTION CARTS

Please refer to a detailed description with graphic examples of the proposed carts to be provided by Republic Services of Hilton Head for collection of residential garbage and recyclable commodities.

1. **Overall construction, useful life expectancy and warranty.**

   Residential carts (in all sizes) are constructed of HDPE plastic. They are equipped with a permanently affixed hinged lid and a set of wheels for ease of movement. Excluding deliberate abuse, the useful life expectancy of a cart should exceed ten (10) years. Cart manufacturers generally offer a five (5) year warranty on their products. Cart dimensions are reflected on the following page.

2. **Means of mobility including a detailed explanation of the amount of human effort required to reposition or to move the container over grassed areas with a 90% fill capacity (weight and volume).**

   A fully loaded 95-gallon residential cart can easily be maneuvered simply by placing your foot at the base of the cart (as a stop) and using the hand grips to tilt the cart at a 30-to-45 degree angle. The cart can then be pushed or pulled over a sidewalk, driveway or lawn with minimal effort. Elderly residents generally utilize a smaller cart (65-gallon or 35-gallon capacity).

3. **Range or limitations of the compatibility of the proposed cart to multiple manufacturers of collection vehicles.**

   The two(2) largest manufacturers of automated collection vehicle bodies are Heil and McNeilus. Bothof these body types will handle residential carts manufactured by Shaffer, Rherig-Pacific, Toter or Otto in 95, 65 or 35 gallon capacities.

4. **Proposed carts are compatible with vehicles proposed to service private roads, dead end streets, mobile home parks, condominiums, or similar difficult pick-up areas.**

   Residential carts can be used for residents who live on private roads, dead end streets, mobile home parks, condominiums and other difficult access areas. In most cases, the collection vehicle will be a rear-end loading (REL) truck instead of an automated side-loading truck.

5. **Inventorying and maintaining the proposed collection carts.**

Once it is determined how many carts (by size and quantity) are required per resident, additional carts will be carried in inventory to cover new residential growth and replacement of carts that have been stolen or severely damaged.

6. **Storage site for new carts, replacement carts.**

   Carts will be stored at the Republic Waste Services facility in Beaufort, South Carolina.

7. **Time required from notice of need for repair or replacement of an existing cart, or delivery of a new cart of any of the proposed sizes.**

   Maximum of 2-work days. This includes carts used for collection of solid waste and recyclable materials.

Reflected below is information about cart dimensions, weight and load ratings. These statistics will vary slightly depending on a specific cart manufacturer.

	32 Gallon	65 Gallon	96 Gallon
Cart Dimensions	28"D x 20.5"W x 37"H	35"D x 28.5"W x 40.5"H	35"D x 28.5"W x 45"H
Cart Weight	19 pounds	32 pounds	43 pounds
Cart Load Capacity	140 pounds	230 pounds	315 pounds

EXHIBIT E:
TRUCK SPECIFICATIONS FOR WASTE AND RECYCLING COLLECTION

Republic Services of Hilton Head, South Carolina

Town of Hilton Head Island, South Carolina

NOTE: The following Republic Services owned equipment will be dedicated to service the Town of Hilton Head Island, South Carolina.

Collection Equipment List

Model Year	Chassis Manufacturer	Body Manuafacturer	Body Capacity	Truck No.	Truck Type	Front Line / Reserve	New / Transfer	Owned or Leased	G.P.S. System	Nextel Radios	Vehicle Use
2011	Mack MRU	Heil PT 1000	20 cu. yd.	701	Rear Load	Front Line	New	Owned	Yes	Yes	Solid Waste
2011	Mack MRU	Heil PT 1000	20 cu. yd.	702	Rear Load	Front Line	New	Owned	Yes	Yes	Solid Waste
2011	Mack MRU	Heil PT 1000	20 cu. yd.	703	Rear Load	Front Line	New	Owned	Yes	Yes	Solid Waste
2011	Mack MRU	Heil PT 1000	20 cu. yd.	704	Rear Load	Front Line	New	Owned	Yes	Yes	Solid Waste
2011	Mack MRU	Heil PT 1000	20 cu. yd.	705	Rear Load	Front Line	New	Owned	Yes	Yes	Solid Waste
2011	Mack MRU	Heil PT 1000	20 cu. yd.	706	Rear Load	Front Line	New	Owned	Yes	Yes	Solid Waste
2011	Mack MRU	Heil PT 1000	20 cu. yd.	707	Rear Load	Front Line	New	Owned	Yes	Yes	Solid Waste
2011	Mack MRU	Heil PT 1000	20 cu. yd.	708	Rear Load	Front Line	New	Owned	Yes	Yes	Recycle
2007	International	Heil 4300	17 cu. yd.	790	Rear Load	Front Line	New	Owned	Yes	Yes	Recycle
2005	International	Heil 4300	17 cu. yd.	786	Rear Load	Front Line	New	Owned	Yes	Yes	Recycle
2007	International	Heil 4300	14 cu. yd.	788	Rear Load	Reserve	New	Owned	Yes	Yes	Solid Waste & Recycle
2007	International	Heil 4300	14 cu. yd.	789	Rear Load	Reserve	New	Owned	Yes	Yes	Solid Waste & Recycle
2011	Ford F-150	Pick-up Truck	N / A	11	Operations Supervisor	Front Line	New	Owned	Yes	Yes	Route Observation

All Republic Services vehicles are equipped with a Republic Logo, Truck Number and local Telephone Number on the vehicle body and/or cab doors.

Safety Equipment Note: ***All Republic Services' Collection Vehicles will be equipped with the following safety equipment:***

- *GPS System*
- *LED Lighting System*
- *Strobe Lights*
- *Back-up Alarm*
- *Frequent Stops Decal on Rear*
- *20 lb. Fire Extinguisher*
- *First Aid Kit*
- *Rear-Mounted Camera*
- *Boom-up Alarm*
- *Fork-up Alarm*
- *Triangular Reflectors*
- *Emergency Spill Kit*
- *Broom*
- *Shovel*
- *Diesel Engine Idle Inhibitor*

EXHIBIT F:

OUTREACH AND PUBLIC EDUCATION

REPUBLIC SERVICES, INC.

RECYCLING

PROMOTION AND EDUCATION

Republic Waste Services of Hilton Head shall contribute the following to the promotion and education of recycling systems in order to enhance participation of residents and businesses in the Town of Hilton Head Island:

PowerPoint slides and attractive, informative handouts and other audio-visual aids, will be used to make presentations to Town Residents, such as Homeowners Associations, Churches, Environmental Groups, Schools, Women's Clubs, and to local businesses and civic groups such as the Rotary Club, Kiwanis, Lions Club, Women's Clubs, and other civic organizations.

Submission of written monthly recycling reports, detailing public awareness activities for the previous month and plans for upcoming months, will be coordinated by Republic Services with the Town Staff prior to any press releases.

Press releases applicable to important dates, such as contract award, delivery of recycling collection containers, and start-up of collection services. Town Staff members, local government officials, and prominent civic leaders will be featured in these press releases to promote leadership in recycling participation.

An official start-up celebration will be scheduled at a place and time selected by the Town Staff.

Recycling Enhancement Materials and Services:

- **Door hangers and mail-outs will be distributed to residents 3-4 weeks prior to collection service implementation. All literature, which will be approved in advance by the City Staff, will describe the upcoming recycling program and inform residents of the scheduled delivery of recycling containers and implementation of collection service.**

- **Distribution of instructional pamphlets to single-family and multi-family residential units will accompany delivery of recycling containers. The pamphlets will clearly describe the correct way to prepare recyclables for collection, correct use of the recycling containers, the scheduled collection day, and what not to do.**

- **Use of notices (tags) will be left to inform residents of materials that are not subject to the curbside recycling program, and that such non-recyclable materials should not be placed in recycling bins or carts for collection.**

- **A recycling "hot line" telephone number will be provided to enable residents can get answers to questions, voice concerns or complaints, or notify Republic Services of a missed collection from the hours of 8:00 AM to 5:00 PM, Monday through Friday.**

- **Republic Services will cooperate and coordinate promotional materials and activities about recycling enhancements with the Town of Hilton Head Island Staff.**

EXHIBIT G:
CUSTOMER SERVICE STANDARDS

REPUBLIC SERVICES, INC.
Hilton Head, South Carolina

Tim Laux
General Manager

1-4-2010

RESIDENTIAL SERVICE STANDARDS

1. NEW RESIDENTIAL CUSTOMERS

- **Collection services (garbage and recyclable commodities) will be picked up from residences on designated collection days.**
- **Introductory information packets shall be delivered to ALL new residential Customers along with a recycling can within 2-days following a new Customer call. Information packets must include the Customer's specific collection days of the week according to types of waste.**

2. RESIDENTIAL ROUTE COLLECTION SERVICE HOURS

- **North Hilton Head Island: 7:00 a.m. to 5:00 p.m., Monday thru Saturday.**
- **South Hilton Head Island: 7:00 a.m. to 5:00 p.m., Monday thru Saturday.**
- **ALL Republic employees will be courteous to Customers at ALL times.**

3. MISSED & DISPUTED PICK-UPS

- **Missed & Disputed pick-ups called in by 3:00 p.m. to be completed same day.**
- **Disputes called in after 3:00 p.m. will be completed on the first load on the following day's route. CSR's must call the customer to confirm pick-up.**
- **Every effort will be made to complete a missed pick-up the same day regardless of the time the dispute was called in.**

4. RESIDENTIAL NEIGHBORHOOD CLEANLINESS

- **ALL spilled waste (regardless of type) will be immediately picked up and the affected area thoroughly swept clean if necessary by the applicable route driver. This includes streets, ends of driveways and lawns bordering the street.**

5. RE-POSITIONING OF CONTAINERS

- **North Hilton Head Island: containers right-side "up" with lids to the side.**
- **South Hilton Head Island: containers right-side "up" with lids to the side.**
- **Containers are to be placed back in the same position they were found.**
- **Containers & lids are not to be thrown or scattered in the street, in front of mail boxes, on driveways, or on the Resident's lawn.**

6. NON-CONFORMING WASTE MATERIALS

- **The driver is responsible for properly filling out and securing an information tag to any non-conforming waste materials (hazardous, bio-medical, explosive, volatile, overweight, over-size dimension, etc.), detected at any residence. This includes all franchised and subscription areas.**

7. SPECIAL PICK-UP REQUESTS

- **Residents that request "special" pick-ups (bulky, overweight, large quantity) are to receive a quoted price and pick-up schedule within 24-hours of the call.**
- **ALL such "special" pick-ups are to be made in accordance with the promised schedule.**

ALL DRIVERS MUST CONTACT THEIR IMMEDIATE SUPERVISOR WHEN EXTRA PICK-UPS ARE COMPLETED AND BEFORE RETURNING TO THE DIVISION YARD.

MEMORANDUM

TO: Town Council
FROM: Stephen G. Riley, AICP, Town Manager

RE: Proposed Ordinance Number 2010-25 Amendments to Title 9 (Health and Sanitation) Chapter 6 (Recycling) of the Municipal Code

DATE: November 8, 2010

CC: Gregory D. DeLoach, Esq., Assistant Town Manager for Administration
Charles Cousins, Director Community Development
Brian E. Hulbert, Esq., Staff Attorney

Recommendation: Staff recommends that Town Council approve the second reading of Proposed Ordinance Number 2010-25, amending Chapter 6 (Recycling) Title 9 (Health and Sanitation) of the Municipal Code. On November 3, 2010 Town Council voted 5-2 to approve Proposed Ordinance Number 2010-25 with amendments as described below.

Summary: At the November 3, 2010 Town Council meeting staff was directed to amend the proposed ordinance in accordance with the following:

Sec. 9-6-10, under the definition of Single Stream corrected the referenced section to 9-6-50;

Sec. 9-6-10, under the definition of Solid Waste clarified 'yard trash' to make clear only non-organic trash is defined as solid waste;

Sec. 9-6-20 (b), clarified the term 'yard trash' to non-organic yard trash to make clear only non-organic trash is to be collected by the franchised collector;

Sec. 9-6-40, added back in to the ordinance the requirement for all haulers to offer recycling to commercial establishments and submit semiannual reports;

Sec. 9-6-60 (e) and **Sec. 9-6-70 (d)**, clarified that the franchisee is the party responsible for providing recycling bin(s);

Sec. 9-6-60 (f), reworded to make clear only franchisee is required to transport recyclables to the Town's designated processing center;

Sec. 9-6-90(b), clarify that organic yard waste will not be collected by the franchised collector .

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2010- **PROPOSED ORDINANCE NO. 2010- 25**

AN ORDINANCE TO AMEND TITLE 9 (HEALTH AND SANITATION) OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA BY AMENDING CHAPTER 6 (RECYCLING) SECTION 9-6-10, SECTION 9-6-20, AND SECTION 9-6-30; AND PROVIDE FOR SEVERABILITY AND AN EFECTIVE DATE.

