



The Town of Hilton Head Island

Regular Town Council Meeting

July 17, 2018

4:00 P.M. EXECUTIVE SESSION

5:00 P.M. REGULAR MEETING

BENJAMIN M. RACUSIN COUNCIL CHAMBERS

AGENDA

**As a courtesy to others please turn off/silence ALL mobile devices during the Town Council Meeting.
Thank You.**

- 1. Call to Order**
- 2. FOIA Compliance** - Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.
- 3. Executive Session**
 - a. Legal Advice:**

Receipt of legal advice related to matters pending, threatened, or potential claim, related to:

 - i. ArborNature LLC vs. the Town of Hilton Head Island, et. al.; and**
 - ii. Sewer Easements.**
 - b. Land Acquisition Matters:**

Discussion of negotiations incident to the proposed contractual arrangements, sale, or purchase of property in the:

 - i. Beach City Road Area**
 - c. Personnel / Employment Matters:**
 - i. Discussion of the Town Manager's Annual Performance Review and Compensation.**
- 4. Pledge to the Flag – 5:00 p.m.**
- 5. Invocation**
- 6. Proclamations & Commendations**
 - a. Recognition of the Search & Rescue Efforts for Mr. James Holub**
 - b. Mayor's Honored Islanders**
 - i. Claudia Kennedy**
 - ii. Michael Znachko**
 - iii. Susan Roberts**
 - c. Parks & Recreation Month Proclamation**
- 7. Approval of Minutes**
 - a. Special Meeting / Public Hearing, June 12, 2018**
 - b. Town Council Meeting, June 19, 2018**

8. Report of Town Manager

- a. Board of Zoning Appeals Quarterly Update – David Fingerhut
- b. Design Review Board Quarterly Update – Jake Gartner
- c. University of South Carolina Beaufort Update
- d. Items of Interest
 - i. Town News
 - ii. Noteworthy Events

9. Reports from Members of Council

- a. General Reports from Council
- b. Report of the Intergovernmental & Public Safety Committee – Bill Harkins, Chairman
- c. Report of the Community Services Committee – Kim Likins, Chairman
- d. Report of the Public Planning Committee – David Ames, Chairman
- e. Report of the Public Facilities Committee – Marc Grant, Chairman
- f. Report of the Finance & Administrative Committee – John McCann, Chairman

10. Appearance by Citizens

11. Unfinished Business - NONE

12. New Business

a. First Reading of Proposed Ordinance 2018-07

First Reading of Proposed Ordinance 2018-07 to amend Chapter 1 of Title 10, (Business and Professional Licenses), of the Municipal Code of the Town of Hilton Head Island, South Carolina, to amend Section 10-1-20, Definitions; to amend Section 10-1-30, Purpose and Duration; to amend Section 10-1-40, License Fee; to amend Section 10-1-50, Registration Required; to amend Section 10-1-80, Display and Transfer; to amend Section 10-1-120, Delinquent License Fees; to repeal Section 10-1-190, Classification Rates Schedules (Exhibit “A”); to amend Chapter 9 of Title 4, (Beach Preservation Fee), Section 4-9-100, Violations and Penalty (Exhibit “B”); to amend Chapter 10 of Title 4, (Local Accommodation Tax), Section 4-10-50, Collections of Local Accommodation Tax (Exhibit “C”); and to amend Chapter 13 of Title 4 (Local Hospitality Tax), Section 4-13-100, Violations and Penalty (Exhibit “D”); and providing for severability and effective date.

b. First Reading of Proposed Ordinance 2018-10

First Reading of Proposed Ordinance 2018-10 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2018; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

New Business (cont.)

c. Consideration of a Resolution – Florence Graham Island Rezoning

Consideration of a Resolution by the Town Council of the Town of Hilton Head Island denying the Application for Zoning Map Amendment ZA-001111-2018 which requests an amendment to Chapter 1 of Title 16, “The Land Management Ordinance” (LMO), of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-1-107, the Official Zoning Map with respect to the certain parcel identified as Parcel 362 on Beaufort County Tax Map 10 from the CON (Conservation) Zoning District to the RSF-3 (Residential Single-Family 3) Zoning District.

d. Consideration of a Recommendation – Island Rec. Association Memorandum of Understanding

Consideration of a Recommendation from the Public Facilities Committee to Town Council authorizing the execution of the Memorandum of Understanding and Agreement between the Town of Hilton Head Island and the Hilton Head Island Recreation Association, Inc.

e. Consideration of a Recommendation – Hilton Head Public Service District Cost Reimbursement Agreement

Consideration of a Recommendation from the Public Facilities Committee to Town Council authorizing the Town Manager to execute the cost reimbursement agreement between the Town of Hilton Head Island and Hilton Head Public Service District.

13. Possible actions by Town Council concerning matters discussed in Executive Session

14. Adjournment

Town of Hilton Head Island Certificate of Appreciation

THIS IS CERTIFICATE IS HEREBY AWARDED TO

Beaufort County Sheriff's Office

*In recognition of the superior service performed by the Beaufort County Sheriff's Office
during the search and rescue efforts for Mr. James Holub.
Thank you for courage and the selfless acts provided to an individual in crisis.*

July 17, 2018

David Bennett, Mayor

Town of Hilton Head Island Certificate of Appreciation

THIS IS CERTIFICATE IS HEREBY AWARDED TO

Bluffton Township Fire District

*In recognition of the superior service performed by the Bluffton Township Fire District
during the search and rescue efforts for Mr. James Holub.*

Thank you for your courage and the selfless acts provided to an individual in crisis.

July 17, 2018

David Bennett, Mayor

Town of Hilton Head Island Certificate of Appreciation

THIS IS CERTIFICATE IS HEREBY AWARDED TO

Hilton Head Island Fire Rescue

*In recognition of the superior service performed by the Hilton Head Island Fire Rescue
during the search and rescue efforts for Mr. James Holub.*

Thank you for your courage and the selfless acts provided to an individual in crisis.

July 17, 2018

David Bennett, Mayor

Town of Hilton Head Island Certificate of Appreciation

THIS IS CERTIFICATE IS HEREBY AWARDED TO

Hilton Head Plantation Security

*In recognition of the superior service performed by the Hilton Head Plantation Security
during the search and rescue efforts for Mr. James Holub.
Thank you for your courage and the selfless acts provided to an individual in crisis.*

July 17, 2018

David Bennett, Mayor

Town of Hilton Head Island Certificate of Appreciation

THIS IS CERTIFICATE IS HEREBY AWARDED TO

Hilton Head Plantation Community

In recognition of the superior service performed by ALL the members of the Hilton Head Plantation Community during the search and rescue efforts for Mr. James Holub. Thank you for your courage and the selfless acts provided to an individual in crisis.

July 17, 2018

David Bennett, Mayor

Town of Hilton Head Island Certificate of Appreciation

THIS IS CERTIFICATE IS HEREBY AWARDED TO

The Streitenberger Family

In recognition of the Streitenberger Family for their actions leading to the rescue of Mr. James Holub on June 30, 2018. Thank you for all your support to help a fellow community member in need.

July 17, 2018

David Bennett, Mayor



Honored Islander Award

presented to

Claudia Kennedy

*In recognition and appreciation for outstanding volunteer service and
personal commitment towards the betterment of our community.*

Presented this 17th day of July, 2018

Mayor David Bennett



Honored Islander Award

presented to

Michael Znachko

*In recognition and appreciation for outstanding volunteer service and
personal commitment towards the betterment of our community.*

Presented this 17th day of July, 2018

Mayor David Bennett

The seal of the Town of Hilton Head Island, South Carolina, is a large, light green circular emblem in the background. It features a central illustration of a ship on the water, flanked by two smaller circular emblems. The outer ring of the seal contains the text "TOWN OF HILTON HEAD ISLAND" at the top and "SOUTH CAROLINA" at the bottom. A banner at the bottom of the seal reads "PRÆSERUARE ET PROSPERARE" and the years "1663 · 1983" are visible below the banner.

Honored Islander Award

presented to

Susan Roberts

*In recognition and appreciation for outstanding volunteer service and
personal commitment towards the betterment of our community.*

Presented this 17th day of July, 2018

Mayor David Bennett

Proclamation

**BY
THE TOWN OF HILTON HEAD ISLAND**

***WHEREAS**, parks and recreation programs are an integral part of communities throughout this country, including Hilton Head Island, South Carolina; and*

***WHEREAS**, our parks and recreation programs are vitally important to establishing and maintaining the quality of life, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and*

***WHEREAS**, parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreational services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and*

***WHEREAS**, parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and*

***WHEREAS**, parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and*

***WHEREAS**, parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and*

***WHEREAS**, the U.S. House of Representatives has designated July as Parks and Recreation Month.*

***NOW, THEREFORE**, I David Bennett, Mayor of the Town of Hilton Head Island, South Carolina, hereby proclaim July 2018 as*

PARKS AND RECREATION MONTH

in the Town of Hilton Head Island, to recognize the benefits derived from parks and recreation resources.

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

David Bennett, Mayor

Attest:

Krista Wiedmeyer, Town Clerk

THE TOWN OF HILTON HEAD ISLAND
TOWN COUNCIL SPECIAL MEETING/PUBLIC HEARING

Date: Tuesday, June 12, 2018

Time: 6:00 P.M.

Present from Town Council: David Bennett, *Mayor*; Kim Likins, *Mayor Pro Tempore*; John McCann, Marc Grant, David Ames, *Council Members*

Absent from Town Council: Bill Harkins, Tom Lennox, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Brian Hulbert, *Staff Attorney*; John Troyer, *Finance Director*; Brad Tadlock, *Fire Chief*; Nancy Gasen, *Human Resource Director*; Steven Markiw, *Deputy Finance Director*; Chris Blankenship, *Deputy Fire Chief, Operations*; Heidi Boring, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*; Melissa Cope, *System Analyst*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

Present from Media: Alex Kincaid, *Island Packet*

1. Call to Order

Mayor Bennett called the meeting to order at 6:00 p.m.

2. FOIA Compliance - Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Public Hearing on the Municipal Budget for FY2019

Mayor Bennett called the Public Hearing on the Municipal Budget for FY2019 to order at 6:01 p.m. Larry Landry addressed the members of Council regarding the budgeted expenses for the Town Attorney. Chris Christon, Amanda O’Nan, Andy Twisdale, Steve Birdwell, Cindy Rivera, and Alan Wolf addressed the members of Town Council requesting the Town add a new line item to the budget for workforce housing. Upon no further comments from the public, Mayor Bennett closed the Public Hearing at 6:19 p.m.

4. Unfinished Business

a. Revised First Reading of Proposed Ordinance 2018-05

Revised First Reading of Proposed Ordinance 2018-05 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2019; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

Mrs. Likins moved to approve. Mr. Grant seconded. The members of Council discussed the revised Fiscal Year 2019 Budget, with much emphasis on the topic of affordable workforce housing. Mr. Ames and Mrs. Likins both supported amending the budget to provide for additional funding for workforce housing. Mrs. Likins stating that the Town has to find a way to fund the workforce housing initiative, asking Mr. Riley and staff to take one last look at the budget to find some funding. Mr. Ames echoing Mrs. Likins, stating that this is the time that leadership has to be shown. Going on to say that as a community, we owe it to the people who work in the community and provide vital services to every citizen, business, and guest who comes here. Mr. Grant said that he would continue to support the workforce housing initiative, but could not support amending the budget to include funding for the initiative until after Council had a plan in place for using the funds. Mr. McCann stated that putting funding is a good thing, but that Council doesn’t know how or where the money will be spent.

Revised First Reading of Proposed Ordinance 2018-05 (cont.)

He said that does strongly feel comfortable hiring a first class consultant. Mr. McCann also asked about the carryover of the funding of the Town Council Initiatives. Mr. Riley confirmed that the funds would be rolled forward from the current fiscal year to the next, and initiative amounts had not been identified as of yet. Once those amounts or projects were identified, it would require action by Council before the funds could be spent. Mayor Bennett opened the discussion up to the public at large and upon no further comments from either the public or Council, the motion was approved by a vote of 5-0. As noted above, Mr. Harkins and Lennox were absent from the meeting.

5. Executive Session

a. Legal Matter:

Receipt of legal advice related to matters pending, threatened, or potential claim, related to:

i. ArborNature LLC vs. The Town of Hilton Head Island, et. al.

Mr. Riley stated that he needed an Executive Session for Legal Matters, (a) receipt of legal advice related to matters pending, threatened, or potential claim, related to ArborNature LLC vs. the Town of Hilton Head Island, et. al.

At 6:53 p.m. Mrs. Likins moved to go into Executive Session for the matter mentioned by the Town Manager. Mr. Grant seconded, the motion was approved by a vote of 5-0.

At 7:12 p.m. Town Council returned to the dais, no actions were taken as a result of the Executive Session.

6. Adjournment

Mayor Bennett adjourned the meeting at 7:13.

Krista M. Wiedmeyer,
Executive Assistant/Town Clerk

Approved: 06/19/2018

David Bennett, Mayor

THE TOWN OF HILTON HEAD ISLAND REGULAR TOWN COUNCIL MEETING

Date: Tuesday, June 19, 2018 Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor*; Kim Likins, *Mayor Pro Tempore*; John McCann, Bill Harkins, Marc Grant, Tom Lennox, David Ames, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Brian Hulbert, *Staff Attorney*; John Troyer, *Finance Director*; Jenn McEwen, *Director of Cultural Affairs*; John Tuttle, *Information Technology Director*; Steven Markiw, *Deputy Finance Director*; Ed Boring, *Deputy Fire Chief, Support Services*; Chris Blankenship, *Deputy Fire Chief, Operations*; Tom Dunn, *Emergency Management Coordinator*; Heidi Boring, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*; Melissa Cope, *System Analyst*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

Present from Media: Alex Kincaid, *Island Packet*

1. Call to Order

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

2. FOIA Compliance - Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Executive Session

Mr. Riley stated that he needed an Executive Session for: (a) Legal Matters; discussion of legal advice related to matters pending, threatened, or potential claim related to ArborNature, LLC vs. the Town of Hilton Head Island, et. al., (b) Economic Development; discussion of matters relating to the expansion or the provisions of services encouraging location or expansion of industries or other businesses in the area near the airport, and (c) Personnel/Employment Matters; discussion of appointments of members related to Boards and Commissions.

At 4:02 p.m. Mrs. Likins moved to go into Executive Session for matters mentioned by the Town Manager. Mr. Harkins seconded, the motion was approved by a vote of 6-0. Mr. Grant was not present for the vote.

Town Council returned to the dais at 5:02 p.m. to begin the Regular portion of the meeting.

4. Pledge to the Flag

5. Invocation

6. Proclamations & Commendations – NONE

Mrs. Likins moved to amend the agenda moving New Business Item 12(a), First Reading of Proposed Ordinance 2018-04 ahead of Item 9, Reports from Council, and adding a New Business item concerning Workforce Housing Funding. Mr. Harkins seconded, the motion was approved by a vote of 7-0. *Minutes for this item noted under 12(a) First Reading of Proposed Ordinance 2018-04.*

7. Approval of Minutes

a. Town Council Meeting, June 5, 2018

Mrs. Likins moved to approve the Town Council meeting minutes from June 5, 2018. Mr. Harkins seconded. Mr. Riley stated that the date on the minutes would be corrected, reflecting as scrivener's error prior to posting online without objection. The motion was approved by a vote of 7-0.

b. Town Council Public Hearing/Special Meeting, June 12, 2018

Mrs. Likins moved to approve the Public Hearing/Special Meeting minutes from June 12, 2018. Mr. Harkins seconded. Mr. Ames moved to amend the minutes, respectfully requesting a more detailed summary of the affordable housing discussion. Upon recommendation from Mr. Riley, all motions to approve and amend the minutes were withdrawn, noting that the June 12, 2018 minutes would be on the next regular meeting agenda for consideration and approval.

8. Report of Town Manager

a. Hilton Head Public Service District, Sewer Master Plan Update – Pete Nardi

Pete Nardi, General Manager of the Hilton Head Public Service District, provided an update to the members of Council regarding the Sewer Master Plan. He stated that years one and two of the Plan are complete along with the construction of two new sewer lift stations, and upgrades to existing lift stations. Mr. Nardi stated that as a result of those projects, they have received a 20% connect to the sewer lines. He said that the bid for years three-five have come in, and the repayment agreement has been forwarded to the Town for Council to review and approve. Mr. Nardi said upon receipt of Council's approval, the PSD will execute the construction agreement to begin work on the last three years of the plan. He said that he anticipates the work to wrap-up by spring of 2019.

b. Beaufort County Economic Development Corporation Update – John O'Toole

John O'Toole, Executive Director of the Beaufort County Economic Development Corporation, provided an update to the members of Council regarding the BCEDC's 2018 Organizational Work Plan. He said their vision is to diversify the economy, bring new jobs to the area, and expand the tax base. Mr. O'Toole described in detail many of the items the BCEDC are currently working on. Those items include, small business and technology-led growth, workforce development, light industry sites, regulatory reform, and other economic development initiatives necessary to support a healthy economy within the County and the Town.

c. Cultural and Arts Advisory Committee Update – Jenn McEwen

Jenn McEwen, Director of Cultural Affairs for the Town, provided an update for the Cultural and Arts Advisory Committee, reporting that since the last update, the Committee's e-marketing infrastructure has increased significantly. Ms. McEwen said that included in the e-marketing infrastructure is the launch of the Office of Cultural Affairs website, CultureHHI.org. She walked through the website, showing the members of Council some of the key pages of the site. Mrs. Likins thanked the Committee for pulling the website together so quickly and recognized that they were able to do so under budget.

d. Items of Interest

- i. Town News**
- ii. Noteworthy Events**

Mr. Riley reviewed the upcoming meetings and noteworthy events taking place in the coming weeks. He also noted that the Town's administrative offices would be closed on July 4, 2018 in observance of Independence Day.

9. Reports from Members of Council

a. General Reports from Council

No general reports from Council.

b. Report of the Intergovernmental & Public Safety Committee – Bill Harkins, Chairman

Mr. Harkins stated that he had no report at this time.

c. Report of the Community Services Committee – Kim Likins, Chairman

Mrs. Likins reported that the Committee met on June 11, 2018 where they voted to accept the Venue Committee's community arts center recommendation, and move forward with funding for phase 2 of the remainder of the Committee's six areas of opportunity.

d. Report of the Public Planning Committee – David Ames, Chairman

Mr. Ames stated that he had no report at this time

e. Report of the Public Facilities Committee – Marc Grant, Chairman

Mr. Grant stated that he had no report at this time.

f. Report of the Finance & Administrative Committee – John McCann, Chairman

Mr. McCann reported that the Committee met earlier in the day where they received the yearend stormwater utility report.

10. Appearance by Citizens

Peter Buonaiuto: addressed Town Council regarding accountability and transparency with regard to the HHI-Bluffton Chamber of Commerce and the DMO.

11. Unfinished Business

a. Second Reading of Proposed Ordinance 2018-05

Second Reading of Proposed Ordinance 2018-05 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2019; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

Mrs. Likins moved to approve. Mr. Harkins seconded. With no discussion from the public at large, Mayor Bennett stated he had only one question with regard to the road improvements for the Coligny Park initiative. Mr. Riley stated that the road improvements were a significant portion of the total for the project. Further discussion about funding for the road improvements included the use of a BUILD Grant, to which Mr. Riley recommended against using as it would delay the start of the project. Upon no further discussion from Council, the motion was approved by a vote of 7-0.

12. New Business

a. First Reading of Proposed Ordinance 2018-04

First Reading of Proposed Ordinance 2018-04 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a lease and conveyance documents with ArborNature for property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mrs. Likins moved to deny Proposed Ordinance 2018-04 and direct the Town Attorney and Town Manager to renegotiate the terms of the Settlement Agreement to either move ArborNature off the Island or add terms to better address noise, environmental, and operational concerns. Mr. Harkins seconded. With no discussion at this point from the members of Council, Mayor Bennett opened the discussion to the public at large. Eight members of the public addressed the members of Council, the majority expressing their concern about ArborNature moving its operations to Summit Drive, and one citizen asking for direction from the Town concerning ArborNature and its current location near Indigo Run. Upon no further comments from the public, the motion was approved by a vote of 7-0.

b. Workforce Housing Funding

Mr. Ames moved that Town Council designate the Expedia settlement in its full amount as a source of funding to address workforce housing programs, policies, procedures as recommended in the upcoming consultant's study, Town research, and Council action. Mrs. Likins seconded. Mayor Bennett asked Mr. Ames if he was omitting transportation from his motion. Mr. Harkins stated that he was in favor of this initiative, and moving forward with this funding, stating that this was a very complex subject that addressed all topics, including transportation. Mr. McCann echoed Mr. Harkins statements about all items within the initiative needing to be addressed. Mr. Grant asked if transportation would include the issues at Squire Pope or just the redevelopment of Coligny. Mr. Ames explained that a consultant would need to make the linkages that are being made between each of the relevant issues. After further discussion, Mr. Ames amended his motion, adding transportation. Mrs. Likins amended her second.

Mayor Bennett said he is supportive of the motion as he understands that workforce housing is a huge issue, and a top priority of the Council. He said that he wanted to make sure policies and procedures were in place before any of the funds were allocated. Mr. Riley explained that this vote was to designate the funds, and before the funds could be allocated, Council would need to approve the use by way of a first and second reading of an ordinance. Mrs. Likins stated that she felt that a lot of the workforce issues facing the hospitality industry on the Island was due to their businesses being so successful. She said she supported the designation of the funding in order to ensure continued and future success. Mr. Lennox said that he felt that because the Workforce Housing Coalition was led by the Chamber, which has the experience of bringing the community together, that perhaps they should be the organization to represent and advocate for the matter. He discussed utilizing the Town's legislative tools to motivate non-residential property owner to redevelop their property before using the Town's financial tools. Mr. Lennox concluded, stating that he cannot support the motion at this time.

Workforce Housing Funding (cont.)

With Council discussion wrapping up, Mayor Bennett opened up the discussion to the public at large. Five members of the public addressed Council expressing their concerns for affordable workforce housing funding. Each citizen that addressed Council echoed the others remarks, stating the importance and need for this funding. With no further discussion from the public or the members of Council, the motion was approved by a vote of 6-1, Mr. Lennox opposed.

13. Possible actions by Town Council concerning matters discussed in Executive Session.

Mrs. Likins moved to appoint the following persons to boards and commissions:

For the Accommodations Tax Advisory Committee; Dru Brown to a 3-year term ending June 30, 2021, as a Hospitality (Lodging) member to replace Cliff McMackin, James Fluker to a 3-year term ending June 30, 2021, and as an At-Large member to replace Mike Alsko. For the Design Review Board; Cathy Foss to a 3-year term ending June 30, 2021 as an At-Large member to replace Jake Gartner. For the Parks and Recreation Commission; Jack Daly to a 3-year term ending June 30, 2021, to replace Fred Lowery. For the Planning Commission; Michael Scanlon and Leslie McGowan to 3-year terms ending June 30, 2021, as At-Large members to replace Bryan Hughes and Barry Taylor.

Mrs. Likins further moved to re-appoint the following persons to boards and commissions:

For the Board of Zoning Appeals; Jerry Cutrer, John White, and Patsy Brison to 3-year terms ending June 30, 2021, as At-Large members. For the Construction Board of Adjustments and Appeals Marc Ellis to a 4-year term ending June 30, 2022 as a Building Industry At-Large member, Randy May to a 4-year term ending June 30, 2022 as an Electrical Contractor member, Joe Nix to a 4-year term ending June 30, 2022 as a Contractor member, and Bob Zinn to a 4-year term ending June 30, 2022 as a Building Industry At-Large member. For the Design Review Board; Michael Gentemann to a 3-year term ending June 30, 2021, as an Architect member, and Debbie Remke to a 3-year term ending June 30, 2021, as an At-Large member. For the Parks and Recreation Commission; Paul Boes to a 3-year term ending June 30, 2021. For the Planning Commission; Todd Theodore to a 3-year term ending June 30, 2021, as a Landscape Architect member.

Mr. Harkins seconded, the motion was approved by a vote of 7-0.

14. Adjournment

Mayor Bennett adjourned the meeting at 6:45 p.m.

Krista M. Wiedmeyer,
Executive Assistant/Town Clerk

Approved: 07/17/2018

David Bennett, Mayor



Date: July 5, 2018

To: Stephen G. Riley, ICMA-CM, Town Manager
One Town Center Court
Hilton Head Island SC 29928

From: Mike Parrott, USC Beaufort

Re: USCB Hospitality Management 2st Quarter 2018 Construction Report

CONSTRUCTION PROGRESS

Work continues as scheduled. All roofing components are installed. Roofing work is complete. Building brick installation work is complete. Plank siding installation is underway. Interior plumbing, electrical, and mechanical rough-in work is near completion. Interior gypsum board installation is underway. Windows are installed and exterior glazing installation is near completion.

SCHEDULE

The current contractor schedule allows the University to occupy the facility by the middle of October, 2018.

BUDGET

Budget numbers continue to track well. We have committed \$19,444,061 in contracts to the architect, construction contractor, furniture vendors, and a testing and inspections firm. Audio visual instructional equipment procurements are underway.

Total expenses paid to date are \$11,551,745.



TOWN OF HILTON HEAD ISLAND ITEMS OF INTEREST

July 17, 2018

TOWN NEWS

- This past June, Cathy Gooding-Jones, Fire Rescue E911 Communications Manager and Taylor Ladd, Town Senior Planner, were two of the twenty-two graduating members of the Hilton Head Island-Bluffton Chamber of Commerce Leadership Program. The Leadership Program uses resources within the community giving participants the opportunity to study a wide variety of areas, including history, government, human services and culture. This year's class project was the installation of the Imagination Train in the Field of Dreams in Oscar Frazier Park in Bluffton.
- The Town was recently awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial report for the fiscal year ending 2017. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.
- ATAX Grant Applications will be available on the Town's website on August 6, 2018.

TOWN OF HILTON HEAD ISLAND MEETINGS

- Public Facilities Committee – July 23, 2018 – 9:00 a.m.
- Intergovernmental & Public Safety Committee – August 6, 2018 – 10:00 a.m.
- Community Services Committee – August 13, 2018 – 9:00 a.m.
- Finance and Administration Committee – August 14, 2018 – 2:00 p.m.
- Town Council, Executive Session – August 14, 2018 – 4:00 p.m.
- Town Council, Regular Session – August 14, 2018 – 5:00 p.m.

All meetings are subject to change and/or cancellation. Please visit the Town's website at www.hiltonheadislandsc.gov for meeting dates and times.

HILTON HEAD ISLAND EVENTS

- Beach Bum Triathlon & Duathlon #2 on Saturday, July 21, 2018, 8:00 a.m. – 11:00 a.m. at Coligny Beach.
- Lowcountry Boil & Gospel on Saturday, July 21, 2018, 5:00 p.m. – 7:30 p.m. at the Gullah Museum.
- Enjoy all the events taking place throughout the month of July and into mid-August at the Shelter Cove Community Park and Shelter Cove Harbour & Marina.



For more events taking place on the Island, please visit the Town's Office of Cultural Affairs Events page at www.culturehhi.org/events/.



MEMORANDUM

TO: Town Council

FROM: John M. Troyer, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: July 17, 2018

RE: First Reading of Proposed Ordinance No. 2018-07; Revisions to Title 10 Chapter One (1) Business and Professional Licensing, Title 4 Chapter 9 Beach Preservation Fee; Chapter 10 Local Accommodation Tax and Chapter 13 Local Hospitality Tax

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2018-07. The ordinance replaces the Town's current business licensing classification system from the Standard Industrial Classification system (SIC) to the North American Industrial Classification (NAICS) System, as well as amendments to the Business License Definitions, Purpose and duration, License Fee, Registration, Display and Transfer, Delinquent license Sections of the Title 10 Business and Professional Licensing; Franchising and Regulation Ordinance.

