



The Town of Hilton Head Island Regular Town Council Meeting

Tuesday, April 3, 2012

4:00 P.M.

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. Parkinson's Awareness Month
 - b. National Telecommunicators Week
- 6) **Approval of Minutes**
 - a. Town Council Meeting – March 20, 2012
- 7) **Report of the Town Manager**
 - a. Town Manager's Items of Interest
 - b. Airport Tree Clearing Update – Michael Murphy, Arborist
 - c. Hilton Head Island Fire and Rescue Accreditation - Lavarn Lucas, Fire Chief
- 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 – Lee Edwards, Chairman
 - d. Report of the Planning & Development Standards Committee –Bill Ferguson, Chairman
 - e. Report of the Public Facilities Committee – Kim Likins, Chairman
 - f. Report of the Public Safety Committee – Bill Harkins, Chairman
 - g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member
- 9) **Appearance by Citizens**

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2012-04

Second Reading of Proposed Ordinance 2012-04 to amend the *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983), by deleting Chapter 8 (Disaster Recovery Commission) of Title 7 (Public Safety); and providing for severability and an effective date.

b. Second Reading of Proposed Ordinance 2012-05

Second Reading of Proposed Ordinance 2012-05 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2012; to provide for the budgeted appropriations of prior year encumbrances and for the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

c. Second Reading of Proposed Ordinance 2012-06

Second Reading of Proposed Ordinance 2012-06 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2012; to provide for the budgeted appropriations of prior year budget roll-forwards and the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

d. Second Reading of Proposed Ordinance 2012-07

Second Reading of Proposed Ordinance 2012-07 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2012; to provide for the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

11) New Business

a. Consideration of a Resolution to Proclaim April, 2012 as Fair Housing Month

Consideration of a Resolution that the Town Council of the Town of Hilton Head Island, South Carolina proclaim April, 2012 as Fair Housing Month.

b. First Reading of Proposed Ordinance 2012-03

First Reading of Proposed Ordinance 2012-02 to amend Title 12 (Motor Vehicles and Traffic Control) of the *Municipal Code of the Town of Hilton Head Island, South Carolina* by adding Chapter 5 (Towing); and provide for severability and an effective date.

c. Consideration of a Recommendation regarding a Memorandum of Understanding and Agreement with the Island Recreation Association, Inc.

Consideration of a Recommendation that the Town Council of the Town of Hilton Head Island, South Carolina approve a Memorandum of Understanding and Agreement between the Town of Hilton Head Island and the Island Recreation Association, Inc.

d. Consideration of a Resolution to Amend the Scope of the Funds Committed to the Heritage Golf Tournament

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, to amend the Scope of the Funds committed by the Town for the Heritage Golf Tournament from 2012 to 2016.

12) Executive Session

a. Land Acquisition

13) Adjournment

Proclamation

By

The Town of Hilton Head Island

WHEREAS, Parkinson's is the second most common neurodegenerative disease in the United States, second only to Alzheimer's;

WHEREAS even though there is inadequate comprehensive data on the incidence and prevalence of Parkinson's disease, as of 2012, it is estimated that the disease affects over 1,000,000 people in the United States;

WHEREAS although research suggests the cause of Parkinson's disease is a combination of genetic and environmental factors, the exact cause and progression of the disease is still unknown and there is no objective test for Parkinson's disease and the rate of misdiagnosis can be high;

WHEREAS symptoms of Parkinson's disease vary from person to person and include tremor, slowness, difficulty with balance, swallowing, chewing, speaking, rigidity, cognitive problems, dementia, mood disorders, such as depression and anxiety, constipation, skin problems, and sleep disruption;

WHEREAS there is no cure, therapy, or drug to slow or halt the progression of Parkinson's disease;

WHEREAS increased education and research are needed to help find more effective treatments with fewer side effects and, ultimately, an effective treatment or cure for Parkinson's disease;

NOW, THEREFORE, I, Drew A. Laughlin, Mayor of the Town of Hilton Head Island, South Carolina do hereby proclaim the month of April as

PARKINSON'S AWARENESS MONTH

in the Town of Hilton Head Island, South Carolina, and encourage all citizens to join in celebrating Central Church of God and wishing them another successful and rewarding 25 years of service to our community.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this third day of April, in the Year of our Lord, two thousand and twelve.



Drew A. Laughlin, Mayor

Attest:



Cori Brock, Town Clerk

Proclamation

By
The Town of Hilton Head Island

***WHEREAS**, the Telecommunicators in the 9-1-1 Communications Center on Hilton Head Island serve the citizens of Hilton Head Island by answering their telephone calls for Fire, Rescue, and Emergency Medical Services by dispatching the appropriate assistance as quickly as possible and offering comfort and aid to those in need until help arrives; and*

***WHEREAS**, the critical functions performed by professional Telecommunicators also include those related to forestry and highway safety and maintenance activities, and many other operations performed by Federal, State, and Local Government Agencies; and*

***WHEREAS**, the Associated Public Safety Communications Officers, Inc., an organization of more than 16,000 people engaged in the design, installation and operation of emergency response communications systems, has set aside a week in April to recognize Telecommunicators and their crucial role in the protection of life and property.*

***NOW, THEREFORE**, I, **Drew A. Laughlin, Mayor**, of the **Town of Hilton Head Island, South Carolina** do hereby proclaim the week of **April 8 through April 15, 2012**, as*

NATIONAL TELECOMMUNICATORS WEEK

in Hilton Head Island, South Carolina, and encourage all citizens to participate in an appropriate manner.

***IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this **third day of April, in the Year of our Lord, Two Thousand and Twelve**.*



Drew A. Laughlin, Mayor

Attest:



Cori Brock, Town Clerk

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, March 20, 2012

Time: 4:00 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Ken Heitzke, *Mayor Pro-Tem*; George Williams, Lee Edwards, Bill Ferguson, Bill Harkins, *Council Members*.

Absent from Town Council: Kim Likens, *Council Member*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Natalie Majorkiewicz, *Systems & Reporting Administrator*; Jill Foster, *Deputy Director of Community Development*; Teri Lewis, *LMO Official*; Jeff Buckalew, *Town Engineer*; Jennifer Lyle, *Assistant Town Engineer*; Darrin Shoemaker, *Traffic & Transportation Engineer*; Julian Walls, *Facilities Manager*; Lavar Lucas, *Fire Chief*; Shawn Colin, *Comprehensive Planning Manager*; Shea Farrar, *Senior Planner*; Lynn Buchman, *Administrative Assistant*

Present from Media: Tom Barton, *Island Packet*

1) CALL TO ORDER

Mayor Laughlin called the meeting to order at 4:00 p.m.

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. American Red Cross

Mr. Otto Ferrene accepted the proclamation on behalf of the American Red Cross.

6) Approval of Minutes

a. Town Council Meeting – March 6, 2012

Mr. Harkins moved to approve. Mr. Williams seconded. The minutes from the March 6, 2012 Town Council meeting were approved by a vote of 5-0-1. Mr. Heitzke abstained as he was not in attendance at the March 6th meeting, and Mrs. Likens was absent.

7) Report of the Town Manager

a. Semi-Annual Report of the Planning Commission – Loretta Warden, Chairman

Chairman Warden presented an activity report of the Commission for the period July 1 through December 31, 2011. She identified the zoning map amendments, zoning changes, public projects approved, and other matters presented before the Planning Commission during this period. Although the Commission experienced 3 unexpected resignations, she acknowledged the efforts of Mr. Edwards and the Personnel Committee in filling those positions in a timely fashion.

Mayor Laughlin thanked Ms. Warden and all members of the Commission for their hard work.

b. Town Manager's Items of Interest

Mr. Riley reported on some items of interest.

c. March, 2012 Policy Agenda, Management Targets and CIP Updates

Mr. Riley stated he would be happy to answer any questions concerning the updates.

d. FY 2012 Financial Statements through January 31, 2012

Mr. Riley referred to the financial statements included in the packet stating Susan Simmons was available to answer questions.

8) Reports from Members of Council

a. General Reports from Council

Mayor Laughlin informed Council that he and Mr. Riley had attended an informal lunch meeting with the Mayors and Town Managers of Beaufort, Port Royal, Ridgeland, Hardeeville, and Bluffton. Basically, they shared ideas to work together and to promote regional economic development within the framework of the Economic Alliance. He noted that Kim Statler with the Lowcountry Economic Alliance was also in attendance at the meeting, and that he proposed in the near future to ask the Council to consider participation in the Alliance.

Mr. Williams noted he had received comments from citizens concerning the rebuilding project at Park Plaza underway by Harris Teeter. He encouraged Town Staff and the Design Review Board to review carefully and be concerned about such massive projects in the future.

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

Mr. Williams reported that the Committee met today and reviewed pending bills. Although no action was taken, he noted that several bills are being closely monitored by Town Staff.

c. Report of the Personnel Committee – Lee Edwards, Chairman

No report.

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

No report.

e. Report of the Public Facilities Committee – Kim Likins, Chairman

In Mrs. Likin's absence, Mr. Harkins reported that the Committee had reviewed the plans for the flyover and made their recommendation to Town Council, which was on the agenda.

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

No report.

g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member

No report, although it was noted that a joint meeting of Town Council and the Planning Commission would be held next week to review code assessment.

9) Appearance by Citizens

Ms. Cass Roby addressed Town Council expressing her concerns over a 970 foot dock that had been approved by DHEC across the marshes of Old House Creek. She suggested the Town consider limiting the length of these structures as Beaufort County has done for unincorporated areas of the County.

Mr. Bob Richardson, a resident of Palmetto Hall, expressed his concerns about the tree work done on airport property and whether the work was done properly. He questioned if the Town would insist the County consider an earthen berm for acoustic and aesthetic shielding rather than install sparsely planted trees.

Mr. Perry White, a resident of Beach City Road, expressed similar concerns about the trees destroyed around the airport and the continued need to expand the airport. He requested the Town deny any request for a waiver for tree replacement that may be made by the Aviation Advisory Board to Beaufort County Council.

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2012-02

Second Reading of Proposed Ordinance 2012-02 authorizing the execution of that certain utility easement agreement with Hilton Head No. 1 Public Service District for an easement over Town owned property in conjunction with the Chaplin Sewer Project pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2011), and Sec. 2-7-20, *Code of The Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Ferguson seconded. The motion was approved by a vote of 6-0.

11) New Business

a. Consideration of a Recommendation to approve the Debris Management Plan

Consideration of a Recommendation that the Town Council of the Town of Hilton Head Island approve the Debris Management Plan.

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a vote of 6-0.

b. First Reading of Proposed Ordinance 2012-04

First Reading of Proposed Ordinance 2012-04 to amend the *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983), by deleting Chapter 8 (Disaster Recovery Commission) of Title 7 (Public Safety); and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a vote of 6-0. Mayor Laughlin noted that a reception was held before the Council meeting to recognize and thank the citizen volunteers comprising the Commission for their hard work in making our community better prepared to respond to a natural disaster.

c. First Reading of Proposed Ordinance 2012-05

First Reading of Proposed Ordinance 2012-05 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2012; to provide for the budgeted appropriations of prior year encumbrances and for the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

Mr. Heitzke moved to approve. Mr. Harkins seconded. The motion was approved by a vote of 6-0.

d. First Reading of Proposed Ordinance 2012-06

First Reading of Proposed Ordinance 2012-06 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2012; to provide for the budgeted appropriations of prior year budget roll-forwards and the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a vote of 6-0.

e. First Reading of Proposed Ordinance 2012-07

First Reading of Proposed Ordinance 2012-07 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2012; to provide for the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

Susan Simmons, Finance Director, noted that an updated Proposed Ordinance had been distributed to Council prior to the meeting, which reflected a change in the Pathways and Intersection Improvements and Pedestrian Crosswalks projects under Road Improvements.

After discussion among the Council Members, Mr. Heitzke moved to approve the updated Proposed Ordinance. Mr. Harkins seconded. The motion was approved by a vote of 6-0.

f. Consideration of a Recommendation regarding Town Position on the segment of Bluffton Parkway – Phase 5A including the bridges and interchange with US278

Mr. Heitzke moved to approve. Mr. Harkins seconded. A lengthy discussion followed, and public comment was solicited. Pete Nardi on behalf of the Hilton Head and Broad Creek PSDs requested that any approval given by the Council be conditioned upon the relocation cost of the drinking water pipeline be included in the project cost and not borne by the customers of the PSDs. Rob Moore and Ernie Lindblad expressed their concerns about the Windmill Harbour intersection improvements and its relationship and timing in connection with the flyovers. Peter Ovens requested that the power lines be buried as a

part of the project. Stu Rodman explained in detail an overpass alternative to the flyovers and suggested this be considered.

Following additional discussion, an amendment to the original motion was offered and accepted by the maker and seconder of the original motion. This amendment adds a 4th bullet point to the recommendation, shown in italics as follows:

- *That the Town encourage the County to investigate an overpass alternative as a preferred solution before proceeding.*

More discussion ensued, at which point Mr. Edwards offered an alternative motion, seconded by Mr. Ferguson, that the Town Council recommend investigating an overpass alternative before the Town will consider supporting the flyovers as designed. This motion failed on a vote of 2-4, with Mayor Laughlin and Council Members, Mr. Heitzke, Mr. Williams, and Mr. Harkins opposed.

The original motion, as amended, was then approved by a vote of 6-0.

12) Executive Session

Mr. Riley stated he needed an executive session for contractual matters pertaining to amendments to the cell tower lease with American Tower at the Fire Station 7 site; contractual matters pertaining to land acquisition, including a proposed swap of town-owned land and proposed sale of town-owned land or development rights; contractual matters pertaining to a proposed drainage agreement in Palmetto Hall.

At 5:55 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 6-0.

Mayor Laughlin called the meeting back to order at 6:57 p.m. and asked if there was any business to take up as a result of executive session.

Mr. Edwards moved that the Town Council give approval to a Resolution authorizing the Mayor and Town manager to execute and deliver an Amendment to the October 25, 2011, Communication Tower Ground Lease of a portion of Town owned real property known as Fire Station 7, and that the Mayor and Town Manager be authorized to take such other and further actions as may be necessary to complete the Town's obligations under the Amendment to the Communication Tower Ground Lease. Mr. Williams seconded. The motion was approved by a vote of 6-0.

13) Adjournment

Mr. Heitzke moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 6-0. The meeting was adjourned at 6:57 p.m.

Lynn W. Buchman
Administrative Assistant

Approved:

Drew A. Laughlin, Mayor



Items of Interest

April 3, 2012

1. Town News

On March 7, 2012 the Town of Hilton Head Island Fire & Rescue Station # 1 was recognized by the Shipyard Property Owners Association with the 2012 Shipyard Community Spirit Award. The presentation was made during the annual Shipyard POA meeting. Fire & Rescue Station 1 was inscribed on the plaque which is located in the POA Office. In addition, the POA commissioned local artist Barry Honowitz to paint a watercolor portrait of Spanner as a gift to the station. The portrait has been placed alongside the other pictures and articles on spanner located in the station's front entrance.

(Contact: Brad Tadlock, Deputy Chief of Operations – 682-5155)

2. Noteworthy Events

a) Some of the upcoming meetings at Town Hall:

- Planning Commission – April 4, 2012, 9:00 a.m.
- Planning Commission Special Meeting – April 10, 10:00 a.m.
- Design Review Board – April 10, 1:15 p.m.
- Parks and Recreation Commission – April 12, 3:30 p.m.
- Accommodations Tax Advisory Committee – April 17, 9:00 a.m.
- Intergovernmental Relations Committee – April 17, 3:00 p.m.
- Town Council – April 17, 4:00 p.m.

(Meetings subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for meeting agendas)

2012 Hilton Head Island Events

Saturday, April 7, 2012 10:30am-1:30pm	Easter Eggstravaganza	Shelter Cove Community Park
Monday, April 9 thru Sunday, April 15, 2012 7am-7pm	RBC Heritage Golf Tournament presented by Boeing	Harbourtown

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, C.M., Town Manager

RE: Second Reading of Proposed Ordinance #2012-04/Dissolving the Disaster Recovery Commission

DATE: March 22, 2012

No changes were made to Proposed Ordinance #2012-04 as a result of First Reading on March 20, 2012.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2012-

PROPOSED ORDINANCE NO. 2012-04

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA (1983), BY DELETING CHAPTER 8 (DISASTER RECOVERY COMMISSION) OF TITLE 7 (PUBLIC SAFETY); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, at the Town of Hilton Head Island Town Council's Strategic Planning Workshop in 2005, Town Council expressed a desire to create a citizen-led Disaster Recovery Commission (DRC); and

WHEREAS, on May 16, 2006, the DRC was created by Ordinance 2006-07 adopted on May 16, 2006; and

WHEREAS, Town Council's goal for the DRC was for it to: serve as an advisory body to Council by reviewing the Comprehensive Emergency Management Plan (CEMP) and make recommendations to Council that provide for the safe and orderly recovery, redevelopment, and reconstruction of public buildings and infrastructure within existing federal, state, and local guidelines, with the goal of mitigating losses; recommend to Council public information strategies, programs, policies that promote pre and post recovery awareness so that residents and businesses are prepared financially, structurally, and personally; review and update disaster recovery plans to ensure and effective and coordinated response by local non-governmental organizations, for example Property Owners Associations, and appropriate Town, County, State, and Federal agencies; and serve as an advocate by promoting adopted CEMP Recovery plans to Island organizations; and

WHEREAS, Town Council recognizes that the DRC, Town staff, and current and previous Councils have worked closely by inviting residents, businesses, associations, state and federal agencies to ensure that the Town's CEMP was the product of our community and not a top down plan and, as such, stakeholders were embraced and became an integral part of our CEMP development; and

WHEREAS, the DRC, after six years of steadfast, hard work, has completed its mission as defined by Council, and as such, is consequently dissolved.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SC; AND IT IS HEREBY ORDERED AND 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. That Chapter 8 of Title 7 of the Municipal Code of the Town of Hilton Head Island, South Carolina, is hereby deleted as follows:

~~**“Disaster Recovery Commission.”**~~

~~**“Section 7-8-10. Creation.”**~~

~~(a) The Town Disaster Recovery Commission (“Commission”) is hereby created pursuant to the authority of the Code of the Town of Hilton Head Island, South Carolina, Chapter 13, Section 2-13-10, [titled] “Establishment,” and shall have the organization, powers and duties set out in this chapter;~~

~~(b) The Commission shall serve as an advocate for issues dealing with disaster recovery. In Recognition of the need to improve and enhance the Island’s continuing emergency recovery process, the Commission shall provide advice and recommendations to the Hilton Head Island Town Council on Disaster Recovery issues that will benefit Island residents and businesses;~~

~~(c) The Commission shall consist of seven (7) resident members appointed by the Town Council. The Council shall, to the extent practicable, seek members with the following background: one member from the faith-based or non-profit community; one member from a critical facility, as defined in the CEMP; one member from the business community; four members at large;~~

~~(d) The Commission members shall be appointed for staggered three (3) year terms; provided, however, that no member may serve more than two (2) successive terms except for extraordinary circumstances where Town Council believes it to be in the best interest of the community to have a continuation, for a specified period, of a particular member of the Commission.~~

~~(e) Original appointments to the Commission shall be as follows: two members shall be appointed to three-year terms; three members shall be appointed to two-year terms; and two members shall be appointed to a one-year term. All terms shall be established to end on June 30 of the appropriate year and members shall serve until their successor has been qualified and appointed. Vacancies shall be filled by Town Council for the balance of the unexpired term. The Town Council may remove a member for cause after a written notice and public hearing;~~

~~(f) The Commission shall have two officers, a Chairman and a Vice-Chairman. At the first regular meeting following Town Council appointments/reappointments to the Commission, the Commission shall elect a Chairman and a Vice-Chairman;~~

~~(g) As part of the original appointments, Town Council shall designate the inaugural Chairman of the Commission, who shall serve for a one-year period. Thereafter, a Chairman shall be elected annually by the members of the Commission. The Chairman may be re-elected for additional terms as Chairman subject to his/her appointed term. The Chairman shall preside at all meetings of the Commission and decide all points of order and procedure, subject to these rules, unless directed otherwise by a majority of the Commission members in session at the time. The Chairman may also, from time to time, appoint temporary and/or permanent standing committees within the Commission, as needed;~~

~~(h) The members of the Commission shall annually elect a Vice-Chairman. The Vice-Chairman shall serve as acting Chairman in the absence of the Chairman and at such time the Vice-Chairman shall have the same powers and duties as the Chairman. The Vice-Chairman shall succeed the Chairman if the office is vacated before the term has expired, to serve the remainder of the term of the Chairman. A new Vice-Chairman shall be elected at the next regular meeting to complete the term;~~

~~(i) At the discretion of the Town Manager, a Town employee may act as the Secretary of the Commission and shall be responsible for the taking, transcribing and maintaining the minutes of each regular or special meeting of the Commission;~~

~~(j) The Commission shall adopt rules and procedures in accordance with the South Carolina Code and the Municipal Code of the Town of Hilton Head Island. The Commission shall file reports on its activities to the Town Council on a bi-annual basis; and~~

~~(k) In the fulfillment of its duties as outlined herein, the Commission shall have access to such Town Facilities and staff assistance, subject to the control and direction of the Town Manager, as it may reasonably require.~~

“Section 7-8-20. Powers and Duties.”

The Commission shall have the following powers and duties:

~~(a) On an ongoing basis, review the adopted Comprehensive Emergency Management Plan (CEMP) and make recommendations to Town Council that provide for the safe and orderly recovery, redevelopment, and reconstruction of public and private buildings and infrastructure within existing federal, state, and local guidelines, with a goal of mitigating future losses;~~

~~(b) Recommend to Town Council where required, strategies for completion and ongoing update of the Comprehensive Emergency Management Plan (CEMP)~~

~~(c) Recommend to Town Council public information strategies, programs, policies that promote pre and post recovery awareness so that residents and businesses are prepared financially, structurally, and personally;~~

~~(d) Review and update disaster recovery plans to ensure an effective and coordinated response by local non-governmental organizations (i.e. Property Owner Associations) and appropriate Town, County, State, and Federal agencies; and~~

~~(e) Serve as an advocate by promoting adopted CEMP Recovery plans to Island organizations.~~

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 _____, 2012.

Drew A. Laughlin, Mayor

ATTEST:

Cori Brock, Town Clerk

First Reading: _____

Second Reading: _____

Approved as to form: _____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: March 22, 2012

RE: **Second Reading of Proposed Ordinance No. 2012-05**

Recommendation:

Staff recommends that Town Council approve second reading of Proposed Ordinance No. 2012-05 which amends the fiscal year 2012 budget for the encumbrances brought forward from fiscal year 2011.

There are no changes from the 1st reading of this ordinance.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2012-05

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2012; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR ENCUMBRANCES AND FOR THE EXPENDITURES OF CERTAIN FUNDS; AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 21, 2011, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town’s annual budget document, the Town Council is desirous of amending the budget so as to provide for the budgeted appropriations of prior year encumbrances and certain other commitments from the Fund Balance and other revenue sources.

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 THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2012 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as follows:

General Fund		<u>Amount</u>
<u>Account Description</u>		
Revenues:		
Funds From Prior Years		\$ 115,741
Total Revenues		<u>\$ 115,741</u>
Expenditures:		
Town Wide Operating	10000920	
Professional Services	53320	\$ 14,000
Town Council Operating	10511120	
Professional Services	53320	\$ 18,029
Legal Admin. Support Operating	11061620	
Record Management	53200	\$ 6,420
Human Resources Operating	11061720	
Consulting Services	53350	\$ 10,885

General Fund continued

<u>Account Description</u>		<u>Amount</u>
F&R Logistics & Maint. Operating	12023520	
Vehicles Repairs & Maintenance	54960	\$ 12,600
F&R Logistics & Maint. Capital	12023540	
Specialized Equipment	55120	\$ 12,523
F&R Communications Operating	12024020	
Maintenance Contracts/Fees	53700	\$ 36,828
F&R Communications Capital	12024040	
Radio Equipment	55140	\$ 2,356
F&R Training Operating	12024520	
Professional Services	53320	<u>\$ 2,100</u>
Total Expenditures		<u>\$ 115,741</u>

Capital Projects Fund

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Revenues:		
Beach Fees		\$ 223,881
Hospitality Bond		\$ 13,544
Hospitality Tax		\$ 402,055
Property Taxes		\$ 3,493
Sales Tax		\$ 425
Sunday Liq. Permit Fees		\$ 1,950
TIF Bond		\$ 139,832
TIF Property Taxes		\$ 1,508,630
Traffic Impact Fees		<u>\$ 1,114</u>
Total Revenues		<u>\$ 2,294,924</u>
Expenditures:		
Pathways	30000060	
Mathews Drive (US278 to Beach City Rd.)	52321	\$ 36,791
US 278 (Gardner to Mathews)	52328	\$ 5,067
Road Improvements	30000070	
Intersection Improvements	53112	\$ 3,268
Roadway Safety Improvements	53123	\$ 3,201
"	"	\$ 1,114
Directional Neighborhood Signs	53125	\$ 15,614
US 278 Squire Pope Intersection Improvement	53128	\$ 425
Dunnagan's Alley Roundabout	53138	\$ 684,158
Mathews Dr. N.-Roundabout @ Beach City	53177	\$ 82,660

Capital Projects Fund Continued

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Park Development	30000075	
Parks Upgrades	52219	\$ 1,950
Island Recreation-Aquatics	52227	\$ 34,458
Rowing & Sailing Center	52228	\$ 635
Existing Facilities/Infrastructure	30000080	
Apparatus/Vehicle Replacement	57215	\$ 280,000
Fire Station # 1 Replacement	57224	\$ 13,544
"	"	\$ 803,791
Rehab & Renovation of Town Fixed Assets	57226	\$ 2,858
Town Hall Renovations	57287	\$ 45,789
New Facilities/Infrastructure	30000085	
F&R - Computer Systems	57012	\$ 4,817
Dunnagan's Alley/Arrow Rd Improvements	57014	\$ 17,180
Fire/Medical Systems & Equip.	57023	\$ 32,174
Public Safety Systems Equip. Upgrade	57024	\$ 1,549
Beach Maintenance	30000090	
Beach Management	52281	\$ 76,282
Shoreline Management Plan	52286	\$ 87,623
Port Royal Fill Project	52288	\$ 59,976
Total Expenditures		\$ 2,294,924

Stormwater Utility Fund

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		\$ 1,134,638
Total Revenues		\$ 1,134,638
Expenditures:		
Operating	30000065	
Water Quality Monitoring	53151	\$ 14,350
Infrastructure Upgrades & Improvements	30000065	
Port Royal Grasslawn CIPP	53173	\$ 106,556
Miller Pond	53174	\$ 944,781
Gum Tree Road South Outfall	53151	\$ 12,356
Drainage Maintenance & Repairs	30000065	
Mathews Culvert Outfall	53151	\$ 300
Pump Stations	30000065	
Pump Maintenance	53151	\$ 16,845
Inventory & Modeling	30000065	
Port Royal Plantation (1352 AC)	53151	\$ 39,450
Total Expenditures		\$ 1,134,638

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2012-05

The effect of this amendment will be to increase expenditures and transfers out in the General Fund to \$32,847,461, Capital Projects Fund to \$13,356,424, and the Stormwater Utility Fund to \$6,612,367.

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 enactment by the Town Council of the Town of Hilton Head Island on this _____ day of _____, 2012.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ___ DAY OF _____, 2012.

Drew A. Laughlin, Mayor

ATTEST:

Cori Brock, Town Clerk

First Reading: _____
Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

VIA: Susan Simmons, Director of Finance

DATE: March 22, 2012

RE: **Second Reading of Proposed Ordinance No. 2012-06**

Recommendation:

Staff recommends that Town Council approve second reading of Proposed Ordinance No. 2012-06 which amends the fiscal year 2012 budget for the requested roll-forwards from fiscal year 2011.

There are no changes from the 1st reading of this ordinance.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2012-06

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2012; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR BUDGET ROLL-FORWARDS AND THE EXPENDITURES OF CERTAIN FUNDS; AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 21, 2011, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town’s annual budget document, the Town Council is desirous of amending the budget so as to provide for the budgeted appropriations of prior year budget roll-forwards and certain other commitments from the Fund Balance and other revenue sources.