WHEREAS, the Town Council of the Town of Hilton Head Island, South Carolina previously adopted Ordinance 96-41, Chapter 6 of Title 9 entitled "Recycling" on December 3, 1996; and

WHEREAS, the Town Council now desires to amend various sections of Chapter 6 of Title 9 for the purpose of providing for the health and welfare of the residents and visitors of the Town; and

WHEREAS, the Town Council now desires to provide for the collection of solid waste and recycling services to single family residences and cart based multi- family residences by way of a franchise agreement for the purpose of providing for the health and welfare of the residents and visitors of the Town; and

WHEREAS, the Town Council finds that it is in the best interests of Island residents and visitors to amend certain sections of the Town's Recycling Code; and

WHEREAS, the Town Council now desires to amend Chapter 6 of Title 9, Recycling Code.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS HEREBY ORDERED ORDAINED BY AND UNDER THE AUTHORITY OF THE SAID TOWN COUNCIL, AS FOLLOWS:

NOTE: **Underlined and bold-face typed** portions indicate additions to the Municipal Code. ~~Stricken~~ portions indicate deletions to the Municipal Code.

Section 1. **Amendment.** That Chapter 6 of Title 9 (Recycling) of the Municipal Code of the Town of Hilton Head Island, South Carolina, is hereby amended as follows:

Chapter 6 COLLECTION OF SOLID WASTE AND RECYCLING

Sec. 9-6-10. Definitions.
[The following definitions shall apply:]

Commercial establishment: Any income-producing establishment, for profit or nonprofit, including, but not limited to, those used for retail, wholesale, industrial, manufacturing, dining,

offices, professional services, automobile services, hotels, motels and restaurants. ~~This definition additionally includes residential properties that consist of dwelling units classified by the county assessor as having more than one dwelling unit per property or parcel, incorporating, but not limited to, apartments and mobile home parks with multiple units where aggregate collection of Municipal Solid Waste is provided as part of a rental agreement~~.

Franchise collector: **The entity that has entered into a franchise agreement with the Town to perform solid waste and recycled materials collection.**

Hazardous Materials: **Any substance or chemical which is a "health hazard" or "physical hazard," including: chemicals which are carcinogens, toxic agents, irritants, corrosives, sensitizers; agents which act on the hematopoietic system; agents which damage the lungs, skin, eyes, or mucous membranes; chemicals which are combustible, explosive, flammable, oxidizers, pyrophorics, unstable-reactive or water-reactive; and chemicals which in the course of normal handling, use, or storage may produce or release dusts, gases, fumes, vapors, mists or smoke which may have any of the previously mentioned characteristics.**

Multi-Family: **For the purposes of this title pertaining to collection of solid waste and recycling only, multi-family means a structure containing more than one residential dwelling unit or residential structures clustered in a manner by which waste and recycling collection can be consolidated.**

Recyclable materials: Materials, as designated in section 9-6-~~30~~ **50**, that would otherwise become solid waste that can be separated, collected, processed and returned to the economic stream in the form of raw materials or products.

Recycling: Any process by which materials that would otherwise become solid waste are separated, collected, processed and returned to the economic stream in the form of raw materials or products.

Recycling collection service: Recycling service ~~offered~~ **provided** by waste haulers or participated in by subscribers.

Refuse: ~~All waste substances, whether recyclable or non-recyclable materials.~~ **Any solid waste, as defined herein, originating from typical household activities.**

Residential dwelling: A building or part of a building designed and occupied exclusively for residential purposes by an individual or family unit.

Single-Stream: **A recycling process in which materials are collected all mingled together with no sorting required by individual recyclers. Therefore, all materials listed under section 9-6-50 can be deposited in the same receptacle for pick-up by the hauler.**

Solid waste: **Garbage, debris, commercial waste, industrial waste, non-organic yard trash, white goods, furniture, bedding, ashes, rubbish, paper, junk, building materials, glass or plastic bottles, other glass, cans and any other discarded or abandoned material, including solid, liquid, semisolid or contained gaseous material. For purposes of the chapter, any**

waste specifically regulated under any state or federal law shall be excluded from the definition of solid waste.

Subscriber: One who voluntarily participates in ~~a~~ **the waste and** recycling collection service offered by ~~waste haulers~~ **the Town's franchise collector**.

Waste hauler: An individual, corporation, partnership or other legal entity which collects solid waste **and recycling** commercially and hauls it to the designated county landfill **or recycling processing location.**

Sec. 9-6-20. General conditions for granting franchise agreements for solid waste and recycling collection.

(a) The entire incorporated area of the Town shall be subject to the requirements of this ordinance.

(b) Trash, non-organic yard trash, household articles, and recyclables shall be collected in the entire incorporated area of the Town under the following conditions: any single family or cart based multi-family residential household shall have the right and option to subscribe to the franchise collector's solid waste and recycling collection service and to receive such service, upon payment to the collector of such fee as specified in the franchise agreement approved by the Town Council.

(c) Franchise agreements may be obtained from either competitive bidding through the town procurement process or through negotiations with prospective collectors of solid waste and recycling materials.

(d) Any single family or cart based multi-family residential households which have signed contracts in place for waste or recycling collection services on April 1, 2011 shall have until their existing contract expires, or until September 30, 2012, whichever date is earlier to begin using the collection services of the franchise collector.

Sec. 9-6-30. Franchise Agreement.

Upon award by town council, a franchise shall not become effective until the franchise collector has executed a written franchise agreement consistent with the terms of the bid specifications, or such terms as are approved by the town manager.

Sec. 9-6-~~20~~ **40**. **Solid waste and** ~~hauler~~ recycling collection service.

(a) **The Town of Hilton Head Island's franchise solid waste and recycling collector will provide waste and recycling collection service to all cart-based single family and multifamily residential dwellings.** Waste haulers shall offer a reasonable voluntary recycling collection service to all commercial establishments.

(b) The adequacy and reasonableness of the ~~waste hauler~~ **waste and** recycling collection service shall be determined by the town manager or designee **through an annual review. The**

franchise collector agreement will be fully evaluated after a 5 year term. ~~an annual review (January 1 through January 15) of each waste hauler's recycling collection program. The recycling collection service offered to subscribers shall be reasonable in cost.~~

(c) Waste haulers **and the Town's franchise collector** shall file a semiannual report (providing information for the six-month period of operation ending December 31 and June 30 of each calendar year) on February 1 and August 1 with the town that shall include the following information:

(1) Waste hauler's fee schedules and frequency of pickup for residential and commercial recycling;

(2) Number of residential solid waste customers and the percent using the hauler's recycling service;

(3) Number of commercial solid waste customers and the percent that are using the hauler's recycling service; and

(4) Tonnage of recycling from residential customers and tonnage of recycling from commercial customers.

Sec. 9-6-~~30~~ **50**. Recyclable materials.

A waste hauler recycling collection service, at a minimum, ~~shall~~ **will** offer pick-up of the following recyclable materials **clean of food and contamination: (a) newspapers, newspaper inserts, cardboard, pizza boxes, magazines, catalogs, phone books, residential mail, junk mail, office paper, paper bags, box board, cereal cartons, beverage cartons, gift wrapping paper, shredded office paper (b) all closed mouth plastic bottles, #1 through #7 household plastics (no Styrofoam) (c) glass containers of any color (d) milk/juice cartons and aseptic containers (e) aluminum cans, other aluminum, aluminum foil, steel cans, tin cans, aerosol cans, and other small household scrap metal.** ~~(a) aluminum and steel food and beverage containers, including aerosol cans; (b) clear, green and brown food and beverage glass; (c) newspaper ("glossy" inserts may be included); (d) No. 1 (PETE) natural resin plastic (soda bottles only); (e) No. 2 (PETE) natural resin plastic (milk and water jugs only); (f) No. 1 and No. 2 plastics, regardless of color, including, but not limited to, bleach, laundry detergent, fabric softener, shampoo and conditioner bottles, orange juice containers, nonprescription pain reliever bottles; (g) magazines; (h) catalogs; (i) fiberboard/paperboard (cereal, cracker boxes, etc.); and (j) corrugated (cardboard).~~

Sec. 9-6-~~40~~ **60**. Collection of recyclable materials.

(a) It shall be unlawful for any person to place any material not designated for recycling in section 9-6-~~30~~ **50** in the recyclable material receptacles.

(b) All information on proper procedures for disposal of recyclable materials and collection dates shall be provided by the waste hauler.

(c) All materials listed in section 9-6-50 shall be collected in a manner compliant with a single-stream method.

(d) For improperly set-out recyclables, the franchise collector will affix to non-conforming recyclables a sticker or tag approved by the Town stating the reason for the non-collection and notify the Town if collection is not made.

(e) The franchise collector will provide a recycling receptacle(s) sufficient to serve each single family residence or cart based multi-family dwelling unit. The Town shall retain ownership of all its recycling receptacles and the resident and/or management company shall take proper care to protect such receptacle from loss or damage. Receptacles that are lost or stolen will be replaced one time free of charge. Should repeated loss occur it shall be the responsibility of the resident and/or management company of each property to purchase a replacement from the franchise collector within forty-five days.

(f) All recyclable materials collected by the Town's franchise collector will be transported to a Town designated recycling processing location.

Sec. 9-6-70. Receptacle requirements; placement of receptacles in service yard areas.

(a) *Receptacles generally.* Every person producing or having refuse collected by the franchise collector shall keep, on the premises or property occupied or used by him, recycling carts or bulk containers as specified in this article, in locations accessible using normal collection methods, to handle accumulations of refuse on the premises or property in the interval between collections by the franchise collector.

(b) *Placement in service yard area.* Refuse and recyclables containers are to be placed in the service yard area no later than 7:00 a.m. on the day of the collection.

(c) *Refuse carts.* A refuse cart(s) may be rented from the franchise collector or properties may provide their own suitable refuse cart. Rented carts remain the property of the franchise collector for use of the residences to which they are issued. Residents who damage carts issued to them must pay for repairing the carts or purchasing replacement carts from the franchise collector. Carts that are damaged through normal use as a result of being emptied by franchise collector will be repaired or replaced at the franchise collector's expense. Collection may be suspended at any location at which a cart is missing or at which a cart is damaged to such an extent as to interfere with normal collection methods.

(d) *Recyclables containers.* A recyclables container shall be issued by the franchise collector to each requesting household which desires to use the franchise collector for the collection of recyclables. The recyclables container(s) shall remain the property of the town for use of the household to which they are issued. Residents who damage or lose the recyclables container(s) issued to them must pay for purchasing a replacement recyclables container(s) from the franchise collector. Recyclables containers that are damaged through normal use as a result of being emptied by franchise collector will be replaced at the franchise collector's expense.

Sec. 9-6-80. Placement of waste in receptacles.

(a) Garbage and rubbish must be placed in refuse carts or bulk containers as specified in this chapter. Recyclable materials, in order to be recycled, must be placed in recyclables container(s). Glass and plastic shall have all lids removed prior to being placed in the recyclables container(s). Other material resulting from normal household use should be placed in refuse carts, provided the total weight of the filled receptacle shall not exceed 200 pounds.

Sec. 9-6-90. Materials not to be placed in receptacles.

(a) *Bulky waste.* Appliances, furniture, bedding and other bulky items resulting from normal household use shall be subject to special collection upon call to the franchise collector and scheduling a pick-up time for a fee approved in the franchise agreement. These items shall be placed at the service yard area only on the day agreed to for pickup.

(b) *Tree trimmings and organic yard waste.* Shrubbery trimmings, tree trimmings, grass clippings, leaves and other outdoor vegetation shall be kept separate from all other garbage, rubbish or other household materials. Residents will be responsible for disposing of this waste separately at approved locations.

(c) *Hazardous waste.* This collection service does not include collection of waste deemed as hazardous, as established by this ordinance, or state or federal regulations.

Sec. 9-6-100. Enforcement generally; penalty; citations.

It shall be the duty of the town manager, with the assistance of such other persons or code enforcement officials as the town manager may direct, to see that the provisions of this chapter are enforced except where otherwise specifically provided for by ordinance. Individuals violating the provisions of this chapter are guilty of a misdemeanor, punishable, upon conviction, in accordance with section 1-5-10. The code enforcement officials, or such other personnel as the town manager may direct, shall issue citations to individuals violating the provisions of this chapter.

Section 2. **Severability.** If any section, phrase, sentence or portion of this Ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. **Effective Date.** This Ordinance shall become effective on April 1, 2011.

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS _____ DAY OF _____, 2010.

_____
Thomas D. Peeples, Mayor

ATTEST:

By:_____
Betsy Mosteller, Town Clerk

First Reading: November 3, 2010
Second Reading: _____

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:_____

TOWN OF HILTON HEAD ISLAND

TO: Town Council
FROM: Stephen G. Riley, Town Manager
VIA- Charles Cousins, Director Community Development
Jill Foster, Deputy Director Community Development
DATE November 2, 2010
SUBJECT: Proposed Ordinance 2010-15—Property Maintenance

Recommendation: Planning & Development Standards Committee met on October 27, 2010 to review *Proposed Ordinance No. 2010 – 15: Property Maintenance*. They moved to approve the ordinance as written with the following changes: revise the number of votes necessary to reverse a decision by the Building Official to be a majority of those members present at the meeting; and to exempt all residential structures from this ordinance. The attached draft ordinance reflects these requested changes.