To achieve the mandate of revenue neutrality, the Classification rates and schedule, (Title 10 Chapter 1 Section 10-1-190) will be amended as shown in Exhibit A, of this proposed amendment/Ordinance change. Additionally, consistent application and enforceability of violations and penalties will be enhanced across the four (4) related Business License (Title 10, Chapter 1 Section 10-1-120); Beach Preservation Fee (Title 4 Chapter 9 Section 4-9-100); Accommodation Tax section (Title 4 Chapter 10 Section 4-10-50, Title 4 Chapter 13 Section 4-13-100 Violations and penalty ; through amendments to those sections. These changes are attached as Exhibits B, C and D.

Summary:

The Town's current SIC code classification system is out dated. The Municipal Association of South Carolina's (MASC) model ordinance is based on the NAICS classification system. In addition, this will align the Town's coding system with other local municipalities that have already converted.

The SIC business classification system was first published in 1939, and was last updated in 1987. The NAICS business classification system was introduced in 1997. The six-digit NAICS classifications provide more flexibility than the four-digit SIC codes. A NAICS six-digit code uses the first two digits to denote the main industry sector, the third digit for a sub sector, the fourth number for an industry group and the fifth number

for a particular industry. The sixth digit is a country specific number for U.S., Canadian or Mexican industry specific designation.

The Town will continue to utilize its eight (8) rate class structure. MASC provides a business license class schedule by NAICS code. In order to maintain revenue neutrality, certain NAICS codes were moved from the MASC recommended rate class to rate class 8 and the rate for that code remained the same as it was under the SIC codes. Existing Town Code allows that businesses classified in this subsection are treated as separate and individual due to provisions of State Law, regulatory requirements, service burdens, tax equalization considerations, etc., which are deemed to be sufficient to require individually determined rates.

The table on the following page reflects the anticipated changes in revenue by business category based on the conversion from SIC to NAICS.

NAICS Code Segment		2017 Revenue SIC	Revised Revenue NAICS	Variance
11	Agriculture, Forestry, Fishing and Hunting	825.06	615.54	(209.52)
21	Mining, Quarrying, and Oil and Gas Extraction	146.30	123.00	(23.30)
22	Utilities	1,138.70	964.92	(173.78)
23A	Construction	485,506.29	556,354.49	70,848.20
23B	Construction	336,855.04	382,149.79	45,294.75
31-33	Manufacturing	58,576.69	47,392.42	(11,184.26)
42	Wholesale Trade	66,310.61	52,629.55	(13,681.06)
44-45	Retail Trade	451,235.26	442,041.97	(9,193.30)
45.4	Other Direct Selling	16,975.26	14,578.21	(2,397.04)
48-49	Transportation and Warehousing	32,509.84	22,134.30	(10,375.54)
51	Information	35,945.67	30,522.84	(5,422.83)
52	Finance and Insurance	135,357.93	148,572.40	13,214.47
53	Real Estate Rental and Leasing	666,850.33	670,841.01	3,990.68
54	Professional, Scientific, and Technical Services	315,217.60	296,804.22	(18,413.38)
55	Management of Companies Enterprises	4,760.80	3,607.70	(1,153.10)
56	Administrative and Support and Waste Management and Remediation Services	347,245.19	298,924.65	(48,320.54)
61	Educational Services	20,506.84	14,352.83	(6,154.02)
62	Health Care and Social Assistance	541,246.51	558,558.49	17,311.98
71	Arts, Entertainment, Recreation	92,283.70	86,816.53	(5,467.18)
72	Accommodation and Food Service	621,825.30	628,502.18	6,676.89
81	Other Services	120,853.93	90,570.56	(30,283.36)
	TOTAL	4,352,172.83	4,347,057.58	(5,115.25)

Recommended changes to The Business and Professional License, Gross Income and Registration required Section(s) will clarify for staff and the public, for whom a license is required, the basis for the license fee. Amendments to The Purpose and duration and License Fee, Registration required, Display and transfer and Delinquent license Section (s). These amendments further define the license timeframe, a change the due date of the License fee from May 31st to April 30th of each year, and broadens enforcement and collection capabilities for non-conforming businesses. Amending the License fee (renewal due date) provides an additional eight (8) weeks of collection effort, prior to the close of the Town's fiscal year.

Additionally, amendments to promote consistent application and enforceability of violations and penalties between the interdependent Title 10 Chapter 1- BUSINESS AND PROFESSIONAL LICENSING; FRANCHISING AND REGULATION; Title 4 Chapter 9 BEACH PRESERVATION FEE; Title 4 Chapter 10 – LOCAL ACCOMMODATION TAX and Title 4 Chapter 13- LOCAL HOSPITALITY TAX, have been recommended.

AN ORDINANCE TO AMEND CHAPTER 1 OF TITLE 10, (BUSINESS AND PROFESSIONAL LICENSES), OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; TO AMEND SECTION 10-1-20, DEFINITIONS; TO AMEND SECTION 10-1-30, PURPOSE AND DURATION; TO AMEND SECTION 10-1-40, LICENSE FEE; TO AMEND SECTION 10-1-50, REGISTRATION REQUIRED; TO AMEND SECTION 10-1-80, DISPLAY AND TRANSFER; TO AMEND SECTION 10-1-120, DELINQUENT LICENSE FEES; TO REPEAL SECTION 10-1-190, CLASSIFICATION RATES SCHEDULES, AND REENACT A NEW SECTION 10-1-190, CLASSIFICATION RATES SCHEDULES (EXHIBIT "A"); TO AMEND CHAPTER 9 OF TITLE 4, (BEACH PRESERVATION FEE), SECTION 4-9-100, VIOLATIONS AND PENALTY (EXHIBIT "B"); TO AMEND CHAPTER 10 OF TITLE 4, (LOCAL ACCOMMODATION TAX), SECTION 4-10-50, COLLECTIONS OF LOCAL ACCOMMODATION TAX (EXHIBIT "C"); AND TO AMEND CHAPTER 13 OF TITLE 4, (LOCAL HOSPITALITY TAX), SECTION 4-13-100, VIOLATIONS AND PENALTY (EXHIBIT "D"); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Hilton Head Island did previously adopt Chapter One (1) of Title 10 of the Municipal Code of the Town of Hilton Head Island to regulate and implement certain business and professional licenses' standards, rates, and procedures; and

WHEREAS, the Town Council believes that it is in the best interest of its citizens and business community to replace the outdated Standard Industrial Code (SIC) business license coding system with the North American Industrial Classification System (NAICS). The SIC business classification system was first published in 1939, and was last updated in 1987. The NAICS business classification system was introduced in 1997. The six-digit NAICS classifications provide more flexibility than the four-digit SIC codes; and

WHEREAS, Town Council desires to update the Town's business license coding system to NAICS codes, to comply with Municipal Association of South Carolina standards and classifications; and

WHEREAS, Town Council desires to amend Chapter One (1) Title 10 of the Municipal Code of the Town of Hilton Head Island to clarify for its citizens and business community the requirements for Business and Professional licensing; and

WHEREAS, Town Council also desires to apply consistency to the enforcement and collection of the Beach Preservation Fee, Local Accommodation Tax, and Local Hospitality Tax.

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

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

Section 1. Amendment. That Section 10-1-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 10-1-20. – Definitions.

The following words, terms and phrases, when used in this chapter shall have the meaning ascribed herein:

- (1) *Business*: A calling, occupation, profession or activity engaged in with the object of gain, benefit or advantage, either directly or indirectly. A charitable organization shall be deemed a business unless the entire proceeds of its operation are devoted to charitable purposes. In addition to the above-described activities constituting doing business in the town, a person shall be deemed to be in "business" if that person owns and rents more than one (1) residential unit **(Where the percentage of property ownership in aggregate is greater than one unit and/or the SSN or FEIN used for tax reporting is the same)** within the town. This applies to both short-term and long-term rentals.
- (2) *Classification*: That division of businesses by major groups subject to the same license rate, as determined by a calculated index of ability to pay based on national averages, benefits, equalization of tax burden, relationship of services, or other basis deemed appropriate by the town council.
- (3) *Gross income*: ~~The total revenue of a business, received or accrued, for one fiscal year collected or to be collected by reason of the conduct of business within the town, excepting therefrom income from business done wholly outside of the town on which a license tax is paid to some other municipality or a county and fully reported to the town. Gross income from interstate commerce shall be included in the gross income for every business subject to a business license fee. The gross income for business license purposes shall conform to the gross income reported to the Internal Revenue Service, the South Carolina Department of Revenue and Taxation, or the South Carolina Insurance Commission. In the case of brokers, or agents, gross income shall mean gross commissions retained. Gross receipts for insurance companies shall mean gross premiums collected.~~ **Means the total gross receipts of a business, received or accrued, for one calendar year collected or to be collected by a business. The term "gross receipts" means the value proceeding or accruing from the sale of tangible personal property, including merchandise and commodities of any kind and character and all receipts, by the reason of any business engaged in, including interest, dividends, discounts, rentals of real estate or royalties, without any deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, or any other expenses whatsoever and without any deductions on account of losses, excepting therefrom gross income taxed in another county or municipality and fully reported to the county. The gross income, for business license purposes, shall conform to the gross income reported to the state tax commission or the state insurance commission. The gross income, for business license purposes, may be verified by inspection of returns filed with the internal revenue service, the state tax commission for income tax purposes, or the state insurance commission. In the case of brokers or agents, gross income shall mean gross commissions retained.**

- (4) *License inspector*: The town employee(s), or other individual(s), designated by the town manager to perform the duties set forth herein.
- (5) *Person*: Any individual, firm, partnership, cooperative nonprofit membership, corporation, joint venture, association, estate, trust, business trust, receiver, syndicate, holding company or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principals. ~~A governmental entity is not a "person" as defined above.~~

Section 2. Amendment. That Section 10-1-30 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 10-1-30. – Purpose and duration.

The business license levied by this chapter is for the purpose of providing such regulation as may be required by the businesses subject thereto and for the purpose of raising revenue for the general fund through a privilege fee. Each license shall be issued for one (1) calendar year and shall expire on December 31st; **this time period shall be considered a "license year."** The provisions of this chapter and the rates herein shall remain in effect from year to year until amended by **the town** council.

Section 3. Amendment. That Section 10-1-40 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 10-1-40. – License fee.

The required license fee shall be paid for each business subject hereto according to the applicable rate classification on or before **the thirtieth day of April** ~~May 31st~~ in each year. A separate license shall be required for each place of business and for each classification of business conducted at one (1) place. If gross income cannot be separated for classifications at one (1) location, the license fee shall be computed on the combined gross income for the classification requiring the highest rate. A license fee based on gross income shall be computed on the gross income for the preceding calendar or fiscal year, and on a twelve-month projected income based on the monthly average for a business in operation for less than one (1) year. The fee for a new business shall be computed on the estimated probable gross income stated in the license application for the balance of the calendar year.

Section 4. Amendment. That Section 10-1-50 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 10-1-50. – Registration required.

- (a) The owner, agent or legal representative of every business subject to this chapter, whether listed in the classification index or not, shall register the business and make application for a business license on or before **the due date each year** ~~May 31st~~ of each year, except that a new business shall be required to have a business license prior to operation within the town. Application shall be on a form provided by the license inspector

which shall contain the last four digits of their social security number or the full federal employer's identification number, the business name as reported on the South Carolina income tax return, and all other information about the applicant and the business deemed necessary to carry out the purposes of this chapter by the license inspector. The applicant shall certify that the information given in the application is true, that the gross income is accurately reported, or estimated for a new business, without any unauthorized deductions, and that all assessments and personal property taxes due and payable to the town have been paid. **The applicant is also subject to compliance with the zoning ordinance, building code, electrical code, mechanical code, plumbing code, roofing code and other regulatory codes of the Town. No business license shall be issued until the applicant first submits documents necessary to establish compliance with the town zoning ordinance, building code, electrical code, mechanical code, plumbing code, roofing code and other regulatory codes as adopted by the town council.** With regard to registration of insurance companies and brokers for nonadmitted insurance companies, the Municipal Association of South Carolina is designated as the exclusive agent of the town and is empowered to utilize all procedures and actions authorized by ordinance or state law.

(b) Every business, which either 1) acts as an agent, broker or representative for any other person, or 2) has contractual arrangements with persons, who are acting as independent contractors for it, shall supply the following information. The information required shall include the name, address, telephone number, and estimated payments or premiums due to that person. Such information shall be supplied upon the request of the license inspector and shall be a condition precedent to the obtainment of the license required under this chapter.

~~(c) Elimination of commercial waste. On the business application form, each business shall fully disclose its method of solid waste handling and shall present proof of such solid waste disposal before a license is granted.~~

Section 5. Amendment. That Section 10-1-80 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 10-1-80. – Display and transfer.

All persons shall display the license issued to them on the original form provided by the license inspector in a conspicuous place in the business establishment, **visible upon entrance to the establishment,** at the address shown on the license. A transient or nonresident shall carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the town. **A change of address must be reported to the Town's Revenue Services Department within ten days prior to removal of the business to a new location to allow the license, zoning and building codes officials review and response time to the notification. If the new location meets licensing, zoning and building approval, an updated copy of the business license will be issued.** ~~The Town Revenue and Collection Office must be notified in writing prior to any change in location, name or ownership.~~ Failure to obtain the approval of the town prior to any change shall invalidate the license and subject the licensee to prosecution for doing business without a license. A business license shall not be transferable and a transfer of ownership shall be considered a termination of the old business and the establishment of a new business requiring a new business license, based on old business income, prorated for the balance of the calendar year.

Section 6. Amendment. That Section 10-1-120 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Section. 10-1-120. – Delinquent license and related fees and taxes.

For nonpayment of all or any part of the correct license fee **and related account, Accommodation Tax, Beach Preservation Fee and/or Hospitality Tax,** the ~~license inspector~~ town shall levy and collect a late penalty of five (5) percent of the unpaid fee for each month or portion thereof after the due date until paid. If any license fee **and/or related fee or tax** shall remain unpaid for sixty (60) days after its due date, the license inspector shall issue an execution which shall constitute a lien upon the property of the licensee for the tax, penalties and costs of collection, and he shall proceed to collect in the same manner as prescribed by law for the collection of other taxes. With regard to the collection of delinquent business license fees from insurance companies and brokers for nonadmitted insurance companies, the Municipal Association of South Carolina is designated as the exclusive agent of the town and is empowered to utilize all procedures and actions authorized by ordinance or state law. Upon identification of a delinquent account the director of finance or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based **on** the revenue procedures as adopted with this amendment.

Section 7. Amendment. That Section 10-1-190 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby is repealed and a new Section 10-1-190 is hereby reenacted as attached in EXHIBIT “A”.

Section 8. Amendment. That Section 4-9-100 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 4-9-100. – Violations and penalty.

(a) It shall be a violation of this chapter to:

- (1) Fail to collect the "beach preservation fee" in connection with the rental of any accommodations to transients as set forth in section 4-9-30, supra;
- (2) Fail to remit to the Town of Hilton Head Island, South Carolina, any "beach preservation fees" collected pursuant to this chapter by the 20th of each month following the end of the quarter thereof, as set forth in section 4-9-50(a), supra;
- (3) Knowingly provide false information return to be submitted to the Town of Hilton Head Island, South Carolina pursuant to section 4-9-50(b), supra;
- (4) Fail or refuse to provide books and records to the code enforcement officer of the Town of Hilton Head Island, South Carolina, for the purpose of an audit, upon twenty-four (24) hours' written notice, as provided in section 4-9-90, supra.

(b) Upon conviction for a violation hereof, the violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-5-10, Code of the Town of Hilton Head Island, South Carolina (1983).

- (c) In the event "beach preservation fees" are not remitted to the Town of Hilton Head Island, South Carolina, as set forth in **Title 10, Section 10-1-120 of the Municipal Code of the Town of Hilton Head Island** ~~section 4-9-100(a)(2), supra~~, the violator shall pay a penalty of five (5) percent of the unpaid amount for each month or portion thereof past due until said "beach preservation fees" are paid in full.
- (d) Upon identification of a delinquent account the director of finance or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based the revenue procedures as adopted with this amendment.

Section 9. Amendment. That Section 4-10-50 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 4-10-50. - Collection of the local accommodations tax.

- (a) The local accommodations tax collected by the provider of the services as required by section 4-10-40, supra. shall be remitted to the town, as follows:
 - (1) Payment of the local accommodations tax collected in the first quarter of the calendar year shall be due on April 20 of each calendar year;
 - (2) Payment of the local accommodations tax collected in the second quarter of the calendar year shall be due on July 20 of each calendar year;
 - (3) Payment of the local accommodations tax collected in the third quarter of the calendar year shall be due on October 20th of each calendar year;
 - (4) Payment of the local accommodations tax collected in the fourth quarter of the calendar year shall be due on January 20th of each following calendar year.
- (b) The town, shall promulgate a form of return which shall be utilized by the remitter of the local accommodations tax to calculate the amount of local accommodations tax collected and due for each period. Said form shall contain a sworn declaration as to the correctness thereof by the remitter, and shall be accompanied by the payment due to the town.
- (c) In the event that local accommodations taxes are not remitted to the town, as set forth in **Title 10, Section 10-1-120 of the Municipal Code of the Town of Hilton Head Island** ~~section 4-10-50~~, the person failing to remit such local accommodations taxes shall pay, in addition to the local accommodations taxes which are due, a penalty of five (5) percent of the unpaid amount of the local accommodations tax for each month or portion thereof past due, until such local accommodations taxes are paid in full.

Section 10. Amendment. That Section 4-13-100 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby amended as follows:

Sec. 4-13-100. - Violations and penalty.

- (a) It shall be a violation of this Chapter to:
 - (1) Fail to collect the "Local Hospitality Tax" in connection with the sale of any prepared meals and beverages as set forth in section 4-13-50, above;
 - (2) Fail to remit to the Town of Hilton Head, South Carolina, any "Local Hospitality Taxes" collected pursuant to this Chapter by the 20th of each month following the end of the quarter thereof, as set forth in section 4-13-50 and section 4-13-60, above;
 - (3) Knowingly provide false information on any return submitted to the Town of Hilton Head Island, South Carolina, as set forth in section 4-13-60, above; or,
 - (4) Fail or refuse to provide books and records to the Code Enforcement Officer of the Town of Hilton Head Island, South Carolina, for the purpose of an audit, upon twenty-four (24) hours' written notice, as provided in section 4-13-90, above.
- (b) Upon conviction for a violation hereof, the violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-5-10, Code of the Town of Hilton Head Island, South Carolina (1983).
- (c) In the event "Local Hospitality Taxes" are not remitted to the Town of Hilton Head Island, South Carolina, as set forth in **Title 10, Section 10-1-120 of the Municipal Code of the Town of Hilton Head Island** ~~section 4-13-50, supra,~~ the person failing to remit shall also pay a penalty of five (5) per cent of the unpaid amount for each month or portion thereof until said "Local Hospitality Taxes" are paid in full.
- (d) Upon identification of a delinquent account the Director of Finance or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based the Revenue Procedures as adopted with this amendment.

Section 11. 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 12. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2018.

David Bennett, Mayor

ATTEST:

Krista Wiedmeyer, Town Clerk

First Reading: _____

Public Hearing: _____

Revised First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

EXHIBIT “A”

Sec. 10-1-190. - Classification Rate Index, business groups schedules.

The license fee for each class of business shall be computed in accordance with the following rates and with the North American Industry Classification System (NAICS) Standard Industrial Classification (SIC) Manual 1987, except in cases of conflict between the provisions of the SIC and the Town Code, the Town Code provisions shall prevail.

<u>Class Rate Index</u>	<i>Income: 0—\$5,000 <u>2,000</u> Up to \$5,000 <u>2,000</u> Minimum</i>	<i>All over \$5,000 <u>2,000</u> Rate per thousand or fraction thereof</i>
1	\$43.20	\$0.70
2	50.40	0.90
3	57.50	1.00
4	64.70	1.20
5	71.90	1.30
6	79.10	1.40
7	86.30	1.60
	See Individual Business in Class 8.	
<u>8.0</u>	<u>50.40</u>	<u>.90</u>
<u>8.1</u>	<u>57.50</u>	<u>1.00</u>
<u>8.2</u>	<u>86.30</u>	<u>1.60</u>
<u>8.3</u>	<u>64.70</u>	<u>1.20</u>
<u>8.41</u>	<u>115.00</u>	<u>2.00</u>
<u>8.42</u>	<u>107.90</u>	<u>1.70</u>
<u>8.5</u>	<u>50.40</u>	<u>.90</u>
<u>8.6A</u>	<u>50.40</u>	<u>.90</u>
<u>8.6B</u>	<u>100.80</u>	<u>1.80</u>
<u>8.6C</u>	<u>5.00</u>	<u>NA</u>
<u>8.7</u>	<u>86.30</u>	<u>1.60</u>
<u>8.8A</u>	<u>187.50</u>	<u>2.88</u>
<u>8.8B</u>	<u>12.50</u>	<u>NA</u>
<u>8.8C</u>	<u>180.00</u>	<u>NA</u>
<u>8.9</u>	<u>107.90</u>	<u>1.70</u>
<u>8.10</u>	<u>12.50</u>	<u>NA</u>
<u>8.11</u>	<u>12.50</u>	<u>NA</u>
<u>8.12</u>	<u>5.00</u>	<u>NA</u>
<u>8.14</u>	<u>57.50</u>	<u>1.00</u>
<u>8.15</u>	<u>50.40</u>	<u>.90</u>
<u>8.16</u>	<u>71.90</u>	<u>1.30</u>
<u>8.17</u>	<u>57.50</u>	<u>1.00</u>
<u>8C</u>	<u>187.50</u>	<u>3.24</u>
<u>8D</u>	<u>0.00</u>	<u>0.00</u>
<u>8E</u>	<u>86.30</u>	<u>1.60</u>
<u>8EE</u>	<u>25.00</u>	<u>NA</u>
<u>8F</u>	<u>172.60</u>	<u>3.20</u>
<u>8L</u>	<u>107.90</u>	<u>1.70</u>
<u>8M</u>	<u>215.70</u>	<u>3.40</u>
<u>8V</u>	<u>215.70</u>	<u>3.40</u>

EXHIBIT “A”

Nonresident business rate:

Unless otherwise specifically provided, all rates shall be doubled for businesses located outside of the town limits or for itinerants having no fixed place of business.

CLASS 8 RATE INDEX

(Each NAICS number designates a separate sub-classification. The businesses in this section are treated as separate and individual subclasses due to provisions of State law, regulatory requirements, service burdens, tax equalization considerations, etc., which are deemed to be sufficient to require individually determined rates.) Nonresident rates do not apply except where indicated.

Amusement machines:

Amusement machines, coin-operated shall require a business license.

A. Music machines, kiddie rides, and amusement machines licensed pursuant to S.C. Code section 12-21-2720(A)(1) and (A)(2)

1.	<u>Operator of machine (Section 12-21-2746), business license for operation of all machines (not on gross income)</u>	<u>Classification rate 8.10</u>
	<u>Per machine</u>	<u>Classification rate 8.11</u>
	<u>Billiard or pool tables of all types</u>	<u>Classification rate 8.12</u>
2.	Distributor selling or leasing machines (not license by state as an operator pursuant to section 12-21-2728): (Non-resident rates apply)	<u>Classification rate 8.8A</u>

B. Amusement machines license pursuant to S.C. Code Ann. Section 12-21-2720 (A)(3):

Operator of machine (section 12-21-2720 (b))	<u>Classification rate 8.8B</u>
<u>Per machine</u>	<u>Classification rate 8.8C</u>
<u>Distributor</u>	<u>Classification rate 8.8A</u>
<u>Automotive:</u>	<u>Classification rate 8.5</u>

EXHIBIT "A"

One sales lot not more than 400 feet from the main showroom may be operated under this license provided that proceeds from sales at the lot are included in gross receipts at the main office when both are operated under the same name and ownership.

Gross receipts from this classification shall include full sales price without deduction for trade-ins. Dealer transfers shall not be included in gross receipts.

SIC ~~15, 16, 17~~

Contractors, construction, all types:

	Income	Minimum	Per \$1,000 or fraction
A. Having a place of business within the town limits			
First	\$5,000.00	\$50.40	
Over	-5,000.00		\$0.90
B. Having a place of business outside of town limits			
First	-5,000.00	100.70	
Over	-5,000.00		1.70

<u>Construction:</u>	<u>Classification rate 8.1</u>
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A trailer at the construction site, a home office or structure in which the contractor resides is not a permanent place of business under this ordinance.

No contractor shall be issued a business license until all state and town qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Any person or entity that designs or installs irrigation systems ("landscape contractor") must be licensed to do so by the Town of Hilton Head Island, South Carolina. Prior to issuance or renewal of the license required herein, each landscape contractor or designated employee of said landscape contractor shall pass a certification test given by the Town of Hilton Head Island, South Carolina. Said license and certification must be shown at the annual renewal of the town business license. See section 13-3-310 of the Town Code for additional information regarding this requirement.

Subcontractors shall be licensed on the same basis as general or prime contractors for the same job, and no deductions shall be made by a general or prime contractor for value of work performed by subcontractors.

No contractor shall be issued a business license until all performance and indemnity bonds required by the town building code have been filed and approved. Zoning permits must be obtained when required by the town zoning ordinance.

EXHIBIT "A"

Each prime contractor shall file with the license inspector a list of subcontractors furnishing labor or materials for each project.

Electrical and gas companies: Operate under a Consent or franchise

Insurance companies:

Except as to fire insurance, "gross premiums" means gross premiums written for policies for property or a risk located within the municipality. In addition, "gross premiums" shall include premiums written for policies that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by (1) the insurance company's office located in the municipality, (2) the insurance company's employee conducting business within the municipality, or (3) the office of the insurance company's licensed or appointed producer (agent) conducting business within the municipality, regardless of where the property or risk is located, provided no tax has been paid to another municipality in which the property or risk is located based on the same premium.

Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute conducting business within the municipality, regardless of whether or not an office is maintained in the municipality.

As to fire insurance, "gross premiums" means gross premiums (1) collected in the municipality, and/or (2) realized from risks located within the limits of the municipality.

Gross premiums shall include all business conducted in the prior calendar year.

Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.

Declining rates shall not apply.

Notwithstanding any other provision of this ordinance, license taxes for insurance companies shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be five (5) percent of the tax due per month, or portion thereof, after the due date until paid.

Any exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

EXHIBIT “A”

Pursuant to S.C. Code 1996, §§ 38-45-10 and 38-45-60, the Municipal Association of South Carolina is designated the municipal agent for purposes of administration of the municipal broker's premium tax. The agreement with the association for administration and collection of current and delinquent license taxes from insurance companies as authorized by S.C. Code 1996, § 5-7-300 and administration of the municipal broker's premium tax is approved, and the town manager is authorized to execute it.

Peddlers, solicitors, canvassers, door-to-door sales, direct retail sales of merchandise. Regular activities (more than two sale periods of more than three days each per year requires a business license.) Seasonal activities (not more than two sale periods of more than three days each year, separate license required for each sale period).

Promoter/Coordinator of Arts and Craft Shows require a business license Plus, a fee for each participating vendor.

<u><i>Promoter/Coordinator of Arts and Craft Shows require a business license</i></u>	<u>Classification rate 8.6A</u>
<u>Per participating vendor fee</u>	<u>Classification rate 8.6C</u>

This shall be a special license issued only for special arts and crafts events sanctioned as such by the Town of Hilton Head Island and shall be valid solely for the time period and the specific location stated thereon. This special license must be applied for and obtained before commencement of the event for which it is to be used.

It is the responsibility of the special events promoter or coordinator to ensure that all participating vendors are included in this special arts and crafts license.

Each participating vendor must be the creator of the art or craft which is to be sold. This includes any person who desires to engage in the business of offering for public sale flower arrangements or any hand-crafted item produced in the home. Goods purchased for sale or resale cannot be vended on this special license.

Inspections shall be made on site during the sale. Other merchants and vendors at such special events, not qualifying for this special license under arts and crafts, shall be required to obtain a regular business license.