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 THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2012 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as follows:

General Fund

<u>Account Description</u>		<u>Amount</u>
Revenues:		
Funds From Prior Years		\$ 212,886
Hospitality Tax		\$ 45,091
Total Revenues		<u>\$ 257,977</u>
Expenditures:		
Townwide Operating	10000920	
Professional Services	53320	\$ 45,091
Finance-Revenue & Collections Operating	11052520	\$ 89,121
IT Services Operating	11061520	
Computer Software <\$50,000	54400	\$ 7,625
IT Services Capital	10161540	
Specialized Equipment	55120	\$ 40,400
Computer Software = or >\$50,000	55121	\$ 21,542

General Fund Continued

<u>Account Description</u>		<u>Amount</u>
DRZ Operating	11585020	
Consulting Services	53350	\$ 48,925
F&R Operations Operating	12021020	<u>\$ 5,273</u>
Total Expenditures		<u><u>\$ 257,977</u></u>

Capital Projects Fund

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Revenues:		
Beach Fees		\$ 12,908,543
Hospitality Bond		\$ 292,863
Hospitality Tax		\$ 3,362,333
Lease		\$ 2,688
Property Taxes		\$ 569,929
Sunday Liq. Permit Fees		\$ 431,243
TIF Bond		\$ 1,578,547
TIF Property Taxes		\$ 2,277,626
Traffic Impact Fees		<u>\$ 50,000</u>
Total Revenues		<u><u>\$ 21,473,772</u></u>

Expenditures:

Pathways	30000060	
Palmetto Bay Road	52319	\$ 7,774
Mathews Drive (US 278 N. to Beach City)	52321	\$ 114,467
Dunnagan's Alley	52327	\$ 42,952
"	"	\$ 325,000
US 278 (Gardner to Mathews)	52328	\$ 24,987
"	"	<u>\$ 40,000</u>
		<u>\$ 555,180</u>

Road Improvements	30000070	
Pedestrian Crosswalks	53103	\$ 90,000
Traffic Signal Mast Arms	53105	\$ 69,993
"	"	\$ 59,108
Intersection Improvements	53112	\$ 135,574
"	"	\$ 142,032
F&R Emergency Access Points	53113	\$ 187,914
Horseshoe Road Connector	53115	\$ 16,417

Capital Projects Fund Continued

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Road Improvements Continued		
Gum Tree/Squire Pope Roundabout	53118	\$ 1,744
Roadway Safety Improvements	53123	\$ 100,000
Directional Neighborhood Signs	53125	\$ 52,305
"	"	\$ 28,757
Mainland Transportation Improvements	53127	\$ 1,897,681
Stoney Secondary Road (South)	53129	\$ 44,463
"	"	\$ 50,000
Nassau Street Extension	53130	\$ 100,000
Summit Drive Realignment	53131	\$ 21,640
Intersection/Crosswalk Lighting	53132	\$ 42,461
Dunnagan's Alley Roundabout	53138	\$ 57,715
Marshland Rd. Roundabout	53139	\$ 39,758
Mathews Dr. N.-Roundabout @ Beach City	53177	\$ 305,000
Private (Dirt) Roads Acquisition	53178	\$ 45,397
Honey Horn Entrance	53179	\$ 49,817
"	"	\$ 155,000
Mathews Dr./Chaplin Area Connectivity	53182	\$ 106,165
US 278 Gateway Improvements @ Windmill Harbor	53183	\$ 59,758
"	"	\$ 140,000
Leamington/Fresh Market/US 278	53184	\$ 31,000
"	"	\$ 189,000
"	"	\$ 10,000
		\$ 4,228,699
Park Development		
	30000075	
Parks Upgrades	52219	\$ 42,000
"	"	\$ 431,243
Rock's/Remy's Tract Park	52220	\$ 10,000
Compass Rose Park	52222	\$ 75,610
Island Recreation-Aquatics	52227	\$ 100,253
Rowing & Sailing Center	52228	\$ 3,635
		\$ 662,741
Existing Facilities/Infrastructure		
	30000080	
Clean-up/Maint. Demo.	57207	\$ 4,908
"	"	\$ 2,688
Apparatus/Vehicle Replacement	57215	\$ 8,309
"	"	\$ 51,851
"	"	\$ 4,175
Fire Station # 5 Replacement	57220	\$ 60,721
Fire Station # 6 Repair	57222	\$ 4,356
Fire Station # 1 Replacement	57224	\$ 206,146
"	"	\$ 442,894
Rehab & Renov Fixed Capital	57226	\$ 110,540
"	"	\$ 68,997
Fire Station # 2 Replacement	57229	\$ 275,000
Facilities Surveillance Cameras	57285	\$ 32,952
Town Hall Renovations	57287	\$ 167,410
Fire Station # 6 Replacement	57288	\$ 269,960
		\$ 1,710,907

Capital Projects Fund Continued

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
New Facilities/Infrastructure	30000085	
F&R - Computer Systems	57012	\$ 3,447
Coligny/Pope Ave. Area Improv.	57013	\$ 100,038
"	"	\$ 100,000
Dunnagan's Alley/Arrow Rd. Initiative Area	57014	\$ 111,410
"	"	\$ 100,000
Sewer Service Projects	57015	\$ 472,116
"	"	\$ 439,000
Site Infrastructure-Emg. Town Hall	57026	\$ 90,000
		\$ 1,416,011
Beach Maintenance	30000090	
Beach Management/Monitoring	52281	\$ 413,868
Shoreline Management Plan	52286	\$ 158,352
Port Royal Fill Project	52288	\$ 12,328,014
		\$ 12,900,234
Total Expenditures		\$ 21,473,772

Stormwater Utility Fund

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		869,193
Total Revenues		\$ 869,193
Expenditures:		
Infrastructure Upgrades & Improvements	30000065	
Miller Pond	53174	869,193
Total Expenditures		\$ 869,193

The effect of this amendment will be to increase expenditures and transfers out in the General Fund to \$33,105,438, the Capital Projects Fund to \$34,830,196, and the Stormwater Utility Fund to \$7,481,560.

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.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2012-06

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island on this _____ day of _____, 2012.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2012.

Drew A. Laughlin, Mayor

ATTEST:

Cori Brock, Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member:



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

VIA: Susan Simmons, Director of Finance

DATE: March 22, 2012

RE: **Second Reading of Proposed Ordinance No. 2012-07**

Recommendation:

Staff recommends Council approve second reading of Proposed Ordinance No. 2012-07 amending fiscal year 2012 General and Capital Projects Funds' budgets for current year changes.

There are no changes from the 1st reading of this ordinance; however, this is a reminder that an updated ordinance was distributed and approved by Council at the 1st reading. Updates were reflected for the Pathways and Intersection Improvements and Pedestrian Crosswalks projects under Road Improvements. The update is attached for your convenience.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2012-07

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2012; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 21, 2011, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town’s annual budget document, the Town Council is desirous of amending the budget so as to provide for the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain capital projects in the Capital Projects Fund.

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 THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2012 fiscal year budget is amended to make the following changes as increases and decreases to the funds from prior years and to the projected revenue and expenditure accounts as follows:

General Fund		<u>Amount</u>
<u>Account Description</u>		
Revenues:		
Fund Balance -- Advertising Fund		\$500,000
Total Revenues		\$500,000
Expenditures:		
Townwide Grants		
Heritage Classic Foundation	Fd. Bal. - Advertising	\$500,000
Total Expenditures		\$500,000

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2012-07

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
County Bond		\$ 134,061
Donations		100,000
Hospitality Tax		(60,000)
Fund Balance - Property Taxes		17,000
Sunday Liq. Permit Fees		-
TIF Bond		-
TIF Tax		190,465
DHEC Grant		774,528
Beach Fees		(10,748,896)
Beach Fees Bond Premium		340,168
Beach Fees Bond		<u>11,000,000</u>
Total Revenues		<u>\$ 1,747,326</u>
Expenditures:		
Pathways		
278 @ N Orleans to Shipyard and Town Hall	Fund Balance - Property Taxes	47,000
"	TIF Tax	93,465
"	TIF Bond	<u>74,535</u>
		215,000
Road Improvements		
Intersection Improvements	TIF Bond	(74,535)
Pedestrian Crosswalks	TIF Tax	97,000
Pedestrian Crosswalks	Fund Balance - Property Taxes	(90,000)
Mathews Dr. N.-Roundabout @ Beach City	TIF Bond	<u>(160,000)</u>
		(227,535)
Park Development		
Parks Upgrades	Sunday Liquor Permit Fees	(153,061)
Compass Rose Park	TIF Bond	(71,240)
Bristol Sports Arena	County Bond	134,061
"	Donations	100,000
"	Sunday Liquor Permit Fees	153,061
Chaplin Tennis Courts	TIF Bond	<u>71,240</u>
		234,061
Existing Facilities/Infrastructure		
Apparatus/Vehicle Replacement	HTAX Fees	(60,000)
"	Fund Balance - Property Taxes	<u>60,000</u>
		-
New Facilities/Infrastructure		
Sewer Service Projects	TIF Bond	<u>160,000</u>
		160,000

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Expenditures:		
Beach Maintenance		
Port Royal Fill Project	DHEC Grant	774,528
"	Beach Fees	(10,748,896)
"	Beach Fees Bond Premium	74,368
"	Beach Fees Bond	<u>9,900,000</u>
		-
Other Uses:		
Cost of Issuance	Beach Fees Bond Premium	265,800
Transfer to Debt Service - Beach Fee Reserve	Beach Fees Bond	<u>1,100,000</u>
		1,365,800
Total Expenditures		<u>\$ 1,747,326</u>

The effect of this amendment will be to increase the expenditures and transfers out in General Fund to \$33,605,438, the Capital Projects Fund to \$36,577,522, and the Stormwater Utility Fund to \$7,481,560.

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.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2012-07

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island on this _____ day of _____, 2012.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2012.

Drew A. Laughlin, Mayor

ATTEST:

Cory Brock, Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member:



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen Riley, *Town Manager*
VIA: Jill Foster, *Deputy Director of Community Development*
VIA: Shawn Colin, *Manager of Comprehensive Planning*
FROM: Marcy Benson, *Senior Grants Administrator*
DATE: March 15, 2012
SUBJECT: Fair Housing Resolution

Recommendation:

Staff recommends Town Council approve the attached Fair Housing Resolution.

Summary:

In order for the Town to be eligible to participate in any future Community Development Block/Economic Development Grants (CDBG) it is required to certify that it will undertake an action to affirmatively further fair housing. By approving and advertising this Resolution the Town will have satisfied this requirement. The attached Resolution is modeled on a recommended format provided by the Low country Council of Governments, which has been used previously by the Town.

The Planning and Development Standards Committee recommended approval of the Fair Housing Resolution at their February 22, 2012 meeting.

Background:

April is recognized as National Fair Housing Month. In order to participate in future CDBG programs it is necessary for the Town to certify that it supports the rights of all individuals, regardless of race, color, religion, sex, national origin, disability or familial status to fair housing opportunities. This resolution is one of the actions that will satisfy this requirement. The attached Resolution has been approved in previous years.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SC TO PROCLAIM APRIL, 2012 AS FAIR HOUSING MONTH

WHEREAS, the Town of Hilton Head Island desires that all its citizens be afforded the opportunity to attain a decent, safe and sound living environment; and

WHEREAS, the Town of Hilton Head Island rejects discrimination on the basis of race, religion, color, sex, national origin, disability, and / or familial status in the sale, rental or provision of other housing services; and

WHEREAS, the State of South Carolina enacted the South Carolina Fair Housing Law in 1989; and

WHEREAS, April is recognized nationally as Fair Housing Month;

NOW THEREFORE, BE IT, AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA DOES HEREBY DESIGNATE APRIL 2012 AS FAIR HOUSING MONTH.

MOVED, APPROVED AND ADOPTED THIS 3rd DAY OF April, 2012.

Drew A. Laughlin, Mayor

Cori Brock, Town Clerk

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

MEMORANDUM

TO: Town Council

FROM: Public Safety Committee

RE: Request for Town Council to Approve an Ordinance to Regulate Towing Fees Associated with Nonconsensual Towing From Private Property Within the Town of Hilton Head Island and the Storage Fees for Vehicles Towed

DATE: March 5, 2012

Recommendation: The Public Safety Committee met on March 5, 2012 and unanimously voted to recommend that Town Council approve proposed ordinance number 2012-3 which would regulate nonconsensual towing fees within the Town and their storage fees.

Summary: On June 13, 2011 Beaufort County adopted an ordinance regulating towing from private property in Beaufort County. It also capped storage fees for these types of towed vehicles.

Background: The County adopted this ordinance in response to an incident which resulted in the loss of life and occurred in the Edgefield neighborhood near Bluffton on Christmas Eve 2010. The Public Safety Committee is also aware of incidents wherein companies have charged fees of up to \$350.00 to tow vehicles from within the Town.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2012-

PROPOSED ORDINANCE NO. 2012- 03

AN ORDINANCE TO AMEND TITLE 12 (MOTOR VEHICLES AND TRAFFIC CONTROL) OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA BY ADDING CHAPTER 5 (TOWING); AND PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, The Town Council of Hilton Head Island (“Town Council”) seeks to protect the health, safety, and welfare of residents, employees, and visitors within the Town of Hilton Head Island (“Town”); and

WHEREAS, Town Council finds that nonconsensual towing fees, in many circumstances, has exceeded reasonable and necessary amounts; and

WHEREAS, Town Council now desires to regulate the fees associated with nonconsensual towing and the storage of these motor vehicles in the manner provided for in this ordinance; and

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 Title 12 (Motor Vehicles and Traffic Control) of the Municipal Code of the Town of Hilton Head Island, South Carolina, is hereby amended as follows:

SEE ATTACHED ORDINANCE

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 _____, 2012.

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS ____ DAY OF APRIL 2012.

Drew A. Lauglin, Mayor

ATTEST:

By: _____
Cori Brock, Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

CHAPTER 5. TOWING AND WRECKER SERVICES

Sec. 12-5-110. Purpose.

The purpose of this article is to provide adequate control over wrecker service operation and storage fees associated with nonconsensual towing within the Town of Hilton Head Island to ensure:

- (1) The general health, safety, and welfare of the public.
- (2) That fees charged by wrecker service companies for nonconsensual towing and storage of vehicles is fair and equitable for the residents and visitors in the Town of Hilton Head Island.

Sec. 12-5-111. Definitions.

The following words or phrases, as used in this article, shall have the following respective meanings as set out in this section, unless a different meaning clearly appears from the context:

After normal business hours, means between the hours of 5:00 p.m. and 8:00 a.m., weekends, and state and national holidays, or those days and hours other than during which towing is made available by the wrecker business, whichever period is shorter. For purposes of releasing a vehicle from a storage lot, normal business hours shall be Monday through Sunday from 8:00 am until 6:00 pm, except for Christmas day and Thanksgiving day holidays.

Carrier shall mean a motor vehicle, other than a wrecker, which is equipped to enable the transporting of another vehicle from one location to another.

Light-medium duty wrecker shall mean a wrecker that is not less than one (1) ton in size with dual rear wheels and booster brakes and equipped with the necessary equipment to achieve a factory rated lifting capacity of not less than eight thousand (8,000) pounds.

Motor vehicle means any motorized device in, upon, or by which any person or property is, or may be transported or drawn upon any public highway, public right-of-way or public or private property. Motor vehicle shall not include any device propelled solely by human power.

Nonconsensual tow means a vehicle towed without the vehicle owner's consent. It shall not mean a vehicle towed by law enforcement pursuant to a wrecker rotation program.

Operator/attendant means the person driving the wrecker or motor carrier, or any person assisting with the operation of the wrecker, motor carrier, or storage lot.

Wrecker means any vehicle built and equipped for the purpose of towing, lifting, pulling or otherwise transferring motor vehicles from place to place including, but not limited to, those vehicles that are commonly referred to as "roll-back" or "flatbed" type tow trucks.

Sec. 12-5-112. Special requirements.

A. Each wrecker shall display the owner or company name and business telephone number in at minimum two-inch high letters on both vehicle doors. Temporary lettering, magnetic or otherwise, is strictly prohibited.

B. Each wrecker business which participates in nonconsensual towing and stores towed vehicles shall have a storage lot in the Town of Hilton Head Island and shall store all nonconsensually towed vehicles from within the Town in this lot. It shall be the responsibility of the wrecker business for ensuring that stored vehicles and their contents are kept safe from pilferage and theft. These requirements are in addition to any other applicable zoning requirements.

C. At any time a vehicle is in the custody of the tow truck company, the tow truck company will permit the owner of personal property located within, but not attached to, the vehicle to remove such personal property from the vehicle without charge and without regard to any towing or storage charge owed on the vehicle. If the tow truck company has removed personal property from the vehicle, it will return it to the vehicle owner when requested without charge and without regard to any towing or storage charge owed on the vehicle. Should the tow truck operator or storage lot attendant have reasonable belief that such requested property constitutes contraband or other item(s) possession of which is unlawful, notification will be given to the appropriate law enforcement agency prior to release of the property.

Sec. 12-5-113. General business practices.

A. No wrecker shall be driven or operated in a manner as to interfere with the duties of public safety personnel who are engaged at a scene in an official capacity.

B. Direction of Beaufort County Sheriff's Deputies or South Carolina Highway Patrol shall be obeyed at all times and any licensed wrecker will promptly furnish service when requested to do so by the Beaufort County Sheriff's Office or South Carolina Highway Patrol in order to clear traffic and promote public safety.

C. Every wrecker shall carry a broom, shovel and container for debris, a fire extinguisher rated for class A, B and C fires, and oil-dry type product. Every wrecker shall clean up and remove all debris from a vehicle being towed from a site.

Sec. 12-5-114. Maximum towing and storage charges.

A. The attached (Appendix A) schedule of fees shall be adhered to in establishing the maximum fee that can be charged for a nonconsensual tow and storage of towed vehicles, except as otherwise provided by an authorized governmental agency having competent jurisdiction. These fee limitations shall not apply when the owner/operator of a towed vehicle makes special arrangements with a wrecker service of his/her own choosing. These fees may be exclusive or cumulative in nature dependent upon the circumstances involved in the call for service. Payment of towing or storage fees shall be permitted to be made by cash or credit card.

B. The schedule of fees shall be reviewed by the Town Manager on a regular basis. Adjustment of fees may be accomplished in the discretion of the Town Manager in the event of any

significant change in economic conditions affecting the towing industry, e.g., cost of fuel.

C. Storage fees will not begin until twenty-four (24) hours after the motor vehicle has entered into the business's storage lot. Thereafter, storage fees shall accrue on a per day basis for any one (1) day or portion thereof.

D. Each business engaged in non-consensual (without the prior consent or authorization of the owner or operator of the vehicle) towing will post, in a prominent place, a placard which references this section and clearly identifies the current schedule of fees. Said placard will be no less than twelve (12) by eighteen (18) inches and clearly visible to vehicle owners who will be paying a towing bill

E. Each vehicle owner will be given an itemized invoice or receipt for the bill they have paid which details all charges that have been applied to the bill.

Sec. 12-5- 115 Penalties.

A. Unless otherwise provided herein, violation of any of the provisions of this article is a misdemeanor punishable by a fine of not less than twenty five (\$25.00) dollars nor more than one hundred (\$100.00) dollars or up to thirty days confinement.

B. In addition to any of the penalties provided for in subsection (a) above, violation of any of the provisions of this article may result in revocation of the entity's business license to perform towing services within the Town of Hilton Head Island.

C. Factors that may influence how a violation is handled may include, but are not limited to, past violations, frequency of past violations, and the severity of the violation or combinations thereof.

Appendix A. Schedule of Fees

TABLE INSET:

Description	Fee
Carrier	\$ 200.00
Light-medium wrecker	\$ 200.00
No-tow (arrival only)	\$ 75.00
No-tow (attached)	\$ 100.00
Tow exceeding one hour, per hour	\$ \$125.00 per hour
Storage (per day), after first 24 hours	\$ 40.00

MEMORANDUM

TO: Town Council

FROM: Public Facilities Committee

VIA: Stephen G. Riley, CM, Town Manager

DATE: March 23, 2012

RE: Proposed Memorandum of Understanding–Island Recreation Association

Recommendation: The Public Facilities Committee recommends that the attached Memorandum of Understanding (MOU) and Agreement between the Town of Hilton Head Island (Town) and the Island Recreation Association, Inc. (Association) be approved for renewal. Town Staff and the Island Recreation Association Executive Board recommend the MOU and Agreement be approved.

Summary: This Memorandum of Understanding is between the Town and the Association regarding the management and operation of the Hilton Head Island Recreation Center (Center), Jarvis Creek Park, Crossings Park, Shelter Cove Community Park, and the Chaplin Community Park Tennis Courts and Cordillo Parkway Tennis Courts. The Town currently has an MOU with the Association that expired on March 31, 2012. This proposed MOU would renew the relationship with the Association for another five year period.

The proposed MOU incorporates as exhibit A the separate Agreement between the Town and the Association which relates to the Association managing the Shelter Cove Community Park, Jarvis Creek Park, Chaplin Community Park Tennis Courts, and Cordillo Parkway Tennis Courts. The proposed MOU also incorporates the applicable site plans, covenants and restrictions, agreements, operational plans and fee schedules as exhibits B through G.

A material change within Exhibit A, Section 2.05 *Operational Plan* is an added requirement intended to more equitably address demands made upon our public tennis facilities during the month of March. Staff and the Island Recreation Association Executive Board recommend that a formal solicitation process (Request for Proposals-RFP) consistent with our procurement code be conducted in order to schedule play during this time of high demand. “Blocks” of time are envisioned to be competed for by sponsors desiring to hold multi-day tournaments. The RFP shall at a minimum require a fee for court usage, an on-site representative during all tournament play, insurance, demonstrated ability to manage similar events, ability to provide for the health, safety,

and welfare of players and spectators, and the provision of temporary restroom facilities for tournament play at the Cordillo Tennis Courts.

Background: The Town and Island Rec. have a long standing relationship which heretofore has been codified in a series of individual documents pertaining to Town owned properties developed as recreational and special event facilities and managed as such by Island Rec. The Town staff and the Island Recreation Association Executive Board recommend that the MOU and Agreement be renewed in the consolidated format by which the three separate Agreements become one exhibit to the MOU. This will continue to make it convenient for maintenance and supervision of the MOU and Agreements. The attached documents reflect a continued refinement with a focus on process improvement regarding the provision of recreational services and facilities within the Town.

STATE OF SOUTH CAROLINA)
) MEMORANDUM OF UNDERSTANDING
COUNTY OF BEAUFORT)

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this _____ day of _____, 2012, by and between the Town of Hilton Head Island, South Carolina, (hereinafter referred to as the “Town”), and the Hilton Head Island Recreation Association, Inc., a South Carolina not-for-profit corporation (hereinafter referred to as the “Association”).

WHEREAS, the Town recognizes the need for providing for a recreational services and facilities throughout the Town; and

WHEREAS, the Town owns the Recreation Center, Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Barker Field Extension, Chaplin Community Park and Tennis Courts, and the Cordillo Tennis Courts, all located within the Town; and

WHEREAS, the Town of Hilton Head Island and the Hilton Head Island Recreation Association desire to enter into an agreement wherein the Association will manage and operate the Recreation Center, Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Barker Field Extension, Chaplin Community Park and Tennis Courts, and the Cordillo Tennis Courts.

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 Association, the parties hereto agree as follows:

1. **Governing Document.** It is the intent of the parties that this Memorandum of Understanding and the accompanying exhibits shall replace all previous documents entered into between the Town and the Association regarding the management and operation of the Center, Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Barker Field Extension, and Chaplin Community Park and Tennis Courts and the Cordillo Tennis Courts.

Exhibit A. Agreement which shall govern the management and operation of Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Barker Field Extension, Chaplin Community Park Tennis Courts and the Cordillo Parkway Tennis Courts.

Exhibit B. Site Plans for Parks and tennis Facilities

Exhibit C. Covenants and Restrictions (Shelter Cove Park)

Exhibit D. Use and Assessments Agreement (Shelter Cove Park)

Exhibit E. Van Der Meer Agreement (Cordillo Tennis Courts)

Exhibit F. Operation Plan for Tennis Courts

Exhibit G. Fee Schedules for Parks and Tennis Courts

2. **General.**

a. The Town owns the Recreation Center, Shelter Cove Community Park, Jarvis Creek Park, Chaplin Community Park, and Cordillo Parkway Tennis Courts. The Association shall manage and operate the Center, Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Barker Field Extension, Chaplin Community Park and Tennis Courts, and the Cordillo Parkway Tennis Courts. Personnel of the Association shall not be employees of the Town.

b. The Association shall coordinate a schedule of programs that utilizes all areas at the Center, above mentioned Parks and Tennis Courts and those School District recreational facilities made available to the Town by the lease. Programs shall be offered for all age groups. Access to facilities at the Center, Parks and Tennis Court facilities shall be without regard to race, creed, disability, color, sex or national origin.

3. **Maintenance.** The Association shall maintain all buildings, facilities and grounds at the Center and Tennis Courts in a clean, safe manner and in good repair, normal wear and tear excepted. Maintenance of the Shelter Cove Community Park and the Jarvis Creek Park shall be through the Facilities Management Division of the Town. Maintenance of the Crossings Park, Bristol Sports Arena, Barker Field Extension, and Chaplin Community Park shall be through Beaufort County.

4. **Programming.**

a. The Center and Parks, excluding the swimming pool, shall be open daily, except during annual maintenance and the following holidays: Christmas Eve, Christmas, New Years Day, Thanksgiving Day, Easter Sunday, Memorial Day, July 4th and Labor Day. Unless otherwise listed in the Agreement, hours of operation shall be as follows:

Monday through Friday	8:00 am-9:00 pm
Saturday	10:00 am-3:00 pm
Sunday	12:00 noon-4:00 pm

b. The Association may schedule programs or have facility rentals that occur outside the normal operating hours.

c. The Association shall be authorized to provide supervised instruction for various recreation activities as part of its regular programming. Instruction related to surfing classes may occur at the beach and will not be considered to

be commercial activity upon the beach. The Association shall be authorized to utilize a golf cart or gator to access the beach and carry the equipment to all periods of instruction.

5. **Swimming Pool.**

- a. The swimming pool shall be open and staffed daily, except during inclement weather, periods of pool malfunction, installation and deflation of the Air Dome and the following holidays: Christmas Eve, Christmas Day, New Years Day, Easter Sunday, and Thanksgiving Day. The hours of operation shall be as follows:

Monday through Friday	9:00 am-7:00 pm
Saturday & Sunday	12:00 noon-4:00 pm

(During weekends, the Association may schedule programs or have facility rentals that occur outside these normal operating hours.)

The Association may also open the swimming pool at such hours as it shall determine are needed for special events, or during such additional periods as it determines are warranted by weather and anticipated use.

- b. In accordance with paragraph 4 of the Lease 1(b), the swimming pool shall also be open during school hours eight (8) weeks prior to the end of the school year for Board of Education programs. Staffing will be by appropriately certified Board of Education and Association personnel.

6. **Operating Funds.**

- a. The Association shall submit an annual operating budget to the Town. The submission of this budget shall coincide with the Town's annual budget process. The Town Manager, or his designee, shall inform the Association of the procedures to be followed in regard to the budgeting process.
- b. The Association shall raise 50% of its operating budget as shown on its operating account profit and loss statement from all sources other than the Town General Fund commitment for the annual operating budget of the Center. The Association shall also be authorized to charge reasonable user fees for programs and services provided by the Center, Parks and Tennis Court facilities. Such fees shall be designed to offset applicable personnel, administrative and operating expenses allocable to the program or service.
- c. Other entities, public or private, may contribute to the annual operating budget of the Association.
- d. It is understood by the Association that the Town will not provide operating funds for the facility on Cordillo Parkway now known as the Island Art

Academy, during the term of the Association's lease agreement with the Art League or any other entity.

7. **Accounting Services.** The Town shall provide timely accounting, check writing, payroll, audit and income tax preparation services to the Association. These services shall include:
- a. a monthly and annual balance sheet and profit and loss statement;
 - b. a monthly and annual general ledger of transactions;
 - c. monthly reconciliation of bank statements;
 - d. preparation of checks, including payroll checks and payroll tax payments, including filing of withholding, FICA and similar state and federal reports;
 - e. all audit and audit review preparation services necessary to comply with Town requirements; and
 - f. annual state and federal income tax submissions.

Accounting reports shall be in a format reasonably acceptable to the Association and the Town.

8. **Bank Accounts, Checks, and Payments.**
- a. Bank accounts shall be maintained in such institutions as the Association shall determine appropriate. Checks shall be prepared by the Town on the Association's check forms, normally based on a written request of the Association indicating the payee, account code and invoice or other appropriate reference data. Checks shall be signed by such person(s) as the Association shall determine.
 - b. A separate checking account in an amount not to exceed Two Thousand Five Hundred dollars (\$2,500.00), unless otherwise authorized in writing by the Town, shall be maintained by the Association to fund smaller ongoing cash needs. Checks drafted upon this account shall be prepared and signed by such person(s) as the Association shall determine. When the Association requests the Town to transfer additional funds to replenish this account the Association will provide to the Town adequate information regarding payees, account numbers, and invoice or reference data to permit the Association's accounting records to be maintained properly. The Association shall make requests for the Town to transfer additional funds to replenish this account on a not less than monthly basis.
 - c. The Association shall provide to the Town schedules of pay rates of Association personnel, time sheets and other information requested by the Town for proper payroll records. Such personnel shall not be deemed employees or agents of the Town.

9. **Procurement and Purchasing.** Unless otherwise authorized in writing by the Town, the Association will adhere to procurement and purchasing procedures of the Town in its purchase of materials and services for the Center, Parks, and Tennis Courts. This shall not be interpreted to mean that the Town must execute or approve such purchases, however, unless otherwise agreed upon between the parties. All such purchases shall be deemed direct transactions between the Association and the entity providing the materials or services.
10. **Miscellaneous.**
- a. The Association shall provide the Town with current copies of all insurance policies of the Association relating to the Center, Parks and Tennis Courts within thirty (30) days of signing of the Agreement and copy the Town upon each renewal of said insurance policies.
 - b. The Association shall provide the Town with copies of all insurance policies the Association requires Users to provide to the Association in accordance with the Agreements in Exhibits A, B, and C relating to the Center, Parks and Tennis Courts within thirty (30) days of receiving of the copy of the policy.
 - c. The Association shall remain a not-for-profit independent entity whose policies and procedures shall be determined by its Board of Directors.
 - d. The Association shall provide the Town with an annual independent audit report or audit review report. An annual audit report shall be submitted no less than every third year.
11. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and (a) delivered personally or (b) mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark. The address of record may be changed by written notice to the other party.
12. **Term.** The term of this Memorandum of Understanding shall be from the date of execution to November 7, 2016. Prior to November 7, 2016, the Memorandum will be reviewed by the Town and the Association. Changes may be made only with and by the mutual consent of both parties.
13. **Termination.** In addition any other rights of termination set forth in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default.