Planning Commission met on September 15, 2010 and moved to return *Proposed Ordinance No. 2010 – 15: Property Maintenance* –back to the staff for additional review and consideration. The staff was directed to (1) broaden the proposed property maintenance standards; and (2) look into the administrative process for the appeal procedure. Those areas where the Planning Commission desired staff to broaden the standards are to include regulating peeling paint, height of weeds, moldy exterior surfaces, and single family properties. It was also suggested that a board of professionals oversee any enforcement of this ordinance to ensure the design is not compromised. *(Please note: most of our building stock has been approved by the Design Review Board for design standards. This proposed ordinance intends to ensure those design standards are maintained in good repair and good working condition according to its approved plan. Any change to the design or color of the building while repairing it would have to be approved by the DRB.)*

Summary:

As currently drafted, the attached proposed amendments include changes to *Municipal Code Title 15 Building and Building Codes.* These Island-wide changes will affect <u>only non-residential</u> buildings/structures, property and outdoor mechanical equipment. The changes:

- Make it a violation to have unmaintained buildings/structures, property or outdoor equipment which negatively affect the economic value preservation of property and the surrounding properties;
- Define regulations for maintenance of properties, buildings/structures and outdoor equipment;
- Define duties of the Building Official within this chapter;

- Establish Notices and Orders to the property owner;
- Include a variety of enforcement actions that can be taken by the Town;
- Include an appeals process; and
- Include emergency measures.

BACKGROUND:

At its 2009 annual workshop, Town Council discussed the lack of maintenance to existing non-residential development and the negative impact this can have on the community. Some of the items discussed were commercial buildings in disrepair, parking lots and driveways with pot holes, and tattered awnings. In January 2010, Town Council adopted a goal "*Commercial Appearance-- Town Role and Direction* as part of their Policy Agenda for 2010: Targets for Action.

Discussions on the concept of a property maintenance ordinance have been discussed in depth at the June 23, 2010 Planning & Development Standards Committee and at the August 3, 2010 Town Council meetings. Both groups suggested certain parameters that should be addressed in an ordinance. Town Council went further and gave certain parameters they did not wish to address in an ordinance (those being peeling paint, height of weeds, moldy exterior surfaces, and single family properties).

Discussions on the *Proposed Ordinance 2010-15: Property Maintenance Ordinance* were presented at the September 15, 2010 Planning Commission Meeting and to the Planning & Development Standards Committee on October 27, 2010.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

PROPOSED ORDINANCE NO. 2010-15 **ORDINANCE NO. 2010-__**

AN ORDINANCE TO AMEND TITLE 15 (BUILDING AND BUILDING CODES) OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA BY ADDING A NEW CHAPTER TO THE TITLE TO INCLUDE DUTIES OF THE BUILDING OFFICIAL; GENERAL PROPERTY MAINTENANCE AND AESTHETICS REGULATIONS; NOTICES AND ORDERS; ENFORCEMENT ACTIONS; APPEALS PROCESS; EMERGENCY MEASURES; AMENDING CHAPTER 1 OF TITLE 15 REGARDING QUORUM AND VOTING; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Hilton Head Island, South Carolina previously adopted *Ordinance 01-07 Title 15 Building and Building Codes* on June 5, 2001; and

WHEREAS, the Town of Hilton Head Island desires to enhance the protection of the economic value of structures and property in the Town by regulating the condition, maintenance and aesthetics of areas on the Island with effective standards and requirements; and

WHEREAS, the International Property Maintenance Code is a comprehensive uniform model code that provides standards and requirements for safe, sanitary and aesthetic conditions of these structures, sites and equipment; and

WHEREAS, the Town finds that the certain standards and requirements of the International Property Maintenance Code are suitable for these structures, sites and equipment in the Town; and

WHEREAS, the International Property Maintenance Code complements existing codes applicable to the Town, including the Building, Plumbing, Electrical and Mechanical Code, and the International Fire Code, and is intended to be consistent with existing ordinances; and

WHEREAS, the Town has determined that adopting a comprehensive ordinance regulating the maintenance and aesthetics of non-residential land uses and structures will promote an attractive physical appearance and minimize deterioration of structures located within the Town; and

WHEREAS, the Planning and Development Standards Committee met on June 23, 2010, and the Town Council on August 3, 2010, to discuss concepts and give direction to Town Staff; and

WHEREAS, the Planning and Development Standards Committee met on October 27, 2010 to review and give their recommendation to Town Council on the draft language of Proposed Ordinance 2010-15; and

WHEREAS, the Town Council now desires to amend *Title 15, Building and Building Codes.*

NOW, THREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS HEREBY ORDERED ORDAINED BY AND UNDER THE AUTHORITY OF THE SAID TOWN COUNCIL, AS FOLLOWS:

NOTE: New text is indicated by a double underline, deleted text is indicated by ~~strike through~~.

Section 1. Amendment. That the Municipal Code of the Town of Hilton Head Island, be, and the same hereby amended to include those amendments as indicated on the attached pages.

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF DECEMBER, 2010.

_____
Thomas D. Peeples, Mayor

ATTEST:

_____
Betsy Mosteller, Town Clerk

First Reading: 11-17-2010
Second Reading:

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:

_____

Proposed Municipal Code Ordinance Amendment for Property Maintenance

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Note: Additions are underlined and deletions are ~~strike-throughs~~.

Staff Explanation: This adds a new chapter to the Title. It allows island-wide regulations to govern maintenance and aesthetics to minimize deterioration which could lead to unsafe or economic impairment of non-residential structures/buildings, sites and equipment or our community. It also explains the enforcement and appeals processes.

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TITLE 15
BUILDING AND BUILDING CODES

Chapters

1. **Official Construction Code**
3. **Fire Code**
5. **Fees and Permits**
7. **Manufactured Homes**
9. **Flood Damage Controls**
11. **Swimming Pools**
13. **Disaster Emergency Permitting**
15. **Property Maintenance and Aesthetics**

Chapter 15

PROPERTY MAINTENANCE AND AESTHETICS

Article 1. Duties of the Building Official
Article 2. General Property Maintenance And Aesthetics
Article 3. Notices and Orders
Article 4. Enforcement Actions
Article 5. Appeals
Article 6. Emergency Measures

The purpose of this chapter is to provide for the enhancement and protection of life, health, property and the economic value of the town by regulating the condition, maintenance and aesthetics of areas on the Island through requirements essential to ensure that such structures, sites and equipment are safe, sanitary and fit for occupation, are well maintained and are conforming to the town's aesthetic goals.

Staff Explanation: The following sections were generally modeled after Chapter 1 of the International Property Maintenance Code.

ARTICLE I. DUTIES OF THE BUILDING OFFICIAL.

Section 15-15-100. General. The Building Official is hereby authorized and directed to enforce the provisions of this chapter. The Building Official shall have the authority to render interpretations of this chapter and to adopt policies and procedures in order to clarify the application of its provisions. Such interpretations, policies and procedures shall be in compliance with the intent and purpose of this chapter. Such policies and procedures shall not have the effect of waiving requirements specifically provided for in this chapter.

Section 15-15-101. Inspections. The Building Official shall make all of the required inspections or shall accept reports of inspections by approved agencies or individuals. All reports of such inspections shall be in writing. The Building Official is authorized to engage such expert opinion as deemed necessary to report upon unusual technical issues that arise.

Section 15-15-102. Right of entry. The Building Official or his designee or any law enforcement officer, shall have the power to enter upon any premises in the town upon which there is suspected to be a violation of this chapter for the purpose of inspecting the premises for a violation, examining and abating the violation. It shall be unlawful for any person to in any manner hinder or obstruct any authorized officer or representative of the town, in the inspecting of any premises within the town limits, in the abatement or removal of any violation, or in the discharge of any of the duties prescribed in this chapter or any other ordinance for the prevention or correction of any unsanitary, unsightly, or unsafe condition in the town.

Section 15-15-103. Notices and orders. The Building Official shall issue all necessary notices or orders to ensure compliance with this chapter.

Section 15-15-104. Records. The Building Official shall keep official records of all business and activities in implementing this chapter. Such records shall be retained in the official records for the period required for retention of public records.

Section 15-15-105. Modifications. Whenever there are practical difficulties involved in carrying out the provisions of this chapter, the Building Official shall have the authority to grant modifications for individual cases upon application by the owner or owner's representative, provided the Building Official shall first find that special individual reason makes the strict letter of this chapter impractical and the modification is in compliance with the intent and purpose of this chapter

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and that such modification does not lessen the health, life and fire safety requirements. The details of action granting modifications shall be recorded and entered into the official record.

Staff Explanation: The following article was modeled after Chapter 3 of the International Property Maintenance Code.

ARTICLE II. GENERAL PROPERTY MAINTENANCE AND AESTHETICS

Sec. 15-15-200. General Requirements.

(a) Scope. The provisions of this section shall govern criteria for minimizing deterioration of non-residential structures and properties, whether vacant or occupied, and describe responsibilities of persons for maintenance and appearance of buildings/structures, exterior equipment and exterior property. Residential uses and premises as characterized by Title 16 shall be excluded from this chapter.

(b) Responsibility. The owner and any lessee, occupant, agent or representative of the owner shall maintain the exterior property, appurtenances, and premises in a state of good repair and in a condition which is aesthetically consistent with the surrounding property. All structures and premises shall be maintained in a clean, safe, secure and sanitary condition as provided herein so as not to cause deterioration or adversely affect the public health or safety or to avoid any negative affect to the economic value of the premises or surrounding property.

(c) All non-residential structures, exterior property, or premises not maintained in a state of good repair and working condition, or which are not in a clean, safe, secure and sanitary condition as provided herein, are hereby deemed to be in violation of this chapter. All non-residential structures, exterior property and premises which have unreasonably deteriorated or adversely affect the public health, safety or which negatively affect the economic value of the premises or the surrounding property are hereby deemed to be in violation of this chapter and are prohibited.

(d) The Building Official or his designee shall determine if any non-residential building/structure, exterior property or premises are in violation of this chapter, based upon the facts and circumstances found after reasonable inquiry and investigation.

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Section 15-15-201. Exterior Property Areas.

(a) Grading and drainage. All premises shall be graded and maintained to prevent the erosion of soil and to prevent the accumulation of stagnant water thereon, or within any structure located thereon.

Exception: Approved retention and detention areas, reservoirs and aesthetic water features.

(b) Sidewalks, driveways, drive aisles, parking spaces, streets and access easements. All sidewalks, walkways, driveways, parking spaces, drive aisles, streets, access easements and similar areas shall be kept in a proper state of repair, and maintained free from hazardous conditions.

(c) Fences and walls. All fences and walls shall be maintained structurally sound and in good repair.

(d) Defacement of property. No person shall willfully or wantonly damage, mutilate or deface any exterior surface of any structure or building on any private or public property by placing thereon any marking, carving or graffiti. It shall be the responsibility of the owner to restore said surface to an approved state.

Section 15-15-202. Exterior Structure or Building.

(a) General. The exterior of a structure or building shall be maintained in good repair, and not negatively affect the economic value preservation of the property or surrounding properties. All exterior surfaces, including but not limited to, doors, door and window frames, cornices, porches, trim, balconies, and decks shall be maintained in good condition.

(b) Structural members. All structural members shall be maintained free from deterioration.

(c) Foundation walls. All foundation walls shall be maintained plumb and free from open cracks and breaks and shall be kept in such condition so as to prevent the entry of rodents and other pests.

(d) Exterior walls. All exterior walls shall be free from holes, breaks, and loose or rotting materials; and maintained weatherproof and properly surface coated where required to prevent deterioration.

(e) Roofs and drainage. The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure. Roof drains, gutters

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and downspouts shall be maintained in good repair and free from obstructions. Roof water shall not be discharged in a manner that creates a nuisance.

(f) Decorative features. All veneer, cornices, belt courses, corbels, terra cotta trim, wall facings and similar decorative features shall be maintained in good repair with proper anchorage and in a safe condition.

(g) Overhang extensions. All overhang extensions including, but not limited to canopies, marquees, signs, awnings, standpipes and exhaust ducts shall be maintained in good repair and be properly anchored so as to be kept in a sound condition.

(h) Stairways, decks, porches and balconies. Every exterior stairway, deck, porch and balcony, and all appurtenances attached thereto, shall be maintained structurally sound, in good repair and working order, and with proper anchorage.

(i) Chimneys and towers. All chimneys, cooling towers, and similar appurtenances shall be maintained structurally safe and sound and in good repair.

(j) Handrails and guards. Every handrail and guard shall be firmly fastened and shall be maintained in good condition and repair.

Section 15-15-203. Mechanical Equipment or other Outdoor Service Equipment.

(a) Equipment includes any heating/air equipment, electrical wiring or device, flammable liquid containers or other equipment servicing the premises which is in such disrepair or condition that such equipment is a hazard to life, health, property or safety of the public or occupants of the premises or structure, or which negatively affects the economic value preservation of the property or surrounding properties.

(b) All equipment shall be properly installed and maintained in a clean, safe, mechanically sound and sanitary working condition, and shall be capable of performing the intended function.