Merchants and vendors now operating under valid licenses shall be allowed to operate on those licenses, incorporating such gross sales in the annual gross sales to be reported on the succeeding year's application.

EXHIBIT “A”

Telephone companies not using public streets under franchise or consent:

Establishments providing local or long distance telephone communications including voice and data communications; radiotelephone services; cellular telephone services; paging and beeper services; leasing lines, fiber optic cables, microwave or satellite facilities; selling access and reselling use of facilities or methods to others shall pay an annual business license tax of one (1) percent of gross receipts from all communications activities conducted in the town and for communications services billed to customers located in the town on which a business license tax has not been paid to another municipality.

SIC		License Fee
40	Railroad Companies (See South Carolina Code of Laws, Code section 12-23-210)	(Compute)
41	Passenger transportation, on gross income	Rate Class 7
	Plus each vehicle per year	\$25.00

- (a) Permission to use streets required: It shall be unlawful for any person to construct, install, maintain or operate in, on, above or under any street or public place under control of the Town of Hilton Head Island any line, pipe, cable, pole, structure or facility for utilities, communications, cablevision or other purposes without a consent agreement or franchise agreement issued by the Town Council of the Town of Hilton Head Island by ordinance which prescribes the term, fees, and conditions for use.
- (b) Consent, franchise, or business license fee required: The annual fee for use of streets or public places authorized by a consent agreement or franchise agreement shall be set by the ordinance approving the agreement and shall be based on gross revenues derived from activities in the town, the length of lines installed in streets and public places, or other formula deemed appropriate by Town Council. No consent fee or franchise fee shall be construed to be in lieu of a business license tax based on gross revenue unless specifically provided by ordinance. Credits for business license taxed paid may be applied to fees set by ordinance granting consent or a franchise when specifically authorized by the ordinance.

481	Telephone companies not using public streets under franchise or consent:
	Establishments providing local or long distance telephone communications as described in Standard Industrial Classification (SIC) group 481, including voice and data communications; radiotelephone services; cellular telephone services; paging and beeper services; leasing lines, fiber optic cables, microwave or satellite facilities; selling access and reselling use of facilities or methods to others shall pay an annual business license tax of one (1) percent of gross receipts from all communications activities conducted in the town and for communications services billed to customers located in the town on which a business license tax has not been paid to another municipality.

4841	Television, cable or pay, basic fee	Consent or franchise
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EXHIBIT "A"

		Income	Minimum	Per \$1,000 or fraction
491—493	Electrical and gas companies	Consent or franchise		
5093	Junk or scrap dealers			
	First	\$5,000.00	\$107.90	
	Over	5,000.00		\$2.00
55	Automotive, motor vehicle dealers and farm machinery, retail			
	First	\$5,000.00	\$50.40	
	Over	\$5,000.00		\$0.90
One sales lot not more than 400 feet from the main showroom may be operated under this license provided that proceeds from sales at the lot are included in gross receipts at the main office when both are operated under the same name and ownership.				
Gross receipts from this classification shall include full sales price without deduction for trade ins. Dealer transfers shall not be included in gross receipts.				
5813	Drinking places (alcoholic beverages, beer and wine consumed on premises)	5,000.00	107.90	
		5,000.00		1.70
5932	Pawnbrokers, all types			
	First	5,000.00	107.90	
	Over	5,000.00		1.70
5962	Vending machines and all other coin-operated automatic merchandising machines (Not included in business gross income)			
	First	5,000.00	107.90	
	Over	5,000.00		1.70
5963	Peddlers, solicitors, canvassers, door-to-door sales, direct retail sales of merchandise. (Non-resident rates apply).			
A.	Regular activities (more than two sale periods of more than three days each per year)			
	First	\$5,000.00	\$100.70	
	Over	5,000.00		\$1.70
B.	Seasonal activities (not more than two sale periods of more than three days each year, separate license required for each sale period)			
	First	\$5,000.00	\$50.40	
	Over	5,000.00		\$0.90
5999	Promoter/Coordinator of Arts and Crafts Shows			

First	\$5,000.00	\$50.40	
Over	5,000.00		\$0.90
Plus, for each participating vendor		5.00	

EXHIBIT "A"

This shall be a special license issued only for special arts and crafts events sanctioned as such by the Town of Hilton Head Island and shall be valid solely for the time period and the specific location stated thereon. This special license must be applied for and obtained before commencement of the event for which it is to be used.	
It is the responsibility of the special events promoter or coordinator to ensure that all participating vendors are included in this special arts and crafts license.	
Each participating vendor must be the creator of the art or craft which is to be sold. This includes any person who desires to engage in the business of offering for public sale flower arrangements or any hand-crafted item produced in the home. Goods purchased for sale or resale cannot be vended on this special license.	
Inspections shall be made on site during the sale.	
Other merchants and vendors at such special events, not qualifying for this special license under arts and crafts, shall be required to obtain a regular business license.	
Merchants and vendors now operating under valid licenses shall be allowed to operate on those licenses, incorporating such gross sales in the annual gross sales to be reported on the succeeding year's application.	
63 Insurance companies:	
Except as to fire insurance, "gross premiums" means gross premiums written for policies for property or a risk located within the municipality. In addition, "gross premiums" shall include premiums written for policies that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by (1) the insurance company's office located in the municipality, (2) the insurance company's employee conducting business within the municipality, or (3) the office of the insurance company's licensed or appointed producer (agent) conducting business within the municipality, regardless of where the property or risk is located, provided no tax has been paid to another municipality in which the property or risk is located based on the same premium.	
Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute conducting business within the municipality, regardless of whether or not an office is maintained in the municipality.	
As to fire insurance, "gross premiums" means gross premiums (1) collected in the municipality, and/or (2) realized from risks located within the limits of the municipality.	
Gross premiums shall include all business conducted in the prior calendar year.	
Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.	
Declining rates shall not apply.	

	Rates
631—632 Life, health and accident	0.75% of gross premiums
633—635 Fire and casualty	2% of gross premiums

636—Title insurance	2% of gross premiums
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EXHIBIT “A”

Notwithstanding any other provision of this ordinance, license taxes for insurance companies shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be five (5) percent of the tax due per month, or portion thereof, after the due date until paid.

Any exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

Pursuant to S.C. Code 1996, §§ 38-45-10 and 38-45-60, the Municipal Association of South Carolina is designated the municipal agent for purposes of administration of the municipal broker's premium tax. The agreement with the association for administration and collection of current and delinquent license taxes from insurance companies as authorized by S.C. Code 1996, § 5-7-300 and administration of the municipal broker's premium tax is approved, and the town manager is authorized to execute it.

		Income	Minimum	Per \$1,000 or fraction
7993	Amusement machines, coin-operated			
	A. Music machines, kiddie rides, and amusement machines licensed pursuant to S.C. Code section 12-21-2720(A)(1) and (A)(2)			
	1. Operator of machine (Section 12-21-2746)	12.50 per machine, PLUS \$12.50 business license for operation of all machines (not on gross income)		
	2. Distributor selling or leasing machines (not licensed by the state as an operator pursuant to section 12-21-2728): (Non-resident rates apply.)			
	First	5,000.00	215.70	
	Over	5,000.00		3.40
	B. Amusement machines license pursuant to S.C. Code Ann. section 12-21-2720(A)(3):			
	1. Operator of machine (Section 12-21-2720(B))	\$210.00 per machine, PLUS \$14.40 business license (not on gross income)		
	2. Distributor selling or leasing machines (not licensed by the state as an operator pursuant to section 12-21-2728): (Non-resident rates apply.)			

	First	\$5,000.00	\$215.70	
	Over	5,000.00		3.40

EXHIBIT “A”

				Income Minimum	Per \$1,000 or fraction
7999	Billiard or pool tables, all types				
	First	5,000.00	107.90		
	Over	5,000.00			1.70
	Additional license per table		5.00		
7999	Carnivals and circuses:				
	First	5,000.00	215.70		
	Over	5,000.00			6.80

RATE CLASSIFICATION INDEX

	Rate Class 1
SIC	Business Group
47	Travel agencies
53	General merchandise stores
54	Food stores
553 – 554	Automotive supply stores and gasoline service stations
56	Apparel and accessory stores
58	Eating places
86	Membership organizations
	Rate Class 2
SIC	Business Group
01	Agricultural production — Crops
02	Agricultural production — Animals
20	Food and kindred products
22	Textile mill products
23	Apparel and other finished products from fabrics and similar materials
25	Furniture and fixtures
30	Rubber and miscellaneous plastic products
31	Leather and leather products
32	Stone, clay, glass and concrete products
33	Primary metal industries
34	Fabricated and metal products (except machinery and transportation equipment)
37	Transportation equipment
39	Miscellaneous manufacturing industries
50	Wholesale trade — Durable goods

51	Wholesale trade— Nondurable goods
52	Building materials, hardware, garden supply and mobile home dealers

EXHIBIT “A”

57	Furniture, home furnishings and equipment stores
70	Hotels, rooming houses, camps and other lodging
	Rate Class 3
SIC	Business Group
07	Agricultural service
24	Lumber and wood products (except furniture)
26	Paper and allied products
29	Petroleum refining and related industries
36	Electrical and electronic machinery, equipment and supplies
42	Motor freight transportation and warehousing
44	Water transportation
45	Transportation by air
59	Miscellaneous retail (except vending machines, peddlers and pawnbrokers)
61	Credit agencies other than banks
75	Automotive repair, services and garages
78	Motion pictures
79	Amusement and recreation services (except motion pictures, amusement machines and carnivals)
89	Miscellaneous services
	Rate Class 4
SIC	Business Group
27	Printing, publishing and allied products
28	Chemicals and allied products
35	Machinery, except electrical
48	Communication (except telephone)
76	Miscellaneous repair services
	Rate Class 5
SIC	Business Group
09	Fishing, hunting and trapping
14	Mining— Minerals
38	Measuring, analyzing and controlling instruments; photographs, medical and optical goods; watches and clocks
41	Local and suburban transit and interurban highway passenger transportation
62	Security and commodity brokers, dealers — Exchanges and services
73	Business services
	Rate Class 6
SIC	Business Group
49	Sanitary services
72	Personal services

EXHIBIT “A”

	Rate Class 7
SIC	Business Group
08	Forestry
10	Mining — Metals
21	Tobacco manufacture
46	Pipelines (except natural gas)
64	Insurance agents, brokers and service
65	Real estate
67	Holding and other investment offices
80	Health services
81	Legal services
82	Educational services
83	Social services
87	Engineering, accounting, research, management and related services
	Rate Class 8
SIC	Business Group
15, 16, 17	Contractors, construction, all types
40	Railroad companies
4121	Taxicabs
481	Telephone communication
491 — 493	Electric and gas services
55	Automotive and motor vehicle dealers and farm machinery, retail (except auto supply store 553 and gasoline service stations 554)
5093	Junk and scrap dealers
5813	Drinking places (alcoholic beverages)
5932	Pawnbrokers
5962	Vending machines (automatic merchandising)
5963	Peddlers, itinerant
63	Insurance companies
6411	Brokers for nonadmitted insurers
7993	Amusement machines, coin-operated
7999	Billiard or pool tables, all types
7999	Carnivals and circuses

EXHIBIT “A”

APPENDIX

NUMERICAL BUSINESS CLASSIFICATION INDEX

SIC Group	Name	Class
01	Agricultural production—Crops	2
02	Agricultural production—Animals	2
07	Agricultural services	3
08	Forestry	7
09	Fishing, hunting and trapping	5
10	Mining, metals	7
14	Mining—Minerals	5
15, 16, 17	Contractors, construction, all types	8
20	Food and kindred products	2
21	Tobacco manufacture	7
22	Textile mill products	2
23	Apparel and other finished products from fabrics and similar materials	2
24	Lumber and wood products (except furniture)	3
25	Furniture and fixtures	2
26	Paper and allied products	3
27	Printing, publishing and allied products	4
28	Chemicals and allied products	4
29	Petroleum refining and related industries	3
30	Rubber and miscellaneous plastic products	2
31	Leather and leather products	2
32	Stone, clay, glass and concrete products	2
33	Primary metal industries	2
34	Fabricated and metal products (except machinery and transportation equipment)	2
35	Machinery, except electrical	4
36	Electrical and electronic machinery, equipment and supplies	3
37	Transportation equipment	2
38	Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	5
39	Miscellaneous manufacturing industries	2
40	Railroad companies	8
41	Local and suburban transit and interurban highway passenger transportation	5
4121	Taxi license	8

42	Motor freight transportation and warehousing	3
44	Water transportation	3
45	Transportation by air	3

EXHIBIT "A"

46	Pipeline (except natural gas)	7
47	Travel agencies	1
48	Communication (except telephone)	4
481	Telephone communication	8
49	Sanitary services	6
491— 493	Electric and gas services	8
50	Wholesale trade—Durable goods	2
5093	Junk and scrap dealers	8
51	Wholesale trade—Nondurable goods	2
52	Building materials; hardware, garden supply and mobile home dealers	2
53	General merchandise stores	1
54	Food stores	1
55	Automotive and motor vehicle dealers and farm machinery, retail (except auto supply stores 553 and gasoline service stations 554)	8
553— 554	Auto supply stores and gasoline service stations	1
56	Apparel and accessory stores	1
57	Furniture, home furnishings and equipment stores	2
58	Eating places	1
5813	Drinking places (alcoholic beverages)	8
59	Miscellaneous retail	3
5932	Pawnbrokers	8
5962	Vending machines	8
5963	Peddlers	8
61	Credit agencies other than banks	3
62	Security and commodity brokers, dealers exchanges and services	5
63	Insurance companies	8
64	Insurance agents, brokers and service (except brokers for nonadmitted)	7
6411	Brokers for nonadmitted insurers	8
65	Real estate	7
67	Holding and other investment offices	7
70	Hotels, rooming houses, camps and other lodging	2
72	Personal services	6
73	Business services	5
75	Automotive repair, services and garages	3
76	Miscellaneous repair services	4
78	Motion pictures	3
79	Amusement and recreation services (except amusement machines and carnivals)	3

7993	Amusement machines, coin-operated	8
7999	Billiard or pool tables, all types	8
7999	Carnivals	8

EXHIBIT "A"

80	Health services	7
81	Legal services	7
82	Educational services	7
83	Social services	7
86	Membership organizations	1
87	Engineering, accounting, research, management and related services	7
89	Miscellaneous services	3

Note: This numerical listing of business is not a part of the Code. It is included solely to be of benefit to the reader.

ALPHABETICAL BUSINESS CLASSIFICATION INDEX

This index is not intended to be a complete listing of all types of businesses. It is an aid in finding classifications by common name and reference to the Standard Industrial Classification manual group number. All businesses not exempt by law which are in the major groups listed under each rate class are subject to a license tax whether found in the alphabetical index or not. The license inspector shall determine the proper classification of a business not listed.

NAME	SIC	CLASS
Abattoirs	2011	2
Abstract land title or warranty	6541	7
Accounting and bookkeeping services	8721	7
Acupuncture Except M.D.	8049	7
Administrative office	7389	5
Advertising agencies or agents	7311	5
Advertising novelties, signs, placards, etc.	7319	5
Air conditioning		
Contractor	1711	8
Service and repair	7623	4
Aircraft		
Retail	5599	8
Supplies—wholesale	5088	2
Service and repair	4581	3
Airport limousine service	4111	5
Alterations, clothing	7219	6
Ambulance service	4119	5
Amusement and recreation services	7999	3
Amusement machines, coin-operated	7993	8

Amusement parks	7996	3
Animal hospital	0742	3
Answering service	7399	5

EXHIBIT "A"

Antenna – installation – except household	1799	8
Sales – household	5731	2
System – satellite, master	4841	4
Antiques – retail	5932	3
Appliances household – repair	7629	4
Retail	5722	2
Appraisers, real estate	6531	7
Architects	8712	7
Armature rewinding shops	7694	4
Armored car services	7381	5
Art glass, dealers in	5999	3
Artificial flowers, dealers in	5999	3
Artists		
Portrait	8999	3
Commercial	7336	5
Studios	8999	3
Supplies, retail	5999	3
Assignment, purchasers of accounts, factors	6153	3
Astrologers	Prohibited	
Athletic arena	7941	3
Athletic clubs		
Admission charged	7991	3
Membership	7997	3
Attorneys	8111	7
Auction houses	5999	3
Auctioneers – Regulated by state law		
Automatic sprinklers – installation	1711	8
Automobile		
Accessories – retail	5531	1
Automatic car wash	7542	3
Body, paint and trim shop	7532	3
Club, membership	8699	1
Dealers new or used – retail	5511	8
Detailers	7542	3
Leasing – long term	7515	3
Manufacturing	3711	2
Parts – new – wholesale	5013	2
Parts – new – retail	5531	1

	Parts – used-wholesale/retail	5015	2
	Rental – short term	7514	3
	Repairs and service	7538	3

EXHIBIT “A”

	Salvage or scrap	5093	2
	Service station	5541	1
	Tires, recapping	7534	3
	Tires – wholesale	5014	2
	Tires – retail	5531	1
	Towing service	7549	3
Awning and tent			
	Makers	2394	2
	Rentals	7359	5
	Repair	7699	4
B			
Bags, bagging and ties, dealers in		5113	2
Bail bondsman		7389	5
Bakery			
	Retail	5461	1
	Wholesale	5149	2
Ballroom, leased or rented		7911	3
Barber			
	Schools	7241	6
	Shops	7241	6
	Supplies – wholesale	5087	2
Barrel and drum makers and dealers		5085	2
Bars – drinking places		5813	8
Baskets, boxes, crates, bags, etc. dealers		5113	2
Bath houses		7999	3
Bath, turkish, sauna or vapor		7299	6
Batteries			
	Manufacture	3692	3
	Vehicle – retail or wholesale	5531	1
Bearings – wholesale		5085	2
Beauty			
	Schools	7231	6
	Shops	7231	6
	Supplies – wholesale	5087	2
Bed and breakfast inns		7011	2
Beeper service, radio pager		4812	8
Belting – wholesale		5085	2
Beverage coolers – wholesale		5087	2

Bicycle			
	Retail	5941	3
	Rental	7999	3

EXHIBIT “A”

	Repair	7699	4
	Supplies – wholesale	5091	2
Bill distributors, handbills		7319	5
Billboards, erection and lease		7312	5
Billiard or pool hall		7999	8
Bingo		7999	3
Blacksmith		7699	4
Blood bank		8099	7
Blueprinting		7334	5
Boarding house		7021	2
Boats – sightseeing operation		4489	3
	Supplies and accessories – wholesale	5091	2
	Supplies and accessories – retail	5551	8
	Boat yards, storage, repair and rental	4499	3
Boiler			
	Installation	1711	8
	Repair	7699	4
	Wholesale	5074	2
Bolts and screws – wholesale		5072	2
Bondsman		7389	5
Book publisher		2731	4
Book store – retail		5942	3
Bookbinder		3555	4
Booking Agent, films		7829	3
Bootblack, bootblack stand		7251	6
Bottlers			
	Flavored milk	2087	2
	Soft drinks	2086	2
Supplies – wholesale		5085	2
Bowling			
	Apparel and accessories	5699	1
	Lane equipment and supplies	5941	3
	Lanes and centers	7933	3
Box, manufacturing		2653	3
Boxing or wrestling matches		7941	3
Brick, agents for		5211	2
Brokers. See heading under type of broker			
Building construction – general contractors		1541	8

Building materials and supplies:			
	Brick and stone		
	Wholesale	5032	2

EXHIBIT "A"

	Construction materials		
	Retail	5211	2
	Wholesale	5039	2
	Roofing, siding & insulation – wholesale	5033	2
Burglar alarms – installation only		1731	8
	Sale and installation	7382	5
Bus, charter		4141	5
Bus and motor coach company		Franchise	
	Bus terminal	4173	5
Business broker, selling businesses		7389	5
Business college		8244	7
Business consultant		8748	7
Business forms, manufacturing		2759	4
Business forms – retail		5943	3
Business services, not elsewhere classified		7389	5
C			
Cablevision		4841	Franchise
	Cabaret	5813	8
Cabinets			
	Custom order	5712	2
	Manufacturing	2434	3
Cafeteria		5812	1
Camera and photo supplies			
	Repair shop	7699	4
	Retail	5946	3
	Wholesale	5043	2
Candy			
	Retail	5441	1
	Wholesale	5145	2
Canvasser		5963	8
Car Rental – short term		7514	3
Car wash		7542	3
Carnival		7999	8
Carpenter		1751	8
Carpet			
	Cleaning	7217	6
	Installation	1752	8

	Retail	5713	2
	Wholesale	5023	2
Carriage, horse drawn for hire		4789	1
Cater		5812	1

EXHIBIT “A”

Cement manufacture (chemical adhesives)		2891	4
Cement products (see Concrete)			
Cemetery			
	Agent or sales of sites	6553	7
	Caretaker	0782	3
Charcoal, producers		2861	4
Chauffeur and limousine tour services		4119	5
Cheese, manufacturer or processor		2022	2
Chemical and allied products, manufacture		2819	4
Chimney cleaner		7349	5
Chiropractor		8041	7
Christmas tree sales		5241	2
Cigarettes, cigars, tobacco			
	Manufacture	21	7
	Retail	5993	3
	Wholesale	5194	2
Circus		7999	8
Claim adjustment agent or agency		6411	7
Clay, stone and glass products, manufacture		3200	2
Clipping service, press		8999	3
Closing out sale— See Municipal Code for regulations			
Clothing			
	Retail	5651	1
	Secondhand dealer	5932	3
	Wholesale	5130	2
Coal, wood or coke			
	Retail	5989	3
	Wholesale	5052	2
Coffee or tea store – retail		5499	1
Coffee roasters and wholesale coffee dealers		5149	2
Coin shop – retail		5999	3
Cold storage warehouse		4222	3
Collection and claim agency		7322	5
Compact disks music-retail		5735	2
Computer			
	E-Mail service only	4822	4

	Internet provider	7375	5
	Repairs	7378	4
	Service (not repairs)	7371-7379	5
	Stores-retail	5734	2

EXHIBIT "A"

	Concession stands (peddlers)	5963	8
	Concrete		
	Manufacture (paving)	2951	3
	Manufacture, ready-mixed	3273	2
	Mixtures and products-retail	5211	2
	Wholesale	5032	2
	Consultant, business	8748	7
	Contractors, construction—all types	15,16,17	8
	Carpentry	1751	
	Commercial and industrial building	154	
	Concrete	1771	
	Electrical	1731	
	Flooring	1752	
	General contractors, residential & commercial	15	
	Grading/excavating	1794	
	Heavy construction other than residential	16	
	Masonry	1741	
	Painting & paper hanging	1721	
	Plastering, dry wall, acoustical, & insulation	1742	
	Plumbing, heating & air-conditioning	1711	
	Residential building	152	
	Roofing, siding & sheet metal	1761	
	Signs, erecting	1799	
	Special trade contractors	17	
	Tile, terrazzo, marble	1743	
	Convalescent home	8052	7
	Convenience store—primarily gasoline and limited food-retail	5541	1
	Convention promoter or decorator	7389	5
	Cosmetics		
	Manufacture	2844	4
	Retail	5999	3
	Wholesale	5122	2
	Cotton brokers	6221	5

Cotton presses and warehouses	4221	3
Cotton mill	2211	2
Cracker manufacture	2051	2
Craft shops	5945	3

EXHIBIT “A”

Crafters (peddlers)	5963	8
Credit reporting agency	7323	5
D		
Dairy		
Products – retail	5451	1
Products – wholesale	5143	2
Supplies – wholesale	5084	2
Dancing school	7911	3
Dance hall	7911	3
Data processing		
Service	7379	5
Systems, supplies and equipment	7372	5
Day care		
Adult and handicapped	8322	7
Child	8351	7
Decorator, interior	7389	5
Delicatessen	5411	1
Delivery service		
Local trucking without storage	4212	3
Messenger/courier (except air)	4215	3
Dental equipment and supplies – wholesale	5086	2
Dental laboratory	8072	7
Dentist	8021	7
Department store	5311	1
Design of machinery	8712	7
Detective service	7381	5
Diaper service	7219	6
Directory – telephone – distribution	7389	5
Dog kennel or grooming	0752	3
Dressmaker for retail trade	5699	1
Drinking place – alcoholic	5813	8
Driver training school	8299	7
Drugs – store		
Retail	5912	3
Wholesale	5122	2
Dry cleaning		

	Coin-operated	7215	6
	Retail or agents	7212	6
	Wholesale	7219	6
Dry goods			

EXHIBIT “A”

	Retail	5399	1
	Wholesale	5131	2
Dyeing and finishing textiles		2269	2
E			
Electric appliances and supplies			
	Repair	7629	4
	Retail	5722	2
	Wholesale	5064	2
Electric Power Company		4900	8
Electrical Contractor		1731	8
Electrical machinery—manufacture		3600	3
Electronics, consumer—retail		5731	2
Elevator dealer—wholesale		5084	2
Elevator maintenance		7699	4
Employment agency		7361	5
Engineering services		8711	7
Engraving, metal		3479	2
Entertainment		7929	3
Equipment rental—construction		7353	5
Escort service		7299	6
Explosives—wholesale		5169	2
Exterminators		7342	5
F			
Fabrics—retail		5949	3
Factors		6153	3
Farm and industrial machinery—wholesale		5080	2
Farm machinery—retail		5599	8
Fertilizer			
	Manufacture	2874	4
	Retail	5261	2
	Wholesale	5191	2
Field warehousing		7389	5
Film			
	Developers for general public	7384	5
	Developers for movies and TV	7819	3
	Distributor	7822	3
Finance company		6141	3

Fire and security services	7382	5
Fireworks		
Retail + \$50.00 State License Required +	5999	3
Wholesale	5092	2

EXHIBIT "A"

Fish and seafood		
Retail	5421	1
Wholesale	5146	2
Fisheries	0912	5
Fishermen's equipment – retail	5941	3
Fixtures and furniture – manufacture	2500	2
Flea market operator	7389	5
Floor covering		
Contractor	1752	8
Retail	5713	2
Wholesale	5023	2
Florist		
Retail	5992	3
Wholesale	5193	2
Flour – wholesale	5149	2
Flowers, real or artificial		
Retail	5992	3
Wholesale	5193	2
Food		
Broker	5141	2
Retail, not consumed on premises	5411	1
Wholesale	5141	2
Food service equipment – sale and installation	1799	8
Fortune telling	Prohibited	
Foundry	3300	2
Freight forwarder	4731	1
Fruit and produce		
Harvesting by machine	0722	3
Retail	5431	1
Wholesale	5148	2
Fuel oil		
Retail	5983	3
Wholesale	5172	2
Funeral home, mortician, crematory	7261	6
Fur, clothing – retail	5632	1
Furnace		

	Retail	5075	2
	Wholesale	5075	2
	Heating contractor	1711	8
Furniture			

EXHIBIT “A”

	Repair, refinishing, upholstering	7641	4
	Retail	5712	2
	Secondhand	5932	3
	Wholesale	5021	2
	Manufacture	2500	2
G			
Garage, auto repairs		7538	3
Garbage service, collection and disposal		4953	6
Garment pressing, alteration		7212	6
Gas			
	Liquefied petroleum and equipment	5984	3
	Natural gas company	4900	8
Gasoline—Service station			
	Retail	5541	1
	Wholesale	5172	2
Gift shop		5947	3
Glass			
	Motor vehicles sale and installation	7536	3
	Products, manufacture	3200	2
	Retail	5231	2
Golf			
	Courses (including miniature)	7992	3
	Sporting goods retail	5941	3
Grain			
	Broker (Commodity)	6221	5
	Dealer—wholesale or retail	5153	2
	Elevator	4221	3
Gravel			
	Retail	5211	2
	Wholesale	5032	2
Greeting Cards—retail		5947	3
Grocers			
	Retail	5411	1
	Wholesale	5141	2
Guns			
	Retail or dealer	5941	3