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

WITNESSES:

**HILTON HEAD ISLAND RECREATION
ASSOCIATION, INC.**

By: _____

Attest: _____

WITNESSES:

TOWN OF HILTON HEAD ISLAND

By: _____

Drew A. Laughlin, Mayor

Attest: _____

Stephen G. Riley, CM, Town Manager

EXHIBIT A

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) AGREEMENT

This Agreement is made on this ____ Day of _____, 2012, by and between The Town of Hilton Head Island, South Carolina (hereinafter “Town”) and the Hilton Head Island Recreation Association, Inc. (hereinafter “Association”), A South Carolina Not For Profit Corporation.

Know all men by these presents that for and in consideration of the sum of One and no/100 (\$1.00) Dollars, each to the other paid at and before the execution and delivery of these presents, and also the full and faithful performance and completion of the mutual undertakings and covenants set forth herein, the receipt and sufficiency whereof is acknowledged by the Parties hereto, the Town and the Association agree as follows:

ARTICLE 1 - DEFINITIONS

1.0 *Definitions:* Particular words and phrases used herein shall have the following meanings:

1.01 *Agreement:* When used herein, “Agreement” shall mean and refer to this Agreement between The Town of Hilton Head Island, South Carolina and The Hilton Head Island Recreation Association, Inc.

1.02 *Association:* When used herein, “Association” shall mean and refer to the Hilton Head Island Recreation Association, Inc.

1.03 *Barker Field Extension Park:* The existing park located on 160 Mitchelville Road, Hilton Head Island, South Carolina, and which is shown and described on the Pictorial attached as Exhibit “B.1”; and which is owned by the Town of Hilton Head Island, South Carolina

1.04 *Bristol Sports Arena*: The existing park located on 4 Helmsman Way, Hilton Head Island, South Carolina, and which is shown and described on the Pictorial thereof attached hereto as Exhibit “B.2”; and which is owned by the Town of Hilton Head Island, South Carolina

1.05 *Chaplin Community Park*: When used herein, “Chaplin Community Park” shall mean and refer to the existing park, fencing, and parking area located 5 Castnet Drive, Hilton Head Island, South Carolina, and which is shown and described on the Pictorial thereof attached hereto as Exhibit “B.3”; and which is owned by the Town of Hilton Head Island, South Carolina.

1.06 *Chaplin Tennis Courts*: When used herein, “Chaplin Tennis Courts” shall mean and refer to the existing tennis courts, fencing, and parking area located on at the Chaplin Community Park, Hilton Head Island, South Carolina, and which is shown and described on the Pictorial thereof attached hereto as Exhibit “B.4”; and which are owned by the Town of Hilton Head Island, South Carolina.

1.07 *Cordillo Tennis Courts*: When used herein, “Cordillo Tennis Courts” shall mean and refer to the existing tennis courts, fencing, and parking area located on Cordillo Parkway, Hilton Head Island, South Carolina, and which is shown and described on the Pictorial thereof attached hereto as Exhibit “B.5”; and which are owned by the Town of Hilton Head Island, South Carolina.

1.08 *Covenants and Restrictions*: The Declaration of Covenants and Restrictions (Shelter Cove Park) recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Deed Book 342 at Page 1726, a copy of which is attached hereto as Exhibit C.

1.09 *Crossings Park*: The existing park located on 6 Haig Point Circle, Hilton Head Island, South Carolina, and which is shown and described on the Pictorial thereof attached hereto as Exhibit “B.6”; and which is owned by the Town of Hilton Head Island, South Carolina.

1.10 *Daily Maintenance*: When used herein, “Daily Maintenance” shall mean daily cleanup of trash, refuse, windblown sand, dirt leaves, sticks or branches, correction of loose nets or windscreens, and reporting of inoperable equipment or unsafe conditions at the Parks or at Chaplin Tennis Courts and Cordillo Tennis Courts.

1.11 *Jarvis Creek Park*: The existing park located on 50 Jarvis Park road, Hilton Head Island, South Carolina, and which is shown and described on the Plat thereof attached hereto as Exhibit “B.7”; and which is owned by the Town of Hilton Head Island, South Carolina

1.12 *Operational Plan*: When used herein, “Operational Plan” shall mean and refer to the plan for the operation of the Chaplin Tennis Courts and the Cordillo Tennis Courts other than Daily Maintenance required by this Agreement and which is attached hereto as Exhibit “F”.

1.13 *Repairs and Maintenance*: When used herein, “Repairs and Maintenance” shall mean and refer to all repairs and maintenance to the Parks or Chaplin Tennis Courts and the Cordillo Tennis Courts other than Daily Maintenance.

1.14 *Shelter Cove Community Park*: The existing park located on Shelter Cove Lane, Hilton Head Island, South Carolina, and which is shown and described on the Plat thereof attached hereto as Exhibit B.8.

1.15 *Town*: The Town of Hilton Head Island, South Carolina.

1.16 *Town Council*: The Town Council of the Town of Hilton Head Island, South Carolina.

1.17 *Use and Assessment Agreement*: The Agreement Concerning Use and Assessments dated February 2, 1999, a copy of which is attached hereto as Exhibit D.

1.18 *User Fees*: Fees to be charged to users of the Jarvis Creek Park and Shelter Cove Community Park to defray the cost of set up, clean up and supervision of events at the Jarvis Creek Park and Shelter Cove Community Park. User Fees shall be deemed to include deposits to

cover expenses related to cleanup of the site and the like, which deposits may be held or refunded, depending upon compliance with the user of the Jarvis Creek Park and Shelter Cove Community Park with the terms and conditions of the deposit. A copy of the Shelter Cove Community Park Fee Schedule is attached hereto as Exhibit "G.1." A copy of the Jarvis Creek Park Fee Schedule is attached hereto as Exhibit "G.2." A copy of the Chaplin Community Park, Bristol Sports Arena Park, Crossings Park, and Barker Field Extension Park Fee Schedule is attached hereto as Exhibit "G.3." A copy of the Chaplin Tennis Courts and Cordillo Tennis Courts Fee Schedule is attached hereto as Exhibit "G.4."

1.19 *Van der Meer Agreement:* When used herein, "Van der Meer Agreement" shall mean and refer to the Agreement by and between Dennis Van der Meer and the Sea Cabin Corporation, and their successors and assigns, to include the Town and the Association, a copy of which is attached hereto as Exhibit "E".

ARTICLE 2 - OPERATION OF THE PARKS AND TENNIS COURTS

2.0 *Operation of Parks and Tennis Courts:* The Parks and Tennis Courts shall be operated in accordance with the terms and conditions of this Agreement.

2.01 *Association to Operate:* The Association shall have the obligation for the operation of the Parks and Tennis Courts as set forth herein.

2.02 *General Provisions:* The following general provisions shall apply to the operation of the Parks:

(a) *Hours of Operation:*

(1) The hours of the operation of the Shelter Cove Community Park shall be between 8:00 A. M. and 10:00 P. M.

(2) The hours of the operation of Jarvis Creek Park shall be from dawn to

dusk.

(3) The hours of the operation of the Crossings Park shall be between 8:00 A. M. and 10:00 P. M.

(4) The hours of the operation of the Chaplin Community Park shall be between 8:00 A. M. and 10:00 P.M.

(5) The hours of the operation of the Barker Field Extension Park shall be between 8:00 A.M. and 10:00 P.M.

(6) The hours of the operation of the Chaplin Tennis Courts shall be between 7:00 A.M. and 10:00 P.M.

(7) The hours of the operation of the Cordillo Tennis Courts shall be between 7:00 A. M. and sunset.

(b) *Town Ordinances:* The Association shall operate the Parks and Tennis Courts in a manner that complies with all applicable Ordinances of the Town.

(c) *Covenants and Restrictions:* The Association shall operate the Shelter Cove Community Park in a manner that complies with the Covenants and Restrictions.

(d) *Use and Assessment Agreement:* The Association shall operate the Shelter Cove Community Park in a manner that complies with the Use and Assessment Agreement.

(e) *Other Agreements:* The Association shall operate the Jarvis Creek Park and Shelter Cove Community Park in a manner that complies with any subsequent agreements between the Town and other property owners in the vicinity of the Jarvis Creek Park and Shelter Cove Community Park. Such agreements, if any, shall be appended to this Agreement by an appropriate amendment hereto.

2.03 *Scheduling of Events and Programs:* The Association shall be responsible for the

scheduling of all events and programs at the Parks and Tennis Courts.

2.04 *Rules and Regulations:* The Association shall promulgate rules and regulations relating to the use of the Parks and Tennis Courts for events and programs, which rules and regulations shall cover, at a minimum:

- (a) Inspection of the Parks and Tennis Courts prior to any event or program to determine the existence of any unsafe conditions, or the need for any repairs or maintenance to the Parks and Tennis Courts or the structures and buildings thereon;
- (b) Parking for the event or program;
- (c) Responsibility for any required set up for the event or program;
- (d) Responsibility for tear down for the event or program;
- (e) Litter control during the event or program;
- (f) Provision of sanitary facilities for the event or program, to include temporary restroom facilities at Cordillo Tennis Courts during tennis tournaments;
- (g) Cleanup of the facilities of the Jarvis Creek Park and Shelter Cove Community Park at the conclusion of the event or program;
- (h) Police, security and EMS coverage for the event or program; and
- (i) Insurance requirements for the event or program.

2.05 *Operational Plan:* The Association shall develop and plan for the operation of the Chaplin Tennis Courts and Cordillo Tennis Courts, which plan shall conform to the requirements of this Agreement and the Van der Meer Agreement. The Operational Plan shall show, at a minimum:

- (a) The hours of operation of the Chaplin Tennis Courts and Cordillo Tennis Courts;
- (b) The method for scheduling of play at the Chaplin Tennis Courts and Cordillo Tennis

Courts;

(c) The method for awarding court time for the scheduling of multiday tennis tournament for Spring Break tennis tournament play, or similar tournaments which have multiple sponsor interest, shall be by Request for Proposals (RFP), with a minimum of three committee members making the selection. The membership of the committee shall be one Island Recreation employee and two Town staff employees appointed by the Town Manager, or his designee. The RFP shall at a minimum require a fee for court usage, an on-site representative during all tournament play, insurance, demonstrated ability to manage similar events, ability to provide for the health, safety, and welfare of players and spectators, and the provision of temporary restroom facilities for tournament play at the Cordillo Tennis Courts.

(d) The permitted activities;

(e) The plan for Daily Maintenance;

(f) The plan for safety inspections;

(g) The security and safety protocols;

(h) The staffing; and

(i) Any other matters material to the operation of the Chaplin Tennis Courts and Cordillo Tennis Courts.

2.06 Approval of Rules and Regulations and Operational Plan: Prior to implementing the Rules and Regulations, the Association shall submit the proposed Rules and Regulations to the Town Council for its approval. Any proposed change to the approved Rules and Regulations shall be submitted to the Town Council for its approval.

2.07 Approval of Operational Plan: Prior to implementing the Operational Plan, the

Association shall submit the proposed Operational Plan to the Town Council for its approval.

Any proposed change to the approved Operational Plan shall be submitted to the Town Council for its approval.

2.08 *Event Staffing:* The Association shall provide sufficient staff and personnel to supervise the set up of events, programs, parking during events or programs, litter control during and after events or programs, sanitizing of facilities, and clean up of the Parks and Tennis Courts at the conclusion of any event or program.

2.09 *Inspections:* The Association shall conduct regular inspections of the Parks and Tennis Courts to determine the existence of any unsafe conditions, the need for any repairs or maintenance or the need for cleaning of the Parks and Tennis Courts. Such inspections shall be on a schedule to be determined by the Association, but in no instance less than once per month.

2.10 *Utilities and Other Services:* The Association shall, at its expense, arrange for the provision of utilities or other services for the Cordillo Tennis Courts, including, but not limited to, water and electricity. Utilities at the Chaplin Tennis Courts will be provided through Beaufort County Division of Parks and Leisure Services.

2.11 *Ownership of Town Property:* The Parks, Chaplin Tennis Courts, and Cordillo Tennis Courts shall remain the property of the Town. Other than as is expressly set forth herein, the Association shall have no proprietary interest in the Parks, Chaplin Tennis Courts, or Cordillo Tennis Courts.

ARTICLE 3 - USER FEES

3.0 *User Fees:* The Association shall be entitled to charge User Fees for the use of the Parks and Tennis Courts to defray the cost of event set up, event cleanup and supervision of the Parks and Tennis courts during events.

3.02 *Schedule of Fees:* Prior to charging any User Fees for the use of the Parks and Tennis

Courts, the Association shall prepare a schedule of such fees and present the same to the Town for approval by the Town Council. Any changes to the approved schedule of fees shall be submitted to the Town Council for its approval.

ARTICLE 4 - INSURANCE AND INDEMNITY

4.0 *Insurance:* The Association shall provide insurance covering its operation of the Parks and Tennis Courts as follows herein.

4.01 *Public Liability Insurance:* The Association shall obtain and maintain in full force during the term of this Agreement, comprehensive general public liability insurance, including liability associated with serving alcoholic beverages, with minimum bodily injury, death and property damage limits, per occurrence, of ONE MILLION (\$1,000,000.00) DOLLARS insuring against any and all liability of the Association with respect to its operation of the Parks and Tennis Courts and all of the improvements, structures and buildings at the Parks and Tennis Courts. In addition to all other coverages, such insurance policy or policies shall specifically insure the performance by the Association of the hold harmless and indemnity provisions of this Agreement.

4.02 *Policy Form:* All policies of insurance provided for herein shall be issued by insurance companies with general policyholders rating not less than A, and a financial rating of AAA as rated in the most current available Best's Insurance Reports, and qualified to do business in the State of South Carolina, and shall be issued in the names of the Association, the Town and such other persons or firms as the Town specifies from time to time. Such policies shall be for the mutual and joint benefit and protection of the Town, the Association and others hereinabove mentioned, and executed copies of such policies of insurance or certificates thereof shall be delivered to the Town within ten (10) days after the execution and delivery of this Agreement.

All public liability policies shall contain a provision that the Town, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of the Association. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by the Association in like manner and to like extent. All policies of insurance delivered to the Town must contain a provision that the company writing said policy will give to the Town twenty (20) days notice in writing in advance of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which the Town may carry.

4.03 *Indemnification and Hold Harmless:* The Association shall indemnify and hold the Town harmless from any claims for loss, damage or liability, including attorneys fees and costs incurred by the Town in responding to or defending any such claim, arising out of or on account of any injury, death or damage to any person, or to the property of any person, arising from or in any manner relating to the operation of the Parks and Tennis Courts by the Association, or arising from any act or omission of the Association with respect to the exercise of the Associations rights hereunder.

4.04 *Insurance, Indemnification and Hold Harmless by Certain Users:* The Association shall require applicants that are using the facility for either a business purpose or for a purpose in which they are charging a fee to provide proof of insurance covering the use at the facility and naming the Town and the Association as a named insured. Said policy shall indemnify and hold the Association and the Town harmless from any claims for loss, damage or liability, including attorney's fees and costs incurred by the Association or Town in responding to or defending any claim, arising out of or on account of any injury, death or damage to any person, or to the

property of any person, arising from or in any manner relating to the use or activity by the Users of the Parks and Tennis Courts, or arising from any act or omission of the User with respect to the exercise of the said activity of the User.

ARTICLE 5 - MAINTENANCE

5.0 *Maintenance of the Shelter Cove Community Park:* Maintenance of the Parks and Tennis Courts shall be as provided herein.

5.01 *Town to Maintain:* Maintenance of the Jarvis Creek Park, Shelter Cove Community Park, and Tennis Courts shall be through the Facilities Management Division of the Town.

5.02 *County to Maintain:* Maintenance of the Chaplin Community Park, Bristol Sports Arena, Barker Field Extension Park, and Crossings Park, shall be through Beaufort county.

5.03 *Association to Maintain:* The Association shall be solely responsible for the Daily Maintenance the Chaplin Tennis Courts and the Cordillo Tennis Courts and shall provide for the same in the Operational Plans to be provided by the Association and approved by the Town as set forth in Article 2 above.

5.04 *Inspections:* The Association shall conduct daily inspections of the Parks and the Chaplin Tennis Courts and Cordillo Tennis Courts to determine the existence of any unsafe conditions, the need for any daily maintenance or the need for repairs and maintenance to the Chaplin Tennis Courts and Cordillo Tennis Courts. The Association shall also provide appropriate on-site information to allow users of the Chaplin Tennis Courts and Cordillo Tennis Courts to report any unsafe conditions at the Chaplin Tennis Courts and Cordillo Tennis Courts.

5.05 *Notification:* Should the Association become aware of the need for repairs or maintenance to the grounds or any structure, equipment or building at the Jarvis Creek Park, Shelter Cove Community Park, or Tennis Courts the Association shall immediately take steps to

secure any unsafe condition requiring repair or maintenance, and immediately notify the Town in writing of the condition requiring repair or maintenance. Should the Association become aware of the need for repairs or maintenance to the grounds or any structure, equipment or building at the Chaplin Community Park, Bristol Sports Arena, Barker Field Extension Park, and Crossings Park the Association shall immediately take steps to secure any unsafe condition requiring repair or maintenance, and immediately notify the County and Town in writing of the condition requiring repair or maintenance.

5.06 *Town's Obligation:* Upon receiving notification of the existence of any unsafe condition at the Jarvis Creek Park, Shelter Cove Community Park, or Tennis Courts, or the need for any repairs and maintenance, the Town shall take such steps as are necessary to correct the correct the same.

ARTICLE 6 - TERM

6.0 *Initial Term:* This Agreement shall have an initial term of five (5) years.

6.01 *Renewal:* This Agreement shall be reviewed by the Town Council on or before March 20, 2017. This Agreement may be renewed at that time upon such terms and conditions as the Parties may agree.

ARTICLE 7 - DEFAULT

7.0 *Default:* Default under this Agreement shall be as set forth below.

7.01 *Events of Default:* The following shall be events of default under this Agreement:

- (a) The failure of the Association to comply with the terms of this Agreement and the Van der Meer Agreement;
- (b) Violation of any Federal, State or local law, ordinance or regulation by the Association in its operation of the Jarvis Creek Park or Shelter Cove Community Park;
- (c) The dissolution or termination of the Association; and

(d) The cancellation of any policy of insurance required to be maintained under Article 4 hereof.

7.02 *Notice of Default:* Upon the occurrence of any event of default, the Town shall give the Association written notice of the Default.

7.03 *Right to Cure:* The written notice of default described in Article 7.02 above shall provide that the Association has a period of fourteen (14) days to cure the default.

7.04 *Termination of Agreement:* Whenever any Event of Default described in Article 7.01 of this Agreement shall have happened and continue for a period of fourteen (14) days after delivery of written notice from the Town to the Association, the Town shall have the right to terminate this Agreement. Termination of this Agreement under this Article 7 shall not relieve the Association of the obligation to maintain any existing insurance as required under Article 4 for the full term thereof.

ARTICLE 8 - MISCELLANEOUS

8.0 *Miscellaneous:* The following shall apply to this Agreement.

8.01 *No Assignment:* This Agreement and the rights and obligations under it may not be assigned by the Association.

8.02 *Amendment, Changes and Modifications:* Except as otherwise provided herein, this Agreement may not be effectively amended, changed, modified or altered without the written consent of both parties hereto.

8.03 *Severability:* In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8.04 *Execution in Counterparts:* This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the

same instrument.

8.05 *Applicable Law:* This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

8.06 *Captions:* The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

8.07 *Recording:* The parties hereto may not record this Agreement, or a short form Memorandum thereof, in the R. M. C. Office for Beaufort County, South Carolina.

8.08 *Plural/Singular:* Where appropriate, the use of the singular herein shall include and be deemed to be the plural, and the use of the plural herein shall be deemed to include the singular.

8.09 *No Third Party Beneficiaries:* The Parties hereto affirmatively represent that this Agreement is made solely for the benefit of the parties hereto and their respective successors and assigns and not for the benefit of any third party who is not a signature party hereto. No party other than the signature parties and their respective successors and assigns hereto shall have any enforceable rights hereunder, or have any right to the enforcement hereof, or any claim for damages as a result of any alleged breach hereof.

8.10 *Notices:* All notices, applications, requests, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person, or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other place as may be designated in writing by the parties:

To the Town: THE TOWN OF HILTON HEAD ISLAND
Stephen G. Riley, CM, Town Manager
One Town Center Court
Hilton Head Island, SC 29928

To the Association: HILTON HEAD ISLAND RECREATION ASSOCIATION, INC.
Mr. Frank Soule
Post Office Box 22593
Hilton Head Island, SC 29928

8.11 *Attorney's Fees and Costs:* If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, or default in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover its reasonable attorney's fees and any costs incurred as a result of any such dispute, whether incurred before the institution of suit or after the commencement of suit, including appellate proceedings, in addition to any other relief to which the prevailing party is entitled.

In Witness whereof, the parties hereto, by and through their duly authorized officials, have set their hands and seals this _____ Day of _____, 2012.

WITNESSES:

HILTON HEAD ISLAND RECREATION ASSOCIATION, INC.

By: _____

Attest: _____

WITNESSES:

TOWN OF HILTON HEAD ISLAND

By:

Drew A. Laughlin, Mayor

Attest: _____
Stephen G. Riley, CM, Town Manager

EXHIBIT B
SITE PLANS

- B.1 BARKER FIELD EXTENSION
- B.2 BRISTOL SPORTS ARENA
- B.3 CHAPLIN COMMUNITY PARK
- B.4 CHAPLIN COMMUNITY PARK TENNIS COURTS
- B.5 CORDILLO TENNIS COURTS
- B.6 CROSSINGS PARK
- B.7 JARVIS CREEK PARK
- B.8 SHELTER OVE COMMUNITY PARK

EXHIBIT B-1

SITE PLAN

BARKER FIELD EXTENSION



PORT ROYAL SOUND

Fish Haul Road

Barker Field

Mitchelville Road

Legend

 Barker Field Extension

EXHIBIT B.2

SITE PLAN

BRISTOL SPORTS ARENA



Palmetto Bay Road

Helmsman Way

Arrow Road

Legend

 Bristol Sports Arena

EXHIBIT B.3

SITE PLAN

CHAPLIN COMMUNITY PARK



William Hilton Parkway

Singleton Beach Road

Legend

 Chaplin Community Park



EXHIBIT B.4

SITE PLAN

CHAPLIN COMMUNITY PARK TENNIS COURTS



William Hilton Parkway

Singleton Beach Road

Legend

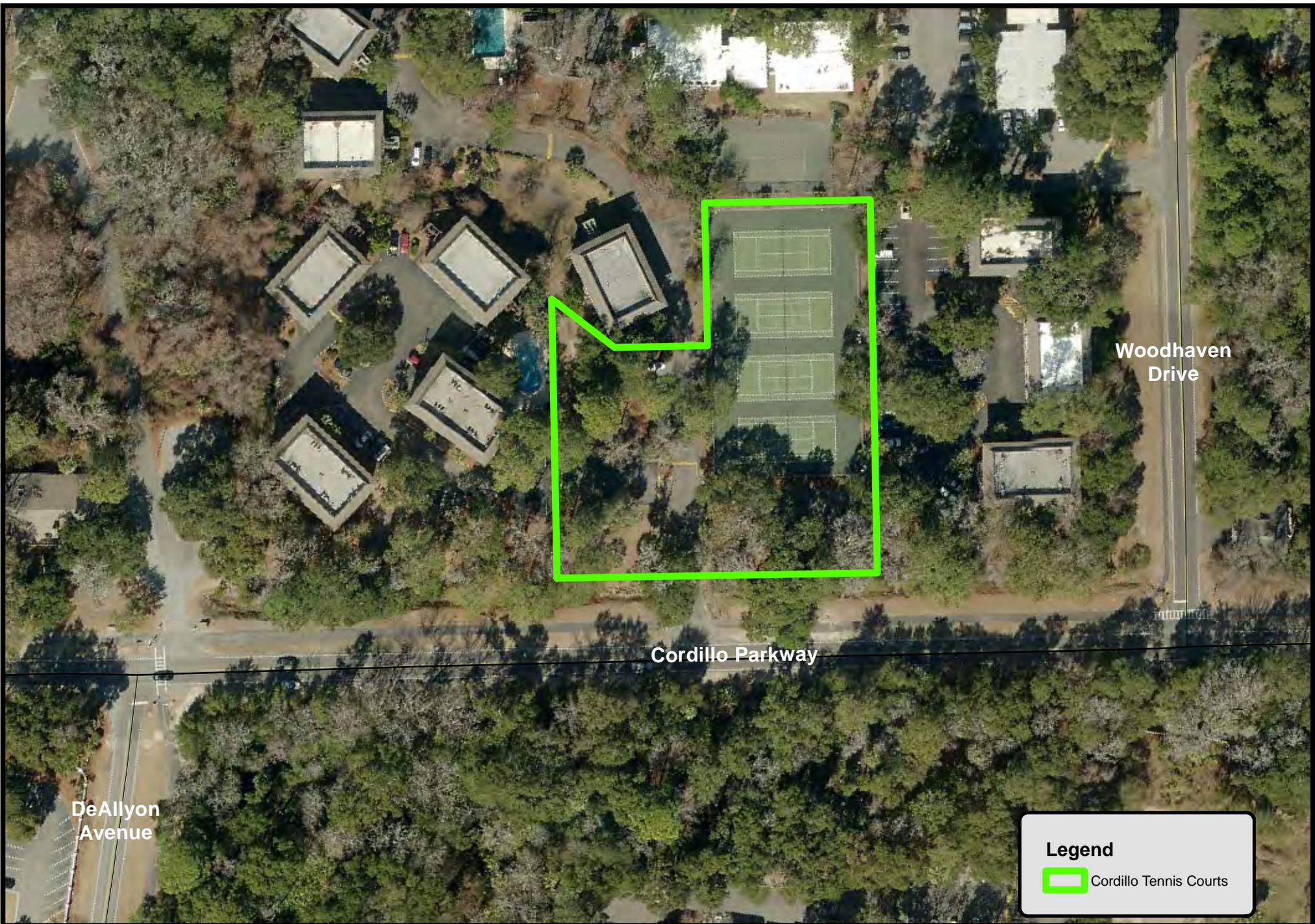
 Chaplin Community Park



EXHIBIT B.5

SITE PLAN

CORDILLO TENNIS COURTS



Woodhaven Drive

Cordillo Parkway

DeAllyon Avenue

Legend

 Cordillo Tennis Courts



EXHIBIT B.6

SITE PLAN

CROSSINGS PARK

Skull Creek

Palmetto Bay Road

Arrow Road

Legend

 Crossings Park



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4400
WWW.HILTONHEADISLAND.COM

Town of Hilton Head Island
Crossings Park
February 2011 Aerial Photo



The information on this map has been compiled from a variety of sources and is intended to be used as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for any errors or omissions that may appear on this map.

EXHIBIT B.7

SITE PLAN

JARVIS CREEK PARK



Legend

 Jarvis Creek Community Park

EHIBIT B.8

SITE PLAN

SHELTER COVE COMMUNITY PARK

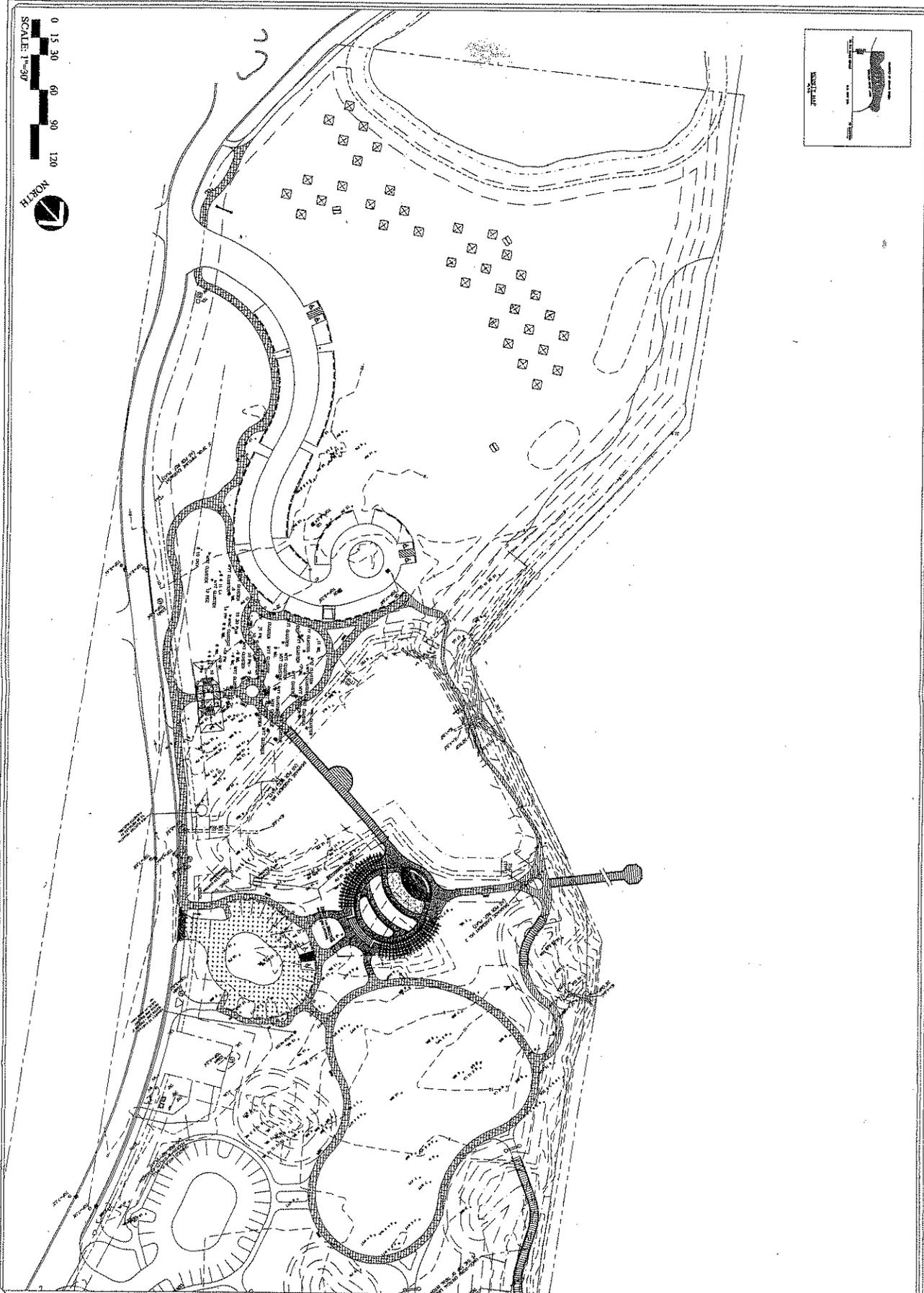
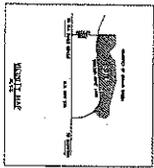
Marshes of Broad Creek

Shelter Cove Lane

William Hilton Parkway

Legend

 Shelter Cove Community Park



SHELF NO. 11
 SHEET NO. 1
 PROJECT NO. 2007

**SITE PLAN for
 SHELTER COVE COMMUNITY PARK
 EXPANSION FOR MEMORIAL-PHASE I**

DESIGNED BY	DATE	SCALE	PROJECT NO.	SHEET NO.