(c) All above-ground equipment located on the property shall be maintained free of overgrown vegetation and kept accessible to utility and maintenance companies.

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Staff Explanation: The following is added to outline the procedure taken by staff to notify the property owner of a violation. It is generally modeled from Chapter 1 of the International Property Maintenance Code.

ARTICLE III. NOTICES AND ORDERS

Section 15-15-300. Notice to person responsible. When the Building Official determines that there has been a violation of this chapter or has grounds to believe that a violation has occurred, a notice of an administrative determination or a notice of violation may be given in the manner prescribed below to the person responsible for the violation as specified in this chapter.

Section 15-15-301. Form of Notice of Administrative Determination. Such notice of administrative determination prescribed in Section 15-15-300 shall be in accordance with all of the following:

(a) Be in writing.
(b) Include a description of the real estate sufficient for identification.
(c) Include a statement of the violation or violations and why the notice is being issued.
(d) Include a correction order allowing a reasonable time to make the repairs and improvements required to bring the structure/building, property or equipment into compliance with the provisions of this chapter as determined by the Building Official and any approved site or building plan and permit.

Section 15-15-302. Form of Notice of Violation. In the event the property owner or his representative is unable or unwilling to remedy the notice of administrative determination, the Building Official at his discretion, may issue a formal notice of violation. Such notice prescribed in Section 15-15-300 shall be in accordance with all of the following:

(a) Be in writing.
(b) Include a description of the real estate sufficient for identification.
(c) Include a statement of the violation or violations and why the notice is being issued.
(d) Include a correction order allowing a reasonable time to make the repairs and improvements required to bring the structure/building, property or equipment into compliance with the provisions of this chapter as determined by the Building Official and any approved site or building plan and permit.
(e) Inform the property owner of the right to appeal.
(f) Include a statement of the Town's right to file a lien in accordance with Section 15-15-401.

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Section 15-15-303. Method of service. The notice of administrative determination or the notice of violation shall be deemed to be properly served if a copy thereof is:

(a) Delivered personally;
(b) Sent by certified or first-class mail addressed to the last known address; or
(c) If the notice is returned showing that the letter was not delivered, a copy thereof shall be posted in a conspicuous place in or about the structure affected by such notice.

Section 15-15-304. Unauthorized tampering. Signs, tags, or seals posted or affixed by the Building Official shall not be mutilated, destroyed or tampered with, or removed without authorization from the Building Official.

Section 15-15-305. Enforcement actions for noncompliance with orders and notices undertaken by the Building Official shall be in accordance with Article IV of this chapter.

Section 15-15-306. Transfer of ownership. It shall be unlawful for the owner of any building/structure, property or equipment who has received a compliance order or upon whom a notice of violation has been served to sell, transfer, mortgage, lease or otherwise dispose of such building/structure, property or equipment to another until the provisions of the compliance order or notice of violation have been complied with, or until such owner shall first furnish the grantee, transferee, mortgagee or lessee a true copy of any compliance order or notice of violation issues by the Building Official and shall furnish to the Building Official a signed and notarized statement from the grantee, transferee, mortgagee or lessee, acknowledging the receipt of such compliance order or notice of violation and fully accepting the responsibility without condition for making the corrections or repairs required by such compliance order or notice of violation.

Staff Explanation: Enforcement actions currently written in our Municipal Code are very general. The following is added to allow for a variety of methods and tools, depending on the severity of the situation. This generally mirrors those actions allowed by the LMO.

ARTICLE IV. ENFORCEMENT ACTIONS

Section 15-15-400. General.

(a) In the event of a complaint or potential violation, the Building Official or his designee shall investigate the compliant or potential violation. If deemed to

be a violation of this chapter, the Building Official or his designee may issue a notice of administrative determination as set forth in Section 15-15-301. Upon receipt of the notice of administrative determination, the Building Official or his designee shall coordinate with the property owner or his representative to remedy the violation within a reasonable timeframe as determined by the Building Official.

(b) In the event the property owner or his representative is unable or unwilling to remedy the notice of administrative determination, the Building Official at his discretion, may issue a formal notice of violation as set forth in Section 15-15-302. Upon receipt of the notice of violation, the property owner has the following options:

(1) Bring the building/structure, premises or outdoor equipment into compliance with this chapter as determined by the Building Official and any approved site or building plan and permit; or

(2) Appeal the notice of violation to the Construction Board of Adjustments and Appeals as set forth in Article V of this chapter.

(c) Any prosecution of a violation as a misdemeanor as set forth in Section 15-15-401(f) shall be held in abeyance during the course of an appeal.

Section 15-15-401. Enforcement Actions by Town.

Subject to Section 15-15-400(c), when the Building Official determines that there has been a violation of this chapter or has grounds to believe that a violation has occurred, any one or more of the following actions may be taken by the Building Official as a remedy for any violation of this chapter:

(a) Withholding any approvals or permits required by the Municipal Code;
(b) Issuance of stop work orders against any work undertaken without proper approval or permit or in violation of the Municipal Code;
(c) Issuance of stop work orders against any actions in violation of the Municipal Code;
(d) By bringing an action for an injunction (or, in appropriate cases, for mandamus) to prevent the violation and/or to prevent the occupancy or use of any site or structure involved in the violation;
(e) By bringing an action for injunction or mandamus to abate a violation;
(f) By prosecuting the violation as a misdemeanor; or
(g) By using any other remedy which may be available to the Town at law or in equity.
(h) Each day that a violation continues after an established deadline for remedy has been served shall be deemed a separate offense.
(i) In addition to remedies set forth in (a)-(g) above, the Building Official or his designee can exercise any or all abatement measures described in this chapter.
(j) Abatement of violation.

(1) Upon failure of the person(s) to whom the notice of violation is directed to remove and abate the violation, or upon the Town's receipt of written

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notification that abatement of the violation is beyond the means of the property owner or responsible person, the employees or agents of the Town may enter upon the premises of the offending person and cause the violation to be removed therefrom. If the violation is determined to pose an immediate threat to public health and safety by the Building Official or his duly authorized agent, then the Town may take immediate protective measures to abate the violation and protect public health and safety.

(2) In the event the Town is required to abate any condition declared by this chapter to be in violation, any responsible person(s) shall be liable for the costs incurred by the Town for abatement in addition to being subject to prosecution for violating this chapter, and the Town shall have the right to place a recorded lien on the affected and abated property and, further, the Town may seek any and all available remedies at law or in equity to recover the costs incurred.

Staff Explanation: This Article determines the appeals process. It is generally modeled after Chapter 1 of the International Property Maintenance Code.

ARTICLE V. APPEALS.

Section 15-15-500. Means of Appeal.

(a) Any person directly affected by a notice of violation from the Building Official as issued under this chapter shall have the right to appeal to the Construction Board of Adjustments and Appeals as established in Section 15-1-112, within fourteen (14) calendar days of receipt of the decision.

(b) The Board shall have no authority to waive requirements of this chapter.

(c) An appeal hearing shall be held by the Construction Board of Adjustments and Appeals within 60 days after receipt of a request for appeal at a regular or special meeting. The Building Official may extend this time period with good cause.

(d) Board decision. The quorum and voting of the board is in accordance with Section 15-1-112.4.

(e) The decision of the Construction Board of Adjustments and Appeals shall be final unless appealed to a court of competent jurisdiction within fourteen (14) calendar days after notice is given of the board's decision. Notice of the decision shall be deemed to be given five (5) days after decision is deposited in the US mail to the parties.

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Staff Explanation: This Article determines the procedure for emergency measures. It is generally modeled after Chapter 1 of the International Property Maintenance Code. While Chapter 8 of Title 9 of the town's Municipal Code ("Uninhabited, Unsafe Buildings/structures") gives the Building Official the authority to enact emergency measures to and prohibit occupancy of unoccupied structures, it does not address occupied structures. Other procedures for emergency measures to occupied structures are established in the Official Construction Codes. Staff has added this article to better organize and combine the Building Official's options involving emergency measures for occupied and unoccupied structures.

ARTICLE VI. EMERGENCY MEASURES.

Section 15-15-600. Imminent danger. When, in the opinion of the Building Official, there is imminent danger of failure or collapse of a building or structure which endangers life, or when any structure or part of a structure has fallen and life is endangered by the occupation of the structure, or when there is actual or potential danger to the building occupants or those in the proximity of any structure because of explosives, explosive fumes or vapors or the presence of toxic fumes, gases or materials, or operation of defective or dangerous equipment, the Building Official is hereby authorized and empowered to order and require the occupants to vacate the premises forthwith. The Building Official shall cause to be posted at each entrance to such structure a notice reading as follows: "This Structure Is Unsafe And Its Occupancy Has Been Prohibited By The Building Official." It shall be unlawful for any person to enter such structure except for the purpose of securing the structure, making the required repairs, removing the hazardous condition or of demolishing the same.

Section 15-15-601. Temporary safeguards. Notwithstanding other provisions of this chapter, whenever, in the opinion of the Building Official, there is imminent danger due to an unsafe condition, the Building Official shall order the necessary work to be done, including the boarding up of openings, to render such structure temporarily safe whether or not the legal procedure herein described has been instituted; and shall cause such other action to be taken as the Building Official deems necessary to meet such emergency.

Section 15-15-603. Closing streets. When necessary for public safety, the Building Official shall temporarily close structures and close, or order the authority having jurisdiction to close, sidewalks, streets, public ways and places adjacent to unsafe structures, and prohibit the same from being utilized.

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Section 15-15-604. Emergency repairs. For the purposes of this Article, the Building Official shall employ the necessary labor and materials to perform the required work as expeditiously as possible.

Section 15-15-605. Costs of emergency repairs. Costs incurred in the performance of emergency work may be paid by the town. The town may institute appropriate action against the owner of the premises where the unsafe structure is or was located for the recovery of such costs.

Section 15-15-606. **Authority to disconnect service utilities.** The Building Official shall have the authority to authorize disconnection of utility service to the building, structure or system regulated by this chapter and the referenced codes set forth in Title 15 in case of emergency where necessary to eliminate an immediate hazard to life or property or when such utility connection has been made without approval. The Building Official shall notify the serving utility and, whenever possible, the owner and occupant of the building, structure or service system of the decision to disconnect prior to taking such action. If not notified prior to disconnection the owner or occupant of the building, structure or service system shall be notified in writing as soon as practical thereafter.

Section 15-15-607. **Hearing**. Any person ordered to take emergency measures shall comply with such order forthwith. Any affected person shall thereafter, upon petition directed to the appeals board, be afforded a hearing as described in this chapter.

Staff Explanation: As requested by the Planning & Development Standards Committee in their October 27th meeting, the number of board members required to reverse a determination of the building official is recommended to be revised.

Section 15-1-112.4 Quorum and voting. A simple majority of the board shall constitute a quorum. The concurring vote of ~~five (5) members~~ a majority of the construction board of adjustment and appeals members present at the meeting shall be necessary to reverse any action, order, requirement, decision, or determination of the building official. If the required number of votes is not obtained, the action, order, requirement, decision or determination of the building official shall stand. ~~For votes on any other matter, the affirmative votes of the majority present shall be required.~~ In the event that regular members are unable to attend the meeting, alternative members, if substituted, shall vote.

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: November 10, 2010

RE: **Resolution to Terminate 2002 SWU Forward Delivery Agreement**

Recommendation: Staff recommends Town Council authorize the Town Manager or his designee to take any and all actions to cause the termination of the Forward Delivery Agreement (FDA) associated with the 2002 Stormwater Utility (SWU) Bonds.

Summary: The Town plans to refund the outstanding 2002 Stormwater Utility Bonds and issue additional bonds to provide new money to fund ongoing stormwater projects. The process of refunding the 2002 Stormwater Utility Bonds will require the termination of the associated FDA.

Background:
A Forward Delivery Agreement is an investment agreement whereby a third party investor separate from the trustee agrees to invest a bond reserve fund at an agreed upon investment rate. The 2002 reserve fund will be liquidated when the outstanding 2002 bonds are refunded; therefore, the Town does not require the FDA. Council is required to take this written action becasue early termination is desired.

The holder of the FDA has requested that Town Council pass a resolution to terminate the FDA. The Town's bond counsel and financial advisors assisted in the preparation of this resolution and recommend its approval.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER OR HIS DESIGNEE TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO CAUSE THE TERMINATION OF THE FORWARD DELIVERY AGREEMENT ASSOCIATED WITH THE 2002 STORMWATER UTILITY BONDS.

WHEREAS, on December 23, 2002, the Town of Hilton Head Island, South Carolina (the "Town"), issued its $17,000,000 original principal amount Stormwater Revenue Bonds, Series 2002 (the "2002 Bonds"); and

WHEREAS, in connection with the issues of the 2002 Bonds, the Town entered into a Debt Service Reserve Fund Forward Delivery Agreement with Wells Fargo Bank, N.A, as Trustee, and Wachovia Bank, National Association (now Wells Fargo Bank, N.A.), as Provider dated as of April 3, 2003 (the "FDA"), for the purpose of investing the debt reserve fund associated with the 2002 Bonds; and

WHEREAS, the Town Council has been advised by its financial advisor and bond counsel that the 2002 Bonds can be refunded resulting in considerable interest costs savings over of the life of the Bonds; and

WHEREAS, in order to complete the refunding of the 2002 Bonds, it will be necessary to terminate the FDA.