	Wholesale	5091	2
Gunsmith		7699	4
H			
Hair grooming		7231-7241	6

EXHIBIT “A”

Hardware			
	Retail	5251	2
	Wholesale	5072	2
Hazardous waste storage, disposal or transportation		4953	6
Health			
	Club	7991	3
	Food store	5499	1
	Health services, HMO	8010	7
	Health services, medical service plans (insurance)	6324	8
	Home health care services	8082	7
Hearing aids – retail		5999	3
Heating contractor		1711	8
Hemstitching and pleating		7219	6
Hobby shop		5945	3
Holding companies		6700	7
Horticulturist		0781	3
Hose, industrial – wholesale		5085	2
Hosiery			
	Mill	2200	2
	Retail	5632	1
	Wholesale	5137	2
Hospital			
	Animal	0742	3
	General medical and surgical	8062	7
	Psychiatric	8063	7
	Specialty	8069	7
Hotel		7011	2
Hotel supplies, wholesale		5046	2
House mover, wrecker		1799	8
I			
Ice – dealer			
	Retail	5999	3
	Manufacture	2097	2
Ice cream			
	Manufacture	2024	2
	Retail dairy products	5451	1

	Shop or stand	5812	1
	Wholesale	5143	2
Industrial chemicals – wholesale		5169	2
Industrial and farm machinery and equipment		5080	2

EXHIBIT “A”

Inn, food and lodging		7011	2
Insulation contractor		1742	8
Insurance – adjuster		6411	7
	Agent, broker (see 8 for non-admitted), solicitor	6411	7
	Broker for non-admitted insurer	6411	8
	Company, fire and casualty	633—635	8
	Company, life and health	631—632	8
	Company, title and others not elsewhere classified	636—639	8
	Consultant or engineer	6411	7
Interior decorator		7389	5
Internet			
	Provider, information retrieval	7375	5
	E Mail (electronic mail service only)	4822	4
Investment counselor		6282	5
Investment firm, general brokerage		6211	5
Iron and steel, semi-finished items – wholesale		5051	2
J			
Janitor or housekeeping service		7349	5
Janitor supplies – wholesale		5087	2
Jewelry			
	Repair	7631	4
	Retail	5944	3
	Wholesale	5094	2
Junk dealer – wholesale		5093	8
K			
Karate school		7999	3
Kennel		0752	3
Kerosene & fuel oil, heating			
	Retail	5983	3
	Wholesale	5172	2
Kindergarten		8211	7
Kitchen designers and contractors		1521	8
Knitting mill – textile manufacture		2253	2
L			
Laboratory, testing, commercial		8734	7

Lamps		
	Retail	5719 2
	Wholesale	5023 2
Land title or abstract company		6361 1
Landfill, solid waste		4953 6

EXHIBIT “A”

Landscape service		0781 3
Lapidary		
	Retail shop	5999 3
	Supplies and equipment – wholesale	5085 2
Laundries		7215 6
Laundry agent or pickup station		7211 6
Lawn care service		0782 3
Lawnmowers		
	Repair	7699 4
	Retail	5261 2
	Wholesale	5083 2
Leased equipment, not otherwise listed		7359 5
Leasing company, vehicles, and non-expendable equipment		7510 3
Leather goods – retail		5948 3
Leather and products, manufacture		3111 2
Legal services, attorney		8111 7
Libraries, lending and depositories in stores		8231 7
Limousine service		4111 5
Linen service		7213 6
Livestock dealer and services		0751 3
Locksmith		7699 4
Locker, cold storage of food		4222 3
Luggage – retail		5948 3
Lumber		
	Manufacture	2400 3
	Retail	5211 2
M		
Machine shop		3599 4
Magazine, sales or subscriptions, door-to-door		5963 8
Mail order business		5961 3
Management consultant		8742 7
Manicurist		7231 6
Manufactured home (See mobile home)		
Manufacturing		
	Chemicals and allied products	2800 4

	Clay, stone and glass products	3200	2
	Computer equipment	3500	4
	Electrical machinery, equipment, supplies	3600	3
	Furniture and fixtures	2500	2
	Leather and leather products	3100	2
	Lumber	2400	3

EXHIBIT "A"

	Machinery – industrial, commercial, computer	3500	4
	Medicine	2833	4
	Metals, primary	3300	2
	Metal products	3400	2
	Paper and allied products	2600	3
	Petroleum refining and related	2900	3
	Rubber and miscellaneous products	3000	2
	Soap	2841	4
	Textile mill products	2200	2
	Tobacco products	2100	7
	Transportation equipment	3700	2
	Manufacturing not otherwise listed	3900	2
	Marble, building – cut and shape	3281	2
	Marble, granite and other stone yards	5032	2
	Marina	4493	3
	Massage	7299	6
	Mattress		
	Manufacture	2515	2
	Retail	5712	2
	Meat processing	2013	2
	Meat		
	Retail market	5421	1
	Wholesale	5147	2
	Medical and health services	8000	7
	Medical, dental, hospital equipment and supplies – wholesale	5047	2
	Medicine – manufacture	2833	4
	Men's and boys wearing apparel – retail	5611	1
	Messenger service	4215	3
	Metal jobber – wholesale	5051	2
	Metal products, manufacture	3400	2
	Milk		
	Retail	5451	1
	Wholesale	5143	2
	Millinery		
	Retail	5632	1

	Wholesale	5137	2
Mining			
	Metals	1000	7
	Minerals	1400	5
Miscellaneous business services, not listed		8999	3
Mobile home			

EXHIBIT "A"

	Parks	6515	7
	Repairs	7699	4
	Retail	5271	2
Money lender – industrial loans, finance company (not banks)		6141	3
Monuments – retail		5999	3
Mortgage broker		6163	3
Motel		7011	2
Motion picture			
	Film agent	7829	3
	Operator	7832	3
	Supply house	5043	2
	Theater and drive-in	7833	3
Motor freight line		4231	3
Motor vehicle driver training school		8299	7
Motoreycles			
	Dealer or agent	5571	8
	Rental	7999	3
	Repairs	7699	4
Motor vehicle dealer – retail		551-552	8
Motors, outboard – retail		5551	8
Movers, trucking and storage		4214	3
Multigraphing or photocopying		7334	5
Music – sheet music and musical instruments			
	Retail	5736	2
	School	8299	7
	Tapes & compact disks – retail	5735	2
	Teachers & educational services	8299	7
	Wire transmitted, systems	7389	5
Musicians – entertainers		7929	3
N			
Natatorium or swimming pool		7999	3
Neckwear – retail		5611	1
News syndicate		7383	5
Newspaper			

	Advertising	7311	5
	Publishing	2711	4
	Retail	5994	3
	Wholesale	5192	2
Newsstand		5994	3
Nightclub		5813	8
Notions, novelties			

EXHIBIT “A”

	Peddlers	5963	8
	Retail	5947	3
Nursery, day		8351	7
Nursery or horticulturist		5261	2
Nurses registry		7361	5
Nursing home			
	Skilled care	8051	7
	Intermediate care	8052	7
	Assisted living with health care	8053	7
O			
Office building, rental agent		6531	7
Office furniture			
	Rental	7359	5
	Retail	5999	3
	Wholesale	5021	2
Office machines			
	Rental	7359	5
	Retail	5999	3
	Service and repair	7629	4
	Wholesale	5044	2
Office supplies			
	Retail	5999	3
	Wholesale	5112	2
Oil, fuel only			
	Retail	5983	3
	Wholesale	5172	2
Ophthalmic goods – wholesale		5048	2
Optical goods			
	Retail	5995	3
	Wholesale	5048	2
Optometrist		8042	7
Osteopathic, physicians and clinics		8031	7
P			

Packing house, cold storage	4222	3
Paging service, electronic	4812	8
Paint		
Manufacture	2851	4
Retail	5231	2
Wholesale	5198	2
Paper and allied products		

EXHIBIT "A"

Manufacture	2621	3
Retail	5943	3
Wholesale	5113	2
Parcel delivery company	4215	3
Parking lots and garages	7521	3
Parking spaces, trailer park	6515	7
Party shop	5411	1
Pawn brokers, all types	5932	8
Peanut and popcorn stands	5441	1
Peddlers, all types	5963	8
Personal holding company	6719	7
Personnel supply services	7361	5
Pest control – exterminators	7342	5
Pet		
Grooming, kennel, boarding, training	0752	3
Shop	5999	3
Pharmacy	5912	3
Phonograph records		
Retail	5735	2
Wholesale	5099	2
Photo copying	7334	5
Photograph developing and retouching	7384	5
Photographer		
Commercial	7335	5
Portraits	7221	6
Photo supply store – retail	5946	3
Physical fitness center	7991	3
Physician	8011	7
Piano tuner	7699	4
Pianos – retail	5736	2
Pictures or picture frames – retail	5999	3
Plating, silver etc.	3471	2
Plumbing		

	Contractor	1711	8
	Supplies and equipment		
	Retail	5211	2
	Wholesale	5074	2
	Pool cleaning	7349	5
	Polygraph service	7381	5
	Printing or duplicating, all types	2700	4
	Produce—retail and wholesale	5141	2

EXHIBIT “A”

	Promoters, sports and entertainment	7941	3
	Public relations	8743	7
	Publisher	2731	4
	Pulpwood yards, wholesale	5099	2
	Pumps		
	Retail	5999	3
	Wholesale	5084	2
	R		
	Radiator repairs	7539	3
	Radio and tv		
	Retail	5731	2
	Rental or lease	7359	5
	Repairs	7622	4
	Stations	4832	4
	Supplies and parts	5065	2
	Railroad company	4000	8
	Real estate		
	Operator, lessor	651	7
	Agent broker, realtor, manager	6531	7
	Developer, subdivider	6552	7
	Recreation center	7999	3
	Recreation vehicle dealer—retail	5561	8
	Reducing salon	5772	2
	Refrigerators		
	Retail	5722	2
	Wholesale	5064	2
	Rehabilitation house, after care	8081	7
	Rental service, miscellaneous, not listed	7359	5
	Repair services, miscellaneous	7699	4
	Reporter, stenographer, fee or commission	7338	5
	Repossession service	7389	5
	Representative, business	7389	5

Residential care – home	8361	7
Restaurant	5812	1
Retail trade		
Apparel and accessories	5699	1
Building materials, hardware, farm equipment, etc.	5200	2
Food	5411	1
Furniture, home equipment	5712	2
General merchandise	5399	1
Miscellaneous, not listed	5999	3

EXHIBIT “A”

Retirement center	8361	7
Riding school, academy	7999	3
Roofing		
Contractor	1761	8
Manufacture	2952	3
Retail	5211	2
Wholesale	5033	2
Rooming house	7021	2
Rubber – related products – manufacture	3069	2
Stamps – manufacture	3999	2
Stamps – retail	5999	3
Rugs and carpets – retail	5713	2
S		
Safes – wholesale	5044	2
Sales, door-to-door or by telephone	5963	8
Sales engineer	7389	5
Sales office. See heading under product.		
Sales promotion	7389	5
Sand		
Retail	5211	2
Wholesale	5032	2
Sandwiches		
Manufacture and wholesale	5149	2
Retail	5812	1
Sanitarium	8051	7
Satellite antenna – sales and installation – household	5731	2
Satellite master antenna systems – services	4841	4
Sausage factory	2013	2
Saw mill, planing mill	2421	3
Saws – wholesale	5072	2
Scales		

	Coin-operated	7299	6
	Wholesale	5046	2
School			
	Acting	8299	7
	Dance	7911	3
	Educational or vocational	8200	7
	Supplies and books – retail	5943	3
	Supplies and desks – wholesale	5021	2
Scrap Yards – wholesale		5093	8

EXHIBIT “A”

Screens, doors, windows			
	Manufacture	2431	3
	Retail	5211	2
	Wholesale	5051	2
Secondhand goods, all types		5932	3
Secretarial service		7338	5
Security and guard services (state permit and bond required)		7381	5
Seeds – retail		5261	2
Sewer pipe – wholesale		5032	2
Sewing machines			
	Manufacture	3634	3
	Retail	5722	2
	Wholesale	5064	2
Shipyards		3731	2
Shirts, manufacture		2326	2
Shoes			
	Repair	7251	6
	Retail	5661	1
	Wholesale	5139	2
Shooting gallery		7999	3
Shopping service for individuals		7299	6
Shuffleboards		7999	3
Sign painter		7389	5
Signs, erecting		1799	8
Silver and gold dealers – retail		5944	3
Skating rink – ice or rollerskate		7999	3
Soap			
	Manufacture	2841	4
	Wholesale	5122	2
Social club, membership		8641	1
Soda fountain		5812	1
Soda fountain supplies – wholesale		5145	2

Soda water – wholesale	5145	2
Soft drinks – wholesale	5145	2
Soft drink stands – retail	5812	1
Solicitor (see peddler)	5963	8
Spa – health club	7991	3
Sporting goods		
Retail	5941	3
Wholesale	5091	2
Stable, feed, boarding or sales	7999	3

EXHIBIT “A”

Stamp shop – retail (philatelist)	5999	3
Stationery, including books	5943	3
Statuary – retail	5999	3
Steam, heating and cooling contractor	1711	8
Stenographer, fee or commission	7338	5
Stevedoring	4491	3
Stock broker or dealer	6211	5
Stone, clay, glass products – manufacture	3299	2
Stoves		
Repair	7699	4
Retail	5722	2
Wholesale	5064	2
Manufacture	3631	3
Sugar – wholesale	5149	2
Surgical instruments – wholesale	5047	2
Surveyor	8713	7
Swimming pool contractor	1799	8
T		
Tailor, custom – retail	5699	1
Tailor shop – repair	7219	6
Talent agent	7399	5
Tanning salon	7299	6
Tape recorders – retail	5731	2
Tapes, music – retail	5735	2
Tavern	5813	8
Tax service	7291	6
Taxi cab	4121	7
Taxidermist	7699	4
Tea, coffee – retail	5499	1
Telegraph or signal company agent	4822	4
Telephone		
Answering service	7389	5

	Beeper service, radio pager	4812	8
	Billing services	7389	5
	Communication services (based on gross receipts		
	Billed to customers within the city)	481	8
	Company	481	8
	Directory	7389	5
	Equipment leasing	7359	5
	Equipment sales – retail	5999	3
	Installation	1731	8

EXHIBIT “A”

	Maintenance	7629	4
	Paging service, electronic	4812	8
	Pay phones, public	7389	5
	Solicitation service	7389	5
Television			
	Broadcast station	4833	4
	Closed circuit system	4841	4
	CATV	Franchise	
Pay TV		Franchise	
Television and VCR			
	Rent or lease	7359	5
	Repair	7622	4
	Tape rental	7841	3
	Temporary employment agency	7363	5
Tents			
	Manufacture	2394	2
	Repair	7699	4
	Retail	5999	3
	Textile Mill, fiber, fabric or goods production, dyeing, finishing, printing	2200	2
Theater			
	Motion picture	7832	3
	Stage	7922	3
	Theatrical or night club act, agent	7922	3
	Ticket agent, theatrical	7922	3
Tile			
	Contractor	1743	8
	Manufacture	3253	2
	Retail	5211	2
	Wholesale	5032	2
	Tin and metal shop, repair only	7699	4
	Tires, recapping	7534	3

Tobacco products		
Manufacture	21	7
Retail	5993	3
Wholesale	5194	2
Tour buses	4141	5
Tourist guides	7999	3
Towel service and rental – uniforms, rags, etc.	7213	6
Toys		
Retail	5945	3

EXHIBIT “A”

Wholesale	5092	2
Tractors. See industrial and farm machinery		
Trade shows		
Promoters	7389	5
Sales (see peddlers)	5963	8
Trading stamps, dealers or companies	7389	5
Trailer		
Parking lot, rental, campers	7033	2
Parks, residential	6515	7
Rental	7519	3
Transportation – Equipment – manufacture	3799	2
Freight agent, broker	4731	1
Mobile unit handicapped, nursing care	4119	5
Travel – agency, bureau – domestic and foreign	4724	1
Ticket office not operated by transportation company	4729	1
Tour operator	4725	1
Tree trimming, arborist	0783	3
Trophy shop	5999	3
Truck and auto rental or leasing	7513	3
Trucking, except rental or leasing	4212	3
Trusses, dealers	5999	3
Tuxedo rental	7299	6
Typesetting	2791	4
Typewriters and office machines		
Retail	5999	3
Wholesale	5044	2
U		
Uniform rental	7299	6
Uniform supply service	7213	6
Upholstery shop	7641	4
V		

Vacuum cleaners		
	Retail	5722 2
	Wholesale	5064 2
Variety store		5331 1
Vehicles. See heading under type		
Vending machines		
	Sale of products	5962 8
	Wholesale	5046 2
Veterinarian		0742 3

EXHIBIT "A"

Video poker, coin-operated machines		7993 8
Video tape		
	Rental	7841 3
	Sales—retail	5735 2
Vinyl siding—installation		1761 8
W		
Wall paper		
	Retail	5231 2
	Wholesale	5198 2
Warehouse and storage		4225 3
Washing cars		7542 3
Washing machines—retail		5722 2
Waste paper and rags—wholesale		5093 2
Watchmaker—repairs		7631 4
Water or steam hose—wholesale		5085 2
Water transportation services		4400 3
Waterbeds retail		5712 2
Weather stripping		
	Installation	1799 8
	Retail	5211 2
Weight control—reducing facilities		7991 2
Welding shop		7692 4
Welding supplies—wholesale		5085 2
Wholesalers—not otherwise listed:		
	Durable goods	5099 2
	Nondurable goods	5199 2
Wigs		
	Retail	5699 1
	Wholesale	5199 2
Wood sawyer, sawing wood by machinery		2421 3
Woodenware—retail		5999 3

Woolen mill	2282-4	2
Wrecker, towing service	7549	3
Wrecking buildings	1795	8
X		
X-ray laboratories	8071	7
X-ray machines -- wholesale	5047	2
Y		
Yacht basins -- operation	4493	3
Yacht clubs	7997	3

EXHIBIT "A"

Yard cleaning	0782	3
Yard goods		
Retail	5949	3
Wholesale	5131	2
Yarn		
Manufacture	2281	2
Retail	5949	3
Yogurt		
Manufacture	2024	2
Retail shop, stand	5812	1
Wholesale	5143	2

Sec. 10-1-200. - Local industry license.

Any person who desires to exclusively engage in the business of offering for public sale at designated locations, as determined by the town manager, farm and garden products or flowers grown on the property of such person, or flower arrangements, arts or crafts produced in the home of such person, or seafood caught by such person, shall secure from the town an annual business license, but shall be exempt from the payment of a business license fee.

Sec. 10-1-210. - Telecommunications companies.

(a) Notwithstanding any other provisions of the Business License Ordinance, the business license tax for "retail telecommunications services," as defined in S.C. Code § 58-9-2200, shall be at the maximum rate authorized by S.C. Code § 58-9-2220, as it now provides or as provided by its amendment. The business license tax year shall begin on January 1 of each year. The rate for the 2005 business license tax year shall be the maximum rate allowed by State law as in effect on February 1, 2005. Declining rates shall not apply.

(b) In conformity with S.C. Code § 58-9-2220, the business license tax for "retail telecommunications services" shall apply to the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the municipality and which are charged to a service address within the municipality

regardless of where these amounts are billed or paid and on which a business license tax has not been paid to another municipality. The measurement of the amounts derived from the retail sale of mobile telecommunications services shall include only revenues from the fixed monthly recurring charge of customers whose service address is within the boundaries of the municipality. For a business in operation for less than one (1) year, the amount of business license tax shall be computed on a 12-month projected income.

(c) For the year 2005, the business license tax for "retail telecommunications services" shall be due on February 1, 2005, and payable by February 28, 2005, without penalty. For years after 2005, the business license tax for "retail telecommunications services" shall be due on January 1 of each year and payable by January 31 of that year, without penalty.

EXHIBIT "A"

(d) The delinquent penalty shall be five (5) percent of the tax due for each month, or portion thereof, after the due date until paid.

(e) Exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Properly apportioned gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

(f) Nothing in this section shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement in the event that the franchise or contractual agreement should expire after December 31, 2003.

(g) All fees collected under such a franchise or contractual agreement expiring after December 31, 2003, shall be in lieu of fees or taxes which might otherwise be authorized by this section.

(h) As authorized by S.C. Code § 5-7-300, the agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from telecommunications companies pursuant to S.C. Code § 58-9-2200 shall continue in effect. Notwithstanding the provisions of the agreement, for the year 2005, the Municipal Association of South Carolina is authorized to collect current and delinquent license taxes, in conformity with the due date and delinquent date for 2005 as set out in this Ordinance and is further authorized, for the year 2005, to disburse business license taxes collected, less the service charge agreed to, to this municipality on or before April 1, 2005, and thereafter as remaining collections permit.

<u>NAICS</u>	<u>Business Group</u>
<u>11</u>	<u>Agriculture, Forestry, Fishing and Hunting</u>
<u>21</u>	<u>Mining, Quarrying and Gas and Oil Extraction</u>
<u>22</u>	<u>Utilities</u>
<u>23</u>	<u>Construction</u>
<u>31-33</u>	<u>Manufacturing</u>
<u>42</u>	<u>Wholesale Trade</u>
<u>44-45</u>	<u>Retail Trade</u>

<u>48-49</u>	<u>Transportation and Warehousing</u>
<u>51</u>	<u>Information</u>
<u>52</u>	<u>Finance and Insurance</u>
<u>53</u>	<u>Real Estate and Rental and Leasing</u>
<u>54</u>	<u>Professional, Scientific and Technical Services</u>
<u>55</u>	<u>Management of Companies and Enterprises</u>

EXHIBIT “A”

<u>NAICS</u>	<u>Business Group</u>
<u>56</u>	<u>Administrative and Support and Waste Management and Remediation Services</u>
<u>61</u>	<u>Educational Services</u>
<u>62</u>	<u>Health Care and Social Assistance</u>
<u>71</u>	<u>Arts, Entertainment and Recreation</u>
<u>72</u>	<u>Accommodation and Food Services</u>
<u>81</u>	<u>Other Services</u>
<u>92</u>	<u>Public Administration</u>

EXHIBIT “B”

Chapter 9 - BEACH PRESERVATION FEE

Sec. 4-9-10. Authority.

This chapter is enacted pursuant to the authority of Title 5, Code of the State of South Carolina (1976), including, without limitation, section 5-7-10 of the Code of Laws of South Carolina (Supp. 1992), and section 5-7-30 of the Code of Laws of South Carolina (Supp. 1992), which provide, in relevant part, that municipalities may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the municipality and for the preservation of the general health, peace and order in the municipality and further that municipalities may establish uniform service charges.

Sec. 4-9-20. Declaration of purpose and intent.

This chapter is enacted to preserve the general health, safety and welfare of the general public within the Town of Hilton Head Island, South Carolina by creating a uniform fee to be collected for the purpose of creating an additional fund to pay, in whole or in part, for the current and future preservation, maintenance, nourishment, renourishment, and improvement of the beaches of Hilton Head Island, and also those public facilities related to the use, preservation, maintenance, nourishment, renourishment and improvement of the beaches of Hilton Head Island, South Carolina.

Sec. 4-9-30. Beach preservation fee.

A uniform fee equal to two (2.00) percent is hereby imposed on the gross proceeds derived from the rental for any rooms (excluding meeting rooms), campground spaces, recreational vehicle spaces, lodgings or sleeping accommodations furnished to transients by any hotel, inn, condominium, motel, "bed and breakfast", residence or any other place in which rooms, lodgings or sleeping accommodations are furnished to transients for a consideration within the Town of Hilton Head Island, South Carolina. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person or persons for a period of ninety (90) continuous days are not considered proceeds from transients.

Sec. 4-9-40. Payment of beach preservation fee.

Payment of the fee established herein shall be the liability of the consumer of the services described in section 4-9-30, supra. The fee shall be paid at the time of delivery of the services to which the fee applies, and shall be collected by the provider of the services.

EXHIBIT “B”

Sec. 4-9-50. Collection of beach preservation fee.

(a) The fee collected by the provider of the service as required by section 4-9-40 shall be remitted to the Town of Hilton Head Island, South Carolina, as follows:

- (1) Payment of the beach preservation fees collected in the first quarter of the calendar year shall be due on April 20th of each calendar year;
- (2) Payment of the beach preservation fees collected in the second quarter of the calendar year shall be due on July 20th of each calendar year;
- (3) Payment of the beach preservation fees collected in the third quarter of the calendar year shall be due on October 20th of each calendar year;
- (4) Payment of the beach preservation fees collected in the fourth quarter of the calendar year shall be due on January 20th of each calendar year.

(b) The town shall promulgate a form of return which shall be utilized by the remitter to calculate the amount of fees collected and due hereunder for each period. Said form shall contain a sworn declaration as to the correctness thereof by the remitter, and shall accompany each payment made to the Town of Hilton Head Island, South Carolina, pursuant hereto.

Sec. 4-9-60. Beach preservation account.

(a) An interest bearing, restricted account to be known as the Town of Hilton Head Island Beach Preservation Account is hereby established and all revenues received from the "beach preservation fee" shall be deposited into this account. The "Town of Hilton Head Island Beach Preservation Account" shall be controlled by the town manager for the Town of Hilton Head Island, South Carolina. The principal and any accrued interest from this account shall be expended only as permitted in section 4-9-70, below.

(b) Deposits into this account may also include appropriations from the general fund by the town council and voluntary contributions of money and other liquid assets to the "Town of Hilton Head Island Beach Preservation Account" from any source. Once funds are deposited, appropriated or donated into the "Town of Hilton Head Island Beach Preservation Account", the funds become dedicated funds and may only be used for the purposes set forth in section 4-9-70, below.

Sec. 4-9-70. Permitted uses of funds.

(a) The town council is hereby authorized to utilize the funds collected from the imposition of the beach preservation fee and any other funds deposited into the "Town of Hilton Head Island Beach Preservation Account" for the primary purposes of:

- (1) Nourishment, renourishment (resanding) and maintenance of the beaches within the territorial limits of the Town of Hilton Head Island, South Carolina;

EXHIBIT “B”

- (2) Dune restoration, including the planting of grass, sea oats or other vegetation useful in preserving the dune system within the territorial limits of the Town of Hilton Head Island, South Carolina;
 - (3) Maintenance of public beach access within the territorial limits of the Town of Hilton Head Island, South Carolina;
 - (4) Capital improvements to the beaches and beach related facilities, such as public parking areas for beach access; dune walkovers and rest room facilities, with or without changing rooms, at public beach parks within the territorial limits of the Town of Hilton Head Island, South Carolina; and
 - (5) Beach related services, including, but not limited to, the cost of police protection on the beaches, litter removal, beach monitoring services and other such services provided directly to or for the citizens, visitors and guests using the beaches within the territorial limits of the Town of Hilton Head Island, South Carolina.
 - (6) Transfers of monies from the Town of Hilton Head Island's Beach Preservation Account to the Town of Hilton Head Island Beach Preservation Disaster Relief Fund.
 - (7) Payment of principal, interest, redemption premium and any other costs associated with debt incurred for a purpose authorized herein.
 - (8) Establishment of reserve accounts, subaccounts or funds to be established and maintained in connection with the issuance of debt to be repaid in whole or in part from the Beach Preservation Fee.
- (b) Authorization to utilize any funds from the "Town of Hilton Head Island Beach Preservation Account", as provided in section 4-9-60(a) shall be by the annual budget ordinance duly adopted by the Town Council of the Town of Hilton Head Island, South Carolina; provided, however, utilization of such funds to satisfy a pledge, covenant or other legally binding obligation incurred in connection with the issuance of debt to be repaid in whole or in part from the Beach Preservation Fee, shall not require approval in the annual budget ordinance.

Sec. 4-9-80. - Reserved.

EXHIBIT “B”

Sec. 4-9-90. Inspections and audits.