TOWN OF HILTON HEAD ISLAND
 Planning Department/Engineering Division
 One Town Center East
 Hilton Head Island, South Carolina
 PH (843) 241-4900 / FAX (843) 842-8500

EXHIBIT C

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SHELTER COVE PARK

DATED: FEBRUARY 22, 1982

ownership, operation and maintenance of common facilities on the Property, the performance of acts of maintenance, administration, central services, assessment, enforcement and other activities set forth in these Covenants and other mandatory and discretionary functions consistent with the purposes of these Covenants which benefit the Property, including those which are traditionally undertaken or provided by non-profit entities such as neighborhood property owners associations, park districts, chambers of commerce, governmental agencies, civic groups, convention bureaus and merchant's associations; and

WHEREAS, in connection with the need for such a mechanism, the Declarant has caused to be incorporated under the laws of the State of South Carolina a non-profit corporation, the Shelter Cove Harbour Company ("Company"), for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth; and

NOW THEREFORE, the Declarant hereby declares that the Property hereof, is and shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered and used subject to these Covenants. These Covenants, the benefits of these Covenants and the affirmative and negative burdens of these Covenants, whether pertaining to items, benefits and obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch and concern, benefit and burden, and run with the land and any estates in the land herein referred to as the Property and these Covenants are intended to be covenants and servitudes burdening and benefiting all persons now or hereafter deriving a real property estate in the Property, whether by assignment, succession or inheritance or other method of conveyance.

PART ONE

GENERAL REFERENCES

Article I: Property Description

Section 1-1: The Property. The real property (the "Property") which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants for the Shelter Cove Property is described in Exhibit A to these Covenants.

PART TWO

LAND USE RESTRICTIONS

Article II: General Land Use Restrictions and Obligations

Section 2-1: Architectural Review of Specifications for New Construction or Additions, Reconstructions, Alterations or Changes to Structures and Landscaping. No temporary or permanent Structure may be commenced or erected upon

the Property nor may any application for building permit for any Structure be made nor any significant landscaping be done, nor any addition to any existing building or alteration or change to the exterior thereof, be made until the proposed building plans, specifications, materials and exterior finish, plot plans, landscape plan and construction schedule have been submitted to and approved by the Company following consideration by the Architectural Review Board as provided by Section 5-7.

Section 2-2: Siting. To assure that buildings and other structures will be located so that desirable view, privacy and breeze will be available to the largest practical number of buildings or structures built within the Property and that structures will be located with regard to the topography of each property taking into consideration the location of large trees, structures previously built or approved pursuant to this Article for adjacent parcels of land and other aesthetic and environmental considerations, where the deed of conveyance on individual Development or Survey Plat does not specify building set-back lines from front, rear and side lines, the Company, following consideration by the Architectural Review Board, as provided in Section 5-7, shall have the right to control and to decide (subject to the provisions of the pertinent land use regulations of public authorities having jurisdiction) the precise site and location of any building or structures within the Property. The location shall be determined only after reasonable opportunity is afforded the Property Owner to recommend a specific site.

Section 2-3: Tree and Bush Removal. No trees of any kind above eight (8) inches in diameter at a point four (4) feet above the ground level other than trees in the space which approximates the centermost twenty percent (20%) of each lot or parcel may be removed by any Property Owners, their successors and assigns without the written approval of the Company following consideration by the Architectural Review Board as provided by Section 5-7. A tree location plan showing all such trees and location map of adjacent and nearby structures may be required as part of the submission under Sections 2-1, 2-2 and this Section.

Section 2-4: Completion of Construction. The exterior of all buildings and other structures must be completed within eighteen (18) months after the construction of a particular building or structure shall have commenced, except where such completion is impossible or would result in great hardship to the Property Owner or builder due to strikes, fires, national emergency or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed. Substantially all of the landscaping shown in plans submitted to the Architectural Review Board must be completed within one (1) year of the initial occupancy. As a condition of approval of proposed plans for all structures, a bond may be required by the Company which guarantees payment of the landscape contractor's estimated cost of installation to implement the plan as submitted and approved by the Company.

Section 2-5: Minimizing Construction Disturbances. During the continuance of construction, the Property Owner shall require the contractor to maintain the site of the building in a reasonably clean and uncluttered condition, and construction may not commence before 7:00 a.m. or be continued after 7:00 p.m. more than twenty (20) days a year, nor may construction activities take place on any Sunday, if located within three hundred (300) feet of an occupied residential dwelling, inn or hotel.

Section 2-6: Service Yards. All garbage receptacles, electric and gas meters, heat pump and air-conditioning equipment, clotheslines, water pumps, fuel tanks, equipment and service yard contents on the Property must be placed or stored in safe, landscaped, fenced or screened-in areas to conceal them from the view on the road and adjacent properties.

Section 2-7: Lights, Signs and Advertising Devices. No promotional, advertising or commercial lights, search lights, signs, banners, flags or ornaments, whether mobile or fixed, may be erected on the Property by anyone except where Approved by the Company following consideration by the Architectural Review Board subject to reasonable Rules and Regulations established by the Company governing the lighting, size, color, materials, nature, graphic standards and content of any signs or ornaments.

The following items shall not be permitted within the Property when used for the purpose of advertising or commercial promotion: artificial or live wild animals or birds, flashing lights, painted tree trunks, stacks of tires, outdoor displays of manufactured products, balloons, banners, whirling plastic devices on poles, ropes or cables, caged, penned or otherwise restrained animals or birds used as a roadside commercial attraction, trucks or movable equipment painted for use as advertising devices and similar commercial devices visible from private or public highways and roads within the Property.

The Company or the Declarant reserve the right, after notice is given to the Property Owner in conformity with Sections 5-5 to enter upon the lands or premises of any Property Owner to remove any non-conforming sign or advertising device at the expense of the owner thereof.

Section 2-8: Other Buildings and Vehicles. No mobile home, trailer, tent, barn or other similar out-building or structure shall be placed on the Property at any time without prior approval from the Company following consideration by the Architectural Review Board and such approvals shall normally be limited to temporary use of such structures reasonably essential to economical, orderly and efficient construction during the construction process only. No home trailer or residence trailers may be permitted on the Property. Boats, boat trailers, campers, trucks or utility trailers must be stored either wholly within a garage on the same Resort Dwelling Lot as a Resort Dwelling Unit, or in a central or neighborhood screened-in storage facility for such boats, vehicles and trailers if, as and when such a screened-in area is constructed upon the Property and thereafter used for such purposes. This Section does not create in the

Declarant or the Company an affirmative obligation to provide such a screened-in storage facility.

Section 2-9: Water and Sewage. Prior to the occupancy of a building or structure on the Property, suitable provision shall be made for water and disposal of sewage by each Property Owner, consistent with the recommendations of the Architectural Review Board, the Company and the Declarant and consistent with Pertinent Laws. No private water wells may be drilled or maintained on the Property so long as the Declarant, the Company or a public service district or other governmental unit, its successors and assigns has installed a water distribution line within two hundred fifty (250) feet of such property with average daily water pressure in such line adequate for uses permitted by these Covenants and the deed of conveyance, provided that such water distribution line is completed by the time the building or structure is ready for occupancy.

Section 2-10: Antennas, Electric Transmissions and Mechanical Disturbances. No radio, television, microwave, infrared or other form of electromagnetic or light radiation shall be permitted to originate from any portion of the Property if said radiation interferes with any right reserved by the Declarant or interferes with the proper reception of radio, television or related signals within the Property by any Property Owner, their Lessees and Guests.

Section 2-11: Parking. The owner of any land within the Property who proposes to build any Structure on his land shall make provision for adequate parking pursuant to standards established by the Architectural Review Board. Any construction, alteration, relocation or additional landscaping of the parking areas, or extension of paved areas to areas previously grassed, landscaped or left in a natural condition shall be submitted for approval to the Architectural Review Board of the Company. Surfaces of parking areas which absorb water but which protect the land from erosion and wear shall be encouraged in lieu of fully paved surfaces.

Section 2-12: Building Height. No building shall be constructed on the Property which has a height more than five (5) stories above the minimum dwelling floor height as established by flood insurance regulations or other Pertinent Laws. The first level or deck underneath a building built approximately at, or above grade, and used substantially for parking, shall not be considered a story, and the "first" story for purposes of this restriction shall be the first floor above the "Hundred Year Flood" level established for purposes of flood insurance. In addition, for purposes of calculating permissible building height, a "story" shall not exceed fifteen (15) feet from floor to

ceiling. This height limitation shall not include roof-top air-conditioning, heating, solar arrays, and energy conservation equipment and shall not apply to church steeples, clock towers, antennas, water towers and other similar structures.

Section 2-13: Waterfront Setback Requirements. No residential, retail, lodging or similar building or Structure may be erected within fifteen (15) feet of a lagoon edge, lake edge, mean high water mark of Broad Creek, or harbour bulkhead on any property as shown on a Recorded Development Plat; provided, however, that Structures in the nature of pools, decks, hot tubs, bike trails, cook-out and entertainment structures, open-air bar and food facilities, recreational support structures, picnic storage areas and restrooms may be built within such setback line upon approval by the Architectural Review Board. Variances to these setback requirements may be approved by the Company, where, in the sole discretion of the Company adjacent property and the overall development scheme would not be harmed by such variances.

Section 2-14: Utilization of Solar Energy. The Architectural Review Board and the Company shall encourage, but may not require, the utilization of passive solar designs as well as active mechanical solar collection devices for hot water heating and climate control of interior spaces in buildings constructed on the Property.

Section 2-15: Animals. No animals, livestock or poultry of any kind shall be raised, bred, kept or pastured on the Property other than a maximum of three (3) household pets kept in any one Resort Dwelling Unit. Each person who keeps a pet within a Resort Dwelling Unit shall abide by the following restrictions and affirmative obligations: (a) no pets may be kept, bred or maintained on the Property for any commercial purpose; (b) best efforts shall be exercised to not allow the pets to excrete upon the shrubbery or in any area within the Property or any Regime Common Properties which are regularly traversed by neighboring residents or in which children may be expected to play; (c) any defecation or solid excrement left by the pet upon the Common Properties or Regime Common Properties shall be removed by the owner or the attendant of the pet; (d) the pet shall not be allowed to roam on Common Properties or Regime Common Properties from its attendant uncontrolled by voice or leash; and, (e) any pet which consistently barks, howls or makes disturbing noises which might be reasonably expected to disturb other Property Owners, their Lessees and Guests, shall be muzzled.

Section 2-16: Unightly Conditions. Each Property Owner and his Lessees and Guests shall: prevent and remove the accumulation of litter, trash, or rubbish; prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on the Property either before, during or after construction; prevent and remove accumulations on his Property which tend to substantially decrease the beauty of the specific Property or the community as a whole.

Section 2-17: Sound Devices. No exterior speaker, horn, whistle, bell or other sound device, except devices intended for use and used exclusively (and

with reasonable regard for neighbors) for safety or security purposes, shall be located, used or placed upon any part of the Property without a conditional one-year permit of the Company.

Section 2-18: Offensive Activity. No Offensive or Noxious activity shall be carried on upon the Property. "Offensive or Noxious" activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior which is inconsistent with both the reasonable pleasurable use of the Property area by Property Owners, their Lessees and Guests and their reasonable expectations of vacationing, year-round living, studying, working, recreating, or enjoying sports free of excessively noisy behavior grossly disrespecting the rights of others, flashing or excessively bright lights, racing vehicles, offensive displays of public sexuality, significantly loud electronic music distractions, or other similar unreasonable behavior or activity curtailing or likely to curtail the reasonable pleasure and use of the Property by others who are not participating in such offensive or noxious activity. Resort athletic events, concerts, festivals, competitions or shows primarily for the use and enjoyment of the Property by Property Owners and their Guests, conducted under permit from the Company shall not constitute offensive or noxious activity or behavior unless such permit is withdrawn by the Company, or its terms and conditions violated.

Section 2-19: Laundry Drying. Each Property Owner, his or her family, his or her tenants shall not hang laundry from any dwelling unit if such laundry is within the public view.

Section 2-20: Prohibition of Oil and Gas Wells and Subsurface Mining. No well for the production of, or from which there may be produced, oil, gas or minerals shall be dug or operated upon the Property, nor shall any machinery, appliance or structure, ever be placed, operated or maintained thereon in connection therewith, nor shall there be any subsurface mining or drilling activity provided, however, that the Declarant or the Company may engage in such subsurface or excavation activity as may be necessary and consistent with these Covenants to conduct any beach renourishment activity, or to construct, repair or maintain harbour facilities; provided further that the prohibition against drilling activity shall not include any drilling or excavation activity associated with the search for or development of water wells, the installation of utilities and communications facilities and any activity associated with soil testing, construction of building foundations or master drainage control.

Section 2-21: Prohibition of Industry. Neither the Company nor any Property Owner, nor the Declarant, their heirs, successors and assigns, shall erect or suffer or permit to be erected, on any part of the Property, any Structure or operation for the manufacture or production of any manufactured goods (other than hand-crafted items made in a home workshop) intended for off-premise sale; or any forge, foundry, blacksmith shop, furnace or factory of any kind or nature whatsoever for the manufacture of goods and operation of industry. Nothing herein shall prohibit the use of kilns, furnaces and welding or similar equipment in any artist or craft studio constructed to accommodate a home occupation permitted by these Covenants. In addition, nothing herein shall

prohibit as a resource recovery measure the production, in limited facilities, of alcohol, methane, ethanol, methanol or other biomass energy source derived from organic wastes originating on the Property. This Section shall not serve as a prohibition of Trade Oriented Services when such Trade Oriented Services are not used in the manufacture of goods or operation of industry.

Section 2-22: Subdivision of Property; Time Sharing, Interval Ownership. The Property shall not be subdivided other than by the Declarant except by means of a written and Recorded instrument indicating that such subdivision has been Approved by the Declarant. No unit of ownership may be subdivided to permit "Time Sharing" or other "devices" to effect interval ownership unless Approved by Declarant subject to conditions which may be imposed by Declarant.

For purposes of this Section, "devices" to effect interval ownership shall include but not be limited to ownership arrangements, including uses of corporations, trusts, partnerships or tenancies in common in which four or more persons not members of a Single Household have acquired, by means other than will, descent, inheritance or operation of law, an ownership interest (directly or indirectly, equitable or legal) in the same dwelling unit and such owners have a formal or informal right-to-use agreement.

Section 2-23: Prohibition of Motorcycles. No motorcycles other than mopeds (or other motor-powered bicycles) with less than or equal to one-brake horsepower shall be permitted within the Property. Mopeds with less than or equal to one-brake horsepower shall be limited to operation only on the paved roads designed for automobile traffic within the Property and on trails specifically designated for moped use by the Company and the use of such mopeds on bicycle trails, the beach, leisure trails and recreation areas is prohibited.

Section 2-24: Willful Destruction of Wildlife. No hunting shall be allowed on the Property, except under controlled conditions Approved by the Company and appropriate governmental wildlife authorities for the purpose of protecting Property Owners, the public and other animals against health hazards, disease and other anomalies resulting from species over-population, disease, and significant wildlife predation. Any violation of this provision shall constitute a trespass against property owned by the Company. Since this Property is not intended to be nor is to be maintained as a wildlife sanctuary, any depletion of wildlife stock which may result from the process of planned development shall not be deemed to be a violation of this Section.

Section 2-25: Firearms and Fireworks. The discharge of firearms and arrows of any kind, calibre, type or of any method of propulsion is prohibited within the Property. No fireworks may be discharged on the Property unless approved by the Company pursuant to Rules and Regulations established for major events.

Section 2-26: Drainage. The Company may establish reasonable regulations and restrictions pertaining to drainage and siltation originating on construction sites and parking lots, porosity of pavement materials used on roadways and parking lots and similar provisions relating to hydrological factors on the Property.

Section 2-27: Smells and Odors. The owner of any realty within the Property shall have the affirmative duty to prevent the release of obnoxious smells and odors from his Property which might tend to adversely affect the reasonable use and enjoyment of the lands and other interests in realty owned by adjacent and nearby Property Owners.

Section 2-28: Installation of Piers, Bulkheads, Filling and Excavation of Shorelands by Property Owner. No bulkheading, filling, excavation, stabilization or modification of marsh edges of the Property may be undertaken by any Property Owner or his agent unless such activity is Approved by Declarant or the Company. The Declarant or the Company may specify that such work must be undertaken by the Company on behalf of the Property Owner(s) involved and such owners shall be assessed for such portion of the cost of the work or the Company shall determine is reasonably allocable to the Property of such Property Owner(s).

Section 2-29: Duty to Insure Common Properties.

- (a) The Company. The Company shall maintain public liability insurance, to the extent obtainable, covering each Property Owner, Lessee and the managing agent, if any, against liability for any negligent act of commission or omission attributable to them which occurs on or in the Common Properties. To the extent obtainable, the Board of Directors shall also be required to obtain the following insurance: (a) fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the facilities on the Common Properties, in an amount equal to their full replacement values and (b) workmen's compensation insurance. In addition, the Board shall have the right to obtain Directors and Officers liability insurance, fidelity insurance and other insurance it may deem proper to protect the Company, its members and property. All insurance premiums for such coverage shall be paid for by the Company and assessed as appropriate to all Property Owners.,
- (b) Property Owners. Each Property Owner shall insure his buildings for its full replacement value with no deductions for depreciation, against loss by fire, wind, flood and all other hazards. Such insurance shall be sufficient to cover the full replacement value and for necessary repair and reconstruction work. Such insurance shall include common party walls, connected exterior roofs and other connected parts of the attached Structures. In the case of apartment buildings, such insurance shall be maintained on the entire building rather than the individual units contained therein. in the case of

condominiums, such insurance shall be maintained by the applicable Horizontal Property Regime on all buildings within such Horizontal Property Regime and the owners of units shall pay an Assessment to the Regime for insurance.

- (c) Repair or Replacement of Damaged or Destroyed Property. In the event of damage or destruction by fire or other casualty to any building then the owner of such building (or in the case of condominium, the condominium regime or association) shall, within thirty (30) days of the receipt of the insurance proceeds paid pursuant to an insurance policy covering such building but in no event later than six (6) months from the date of such damage or destruction either: (a) commence reconstruction of the building, or; (b) clear the lot upon which the Improved Property is located of all debris, reseed the entire lot and make any repairs necessary to continue the structural soundness of any party wall which formed a part of the building. In the event: (a) restoration of the building is commenced but is terminated before completion of the building and such termination continues for a period of at least ninety (90) days; or (b) the lot is not cleared of debris and the party walls made structurally sound within thirty (30) days after commencement of clearance of the lot; or (c) restoration or commencement of clearance of the lot does not occur within said six (6) month period, the Company shall have the right to clear the lot of debris, reseed the lot and make any structural repairs as are necessary to make the party walls which were part of the building structurally sound. The cost of such repairs shall be an expense attributable to the lot and become an immediately due and payable special assessment against the lot collectible in the same manner as any other assessment provided for in Article VIII. In the event a lot shall be cleared, reseeded and party walls made structurally sound, then it shall be the obligation of the Owner of such lot to continue to maintain the lot in accordance with these Covenants.

- (d) Attached Units. Notwithstanding the provisions of the subdivision (c) of this Section, the following provisions shall apply to attached townhouses or condominium units:
- (i) The insurance referred to in subdivision (a) of this Section shall be written in a manner acceptable to an Insurance Committee established by the Company.
 - (ii) Each owner's policy shall contain a loss payment provision which provides that the proceeds of any loss shall be payable to the applicable Horizontal Property Regime or Association or its insurance trustee, if any, and if none, then to the owner which recipient shall hold such funds in trust to insure that repairs are made as hereinafter set forth. Each Owner, Regime or Association, as applicable, shall be required to supply the Insurance Committee with evidence of insurance coverage on his unit which complies with the provisions of this section.

(iii) Repair or Replacement of Damaged or Destroyed Property. Each Owner shall, with the concurrence of the Owner's Mortgagee, if any, and the Insurance Committee, be required to reconstruct or repair any Improved Property destroyed by fire or other casualty covered by insurance written in the manner set forth above. If no repair or rebuilding has been contracted for or otherwise substantially started by the Owner, within thirty (30) days after the appropriate loss payee receives the insurance proceeds the Insurance Committee shall take such steps as are necessary to compel the recipient of such proceeds to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Improved Property, in a good and workmanlike manner in conformance with the original plans and specifications. The contract or contractors selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding. In the event the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions in a good and workmanlike manner, and the owner, regime or association, as applicable, does not take such steps as are necessary to generate the additional funds to complete the reconstruction, the Company shall be empowered to levy a Special Assessment against the Property Owner or Owners in whatever amount is required to make up the deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

Section 2-30: Party Walls. The general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each party wall or party fence which is built as part of the original construction of the attached structure and any re- placement thereof.

In the event that any portion of any structure, as originally constructed by any developer, including any party wall or fence, shall protrude over two adjoining lots, it shall be deemed that said Property Owners have granted perpetual easements to the adjoining Property Owner or Owners for continuing maintenance and use of the projection, party wall or fence. The foregoing shall also apply to any replacements of any structures, party walls or fences if the same are constructed in conformance with the original structure, party wall or fence. The foregoing condition shall be subject to amendment of these Covenants.

The cost of reasonable repair and maintenance of a party wall or party fence shall be shared equally by the Property Owners who make use of the wall or fence in proportion to such use.

If a party wall or party fence is destroyed or damaged by fire or other casualty, any Property Owner who has used the wall or fence must restore it, and if the other Property Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Property Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Notwithstanding any other provisions of this Section, a Property Owner who by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

The right of any Property Owner to contribute from any other Property Owner under this Section shall be appurtenant to the land and shall pass to such Property Owner's successors in title.

Section 2-31: Duty of Property Owners to Inform Company of Current Address. Each Property Owner shall have the affirmative duty and obligation to inform the Company in writing of any change of ownership of the Property, the Property Owner's current address, and any failure of the Property Owner to receive any information from the Company at the correct address of the Property Owner. No Property Owner may be excused from his obligations established in these Covenants nor challenge a Mail Referendum if the Company mailed an assessment bill, statement, Mail Referendum ballot or notice of Mail Referendum to the last address of said Property Owner which is recorded on the books of the Company and for which the Company has not received the Property Owner's current address or notice of change of ownership from the Property Owner.

Article III: Resort Open Space and Private Open Space

Section 3-1: Designation of Resort Open Space and Private Open Space. The Declarant and other owners of Property including members of a Horizontal Property Regime may designate portions of their Property (other than Regime Common Property) as Resort Open Space for periods of twenty-five (25), fifty (50), ninety-nine (99) years as such durations may be specifically adopted and recorded as to specific parcels by the Declarant or other Property Owners; provided, however, that no such designation shall extend beyond the duration of these Covenants. To further this purpose, the Declarant covenants that no Resort Open Space shall be subject to any charges or assessments.

No property, including Regime Common Property, shall be Resort Open Space or Private Open Space unless it is described as "Resort Open Space" in a Recorded declaration signed and formally executed by the title owner, the declaration is also accompanied by a plat prepared by a registered surveyor which plat recites metes and bounds and the approximate number of square feet

of Resort Open Space within such described area that is designated as Resort Open Space.

Section 3-2: Transfer of Resort Open Space by the Declarant or any Other Owner. The Declarant or any other owner may assign, transfer and otherwise convey to the Company, whether by fee simple title or term-of-years conveyances, any land designated as Resort Open Space, at which time the land shall become a Common Property. The Company must accept such conveyance. Nothing within this Section or this Declaration places on the Declarant an affirmative obligation to designate any areas as Resort Open Spaces and nothing within this Section or these Covenants places on the Declarant an affirmative obligation to transfer the title to any areas of Resort Open Space to the Company.

Section 3-3: Member's Easement of Enjoyment of Resort Open Space. Subject to the provisions of these Covenants, the rules and regulations of the Company, and any fees or charges established by the Company, every Class "A", "B" and "C" Member shall have a right to easement of access, use and enjoyment in and to the lands designated in a supplemental Declaration as Resort Open Space whether title to such Resort Open Space is held by the Declarant, the Company or any other Property Owner, and such easement shall be appurtenant to and shall pass with the title of all realty owned within the Property by each Property Owner.

Section 3-4: Festivals in Resort Open Space. Subject to appropriate safety and noise control regulations established by the Company, the Company may designate one or more areas of Resort Open Space for use as sites for festivals where the primary emphasis is on art, music, performing arts, dance, sports, civic affairs and like events.

Section 3-5: Limited Use of Resort Open Space. Resort Open space may be used for the following purposes only if a written permit has been received from the Company: (a) for special events or church service parking; (b) for television and other communications equipment in a temporary installation; (c) for helicopter pads; (d) for multiple outdoor recreation activities and facilities and parking therefor.

Private Open Space and Resort Open Space may not be used for private household and residential purposes; nor used for hotels, inns, and conference facilities; nor used for commercial, professional or recreational purposes; nor boating service/storage yards; nor for cleaning, maintenance, repair, or utility areas.

Article IV: Rights Reserved by the Declarant, its Successors and Assigns

Section 4-1: Other Rights and Reservations. The OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE SHALL NOT LIMIT ANY OTHER RIGHT OR RESERVATION BY THE DECLARANT WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISION IN THESE COVENANTS.

Section 4-2: No Affirmative Obligation Unless Stated. ANY RESERVATION OR RIGHT OF THE DECLARANT WHICH IS STATED IN OR IMPLIED FROM THESE COVENANTS SHALL NOT GIVE RISE TO ANY AFFIRMATIVE OBLIGATION OR DUTY ON THE PART OF THE DECLARANT UNLESS EXPRESSLY STATED IN THESE COVENANTS.

Section 4-3: Modification and Revision of the Concept Research or Master Plans. The Declarant reserves the right to modify the Concept Research Plan or Master Plan with respect to any parcel, lot or area within the Property which has not by Recorded declaration been dedicated to the Company as Common Properties or already been conveyed to a Property Owner. No implied equitable or legal covenants, servitudes or easements shall arise with respect to lands retained by the Declarant by virtue of any Concept Research Plan or Master Plan. The right of the Declarant to modify the Concept Research Plan shall not include the right to do any act inconsistent with respect to these Covenants or any supplemental declaration of covenants, conditions and restrictions which may hereafter be filed by the Declarant with respect to the Property.

Section 4-4: Certain Utility, Communications, Transportation and Public Convenience Easements. Unless expressly waived by Declarant, the Declarant reserves exclusively unto itself, its successors and assigns, a perpetual, alienable and releasable utility easement and right in, on, over and under the Property to erect, maintain, operate and use poles, wires, cables, switches, computers, receptacles, satellite transmission earth stations, conduits, directional and informational signs, drainage ways, sewers, irrigation lines, wells, antennas, receivers, garbage collection facilities, pumping stations, tanks, water mains and other suitable equipment including microwave and satellite stations for the conveyance, transmission or use of video, voice, facsimile and data communications, electricity, gas, sewer, water, drainage or other public conveniences, utilities and communication facilities on, in or those portions of such property as may be reasonably required for utility line purposes; provided, however, that:

- (a) no utility easement shall run across any portion of the Property which is covered by an existing building or across any area for which written approvals to construct a building thereon have been obtained within the past year from the Company or the Architectural Review Board;
- (b) such easement or installation of utilities therein or thereon shall be maintained in as attractive a state as is reasonably feasible;
- (c) the Declarant, without obligation, reserves the right to transfer any such utilities and easements, in whole or in part, which it owns to the Company, at which time the Company shall be responsible for and shall have the obligations to operate and maintain such utility easements;
- (d) the Declarant, without obligation, reserves the right to transfer such utilities and utility easements and easements of access

to such utility and utility easements, in whole or in part, to another entity, whether public or private, which shall undertake to provide such utility ~~services~~.

No utility, communications, public convenience or transportation facility described in this Section may be installed or operated unless such facility is approved by Declarant. The Declarant or service providers approved by the Company may charge reasonable fees for the provision of such utility, communications, public convenience or transportation facilities or services.