NOW, THEREFORE, BE IT, AND IT HEREBY RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND SOUTH CAROLINA THAT:

The Town Manager or his designee is hereby authorized to take any and all actions and execute any and all documents, upon the advice of its Bond Counsel and Financial Advisor, necessary to cause the termination of the FDA in order to complete the refunding of the 2002 Bonds.

MOVED, APPROVED, AND ADOPTED THIS _____ DAY OF _____, 2010.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

_____
Thomas D. Peeples, Mayor

ATTEST:
(SEAL)

By:_____
Betsy Mosteller, Town Clerk

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:_____

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

DATE: November 15, 2010

RE: **Stoney Sewer Project**

Recommendation

That the Town Council adopt ordinances on first reading to provide easements to the Hilton Head Public Service District that facilitate the Stoney sewer project.

Summary

Granting these easements for a lift station and lines that traverse town-owned property will enable the PSD to move forward with the bidding and construction of the Stoney Sewer Service project. Two separate ordinances were prepared; one for the lift station that will occupy an area now reserved for a septic drain field; and other for easements across several parcels of Town-owned land fronting on William Hilton Parkway and a small portion of Squire Pope Road.

Background

The Town Council has previously pledged to bring sewer to town-owned properties where sewer is needed in a way that also benefits neighboring properties. Council has also previously committed to spending TIF revenues to bring sewer to portions of Stoney and Chaplin. Conceptual approval has previously been granted to locating a sewer lift station on a portion of town-owned land that is currently encumbered with a septic drain field easement. This ordinance and the ordinance that follows formalizes the needed easements and is the final step in this process prior to bidding and construction. Your approval is recommended.

PROPOSED ORDINANCE NUMBER 2010-28 ORDINANCE NUMBER:

AN ORDINANCE OF THE TOWN OF HILTON HEAD, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF THAT CERTAIN UTILITY EASEMENT AGREEMENT WITH HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT OVER PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, NEAR THE INTERSECTION OF WILLIAM HILTON PARKWAY AND OLD WILD HORSE ROAD PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. SEC. 5-7-40 (SUPP. 2009), AND SEC. 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA,* (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, The Town of Hilton Head Island, South Carolina owns a parcel of real property located on Old Wild Horse Road near the intersection of William Hilton Parkway known and described as Beaufort County Tax Map #R511-007-000-0040 (the "Town Parcel"); and

WHEREAS, Hilton Head No. 1 Public Service District ("HHPSD#1") has requested a permanent easement on, over, across and through a portion of the Town Parcel for the purposes of building and maintaining a below-ground sewer lift station and related improvements; and

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina has determined that it is in the best interests of the Town to grant a Utility Easement to HHPSD#1 for the installation and maintenance of a sewer lift station and related improvements in a form substantially similar to that attached hereto as Exhibit "A" ; and

WHEREAS, under the provisions of S.C. Code Ann. Sec. 5-7-40 (SUPP. 2009) and Sec. 2-7-20, *Code of the Town of Hilton Head Island , South Carolina,* (1983), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be effected by Ordinance.

NOW THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Execution of Easement Agreement.

(a) The Mayor and/or Town Manager are hereby authorized to execute and deliver a Utility Easement Agreement in a form substantially similar to that attached hereto as Exhibit "A"; and

(b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the execution of the Agreement as authorized hereby.

Section 2. Severability.

If any section, phrase, sentence or portion of this Ordinance is, for any reason, held or deemed to be invalid or unconstitutional by any court of competent jurisdiction, then such section, phrase, sentence or portion shall be deemed a separate, distinct and independent provision and shall not affect the remaining portion thereof.

Section 3. Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ___ DAY OF _____, 2010.

_____
Thomas D. Peeples , Mayor

ATTEST

_____
Betsy M. Mosteller, Town Clerk
First Reading: _____
Second Reading:_____
Approved as to form:_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:_____

STATE OF SOUTH CAROLINA	)	
	)	**UTILITY EASEMENT AGREEMENT**
COUNTY OF BEAUFORT	)	

This Easement Agreement is made this _____ day of _____, 2010, by and between The Town of Hilton Head Island, South Carolina (hereinafter, the "Town"), and the Hilton Head No. 1 Public Service District, (hereinafter, "HHPSD").

Know all men by these presents, the Town, for and in consideration of the sum of Ten and no/100 ($10.00) Dollars, the receipt and sufficiency whereof is acknowledged, subject to the rights reserved herein, has bargained, granted, and sold and by these presents does hereby bargain, grant, and sell to the HHPSD, its successors and assigns, a perpetual, exclusive easement on, under, over and across that portion of the Town Property described below (hereinafter, the "Easement"):

> ALL that area described as "EASEMENT FOR LIFT STATION SITE 0.13 AC., 5,533 S.F." shown and described on that certain Plat entitled "Lift Station Site Easement Over: Tax Parcel R511 007 000 0040 0000, Wild Horse Road, Hilton Head Island, Beaufort County, South Carolina," dated September 30, 2010, prepared by Sea Island Land Survey, LLC, certified by Mark. R. Renew, SCRLS No. 25437, Surveying Consultants and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book _____at Page _____.
>
> (hereinafter, the "Easement Property")

The Easement granted herein is for the purpose of allowing the installation, operation and maintenance of a below-ground submersible sewer lift station and associated improvements

(hereinafter, the "Lift Station") within the Easement Property on the terms and conditions stated herein. This Easement is granted and accepted subject to the following terms:

1. This Easement is conveyed subject to all other easements, licenses, and conveyances of record and is subject to the rights herein reserved by the Town, and its successors and assigns, to utilize the Town Property, including the Easement Property, at any time, in any manner, and for any purpose, provided, however, that such use by the Town shall not be inconsistent with nor prevent the full utilization by the HHPSD, of the rights and privileges granted herein. HHPSD acknowledges that the portion of the Easement Property currently existing as a curb cut on Old Wild Horse Road may be utilized as access by the Town and owners of other parcels shown on the plat referenced above.

2. HHPSD agrees to maintain the Lift Station within the Easement Property, and further agrees that the use of and access to the Lift Station shall be under the exclusive control of the HHPSD; however the Town shall be entitled to have reasonable access of the lift station for inspection purposes upon written notice to HHPSD of the same.

3. HHPSD shall, at its sole cost and expense, cause all timely cleaning, repair, renovation, or any other work necessary for the safe operation of the Lift Station.

4. HHPSD agrees to cause all work contemplated or allowed hereunder to be performed in a workmanlike fashion with minimal interference to the Town, its successors, assigns, invitees, guests, licensees, and agents. HHPSD further agrees to cause the work contemplated hereunder to be completed in an expeditious and timely fashion, and that all materials, debris, and construction materials shall be promptly removed. HHPSD shall restore, at its sole expense, any part of the Town Property or any improvements thereon which may be disturbed or damaged as a

result of the HHPSD's exercise or performance of any of its rights or obligations hereunder to its pre-existing state.

5. HHPSD acknowledges that no rights are conveyed other than those expressly stated herein, and HHPSD agrees not to use the Easement or Easement Property for any purpose other than those expressly stated herein.

6. HHPSD agrees, to the extent provided by the South Carolina Tort Claims Act, the South Carolina Constitution, and HHSPD's property and liability insurance policies, to respond to any claim against the Town, or its successors and assigns, resulting from any acts, omissions, or claims arising directly or indirectly from its exercise of the rights granted to HHPSD hereby.

7. The Easement granted herein is conveyed by the Town and accepted by HHPSD on the condition that if HHPSD notifies the Town, or its successors and assigns, of its election not to utilize the Easement or Easement Property further; or the Easement is not used for the stated purposes for a period of Twelve (12) Months, then HHPSD will restore the Easement Property to its pre-existing condition, and this Easement will terminate. HHPSD agrees that upon any such termination of the Easement, it will execute and deliver a recordable document terminating the Easement of record.

8. This Utility Easement Agreement shall inure to the benefit of and shall be binding upon the Town and HHPSD and their respective successors and assigns, if any are permitted hereunder.

In witness whereof, the Parties hereto have caused this Utility Easement Agreement to be executed by their duly authorized officers on this _____ day of _____, 2010.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

_____
(Signature of witness #1)

By:_____
, Mayor

_____
(Signature of notary public)

Attest:_____
Stephen G. Riley, Town Manager

STATE OF SOUTH CAROLINA)
) **UNIFORM ACKNOWLEDGMENT**
COUNTY OF BEAUFORT) **S. C. CODE ANN. § 30-5-30 (SUPP. 2009)**

I, the undersigned Notary Public do hereby certify that _____, Mayor, and Stephen G. Riley, Town Manger, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument on behalf of The Town of Hilton Head Island, South Carolina.

Sworn to and Subscribed before me
on this _____Day of _____, 2010.

_____
Notary Public for South Carolina
My Commission Expires:_____

The Hilton Head No. 1 Public Service District hereby agrees to the provisions set forth in the above Utility Easement Agreement:

WITNESSES:

HILTON HEAD No. 1PUBLIC SERVICE DISTRICT

_____
(Signature of witness #1)

By:_____

_____
(Signature of notary public)

Its:_____

STATE OF SOUTH CAROLINA)
) **UNIFORM ACKNOWLEDGMENT**
COUNTY OF BEAUFORT) **S. C. CODE ANN. § 30-5-30 (SUPP. 2009)**

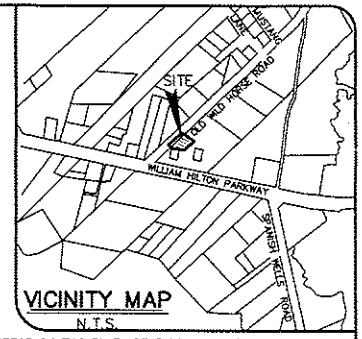
I, the undersigned Notary Public do hereby certify that _____ personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument on behalf of the Hilton Head No. 1 Public Service District.

Sworn to and Subscribed before me
on this _____Day of _____, 2010.

_____
Notary Public for South Carolina
My Commission Expires:_____

NOTES:

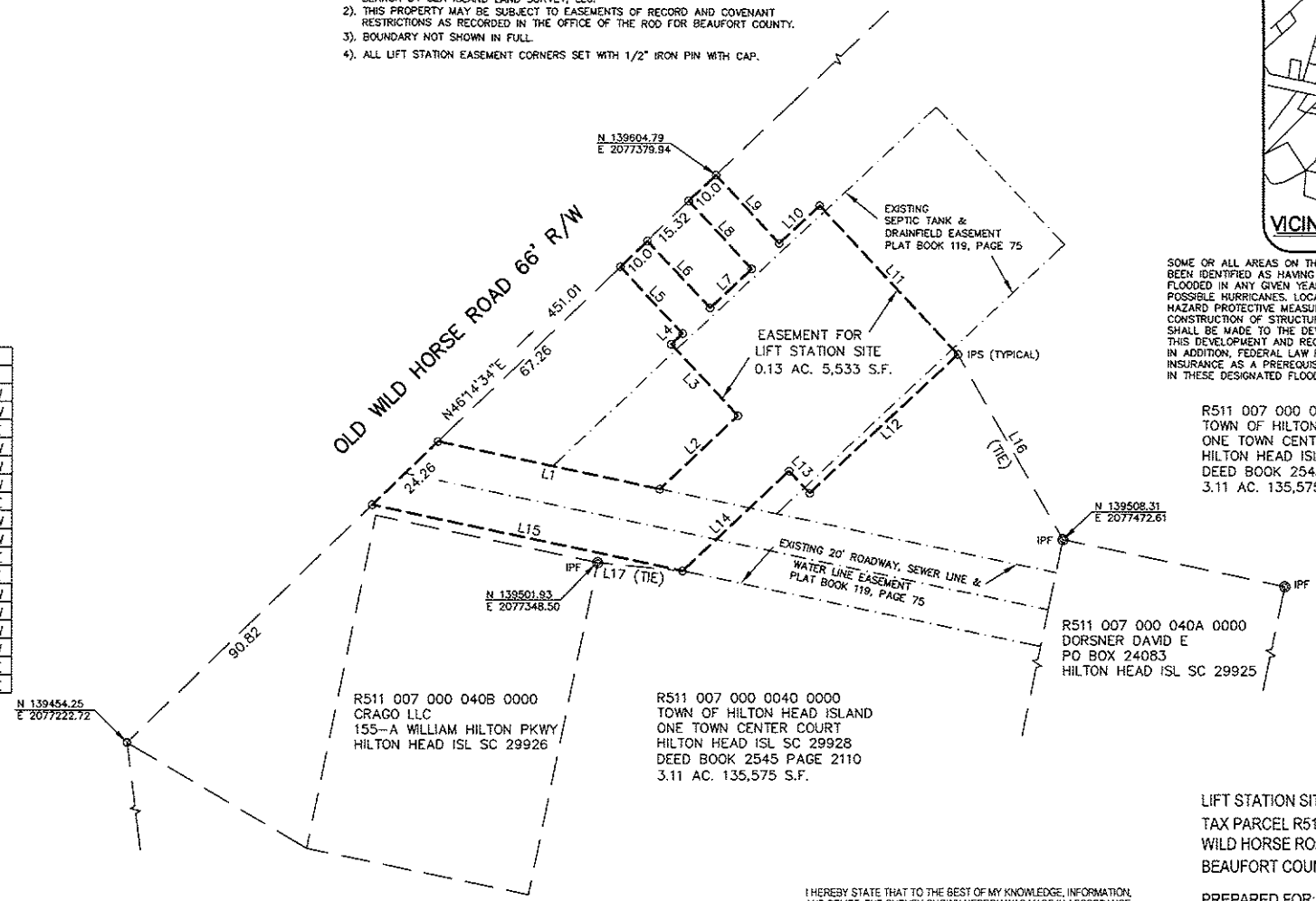
1). THIS PLAT HAS BEEN PREPARED WITHOUT BENEFIT OF A COMPLETE TITLE SEARCH BY SEA ISLAND LAND SURVEY, LLC.
2). THIS PROPERTY MAY BE SUBJECT TO EASEMENTS OF RECORD AND COVENANT RESTRICTIONS AS RECORDED IN THE OFFICE OF THE ROD FOR BEAUFORT COUNTY.
3). BOUNDARY NOT SHOWN IN FULL.
4). ALL LIFT STATION EASEMENT CORNERS SET WITH 1/2" IRON PIN WITH CAP.