For the purpose of enforcing the provisions of this chapter, the code enforcement officer or other authorized agent of the Town of Hilton Head Island, South Carolina, is empowered to enter upon the premises of any person subject to this chapter and to make inspections, examine and audit books and records, and it shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours' written notice. In the event that an audit reveals that false information has been filed by the remitter, the costs of the audit shall be added to the correct amount of fees determined to be due, in addition to the penalties provided in section 4-9-100, infra. The code enforcement officer may make systematic inspections of all businesses within the town to ensure compliance with this chapter. Records of inspections shall not be deemed public records.

Sec. 4-9-100. Violations and penalty.

(a) It shall be a violation of this chapter to:

- (1) Fail to collect the "beach preservation fee" in connection with the rental of any accommodations to transients as set forth in section 4-9-30, supra;
- (2) Fail to remit to the Town of Hilton Head Island, South Carolina, any "beach preservation fees" collected pursuant to this chapter by the 20th of each month following the end of the quarter thereof, as set forth in section 4-9-50(a), supra;
- (3) Knowingly provide false information return to be submitted to the Town of Hilton Head Island, South Carolina pursuant to section 4-9-50(b), supra;
- (4) Fail or refuse to provide books and records to the code enforcement officer of the Town of Hilton Head Island, South Carolina, for the purpose of an audit, upon twenty-four (24) hours' written notice, as provided in section 4-9-90, supra.

(b) Upon conviction for a violation hereof, the violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-5-10, Code of the Town of Hilton Head Island, South Carolina (1983).

(c) In the event "beach preservation fees" are not remitted to the Town of Hilton Head Island, South Carolina, as set forth in the **Municipal Code Title 10, Section 10-1-120** ~~section 4-9-100(a)(2)~~, supra, the violator shall pay a penalty of five (5) percent of the unpaid amount for each month or portion thereof past due until said "beach preservation fees" are paid in full.

(d) Upon identification of a delinquent account the director of finance or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based the revenue procedures as adopted with this amendment.

EXHIBIT “C”

Chapter 10 - LOCAL ACCOMMODATIONS TAX

ARTICLE 1. AUTHORITY, PURPOSE AND INTENT

Sec. 4-10-10. Authority.

This chapter is enacted pursuant to the authority of Titles 5 and 6, Code of Laws of South Carolina (Supp. 1996), including, without limitation, S. C. Code Ann. section 5-7-10 (Supp. 1997), and S. C. Code Ann. section 5-7-30 (Supp. 1997), which provide that municipalities may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the municipality and for the preservation of the general health, peace and order in the municipality, and S. C. Code Ann. section 6-1-500 (Supp. 1997), which provides express authorization for a Local Accommodations Tax.

Sec. 4-10-20. Declaration of purpose and intent.

This chapter is enacted to preserve the general health, safety and welfare of the general public within the town, by enacting a one (1) percent local accommodations tax to be collected for the purpose of creating an additional source of funding to pay, in whole or in part, for the current and future needs of the town, for the following items: tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums; cultural, recreational, or historic facilities; beach access and renourishment; highways, roads, streets, and bridges providing access to tourist destinations; advertisements and promotions related to tourism development; water and sewer infrastructure to serve tourism-related demand; and, the operation and maintenance of those items previously enumerated, and police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

Sec. 4-10-30. Local accommodations tax.

A local accommodations tax equal to one (1.00) percent is hereby imposed on the gross proceeds derived from the rental of any rooms (excluding meeting rooms), campground spaces, recreational vehicle spaces, lodging or sleeping accommodations furnished to transients by any hotel, inn, condominium, motel, "bed and breakfast," residence or any other place in which rooms, lodging or sleeping accommodations are furnished to transients for consideration within the town. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person or persons for a period of ninety (90) days are not considered "proceeds from transients."

Sec. 4-10-40. Payment of local accommodations tax.

Payment of the local accommodations tax established herein shall be the liability of the consumer of the services described in section 4-10-30, supra. The local accommodations tax shall be paid at the time of delivery of the services to which the local accommodations tax applies, and shall be collected by the provider of the services.

EXHIBIT "C"

Sec. 4-10-50. Collection of the local accommodations tax.

(a) The local accommodations tax collected by the provider of the services as required by section 4-10-40, *supra.*, shall be remitted to the town, as follows:

- (1) Payment of the local accommodations tax collected in the first quarter of the calendar year shall be due on April 20 of each calendar year;
- (2) Payment of the local accommodations tax collected in the second quarter of the calendar year shall be due on July 20 of each calendar year;
- (3) Payment of the local accommodations tax collected in the third quarter of the calendar year shall be due on October 20th of each calendar year;
- (4) Payment of the local accommodations tax collected in the fourth quarter of the calendar year shall be due on January 20th of each following calendar year.

(b) The town, shall promulgate a form of return which shall be utilized by the remitter of the local accommodations tax to calculate the amount of local accommodations tax collected and due for each period. Said form shall contain a sworn declaration as to the correctness thereof by the remitter, and shall be accompanied by the payment due to the town.

(c) In the event that local accommodations taxes are not remitted to the town, as set forth in the **Municipal Code Title 10 Section 10-1-120, 4-10-50** ~~*supra.*~~, the person failing to remit such local accommodations taxes shall pay, in addition to the local accommodations taxes which are due, a penalty of five (5) percent of the unpaid amount of the local accommodations tax for each month or portion thereof past due, until such local accommodations taxes are paid in full.

Sec. 4-10-60. Local accommodations tax account.

(a) An interest bearing, restricted account to be known as "the town, Local Accommodations Tax Account," is hereby established and all revenues received from the local accommodations tax shall be deposited into this account." The town, Local Accommodations Tax Account," shall be controlled by the town manager for the town. The principal and any accrued interest thereon shall be spent only as provided in section 4-10-70, *infra.*

(b) Deposits into "the town, Local Accommodations Tax Account" may also include appropriations from the general fund by the Town Council and voluntary contributions of money and other liquid assets from any source. Once any such funds are so deposited, the funds become dedicated funds and may only be spent as provided in section 4-10-70, *infra.*

EXHIBIT “C”

Sec. 4-10-70. Permitted uses of local accommodations tax funds.

(a) The town council is hereby authorized to utilize the funds collected from the imposition and collection of the local accommodations tax and any other funds deposited into "The Town of Hilton Head Island, South Carolina, Local Accommodations Tax Account." The revenue generated by the local accommodations tax must be used exclusively for the following purposes:

- (1) Tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums;
- (2) Tourism-related cultural, recreational, or historic facilities;
- (3) Beach access and renourishment;
- (4) Highways, roads, streets, and bridges providing access to tourist destinations;
- (5) Advertisements and promotions related to tourism development;
- (6) Water and sewer infrastructure to serve tourism-related demand; and,
- (7) The operation and maintenance of those items provided in (a)(1) through (a)(6) above, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities;
- (8) For those purposes set forth in section 4-10-100.

(b) The town shall set aside five (5) percent of the local accommodations tax collected hereunder, and shall deposit the same into an advertising account in the general fund as identified in the accounting and financial policies section of the annual budget as adopted by town council, with said funds to be utilized as provided therein.

(c) Authorization to utilize any funds from the "the town, Local Accommodations Tax Account," shall be by the annual budget ordinance duly adopted by the town council for the town.

Sec. 4-10-80. Inspections and audits.

For the purpose of enforcing the provisions of this chapter, the code enforcement officer or other authorized agent of the town, is empowered to enter upon the premises of any person subject to this chapter and to make inspections, examine and audit books and records, and it shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours' written notice. In the event that the audit reveals that false information has been filed by the remitter, the costs of the audit shall be added to the correct amount determined to be due, in addition to the penalties provided in section 4-10-90, infra. The code enforcement officer may make systematic inspections of all businesses within the town, to ensure compliance with this chapter. Records of such inspections shall not be deemed public records.

EXHIBIT “C”

Sec. 4-10-90. Violations and penalty.

(a) It shall be a violation of this chapter to:

- (1) Fail to collect the local accommodations tax in connection with the rental of any accommodations to transients as set forth in section 4-10-30, *supra*;
- (2) Fail to remit to the Town of Hilton Head Island, South Carolina, any local accommodations taxes collected pursuant to this chapter by the 20th of each month following the end of the quarter thereof, as set forth in section 4-10-50(a), *supra*;
- (3) Knowingly provide false information return to be submitted to the Town of Hilton Head Island, South Carolina, as set forth in section 4-10-50(b), *supra*.
- (4) Fail to provide books and records to the code enforcement officer or other authorized agent of the Town of Hilton Head Island, South Carolina, for the purpose of an examination or audit upon twenty four (24) hours' written notice, as provided in section 4-10-80, *supra*.

(b) Upon conviction for a violation of a violation hereof, the violator shall be guilty of a misdemeanor and subject to the punishment provided in section 1-5-10 of this Code.

(c) Upon identification of a delinquent account the director of finance or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based on the revenue procedures as adopted with this amendment.

Sec. 4-10-100. Management and use of local accommodations tax.

Event management and hospitality training program fund. The town shall set aside five (5) percent of this local accommodations tax for special events production and volunteerism and hospitality training. The town shall select one (1) organization to manage and direct such fund expenditures. To be eligible for selection the organization must be local, organized as a nonprofit (501c), and be mission driven to promote tourism development. The organization must employ a full-time executive director and provide an annual audited financial report in accordance with generally accepted accounting principles. The organization must not otherwise be designated as the official tourism agency by the town or any other governmental agency. The organization is required to submit an annual budget to the town prior to April 1 of each calendar year for inclusion in the town's proposed annual budget. The town council shall consider the budget and award the organization a reimbursable grant on a June 30 fiscal year basis.

EXHIBIT “D”

Chapter 13 - LOCAL HOSPITALITY TAX

Sec. 4-13-10. Authority.

This Chapter is enacted pursuant to the authority of S.C. Code Ann. Section 6-1-700, et seq. (Supp. 1999).

Sec. 4-13-20. Declaration of purpose and intent.

The chapter is enacted to preserve the general health, safety and welfare of the general public within the town by creating a dedicated funding source, to pay, in whole or in part, for the current and future construction, enhancement, preservation and maintenance of tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums; cultural, recreational, or historic facilities; beach access and renourishment; highways, roads, streets, and bridges providing access to tourist destinations; advertisements and promotions related to tourism development; and water and sewer infrastructure to serve tourism-related demand.

Sec. 4-13-30. Definitions.

As used herein, the following words shall mean:

Beverages shall include all beverages, including, but not limited to, alcoholic beverages, beer, wine, and any non-alcoholic beverage.

Establishments shall mean any individual, partnership, corporation or business entity, regardless of form which, as a part of its business offers prepared meals for sale to the general public, whether for consumption on the premises or off.

Establishments licensed for on premises consumption of alcoholic beverages, beer or wine shall mean any individual, partnership, corporation or business entity, regardless of form, which is licensed by the State of South Carolina alcoholic beverage commission to offer alcoholic beverages, beer or wine for sale or consumption on its premises.

Gross sales price shall mean the total charge for any prepared meal or beverage, exclusive of any other taxes, fees or gratuity.

Prepared meals shall mean any prepared food item prepared or offered for sale by any establishments or establishments licensed for on premises consumption of alcoholic beverages, beer or wine, whether consumed on the premises or off.

EXHIBIT “D”

Sec. 4-13-40. Local hospitality tax.

A uniform tax equal to two (2) percent is hereby imposed on the gross sales price of prepared meals and beverages sold in establishments and also on the gross sales price of sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer or wine. Said tax shall be imposed throughout the municipal limits of the town.

Sec. 4-13-50. Payment and collection of local hospitality tax.

Payment of the local hospitality tax shall be the liability of the consumer of prepared meals and beverages as described in section 4-13-30, supra. The local hospitality tax shall be paid at the time of the purchase of the prepared meals and beverages and shall be collected by the establishments or establishments licensed for on-premises consumption of alcoholic beverages, beer or wine selling the prepared meals and beverages.

Sec. 4-13-60. Collection and remittance of local hospitality tax.

(a) The local hospitality tax collected by establishments or establishments licensed for on-premises consumption of alcoholic beverages, beer or wine, shall be remitted to the town, as follows:

- (1) Payment of local hospitality taxes collected in the first quarter of any calendar year shall be due on April 20 of the calendar year;
- (2) Payment of local hospitality taxes collected in the second quarter of any calendar year shall be due on July 20 of the calendar year;
- (3) Payment of local hospitality taxes collected in the third quarter of any calendar year shall be due on October 20 of the calendar year;
- (4) Payment of local hospitality taxes collected in the fourth quarter of any calendar year shall be due on January 20 of the calendar year immediately following.

(b) The town shall promulgate a form of return which shall be utilized by the establishments or establishments licensed for on-premises consumption of alcoholic beverages, beer or wine, collecting local hospitality taxes, to calculate the amount of local hospitality taxes due for each calendar year quarter. Said form shall contain a sworn declaration as to the correctness thereof by the remitter and shall accompany each payment made to the town, pursuant hereto.

EXHIBIT “D”

Sec. 4-13-70. Local hospitality tax account.

(a) An interest bearing, restricted account to be known as the town hospitality tax account, is hereby established and all revenues received from the local hospitality tax imposed hereby shall be deposited into this account. The town local hospitality tax account shall be controlled by the town manager. The principal and any accrued interest from this account shall only be used for the purposes set forth in section 4-13-80, below.

(b) Deposits into this account may also include appropriations from the general fund by the town council and voluntary contributions of money and other liquid assets to the town hospitality tax account from any source. Once funds are deposited into the town hospitality tax account, the funds become dedicated funds and may only be used for the purposes set forth in section 4-13-80, below.

Sec. 4-13-80. - Permitted uses of funds.

(a) The town council is hereby authorized to utilize the funds collected from the imposition of the local hospitality tax and any other funds deposited into the town hospitality tax account for the following purposes, and no other:

- (1) To pay, in whole or in part for the current and future construction, enhancement, preservation and maintenance of:
 - a. Tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums;
 - b. Tourism-related cultural, recreational, or historic facilities;
 - c. Beach access and renourishment;
 - d. Highways, roads, streets, and bridges providing access to tourist destinations;
 - e. Advertisements and promotions related to tourism development; and,
 - f. Water and sewer infrastructure to serve tourism-related demand.
- (2) To pay, in whole or in part, for the operation and maintenance of those items provided in section 4-13-80(a)(1)a. through f. above, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.
- (3) The town shall set aside two (2) percent of the local hospitality taxes collected hereunder, subject to the ordinance or other legally binding obligation of the town authorizing the issuance of debt secured in whole or in part by the local hospitality tax, and shall deposit the same into an advertising account in the general fund as identified in the accounting and financial policies section of the annual budget as adopted by town council, with said funds to be utilized as provided therein.
- (4) To pay principal, interest, redemption premium and any other costs associated with debt incurred for a purpose authorized herein.

EXHIBIT "D"

(b) Authorization to utilize any funds from the town hospitality account as provided in subsection 4-13-80(a) shall be by annual budget ordinance duly adopted by the town council for the town, and as the same may be amended from time to time; provided, however, utilization of such funds to satisfy a pledge, covenant or other legally binding obligation incurred in connection with the issuance of debt to be repaid in whole or in part from the local hospitality tax shall not require approval in the annual budget ordinance.

Sec. 4-13-90. - Inspections and audits.

For the purpose of enforcing the provisions of this chapter, the code enforcement officer of the town is empowered to enter upon the premises of any establishments or establishments licensed for on premises consumption of alcoholic beverages, beer or wine subject to the provisions of this chapter and to make inspections, and to examine and audit books and records of such establishments and establishments licensed for on premises consumption of alcoholic beverages, beer or wine. It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours' written notice. In the event that an audit reveals that false information has been provided by the remitter, the cost of the audit shall be added to the correct amount of local hospitality taxes determined to be due. This shall be in addition to any other fines or penalties provided for in section 4-13-100, below. The code enforcement officer may make systematic inspections of all establishments and establishments licensed for on premises consumption of alcoholic beverages, beer or wine within the town, to ensure compliance with this chapter. Records of any such inspections shall not be deemed public records.

Sec. 4-13-100. - Violations and penalty.

(a) It shall be a violation of this Chapter to:

- (1) Fail to collect the "Local Hospitality Tax" in connection with the sale of any prepared meals and beverages as set forth in section 4-13-50, above;
- (2) Fail to remit to the Town of Hilton Head, South Carolina, any "Local Hospitality Taxes" collected pursuant to this Chapter by the 20th of each month following the end of the quarter thereof, as set forth in section 4-13-50 and section 4-13-60, above;
- (3) Knowingly provide false information on any return submitted to the Town of Hilton Head Island, South Carolina, as set forth in section 4-13-60, above; or,
- (4) Fail or refuse to provide books and records to the Code Enforcement Officer of the Town of Hilton Head Island, South Carolina, for the purpose of an audit, upon twenty-four (24) hours' written notice, as provided in section 4-13-90, above.

(b) Upon conviction for a violation hereof, the violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-5-10, Code of the Town of Hilton Head Island, South Carolina (1983).

EXHIBIT "D"

(c) In the event "Local Hospitality Taxes" are not remitted to the Town of Hilton Head Island, South Carolina, as set forth in the **Municipal Code Title 10, Section 10-1-120** ~~section 4-13-50~~, supra., the person failing to remit shall also pay a penalty of five (5) per cent of the unpaid amount for each month or portion thereof until said "Local Hospitality Taxes" are paid in full.

(d) Upon identification of a delinquent account the Director of Finance or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based the Revenue Procedures as adopted with this amendment.

Sec. 4-13-110. - Reserved.



MEMORANDUM

TO: Town Council

FROM: John Troyer, CPA, Director of Finance

VIA: Stephen G. Riley, ICMA-CM, Town Manager

DATE: July 5, 2018

RE: First Reading of Proposed Ordinance No. 2018-10

Recommendation:

Staff recommends Town Council approve the first reading of Proposed Ordinance No. 2018-10 to amend the General, Capital Projects and Debt Service Funds' budgets for the fiscal year ending June 30, 2018.

Summary:

Staff recommends a budget amendment to realign the original budgeted plans with expected actual results.

Background:

The Capital Projects and Stormwater Funds are assessed during the year and amended when appropriate. Staff also reviews the Debt Service and General Funds for any anticipated budget amendments. For fiscal year 2018, staff recommends amendments for the General, Capital Project, and Debt Service Funds.

For the General Fund, the amendment requests are to reduce the Townwide Operating and increase the Townwide Personnel budgets due to several retirements during the fiscal year. These amounts offset each other resulting in the same total General Fund budget.

In the Capital Projects Fund, the requests are as follows:

- A. **Transfers** – This is an increase to transfer part of the Beach Bond proceeds to the Debt Service Fund for repayment of the 2016 Bond Anticipation Note (BAN).
- B. **Repayment of the 2016 BAN** – Repayment of the 2016 BAN occurred in fiscal year 2018 as anticipated when the BAN was approved.
- C. **Road and Park Improvements** – At the January 9, 2018 Town Council meeting, Council approved a recommendation to increase the budget for the Roadway Improvements on Office Park Road in order to be able to execute the contract for the project. This transfer accomplished this. Staff recommended the funds be transferred from the Coligny Park Improvement account as the donor project was not scheduled to start during fiscal year

2018. The funding source for both projects is the TIF Bond. There is no total increase to the TIF Bond fund.

- D. **Fire Rescue Medical Equipment** – This is to amend the funding source for the Fire Rescue Medical Equipment from the GO Bond to Hospitality Taxes and the Hospitality Bond. There is no change in total spending, and keeps with the intent to preserve GO capacity where possible.

For the Debt Service Fund, the requests are as follows:

- A. Decrease revenue from Property Tax Collections and increase revenue from the Disaster Fund Property Taxes. There is no increase or decrease to the totals.
- B. Reduce the budget for interest payments and increase the budget for principal payments as a result of savings from bonds issued during the year.
- C. Increase the budget for Beach Bond proceeds transferred from the Capital Projects Fund, and apply the proceeds towards retirement of the 2016 BAN. The 2016 BAN has already been repaid with a portion of the Beach Bond proceeds.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2018-10

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2018; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

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 20, 2017, 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 additional revenues, and the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain projects in the General, Capital Projects, and Debt Service Funds.

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 2018 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>Account Description</u>	<u>Amount</u>
<i>Revenues:</i>	
General Fund Revenue	-
Total Revenues	-
<i>Expenditures:</i>	
Townwide Personnel	250,000
Townwide Operating	(250,000)
Total Expenditures	-

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2018-10****Capital Projects Fund**

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Beach Bond		298,932
2016 BAN		26,000,000
TIF Bond		-
GO Bond		(2,085,000)
Hospitality Bond		688,289
Hospitality Tax Transfer In		1,396,711
Total Revenues		<u>26,298,932</u>
Expenditures:		
Transfer to Debt Service	Beach Bond	298,932
Principal Payment on 2016 BAN	2016 BAN	25,000,000
Interest Payment on 2016 BAN	2016 BAN	1,000,000
Office Park Road Intersection Improvements	TIF Bond	605,000
Coligny Park Improvements	TIF Bond	(605,000)
Fire Rescue Medical Equipment	GO Bond	(2,085,000)
Fire Rescue Medical Equipment	Hospitality Bond	688,289
Fire Rescue Medical Equipment	Hospitality Tax Transfer In	1,396,711
Total Expenditures		<u>26,298,932</u>

Debt Service Fund

<u>Account Description</u>	<u>Amount</u>
Revenues:	
Property Tax Collections	(4,200,000)
Transfer In:	
Disaster Fund Propety Taxes	4,200,000
Beach Bond	298,932
Total Revenues	<u>298,932</u>
Expenditures:	
Principal on Bonds	4,235,000
Interest on Bonds	(4,235,000)
Transfer Out to 2016 BAN repayment	298,932
Total Expenditures	<u>298,932</u>

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2018-10**

The effects of this amendment for fiscal year 2018 are presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Current Balance	\$ 41,025,521	\$ (40,464,880)	\$ 77,209,431	\$ (77,445,383)	\$ 24,200,000	\$ (25,914,371)	\$142,434,952	\$ (143,824,634)
Amendment	-	-	26,298,932	(26,298,932)	298,932	(298,932)	26,597,864	(26,597,864)
Revised Balance	41,025,521	(40,464,880)	103,508,363	(103,744,315)	24,498,932	(26,213,303)	169,032,816	(170,422,498)

Enterprise Fund
Stormwater Fund

	Expenditures & Transfers Out	Revenues & Transfers In
Current Balance	\$ 8,085,903	\$ (8,088,310)
Amendment	-	-
Revised Balance	8,085,903	\$ (8,088,310)

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2018-10

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.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2018.**

David Bennett, Mayor

ATTEST:

Krista Wiedmeyer
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 G. Riley, ICMA~CM, *Town Manager*
VIA: Charles Cousins, AICP, *Director of Community Development*
VIA: Teri B. Lewis, AICP, *LMO Official*
VIA: Nicole Dixon, CFM, *Development Review Administrator*
CC: Shawn Colin, AICP, *Deputy Director of Community Development*
FROM: Taylor Ladd, *Senior Planner*
DATE: July 3, 2018
SUBJECT: ZA-001111-2018 – Florence Graham Island Rezoning

Recommendation: The Planning Commission held a public hearing on June 6, 2018 to review the Zoning Map Amendment application. The Commission voted 6-0-0 to recommend forwarding the application to Town Council with a recommendation of denial based on the Findings of Fact and Conclusions of Law in the staff report. The Planning Commission also would like Town Council to be aware of two issues discussed during the meeting:

1. As the subject property is currently listed for sale, the Commission questions the motive of the current property owners, who claim they want to develop the property as a “modest fish camp” for their own use.
2. If the rezoning is not approved, and therefore the property cannot be developed, the property owner could request that the Town consider purchasing this property as part of their land acquisition program.

Staff recommends that Town Council deny the Zoning Map Amendment application based on the Findings of Fact and Conclusions of Law in the staff report.

Summary: Janet Spangenberg-Brouillard, Trustee for the subject property, is proposing to amend the Official Zoning Map by rezoning Florence Graham Island, located in the tidal marsh of Old House Creek, from CON (Conservation) to the RSF-3 (Residential Single-Family-3) Zoning District. The applicant is proposing to rezone the property to allow for the development of a “modest fish camp.”

Background: The Spangenberg Family Trust is pursuing a zoning map amendment to rezone the subject property to develop the property as a “modest fish camp.”

The subject property is undeveloped and surrounded by tidal marsh. It is approximately 1.23 acres in size with half an acre of buildable area. The Spangenberg Family Trust has owned the property since 2004. The property was not located in a zoning district until it was designated as CON in the 1998 Official Zoning Map. The zoning of the property has not changed since 1998.

Please contact me at (843) 341-4607 or at taylorl@hiltonheadislandsc.gov if you have any questions.

A RESOLUTION OF THE TOWN OF HILTON HEAD ISLAND

2018-__

A RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND DENYING THE APPLICATION FOR ZONING MAP AMENDMENT ZA-001111-2018 WHICH REQUESTS AN AMENDMENT TO CHAPTER 1 OF TITLE 16, "THE LAND MANAGEMENT ORDINANCE" (LMO), OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, BY AMENDING SECTION 16-1-107, THE OFFICIAL ZONING MAP WITH RESPECT TO THE CERTAIN PARCEL IDENTIFIED AS PARCEL 362 ON BEAUFORT COUNTY TAX MAP 10 FROM THE CON (CONSERVATION) ZONING DISTRICT TO THE RSF-3 (RESIDENTIAL SINGLE-FAMILY 3) ZONING DISTRICT.

WHEREAS, on October 7, 2014, the Town Council did adopt a new Land Management Ordinance (LMO); and

WHEREAS, the Planning Commission held a public hearing on June 6, 2018 at which time a presentation was made by staff and an opportunity was given for the public to comment on the proposed zoning map amendment application; and

WHEREAS, the Planning Commission, after consideration of the staff presentation, public comments and the criteria set forth in LMO Section 16-2-103, voted 6-0-0 to recommend that Town Council does not approve the proposed zoning map amendment application.

WHEREAS, after due consideration of said zoning map amendment application and the recommendations of the Planning Commission, the Town Council, upon further review, now finds that the requested zoning map amendment does not meet the criteria as set forth in Section 16-2-103 of the LMO.

NOW, THEREFORE, BE IT, AND HEREBY IT IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT THE TOWN COUNCIL HEREBY DENIES APPLICATION FOR REZONING ZA-001111-2018.

MOVED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2018.

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

David Bennett, Mayor

ATTEST:

Krista Wiedmeyer, Town Clerk

Public Hearing: June 6, 2018
First Reading:

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



TOWN OF HILTON HEAD ISLAND COMMUNITY DEVELOPMENT DEPARTMENT

One Town Center Court

Hilton Head Island, SC 29928

843-341-4757

FAX 843-842-8908

STAFF REPORT ZONING MAP AMENDMENT

Case #	Name of Project or Development	Public Hearing Date
ZA-001111-2018	Florence Graham Island	June 6, 2018

Parcel Data & Location	Applicant	Agent
<u>Parcel ID:</u> R510 010 000 0362 0000 <u>Size:</u> 1.23 Acres to Mean High Water Line, Approximately 1.0 Acre Upland <u>Address:</u> None Assigned	Janet L. Spangenberg, Trustee 5 Donax Road Hilton Head Island, SC 29928	Russell P. Patterson, P.A. 19 Shelter Cove Lane Suite 107 Hilton Head Island, SC 29928
Existing Zoning District	Proposed Zoning District	
COR – Corridor Overlay District within 500' of the O.C.R.M. critical line. CON – Conservation	COR – Corridor Overlay District within 500' of the O.C.R.M. critical line. RSF-3 – Residential Single-Family-3	

Application Summary

Janet Spangenberg, Trustee for the subject property, is proposing to amend the Official Zoning Map by rezoning Florence Graham Island from CON (Conservation) to RSF-3 (Residential Single-Family-3). The applicant is proposing to rezone the property to allow for development of a “modest fish camp” as defined in Attachment G.