Declarant reserves the right to irrigate the front thirty-five (35) feet of any Resort Dwelling Lot.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any Property Owner or Common Properties caused by such utility installation shall be repaired and said grounds returned to a reasonable reconstruction of their prior condition by the Declarant or prompt and reasonable remuneration for such repair shall be made to such Property Owner by the Declarant. The Declarant further reserves to itself, its successors and assigns the right to locate wells, pumping stations, siltation basins and tanks within the Property in any Common Property or on any property designated for such use on the applicable plat of the property, or to locate same upon any property with the permission of the respective Property Owner.

Section 4-5: Bridges and Walkways. The Declarant retains a twelve (12) foot easement along the road edge, marsh edge, parking lot edge or lagoon edge of all Development Unit Parcels, Common Properties, Regime Common Properties, Resort Dwelling Lots for the purpose of constructing bikeways, moped or golf cart trails, jogging paths, bridges and other passageways to interconnect with major recreational, commercial, residential and lodging facilities on the Property.

Section 4-6: Easements in Resort Open Space and Common Properties. The Declarant may make access trails or paths through Common Properties and Resort Open Space for the purpose of permitting recreation, picnicing, health and fitness exercise, observation and study of wildlife, hiking and riding, to identify sites for and to construct helicopter landing pads, to erect small signs through the Resort Open Space designating points of particular interest and attraction, to irrigate the Resort Open Space and Common Properties including the use of treated sewerage effluent and to take such other steps as are reasonable, necessary and proper to further the community use and enjoyment of the Resort Open Spaces; provided, however, there is no affirmative obligation on the Declarant to perform such functions.

Section 4-7: Repurchases by the Declarant. In consideration of the affirmative obligations of and benefits to all Property Owners provided by the Declarant under these Covenants, when any Resort Dwelling Lot; Resort Dwelling Unit; Resort Lodging Unit; Professional Service Unit; Retail Unit; Restaurant Unit; Inn or Hotel; Service, Maintenance, or Cleaning or Utility Unit; Development Parcel or other Unimproved Land within the Property is offered for sale by successors in title to the Declarant, the Declarant shall have the exclusive option to purchase such property at the price and on the terms of any bona fide offer for such property made in writing to the Property Owner at such time and submitted to Declarant for verification.

Each Property Owner shall notify Declarant of its intent to sell his property with such notice setting forth in full the certified terms and conditions of the sale, and including the full name and primary address of the prospective true buyer (as distinguished from agents and intermediaries). Declarant shall have thirty (30) days after presentation of such notice to Declarant to exercise this purchase option. If Declarant has not executed a contract for purchase during this period, the record owner may freely convey the property to the subject offeror. Should, however, such sale to a third party not be consummated within four (4) months of the date the offer is transmitted to Declarant at the price and on the terms offered or a price more favorable to the seller, the terms and limitations of this Section shall again be imposed upon any sale by the Property Owner.

If Declarant elects to purchase such property, the transaction shall be consummated on the terms offered; provided, however, that Declarant shall have a minimum of thirty (30) days from the delivery of notice to consummate the transaction. This provision shall cease to be effective beyond December 31, 2001.

Section 4-8: Enforcement. The Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel compliance to the terms of this Declaration or to prevent the violation or breach in any event. Violators shall be personally obligated to reimburse the Declarant in full for all its direct and indirect costs or damages resulting from the violation or breach, including but not limited to legal fees and expenses incurred by the Declarant and/or the Company in maintaining compliance with this Declaration, and such obligation shall also constitute a lien upon the property of any Property Owner in accordance with Section 10-1.

The Declarant and the Company also retain an easement and license to enter upon any part of the Property, after reasonable notice, to engage in such repair, maintenance, upkeep or reconstruction as may be necessary to enforce compliance with this Declaration, and the full cost of such maintenance, repair, upkeep or reconstruction shall constitute a lien upon the Property Owner's property and shall be a personal obligation of the Property Owner in accordance with Section 10-1.

Section 4-9: The Declarant's Right to Convey Certain Properties and Rights to the Company; Properties Donated by the Declarant; Limited Reversion or Properties Donated by Declarant. The Declarant, its successors and assigns, may at its option and without obligation to do so, convey to the Company, at nominal or no cost of acquisition to the Company, by deed or ninety-nine (99) year lease, or other instruments appropriate to convey to the Company, the entire beneficial use in perpetuity or for ninety-nine (99) years, any lands or improvements thereon, and any easement retained by the Declarant, which are owned by the Declarant and which are to be used for any of the following uses or purposes:

- (a) Roads, walkways, jogging paths, nature trails, bikeways, transit corridors and facilities, bridges and cross-overs;
- (b) Utilities and communications facilities, amphitheaters, parking areas; clubhouses and meeting rooms or offices for the Company;
- (c) Athletic fields, lacquet sports courts, swimming pools;
- (d) Maintenance facilities; security facilities; fire prevention and control facilities; central reservations facilities; sewage, water and waste facilities;
- (e) Resort Open Space, gardens, ponds and lagoons;

Unless otherwise agreed upon by the Company, all transfers made pursuant to this Section shall be "subject to" any debts or mortgages outstanding at the time the land or property is transferred; provided, however, that unless the Company agrees to the assumption of any such indebtedness, Declarant agrees that it will take such action as is necessary to prevent the lien of any such debts or mortgages from being foreclosed or to otherwise endanger the rights to the use of such property by members of the Company for its intended purpose.

Upon the transfer of such properties, the properties shall become Common Properties, and the Company shall have the obligation to maintain the transferred properties in a manner and to the degree consistent with a clean, safe, high quality, aesthetically attractive and functionally convenient resort community, and in a manner and degree consistent with the restrictions and obligations set forth in the instrument of conveyance and these Covenants.

The properties transferred by the Declarant pursuant to this Section shall be "Properties Donated by the Declarant." In the event these Covenants be declared to be void, invalid, illegal or unenforceable in its entirety or in such significant manner that the Company is not able to function substantially as contemplated by the terms hereof for any reason by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within twenty (20) years of the date of recording these Covenants, all Properties Donated by Declarant which belong to the Company at the time of such adjudication shall revert to the Declarant.

The Declarant may also assign to the Company any right retained or reserved by the Declarant pursuant to these Covenants. The Company shall accept such assignment of rights and shall exercise the rights in furtherance of its responsibilities for the benefit of all Property Owners, or give effect to the intent of Declarant as established in the recitals of these Covenants. Except as provided elsewhere in these Covenants, the Company may not thereafter convey these rights to a third party.

Section 4-10: Use of Trademark. Each Property Owner or Lessee, by acceptance of a deed to any lands, tenements or hereditaments within the Property hereby acknowledges that "Shelter Cove," "Paimetto Dunes" and "Shelter Cove Harbour" are service marks and trademarks of the Declarant. Each Property Owner or Lessee agrees to refrain from misappropriating or infringing these service marks or trademarks.

Section 4-11: Subdivision and Replatting of Property. Notwithstanding the provisions of Section 2-22, the Declarant expressly reserves unto itself, its successors or assigns the right to replat any two (2) or more adjacent lots into one (1), two (2) or more lots which are owned by the Declarant, and the Declarant may take such other steps as are reasonably necessary to make such replatted lot suitable and fit for use for its originally intended purpose. Such steps may include but are not limited to the relocation of easements, walkways, bike tracts and rights-of-way to conform to the new boundaries of said replatted lots; provided, that no lot originally shown on a Recorded Development or Survey Plat is reduced to a size smaller than the smallest lot in such recorded subdivision plat. Notwithstanding the foregoing, however, any such lot may be reduced in size to a minimum of one acre whether or not such reduction in size is smaller than the smallest lot in the recorded subdivision plat.

Section 4-12: Recording of Additional Restrictions on Land Use by the Owner Thereof. No Property Owner may impose additional restrictive covenants on any lands within the Property beyond those contained in these Shelter Cove Covenants of 1982 without consent of the Declarant. The Declarant may impose additional restrictive covenants on land then owned by the Declarant without the consent of any other Property Owner or the Company, but no such additional Declarations of Land Use Restrictions may remove or lighten the burdens and benefits established by these Covenants.

Section 4-13: Right to Approve Horizontal Property Regime. No Horizontal Property Regime established on the Property shall be effective until all legal documents associated therewith have been Approved by Declarant and such Approval supplements the Recorded Master Deed for the Horizontal Property Regime. A reasonable charge for cost of legal review may be charged the developer by the Company.

Section 4-14: Right to Amend Covenants. The Declarant specifically reserves to itself the right to amend this Declaration on its own motion from the date hereof until January 1, 2001, for the purpose of making technical changes to eliminate or clarify conflicting provisions, or adding or deleting any provisions as provided by the mechanism found in Section 6-4(c) below.

In addition, until January 1, 2001, Declarant reserves the limited right to make changes in these Covenants, requested by lending agencies or title insurance companies in order that clearer title can be conveyed to Property Owners and to remove any restraints on alienation adversely affecting the issuance of, or cost of, title insurance. Moreover, Declarant further reserves for said period the right to amend the Covenants as necessary in order to comply with the requirements and guidelines of such agencies as the Federal National Mortgage Association and similar Federal or quasi-Federal agencies involved in mortgage financing programs.

Section 4-15: Harbour Covenants. Declarant at a later date will adopt and file a subsequent declaration of covenants, easements, conditions and restrictions running with the land of Declarant and private Harbour Basin waters and bottom lands of Declarant, covering all matters including but not limited to assessment provisions pertinent to boat docks, bulkheads central harbour facilities, riparian rights, the harbour basin, and other similar property of Declarant.

Section 4-16: Declarant Related Amendments. So long as Declarant shall own any land within the Property, no Declarant Related Amendment shall be made to the Declaration, to any supplemental declaration, to the Articles of Incorporation of the Association, to the Association By-Laws, Rules, Regulations, Resolutions or other similar Company document, nor shall any such developer related amendment be executed, adopted or promulgated by the Company or the Board of Directors unless such Declarant Related Amendment shall be specifically approved in writing by Declarant in advance of such execution, adoption, promulgation and recording. The decision of Declarant to approve any developer related amendment shall be in the sole and absolute discretion of Declarant and Declarant shall not be liable to the Company, its members or any party as a result of granting or refusing approval.

Section 4-17: Declarant's Lands. So long as Declarant continues to construct any facilities within the Property, no action may be taken by the Company applicable to the Declarant or any of the lands owned by Declarant unless such action shall be approved in writing by Declarant or unless the need therefore shall be waived by Declarant in writing.

PART THREE

THE SHELTER COVE HARBOUR COMPANY

Article V: Creation and Functions of Shelter Cove Harbour Company

Section 5-1: Creation of The Shelter Cove Harbour Company. The Declarant shall cause to be incorporated, under the laws of South Carolina, a non-profit corporation called the Shelter Cove Harbour Company (the "Company").

Section 5-2: Status of Company. The Shelter Cove Harbour Company, its successors and assigns shall be considered: (1) assignees of the Declarant; (2) by virtue of the rights and obligations assigned and assumed by the Company herein, as a real-party-in-interest under these Covenants; and (3) as a third-party beneficiary under these Covenants. The Company and its successors and assigns shall have standing and authority at law or in equity, to carry out and enforce these Covenants or any supplemental Declaration made pursuant to these Covenants.

Section 5-3: Powers and Functions of the Company. The Company may perform any act or incur any obligation permitted under the laws of South Carolina pertaining to non-profit corporations. In particular, the Company may undertake any activity or function which will likely benefit the Property by improving or maintaining its economic, environmental, commercial, aesthetic, cultural or historic value, or enhance the use and enjoyment of the Property.

Section 5-4: Governmental Successor. Subject to Pertinent Law the Company may convey all or any part of any Common Properties owned by the Company, including lease-hold interests, to any public agency, authority, public service district, utility or private concern for such purposes and subject to such conditions as may be agreed to by the Company. No such gift or sale or determination as to the purposes or as to the conditions of the transfer shall be effective unless such dedication, transfers and determinations as to the purposes and conditions is authorized by Main Referendum as set forth in Section 6-4. Unless specifically reserved in the deed of conveyance, the transfer of any Common Properties by the Company to third parties will extinguish all licenses and easements of Property Owners in Common Properties.

Section 5-5: Notice. The Company or its agents may not enter upon the lands, realty or facilities of any Property Owner to perform any function or to install any utility, communications or public conveyance facility without providing at least two (2) weeks mail notice to the Property Owner in conformity with the By-Laws.

Section 5-6: Neighborhood Committees; Horizontal Property Regime Committees. The Company shall have the power to form Neighborhood Committees and Horizontal Property Regime Committees for the purpose of carrying out maintenance, architectural control, enforcement of rules and regulations, assessments and other functions particularly applicable to any Neighborhood or to any Horizontal Property Regime. The establishment or termination of such committees shall occur only upon the vote of a majority of the Directors of the Company. The specific powers, rights and obligations of such committees shall

be set forth in the resolution establishing the committee. The decision of any such committee shall at all times be subject to review, modification and reversal by the Board of Directors of the Company or any other committee established by the Company for such purposes.

Section 5-7: Architectural, Siting, Vegetation and Building Control. The Company shall have the ultimate authority for decisions and actions pertaining to architectural, siting, landscaping, tree and vegetation removal, parking and building controls. The Board of Directors of the Company shall periodically appoint for terms of one year a three (3) or five (5) member Architectural Review Board, the members of which need not be Property Owners, which shall function as an agent of the Company for the purpose of reviewing architectural designs submitted to the Declarant. Standards for such review shall be published by the Architectural Review Board of the Company and shall be made available to any Property Owner at the cost of publication. Modifications in like fashion may be made by the Board.

No approval of plans, location or specifications, and no publication or architectural standards bulletins by the Architectural Review Board or the Company shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence or that such standards comply with Pertinent Law.

Article VI: Membership, Notice, Voting Rights and Certain Obligations of Members of the Company

Section 6-1: Automatic Memberships. Every Property Owner and the Declarant shall be a member of the Company. The Class "A", "B" and "C" Members as defined in Section 6-2 below are sometimes hereinafter collectively referred to as the "Members."

Section 6-2: Voting Rights. The Company shall have three (3) types of regular voting membership. Members are divided into classes for the sole purpose of computing voting rights and shall in no event vote as a class.

Class "A" - Class "A" Members shall be all those owners (including the Declarant) of Resort Dwelling Lots, Resort Dwelling Units and Resort Lodging Units. A Class "A" Member shall be entitled to one (1) vote for each Resort Dwelling Lot. Once a Resort Dwelling Unit is constructed upon a Resort Dwelling Lot and a Certificate of Occupancy is issued, the owner thereof shall have two votes. The owner of each Resort Lodging Unit shall be entitled to one vote.

Class "B" - Class "B" Members shall include all those Property Owners (including the Declarant in its capacity as owner of developed or improved property) other than Class "A" Members.

A Class "B" Member shall be entitled to one (1) vote plus one (1) vote for each \$500 of annual prior year assessment over and above the first \$500 in assessments paid in the prior assessment year to the Company; provided, however, that in computing the number of votes such an owner shall have the amount of assessments shall be rounded off to the nearest \$500. For example, a Class "B" Member who pays \$749 in annual assessment will have one (1) vote; a Class "B" Member who pays \$751 in annual assessments will have two (2) votes.

Class "C" - the Class "C" Member shall be the Declarant until it elects to be classed only as to its property units providing Class "A" or Class "B" membership. The Class "C" Member shall be entitled to one (1) vote, plus one (1) vote for each vote held by Class "A" and Class "B" Member; provided, however, that after September 1, 1991, or sooner if the Class "C" Member so relinquishes its voting rights in a recorded Declaration, the Class "C" Member shall exercise votes only as to its Class "A" and Class "B" memberships.

When any property entitling any owner to membership as a Class "A", "B" or "C" Member of the Company is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants by the entirety, time share or interval owners, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Company, their acts with respect to voting shall have the following effect: (a) if only one (1) vote in person or by proxy, his act binds all; (b) if more than one (1) vote in person or by proxy, the act of majority so voting binds all; (c) if more than one (1) vote in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled to its proportionate share of the vote or votes; (d) if the instrument or order so filed shows that any such tenancy is held in unequal interest, a majority or even split for purposes of this paragraph shall be a majority or even split in interest; (e) the principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Property Owner may be assigned by said Property Owner to his Horizontal Regime President or Lessee who has entered

into a lease with a term of two (2) years or more; provided, however, that the Property Owner may not assign to such Lessee any vote or votes not attributable to the property actually leased by the Lessee; provided, further, that such assignment of voting rights is in writing and a copy of such assignment is filed with the Company.

Section 6-3: Board of Directors. The Company shall be governed by a Board of Directors consisting of three (3), five (5), seven (7) or nine (9) members. Initially, the Board shall consist of three (3) members with the number in subsequent years to be determined by the members of the Board of Directors as provided in the By-Laws of the Company. When voting to elect Directors, each Member shall be entitled to as many votes as equal the number of votes he is ordinarily entitled to, based on his ownership of one or more of the various classifications of property multiplied by the number of Directors to be elected. All votes must be based in whole numbers and not fractions thereof.

Section 6-4: Members' Right to Approve Certain Actions By Mail Referendum: Special Assessments; Amendments of Covenants; Merger of Another Property Owners Association; Matters Specified in By-Laws of Company. The Board of Directors of the Company may, by resolution adopted by a two-thirds (2/3) favorable vote of the Board, initiate a Mail Referendum in which Class A and Class B Members of the Company shall collectively have the power to approve or reject: (a) any Special Assessment recommended by the Directors as provided in Section 8-3; (b) any merger of the Company with another property owner's association serving an adjoining or nearby tract; (c) amendments to any provision of these Covenants except that no amendment may impair any right reserved by the Declarant, may create or increase any liability of the Declarant or the Company, alter the land use class of any property retained by the Declarant or any Property conveyed by the Declarant prior to the Mail Referendum unless expressly approved in writing by Declarant; (d) any increase in the Standard Assessment which is twenty percent (20%) greater than the Standard Assessment of the previous year, apply retroactively or absolve any Property Owner for past or future responsibility for assessments under these Covenants; (e) other fundamental and material actions designated in the Company's By-Laws as actions for which Mail Referendum must be held; and (f) the sale of any Common Property consisting of real estate or major improvements.

Any Mail Referendum mailing shall include a statement prepared by the Directors of the Company stating the reasons that two-thirds (2/3) of the Directors are for passage of the Referendum, together with a statement prepared by the Directors dissenting from such proposed action; provided, however, that neither of such statements may exceed a maximum length of five (5) pages on each proposed action.

Unless otherwise specified, wherever a Mail Referendum is conducted, the Declarant may vote only to the extent of one (1) vote for each \$500 of annual assessments paid during the last assessment year to the Company, and such assessment year to the Company, and such Referendum shall be deemed to "Approved" and shall be deemed to be authorized by the Members in the event that fifty-one percent (51%) or more of the votes actually returned to the Company within the specified time shall be in favor of such action.

In order to be counted, any Mail Referendum ballots must be returned to the Company within thirty (30) days of the date the ballot was post marked as mailed by the Company.

No Mail Referendum amending these Covenants shall be effective unless a statement of the results thereof is signed by the President and Secretary of the Company in their representative capacities, the statement is mailed to Property Owners in the manner provided in the Company's By-Laws, and said statement is recorded in the name of Shelter Cove Harbour Company as grantor. Said statement shall include the effective date of the action, the date at which a mailing of the Mail Referendum was made, the total number of votes needed to adopt the action and the total votes cast for and against the action.

Article VII: Common Properties

Section 7-1: General. The title to all Common Property shall be held by the Company. All Common Properties are to be devoted to and intended for the common use and enjoyment of the Property Owners, their Lessees and Guests at uniform fees, charges and assessments established from time to time by the Company. The designation of land or improvements as Common Properties shall not mean or imply that the public at large or Property Owners, their Lessees and Guests, acquire an easement of use and enjoyment therein except at such fees, and under such rules and regulations for operation, as may be established from time to time by the Company. See Section 4-9 pertaining to the Declarant's right to convey certain categories of Common Properties to the Company.

Section 7-2: Extent of Members' Easements in Common Properties. Every Class "A" and "B" Member shall have a right and easement of access, use and enjoyment in all Common Property (exclusive of Private Open Space, if any, which becomes Common Property), and such easement shall be appurtenant to and shall pass with the title of every tract of land or other unit ownership of realty within the Property; provided, however, that the rights and benefits created hereby shall be subject to the rights and functions of the Declarant and the Company set forth in this Declaration.

Section 7-3: Purchased Common Properties. "Purchased Common Properties" shall be considered Common Properties, and except where provided otherwise, all provisions in these Covenants pertaining to Common Properties shall be

applicable to Purchased Common Properties. Subject to the limitations provided elsewhere in these Covenants, every Class "A", "B" and "C" Member shall have a right and easement of enjoyment in the use of any property now or hereafter defined as "Purchased Common Property" pursuant to this Declaration.

Section 7-4: Company Liability for Purchased Common Properties. The Company shall assume all purchase money mortgages and all liability necessary to remove liens or other financial encumbrances on their stated schedule of term amortization which have benefited and have attached to any Purchased Common Property.

Article VIII: Resort Assessments and Other Charges:

Section 8-1: Collection and Use of Resort Assessments and Other Charges. The Resort Assessments, Special Assessments, fees, charges and liquidated damages described in these Covenants shall be collected by the Company and used exclusively for carrying out the functions of the Company.

There shall be two categories of assessments applicable to the Property: (1) Standard Resort Assessment; and (2) Special Assessment for Major Repairs and Emergencies. In addition, some properties and the owners thereof shall be subject to Resort Promotion Assessments or Neighborhood Assessments. Resort Promotion Assessments are paid by those who benefit from rental of their properties on a transient basis. Neighborhood Assessments are applied to purposes limited to a given neighborhood and are paid by Property Owners in that neighborhood. Each of these assessments is further defined below.

The Board of Directors of the Company shall annually establish a budget and fix the amount of the Assessment against each Property Owner and the Declarant and shall at that time direct the preparation of an index of the properties and assessments applicable thereto which shall be kept in the office of the Company and which shall be open to inspection by any Property Owner. Written notice of assessment shall thereupon be sent to every Property Owner subject thereto.

Section 8-2: Standard Assessments. The Board of Directors shall establish the initial standard assessments as set forth in subparagraphs (a) through (c) below.

The Board of Directors of the Company may, by two-thirds (2/3) affirmative vote, after consideration of current costs and future needs of the Company, fix the Standard Assessment for any year at an amount less than the Standard Assessment, but such action shall not constitute a waiver by the Company of its right to revert to the full regular Standard Assessment in subsequent years. If the Board of Directors, however, fixes the Standard Assessment at an amount less than the amount set forth in above and it subsequently is determined by the

Board that the amount assessed will not be sufficient to meet the Company's current obligations, the Board shall have the power to levy the Standard Assessment retroactively.

The Board of Directors of the Company shall have the authority to increase the Standard Assessment by an amount twenty percent (20%) greater than that of the previous year without approval by members in a Mail Referendum.

The Board of Directors shall submit for vote of "A" and "B" members in a Mail Referendum a Standard Assessment twenty percent (20%) greater than the previous year's Standard Assessment. If the Mail Referendum is approved by the voters, the proportionate increase shall be the same for all Property Owners, other than property exempt from all assessments and the exemption from Resort Promotion Assessments of residential property where rentals of less than thirty (30) days are prohibited pursuant to recorded deed references. Any time the actual assessment levied by the Board of Directors of the Company is less than the Standard Assessment, such decrease shall be apportioned among all Property Owners, such that the proportionate decrease received by each assessment class.

In determining the amount of the standard assessment for any year, the Company may establish reserve funds equal to but not greater than ten percent (10%) (or such percentage which from time to time is established by the Internal Revenue Code or regulations issued pursuant thereto as that amount of income for property owners association which may be accumulated without adverse tax consequences) of the receipts from its Standard Assessments to be held in an interest drawing account or in prudent investments as a reserve for operating capital, major rehabilitation or major repairs, and for emergency and other repairs required as a result of depreciation, erosion, storm, fire, natural disaster or other casualty loss.

- (a) Resort Dwelling Lots. The Standard Assessment for each Resort Dwelling Lot shall be \$250 on each Resort Dwelling Lot. Once a Resort Dwelling Unit is constructed upon a Resort Dwelling Lot, assessments shall be based upon the Resort Dwelling Unit and no separate assessment shall be made upon the Resort Dwelling Lot.
- (b) Resort Dwelling Units. The Standard Assessment for each Resort Dwelling Unit shall be \$350.
- (c) Undeveloped Lands and Development Parcels. Development Parcels and Undeveloped Land, whether or not subdivided, shall have a Standard Assessment equal to the Applicable Beaufort County Property Tax on such parcel.
- (d) Boating Units. In subsequent Covenants the Declarant shall establish Shelter Harbour Company assessment procedures for

boat units, dock facilities and harbour related structures and facilities.

- (e) Hotels and Inns. Hotels and Inns will be subject to the following Standard Assessments:
- (i) Single Ownership Inns or Hotels. The Standard Assessment for any non-Condominium Inns or Hotels shall be equal \$100 for each bedroom unit without kitchen facilities and \$150 for each efficiency apartment or one-bedroom apartment in each inn or hotel.
 - (ii) Inns or Hotels Under Condominium Ownership. The Standard Assessment for each Resort Lodging Unit in an inn or hotel which is under condominium ownership and which is a part of a Horizontal Property Regime shall be \$100 for each Resort Lodging Unit which is a bedroom unit without kitchen facilities and \$150 for each Resort Lodging Unit which is an efficiency or one-bedroom apartment.
 - (iii) Special Lodging Facilities. The Standard Assessment for Special Lodging Facilities shall be set by the Directors to be approximately equivalent to (i) and (ii) above, adjusted downward for relative differences in forecast gross revenues per bedroom or dwelling unit.

Any Retail Unit, Professional Service Unit or Restaurant Unit which is located in any hotel, inn or lodging facility shall pay a separate Standard Assessment as provided in Subsections (f), (h) and (g) of this Section.

- (f) Commercial, Recreational and Professional Service Units. The Standard Assessment for each Professional Service Unit shall be \$10 for every two hundred (200) square feet (rounded off to the nearest multiple of two hundred (200)) of floor area in each Professional Service Unit.
- (g) Restaurant Units. The Standard Assessment for each Restaurant Unit, shall be \$25 for every two hundred (200) square feet (rounded off to the nearest multiple of two hundred (200) of floor area in each Restaurant Unit.
- (h) Retail Units. The Standard Assessment for any Retail Unit shall be \$25 for every two hundred (200) square feet of floor area in each Retail Unit, up to one thousand five hundred (1,500) square feet and \$15 for each two hundred (200) square feet of retail space in excess of one thousand five hundred (1,500) feet.
- (i) Sports, Athletic, Health Club or Recreational Park Unit. The Standard Assessment for each Sports, Athletic or Health Club or

Recreational Park Unit which is operated as a for-profit facility shall be \$400.

- (j) Cleaning, Maintenance, Service or Utility Units. Each Cleaning Repair, Maintenance, Service or Utility Unit intended to be operated as a profit-making facility, or as a separate and non-adjacent support installation for a profit-making facility shall be subject to a \$200 Standard Assessment.
- (k) Open Space. No Standard Assessments of any kind shall be made upon any property which by Declaration filed with the Beaufort County, South Carolina, Clerk of Court, has been dedicated to Open Space even though ownership of which has been retained by a Property Owner other than the Company by the Company.
- (l) Land Owned by the Declarant. The Declarant shall be liable for Standard Assessments on any real property owned by it which is located within the Property except as described in section (m) below.
- (m) Non-Assessable Land and Water and Public Interest Facilities. No Standard Assessment, no Special Assessments for major repairs, no Resort Promotion Assessment may be made upon any Open Space. No assessments shall be made upon the Declarant's interest in the Central Harbour Facilities, Harbour Access Zone, Bulkheads and the Harbour Basin. In addition, in its discretion, the Board of Directors of the Company may exempt from the annual Resort Assessments, any private medical clinics, convalescent homes, facilities of non-profit associations and charitable institutions, or lands subject to conservation and scenic easements duly recorded and held by appropriate public interest agencies.
- (n) Undefined Units. In order that these Covenants shall reflect changing times and accommodate evolving residential resort and commercial entities not at the present time contemplated, all other categories of realty not described in subsections (a) through (m) above shall be "undefined" and shall be classed by the Board of Directors of the Company in the assessment categories (a) through (m) above which most closely approximates the undefined entity and the Standard Assessment shall be that of the category which most closely approximates such use.
- (o) Supplemental Declarations. The Declarant may, by supplemental declaration, establish new classifications for assessment pur-

poses and may apply these classifications to properties not previously within one of the above classifications.

Section 8-3: Special Assessments for Major Repairs and Debt Retirement.
In addition to the Standard Assessments authorized by Section 8-2 hereof, the Company may levy Special Assessments, for the purpose of reconstruction, repair or replacement of capital improvements or restoration upon the Open Space and Common Properties including Purchased Common Properties and including the necessary fixtures and personal property related thereto, or for additions and improvements to Open Space or to Common Properties for the necessary facilities and equipment to offer the services authorized herein, to repay any loan made to the Company, provided that such assessment shall have received the approval of the Members in a Mail Referendum.

The portion of each Special Assessment to be paid by the owners of the various classifications of assessable property (excluding properties with full or limited exemptions) shall be proportionate to the applicable Standard Assessments of property in that class for the assessment year during which such special assessments are approved, expressed as a percentage of the sum of the total applicable Standard Assessments on all property within the Property for the year during which such Special Assessment is approved.