VICINITY MAP
N.T.S.

SOME OR ALL AREAS ON THIS PLAT ARE FLOOD HAZARD AREAS AND HAVE BEEN IDENTIFIED AS HAVING AT LEAST A ONE PERCENT CHANCE OF BEING FLOODED IN ANY GIVEN YEAR BY RISING TIDAL WATERS ASSOCIATED WITH POSSIBLE HURRICANES. LOCAL REGULATIONS REQUIRE THAT CERTAIN FLOOD HAZARD PROTECTIVE MEASURES BE INCORPORATED IN THE DESIGN AND CONSTRUCTION OF STRUCTURES IN THESE DESIGNATED AREAS. REFERENCE SHALL BE MADE TO THE DEVELOPMENT COVENANTS AND RESTRICTIONS OF THIS DEVELOPMENT AND REQUIREMENTS OF THE TOWN BUILDING OFFICIAL. IN ADDITION, FEDERAL LAW REQUIRES MANDATORY PURCHASE OF FLOOD INSURANCE AS A PREREQUISITE TO FEDERALLY INSURED MORTGAGE IN THESE DESIGNATED FLOOD HAZARD AREAS FINANCING

LINE TABLE		
LINE	LENGTH	BEARING
L1	60.64	N 78°14'16" W
L2	28.42	S 46°50'44" W
L3	26.00	S 43°09'16" E
L4	4.15	S 46°50'44" W
L5	24.33	N 43°33'12" W
L6	24.44	N 43°33'12" W
L7	15.14	N 46°50'44" E
L8	24.60	N 43°07'46" W
L9	24.70	N 43°07'46" W
L10	14.71	N 46°50'44" E
L11	54.00	S 43°09'16" E
L12	54.00	S 46°50'44" W
L13	8.00	N 43°09'16" W
L14	38.81	S 46°50'44" W
L15	84.77	N 78°14'16" W
L16	56.60	S 29°47'09" E
L17	22.91	S 84°37'08" E



R511 007 000 0040 0000
TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISL SC 29928
DEED BOOK 2545 PAGE 2110
3.11 AC. 135,575 S.F.

SYMBOLS

IPF ◎ - 1/2" IRON PIN FOUND
IPS ○ - 1/2" IRON PIN SET WITH CAP

REFERENCE PLAT

1) A BOUNDARY, TREE AND TOPOGRAPHIC SURVEY AND WETLAND SURVEY OF 7.221 ACRE PARCEL, LOCATED AT THE INTERSECTION OF WILD HORSE ROAD AND U.S. HIGHWAY 278, TOWN OF HILTON HEAD ISLAND, BEAUFORT COUNTY, S.C.
DRAWN: 9/13/05
RECORDED IN BOOK 119 , PAGE 75 , DATED 3/30/07
ROD. BEAUFORT COUNTY, SC
BY: FORREST F. BAUGHMAN S.C.R.L.S. #4922

PROPERTY AREA = 0.13 AC. (5,533 S.F.)
ADDRESS: WILD HORSE ROAD
DISTRICT: 511 , MAP: 7, PARCEL: 40

THIS PROPERTY LIES IN F.E.M.A. ZONE A7 - 14.0'
COMMUNITY NO. 450250, PANEL: 0008D, DATED: 9/29/86

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN; ALSO THERE ARE NO VISIBLE ENCROACHMENTS OR PROJECTIONS OTHER THAN SHOWN.

SOUTH CAROLINA SEA ISLAND LAND SURVEY No.C02180 CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA PROFESSIONAL LAND SURVEYOR 25437 MARK R. RENEW

NOT VALID UNLESS EMBOSSED.

LIFT STATION SITE EASEMENT OVER:
TAX PARCEL R511 007 000 0040 0000,
WILD HORSE ROAD, HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA

PREPARED FOR:
HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT

DATE: 9/30/10 SCALE: 1" = 30'

GRAPHIC SCALE
0 30 60 90

SIS Sea Island Land Survey, LLC.
40 Mathews Court,
Hilton Head Island,
SC 29926
Tel (843) 681-3248
Fax (843) 689-3871
E-mail: sils@sprynet.com

FILE No.: 09109/4 DWG No.: 6-971

COPYRIGHT © BY SEA ISLAND LAND SURVEY, LLC. CAD: BA

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

DATE: November 15, 2010

RE: **Stoney Sewer Project**

Recommendation

That the Town Council adopt ordinances on first reading to provide easements to the Hilton Head Public Service District that facilitate the Stoney sewer project.

Summary

Granting these easements for a lift station and lines that traverse town-owned property will enable the PSD to move forward with the bidding and construction of the Stoney Sewer Service project. Two separate ordinances were prepared; one for the lift station that will occupy an area now reserved for a septic drain field; and other for easements across several parcels of Town-owned land fronting on William Hilton Parkway and a small portion of Squire Pope Road.

Background

The Town Council has previously pledged to bring sewer to town-owned properties where sewer is needed in a way that also benefits neighboring properties. Council has also previously committed to spending TIF revenues to bring sewer to portions of Stoney and Chaplin. Conceptual approval has previously been granted to locating a sewer lift station on a portion of town-owned land that is currently encumbered with a septic drain field easement. This ordinance and the ordinance that follows formalizes the needed easements and is the final step in this process prior to bidding and construction. Your approval is recommended.

PROPOSED ORDINANCE NUMBER 2010-29 ORDINANCE NUMBER:

AN ORDINANCE OF THE TOWN OF HILTON HEAD, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF THAT CERTAIN UTILITY EASEMENT AGREEMENT WITH HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT OVER PORTIONS OF PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ALONG WILLIAM HILTON PARKWAY AND WILD HORSE ROAD PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. SEC. 5-7-40 (SUPP. 2009), AND SEC. 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA,* (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, The Town of Hilton Head Island, South Carolina owns parcels of real property located along William Hilton Parkway (U.S. Highway 278) known and described as Beaufort County Tax Map #R511-007-000-0053-0000, R511-007-000-0054-0000, R511-007-000-050A-0000, R511-007-000-0065-0000, and along Wild Horse Road known and described as R511-007-000-0395-0000 (collectively, the "Town Parcels"); and

WHEREAS, Hilton Head No. 1 Public Service District ("HHPSD#1") has requested a permanent easement on, over, across and through a portion of the Town Parcels for the purposes of building. Maintaining and using underground water and sewer line; and

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina has determined that it is in the best interests of the Town to grant a Utility Easement to HHPSD#1 for the installation and maintenance of the water and sewer lines in a form substantially similar to that attached hereto as Exhibit "A" ; and

WHEREAS, under the provisions of S.C. Code Ann. Sec. 5-7-40 (SUPP. 2009) and Sec. 2-7-20, *Code of the Town of Hilton Head Island , South Carolina,* (1983), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be effected by Ordinance.

NOW THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Execution of Easement Agreement.

(a) The Mayor and/or Town Manager are hereby authorized to execute and deliver a Utility Easement Agreement in a form substantially similar to that attached hereto as Exhibit "A"; and

(b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the execution of the Agreement as authorized hereby.

Section 2. Severability.

If any section, phrase, sentence or portion of this Ordinance is, for any reason, held or deemed to be invalid or unconstitutional by any court of competent jurisdiction, then such section, phrase, sentence or portion shall be deemed a separate, distinct and independent provision and shall not affect the remaining portion thereof.

Section 3. Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ___ DAY OF _____, 2010.

_____
Thomas D. Peeples , Mayor

ATTEST

_____
Betsy M. Mosteller, Town Clerk
First Reading: _____
Second Reading:_____
Approved as to form:_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:_____

STATE OF SOUTH CAROLINA	)	
	)	**UTILITY EASEMENT AGREEMENT**
COUNTY OF BEAUFORT	)	

This Easement Agreement is made this _____ day of _____, 2010, by and between The Town of Hilton Head Island, South Carolina (hereinafter, the "Town"), and the Hilton Head No. 1 Public Service District, (hereinafter, "HHPSD").

Know all men by these presents, the Town, for and in consideration of the sum of Ten and no/100 ($10.00) Dollars, the receipt and sufficiency whereof is acknowledged, subject to the rights reserved herein, has bargained, granted, and sold and by these presents does hereby bargain, grant, and sell to the HHPSD, its successors and assigns, a perpetual, exclusive easement on, under, over and across those portions of real property owned by the Town described below (hereinafter, the "Easement"):

> ALL that area described as "UTILITY EASEMENT 0.02 AC., 1,074 S.F." shown and described on that certain Plat entitled "Utility Easement Plat Over: Tax Parcel R511 007 000 065 0000, Squire Pope Road & William Hilton Parkway, Hilton Head Island, Beaufort County, South Carolina," dated September 30, 2010, prepared by Sea Island Land Survey, LLC, certified by Mark. R. Renew, SCRLS No. 25437, Surveying Consultants and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book _____at Page _____.
>
> AND ALSO:
>
> ALL that area described as "UTILITY EASEMENT 0.02 AC., 899 S.F." shown and described on that certain Plat entitled "Utility Easement Plat Over: Tax Parcel R511 007 000 0395 0000, Wild Horse Road, Hilton Head Island,

Beaufort County, South Carolina," dated _____, 2010, prepared by Sea Island Land Survey, LLC, certified by Mark. R. Renew, SCRLS No. 25437, Surveying Consultants and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book _____at Page _____.

AND ALSO:

ALL those certain areas described as "UTILITY EASEMENT 0.01 AC., 527 S.F.," "UTILITY EASEMENT 214 S.F.," "UTILITY EASEMENT 0.01 AC., 322 S.F." and "UTILITY EASEMENT 0.02 AC., 1,016 S.F." shown and described on that certain Plat entitled "Utility Easements Over: Tax Parcels R511 007 000 053 0000, R511 007 000 054 0000, R511 007 000 0377 0000, R511 007 000 050A 0000, William Hilton Parkway, Hilton Head Island, Beaufort County, South Carolina," dated September 30, 2010, prepared by Sea Island Land Survey, LLC, certified by Mark. R. Renew, SCRLS No. 25437, Surveying Consultants and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book _____at Page _____.

(hereinafter, collectively the "Easement Property")

The Easement granted herein is for the purpose of allowing the installation, use and maintenance of underground utility lines consisting of water and sewer lines of up to twelve (12") inches in diameter and a forced main sewer line (hereinafter, the "Underground Utility Lines") within the Easement Property on the terms and conditions stated herein. This Easement is granted and accepted subject to the following terms:

1. This Easement is conveyed subject to all other easements, licenses, and conveyances of record and is subject to the rights herein reserved by the Town, and its successors and assigns, to utilize the Town Property, including the Easement Property, at any time, in any manner, and for any purpose, provided, however, that such use by the Town shall not be inconsistent with nor prevent the full utilization by the HHPSD, of the rights and privileges granted herein.

2. HHPSD acknowledges that the Town, and its successors and assigns, may erect and install paved parking areas, paved walks, paved or unpaved access lanes or driveways within the Easement Area; provided however, that no excavation of more than Twenty Four (24") Inches below grade shall be made in connection with the installation or erection of any such improvements.

3. HHPSD agrees to maintain the Underground Utility Lines within the Easement Property, and further agrees that the use of and access to the Underground Utility Lines shall be under the exclusive control of the HHPSD.

4. HHPSD shall, at its sole cost and expense, cause all timely cleaning, repair, renovation, or any other work necessary for the safe operation of the Underground Utility Lines.