Staff Recommendation

Staff recommends the Planning Commission find this application **inconsistent with the Town's Comprehensive Plan** and to **not carry out the purposes of the LMO**, based on those Findings of Facts and Conclusions of Law as determined by the LMO Official and enclosed herein.

Background

The subject property is surrounded by tidal marsh and approximately 1.23 acres to the mean high water line in size. It is located +/- 500 feet from the Cemetery at Oak Marsh Subdivision and is known locally as Florence Graham Island. It has been owned by the Spangenberg Family Trust since 2004 and has remained undeveloped and left to its natural state with very little use by the owners. There is no evidence it has ever been developed, though it has been subject to ownership by multiple

parties over time, the oldest owner of record being Florence Graham in 1944. See Attachment A for location and vicinity information and Attachment D for property aerial imagery.

The property did not have a zoning designation on the 1986 Official Zoning Map, though it was recognized as a legal parcel by the Beaufort County Register of Deeds. In the 1996 Official Zoning Map, the property was assigned to the Conservation (CON) District due to the property's natural state and location within the environmentally sensitive tidal marsh system in Old House Creek. The property remained in the CON District when the current zoning map was adopted in 2014. See Attachment B for a vicinity zoning map and Attachment C for the CON District use table.

Adjacent and to the west are three other islands. See Attachment A.

1. Simmons Island, zoned CON, 2.61-acres, and undeveloped;
2. Sunset Island, zoned CON, 1.44-acres, and developed around 2013 with boardwalk access from the nearest adjacent single-family property, a dock and an open air pavilion; and
3. 1 Old House Cay, zoned RSF-3, consisting of one larger island and two smaller islands, approximately 3 acres total in size. The islands were developed around 2006 with one single family home, a lookout tower, boardwalks, and a dock facility.

The CON District allows three uses: boat ramps; docking facilities; and marinas. The LMO defines a boat ramp as a facility to launch and retrieve recreational boats from a trailer. The LMO defines a docking facility as a structure built over or floating on the water used as a landing place for boats or other marine transport, fishing swimming, and other recreational uses. Docks may include boat houses, seating areas, gazebos, boat lifts, and storage facilities. The CON District has no maximum density, building height, or maximum impervious lot coverage.

Land Management Ordinance Section 16-4-102.B.10.a, Use Specific Conditions for Principal Uses, specifies that boat ramps, docking facilities, and marinas in the CON District shall be associated with an approved use in the adjacent zoning district. Since the island can only be accessed by boat and the property owners do not own property adjacent to the subject property, they are precluded from developing the island. In order to develop the island with docking facilities and a "modest fish camp" as proposed, the property would need to be rezoned. The applicant has requested that the island be rezoned to the lowest impact residential zoning district, RSF-3.

In Attachment G, the applicant defines a "modest fish camp" as consisting of a wooden free standing structure, built upon wooden or concrete piers, not to exceed 1,500 sq. feet, with possible interior walls for a kitchen, living room, bathroom, or one or more bedrooms or bunkhouses. It would be serviced by a cistern and an approved septic tank or other approved facility. Currently, the property is undeveloped, but the applicant intends to construct a docking facility in the future. The docking facility would consist of a small floating dock, a wooden walkway to the property, and a platform connecting the floating dock and walkway. All construction of both the docking facility and the fish camp would be subject to approval by the appropriate regulatory agencies.

The RSF-3 District permits single-family uses, which includes accessory uses such as recreation and hobbies, and docking facilities, to which a fish camp would be most closely related. The purpose of this district is to discourage any use that would be detrimental to the quiet residential nature of single family neighborhoods. Other uses permitted in RSF-3 District are: government uses (with conditions); major utilities (by special exception); minor utilities; public parks; religious institutions; telecommunications antenna and telecommunications towers (with conditions); agricultural uses and boat ramps; and docking facilities and marinas (with conditions).

The RSF-3 District permits 3 dwelling units per acre or 6,000 square feet of nonresidential use. The maximum building height permitted in the RSF-3 District is 35 feet. The maximum impervious lot coverage for non-residential development is 35 percent. There is no maximum impervious lot coverage for residential developments.

Currently and proposed, access to the subject property is by boat. No utilities are available other than

electric, which can be installed with required permits and easements. Per the Town's Fire Chief, Fire Rescue has no capability to immediately access the subject property via boat. Fire Rescue and their E911 Center would coordinate with other local agencies to respond as timely as possible to emergency incidents at this location based on current capabilities and resources.

Applicant's Grounds for ZMA

The Spangenberg Family Trust is pursuing a zoning map amendment to rezone the subject property to facilitate their use of the island as a "modest fish camp" for limited overnight stays. Committed to the preservation of the natural beauty of the property, the development would entail self-sustaining facilities and utilities (as permitted by regulatory providers) so the property owners, guests and invitees can enjoy the use of the land with minimal impact to the environment. The applicant states that no improvements to the property would be visible from the nearest adjacent single-family properties.

Currently, the subject property is rarely ever visited or used and has no shelter or docking facility, which are not permitted per the conditional uses for the CON District. See Attachments F and G for a narrative, exhibits, and the definition of a "modest fish camp" provided by the applicant. The proposed change in zoning will increase the density and the number of permitted uses on the subject property.

Summary of Facts and Conclusions of Law

Findings of Fact:

1. The application was submitted on April 30, 2018 as set forth in LMO 16-2-103.C and Appendix D-1.
2. Per LMO 16-2-102.E.1, when an application is subject to a hearing, the LMO Official shall ensure that the hearing on the application is scheduled for a regularly scheduled meeting of the body conducting the hearing.
3. The LMO Official scheduled the public hearing of the application for the June 6, 2018 Planning Commission meeting, which is a regularly scheduled meeting of the Planning Commission.
4. Per LMO 16-2-102.E, the LMO Official shall publish a notice of the public hearing in a newspaper of general circulation in the Town no less than 15 calendar days before the hearing date.
5. Notice of the June 6, 2018 public hearing was published in the Island Packet on May 20, 2018.
6. Per LMO 16-2-102.E.2, the applicant shall mail a notice of the public hearing by first-class mail to the owners of the land subject to the application and owners of record of properties within 350 feet of the subject land, no less than 15 calendar days before the hearing date.
7. The applicant was not required to mail notices as no properties are located within 350 feet of the subject property.
8. Per LMO 16-2-102.E.2, the LMO Official shall post conspicuous notice of the public hearing on or adjacent to the land subject to the application no less than 15 days before the hearing date, with at least one notice being visible from each public thoroughfare that abuts the subject land.
9. The LMO Official posted on May 21, 2018 conspicuous notice of the public hearing in four locations on the Spanish Wells Road right-of-way as Town staff does not have direct access to the subject property.

Conclusions of Law:

1. The application was submitted in compliance with LMO 16-2-103.C and Appendix D-1.

2. The LMO Official scheduled the public hearing of the application for the June 6, 2018 Planning Commission meeting, in compliance with LMO 16-2-102.E.1.
3. Notice of the public hearing was published 17 calendar days before the meeting date, in compliance with LMO 16-2-102.E.2.
4. The applicant did not mail notices due to there being no properties within 350 feet of the subject property. The applicant did, however, notify the two closest neighborhood POAs.
5. The LMO Official posted conspicuous notice of the public hearing 16 calendar days before the hearing date, in compliance with LMO 16-2-102.E.2.

As set forth in LMO 16-2-103.C.2.e, Zoning Map Amendment (Rezoning) Advisory Body Review and Recommendation, the Commission shall consider and make findings on the following matters regarding the proposed amendment.

Summary of Facts and Conclusions of Law

Criteria 1: Whether and the extent to which the proposed zoning is in accordance with the Comprehensive Plan (LMO 16-2-103.C.3.a.i):

Findings of Fact:

The Comprehensive Plan addresses this application in the following areas:

Community Facilities Element

Implication for the Comprehensive Plan – 6.5 Utilities

- Adequate water service should be provided for both domestic use and fire and safety purposes.
- Adequate sewer service should be provided Island-wide to improve public health, safety and welfare, reduce detrimental impacts of the Island's environment and accommodate growth and redevelopment.

Goal 6.5 – Utilities

- B. To provide adequate water service for both domestic use and fire safety to all areas of the Island.
- E. To have sewer service Island-wide.

Goal 6.6 – Public Safety

- B. To provide Fire and Rescue and Emergency Management services to Island residents and visitors.

Land Use Element

Implication for the Comprehensive Plan – 8.5 Land Use Per Capita

- It is also important that the portion of each land use classification is supported and sustainable in terms of infrastructure and natural resources to ensure a high quality of life that contributes to the character defining features of our community.

8.11 Goals and Implementation Strategies

1. Insure that future land uses do not adversely impact the environment through better oversight in the placement of structures in environmentally sensitive areas and through better stormwater management techniques.
5. Provide better emergency preparedness and reduce vulnerability based on the utility of land.

Goal 8.1 – Existing Land Use

- A. To have an appropriate mix of land uses to meet the needs of existing and future populations.
- B. To maintain the character of the Island while insuring adequate infrastructure is in place and balancing land conservation to meet future needs.

Goal 8.4 – Existing Zoning Allocation

- A. An appropriate mix of land uses to accommodate permanent and seasonal populations and existing market demands is important to sustain the Town’s high quality of life and should be considered when amending the Town’s Official Zoning Map.

Goal 8.10 – Zoning Changes

- A. To provide appropriate modifications to the zoning designations to meet market demands while maintaining the character of the Island.

Conclusions of Law:

1. This application is **not consistent** with the Comprehensive Plan, as described in the Community Facilities and Land Use Elements as set forth in LMO Section 16-2-103.C.3.a.i.
2. The proposed rezoning would allow the development of a residence on a parcel that cannot be served by water and sewer utilities, which is inconsistent with the goals of the Community Facilities and Land Use Elements.
3. The proposed rezoning would allow the development of a residence on a parcel that cannot be served by Fire and Rescue and Emergency Management services, which is inconsistent with the goals of the Community Facilities and Land Use Elements.
4. The proposed rezoning would allow the development of a residence on a parcel that is located in an environmentally sensitive area, which is inconsistent with the goals of the Land Use Element.

Summary of Facts and Conclusions of Law

Criteria 2: Whether and the extent to which the proposed zoning would allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity (LMO 16-2-103.C.3.a.ii):

Findings of Fact:

1. While the subject property is an island surrounded by tidal marsh, the properties adjacent to the island are zoned CON, RSF-3, RM-4 (Low to Moderate Density Residential), and PD-1 (Planned Development Mixed-Use).
2. The proposed rezoning to RSF-3 will permit a variety of use types: single-family; government uses (with conditions); major utilities (by special exception); minor utilities; public parks; religious institutions; telecommunications antennas and telecommunications towers (with conditions); agricultural uses and boat ramps; and docking facilities and marinas (with conditions).
3. The RM-4 District principal uses include all the uses permitted within the RSF-3 District.
4. The CON District permits boat ramps, docking facilities, and marinas with conditions.
5. The PD-1 District principal uses are restricted by approved PUD Master Plans and associated texts. The closest PD-1 District to the subject property is Oakview, a single-family residential subdivision in Indigo Run.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.3.a.ii.
2. The proposed rezoning will allow a range of uses that are compatible with the uses allowed on other property in the vicinity.
3. The uses that would be allowed on the subject property as a result of the rezoning will be compatible with the uses on the adjacent CON, RSF-3, RM-4, and PD-1 zoned parcels.

Summary of Facts and Conclusions of Law

Criteria 3: Whether and the extent to which the proposed zoning is appropriate for the land (LMO 16-2-103.C.a.iii):

Findings of Fact:

1. Even though the applicant proposes to construct a “modest fish camp,” the proposed rezoning will allow all the uses listed in the RSF-3 District.
2. The island is currently zoned CON due to its location surrounded by tidal marsh, having a small upland area, and being ecologically and environmentally sensitive.
3. Many of the uses permitted within the RSF-3 District could negatively impact an island of this size in an environmentally sensitive area.

Conclusions of Law:

1. This application **does not meet the criteria** in LMO 16-2-103.C.a.iii.
2. The proposed zoning is not appropriate for the land because some of the uses permitted within the RSF-3 District would negatively impact the environmentally sensitive tidal marsh environment where the subject property is located.

Summary of Facts and Conclusions of Law

Criteria 4: Whether and the extent to which the proposed zoning addresses a demonstrated community need (LMO 16-2-103.C.a.iv):

Finding of Fact:

1. The subject property is a privately owned island surrounded by tidal marsh that would be developed for the use only by the property owners, guests, and invitees.

Conclusions of Law:

1. This application **does not meet the criteria** in LMO 16-2-103.C.a.iv.
2. A privately owned island does not provide public access or services for the community and therefore would not meet any demonstrated community need through rezoning.

Summary of Facts and Conclusions of Law

Criteria 5: Whether and the extent to which the proposed zoning is consistent with the overall zoning program as expressed in future plans for the Town (LMO 16-2-103.C.3.a.v):

Findings of Fact:

1. The subject property has remained undeveloped in a natural state and is zoned CON.
2. Per LMO 16-3-103.B, the purpose of the CON District is to preserve and protect environmentally sensitive tidal wetland and beachfront lands subject to natural hazards by ensuring these areas accommodate very low density development that minimally disrupts the natural features or systems.
3. The Town does not have future plans to permit the development of lands within the CON District.

Conclusions of Law:

1. This application **does not meet the criteria** in LMO 16-2-103.C.3.a.v.
2. The proposed rezoning is not consistent with the overall zoning program as expressed in future plans for the Town.

Summary of Facts and Conclusions of Law

Criteria 6: Whether and the extent to which the proposed zoning would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts (LMO 16-2-103.C.3.a.vi):

Findings of Fact:

1. Old House Cay Island is a cluster of three islands approximately 3 acres in total area surrounded by tidal marsh and the Calibogue Sound located approximately 1/3 of a mile from the subject property.
2. Old House Cay Island is zoned RSF-3 and developed with a single family home, an observation tower, boardwalks, and a docking facility.
3. The proposed zoning for the subject property is RSF-3, like Old House Cay Island.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.a.vi.
2. Due to the nearby proximity of another parcel in the RSF-3 District, the proposed rezoning would not create an inappropriately isolated zoning district that is unrelated to adjacent and surrounding zoning district.

Summary of Facts and Conclusions of Law

Criteria 7: Whether and the extent to which the proposed zoning would allow the subject property to be put to a reasonably viable economic use (LMO Section 16-2-103.C.3.a.vii):

Findings of Fact:

1. The subject property as proposed to be rezoned will allow a variety of uses, including the proposed fish camp development. By rezoning to RSF-3, it will be made available for development by the property owners, who currently are unable to develop their property due to the CON District regulations.
2. The property owners do not own land on nearby adjacent single-family property in close proximity to the subject property. Rezoning would permit them to develop a viable use for their enjoyment of the property. With no shelter, it is currently rarely used or visited.

Conclusions of Law:

1. This application **meets the criteria** in LMO Section 16-2-103.C.3.a.vii.
2. The rezoning of the subject property would allow it to be put to a reasonably viable economic use.

Summary of Facts and Conclusions of Law

Criteria 8: Whether and the extent to which the proposed zoning would result in development that can be served by available, adequate, and suitable public facilities (e.g. streets, potable water, sewerage, stormwater management) (LMO Section 16-2-103.C.3.a.viii):

Findings of Fact:

1. There is no infrastructure currently in place on the property.
2. The property owners plan to access the island only by boat.
3. No water or sewer service is available.
4. Electric service would be available if all permit and easement requirements are met.
5. The property owners propose a self-sustaining development that will not require public facilities or services.
6. Hilton Head Island Fire and Rescue has no capability to immediately access the subject property via boat. Fire Rescue and the Town E911 Center would have to coordinate with other local agencies to respond as timely as possible to emergency incidents at this location based on current capabilities and resources.

Conclusions of Law:

1. This application **does not meet the criteria** in LMO 16-2-103.C.3.a.viii.
2. The proposed rezoning would result in development that cannot be served by all typically available, adequate and suitable public facilities for properties in the Town of Hilton Head Island.

Summary of Facts and Conclusions of Law

Criteria 9: Is appropriate due to any changed or changing conditions in the affected area (LMO Section 16-2-103.C.3.a.ix):

Findings of Fact:

1. The property is not subject to changing conditions other than the property owners' desire to use the island as a "modest fish camp."
2. The more recent development of single family homes within the Silver Moss and Tansyleaf subdivisions adjacent to the subject property are not construed as changing conditions that warrant rezoning property surrounded by tidal marsh.

Conclusions of Law:

1. This application **does not meet the criteria** in LMO Section 16-2-103.C.3.a.ix.
2. The subject property has never been developed, is surrounded by tidal marsh, and is not subject to changing conditions in the area.
3. The uses allowed by the proposed zoning district are not appropriate or needed due to any changing conditions in the affected area.

LMO Official Determination

Staff determines that this application **is inconsistent with the Comprehensive Plan and does not serve to carry out the purposes of the LMO** as based on the Findings of Fact and Conclusions of Law as determined by the LMO Official and enclosed herein.

Staff recommends that the Planning Commission recommend **DENIAL** to Town Council of this application.

Note: If the proposed amendment is approved by Town Council, such action shall be by ordinance to amend the Official Zoning Map. If it is denied by Town Council, such action shall be by resolution.

PREPARED BY:

TL

Taylor Ladd
Senior Planner

May 31, 2018

DATE

REVIEWED BY:

ND

Nicole Dixon, CFM
Development Review Administrator

May 31, 2018

DATE

REVIEWED BY:

TL

Teri Lewis, AICP, *LMO Official*

May 31, 2018

DATE

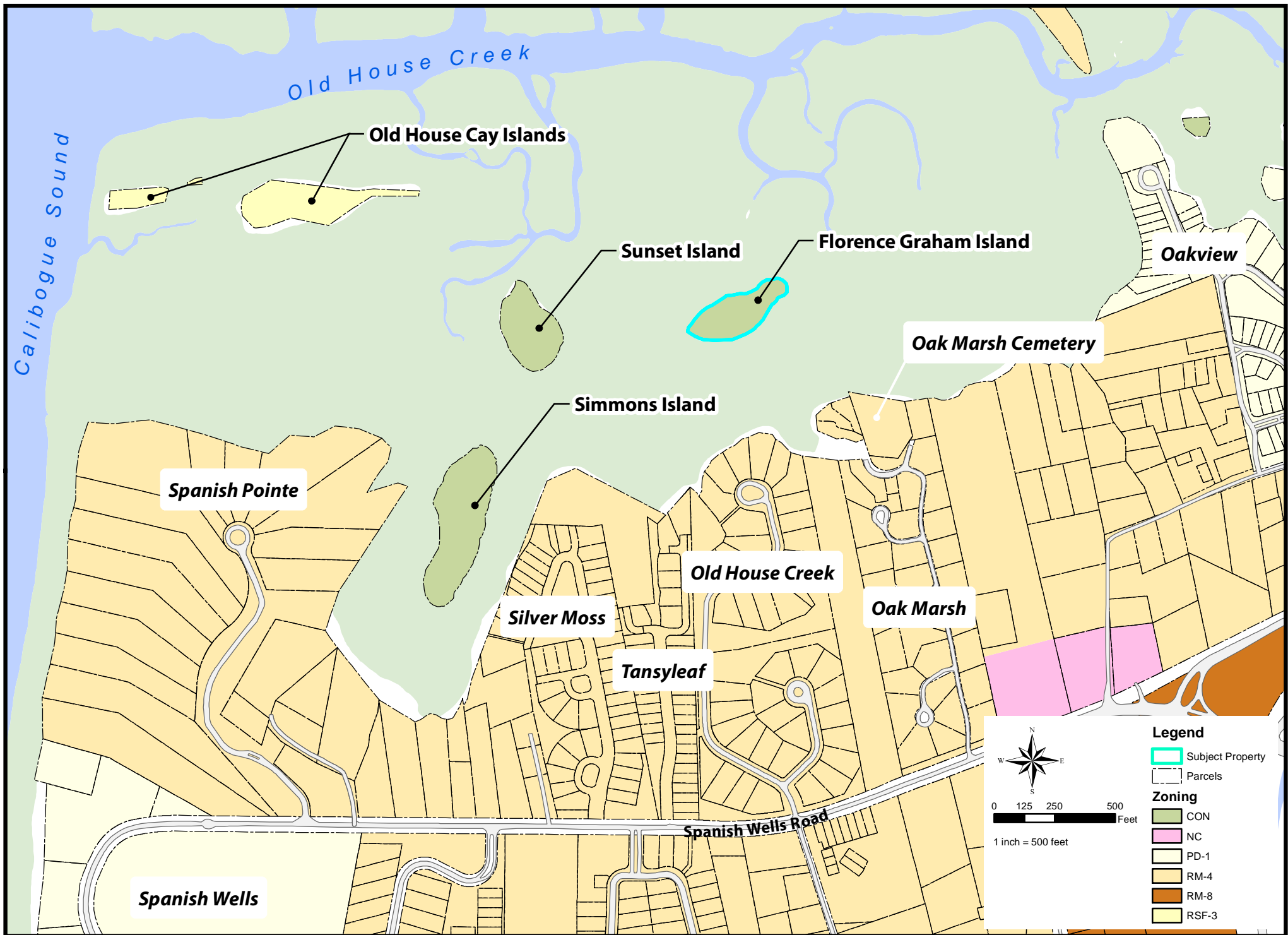
ATTACHMENTS:

- A) Location and Vicinity Map
- B) Florence Graham Island Zoning Map
- C) LMO Use Tables for the CON and RSF-3 Districts
- D) Vicinity Aerial Imagery
- E) 2018 Boundary Survey
- F) Applicant Narrative of Intent and Exhibits
- G) Applicant Definition of “Modest Fish Camp”



ZA-001111-2018

Florence Graham Island Zoning: Location and Vicinity Map



ZA-001111-2018

Florence Graham Island Zoning Map

Attachment C

ZA-001111-2018

Florence Graham Island Zoning: LMO Use Table for CON District

Town of Hilton Head Island Municipal Code

Title 16: Land Management Ordinance, Section 16-3-103.B

CON Conservation District

1. Purpose

The purpose of the Conservation (CON) District is to preserve and protect environmentally sensitive tidal wetland and beachfront **lands** subject to natural hazards by ensuring these areas only accommodate very low intensity **development** that minimally disrupts natural features or systems (either temporarily or permanently). The upland boundary of this district corresponds to the OCRM Critical Line and therefore is approximately coterminous with all tidal wetlands and the upland boundary of the **beach**, as defined in Section 8-1-112 of the **Municipal Code**, and extends outward to the **Town** jurisdictional boundary, as identified in Section 2-1-20 of the **Municipal Code**.

2. Allowable Principal Uses

USE CLASSIFICATION/TYPE		USE-SPECIFIC CONDITIONS	MINIMUM NUMBER OF OFF-STREET PARKING SPACES
Other Uses			
Boat Ramps , Docking Facilities , and Marinas	PC	Sec. 16-4-102.B.10.a	1 per 200 GFA of enclosed floor space not used for storage + 1 per 3 wet slips + 1 per 5 dry storage slips

3. Development Form Standards

Max. Density (per net acre)		Lot Coverage	
All Development	n/a	Max. Impervious Cover	n/a
Max. Building Height			
All Development	n/a		

USE AND OTHER DEVELOPMENT STANDARDS

See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.

TABLE NOTES:

P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = **dwelling units**; sf = square feet; ft = feet; n/a = not applicable

Florence Graham Island Zoning: LMO Use Table for RSF-3 District

Town of Hilton Head Island Municipal Code

Title 16: Land Management Ordinance, Section 16-3-104.B

RSF-3

Residential Single-Family-3 District

1. Purpose

The purpose of the Residential Single-Family-3 (RSF-3) District is to primarily accommodate **neighborhoods** of **single-family dwellings** at **densities** ranging up to three units per acre. It is intended to discourage any **use** that would substantially interfere with the **development** of **single-family dwellings** or would be detrimental to the quiet residential nature of **single-family neighborhoods**. The district also accommodates agricultural **uses** and parks as permitted **uses**.

2. Allowable Principal Uses

		USE-SPECIFIC CONDITIONS	MINIMUM NUMBER OF OFF-STREET PARKING SPACES
Residential Uses			
<i>Single-Family</i>	P		2 per du + 1 per 1,250 GFA over 4,000 GFA
Public, Civic, Institutional, and Educational Uses			
<i>Government Uses</i>	PC	Sec. 16-4-102.B.2.d	Fire Stations 4 per bay + 1 per 200 GFA of office area
			Other 1 per 200 GFA of office area
<i>Major Utilities</i>	SE		1 per 1,500 GFA
<i>Minor Utilities</i>	P		n/a
<i>Public Parks</i>	P		See Sec. 16-5-107.D.2
<i>Religious Institutions</i>	P		1 per 3 seats in main assembly area
Telecommunication Antenna, Collocated or Building Mounted	PC	Sec. 16-4-102.B.2.e	n/a
<i>Telecommunication Towers, Monopole</i>	PC	Sec. 16-4-102.B.2.e	1
Other Uses			
<i>Agriculture Uses</i>	P		Stables or Riding Academies 1 per 5 stalls
			Other n/a
<i>Boat Ramps, Docking Facilities, and Marinas</i>	PC	Sec. 16-4-102.B.10.a	1 per 200 GFA of enclosed floor space not used for storage + 1 per 3 wet slips + 1 per 5 dry storage slips

Attachment C

ZA-001111-2018

Florence Graham Island Zoning: LMO Use Table for RSF-3 District

3. Development Form Standards				
MAX. DENSITY (PER <i>NET ACRE</i>)			LOT COVERAGE	
Residential	3 du		Max. <i>Impervious Cover</i> for All Development Except <i>Single-Family</i>	35%
Nonresidential	6,000 GFA			
MAX. BUILDING HEIGHT			Min. <i>Open Space</i> for Major Residential <i>Subdivisions</i>	16%
All Development	35 ft ¹			
USE AND OTHER DEVELOPMENT STANDARDS				
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.				
TABLE NOTES:				
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = <i>dwelling units</i> ; sf = square feet; GFA = <i>gross floor area</i> in square feet; ft = feet; n/a = not applicable				
1. May be increased by up to ten percent on demonstration to the <i>Official</i> that:				
a. The increase is consistent with the character of <i>development</i> on surrounding <i>land</i> ;				
b. Development resulting from the increase is consistent with the purpose and intent of the <i>building height</i> standards;				
c. The increase either (1) is required to compensate for some unusual aspect of the site or the proposed <i>development</i> , or (2) results in improved site conditions for a <i>development</i> with <i>nonconforming site features</i> ;				
d. The increase will not pose a danger to the public health or safety;				
e. Any adverse impacts directly attributable to the increase are mitigated; and				
f. The increase, when combined with all previous increases allowed under this provision, does not result in a cumulative increase greater than ten percent.				

Florence Graham Island Zoning: Vicinity Aerial View South



Attachment D

ZA-001111-2018

Florence Graham Island Zoning: Aerial View South



© 2017 Pictometry

Attachment D

ZA-001111-2018

Florence Graham Island Zoning: Aerial View West



© 2017 Pictometry

Attachment D

ZA-001111-2018

Florence Graham Island Zoning: Aerial View North



Attachment D

ZA-001111-2018

Florence Graham Island Zoning: Aerial View East



© 2017 Pictometry

ZA-001111-2018

Florence Graham Island Zoning: 2018 Boundary Survey

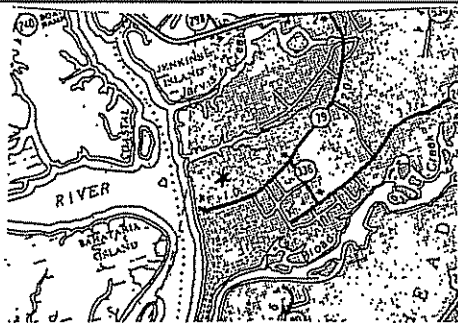
THE AREA SHOWN ON THIS PLAT IS A GENERAL REPRESENTATION OF DHEC-DCRM PERMIT AUTHORITY ON THE SUBJECT PROPERTY. CRITICAL AREAS, BY THEIR NATURE, ARE DYNAMIC AND SUBJECT TO CHANGE OVER TIME. BY GENERALLY DELINEATING THE PERMIT AUTHORITY OF THE DHEC-DCRM, THE OFFICE OF DCRM IN NO WAY WAIVES THE RIGHT TO ASSERT PERMIT JURISDICTION IN ANY CRITICAL AREA ON THE SUBJECT PROPERTY WHETHER SHOWN OR NOT. ALL PROPERTY OWNERS OR PROSPECTIVE BUYERS ARE ADVISED TO HAVE THE LINE CHECKED BY COUNCIL STAFF PRIOR TO CONSTRUCTION OR CLOSING ON THE SALE OF THIS PROPERTY.