Section 8-4: Resort Promotion Assessments and Reporting of Resort Rental Occupancy. Each owner or manager of an inn or lodging place, and each owner of a Transient Occupancy Single Household and Residential Unit, shall report each year to the Company on April 1, the number of days of occupancy in the period for the twelve months (or fraction thereof for new properties) ending on the preceding February 28, inclusive of owner's transient vacation use and friends-of-owner complimentary use. In the event the average occupancy of all rental bedrooms and Resort Lodging Units existing on the Shelter Cove Property have not had, collectively, an average occupancy of at least 160 days in the reporting period, then for the period beginning on the following June 1, the Board of Directors shall establish a Resort Promotion Assessment.

If the occupancy of 160 days per average rental bedroom is not achieved in the prior year ending February 28 as reflected in occupancy reports received (and non-reporting units averaged at a level comparable to reporting units occupancy), the Board of Directors may, by majority vote, establish the year's Resort Promotion Assessment at a rate equal to 50% of the Standard Assessments, without Mail Referendum. In the event a higher Resort Assessment is recommended by a majority vote of the Directors, the higher amount shall be submitted to a majority vote of those subject to the Resort Assessment voting in the Referendum. In the event the majority of those voting do not approve the larger assessment, the basic (50% of Standard Assessment) Resort Promotion Assessment shall be levied.

Open Space Property as well as Sustained Occupancy Dwelling Units and Cleaning and Maintenance Units shall be exempt from Resort Promotion Assessments.

Section 8-5: Neighborhood Assessments. The Company shall have the authority to establish Neighborhood Assessments for the purpose of maintaining Neighborhood Properties for maintaining proper insurance coverage for Neighborhood Properties, and, in certain instances, for major improvements and repairs with respect to Neighborhood Properties. No portion of the proceeds received from Neighborhood Assessments may be applied to support the Company except as the Company incurs expenses related to the particular neighborhood for which the assessment is made. Similarly, the proceeds from any Neighborhood Assessment may not be applied to maintain any Common Properties.

No Neighborhood Assessment for major repairs and improvements may be made unless it is approved by a fifty-one percent (51%) majority of Class "A" and "B" members in the neighborhood subjected to the assessment in a Mail Referendum.

Section 8-6: User Charges and Tolls. The assessments described in this Article shall not be in lieu of, nor shall they displace, any other charges or fees for services and use of Common Properties which may be required by the Board of Directors of the Company pursuant to other Sections of these Covenants. Nor shall the assessments described in this Article be in lieu of, or displace, any charges, fees or assessments owed by any Property Owner to a Horizontal Property Regime or any other property owners association in which the Property Owner is also a member.

The Company may establish any fee or toll for use of roadways belonging to the Company; provided, however, that such fee or toll shall be limited to an amount, when combined with a portion of the total Standard Assessments, generates sufficient sums to the Company to cover the cost of the operation of every road entry security station, to repair, rehabilitate, resurface and otherwise maintain said roadways, and security risks arising from illegal acts of roadway users on or off the roadways.

The Company may establish charges for use of Common Properties to assist the company in offsetting the costs and expenses of the Company attributable to the Common Property. All charges established shall be reasonable and shall be uniformly applied. Each Owner, Lessee and Guest shall be obligated to and shall pay any such reasonable charges for use of Common Properties.

The Company may establish charges for providing any service to assist the Company in offsetting the costs and expenses of the Company attributable to the service.

Section 8-7: Time and Method of Payment of Annual Assessments; Supporting Data. Any assessment year shall run from June 1 to May 31, the annual assessments provided for in this Article shall be assessed according to the character of the property as of June 1, 1982, and each June 1 thereafter of the assessment year, and the annual assessments provided for herein shall commence no earlier than June 1, 1982. For any assessment year, each Property Owner shall pay in advance, either annually or periodically, as billed by the Company, all annual assessments due on said property.

Section 8-8: Effect of Non-Payment of Assessments and Other Charges. The following actions may be taken by the Company in the event a Property Owner fails to make payment of any assessments set forth above or other charges and obligations when due:

- (a) Charge on Late Payment. A late payment charge which is equal to an ANNUAL PERCENTAGE RATE OF FIFTEEN PERCENT (15%) will be charged on all late payments of assessments.
- (b) Personal Liability. If the assessment or charge is not paid within thirty (30) days after the past due date, the Company may bring an action at law or in equity against the Property Owner personally, and there shall be added to the amount of such assessment the cost of preparing and filing the legal documents in such action, and in the event a judgment order against the Property Owner is obtained, such judgment shall include late charges on the assessment as provided in (a) above, reasonable attorney's fees and expenses to be fixed by the court and the costs of the action.
- (c) Execution on Lien. Subject to Section 9-3 relating to subordination of the lien to mortgages and other encumbrances, the Company may execute its lien upon the subject property according to procedures prescribed by the law of South Carolina.
- (d) Other Rights. In addition to the above, the Company shall reserve the rights it may have under and according to applicable law to attach and execute against any personal assets of a Property Owner in order to receive assessments due.

Section 8-9: Rounding of Assessment Figures. All assessments charged by the Company and late charges thereon shall be rounded off to the nearest dollar.

Section 8-10: Change of Classification on Completion of Principal Buildings. For purposes of these assessments and voting rights hereunder, property under construction will be classed and assessed as a Resort Dwelling Lot or undeveloped Land, as appropriate, until a certificate of occupancy

is issued or other evidence of completion exists, and assessment at the Improved Property rate shall begin on the next June 1 following completion.

Section 8-11: Copies of Development Plats. The Company shall be provided, for purposes of its comment and review for conformity to these Covenants, copies of all Development and Survey Plats of the Property which are prepared by a grantee of the Declarant, their heirs, successors and assigns prepared by, or under request of, such grantee, their heirs, successors and assigns for purpose of recording with the County Clerk of Court for Beaufort County, South Carolina.

PART FOUR

GENERAL PROVISIONS

Article IX: Duration, Obligation and Appurtenancy of Rights and Obligations Created Herein

Section 9-1: Duration. These Covenants shall be in effect, shall run with and bind the land, and shall inure to the benefit of and be enforceable by and against the Declarant, the Company, any Property Owner, their respective legal representatives, heirs, successors and assigns for a period of twenty (20) year from the date this Declaration is recorded. Upon the expiration of said twenty (20) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten-year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten-year period; provided, however, that there shall be no renewal or extension of the Declaration if, during the last year of the initial twenty (20) year period, or during the last year of any subsequent ten (10) year renewal period, three-fourths (3/4) of the votes of Class A and Class B Members cast pursuant to a Mail Referendum conducted pursuant to Section 6-4 vote in favor of terminating this Declaration at the end of its then current term.

In the event that the Company votes, at the end of such specific periods, to terminate this Declaration, the president and secretary of the Company shall execute and record a certificate which shall set forth the resolution of the Board of Directors calling for a Mail Referendum concerning termination of the Company, the date of the meeting of the Board of Directors of the Company at which such resolution was adopted, the date that the Mail Referendum was mailed the total number of votes of Members of the Company returned pursuant to the Referendum, and the number of votes in favor of and against termination of the Company.

Section 9-2: Disposition of Assets Upon Dissolution of Company. Subject to the reservation by Declarant pertaining to properties donated by Declarant, upon dissolution of the Company, its real and personal assets, including the Common Properties, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Company. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Company. No such disposition of the Company properties shall be effective to divest or diminish any right or title to any member vested in him under the licenses, covenants and easements of this Declaration, or under any subsequently recorded covenants and deeds applicable to the Property, unless made in accordance with the provisions of this Declaration or said Covenants and deeds.

Section 9-3: Protection of Mortgages and Other Encumbrancers. No violation or breach of, or failure to comply with any provision of this Declaration and no action to enforce any such provision or to prevent a violation shall effect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien on any property if such lien or deed of trust is taken in good faith and for value and is Recorded prior to the time an instrument describing such property and listing the name of the owners of fee simple title to the property and giving notice of a claimed violation, breach or failure to comply with the provisions of this Declaration is Recorded. Any such violation, breach or failure to comply by Declarant, the Company or other Property Owner shall not affect, defeat, render invalid or impair the title or interest of the holder of any such mortgage, deed of trust or other lien or title or interest acquired by any purchaser upon foreclosure of any such mortgage deed of trust or other lien, nor shall the former owner's violation, breach or failure to comply result in any liability, personal or otherwise, of any mortgage holder or new owner resulting from foreclosure. Any such new owner on foreclosure shall, however, take subject to this Declaration with the exception of the former owner's violations or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such new owner, and such prior acts shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such new owner, his heirs, personal representatives, successors or assigns; provided, however, that any action of the new owner, after taking title to, or possession of, such property, which constitutes a violation shall cause such new owner to be subject to all assessments, charges, restraints, restrictions, burdens and obligations under the Covenants.

Section 9-4: Owner's Rights and Obligations Appurtenant. All rights, easements, restrictions and obligations of a Property Owner under this Declaration and all rights of a Property Owner with respect to memberships

in the Company under this Declaration are hereby declared to be and shall be appurtenant to the title held by the Property Owner and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from the title held by the Property Owner. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of the title held by a Property Owner shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance, transfer or disposition of such rights and obligations.

Article X: Effect of Covenants and Enforcement

Section 10-1: Effect of Provisions of These Covenants. Each Property Owner, Lessee, their successors, heirs and assigns, and all others who take an interest in land or realty within the Property do promise, covenant and undertake to comply with each provision of these Covenants, which provisions:

- (a) shall be considered incorporated in each deed or other instrument by which any right, title or interest in any real property within the property is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;
- (b) shall, by virtue of acceptance of any right, title or interest in any real property within the Property by a Property Owner, or the Company, (i) be deemed accepted, ratified, adopted and declared as a personal covenant of the Property Owner or the Company, and (ii) be deemed a personal covenant to, with and for the benefit of the Declarant, the Company, and any other Property Owner;
- (c) shall be deemed a real covenant by the Declarant for itself; its successors and assigns and also an equitable servitude, running in each case, as both burdens and benefits with and upon the title to each parcel of real property within the Property and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of any real property now or hereafter owned by the Declarant within the Property and for the benefit of any and all other real property within the Property; and
- (d) shall be deemed a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to each parcel of real property within the Property which lien, with respect to any respective unit of real property within the Property, shall be deemed a lien in favor of the Declarant and the Company, jointly and severally.

Section 10-2: Who May Enforce. The benefits and burdens of these Covenants run with the land at law and in equity and the Declarant, its successors and assigns, the Company, its successors and assigns, or any Property Owner and his heirs, successors, representatives, administrators and assigns with respect to the Property, shall have the right to proceed pursuant to Section 10-4 against a party specified in Section 10-3 to compel a compliance to the terms hereof or to prevent the violation or breach in any event.

- (a) Enforcement by Declarant. The Declarant shall have the right but shall not be obligated, to proceed at law or in equity to compel compliance to the terms of this Declaration or to prevent the violation or breach in any event. Violators shall be personally obligated to reimburse the Declarant in full for all its direct and indirect costs or damages resulting from the violation or breach, including but not limited to legal fees and expenses incurred by the Declarant and/or the Company in maintaining compliance with this Declaration, and such obligation shall also constitute a lien upon the property of any Property Owner.
- (b) Enforcement by the Company.
- (i) If any Property Owner or the Declarant fails to maintain any undeveloped land, Development Parcel, Regime Common Property, Resort Dwelling Lot, Resort Dwelling Unit, Resort Lodging Unit, or Parking Lot, Hotel, Inn or Private Open Space or other Structure, facility or lands with the Property, fails to perform any acts or maintenance or repair required under these Covenants, the Company may provide exterior maintenance and repair upon such Property and improvements thereon. In addition, the Company may, without notice, make such emergency repairs and maintenance as may in its judgment be necessary for the safety of any person or to prevent damage to other property. The cost of such emergency exterior maintenance and repair shall be assessed against the Property Owner and shall be a lien on the subject property and an obligation of the Property Owner. For the purpose of performing the emergency exterior maintenance authorized by this Section, the Company, through its duly authorized agents or employees, shall have the right, after reasonable notice to any Property Owner, to enter upon the respective property during reasonable hours on any day except Saturday or Sunday. The Company is given an irrevocable license or easement over all the Property to inspect in order to determine whether any repair is necessary under this Section.

- (ii) DECLARANT, THE COMPANY OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES SHALL NOT BE LIABLE FOR ANY PERSONAL INJURY OR PROPERTY DAMAGE OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES OCCASIONED BY ANY NON-NEGLIGENT ACT OR OMISSION IN THE INSPECTION, REPAIR OR MAINTENANCE OF ANY SITE, IMPROVEMENTS OR PORTION THEREOF.
- (iii) Whenever the Company or the Declarant undertakes, pursuant to these Covenants, to correct, repair, clean, preserve, clear out or perform any action on the property or on easement areas adjacent thereto, entering the property and taking such action shall not be trespass and a license or easement to enter is hereby granted by any Property Owner who takes subject to these Covenants.
- (iv) The Company shall respond to complaints received as to violations of the Covenants and shall inform the violators of such complaint. If the violation is not expeditiously terminated, the Company may engage legal counsel to bring an appropriate action at law or in equity, including any appeals, to enforce these Covenants. After final adjudication, violators shall be obligated to reimburse the Company in full for all its direct and indirect costs including but not limited to legal fees and expenses incurred by the Company in maintaining compliance with these Covenants.
- (v) The Company may suspend the rights of enjoyment in Common Properties of any Member, or Lessee or Guest of any Member, for any period during which the payment of any assessment against property owned by such Member remains delinquent, and for any period not to exceed sixty (60) days next following the cessation of any violation for any infraction of its published rules and regulations, provided that any suspension for either nonpayment of any assessment or breach of the rules and regulations of the Company shall not constitute a waiver or discharge of the Member's obligation to pay the assessment or to abide by such rules, and provided further that the Company shall not suspend the right to use the roads belonging to the Company subject to the rules, regulations and fees, if any, established by the Company for such use.

The Declarant and the Company also retain an easement and license to enter upon any part of the Property, after reasonable notice, to engage in such repair, maintenance, upkeep or reconstruction as may be necessary to

enforce compliance with this Declaration, and the full cost of such maintenance, repair, upkeep or reconstruction shall be subject to such actions for enforcement and collections as prescribed above in Sections 10-1 and 8-8 as if such cost were an assessment.

Section 10-3: Against Whom May the Covenants be Enforced. The obligation and benefits prescribed by this Declaration shall run with the Property and shall be enforceable against the Declarant, its successors and assigns, the Company, its successors and assigns and against any Property Owner, his heirs, successors, representatives, administrators, assigns, or other person whose activities bear a relation to the Property, including Guests and Lessees when the aforesaid persons or entities engage in activities (including omissions and failures to act) which constitute violations or attempts to violate, contravene or circumvent the covenants, burdens, obligations, easements, servitudes and restrictions set forth in this Declaration.

Section 10-4: Enforcement Remedies. In the event that any Structure is erected, constructed, reconstructed, altered, repaired, converted or maintained, or any Structure or land use is in violation of these Covenants, the Company, the Declarant or any Property Owner may institute appropriate legal proceedings or actions, at law or in equity: (a) to prevent such unlawful erection, construction, reconstructions, alteration, repair, conversion, maintenance or use; (b) to restrain, correct or abate such violation, or breach of these Covenants; (c) to prevent the occupancy of said building, structure or land; (d) to prevent any act, conduct, business or uses which is in breach of these Covenants; or (e) to compel any affirmative act which, pursuant to these Covenants "shall" be performed.

Article XI: Interpretation and Construction

Section 11-1: Severability. Should any Covenant or restriction herein contained, or any Part, Article, Section, paragraph, sentence, clause, phrase, or term in this Declaration be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of the highest court or other tribunal which considers such matter and has jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Section 11-2: Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants, and which will preserve the Property as a situs for a high amenity, attractive, well maintained, privately-governed commercial and residential resort community.

Contrary to the restrictive common law rule of construction, these Covenants shall by this Covenant be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Property Owners who take subject to the Covenants, do covenant and agree, and are thereby estopped to deny, that any function of the Company, and any other covenant condition, restriction or obligation within these Covenants is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property.

The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 11-3: Gender, Tense and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 11-4: No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provisions of this Declaration.

Section 11-5: Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

Section 11-6: No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE COMPANY PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY PROPERTY OWNER.

Article XII: Definitions

Section 12: Definitions. The following words and terms when used in this Declaration any supplemental declaration or in deeds of conveyance by Declarant for portions of the Property, shall have the following meanings and where applicable shall be considered as restrictions on use of land where required to give meaning to the use land restrictions of the various Sections and Articles of these Covenants, including covenants affecting land use incorporated as supplements to these Covenants in deeds (or leases) of conveyance by the Declarant.

12-1.1: The word or term "approved or approval by the Company" shall mean and refer to any approval required under these Covenants to be made by the Shelter Cove Harbour Company. An Approval by the Company shall be provided in

writing, signed by the President and Secretary of the Company and shall be maintained in the Company's records.

12-1.2: The word or term "approved or approval by the Declarant" shall mean and refer to a written approval issued by the Declarant signed by its President, a Vice President and also attested by its Secretary or an Assistant Secretary, or a written approval by such officers or designated members of entities entitled to issue approvals for the Declarant as may be designated by the Declarant in supplemental declarations to these Covenants.

12-1.3: "Common Properties" shall mean and refer to those areas of land or estates in land with any improvements and fixtures thereon which are purchased by the Company, deeded or leased to the Company by the Declarant or deeded or leased to the Company by any other grantor and which are designated in said Recorded deed or lease as "Common Properties," or are so designated by a Recorded instrument after acquisition by the Company as grantee. "Common Properties" shall also include Purchased Common Properties defined in Section 12-1.26. Common Properties shall not include those common areas defined as Regime Common Properties.

12-1.4: "Company" shall mean and refer to the Shelter Cove Harbour Company, a non-profit corporation organized under the laws of South Carolina, which has a membership as provided in Article V of these Covenants.

12-1.5: "Concept Research Plans" and "Master Plans" shall mean and refer to master plans, general land use maps, advertising brochures, scale models, designs and drawings commissioned by the Declarant prepared by landscape architects, planners, designers, engineers, graphic illustrations and artists and similar professionals displaying possible future uses of the Property prepared as an aid in orderly development of the Property or as part of its communications with the public and property purchasers or as part of its research programs undertaken by the Declarant to determine economically optimal/environmentally sensitive programs for future development of the Property.

12-1.6: "County Clerk of Court" shall mean and refer to the Clerk of Court for Beaufort County, South Carolina, and the successors and assigns of that office, and shall mean and refer to the appropriate office in Beaufort County, South Carolina, for the formal filing and recording mesne conveyances including deeds, covenants, mortgages, plats and other evidences of real property interests.

12-1.7: "Covenants" shall mean and refer to the "Shelter Cove Harbour Covenants of 1982" contained herein adopted by the Declarant as declarant for the Property and incorporator of the Company including all covenants, conditions

covenants, conditions, equitable servitudes, easements, reservations, restrictions and obligations set forth in this Declaration and the term "Declaration" when used herein may, depending upon the context in which it is used, be synonymous with the term "Covenants."

12-1.8: "Declarant" shall mean and refer to Greenwood Development Corporation, a South Carolina corporation, and the successors and assigns of the Declarant as a legal entity.

12-1.9: "Declarant Related Amendments" shall mean and refer to an amendment to these Covenants which does any of the following: (a) discriminates or tends to discriminate against Declarant as a Property Owner or as a developer or otherwise; (b) directly or indirectly by its provisions for impractical application relates to Declarant in a manner different from the manner in which it relates to other Property Owners; (c) modifies the definitions provided for this Declaration in a manner which alters Declarant's rights or status; (d) modifies or repeals any provision of Article IV of this Declaration pertaining to rights reserved by Declarant; (e) alters the character and rights of membership as provided for by Article VI of this Declaration or effects or modifies in any manner whatsoever the rights of Declarant as a member of the Company; (f) alters any previously recorded or written agreement with any public or quasi public agencies, utility company, political subdivision, public authorities or other similar agencies or bodies, respecting zoning suspension, streets, roads, drives, easements or facilities; (g) denies the right of Declarant to convey to the Company as Common Properties any lands which lie generally within the Property; (h) denies the right of Declarant to record a supplemental declaration with respect to portions of the Property or adding property subject to this Declaration or otherwise making provisions in accordance with the powers granted to Declarant in this Declaration; (i) modifies the basis or manner of Company or other assessments as applicable to Declarant or any property owned by Declarant within the Property; (j) modifies any provision of these Covenants regarding architectural controls applicable to Declarant; (k) alters the provisions of any supplemental declaration; or (l) alters or repeals any of Declarant's rights or any provision applicable to Declarant's rights as set forth in any provision of this Declaration or of any supplemental declaration.

12-1.10: "Development or Survey Plats" (as distinguished from "Concept Research Plans" and "Master Plans") shall mean and refer to the cumulative collection of Recorded Plats of property prepared and signed by a registered surveyor describing by metes and bounds sections or portions of the Property for purposes, as specified, of either describing conveyances or leases to third parties.

12-1.11: "Development Parcels" shall mean and refer to parcels of land so designated in a Recorded deed, lease or plat conveyed by the Declarant to land developers or other owners, such Development Parcels being distinctive in that subject to Approval by the Declarant they may be subdivided by the owner thereof into smaller land units (or subportions of a building in a horizontal

property regime) for uses recited in the instrument of conveyance of the Declarant making reference to permitted property use classifications as defined and described in these Covenants.

12-1.12: "Guest" shall mean and refer to any customer, agent, guest or invitee of the Declarant, the Company or any Property Owner or Lessee.

12-1.13: "Horizontal Property Regime" shall mean and refer to a horizontal property regime created and established under the Code of Laws of South Carolina as it is amended from time to time.

12-1.14: "Improved Property" shall mean land which has been improved by construction of buildings and other Structures to make the property suitable for human lodging, commerce, education and recreation as permitted pursuant to this Declaration.

12-1.15: "Lessee" shall mean and refer to the person or persons, entity or entities who are the Lessees, assignees of a Lessee or Sublessees of a Lessee under any ground lease or any lease of any part or all of a Professional Service Unit, Resort Lodging Unit, Restaurant Unit, Retail Unit, Resort Dwelling Unit, Resort Dwelling Lot, Boating Unit, Development Parcel or any other property owned by a Property Owner within the Property.

12-1.16: "Mail Referendum" shall mean and refer to the power of all Members to vote by mailed ballots on certain actions by the Board of the Company more particularly set forth in Section 6-4.

12-1.17: "Member" shall mean and refer to the Declarant and all those Property Owners who are members of the Company as provided in Article VI hereof.

12-1.18: "Non-Assessable Land and Water" shall mean and refer to the following types of land: marsh conservancies; submerged lands; lakes, waterways (but not the riparian rights of Boating Units) and lagoons; and all land designated as Open Space. "Non-Assessable Land and Water" shall also include lands within the Property which are primarily used for the following governmental, charitable or non-profit uses, the presence of which benefits the Property as a whole: public libraries; churches; clubhouses and recreational facilities; non-profit museums; any buildings and lands which are owned by local, state and federal governments and which are used for governmental as opposed to proprietary functions; police stations, fire stations and emergency medical care facilities and other non-profit schools, educational and instructional centers.

12-1.19: "Non-Condominium Inn or Hotel" shall mean and refer to a hotel or inn which offers lodging to transients, which may have restaurants, meeting

rooms and retail shops, the whole of which is owned by a single owner or group of owners, whether such hotel or inn is owned by a single proprietor, in common, joint tenancy, in the entirety, a group of owners, a partnership, a limited partnership, a trust or a corporation; provided, however, that the use of any Resort Dwelling Unit as a temporary dwelling or a place of accommodation shall not make such Resort Dwelling Unit a part of a Unitary Inn or Hotel.

12-1.20: "Open Space" shall be designated as either "Resort Open Space or "Private Open Space" and shall mean and refer to those parcels of land which are designated pursuant to Section 3-1 of these Covenants by Recorded Declaration of the Declarant as land for such purposes, which, pursuant to these Covenants, cannot be developed or improved or altered except as provided in Article IV and any other relevant Sections of these Covenants.

12-1.21: "Pertinent Laws" shall mean and refer to the statutes, ordinances, regulations and other laws pertinent to the ownership, lease, sale, use, improvement and development of the Property, as are codified or promulgated by the State of South Carolina, the County of Beaufort, South Carolina, the Government of the United States of America and other public authorities having jurisdiction over the Property.

12-1.22: "Professional Service Unit" shall mean and refer to any unit of real property within the Property, under a single ownership, whether such ownership is proprietorship, corporation, joint tenancy, tenancy in common, tenancy by the entirety, or partnership in form, which unit is improved and utilized primarily for the purpose of rendering "professional" as opposed to Trade-Oriented Services, which units shall include but are not limited to those utilized for business offices; architectural and design offices; accounting services; general consulting, managerial or real estate brokerage and sales and other professional services; medical offices (other than convalescent homes, nursing homes and hospitals); legal service offices; insurance sales office; and governmental offices; provided, however, that no real property and improvements thereon operated by a single business entity used for providing electronic, plumbing, mechanical, building construction ceramic firing or repair service can be a "Professional Service Unit."

12-1.23: "Property" shall mean and refer to the 230 acres of Shelter Cove Harbour, more particularly described in Section 1-1 hereof and Exhibit A attached hereto.

12-1.24: "Property Donated by Declarant" shall mean and refer to those properties donated by Declarant to the Company as provided in Section 4-9.

12-1.25: "Property Owner" shall mean and refer to the owner, except the Declarant, of any real estate within the Property as shown by the real

estate records of the County Clerk of Court. "Property Owner" shall in all cases also include the successors, heirs, assigns, personal representatives, receivers and trustees of the Property Owner with respect to real estate within the Property. "Property Owners" may be used to describe any persons, firms, proprietorships, associations, corporations or other legal entities owning a fee simple title to any: Resort Dwelling Lot; Resort Dwelling Unit; Resort Lodging Unit; Development Parcel; Unitary or Condominium; Inn or Hotel; Special Lodging Facility; Professional Service Unit; Retail Unit; Boating Unit; Cleaning, Maintenance, Service or Utility Unit; Sports, Athletic, Health Club or Recreational Park Unit; Boating Service Unit; or other Unsubdivided Land situated upon the Property but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee (even if viewed by State law as holding legal title), trustee under a deed of trust, or holder of a security interest, unless and until such mortgage holder or holder of a security deed has acquired both legal and equitable title pursuant to a foreclosure proceeding or deed in lieu of foreclosure; nor shall the term "Property Owner" mean or refer to any Lessee or Tenant of a Property Owner. In the event that there is a Recorded long-term contract of sale, nominal option to purchase, bond for title, long-term lease with option to purchase, or any similar recorded device for ultimate conveyance of beneficial interest, covering any lot, horizontal property regime unit, building, time share or parcel of land within the Property, the Property Owner of such property shall be the purchaser under said contract and not the legal title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive legal title to the property until such payments are made although the purchaser is given the use of said property.

"Purchased Common Properties" shall include properties which the Members of the Company choose by Mail Referendum to purchase in order to enhance use and enjoyment, the quality, convenience, attractiveness or economic value of all or part of the Property.

12-1.26: The word "recorded" shall mean and refer to a filing, in conformity with all legal formalities, of a document with the County Clerk of Court as register of mesne conveyances or other appropriate office in Beaufort County, South Carolina, with the responsibility of maintaining grantor grantee, grantee-grantor, Torrens System or other related records pertaining to the registration, sale and disposition of interests in land and realty. A recording shall be proper if it can be shown and so judged by a court of law that such document was left in the custody of the Clerk of Court or other appropriate official and was spread upon the public books. No recording shall be invalid by virtue of an error of the County Clerk of Court, its agents or employee, which causes such document or plat to fall without the appropriate chain of title.

12-1.27: "Regime Common Property" shall mean and refer to any Structures, facilities, land and common areas which are designated common elements in accordance with the creation and establishment of a Horizontal Property Regime on the Property.

12-1.28: "Resort Dwelling Lot" shall mean and refer to any parcel of land located within the Property which is designated use as a site for a one (1) detached residential dwelling, one (1) townhouse, or a one (1) attached patio dwelling.

12-1.29: "Resort Dwelling Unit" shall mean and refer to any improved property which is used as a Single Household and Residential Dwelling, whether attached or unattached, including any single family dwelling, patio home, condominium unit, townhouse unit, cooperative apartment unit or apartment unit.

12-1.30: The term "residential purposes" shall mean and refer to a use and occupancy of a building as a long-term abode, dwelling or residence or use for seasonal vacations or transient lodging or, in some instance, by means of interval ownership. The restriction to use for "residential purposes" is subject to the following qualifications:

- (1) The use of a portion of a Resort Dwelling Unit as an office or art or craft studio members of the Single Households shall be considered as a Residential use only if such use does not create a significant increase in traffic to and from the Resort Dwelling Unit, provided that: no signs, symbol, logo or name-plate identifying a business or professional office is affixed to or about the grounds or the entrance to the Resort Dwelling Unit; the Resort Dwelling Unit is only incidentally used for business or professional purposes; and the Company, after responding to one or more reasonable complaints by a neighboring Property Owner, has not expressly requested that the subject Resort Dwelling Unit not be used in whole or in part as an office or studio because of auto congestion or other nuisances.
- (2) A Resort Dwelling Unit may be used by Declarant or its agents as a model home or real estate sales office.
- (3) Except as provided in subsection (2) above, no Resort Dwelling Unit may be used for "open houses" or other commercial gatherings designed to promote the resale of dwellings or any product sales unless a temporary permit for such use has been Approved by the Company based upon Rules and Regulations established by the Company.
- (4) The use of a Resort Dwelling Unit as a situs of work and home occupations is permitted only as an incidental use Approved by the Company subject to Rules and Regulations established by the Company.