5. HHPSD agrees to cause all work contemplated or allowed hereunder to be performed in a workmanlike fashion with minimal interference to the Town, its successors, assigns, invitees, guests, licensees, and agents. HHPSD further agrees to cause the work contemplated hereunder to be completed in an expeditious and timely fashion, and that all materials, debris, and construction materials shall be promptly removed. HHPSD shall restore, at its sole expense, any part of the Town Property or any improvements thereon which may be disturbed or damaged as a result of the HHPSD's exercise or performance of any of its rights or obligations hereunder to its pre-existing state.

6. HHPSD acknowledges that no rights are conveyed other than those expressly stated herein, and HHPSD agrees not to use the Easement or Easement Property for any purpose other than those expressly stated herein.

7. HHPSD agrees, to the extent provided by the South Carolina Tort Claims Act, the South

Carolina Constitution, and HHSPD's property and liability insurance policies, to respond to any claim against the Town, or its successors and assigns, resulting from any acts, omissions, or claims arising directly or indirectly from its exercise of the rights granted to HHPSD hereby.

8. The Easement granted herein is conveyed by the Town and accepted by HHPSD on the condition that if HHPSD notifies the Town, or its successors and assigns, of its election not to utilize the Easement or Easement Property further; or the Easement is not used for the stated purposes for a period of Twelve (12) Months, then HHPSD will restore the Easement Property to its pre-existing condition, and this Easement will terminate. HHPSD agrees that upon any such termination of the Easement, it will execute and deliver a recordable document terminating the Easement of record.

9. This Utility Easement Agreement shall inure to the benefit of and shall be binding upon the Town and HHPSD and their respective successors and assigns, if any are permitted hereunder.

In witness whereof, the Parties hereto have caused this Utility Easement Agreement to be executed by their duly authorized officers on this _____ day of _____, 2010.

(SIGNATURES ON FOLLOWING PAGES)

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

_____
(Signature of witness #1)

By:_____
, Mayor

_____
(Signature of notary public)

Attest:_____
Stephen G. Riley, Town Manager

STATE OF SOUTH CAROLINA)
) **UNIFORM ACKNOWLEDGMENT**
COUNTY OF BEAUFORT) **S. C. CODE ANN. § 30-5-30 (SUPP. 2009)**

I, the undersigned Notary Public do hereby certify that _____, Mayor, and Stephen G. Riley, Town Manger, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument on behalf of The Town of Hilton Head Island, South Carolina.

Sworn to and Subscribed before me
on this _____Day of _____, 2010.

_____
Notary Public for South Carolina
My Commission Expires:_____

The Hilton Head No. 1 Public Service District hereby agrees to the provisions set forth in the above Utility Easement Agreement:

WITNESSES:

HILTON HEAD No. 1PUBLIC SERVICE DISTRICT

_____
(Signature of witness #1)

By:_____

_____
(Signature of notary public)

Its:_____

STATE OF SOUTH CAROLINA)
) **UNIFORM ACKNOWLEDGMENT**
COUNTY OF BEAUFORT) **S. C. CODE ANN. § 30-5-30 (SUPP. 2009)**

I, the undersigned Notary Public do hereby certify that _____ personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument on behalf of the Hilton Head No. 1 Public Service District.

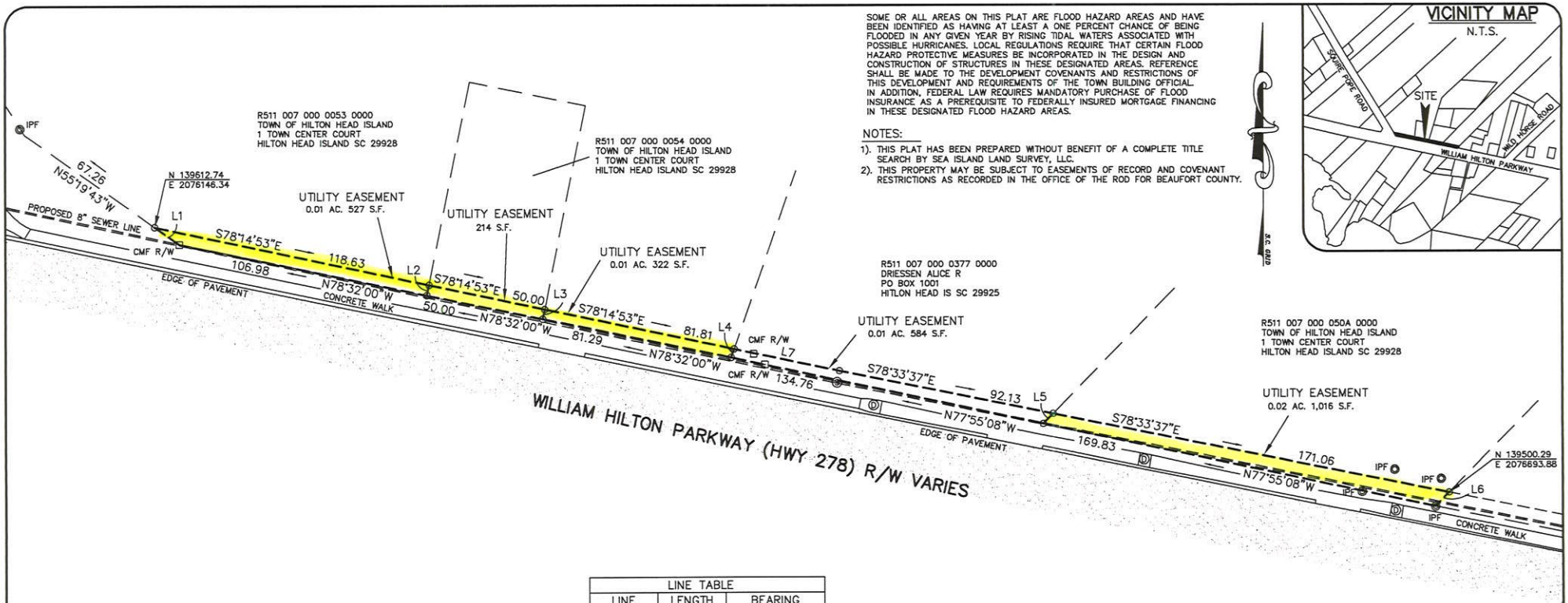
Sworn to and Subscribed before me
on this _____Day of _____, 2010.

_____
Notary Public for South Carolina
My Commission Expires:_____

SOME OR ALL AREAS ON THIS PLAT ARE FLOOD HAZARD AREAS AND HAVE BEEN IDENTIFIED AS HAVING AT LEAST A ONE PERCENT CHANCE OF BEING FLOODED IN ANY GIVEN YEAR BY RISING TIDAL WATERS ASSOCIATED WITH POSSIBLE HURRICANES. LOCAL REGULATIONS REQUIRE THAT CERTAIN FLOOD HAZARD PROTECTIVE MEASURES BE INCORPORATED IN THE DESIGN AND CONSTRUCTION OF STRUCTURES IN THESE DESIGNATED AREAS. REFERENCE SHALL BE MADE TO THE DEVELOPMENT COVENANTS AND RESTRICTIONS OF THIS DEVELOPMENT AND REQUIREMENTS OF THE TOWN BUILDING OFFICIAL. IN ADDITION, FEDERAL LAW REQUIRES MANDATORY PURCHASE OF FLOOD INSURANCE AS A PREREQUISITE TO FEDERALLY INSURED MORTGAGE FINANCING IN THESE DESIGNATED FLOOD HAZARD AREAS.

NOTES:

1). THIS PLAT HAS BEEN PREPARED WITHOUT BENEFIT OF A COMPLETE TITLE SEARCH BY SEA ISLAND LAND SURVEY, LLC.
2). THIS PROPERTY MAY BE SUBJECT TO EASEMENTS OF RECORD AND COVENANT RESTRICTIONS AS RECORDED IN THE OFFICE OF THE ROD FOR BEAUFORT COUNTY.



LINE TABLE		
LINE	LENGTH	BEARING
L1	12.66	N 55°19'43" W
L2	4.40	S 11°34'47" W
L3	4.15	N 11°34'47" E
L4	3.78	N 19°27'32" E
L5	5.95	S 44°30'08" W
L6	8.22	S 44°30'08" W
L7	45.35	N 78°14'07" W

SYMBOLS

CMF R/W ⊡ – 6" CONCRETE RIGHT OF WAY MONUMENT FOUND
IPF ⊙ – 1/2" IRON PIN FOUND
Ⓢ – SANITARY MANHOLE
Ⓓ – STORM MANHOLE

REFERENCE PLATS

1) A BOUNDARY SURVEY OF PARCEL A & B, A SECTION OF CHAMBERLAIN H. ROBERSON ESTATE, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA.
DRAWN: 1/08/96
RECORDED IN DEED BOOK 867, PAGE 1761, DATED 1/19/96
ROD. BEAUFORT COUNTY, SC
BY: MICHAEL R. DUNIGAN S.C.R.L.S. # 11905

2) A BOUNDARY SURVEY OF PARCELS 53 & 54, HIGHWAY 278 A PORTION OF FAIRFIELD PLANTATION, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA.
DRAWN: 9/18/07
RECORDED IN BOOK 122, PAGE 46, DATED 10/24/07
ROD. BEAUFORT COUNTY, SC
BY: FORREST F. BAUGHMAN S.C.R.L.S. # 4922

ADDRESS: WILLIAM HILTON PARKWAY
DISTRICT: 511, MAP: 7, PARCELS: 53, 54, 377 & 50A

THIS PROPERTY LIES IN F.E.M.A. ZONE A7 - 14.0'
COMMUNITY NO. 450250, PANEL: 0008D, DATED: 9/29/86

OWNERS CERTIFICATION

_____ ARE THE OWNER(S) OF THE THE HEREON DESCRIBED PROPERTY AND THAT I (WE) STATE THAT THIS PLAN IS BEING PUT FORTH AS REQUESTED.

SIGNATURE _____ DATE _____

OWNERS CERTIFICATION

_____ ARE THE OWNER(S) OF THE THE HEREON DESCRIBED PROPERTY AND THAT I (WE) STATE THAT THIS PLAN IS BEING PUT FORTH AS REQUESTED.

SIGNATURE _____ DATE _____

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN; ALSO THERE ARE NO VISIBLE ENCROACHMENTS OR PROJECTIONS OTHER THAN SHOWN.

SOUTH CAROLINA SEA ISLAND LAND SURVEY No. C02180 CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA PROFESSIONAL LAND SURVEYOR 25437 MARK R. RENEW

NOT VALID UNLESS EMBOSSED.

UTILITY EASEMENTS OVER:
TAX PARCELS R511 007 000 0053 0000,
R511 007 000 054 0000, R511 07 000 0377 0000,
R511 007 000 050A 0000, WILLIAM HILTON PARKWAY,
HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA
PREPARED FOR:
HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT

DATE: 8/03/10 SCALE: 1" = 40'

GRAPHIC SCALE
0 40 80 120

SIS Sea Island Land Survey, LLC.
4D Mathews Court,
Hilton Head Island,
SC 29926
Tel (843) 681-3248
Fax (843) 689-3871
E-mail: sils@sprynet.com