SIGNATURE

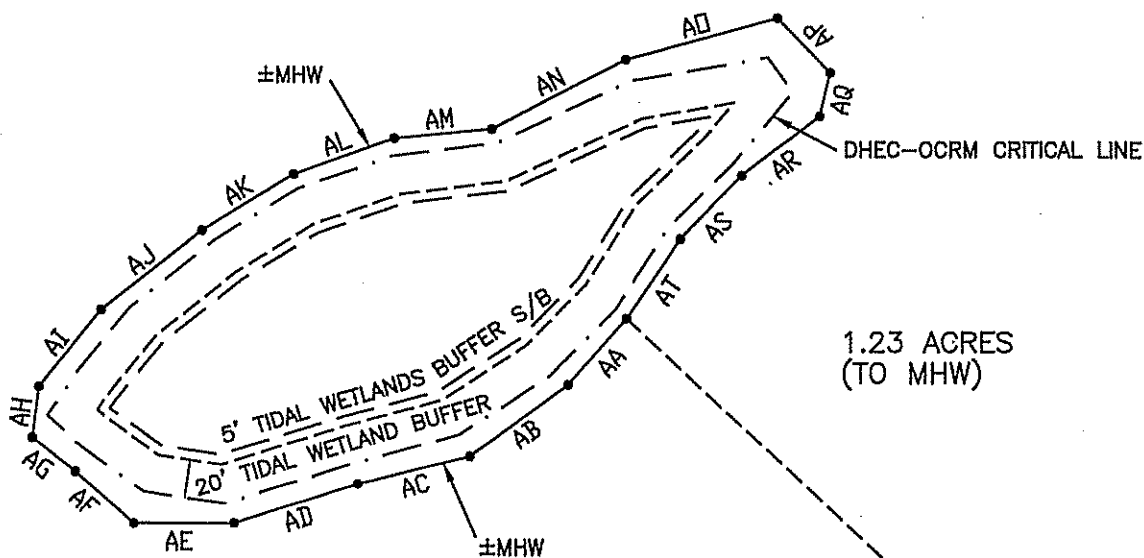
5/30/18

DATE

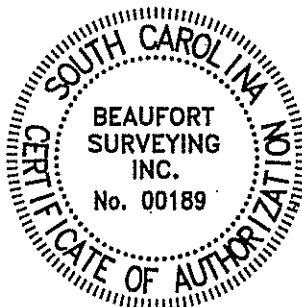
EXPIRATION DATE



VICINITY MAP NOT TO SCALE



NO.	BEARING	DISTANCE
AA	S41°13'07"W	46.22'
AB	S53°36'54"W	63.71'
AC	S75°47'43"W	60.19'
AD	S72°17'00"W	67.62'
AE	S89°44'19"W	52.41'
AF	N48°31'27"W	40.87'
AG	N51°51'47"W	28.51'
AH	N07°06'55"E	26.85'
AI	N38°52'33"E	51.70'
AJ	N52°00'11"E	66.77'
AK	N58°37'25"E	56.05'
AL	N70°17'11"E	55.81'
AM	N84°22'58"E	51.00'
AN	N62°39'40"E	78.81'
AO	N74°44'32"E	82.37'
AP	S44°15'53"E	39.38'
AQ	S13°45'44"W	23.07'
AR	S53°09'00"W	51.14'
AS	S44°19'50"W	45.81'
AT	S34°13'21"W	50.00'

IPF
1" PipeCEMETERY
@ OAK
MARSH
SUBDIVISION

BOUNDARY SURVEY PREPARED FOR
GEORGE BROUILLARD
HILTON HEAD
BEAUFORT COUNTY, SOUTH CAROLINA

THE SAME BEING FLORENCE GRAHAM ISLAND, HILTON HEAD

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS B SURVEY AS SPECIFIED THEREIN; ALSO THERE ARE NO VISIBLE ENCROACHMENTS OR PROJECTIONS OTHER THAN SHOWN.

THIS PROPERTY IS LOCATED IN ZONE A-7 (EL 14.0) AS DETERMINED BY FEMA, FIRM COMMUNITY-PANEL NUMBER 450250 0007 D, DATED 9-29-86.

R510-010-000-0362-0000

0 50' 100' 200' 300'

SCALE 1" = 100'

MAY 19, 2005
P11877/MMAREVISED 5/14/18: CHANGED S/B LINE
& ADDED BUFFER

DAVID S. YOUMANS RLS 9765
BEAUFORT SURVEYING, INC.
1613 PARIS AVENUE
PORT ROYAL, S.C. 29935
PHONE (843) 524-3261 525-1175

Attachment F

ZA-001111-2018

Florence Graham Island Zoning

Proposed Zoning Map Amendment

Spangenberg Family Trust u/a/d 3/6/1997

NARRATIVE OF INTENT

PROPOSED ZONING AMENDMENT FOR

TMS R510-010-000-0362-0000-00

Beaufort County, South Carolina

April 25, 2018

Florence Graham Island Zoning

PURPOSE: The Spangenberg Family Trust u/a/d 3/6/1997 ("Trust") seeks approval on a Zoning Map amendment for Florence Graham Island, consisting of approximately 1.1 acres, located 499.73 feet from the Cemetery at Oak Marsh Subdivision (TMS No.: R510-010-000-0362-0000-00) ("Property"), to allow for the construction of a modest fish camp under Residential Single Family 3 District ("RSF-3"). It is the Trust's understanding and belief that RSF-3 is the least impactful zoning district that would allow the Trust to construct its fish camp. The Trust is committed to the preservation of the natural beauty of the Property and would hold firmly to its commitment when constructing the fish camp. None of the improvements to the Property would be seen from the mainland and the minimal lighting necessary for the fish camp will be shielded from the mainland.

SITE: The Property is a 1.1 acre Island, located off the coast of the Cemetery at Oak Marsh Subdivision and is accessible only by watercraft. The Trust has owned and cared for the Property since 2004. The Property is currently zoned for the Conservation District under the Hilton Head Island Land Management Ordinance. (See Exhibit 1 - Hilton Head Island Zoning Map 2017).

SURROUNDING LAND USES: The Property is surrounded is surrounded by three other islands: (1) TMS R510-010-000-0632-0000 ("632"); (2) TMS R510-010-000-0231-0000 ("231"); and (3) R510-010-000-0361-0000 ("361"). Two of these islands, 632 and 361 contain structures, and 361 is already zoned RSF-3. Additionally, the Property is located 499.73 feet from Oak March Subdivision which is currently zoned RM-4. (See Exhibit 2 - Google Maps Image).

ANALYSIS OF ZONING CHANGE:

Standard: *The proposed amendment is in accordance with the Comprehensive Plan and is consistent with the overall zoning program as expressed in future plans for the Town:*

The Comprehensive Plan is a document created to guide the future growth and development of the community. The proposed amendment is consistent with the overall intent of the Comprehensive Plan and the Town's future plans.

The proposed amendment:

- Provides a pattern of land use that is consistent with the surrounding land uses.
- Contributes to the Town's goal of being a sustainable community with a diversified tax base to support Town facilities and services.

Florence Graham Island Zoning

- Continues to preserve and enhance the natural features of the Property by providing very limited development on the Property consistent with the surrounding islands.
- Two of the surrounding islands have similar limited developments. (See Exhibit 2 - 361, 632).

Standard: *The proposed amendment would allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity and would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts.*

The proposed amendment would allow the Trust to use the Property in a way that is compatible with the uses of other properties in the immediate vicinity. One of the islands surrounding the Property is currently zoned RSF-3 and two of these islands already contain structures. (See Exhibit 2 - 361, 632). Additionally, the Property is located 499.73 feet away from the Oak Marsh Subdivision. The Subdivision is zoned RM-4 and contains many residential houses. Thus, the proposed amendment would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts.

Standard: *The proposed amendment is appropriate for the land:*

As the Property is only accessible by watercraft, zoning the Property to RSF-3 to allow for the construction of a modest fish camp is appropriate for the land. It would allow the Trust to have overnight access to the Property and to enjoy the natural features offered by the Property.

Standard: *The proposed amendment addresses a demonstrated community need:*

Amending the Property's zoning to RSF-3 in order to allow the Trust to construct a fish camp would provide the Property's users with a unique opportunity to enjoy our local nature and wildlife in a preserved and natural setting.

Standard: *The proposed amendment would allow the subject property to be put to a reasonable viable economic use:*

Zoning the Property RSF-3 and allowing the Trust to construct a fish camp would allow the Property to be used by the Trust, its guests, and its invitees for limited overnight stays. Currently with no shelter, the Property is never used and very rarely visited.

Florence Graham Island Zoning

Standard: *The proposed amendment would result in development that can be served by available, adequate, and suitable public facilities:*

The Property is located 499.73 feet from the mainland of Hilton Head Island. The Trust is not asking for public utilities to be brought to the Island, but instead intends to be self-sustainable, providing its own potable water (brought in by boat), power (solar panels, wind generator, and batteries), and waste disposal (incinerator, septic tank, or other approved disposal method) with the approval of OCRM, DHEC, and other regulatory bodies. This intention is appropriate for the location and natural features of the Property.

Standard: *The proposed amendment is appropriate due to any changed or changing conditions in the affected area:*

Two of the surrounding islands has been improved in a similar fashion to the fish camp intended to be constructed by the Trust. Thus, this use of the Property is consistent and appropriate with the changing zoning conditions of the surrounding islands.

Accordingly, the Trust respectfully asks that its proposed zoning amendment be granted, and the Property be zoned RSF-3 to allow the Trust to construct a modest fish camp in order to enjoy the natural beauty of the Property.

Respectfully,

Janet L. Spangenberg

Trustee of the Spangenberg Family Trust u/a/d 3/6/1997

and

Lauren P. Williams

Russell P. Patterson, P.A.

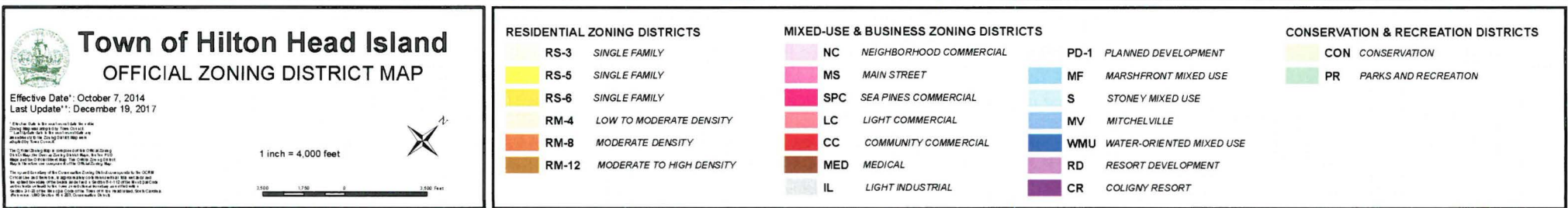
P.O. Box 8047

Hilton Head, SC 29938

(843)341-9300

lauren@russellpattersonlaw.com

ZA-001111-2018
Florence Graham Island Zoning



ZA-001111-2018
Florence Graham Island Zoning

Florence Graham Island Zoning

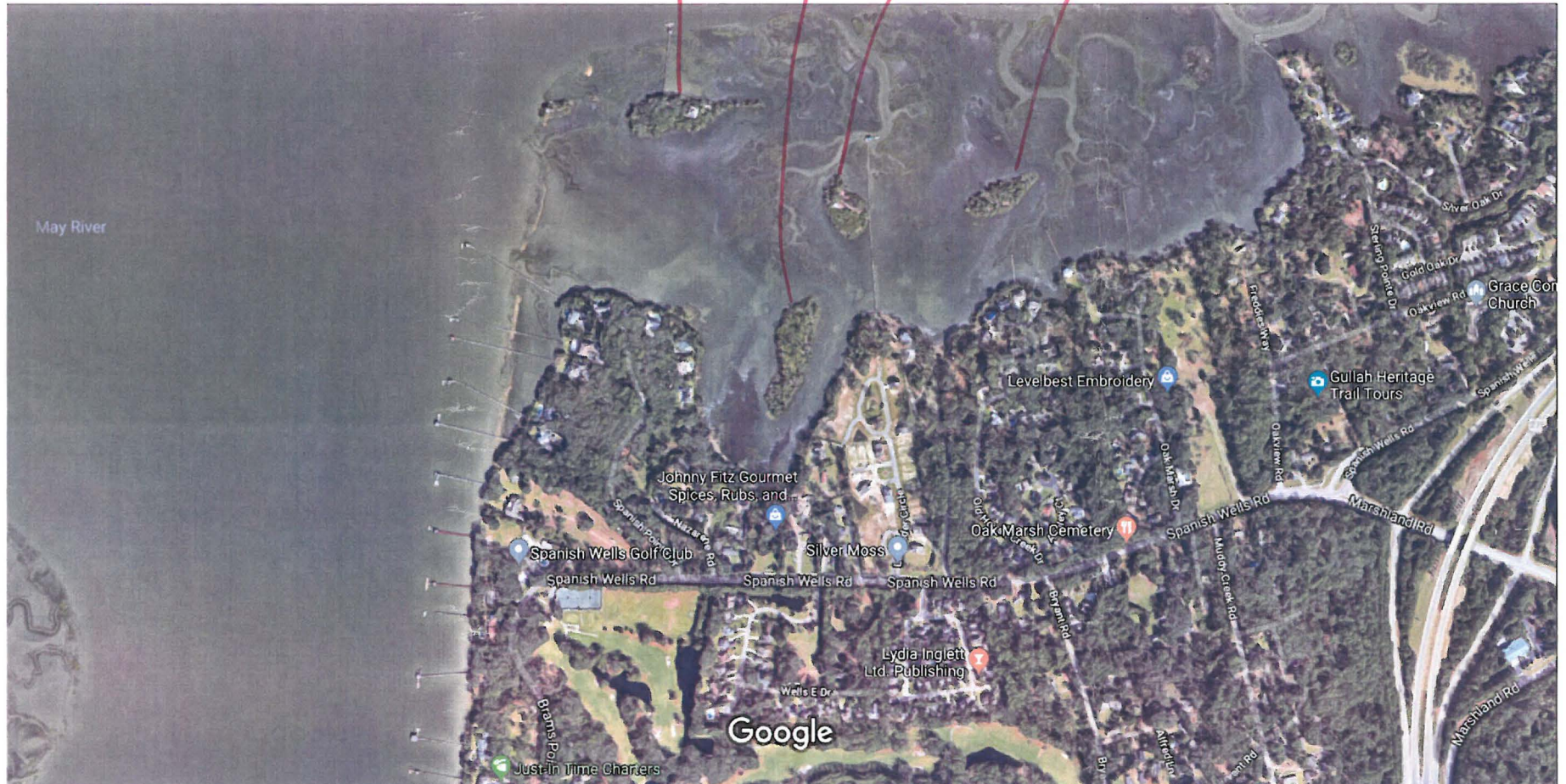


Florence Graham Island Zoning

ZA-001111-2018

Florence Graham Island Zoning

Google Maps



Imagery ©2018 Google, Map data ©2018 Google 500 ft

Exhibit 2

Attachment G

ZA-001111-2018

Florence Graham Island Zoning

Proposed Zoning Map Amendment

Spangenberg Family Trust u/a/d 3/6/1997

DEFINITION OF "MODEST FISH CAMP"

PROPOSED ZONING AMENDMENT FOR

TMS R510-010-000-0362-0000-00

Beaufort County, South Carolina

May 21, 2018

Attachment G

ZA-001111-2018

Florence Graham Island Zoning

The term "Modest Fish Camp" as used throughout our Narrative, can be defined as follows:

A traditional fish camp structure is envisioned for the property. This would consist of a wooden free standing structure, built upon wooden or concrete piers, not to exceed 1,500 sq. feet, with possible interior walls for a kitchen, living room, bathroom, or one or more bedrooms or bunkhouses. The camp would be serviced by a cistern and an approved septic tank or other approved facility. There will be no impervious structures (i.e. concrete foundation, driveway, or sidewalks) as part of the structure. The Modest Fish Camp would be similar to the structure on a nearby island (TMS No. R510-010-000-0361-0000) and/or the attached photo.

As discussed in our Narrative, the Property is accessible only by boat. Currently, the Property has no docking facility, but the Trust intends to construct a docking facility in the future. This docking facility would consist of a small floating dock, a wooden walkway to the Property and a platform connecting the floating dock and walkway. All construction of both the docking facility and the modest fish camp would be subject to approval by the appropriate regulatory bodies.

Attachment G

ZA-001111-2018

Florence Graham Island Zoning



MEMORANDUM

TO: Town Council

FROM: Staff Attorney

DATE: June 25, 2018

RE: Proposed Memorandum of Understanding–Island Recreation Association

Recommendation: At their June 14th, 2018 meeting, the Parks and Recreation Commission recommended 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 and forwarded to Town Council recommending approval. At their June 25th, 2018 meeting, the Public Facilities Committee recommended that the attached Memorandum of Understanding (MOU) and Agreement be approved and forwarded to Town Council recommending approval.

Summary: This Memorandum of Understanding is between the Town and the Island Recreation Association regarding the management and operation of the Hilton Head Island Recreation Center (Center), Jarvis Creek Park, Crossings Park, Shelter Cove Community Park, Coligny Park, Low Country Celebration Park, Rowing and Sailing Center, Crossings Park, Bristol Sports Arena, Barker Field Extension, Green's Shell Park, Chaplin Community Park Tennis Courts, and Cordillo Parkway Tennis Courts. 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 Town's parks and tennis courts. The proposed MOU also incorporates the applicable site plans, covenants and restrictions, agreements, leases, operational plans and fee schedules as exhibits B through J. A material change within Exhibit A, is the addition of the Low Country Celebration Park, which is expected to be completed in the coming year and the requirement that Island Recreation Association provide an annual metrics report to the Finance and Administrative Committee.

Background: The Town and Island Recreation Association have a long standing relationship which has been memorialized in a series of individual documents pertaining to Town owned properties developed as recreational and special event facilities and managed as such by the Association. Staff recommends that the MOU and Agreement be renewed for a five year term.

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

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this ____ day of _____, 2018, 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, Green’s Shell Park, Chaplin Community Park and Tennis Courts, Rowing and Sailing Center at Squire Pope Community Park, Coligny Park, Low Country Celebration Park, 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, Rowing and Sailing Center at Squire Pope Community Park, Green’s Shell Park, Coligny Park, Low Country Celebration Park, 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 Recreation Center, Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Barker Field Extension, and Chaplin Community Park and Tennis Courts, Rowing and Sailing Center at Squire Pope Community Park, Green’s Shell Park, Coligny Park, Low Country Celebration Park, 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 and Tennis Courts, Rowing and Sailing Center at Squire Pope Community Park, Green’s Shell Park, Coligny Park, Low Country Celebration Park, and the Cordillo 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. Park Management Plan (Shelter Cove Park).

Exhibit F. Operation Plan for Tennis Courts.

Exhibit G. Fee Schedules for Parks and Tennis Courts.

Exhibit H. Lease with Beaufort County School District dated July 19, 2016.

Exhibit I. Memorandum of Understanding between Sandbox and Town of Hilton Head Island, with Conceptual Design Plan and Proposed Lease.

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

Exhibit K. Sample Island Recreation Association Annual Metrics Report.

2. **General.**

a. The Town owns the Recreation Center, Shelter Cove Community Park, Jarvis Creek Park, Chaplin Community Park, Coligny Park, Low Country Celebration Park, and the Cordillo Parkway Tennis Courts. The Association shall 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, Rowing and Sailing Center at Squire Pope Community Park, Green Shell Park, Coligny Park, Low Country Celebration Park, and the Cordillo 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 Recreation Center, above mentioned Parks and Tennis Courts and those School District recreational facilities made available to the Town by the lease, Exhibit H. Programs shall be offered for all age groups. Access to facilities at the Recreation 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 Recreation Center in a clean, safe manner and in good repair, normal wear and tear excepted. Maintenance of the Shelter Cove Community Park, Coligny Park, Low Country Celebration Park, Green's Shell Park, Jarvis Creek Park, Rowing and Sailing Center, Chaplin Community Park athletic fields and tennis courts, and the Cordillo tennis courts 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 (except for the tennis courts) shall be through Beaufort County.

4. **Programming.**

- a. The Recreation Center, 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 Parks shall be open the following hours:

Shelter Cove Community Park	8:00 a.m. - 10:00 p.m.;
Coligny Park	8:00 a.m. - 10:00 p.m.;
Low Country Celebration Park,	8:00 a.m. – 10:00 p.m.;
Green’s Shell Park	dawn - dusk;
Jarvis Creek Park	dawn - dusk;
Rowing and Sailing Center	dawn - dusk;
Chaplin Tennis Courts	7:00 a.m. - 10:00 p.m.;
Cordillo Tennis Courts	7:00 a.m. - sunset ;
Crossings Park	8:00 a.m. - 10:00 p.m.;
Bristol Sports Arena,	8:00 a.m. - 10:00 p.m.;
Barker Field Extension	8:00 a.m. - 10:00 p.m.; and
Chaplin Community Park.	8:00 a.m. - 10:00 p.m.

- c. The Association may schedule programs or have facility rentals that occur outside the normal operating hours.
- d. The Association shall be authorized to provide supervised instruction for various recreation activities as part of its regular programming, which will include instruction for surfing classes, Adventure Camp, and paddle board lessons that may occur at the beach. These instructional classes 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 and from the instruction areas on the beach.

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 14 of the Lease, exhibit H, the swimming pool shall also be open during dates and times mutually agreed upon between the Association and the Beaufort County School District purposes of teaching swimming and for practices for swim meets for the Hilton Head Island High School swimming teams. Staffing during these dates and times 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 a minimum of fifty percent (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 Ten Thousand dollars (\$10,000.00), 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 Recreation 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 Recreation 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 Recreation 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 September 30, 2023. Prior to September 30, 2023 the Memorandum of Understanding will be reviewed by the Town and the Association. Changes may be made only with 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: _____
David Bennett, Mayor

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

EXHIBIT LIST

A. Memorandum of Agreement

B. Park Site Plans

1. Barker Field Extension
2. Bristol Sports Arena
3. Chaplin Community Park.
4. Chaplin Community Tennis Courts
5. Cordillo Tennis Courts
6. Crossings Park
7. Green's Shell Park
8. Jarvis Creek Park
9. Low Country Celebration Park
10. Recreation Center
11. Rowing and Sailing Center
12. Shelter Cove Community Park

C. Declarations of Covenants Shelter Cove Park

D. Use and Assessments Agreement Shelter Cove Park

E. Shelter Cove Park Management Plan

F. Operation Plan Chaplin and Cordillo Tennis Courts

G. Fee Schedules, Policies & Procedures, Request Forms

1. Shelter Cove Community Park & Low Country Celebration Park
2. Jarvis Creek Park & Rowing and Sailing Center
3. Chaplin Community Park, Bristol Sports Arena, Crossings Park, Barker Field Extension, Green's Shell Park
4. Chaplin Community Park Tennis Courts, Cordillo Tennis Courts
5. Low Country Celebration Park

H. Lease Agreement Island Recreation, Town of Hilton Head Island, and Beaufort County School District

I. MOU Between Sand box and Town of Hilton Head Island

J. Vandermeer Agreement Cordillo Tennis Courts

K. Sample Island Recreation Annual Metrics Report

EXHIBIT A

STATE OF SOUTH CAROLINA)	
)	AGREEMENT
COUNTY OF BEAUFORT)	

This Agreement is made on this ____ Day of _____, 2018 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 *Coligny Beach Park*: The Town park which is located on Pope Avenue, Hilton Head Island, South Carolina, adjacent to the Atlantic Ocean; and which is owned by the Town of Hilton Head Island, South Carolina.

1.08 *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.

1.09 *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.

1.10 *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.

1.11 *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.

1.12 *Green’s Shell Park*: The existing park located at 99 Squire Pope 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.

1.13 *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.8”; and which is owned by the Town of Hilton Head Island, South Carolina.

1.14 *Low Country Celebration Park*: The park which is to be constructed at 80 Pope Avenue, Hilton Head Island, South Carolina, and which is shown and described in the design plans listed in Exhibit “B.9”; and which is owned by the Town of Hilton Head Island, South Carolina.

1.15 *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”.

1.16 *Recreation Center*: The recreational facilities located at 20 Wilborn Road, Hilton Head Island, South Carolina and which is shown and described in the design plans listed in Exhibit “B.10”; and which is owned by the Town of Hilton Head Island, South Carolina..

1.17 *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.

1.18 *Rowing and Sailing Center at Squire Pope Community Park:* The existing park located at 133 Squire Pope Road, Hilton Head Island, South Carolina, and which is shown and described on the Plat thereof attached hereto as Exhibit “B.11”; and which is owned by the Town of Hilton Head Island, South Carolina.

1.19 *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.12” and which is owned by the Town of Hilton Head Island, South Carolina.

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

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

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

1.23 *User Fees:* Fees to be charged to users of the Park and Tennis Courts. User Fees shall be collected in order to defray the cost of set up, clean up and supervision of events at the Parks and Tennis Courts. 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 users of the Parks and Tennis Courts with the terms and conditions of the deposit. A copy of the Fee Schedules are attached hereto as Exhibit “G.”

1.24 *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 “J”.

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.

(8) The hours of the operation of the Rowing and Sailing Center shall be between 7:00 A. M. and sunset.

(9) The hours of the operation of Green's Shell Park shall be between dawn and dusk.

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

(11) The hours of the operation of Bristol Sports Arena shall be between 8:00 A.M. - 10:00 P.M.

(12) The hours of the operation of Low Country Celebration Park shall be between 8:00 A.M. - 10:00 P.M.

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

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

(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, exhibit D.

(e) *Shelter Cove Park Management Plan:* The Association shall operate the Shelter Cove Community Park in a manner that complies with the Shelter Cove Park Management Plan, exhibit E.

(f) *Vandermeer Agreement:* The Association shall operate the Cordillo Tennis Courts in a manner that complies with the Vandermeer Agreement, exhibit J.

(g) *Shelter Cove Park Management Plan:* The Association shall operate the Shelter

Cove Community Park in a manner that complies with the Shelter Cove Park Management Plan, exhibit E.

(h) Other Agreements: The Association shall operate the Jarvis Creek Park, Coligny Park, Low Country Celebration 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, Coligny Park, Low Country Celebration 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 covered by this agreement.

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) Clean-up of the facilities of the Jarvis Creek Park, Coligny Park, Low Country

Celebration Park, Green's Shell Park, and Shelter Cove Community Park shall be completed by the end of the first business day following the conclusion of any special event or program. Liquidated damages in the amount of the required deposit for the special event shall be charged to the event sponsor and paid to the Town for each day the cleanup of the facilities has not been completed, unless permission has been granted by the Town to extend the clean-up period;

(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 Community Park Tennis Courts and Cordillo Tennis Courts. The Cordillo Tennis Courts 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 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.

The Association shall notify the Town Facilities Management Manager after each inspection of the condition of the property.

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 reasonable user fees for programs and services provided by the Center. Such fees shall be designed to offset applicable personnel, administrative and operating expenses allocable to the program or service. Additionally, the Association shall be entitled to charge reasonable 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.