- (5) No Resort Dwelling Lot or Resort Dwelling Unit restricted to Residential uses may be used as a means of service to business establishments on adjacent lots, including but not limited to parking, supplementary facilities or an intentional passageway or entrance into a business house.

12-1.31: "Resort Inn" shall mean and refer to any commercial establishment within the Property which offers lodging to transients, which may have restaurants, meeting rooms, professional service areas and retail shops.

12-1.32: "Resort Lodging Units" shall mean and refer to apartments similar to those units of accommodation in a Condominium Inn or Horizontal Property Regime.

12-1.33: "Restaurant Unit" shall mean and refer to any unit or real estate which is used as a bar, dining room, soda shop, restaurant, eatery, cafe, delicatessen or other public place or club for eating and/or drinking which is operated or intended to be operated as a for-profit business enterprise. Facilities in the nature of night clubs, dance halls, and discoteques are not to be considered Restaurant Units.

12-1.34: "Retail Unit" shall mean and refer to any unit of real property within the Property which is improved and utilized primarily for the purpose of sale of goods other than prepared food or beverages to ultimate consumers usually in small quantities (as opposed to in wholesale quantities).

12-1.35: "Shall," whether or not capitalized, indicates a mandatory requirement, condition or obligation; in contrast, the term "may" indicates right to take permitted action without obligation or duty to take such action.

12-1.36: "Sports, Athletic and Health Club or Recreational Park Unit" shall mean and refer to any unit of real property within the Property which is not within a Horizontal Property Regime comprised of Resort Dwelling Units, and which is improved, used and operated as a separate for-profit or not-for-profit sports, athletic or health club facility, whether indoor or outdoor, including but not limited to those used for racquet sports, swimming pools, reducing salons, pro shops, golf, tennis, saunas, spas, gymnasium facilities, skating areas, day care facilities or large recreation centers.

12-1.37: "Standard Resort Dwelling Unit" or "Standard Resort Dwelling Density Equivalent" shall mean and refer to the measure and density of use of permitted development under these Covenants of Resort

Lodging Units or Resort Dwelling Units within a particular parcel of the Property as such density shall be established for each parcel by references to a "Standard Resort Dwelling Density Equivalent." All references to a Standard Resort Dwelling Density Equivalent in land use Covenants, Master Plans, Concept Research Plans and related planning documents shall include the following uniform system of density classifications:

- (a) A "Standard Resort Dwelling Unit" is defined for purposes of all the references as a hypothetical dwelling residence with either three (3) or more bedrooms or more than one thousand six hundred one (1,601) but not over four thousand one hundred (4,100) square feet of enclosed heated space or roofed porches and galleries. As set forth in subitem (b), (c), (d) and (e) below any individual Resort Dwelling Unit may constitute less than or more than one hundred percent (100%) of a Standard Resort Dwelling Unit Equivalent.
- (b) A dwelling unit of one thousand six hundred (1,600) or less square feet but more than eight hundred (800) square feet of enclosed heated space or roofed porches or galleries with no more than two (2) bedrooms, shall be deemed one-half (50%) of a "Standard Resort Dwelling Unit Equivalent."
- (c) A resort residence with less than eight hundred (800) but more than five hundred (500) square feet of enclosed heated space or roofed porches or galleries, with no more than one (1) bedroom shall be deemed one-fourth (25%) of a "Standard Resort Dwelling Unit Equivalent."
- (d) A one-bedroom or efficiency apartment having no more than five hundred (500) or less square feet of enclosed heated space or roofed porches or galleries shall be deemed to be one-fifth (20%) of a "Standard Resort Dwelling Unit Equivalent."
- (e) A residence of more than four thousand one hundred (4,100) square feet of heated space or roofed porches or galleries shall be deemed to be greater than a single "Standard Resort Housing Unit" and each increment of nine hundred one (901) square feet or more above three thousand two hundred (3,200) square feet will be treated as one-fifth (20%) of a "Standard Resort Dwelling Unit Equivalent." The number of increments above three thousand two hundred (3,200) will be rounded off to the nearest multiple of nine hundred (900). For example, a resort housing unit with five thousand nine hundred ten (5,910) square feet would have one and three-fourths (1.75) "Standard Resort Dwelling Unit Density Equivalents."
- (f) A sleeping room or place of lodging in a hotel, inn, club or training center shall be deemed one-fourth (25%) of a "Standard

Lodging Units or Resort Dwelling Units within a particular parcel of the Property as such density shall be established for each parcel by references to a "Standard Resort Dwelling Density Equivalent." All references to a Standard Resort Dwelling Density Equivalent in land use Covenants, Master Plans, Concept Research Plans and related planning documents shall include the following uniform system of density classifications:

- (a) A "Standard Resort Dwelling Unit" is defined for purposes of all the references as a hypothetical dwelling residence with either three (3) or more bedrooms or more than one thousand six hundred one (1,601) but not over four thousand one hundred (4,100) square feet of enclosed heated space or roofed porches and galleries. As set forth in subitem (b), (c), (d) and (e) below any individual Resort Dwelling Unit may constitute less than or more than one hundred percent (100%) of a Standard Resort Dwelling Unit Equivalent.
- (b) A dwelling unit of one thousand six hundred (1,600) or less square feet but more than eight hundred (800) square feet of enclosed heated space or roofed porches or galleries with no more than two (2) bedrooms, shall be deemed one-half (50%) of a "Standard Resort Dwelling Unit Equivalent."
- (c) A resort residence with less than eight hundred (800) but more than five hundred (500) square feet of enclosed heated space or roofed porches or galleries, with no more than one (1) bedroom shall be deemed one-fourth (25%) of a "Standard Resort Dwelling Unit Equivalent."
- (d) A one-bedroom or efficiency apartment having no more than five hundred (500) or less square feet of enclosed heated space or roofed porches or galleries shall be deemed to be one-fifth (20%) of a "Standard Resort Dwelling Unit Equivalent."
- (e) A residence of more than four thousand one hundred (4,100) square feet of heated space or roofed porches or galleries shall be deemed to be greater than a single "Standard Resort Housing Unit" and each increment of nine hundred one (901) square feet or more above three thousand two hundred (3,200) square feet will be treated as one-fifth (20%) of a "Standard Resort Dwelling Unit Equivalent." The number of increments above three thousand two hundred (3,200) will be rounded off to the nearest multiple of nine hundred (900). For example, a resort housing unit with five thousand nine hundred ten (5,910) square feet would have one and three-fourths (1.75) "Standard Resort Dwelling Unit Density Equivalents."
- (f) A sleeping room or place of lodging in a hotel, inn, club or training center shall be deemed one-fourth (25%) of a "Standard

Resort Dwelling Unit Equivalent." Inns, lodges, clubs, professional service offices, training centers, etc. which have a reception lobby but no restaurant, bars, meeting or conference rooms, shall be classed as one-fifth (20%) of a "Standard Resort Dwelling Unit Equivalent."

12-1.38: "Structure" shall mean and refer to any construction, object, projection or piece of work artificially built up or composed of parts joined together in some definite manner, which is erected or shaped on the Property, including but not limited to buildings, docks, fences, bulkheads, tennis courts, pavillions, signs, tents, gazebos, garage facilities, garbage receptacles, signs, abutments, ornamental projections, exterior fixtures, berms, shaped earth, masonry structures, large balloons, dirigibles and blimps attached to the Property or suspended so as to remain over the Property for greater than a forty-eight (48) hour period, together with any other lights or any device which might obstruct or interfere with the quality of a view from the windows of any improvements which have made to the been Property.

12-1.39: "Time Share Owner" shall mean and refer to any Property Owner who owns or retains a freehold or club/interval lease in a Housing Unit for a limited and designated period each year, including "Interval Ownerships," as defined in the South Carolina Time Sharing Act as amended.

12-1.40: "Trade-Oriented Services" shall mean and refer to installation, repair and maintenance services in the nature of air-conditioning, heating, plumbing, solar equipment, mechanical systems, electrical systems, appliances and equipment, motor vehicles, marine vessels, building construction, and pest control, and related services, except where such Trade-Oriented Services are used in the manufacture of goods or are prohibited by Section 2-20 of these Covenants.

12-1.41: "Unit" shall be a separate taxable unit of real property. Where a deed of conveyance restricts the intensity or density of development by a reference to a maximum of a certain number of "units" or "dwelling units" without either defining such term nor making reference to the defined term "Standard Resort Dwelling Unit" or "Standard Resort Dwell Density Equivalent," it will be presumed the intent of the Grantor and Grantee was to restrict use of the property to the number of "units" cited with each "unit" to be part of one undivisible dwelling place (not a "multiple-keyed" group of two or more "hotel" rooms), and restricted to a maximum of three (3) sleeping areas and three (3) bathrooms per "unit."

12-1.42: "Undeveloped Land" shall be land owned by the Declarant" which is not improved and which has not been designated as Open Space or Common Properties, whether subdivided or unsubdivided.

12-1.43: "Unsubdivided Land" shall mean and refer to all land within the Property which has not been subdivided into two (2) or more parcels

since acquisition by the Declarant of less than ten (10) acres size per average subunit of land through metes and bounds subdivision plats. Non-Assessable Land and Water shall not be "Unsubdivided Land."

IN WITNESS WHEREOF, Declarant and Company have caused this instrument to be executed the day and year first above written by its appropriate officers.

WITNESSES:

GREENWOOD DEVELOPMENT CORPORATION

Nada B. Banes

By:

T. Young
Vice President

Mamie W. Nicholson

Attest:

Wayne D. Justesen
Asst. Secretary

SHELTER COVE HARBOUR COMPANY

Nada B. Banes

By:

John W. Daw
President

Mamie W. Nicholson

Attest:

Wayne D. Justesen
Asst. Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENWOOD)

PROBATE

1774

Personally appeared before me Nada B. Banes and made oath that she saw the within named K. E. Young and Wayne Q. Justesen, Jr. execute the foregoing Covenants as Vice President and Assistant Secretary, respectively, of Greenwood Development Corporation, and severally acknowledged to and before me that they executed the same as the act and deed of said corporation, and she, with Mamie W. Nicholson, witnessed the execution thereof.

Nada B. Banes

SWORN TO before me
this 22nd day of
February, 1982

Mamie W. Nicholson
Notary Public for South Carolina
My Commission Expires 8-26-90.

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENWOOD)

PROBATE

Personally appeared before me Nada B. Banes and made oath that she saw the within named John W. Davis and Wayne Q. Justesen, Jr. execute the foregoing Covenants as President and Assistant Secretary, respectively, of Shelter Cove Harbor Company, and severally acknowledged to and before me that they executed the same as the act and deed of said corporation, and she, with Mamie W. Nicholson, witnessed the execution thereof.

Nada B. Banes

SWORN TO before me
this 22nd day of
February, 1982

Mamie W. Nicholson
Notary Public for South Carolina
My Commission Expires 8-26-90.

1775

EXHIBIT "A"

The property described herein is all that property as shown on the plat by Hussey, Gay & Bell, Engineers (License Number 2373) Savannah, Georgia, entitled "Survey of Marina Tract, Zone 3 Palmetto Dunes, Hilton Head Island, Beaufort County, South Carolina."

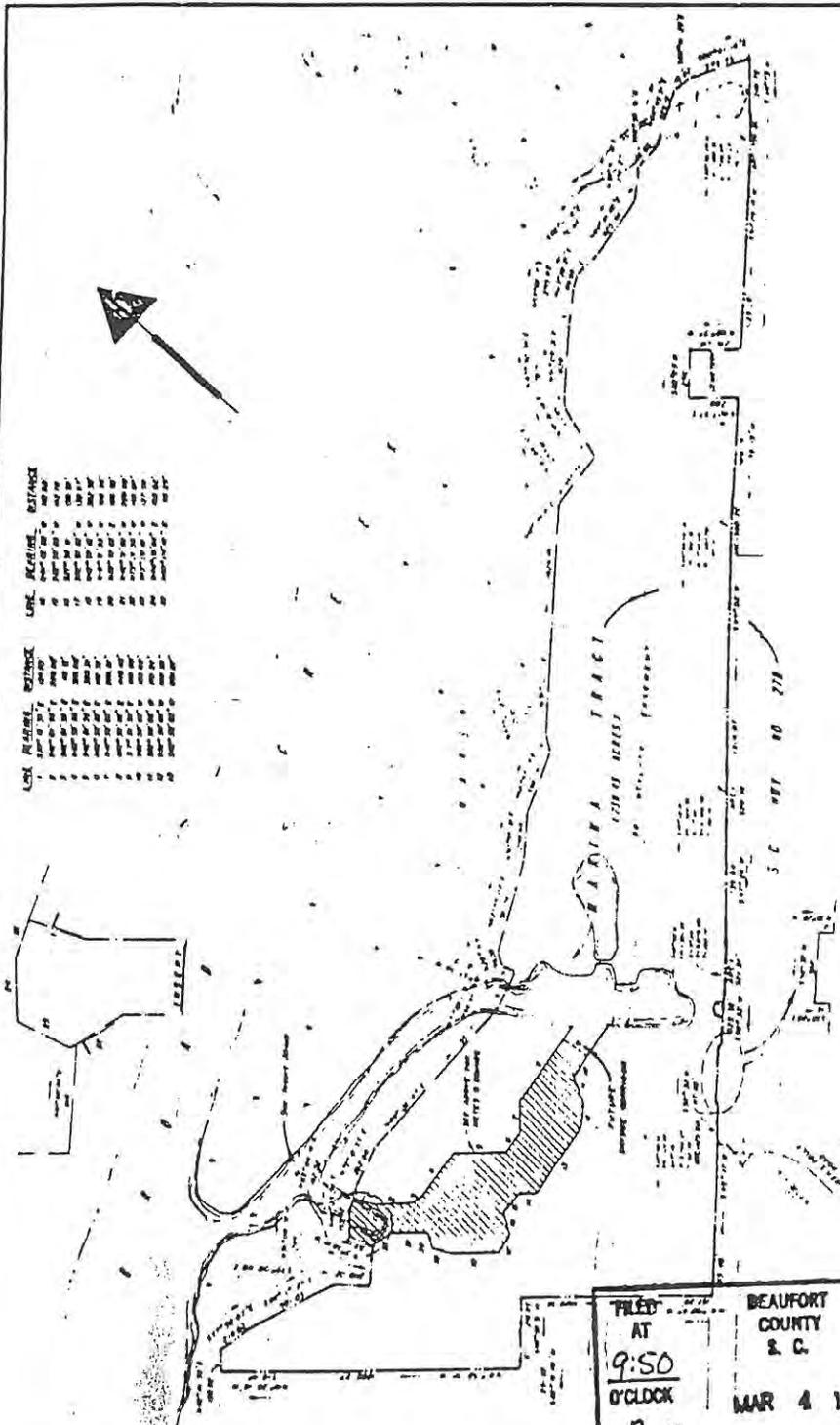
SAVE AND EXCEPT that portion which is cross-hatched and referred to in the legend of the plat as "Area Excluded from Applicability of Shelter Cove Covenants of 1982" and which plat is recorded in the Office of the Clerk of Court for Beaufort County in Plat Book 30 at Page 65.

1776

MAP OF
BARBARA TRACT, ZONE 3
INCORPORATED 1964-65, OCEAN BEACH
ISLAND, BEAUFORT COUNTY, S. C.

SCALE 1/4" = 100'
NOT TO SCALE

LINE NUMBER	DESCRIPTION	DISTANCE
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MUSSETT, GAY B. BELL
CONSULTING ENGINEER
SAVANNAH, GEORGIA

FILED AT	BEAUFORT COUNTY S. C.	RECORDED IN BOOK
9:50		342
O'CLOCK	MAR 4 1982	PAGE
A M		1726
<i>Steve J. Perry, Jr.</i> CLERK OF COURT OF COMMON PLEAS		

1394 B

EXHIBIT D

USE AND ASSESSMENTS AGREEMENT

SHELTER COVE PARK

DATED: FEBRUARY 2, 1999

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

AGREEMENT CONCERNING USE
AND ASSESSMENTS

WHEREAS, heretofore on February 2, 1999, The Town of Hilton Head Island, South Carolina, and Hancock Development Company have entered into an agreement for the purchase and sale of certain lands within "Shelter Cove" on Hilton Head Island, Beaufort County, South Carolina; and,

WHEREAS, the property described in the February 2, 1999, Contract is described as follows:

All that certain pieces, parcels or tracts of land, containing 26.38 acres, more or less, and which are generally known as "Parcel B" and "Parcels 35 and 36" of Phase II, Shelter Cove (hereinafter, the "Property").

WHEREAS, the February 2, 1999, Contract provided, in Article 2 thereof, that performance of the Contract was contingent upon the resolution of certain issues between The Town of Hilton Head Island, South Carolina, Greenwood Development Corporation and The Shelter Cove Harbour Company with respect to the Property.

NOW, THEREFORE, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, together with other good and valuable consideration, the receipt and sufficiency whereof is acknowledged, The Town of Hilton Head Island, South Carolina, Greenwood Development Corporation and The Shelter Cove Harbour Company, Inc., agree as follows:

ARTICLE 1 - APPROVED USES

1.01 The following uses of the Property by The Town of Hilton Head Island, South Carolina, are hereby approved by Greenwood Development Corporation and The Shelter Cove Harbour Company, Inc:

1. The property is approved for a Passive Park Use.

2. Improvements and the activities associated with them which are approved and allowed under the heading of Passive Park use include, but are not limited to:
 - a. Covered Pavilions;
 - b. Band Shell;
 - c. Playgrounds with equipment;
 - d. Walking trails and bicycle paths;
 - e. Elevated boardwalks in the marsh area;
 - f. Elevated observation platforms;
 - g. Gardens;
 - h. Open Picnic areas;
 - i. Parking facilities;
 - j. Restroom facilities.
 - k. Crabbing and fishing pier, including facilities for launching kayaks, canoes and similar non-motorized water craft.
3. Active park uses such as ballfields or courts are not permitted. Mechanical amusement rides are not permitted. A boat launching ramp is not permitted.
4. Use of the Property for public gatherings in the general nature of activities such as "Foodfest", "Winefest" and "Springfest" is approved.
5. Approval is also given for use of the Property for public gatherings such as:
 - a. family picnics;
 - b. athletic events;
 - c. ceremonial events;
 - d. educational, political or religious events;
 - e. community events.

ARTICLE 2 - ASSESSMENTS AND EXPENSES

2.01 As long as the Property is held by The Town of Hilton Head Island, South Carolina, and utilized for the approved uses set forth in Article 1 above, the Property is, under Section 12-1.18 of the Shelter Cove Covenants which are recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Deed Book 342 at Page 1726, non-assessable, and is not subject to annual, special, resort, or any other assessments which may be levied under the existing and applicable covenants for lands within Shelter Cove. Notwithstanding the foregoing, the Property is subject to

ARTICLE 4 - GENERAL

- 4.01. This Agreement shall inure to the benefit of and shall be binding upon the Seller and Purchaser and their respective successors and assigns, if any are permitted hereunder.
- 4.02. Except as otherwise provided herein, this Agreement may not be effectively amended, changed, modified or altered without the written consent of both parties hereto.
- 4.03. In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- 4.04. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- 4.05. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.
- 4.06. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.
- 4.07. The parties hereto shall not record this Agreement in the R. M. C. Office for Beaufort County, South Carolina.
- 4.08. Where appropriate, the use of the singular herein shall include and be deemed to be the plural, and the use of the plural herein shall be deemed to include the singular.
- 4.09. The Parties hereto affirmatively represent that this Agreement is made solely for the benefit of the parties hereto and their respective successors and assigns and not for the benefit of any third party who is not a signature party hereto. No party other than the signature parties and their respective successors and assigns hereto shall have any enforceable rights hereunder, or have any

right to the enforcement hereof, or any claim for damages as a result of any alleged breach hereof.

4.10. All notices, applications, requests, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person, or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other place as may be designated in writing by the parties:

- a. THE TOWN OF HILTON HEAD ISLAND
Stephen G. Riley, Manager
One Town Center Court
Hilton Head Island, SC 29928

- b. THE SHELTER COVE HARBOUR COMPANY, INC
Hank Johnson
Post Office Box 5874
Hilton Head Island, SC 29938

- c. GREENWOOD DEVELOPMENT CORPORATION
Charles Pigg
Post Office Box 1017
Greenwood, SC 29648

IN WITNESS WHEREOF, the Seller and the Purchaser, have, or have caused their duly authorized officers and representatives to execute this Agreement as of the date and year first above written.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Jill Foster

By: Thomas D. Peoples
Thomas D. Peoples, Mayor

Charles F. Cousins

Attest: Stephen G. Riley
Stephen G. Riley, Town Manager

GREENWOOD DEVELOPMENT CORPORATION

Cecelia C. Massey

By: Julian J. Asensio

Suzanne F. Courtney

Its: President

THE SHELTER COVE HARBOUR COMPANY,
INC.

Cecelia C. Massey

By: Charles W. P. S.

Suzanne F. Courtney

Its: PRESIDENT

EXHIBIT E

VANDERMEER AGREEMENT

CORDILLO TENNIS COURTS

DATED: FEBRUARY 14, 1983

STATE OF SOUTH CAROLINA)

AGREEMENT

DB 364/778

COUNTY OF BEAUFORT)

THIS AGREEMENT, made and entered into as of the 14 day of February, 1983, by and between DENNIS VAN DER MEER, (herein BUYER) and SEA CABIN CORPORATION, a South Carolina Corporation, (herein SEA CABIN)

W I T N E S S E T H :

WHEREAS, BUYER is purchasing from Sea Cabin simultaneous with the execution hereof certain real property with improvements thereon, being described on Exhibit A hereto (the "Property"). The improvements consist of a tennis facility, including a club house and four tennis courts (the "Facilities").

WHEREAS, Sea Cabin has granted use of the Facilities to the owners and occupants of horizontal property regime developed by it which are located upon property contiguous to the Property, named Sea Cabin Racquet I Horizontal Property Regime and Sea Cabin Racquet II Horizontal Property Regime (the owners of the condominium units thereof being hereafter referred to as "Owners", the said the horizontal property regimes being herein collectively referred to as "Racquet Club" and the council of co-owners of each being herein collectively referred to as the "Associations"; and

WHEREAS it is a condition of the sale of the Property by Sea Cabin to Buyer that certain agreements regarding the use of the Property and the Facilities be entered, which are herein set forth;

NOW THEREFORE, for and in consideration of the mutual promises herein contained and the sale by Sea Cabin and the purchase by Buyer of the Property, the receipt and sufficiency of which is acknowledged, it is agreed:

1. The Property shall at all times be maintained as a tennis facility and will be operated and maintained year round in a professional and quality manner. The facility will be maintained in an attractive state at all times, with the courts kept in good playing condition and all fences, nets and lines kept in good repair.

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2. At the time of conveyance by Sea Cabin to Buyer there are four tennis courts upon the Property and the Buyer shall be obligated to maintain said number of tennis courts upon the Property. Of the courts existing, one must be available at all times of operation for general play (i.e. no more than all tennis courts less one may be used for tournament play, clinics or the like at any one time).

3. Each Owner (which term shall include the holder of record title to a condominium unit in Racquet Club and members of the Owner's immediate family residing with the Owner) shall have, while in residence in his condominium unit in Racquet Club, free use of the tennis courts located upon the Property during the daytime on an as available basis provided further each Owner shall be entitled to book up to one hour per day of court time upon the same reservation basis as paying third party users. Lighted court use shall be available during Buyer's nighttime operating hours to Owners at no higher fees than Buyer charges third parties to use said lighted courts.

4. Guests occupying condominium units in Racquet Club shall have the right to use the tennis courts on the Property on an as available basis [including the right to reserve a court(s) on the same basis as any other whom Buyer allows to use said court(s)] and for no higher fee than Buyer charges others to use said Courts.

5. Other than as limited herein, Buyer shall have the right to make the sole determination as to who and who shall not be permitted to make use of the tennis courts located upon the Property, provided such use shall not create any public nuisance or disturbance. Buyer shall also have the absolute right to establish such system of fees as Buyer shall determine in his sole judgement shall be appropriate to charge of use of the Facilities.

6. Buyer agrees that the courts located upon the Property will receive no greater play than others owned by Buyer in the Hilton Head Island area (i.e., such will be used in accordance with what would constitute normal use upon a rotation basis); provided, however, such shall not prevent Buyer permitting use of said courts by third parties who shall have the right to play upon courts owned by Buyer and who shall specifically request the courts located upon the Property for playing.

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7. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, and to the Owners of condominium units in Racquet Club and the Associations, each of whom and which shall be third party beneficiaries of this Agreement.

8. This Agreement contains the entire Agreement between the Parties with respect to the matters set forth herein and is intended to merge all prior negotiations herein. This Agreement may be modified or amended only in writing executed by the Parties hereto; provided, however Buyer shall be entitled to but shall not be required to, in lieu of obtaining the written agreement of Sea Cabin to any modification or amendment hereto, to obtain the written agreement of the Associations (provided such written agreement shall be binding upon the Associations and the Owners of the Condominium units in Racquet Club) and in such event the written agreement of Sea Cabin to such modification or amendment shall not be required.

9. The Parties hereto further agree and understand that this agreement shall be recorded in the appropriate records of Beaufort County, South Carolina and that the deed conveying the Property from Sea Cabin to Buyer shall make specific reference to, and such conveyance is subject to provisions contained in, this agreement.

IN WITNESS WHEREOF, the parties have caused these presents to be executed and their respective seals to be hereunto affixed as of the day and year first above written.

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Signed, sealed and delivered in the presence of:

Dorville F. Maloney

Dennis Van Der Meer (L.S.)
DENNIS VAN DER MEER

Karl Lee Smith
[Signature]

SEA CABIN CORPORATION
By: [Signature] (L.S.)
VICE PRESIDENT

Antonia M. Willard

Attest: [Signature] (L.S.)
SECRETARY

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me the undersigned witness, who being duly sworn, deposes and says that (s)he saw the within-named Dennis Van Der Meer sign, seal and as his act and deed deliver the within Agreement, and that (s)he, with the other witness named above, witnessed the execution thereof.

Dorville F. Maloney
Witness

SWORN and subscribed to before me this 14 day of February, 1983.
[Signature] (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 12/9/92

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me the undersigned witness, who being duly sworn, deposes and says that (s)he saw the within-named Sea Cabin Corporation, by Billy J. Bobo, its Vice President, sign, seal and deliver the within Agreement, and that (s)he, with the other witness named above, witnessed the execution thereof.

Antonia M. Willard
Witness

SWORN and subscribed to before me this 15 day of February, 1983.
[Signature] (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 2/19/90

EXEMPT

The development plan shown hereon is exempt from the requirements of the Beaufort County Development Standards Ordinance according to the provisions in Article 2 Section 2.2(c)
Certified by [Signature]
Date Feb. 15, 1983
Beaufort County Joint Planning Commission

EXHIBIT A

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All that certain piece, parcel or tract of land with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being comprised of a certain 1.472 acres parcel lying on the northwestern side of the right-of way of Cordilla Parkway, said parcel being shown and described as a 1.472 acres parcel on a Plat entitled "Sea Cabin Racquet Club As-built" prepared by Coastal Surveying, Inc. dated January 24, 1983 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 31 at Page 53.

Hughes

FILED	BEAUFORT	RECORDED
AT	COUNTY	IN
<u>9:30</u>	S. C.	BOOK
O'CLOCK	FEB 24 1983	<u>364</u>
<u>AM</u>		PAGE
<i>Francis H. Lowmy, Jr.</i>		<u>779</u>
CLERK OF COURT OF COMMON PLEAS		

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

AGREEMENT

DB 364/778

THIS AGREEMENT, made and entered into as of the 14 day
of February, 1983, by and between DENNIS VAN DER MEER,
(herein BUYER) and SEA CABIN CORPORATION, a South Carolina
Corporation, (herein SEA CABIN)

W I T N E S S E T H :

WHEREAS, BUYER is purchasing from Sea Cabin simultaneous
with the execution hereof certain real property with improvements
thereon, being described on Exhibit A hereto (the "Property").
The improvements consist of a tennis facility, including a club
house and four tennis courts (the "Facilities").

WHEREAS, Sea Cabin has granted use of the Facilities to the
owners and occupants of horizontal property regime developed by it
which are located upon property contiguous to the Property, named
Sea Cabin Racquet I Horizontal Property Regime and Sea Cabin
Racquet II Horizontal Property Regime (the owners of the
condominium units thereof being hereafter referred to as "Owners",
the said the horizontal property regimes being herein collectively
referred to as "Racquet Club" and the council of co-owners of each
being herein collectively referred to as the "Associations"; and

WHEREAS it is a condition of the sale of the Property by
Sea Cabin to Buyer that certain agreements regarding the use of
the Property and the Facilities be entered, which are herein set
forth;

NOW THEREFORE, for and in consideration of the mutual
promises herein contained and the sale by Sea Cabin and the
purchase by Buyer of the Property, the receipt and sufficiency of
which is acknowledged, it is agreed:

6. Buyer agrees that the courts located upon the Property will receive no greater play than others owned by Buyer in the Hilton Head Island area (i.e., such will be used in accordance with what would constitute normal use upon a rotation basis); provided, however, such shall not prevent Buyer permitting use of said courts by third parties who shall have the right to play upon courts owned by Buyer and who shall specifically request the courts located upon the Property for playing.

780

7. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, and to the Owners of condominium units in Racquet Club and the Associations, each of whom and which shall be third party beneficiaries of this Agreement.