FILE No: 09109/3 DWG No.: 6-968

COPYRIGHT © BY SEA ISLAND LAND SURVEY, LLC. CAD: BA

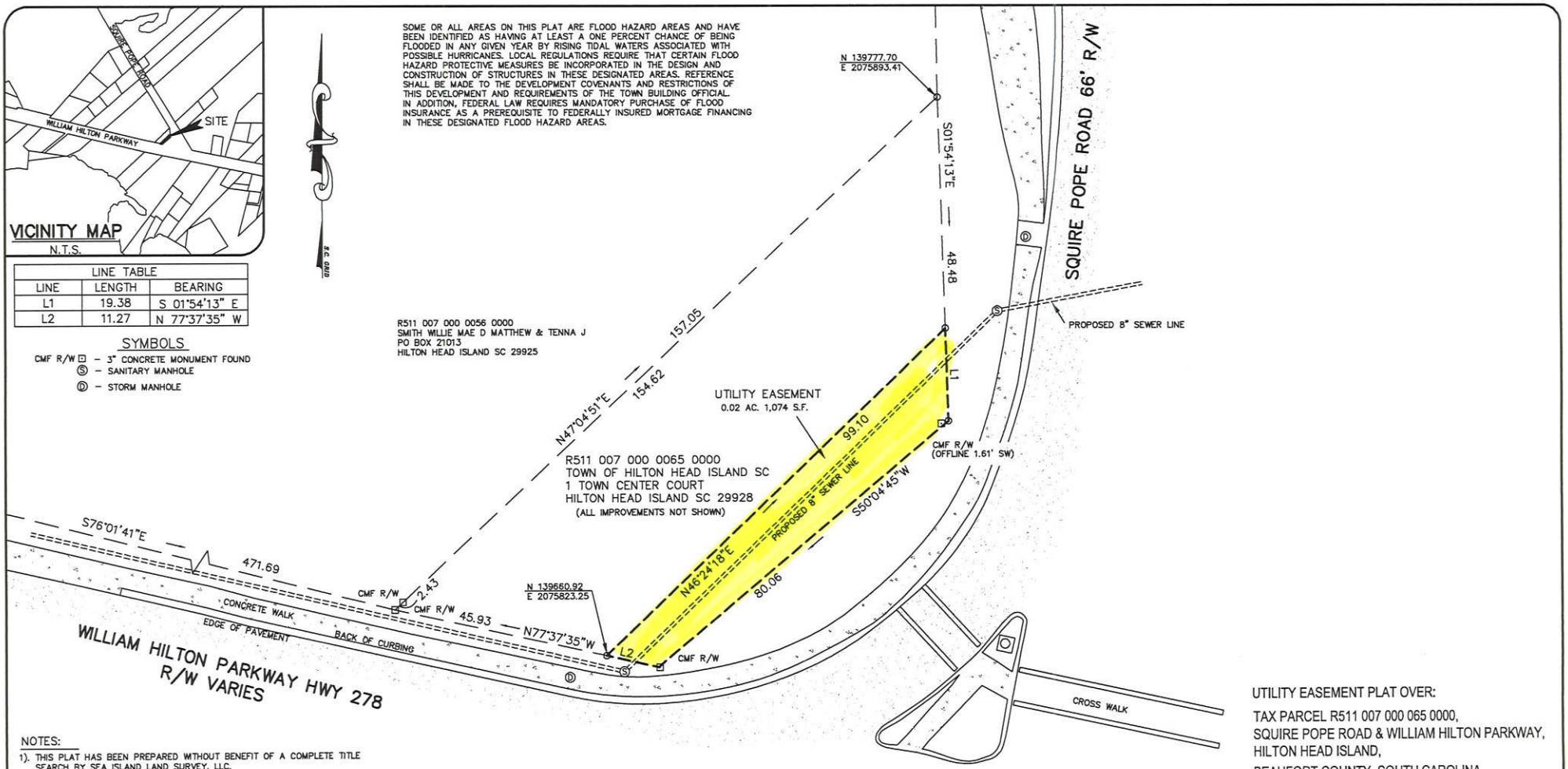
VICINITY MAP
N.T.S.

LINE TABLE		
LINE	LENGTH	BEARING
L1	19.38	S 01°54'13" E
L2	11.27	N 77°37'35" W

SYMBOLS

CMF R/W ⊡ – 3" CONCRETE MONUMENT FOUND
Ⓢ – SANITARY MANHOLE
Ⓓ – STORM MANHOLE

SOME OR ALL AREAS ON THIS PLAT ARE FLOOD HAZARD AREAS AND HAVE BEEN IDENTIFIED AS HAVING AT LEAST A ONE PERCENT CHANCE OF BEING FLOODED IN ANY GIVEN YEAR BY RISING TIDAL WATERS ASSOCIATED WITH POSSIBLE HURRICANES. LOCAL REGULATIONS REQUIRE THAT CERTAIN FLOOD HAZARD PROTECTIVE MEASURES BE INCORPORATED IN THE DESIGN AND CONSTRUCTION OF STRUCTURES IN THESE DESIGNATED AREAS. REFERENCE SHALL BE MADE TO THE DEVELOPMENT COVENANTS AND RESTRICTIONS OF THIS DEVELOPMENT AND REQUIREMENTS OF THE TOWN BUILDING OFFICIAL. IN ADDITION, FEDERAL LAW REQUIRES MANDATORY PURCHASE OF FLOOD INSURANCE AS A PREREQUISITE TO FEDERALLY INSURED MORTGAGE FINANCING IN THESE DESIGNATED FLOOD HAZARD AREAS.



NOTES:

1). THIS PLAT HAS BEEN PREPARED WITHOUT BENEFIT OF A COMPLETE TITLE SEARCH BY SEA ISLAND LAND SURVEY, LLC.
2). THIS PROPERTY MAY BE SUBJECT TO EASEMENTS OF RECORD AND COVENANT RESTRICTIONS AS RECORDED IN THE OFFICE OF THE ROD FOR BEAUFORT COUNTY.

REFERENCE PLAT

1) A R/W PLAT OF TAX PARCEL R511 007 000 0065, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA.
DRAWN: 6/05/07
RECORDED IN BOOK 128, PAGE 145, DATED 10/15/08
ROD. BEAUFORT COUNTY, SC
BY: JOHN L. HUDSON S.C.R.L.S. # 6957

PROPERTY AREA = 0.02 AC. (1,074 S.F.)
ADDRESS: SQUIRE POPE ROAD & WILLIAM HILTON PARKWAY
DISTRICT: 511, MAP: 7, PARCEL: 65

THIS PROPERTY LIES IN F.E.M.A. ZONE A7 - 14.0'
COMMUNITY NO. 450250, PANEL: 0002D, DATED: 9/29/86

OWNERS CERTIFICATION

_____ ARE THE OWNER(S) OF THE THE HEREON DESCRIBED PROPERTY AND THAT I (WE) STATE THAT THIS PLAN IS BEING PUT FORTH AS REQUESTED.

SIGNATURE _____ DATE _____

NOT VALID UNLESS EMBOSSED.

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN; ALSO THERE ARE NO VISIBLE ENCROACHMENTS OR PROJECTIONS OTHER THAN SHOWN.

SOUTH CAROLINA SEA ISLAND LAND SURVEY No.C02180 CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA PROFESSIONAL LAND SURVEYOR 25437 MARK R. RENEW

UTILITY EASEMENT PLAT OVER:

TAX PARCEL R511 007 000 065 0000,
SQUIRE POPE ROAD & WILLIAM HILTON PARKWAY,
HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA

PREPARED FOR:
HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT

DATE: 8/03/10 SCALE: 1" = 20'

GRAPHIC SCALE
0 20 40 60

Sea Island Land Survey, LLC.
4D Mathews Court,
Hilton Head Island,
SC 29926
Tel (843) 681-3248
Fax (843) 689-3871
E-mail: sils@sprynet.com

FILE No: 09109 DWG No.: 6-965

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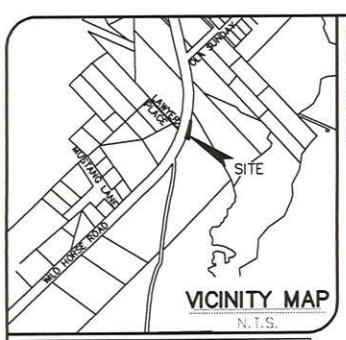
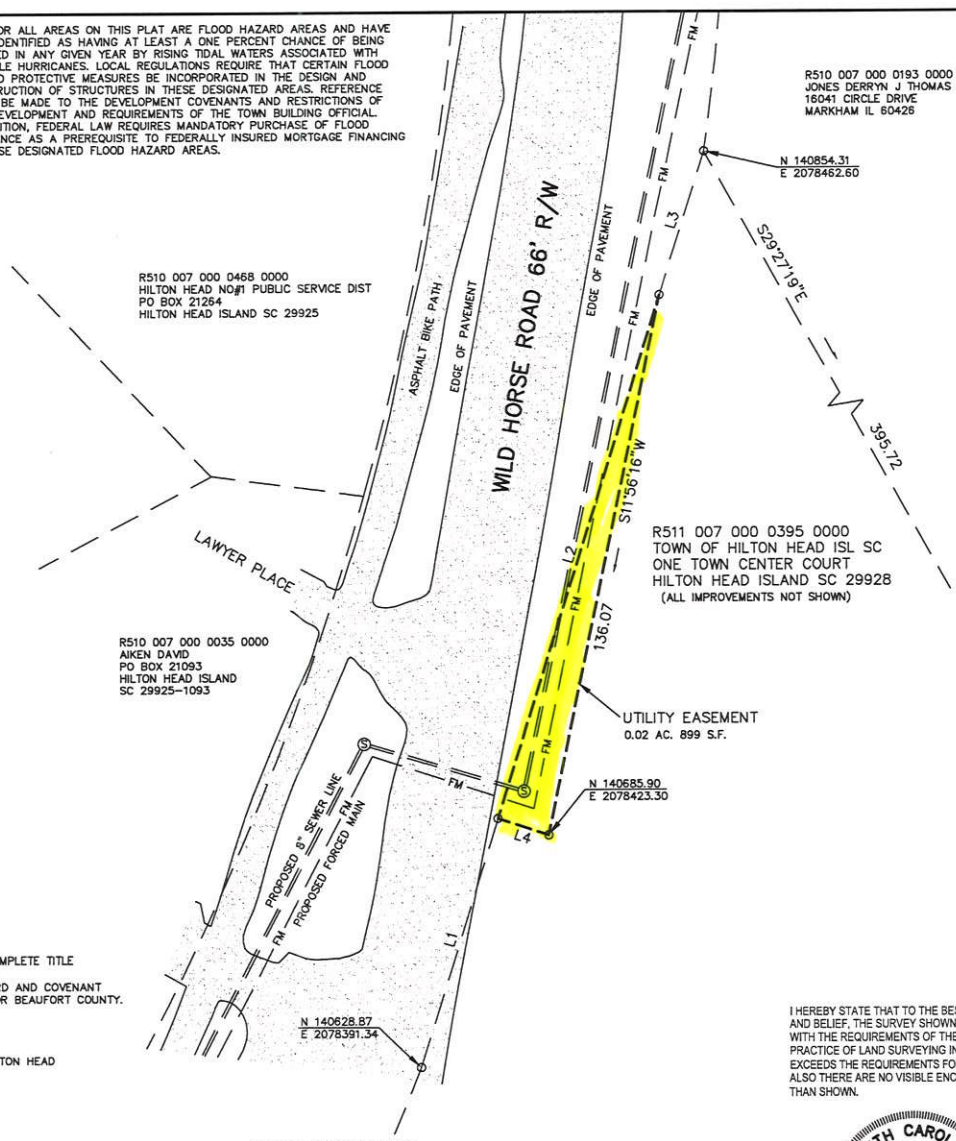


VICINITY MAP
N.T.S.

SOME OR ALL AREAS ON THIS PLAT ARE FLOOD HAZARD AREAS AND HAVE BEEN IDENTIFIED AS HAVING AT LEAST A ONE PERCENT CHANCE OF BEING FLOODED IN ANY GIVEN YEAR BY RISING TIDAL WATERS ASSOCIATED WITH POSSIBLE HURRICANES. LOCAL REGULATIONS REQUIRE THAT CERTAIN FLOOD HAZARD PROTECTIVE MEASURES BE INCORPORATED IN THE DESIGN AND CONSTRUCTION OF STRUCTURES IN THESE DESIGNATED AREAS. REFERENCE SHALL BE MADE TO THE DEVELOPMENT COVENANTS AND RESTRICTIONS OF THIS DEVELOPMENT AND REQUIREMENTS OF THE TOWN BUILDING OFFICIAL. IN ADDITION, FEDERAL LAW REQUIRES MANDATORY PURCHASE OF FLOOD INSURANCE AS A PREREQUISITE TO FEDERALLY INSURED MORTGAGE FINANCING IN THESE DESIGNATED FLOOD HAZARD AREAS.

LINE TABLE		
LINE	LENGTH	BEARING
L1	64.09	N 17°32'28" E
L2	135.35	N 17°32'28" E
L3	37.00	N 17°32'28" E
L4	13.29	N 72°07'49" W



NOTES:

1). THIS PLAT HAS BEEN PREPARED WITHOUT BENEFIT OF A COMPLETE TITLE SEARCH BY SEA ISLAND LAND SURVEY, LLC.

2). THIS PROPERTY MAY BE SUBJECT TO EASEMENTS OF RECORD AND COVENANT RESTRICTIONS AS RECORDED IN THE OFFICE OF THE ROD FOR BEAUFORT COUNTY.

REFERENCE PLAT

1) A PLAT OF TRACTS 1, 2 & 3 AND A 2.15 ACRE PARCEL, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA.
DRAWN: 8/06/98
RECORDED IN BOOK 66, PAGE 173, DATED 9/25/98
ROD. BEAUFORT COUNTY, SC
BY: JACK JONES S.C.R.L.S. # 13852

PROPERTY AREA = 0.02 AC. 899 S.F.
ADDRESS: WILD HORSE ROAD
DISTRICT: 511 , MAP: 7, PARCEL: 395

THIS PROPERTY LIES IN F.E.M.A. ZONE A7 - 14.0'
COMMUNITY NO.450250, PANEL: 0008D, DATED: 9/29/86

OWNERS CERTIFICATION

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SIGNATURE _____ DATE _____

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SOUTH CAROLINA SEA ISLAND LAND SURVEY No.C02180 CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA PROFESSIONAL LAND SURVEYOR 25437 MARK R. RENEW

UTILITY EASEMENT PLAT OVER:

TAX PARCEL R511 007 000 0395 0000
WILD HORSE ROAD, HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA

PREPARED FOR:
HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT

DATE : 8/04/10 SCALE : 1" = 30'

GRAPHIC SCALE
0 30 60 90

Sea Island Land Survey, LLC.
4D Mathews Court,
Hilton Head Island,
SC 29926
Tel (843) 681-3248
Fax (843) 689-3871
E-mail: sils@sprynet.com

FILE No : 09109/3 DWG No. : 6-967

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