8. This Agreement contains the entire Agreement between the Parties with respect to the matters set forth herein and is intended to merge all prior negotiations herein. This Agreement may be modified or amended only in writing executed by the Parties hereto; provided, however Buyer shall be entitled to but shall not be required to, in lieu in obtaining the written agreement of Sea Cabin to any modification or amendment hereto, to obtain the written agreement of the Associations (provided such written agreement shall be binding upon the Associations and the Owners of the Condominium units in Racquet Club) and in such event the written agreement of Sea Cabin to such modification or amendment shall not be required.

9. The Parties hereto further agree and understand that this agreement shall be recorded in the appropriate records of Beaufort County, South Carolina and that the deed conveying the Property from Sea Cabin to Buyer shall make specific reference to, and such conveyance is subject to provisions contained in, this agreement.

IN WITNESS WHEREOF, the parties have caused these presents to be executed and their respective seals to be hereunto affixed as of the day and year first above written.

781

Signed, sealed and delivered in the presence of:

Isabelle F. Mahony Dennis Van Der Meer (L.S.)
DENNIS VAN DER MEER
Kathleen M. Wilford
Isabelle F. Mahony
Kathleen M. Wilford
Isabelle F. Mahony (L.S.)
SECRETARY

SEA CABIN CORPORATION

By: Billy J. Bobo (L.S.)
VICE PRESIDENT

Attest: Isabelle F. Mahony (L.S.)
SECRETARY

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me the undersigned witness, who being duly sworn, deposes and says that (s)he saw the within-named Dennis Van Der Meer sign, seal and as his act and deed deliver the within Agreement, and that (s)he, with the other witness named above, witnessed the execution thereof.

Isabelle F. Mahony
Witness

SWORN and subscribed to before me this 14 day of February, 1983.
Isabelle F. Mahony (L.S.)

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 12/9/92

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me the undersigned witness, who being duly sworn, deposes and says that (s)he saw the within-named Sea Cabin Corporation, by Billy J. Bobo, its Vice President, sign, seal and deliver the within Agreement, and that (s)he, with the other witness named above, witnessed the execution thereof.

Kathleen M. Wilford
Witness

SWORN and subscribed to before me this 15 day of February, 1983.
Isabelle F. Mahony (L.S.)

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 2/19/90

EXEMPT

The development plan shown hereon is exempt from the requirements of the Beaufort County Development Standards Ordinance according to the provisions in Article 2 Section 2.2(e)
Certified by Isabelle F. Mahony
Date Feb. 15, 1983
Beaufort County Joint Planning Commission

EXHIBIT A

782

All that certain piece, parcel or tract of land with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being comprised of a certain 1.472 acres parcel lying on the northwestern side of the right-of way of Cordilla Parkway, said parcel being shown and described as a 1.472 acres parcel on a Plat entitled "Sea Cabin Racquet Club As-built" prepared by Coastal Surveying, Inc. dated January 24, 1983 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 31 at Page 53.

Hughes

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AT	COUNTY	IN
<u>9:30</u>	S. C.	BOOK
O'CLOCK	FEB 24 1983	<u>364</u>
<u>AM</u>		PAGE
<i>Francis H. Lowmyer, Jr.</i>		<u>778</u>
CLERK OF COURT OF COMMON PLEAS		

EXHIBIT F

OPERATION PLAN

CHAPLIN TENNIS COURTS

&

CORDILLO TENNIS COURTS

DATED: APRIL __, 2011

Memorandum

Date: March 30, 2012
To: Town Council
From: Hilton Head Island Recreation Association
RE: Tennis Operation Plan

As requested in Article 2-2.03 of the agreement between the Town of Hilton Head Island and the Island Recreation Association for the management of the Town's Tennis facilities, below you will find the Association's Operation Plan.

a). Hours of Operation of Chaplin Tennis Courts and Cordillo Tennis Courts;

Chaplin Courts: 7:00 am until 10:00 pm

Cordillo Courts: 7:00 am until sunset

Chaplin Courts are lighted and have timing systems to control the lights in the evening hours.

b). Method for Scheduling Play at Chaplin Tennis Courts and Cordillo Tennis Courts. The Association scheduling process is to create balance between the use of the general public and scheduled programs and events. General public use at Chaplin Park will be at least 56 hours per week or one court available eight hours a day with the exception of tournaments, league play or community tennis event which are scheduled two weeks in advance. Notices will be posted at the courts and on the Association's website informing the public on open play times. For all tournament play, the sponsor shall provide an on-site supervisor to coordinate the tournament and assist the public.

Chaplin Courts: The Association shall schedule play on these tennis courts. The Association shall provide regular times for open play on a first come-first serve basis. The Association shall attempt to schedule tennis lessons, tennis leagues, tournaments and other tennis related events on these courts. The Association shall post the court schedule on site and update the schedule regularly.

Cordillo Courts: There shall be no advance daily scheduling of these courts, except for tournament play. The Association shall allow play on these courts to be on a first come-first serve basis. The Association shall allow these courts to be used for tennis tournaments and other tennis related activities. When tennis tournaments and other tennis related activities and events are scheduled on these courts, the Association shall ensure proper signage is installed in advance so that the tennis playing public will have sufficient notice of the events.

c.) Permitted Activities:

The Executive Director along with the Association's Tennis Manager shall approve all scheduling of the tennis facilities

All tennis related programs and events shall be permitted only upon prior approval by the Association's Executive Director. These programs may include open play tennis, tennis lessons for children and adults, tennis leagues, tennis exhibitions, tournaments and community tennis days.

The following requirements must be met in order to be considered for permitted tennis activities at Chaplin and/or Cordillo Tennis Courts:

- 1) Must provide certificate of liability insurance naming both the Town of Hilton Head Island and the Hilton Head Island Recreation Association as additional insured 30 days before usage. Must provide proof of workers comp insurance policy covering all employees 30 days before usage.
- 2) Must provide proof of a Town business license, if required and all other permits must be in good standing with the Town of Hilton Head Island.
- 3) Must provide a job description outlining the details of the duties for an on-site supervisor for the tennis courts. Description will be approved by the Association. Must provide an on-site supervisor to be at the courts 30 minutes before each scheduled usage and remain during all matches. The supervisor must be a certified tennis professional in good standing and copy of this certificate must be provided to Association prior to usage of the courts.
- 4) Must be able to demonstrate the ability to work with all users of the facilities to create a balance between public use and programmed activities.
- 5) Must demonstrate the ability to pay for the use of the facilities within 10 business days of the conclusion of use.

Due to the high demand for court time in the month of March, the Association will solicit proposals from organizations which may be considering hosting a multi-day tournament at these facilities. The Request for Proposals process will be conducted in a manner consistent with the Town Code and is expected to occur in September of the each year. The applicant must fulfill the above requirements along with being able to demonstrate the ability to manage similar events and provide for health, safety, and welfare of the players and spectators. The RFP will also require organizations that are using the Cordillo Tennis Courts to provide temporary restroom facilities on-site for the duration of the tournament.

d.) Plan for Daily Maintenance:

The maintenance shall be done on a daily basis before 7 a.m. Debris shall be blown from the courts and the surrounding infrastructure. The bathrooms shall be inspected and cleaned at the Chaplin tennis facility. Windscreens and tennis nets shall be checked daily and secured as needed. Lights shall be inspected every evening to ensure they are operating properly. All trash shall be picked up routinely to ensure the facilities appear in a neat and clean manner at all times.

The Association shall work with community volunteers to assist the Association, as needed, with the operation of the courts in the evening hours and with the daily maintenance of the tennis courts.

e.) Plan for safety inspections:

The Tennis Manager, along with the maintenance staff shall perform daily inspections of the tennis facilities for safety issues.

f.) Security and safety protocols:

The Association shall work with the Beaufort County Sheriff's Office, Beaufort County PALS, the Town Facilities and Maintenance staff, and the tennis playing public in order to provide a level of vigilance and security for these tennis facilities. If an issue arises, depending on the level of concern, people shall be encouraged and advised to call either 911 for assistance by BCSO or to contact the Island Recreation Association main office number for assistance with their concern.

g.) Staffing

The Association shall employ an individual who shall be responsible for the day-to-day management and implementation of programs at both tennis courts. The Tennis Manager shall be responsible for the hiring of staff and shall be assisted by seasonal part-time tennis instructors, as well as community volunteers. The Tennis Manager shall work with the maintenance staff of the Association to coordinate daily maintenance of the tennis facilities.

h.) Additional matters material to the operation of the Chaplin Tennis Courts and Cordillo Tennis Courts.

The Association shall provide an annual budget to the Town of Hilton Head Island, which shall outline the operation and maintenance needs of the tennis facilities. The budget shall be approved by the Association's Board of Directors, along with the Town's Parks and Recreation Commission.

POLICIES & PROCEDURES

POLICIES AND PROCEDURES FOR RENTAL FOR THE SHELTER COVE COMMUNITY & JARVIS CREEK PARKS

1. Normal operating hours for Shelter Cove Park are 8 am to 10 pm Monday through Sunday. Normal operating hours for Jarvis Creek Park are dawn to dusk Monday through Sunday. Exceptions to operating hours can be made for approved events.
2. The Island Recreation Association manages the Shelter Cove Community and Jarvis Creek Parks. The Association's employees have the authority and will enforce all rules and regulations governing the use of the Park.
3. Any organization, group, or person using the Park(s) for a community-wide special event will be required to have event liability insurance and if the event is serving alcoholic beverages, additional alcoholic liability insurance will be required. Both the Island Recreation Association and the Town of Hilton Head Island must be named "additionally insured" on these policies.
4. The Association, at its discretion, and in consideration of traffic circulation or security or safety, or parking, or all of these, may deny the issuance of the event. In the case of two (2) or more organizations propose to conduct an event on the same day, preference will be given on a first-come/first-served basis.
5. A refundable deposit of \$1,000 will be required of all groups, organizations and individuals renting the Park. This deposit is paid before the first day of set-up at the Park.
6. Any organization, group, or person using the park will be held responsible for any and all damages that may occur as a result of improper use. Any organization, group or person improperly using the Park will not be able to use the Park for future events.
7. Persons using the Park shall obey all posted signs.
8. The Island Recreation Association must first approve any decorations and the placement of such.
9. No person(s) shall willfully mark, deface, disfigure, tamper with, displace or remove any part thereof of the Park
10. Groups and individuals using the Park will be expected to leave the park clean and in good condition. All waste paper and litter must be put in the proper receptacles. The Association and the Town of Hilton Head will not be responsible for any property that is left on the premises by individuals or groups using the Park.
11. Any activity in the Park must be conducted according to applicable laws, policies and procedures.
12. The Association reserves the right to reject any application and/or waive any or all charges and fees as determined to be in the community's best interest.
13. Executive Director of the Association approves all rental requests.

Appeal:

In the event an applicant is denied approval for a non-special event (an event anticipated to have five hundred [500] or less people at any one time), an appeal may be made to the Town Manager. The Town Manager shall make a decision within seven (7) days granting or denying the appeal. The Town Manager's decision shall be final.

In the event an applicant is denied approval for a special event (as defined in Town Code Section 17-12-115 [a(1), (2), (3)]), an appeal shall be made in accordance with Town Code Section 17-12-124.

POLICIES AND PROCEDURES FOR RENTAL FOR CHAPLIN PARK, BARKER FIELD EXTENSION, CROSSINGS PARK AND BRISTOL SPORTS ARENA

1. Normal operating hours are 8 am to 10 pm Monday through Sunday. Exceptions to operating hours can be made for approved events.
2. The Island Recreation Association manages Chaplin Park, Barker Field Extension, Crossings Park, and Bristol Sports Arena. The Association's employees have the authority and will enforce all rules and regulations governing the use of these facilities.
3. Any organization, group, or person using the Park(s) for a community-wide special event will be required to have event liability insurance. Both the Island Recreation Association and the Town of Hilton Head Island must be named "additionally insured" on these policies.
4. The Association, at its discretion, and in consideration of traffic circulation or security or safety, or parking, or all of these, may deny the issuance of the event. In the case of two (2) or more organizations propose to conduct an event on the same day, preference will be given on a first-come/first-served basis.
5. A refundable deposit of \$1,000 will be required of all groups, organizations and individuals renting the Park. This deposit is paid before the first day of set-up at the Park.
6. Any organization, group, or person using the park will be held responsible for any and all damages that may occur as a result of improper use. Any organization, group or person improperly using the Park will not be able to use the Park for future events.
7. Persons using the Park shall obey all posted signs.
8. The Island Recreation Association must first approve any decorations and the placement of such.
9. No person(s) shall willfully mark, deface, disfigure, tamper with, displace or remove any part thereof of the Park
10. Groups and individuals using the Park will be expected to leave the park clean and in good condition. All waste paper and litter must be put in the proper receptacles. The Association and the Town of Hilton Head will not be responsible for any property that is left on the premises by individuals or groups using the Park.
11. Any activity in the Park must be conducted according to applicable laws, policies and procedures.
12. The Association reserves the right to reject any application and/or waive any or all charges and fees as determined to be in the community's best interest.
13. Anyone selling any items must have a town business license.
14. Executive Director of the Association approves all rental requests.

Appeal:

In the event an applicant is denied approval for a non-special event (an event anticipated to have five hundred [500] or less people at any one time), an appeal may be made to the Town Manager. The Town Manager shall make a decision within seven (7) days granting or denying the appeal. The Town Manager's decision shall be final.

In the event an applicant is denied approval for a special event (as defined in Town Code Section 17-12-115 [a(1), (2), (3)]), an appeal shall be made in accordance with Town Code Section 17-12-124.



POLICIES AND PROCEDURES FOR RENTAL FOR CHAPLIN/CORDILLO COMMUNITY TENNIS CENTER



1. Normal operating hours are 7 am to 10 pm Monday through Sunday at Chaplin Tennis Courts and 7 am to sunset at Cordillo Courts. Exceptions to operating hours can be made for approved events.
2. The Island Recreation Association manages the Chaplin/Cordillo Community Tennis Center. The Association's employees have the authority and will enforce all posted rules and regulations governing the use of the facilities.
3. Any organization, group, or on-going program using the facilities will be required to have liability insurance. Both the Island Recreation Association and the Town of Hilton Head Island must be named "additionally insured" on these policies.
4. The Association, at its discretion, and in consideration of traffic circulation or security or safety, or parking, or all of these, may deny the issuance of the event. In the case of two (2) or more organizations propose to conduct an event on the same day, preference will be given on a first-come/first-served basis.
5. A refundable deposit of \$1,000 will be required of all groups, organizations using the facilities for a scheduled program or event. This deposit must be paid prior to the first day of using the facility. In the event there is damages to the park, all or a portion of the deposit may be used to pay for cleanup and/or damages.
6. Any organization, group, or person using the facilities will be held responsible for any and all damages that may occur as a result of improper use. Any organization, group, or person improperly using the facilities may be denied use of the facilities for future events or programs.
7. Persons using the facilities shall obey all posted signs.
8. The Island Recreation Association must pre approve any decorations or banners and the placement of such at any of the parks. The municipal code shall be strictly complied with in approving or denying the use of any decorations or banners.
9. No person(s) shall willfully mark, deface, disfigure, tamper with, displace or remove any part thereof of the facilities.
10. Groups and individuals using the facilities will be expected to leave the tennis facilities clean and in good condition. All waste products and litter must be placed in the proper receptacles. The Association and the town of Hilton Head will not be responsible for any property that is left on the premises by individuals or groups using the facilities.
11. Any activity in the facilities must be conducted according to applicable laws, policies and procedures.
12. The Association reserves the right to deny any application and/or waive any or all charges and fees as determined to be in the community's best interest.
13. The Association's Director of Tennis approves all requests to rent or reserve the tennis facilities.

Appeal:

the event an applicant is denied approval to use the tennis facilities, an appeal may be made to the town Manager. The Town Manager shall make a decision within seven (7) days granting or denying the appeal. The Town Manager's decision shall be final.

FEE SCHEDULE

**SHELTER COVE COMMUNITY, JARVIS CREEK
CHAPLIN, CROSSINGS AND BARKER FIELD EXTENTION PARKS
FEE SCHEDULE
(8-15-11 draft)**

CHAPLIN, CROSSINGS AND BARKER FIELD EXTENTION PARKS

ATHLETIC FIELD STANDARD RATE:

\$ 50 without lights for the first (3) hours (\$10 for each additional hour)

\$ 75 with lights for the first (3) hours (\$10 for each additional hour)

SPECIAL EVENT CIVIC/ NON-PROFIT RATE:

\$ 400 per day

\$ 200 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$400 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

SPECIAL EVENT STANDARD RATE:

\$ 750 per day

\$ 500 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$750 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

SHELTER COVE

CIVIC/ NON-PROFIT RATE:

\$ 350 per day

\$ 200 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$350 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

STANDARD RATE:

\$ 750 per day

\$ 500 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$750 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

JARVIS CREEK SMALL SHELTER RATE:

\$ 25 per reservation (a maximum of four hours will be allowed)

No reservation on holidays

No reservation for more than one day in a row

CIVIC/ NON-PROFIT RATE: For approved events over 200 people

\$ 300 per day

\$ 150 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$250 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

JARVIS CREEK SMALL SHELTER RATE: Continued

STANDARD RATE: For approved events over 200 people

\$ 500 per day

\$ 350 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$500 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

PARKING: (*Shelter Cove only*)

The Association is responsible for the parking at each event. Groups, organizations and individuals have two options. First is the regular rate, for which the Association provides staff for all parking needs. Second is the volunteer rate, for which the Association provides a staff member to coordinate parking.

Parking fees:

Regular rate: \$ 200 per day*

\$ 100 for additional days*

*Plus \$20 per hour for a minimum of four hours for four staff members for set-up, event parking, clean-up, and breakdown. The number of staff will increase based on the size of the event.

Volunteer rate: \$ 200 per day

\$ 100 for additional days

The Association staff will coordinate a minimum volunteer staff of four people to help with set-up and breakdown of the site and four people to help with parking during the event and clean-up of parking areas. The number of volunteers will increase based on the size of the event.

If a group, organization or individual does not fulfill their volunteer commitment with parking, the Association reserves the right to withhold any cost associated with parking from the deposit.

DEPOSIT:

A refundable deposit of up to \$1,000 is required of all groups, organizations and individuals renting the parks. This deposit is paid before the first day of set-up at the park and will be returned once clean up has been completed.

The Association reserves the right to reject any application and/or negotiate any or all charges, deposits and fees as determined to be in the community's best interest.

Appeal:

In the event an applicant is denied approval for a non-special event (an event anticipated to have five hundred [500] or less people at any one time), an appeal may be made to the Town Manager. The Town Manager shall make a decision within seven (7) days granting or denying the appeal. The Town Manager's decision shall be final.

In the event an applicant is denied approval for a special event (as defined in Town Code Section 17-12-115 [a(1), (2), (3)]), an appeal shall be made in accordance with Town Code Section 17-12-124.



**CHAPLIN, CROSSINGS, BRISTOL SPORTS ARENA,
AND BARKER FIELD EXTENSION PARKS FEE SCHEDULE**



ATHLETIC FIELD STANDARD RATE:

\$ 50 without lights for the first (3) hours (or any portion of 3 hours)
\$10 for each additional hour

\$ 75 with lights for the first (3) hours (or any portion of 3 hours)
\$10 for each additional hour

SPECIAL EVENT CIVIC/ NON-PROFIT (501(c)3 RATE:

\$ 400 per day for a 1 day event or first day of a multiple day event
\$ 200 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$400 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

SPECIAL EVENT STANDARD RATE:

\$ 750 per day for a 1 day event or first day of a multiple day event
\$ 500 for each additional day

The Association will provide a staff member on site during the event.

Example: If you have an event on a Saturday, the \$750 fee covers a set-up day (Friday), the day of the event (Saturday), and clean up by Monday afternoon.

The Association reserves the right to deny any application and/or negotiate any or all charges, deposits and fees as determined to be in the community's best interest.

Tennis Fee Structure:

RATES:

No Fee for community/public play

\$8 per court per hour of private teaching

\$6 per court per match for Tennis Leagues

\$250 per day for a tournament or community tennis days plus \$150 per each additional day

The Association reserves the right to reject any application and/or negotiate any or all charges, deposits and fees as determined to be in the community's best interest.

Appeal:

In the event an applicant is denied approval, an appeal may be made to the Town Manager. The Town Manager shall make a decision within seven (7) days granting or denying the appeal. The Town Manager's decision shall be final.

In the event an applicant is denied approval for a special event (as defined in Town Code Section 17-12-115 [a(1), (2), (3)]), an appeal shall be made in accordance with Town Code Section 17-12-124.

FORMS



Shelter Cove Park Request Form



Organization/Family Name: _____

Phone Number: _____

Email: _____

Address: _____

Home Phone: _____ Work Phone: _____

Cell Phone: _____ Fax: _____

Purpose of Function: _____

Date(s) Needed: _____

Times Needed: _____

Estimated Attendance: _____

Any Special Arrangements: _____

Are you submitting for a Town of Hilton Head Special Events permit?
No _____ If Yes, please indicate date of application _____

By signing this form, the organization or family agrees to comply with policies and procedures governing the Park use. Failure to comply can result in the following: jeopardizing rights for future use; and/or legal action.

Signature: _____ Date: _____

Print Name: _____

Office Use Only:

Request Approved: Yes _____ No _____ Date: _____

Rental Fee Paid: Yes _____ V/MC CASH CHECK # _____ Date: _____

Approved By: _____

**APPLICATION FOR USE OF THE CROSSINGS PARK/BRISTOL SPORT ARENA, BARKER FIELD
EXTENTION AND CHAPLIN PARKS**

We, the undersigned, hereby apply for the use of certain facilities in connection with said application, furnish the following:

1. We wish to use: _____
2. Date requested: _____ Hours: from _____ to _____
3. Renter's Name: _____ Phone(H): _____
Billing address : _____ Phone (W): _____
City: _____ State: _____ Zip: _____ Phone(C): _____
Person to Contact: _____ Phone: _____
4. Approximate number of persons expected : _____
5. Purpose of use: _____
6. Describe any equipment to be used: _____
7. Will alcohol be served? Yes No

We further stipulate that we have read and understand all the rules and regulations as set forth for the use of this facility and will abide by the same and understand that if any required chaperones and/or law enforcement personnel are not present the function will be terminated.

Renter's Signature: _____ Date: _____

Fees paid: \$ _____ Check No. _____ Date: _____ Staff: _____

ISLAND RECREATION ASSOCIATION CANCELLATION POLICY

Any and all cancellations and/or date changes must be in writing and signed by the same person who signed this application and paid the rental fees and must be given to the Island Recreation Association not less than 14 days prior to the event.

I have read and understand the above policy.

Renter's Signature: _____ Date: _____

Staff: _____ Date: _____

INDEMNITY AND HOLD HARMLESS AGREEMENT

In consideration of the permission granted to me by the Town of Hilton Head Island and the Hilton Head Island Recreation Association to use the approved rental facility, I hereby indemnify and hold harmless the Town of Hilton Head Island and the Hilton Head Island Recreation Association, its agents, servants and employees from any and all claims and causes of action that may arise from injury to me or third parties using the facilities at the _____ who are injured or suffer property damage that is in any way caused by my use of the _____. This indemnity and hold harmless agreement is given to the Town of Hilton Head Island and Island Recreation Association to protect the Town and the Association and its agents, servants, and employees from cost of defense and claims for injuries and damages that may be caused either directly or indirectly by my use of the _____.

Person or Company giving Indemnity: _____ Date: _____

Application _____ *Cancellation Policy* _____ *Indemnity* _____ *Deposit* _____ *Entered in Calendar* _____



Jarvis Creek Park Request Form



Organization/Family Name: _____

Phone Number: _____

Email: _____

Address: _____

Home Phone: _____ Work Phone: _____

Cell Phone: _____ Fax: _____

Purpose of Function: _____

Date(s) Needed: _____

Estimated Attendance: _____

Will you be charging participants to attend this event? Yes / No

Events charging a fee to attend must provide a certificate of General Liability/Event Insurance to the Association with this application.

Circle Time – Fee is \$25/per block (times change with daylight savings):

March - October:	8am-Noon	Noon-4pm	4pm-8pm
Nov. – Feb.:	8am-1pm	1pm-6pm	

Because we offer Jarvis Park to organizations and families as a community service; our fees are minimal. In return, we require that you comply with the attached policies and procedures and treat the facility in a responsible manner.

By signing this form, the organization or family agrees to comply with policies and procedures governing the Park use. Failure to comply can result in the following: jeopardizing rights for future use; and/or legal action.

Signature: _____ Date: _____

Print Name: _____

Office Use Only:

Request Approved: Yes _____ No _____ Date: _____

Rental Fee Paid: Yes _____ V/MC CASH CHECK # _____ Date: _____

Approved By: _____

Island Recreation Association
Chaplin/Cordillo Community Tennis Center Court Agreement &
Facility Use Request Form

Organization Name: _____ Phone# _____

Address: _____

Contact Person: _____ Address: _____

Home Phone: _____ Work Phone: _____

Facilities Requested: Chaplin Community Tennis Center: check: _____

 Cordillo Community Tennis Center: check: _____

Courts Needed: _____ Date/Time(s) Needed: _____

Will you bring any equipment or supplies into Center? _____ If yes, please explain: _____

Any special arrangements needed? _____

Date(s) needed: _____ Time(s): _____

Estimated Attendance: _____

Because we offer the tennis facilities to groups and individuals as a community service, our fees are minimal. In return we ask you be honest with us in the amount of time you are using the tennis facilities. These fees go to the Island Recreation Center's Tennis Program, which helps us grow our community programs. Please treat the facility in a responsible manner.

By signing this form, the organization and/or applicant agrees to comply with policies and procedures governing the tennis facilities use. Failure to comply with policies and procedures can result in the following: withholding of security deposit, jeopardizing rights for future use and/or legal action.

Date: _____

Signature of Applicant _____

Request approved: Yes _____ No _____ Date: _____

Facility Rental Fee Paid: _____

Deposit Received Date _____ and Amount _____

Deposit Returned Yes _____ No _____ Date _____

If no, describe the reason for not returning any part or all of deposit.

Approved by: _____ Title: _____

Remarks: _____



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

VIA: Susan Simmons, Director of Finance

DATE: March 29, 2012

RE: **Resolution to Amend the Scope of the Commitment of Funds to the RBC Heritage**

Recommendation: Staff recommends that Town Council approve a resolution to widen the scope of Resolution 2011-15 which committed funds for the RBC Heritage to include advertising, marketing, tourist transportation, and security expenses.

Summary: Resolution 2011-15 committed these funds only for advertising expenses, namely television advertising time. The Heritage Classic Foundation, through the Hilton Head Chamber of Commerce, will be able to obtain some State Department of Parks Recreation and Tourism grant funds to partially fund the television advertising package required by the PGA. To qualify for these grant funds, the Heritage Foundation must use its generated revenues to match the grant funds. However, the Foundation must have other funds to provide for regional advertising and other necessary expenses.

Staff recommends that the Town amend its scope of committed funds to advertising, marketing, tourist transportation and security. These types of expenditures qualify as allowed uses of funds for the Town's tourism driven revenue sources - accommodations and hospitality taxes.

By approving this change, the Town will achieve a savings of over \$62,500 for the 2012 tournament with a possibility of increased savings in the remaining years.

Background: The Year 1 commitment was \$562,500 with a 5% escalation each year. In addition to the committed funds, the Town will also incur some advertising production expenses which are to be included in the annual budget process. With this change, the Town's commitment for 2012 will be \$500,000 and no production expenses.

The \$500,000 is included in the fiscal year 2012 budget amendment, Proposed Ordinance 2012-07. Second reading of this ordinance is on the agenda of the April 3, 2012 meeting.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO AMEND THE SCOPE OF THE FUNDS COMMITTED BY THE TOWN FOR THE HERITAGE GOLF TOURNAMENT FROM 2012 TO 2016.

WHEREAS, the Town Council of the Town of Hilton Head Island recognizes the importance to the “The Heritage”, a Professional Golf Association (PGA) event, to Hilton Head Island as a major tourist draw, a benefit to local businesses, a world class amenity for Island residents, a major source for volunteerism and pride for our community, and a broadcast and print advertising conduit for a nationwide and international audience; and

WHEREAS, the Town Council of the Town of Hilton Head Island, South Carolina adopted Resolution 2011-15 on June 16, 2011 committing funds for The Heritage from 2012 to 2016; and

WHEREAS, the “Heritage Classic Foundation” was able, with the commitment from the Town of Hilton Head Island, to complete a sponsorship package which allowed it to meet its obligations to the PGA to secure the “RBC Heritage” for 2012-2016; and

WHEREAS, the Town’s commitment, via Resolution 2011-15, provided funds only for advertising expenses, namely television advertising time, to assist the “Heritage Classic Foundation” in meeting its obligation to the PGA; and

WHEREAS, the Town Council for the Town of Hilton Head Island finds that is in the best interests of the Town and its citizens, residents and guests to amend the scope of its commitment to include advertising, marketing, tourist transportation, and security expenses so that the Foundation may meet its obligations to the PGA for the “RBC Heritage” at the Harbor Town Golf Links on Hilton Head Island from 2012-2016;

NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA that the Town Council of the Town of Hilton Head Island commits: Year 1: \$562,500; Year 2: \$590,625; Year 3: \$620,156; Year 4: \$651,164; Year 5: \$683,722 for a Total of \$3,108,167 to be used for advertising, marketing, tourist transportation, and security expenses in connection with the Heritage Classic Foundation in order to assist the Foundation in meeting its obligation to the PGA for the “RBC Heritage” for 2012-2016.

MOVED, APPROVED, AND ADOPTED ON THIS ___ DAY OF APRIL, 2012.

Drew A. Laughlin, Mayor

ATTEST:

By: _____
Cori Brock, Town Clerk

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____