3.01 *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 prior to implementation.

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 Parks and Tennis Courts:* 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, Green's Shell Park, Coligny Park, Low Country Celebration Park, Rowing and Sailing Center, and Chaplin Community Park Athletic Fields and Tennis Courts, and Cordillo 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 *Town to Maintain:* The Town shall be solely responsible for the Daily Maintenance of the Chaplin Tennis Courts and the Cordillo Tennis Courts.

5.04 *Inspections:* The Town 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 conduct inspections a minimum of one time per month 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 provide appropriate on-site information to allow users of the Chaplin Community Park Athletic Fields and Tennis Courts and the 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, Coligny Park, Low Country Celebration Park, Green's Shell Park, Rowing and Sailing Center,

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, Coligny Park, Low Country Celebration Park, Green's Shell Park, Rowing and Sailing Center, Shelter Cove Community Park, Chaplin Community Park and Tennis Courts, or the Cordillo 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. In the event that the need for repairs and maintenance is due to neglect, or abuse during a special event, then the Island Recreation Association shall be responsible for all repairs and maintenance costs. The Island Recreation Association shall be permitted to charge the event sponsor for the repair or maintenance costs associated with any damage caused during an event.

ARTICLE 6 – REVIEW OF ASSOCIATION SERVICES

6.0 Review of Services: The Town and the Association acknowledge that the National Park and Recreation Association (NRPA) is the leader in providing data, best practices and information regarding community parks and recreation facilities and programs. The Association will provide the Finance and Administration Committee information annually from the NRPA regarding comparison data from communities with population between

35,000 to 40,000 residents. The documentation will have an overall agency summary, responsibilities, facilities, and activities for use in comparison with the Association's services.

6.01 **Certification:** The Association shall have its Executive Director certified by the NRPA as a Park and Recreation Professional.

6.02 **Reports to Finance & Administration Committee:** The Association shall provide the Finance and Administration Committee a report similar to exhibit K at its first meeting in February which covers the previous calendar year with certain metrics and reports such as:

Number of programs provided in Athletics, Aquatics, Seniors, Youth, and Teens

Number of community events

Scholarships numbers

Number of volunteers and hours

List of collaborative efforts with other community organizations

Evaluation of individual programs

Community Event Surveys taken by USCB or similar provider

Results of an annual community survey of services

It is understood and acknowledged that such metrics and reports may change from time to time based upon best practices and additional information requested by the Town Council or the Finance & Administrative Committee.

ARTICLE 7 – TERM

7.0 **Initial Term:** This Agreement shall have a term of five (5) years.

7.01 **Renewal:** This Agreement shall be reviewed by the Town Council on or before September 30, 2023. This Agreement may be renewed at that time upon such terms and

conditions as the Parties may agree.

ARTICLE 8 - DEFAULT

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

8.01 *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.

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

8.03 *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.

8.04 *Termination of Agreement:* Whenever any Event of Default described in Article 8.01 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 8 shall not relieve the Association of the obligation to maintain any existing insurance as required under Article 4 for the full term thereof.

ARTICLE 9 - MISCELLANEOUS

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

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

9.02 *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.

9.03 *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.

9.04 *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.

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

9.06 *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.

9.07 *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.

9.08 *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.

9.09 *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.

9.10 *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, ICMA-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

9.11 *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 _____, 2018.

WITNESSES:

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

By: _____

Attest: _____

WITNESSES:

Manager

TOWN OF HILTON HEAD ISLAND

By:

David Bennett, Mayor

Attest: _____
Stephen G. Riley, ICMA-CM, Town

EXHIBIT C

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SHELTER COVE PARK

DATED: FEBRUARY 22, 1982

- CERTIFIED TRUE COPY
of the document recorded in the Office of
The Register of Deeds for
Beaufort County, SC in of Book 342
Page 1726 on 3-4-82. This
document consists of 52 pages.

[Signature]
Register of Deeds
Seal (raised)

11-14-01

342
1726

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

DECLARATION OF COVENANTS,
CONDITIONS AND
RESTRICTIONS RUNNING WITH
CERTAIN LAND OF GREENWOOD
DEVELOPMENT CORPORATION
IN BEAUFORT COUNTY, SOUTH
CAROLINA, AND PROVISIONS
FOR MEMBERSHIP IN THE
SHELTER COVE HARBOUR
COMPANY, A SOUTH CAROLINA
NON-PROFIT CORPORATION

THIS DECLARATION, made this 22nd day of February, 1982, by GREENWOOD
DEVELOPMENT CORPORATION ("Declarant"), of Greenwood, South Carolina.

WITNESSETH:

WHEREAS, Declarant holds title in fee simple to the certain lands (hereinafter referred to as "Shelter Cove Harbour" or "the Property") described in Section 1-1 of this Declaration and in the Plat recorded at Book 30, at Page 65, in the office of the Beaufort County, South Carolina, Clerk of Court, a reduced copy of which is attached as Exhibit A hereto and incorporated by reference herein; and

WHEREAS, neither the deed of conveyance of the Property to the Declarant nor any prior deed of record to prior owners contained any land use restrictions or covenants running with the land, and made no reference to any prior general plan of development; and

WHEREAS, the Declarant finds that private controls over the use of land are an effective means of establishing, preserving, maintaining and, in some instances, enhancing, the economic or intangible values pertaining to the use and enjoyment of the Property and, to this end, the Declarant desires to establish on the Property certain private land use controls, conditions, restrictions, equitable servitudes, encumbrances, affirmative obligations, burdens, benefits, reservations, easements, assessments, charges and liens (hereinafter referred to as the "Declaration", these "Covenants", or the "Shelter Cove Covenants of 1982"); and,

WHEREAS, the primary purpose of these Covenants is to facilitate the creation and maintenance of areas within and facilities on the Property which will make parcels within the Property and the Property as a whole desirable for use and enjoyment as a place for human habitation and human activities including boating and marina activities, vacations, conferences, seminars, rest, education, leisure, recreation, family dwellings and sports; and

WHEREAS, the Declarant deems it desirable to provide a mechanism for the proper administration of these Covenants, including, but not limited to, the

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: Unsightly 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 feasibly;
- (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, racquet 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," "Palmetto 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. Modification, 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 of 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 or 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 grantees. "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 of 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:

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- (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, pavilions, 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

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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:

Raymond
Vice President

Namie W. Nicholson

Attest:

Raymond Justesen
Asst. Secretary

SHELTER COVE HARBOUR COMPANY

Nada B. Banes

By:

John W. Darr
President

Namie W. Nicholson

Attest:

Raymond 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

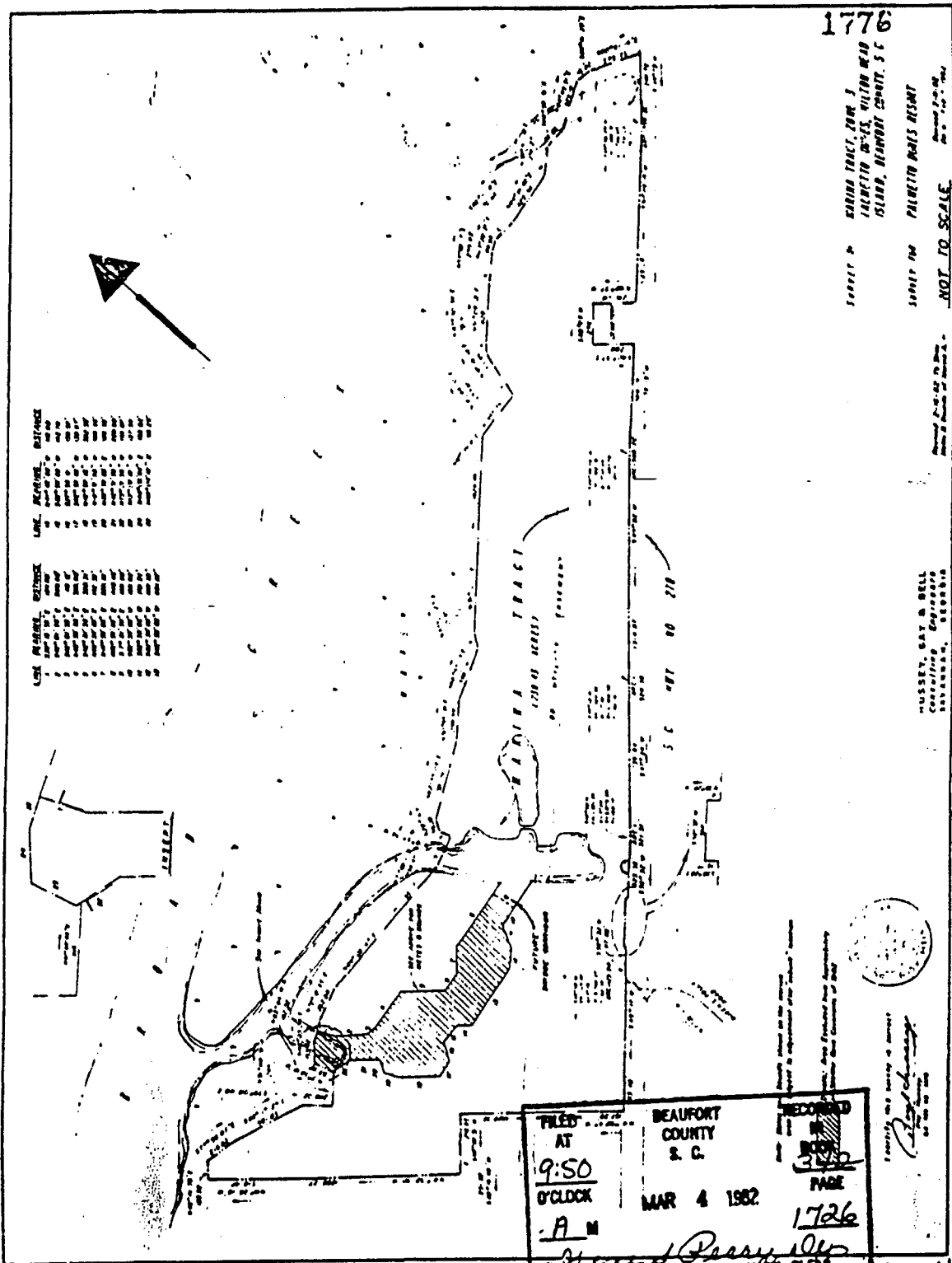
Mamie W. Nicholson
Notary Public for South Carolina
My Commission Expires 8-26-90.

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

SECTION 8. MARINE TRACT, FROM J. HARRINGTON WHEEL, WILSON BEACH ISLAND, BEAUFORT COUNTY, S. C.

SECTION 10. PALMETTO HILLS RESORT

NOT TO SCALE

LEG. SYMBOL. DISTANCE
 LEG. SYMBOL. DISTANCE
 LEG. SYMBOL. DISTANCE

MUSSET, EAT & BELL
 Consulting Engineers
 Beaufort, S. C.

FILED AT	BEAUFORT COUNTY S. C.	RECORDED IN
9:50 O'CLOCK	MAR 4 1982	BOOK 342
A.M.		PAGE 1726
Clerk of Court of Common Pleas		

[Signature]

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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

all other provisions of the Shelter Cove Covenants, including, for example, architectural review and approval.

2.02 In order to defray any additional costs to other landowners within Shelter Cove which might arise as a result of The Town of Hilton Head Island, South Carolina's ownership and use of the Property, The Town of Hilton Head Island, South Carolina, Greenwood Development Corporation and The Shelter Cove Harbour Company, Inc., agree as follows:

a. The Town of Hilton Head Island, South Carolina, assumes the sole responsibility for all routine maintenance and security related to the Property and any improvements thereon. The Town of Hilton Head Island, South Carolina, shall also be solely responsible for the arrangement of security, removal of trash and debris and general clean up of the Property and surrounding areas resulting from day to day use there of, and also from any special event conducted on the Property. The Town of Hilton Head Island, South Carolina, shall use reasonable and businesslike efforts to provide advance notice the Shelter Cove Harbour Company of any such special events.

b. In the event that the Shelter Cove Harbour Company agrees to convey that portion of Shelter Cove Lane beginning at the intersection of U.S. 278 and Shelter Cove Lane, and ending at the north east intersection of Shelter Cove Lane and the Highway 278 Access Road lying between the "Mall at Shelter Cove" and the "Plaza at Shelter Cove" intersection to the Town, then The Town of Hilton Head Island, South Carolina, shall undertake sole responsibility for the maintenance and upkeep of the portion of Shelter Cove Lane conveyed to it.

ARTICLE 3 - TERM

3.01 This Agreement shall remain in full force and effect so long as the Property is owned by The Town of Hilton Head Island, South Carolina, and is used as permitted hereunder.

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. Peeple*
Thomas D. Peeples, Mayor

Charles F. Cousins

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

GREENWOOD DEVELOPMENT CORPORATION

Carolyn C. Massey

By: John J. Aschmuff

Suzanne F. Courtney

Its: President

THE SHELTER COVE HARBOUR COMPANY,
INC.

Carolyn C. Massey

By: Charles W. Pigg

Suzanne F. Courtney

Its: PRESIDENT

EXHIBIT E

VANDERMEER AGREEMENT

CORDILLO TENNIS COURTS

DATED: FEBRUARY 14, 1983

STATE OF SOUTH CAROLINA)

)

AGREEMENT

COUNTY OF BEAUFORT)

)

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:

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.

2. At the time of conveyance by Sea Crbin 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:

Barbelle F. Mahoney

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

Barbelle F. Mahoney

Barbelle F. Mahoney

Barbelle F. Mahoney

SEA CABIN CORPORATION

By: Barbelle F. Mahoney (L.S.)
VICE PRESIDENT

Attest: Barbelle F. Mahoney (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.

Barbelle F. Mahoney
Witness

SWORN and subscribed to before me this 14 day of February, 1983.
Barbelle F. Mahoney (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.

Barbelle F. Mahoney
Witness

SWORN and subscribed to before me this 14 day of February, 1983.
Barbelle F. Mahoney (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 Barbelle F. Mahoney
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 AT <u>9:30</u> O'CLOCK <u>AM</u>	BEAUFORT COUNTY S. C. FEB 24 1983	RECORDED IN BOOK <u>364</u> PAGE <u>778</u>
<i>Francis H. Lowmy, Jr.</i> CLERK OF COURT OF COMMON PLEAS		

EXHIBIT F

OPERATION PLAN

CHAPLIN TENNIS COURTS

&

CORDILLO TENNIS COURTS

DATED: APRIL __, 2011

TENNIS COURTS OPERATION PLAN

Memorandum

Date: February 20, 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.

Memorandum

Date: February 20, 2012
To: Town Council
From: Hilton Head Island Recreation Association
RE: Tennis Operation Plan

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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.

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: _____

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 aproved 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

all other provisions of the Shelter Cove Covenants, including, for example, architectural review and approval.

2.02 In order to defray any additional costs to other landowners within Shelter Cove which might arise as a result of The Town of Hilton Head Island, South Carolina's ownership and use of the Property, The Town of Hilton Head Island, South Carolina, Greenwood Development Corporation and The Shelter Cove Harbour Company, Inc., agree as follows:

a. The Town of Hilton Head Island, South Carolina, assumes the sole responsibility for all routine maintenance and security related to the Property and any improvements thereon. The Town of Hilton Head Island, South Carolina, shall also be solely responsible for the arrangement of security, removal of trash and debris and general clean up of the Property and surrounding areas resulting from day to day use there of, and also from any special event conducted on the Property. The Town of Hilton Head Island, South Carolina, shall use reasonable and businesslike efforts to provide advance notice the Shelter Cove Harbour Company of any such special events.

b. In the event that the Shelter Cove Harbour Company agrees to convey that portion of Shelter Cove Lane beginning at the intersection of U.S. 278 and Shelter Cove Lane, and ending at the north east intersection of Shelter Cove Lane and the Highway 278 Access Road lying between the "Mall at Shelter Cove" and the "Plaza at Shelter Cove" intersection to the Town, then The Town of Hilton Head Island, South Carolina, shall undertake sole responsibility for the maintenance and upkeep of the portion of Shelter Cove Lane conveyed to it.

ARTICLE 3 - TERM

3.01 This Agreement shall remain in full force and effect so long as the Property is owned by The Town of Hilton Head Island, South Carolina, and is used as permitted hereunder.

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. Peebles
Thomas D. Peebles, Mayor

Charles F. Cousins

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

GREENWOOD DEVELOPMENT CORPORATION

Cassidy C. Massey

By: John J. Ascroft

Suzanne F. Courtney

Its: President

THE SHELTER COVE HARBOUR COMPANY,
INC.

Cassidy C. Massey

By: Charles W. P. G.

Suzanne F. Courtney

Its: PRESIDENT

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)

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C70-2014

WHEREAS, on or about October 16, 2012, Shelter Cove Towne Centre, LLC (“SCTC”) and the Town entered into that certain “Development Agreement for Shelter Cove Mall between Shelter Cove Towne Centre, LLC and the Town of Hilton Head Island, South Carolina”, which was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on October 26, 2012 in Book 3185 at Page 1785 (“Development Agreement”); and,

WHEREAS, the Development Agreement further provides that a Park Management Plan shall be entered into between SCTC and the Town, which shall, among other things, establish a system which will allow both parties hereto to utilize the Community Park for special events to avoid any conflicts of use; and,

Page 1 of 12

WHEREAS, it is the intent of the parties that the term "Development Agreement" as used herein shall include the Development Agreement as defined herein above as well as any amendments or modifications thereto, which shall specifically include the Amended and Restated Development Agreement for Shelter Cove Mall referred to herein above.

NOW, THEREFORE, for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer and the Town do hereby agree as follows.

1. Terms which are defined or otherwise referenced in the Development Agreement shall carry their meanings into this Park Management Plan. Specifically, "Community Park" is certain property defined and more particularly described in the Development Agreement.

2. **Generally.** The Community Park shall continue to be bound by the Memorandum of Understanding and Agreement between the Town and the Hilton Head Island Recreation Association, Inc., dated April 3, 2012, and any amendments or modifications thereto ("MOU"). All policies and procedures already in place for the existing Shelter Cove Community Park shall remain in effect with additional requirements as set forth herein and in accordance with the Development Agreement. The requirements of this Agreement should be read as additional requirements to the MOU or other agreements, policies, or procedures concerning the management and/or use of the Community Park. However, if any provisions of the Agreement conflict with the MOU or other agreements, policies, or procedures concerning the management and/or use of the Community Park, this Agreement shall control.

3. **Process to Avoid Use Conflicts Between Developer and the Town.**

(a) The parties acknowledge and agree that the Schedule set forth in Article 4 below shall be the yearly anticipated schedule established to avoid use conflicts in connection with the Community Park.

(b) Additional events and activities will be coordinated as follows. The Developer will meet with the Town Manager of the Town (or his/her designee(s)) on an annual basis (or as otherwise reasonably necessary in the discretion of the Town Manager of the Town) to establish an anticipated calendar of events for the following year and/or to place additional events on the year's calendar. The purpose of the meeting(s) shall be to avoid use conflicts in connection with the Community Park. In the event that there is a use conflict, the Town Manager of the Town (or his/her designee) will make the final determination(s), including but not limited to establishing the schedule for the following year in his/her sole discretion. In the event a decision needs to be made prior to a meeting of the Developer and Town Manager of the Town (or his/her designee(s)), such decision may be rendered by the Town Manager of the Town (or his/her designee(s)) via electronic mail or other written correspondence.

4. **Schedule.**

(a) The parties recognize that due to the proximity of the Community Park to shopping centers and the location of other community events, both the Developer and the Town have an interest in utilizing the Community Park. The parties also recognize that the Community Park is a Town-owned parcel for use by the general public and as a host parcel for community-wide events sponsored by the

Hilton Head Island Recreation Association, Inc. As such, the Town agrees that it will use its best efforts in good faith to avoid scheduling events on the following dates within the Community Park:

- (i) the Friday and Saturday after Thanksgiving; and
- (ii) the annual Art Festival at Shelter Cove in May.

It is acknowledged and agreed between the parties that this Article 4(a) shall not apply to events listed in Article 4(b) below.

(b) Certain events which are sponsored by the Hilton Head Island Recreation Association, Inc. shall have priority over other scheduled events. These currently-anticipated events include, but are not limited to:

- (i) Snow Day;
- (ii) Wingfest;
- (iii) Seafood Festival;
- (iv) Easter Extravaganza;
- (v) Taste of Hilton Head Festival;
- (vi) Fourth of July festival/celebration event;
- (vii) Gullah Art Festival;
- (viii) Burgers and Brew Festival;
- (ix) Pumpkin Patch;
- (x) Oyster Festival; and
- (xi) Winter Wonderland.

(c) The Schedule set forth in this Article 4 is included for purposes of setting forth general guidelines for scheduling events within the Community Park. The

Town agrees to use its best efforts in good faith to avoid scheduling events during days/times which would place an undue burden on both the general public as well as patrons of the Developer, such as during peak parking times in the area(s) including and surrounding the Community Park (i.e. Black Friday, Saturdays from Memorial Day through Labor Day, etc.). However, the parties recognize that the Town, as owner and operator of the Community Park, may schedule events within the Community Park on any day/time in the Town's discretion.

5. **Payment of Fees.** Developer will not be bound by the Fee Schedule for usage of the Community Park as described in the MOU, but is bound by all other requirements relative to the Community Park. Notwithstanding the foregoing, tenants of commercial units within the Mall Tract shall be bound by the Fee Schedule as described in the MOU.

6. **Usage of Park Elements.** With the exclusion of the events approved in accordance with Article 3 above or listed in Article 4(b) above, no one entity may reserve or restrict access to the entire Community Park, nor will multiple entities be able to reserve or restrict access to all elements of the Community Park, at any one time. Individual elements/structures of the Community Park may be reserved so long as the general public continues to have access to the Community Park in general.

7. **Tenant Priority for Events.** Tenants of commercial units within the Mall Tract shall have a priority right to be included in events sponsored by Hilton Head Island Recreation Association, Inc. Such tenants will be bound by the MOU and all requirements and fees for such involvement, and other similar businesses shall not be excluded from participation.

8. **Miscellaneous.**

- (a) **Amendment, Changes and Modifications.** This Agreement may not be amended, changed, modified or altered without the written consent of all parties hereto.
- (b) **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.
- (c) **Assignability.** This Agreement may not be assigned by any party without the express written consent of all parties.
- (d) **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, default or misrepresentation 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.
- (e) **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.
- (f) **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.

- (g) Construction. The parties agree that each party and its counsel have reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits hereto.
- (h) Default. Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if any party shall default in any of its obligations, covenants or agreement contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the non-defaulting party(ies) shall be entitled to pursue any remedy at law or in equity against the defaulting party, including an action for damages or for specific performance of this Agreement.
- (i) Eminent Domain. Nothing contained in this Agreement shall limit, impair or restrict the Town's right and power of eminent domain under the laws of the State of South Carolina.
- (j) Entire Agreement. This Agreement constitutes the entire agreement between the parties regarding the matters set forth herein.
- (k) 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.

- (l) Further Assurances and Corrective Documents. The parties hereto agree to do, execute, acknowledge, deliver or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect hereto.
- (m) 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.
- (n) No Waiver. Failure of a party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such Party to exercise at some future time said right or any other right as it may have hereunder.
- (o) 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 regular first class mail, postage prepaid (in such case, delivery shall be deemed complete upon mailing), addressed as follows, or to such other place as may be designated in writing by the parties:

To Developer: Mark Senn
President, Blanchard & Calhoun Commercial Corporation
2743 Perimeter Parkway
Building 200, Suite 370
Augusta, Georgia 30909

To the Town: Town of Hilton Head Island, South Carolina
Stephen G. Riley, ICMA-CM, Town Manager
One Town Center Court
Hilton Head Island, SC 29928

- (p) 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.
- (q) 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.

(SIGNATURE PAGES FOLLOW)

In Witness Whereof, Shelter Cove Towne Centre, LLC, Shelter Cove II, LLC, and the Town of Hilton Head Island, South Carolina, by and through their duly authorized officers, have caused this Park Management Plan to be executed effective as of the date first above written.

WITNESSES:

Susan A Shadon
(Signature of Witness #1)

Robert Thomas III
(Signature of Notary Public)

SHELTER COVE TOWNE
CENTRE, LLC

By: [Signature]

Its: Manager

STATE OF Georgia)
COUNTY OF Richmond)

UNIFORM ACKNOWLEDGMENT
S. C. CODE ANN. § 30-5-30 (SUPP. 2011)

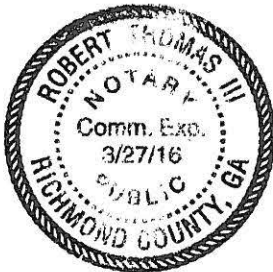
I, the undersigned Notary Public, do hereby certify that Victor J. Mills personally appeared before me on this day in the presence of the above-named witnesses and duly acknowledged the execution of the foregoing instrument on behalf of Shelter Cove Towne Centre, LLC.

Sworn to and Subscribed before me
on this 6 Day of Nov, 20 14.

Robert Thomas III

Notary Public for Georgia

My Commission Expires: 3/27/16



WITNESSES:

Susan A. Shadan
(Signature of Witness #1)

Robert O. III
(Signature of Notary Public)

SHELTER COVE II LLC

By: [Signature]

Its: Manager

STATE OF Georgia)
COUNTY OF Richmond)

UNIFORM ACKNOWLEDGMENT

S. C. CODE ANN. § 30-5-30 (SUPP. 2011)

I, the undersigned Notary Public, do hereby certify that Victor J. Mills personally appeared before me on this day in the presence of the above-named witnesses and duly acknowledged the execution of the foregoing instrument on behalf of Shelter Cove II, LLC.

Sworn to and Subscribed before me

on this 6 Day of Nov, 2014.

Robert O. III

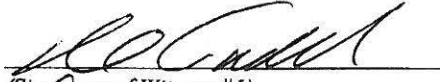
Notary Public for Georgia

My Commission Expires: 3/27/16

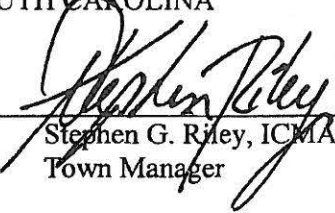


WITNESSES

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA


(Signature of Witness #1)

By:


Stephen G. Riley, ICMA-CM
Town Manager


(Signature of Notary Public)

STATE OF SOUTH CAROLINA) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT) S. C. CODE ANN. § 30-5-30 (SUPP. 2010)

I, the undersigned Notary Public do hereby certify that Stephen G. Riley personally appeared before me on this day in the presences of the above-named witnesses and duly acknowledged the execution of the foregoing instrument on behalf of the Town of Hilton Head Island, South Carolina.

Sworn to and Subscribed before me

on this 20th Day of NOVEMBER, 2014.



Notary Public for South Carolina
My Commission Expires: OCTOBER 12, 2017

EXHIBIT F

OPERATION PLAN

CHAPLIN TENNIS COURTS

&

CORDILLO TENNIS COURTS

DATED: _____, 2018

Memorandum

Date: April 2, 2018
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 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 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, when necessary 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 require organizations using the Cordillo Tennis Courts to provide temporary restroom facilities on-site for the duration of the tournament.

d.) Plan for Maintenance:

The Town maintenance shall be done on a daily basis. Debris shall be blown from the courts and the surrounding infrastructure. The bathrooms shall be inspected and cleaned at the Chaplin tennis facility.

The Association will check on a regular basis the windscreens and tennis nets, securing them as needed. Lights shall be inspected on a regular basis in the 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 Town and County on the maintenance of the tennis courts.

e.) Plan for Safety Inspections:

The Tennis Manager, along with the maintenance staff, shall perform 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 Association 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 facilities needs of the tennis courts. The budget shall be approved by the Association's Board of Directors, along with the Town's Parks and Recreation Commission.

042-2016

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

**LEASE AND
FACILITY USE AGREEMENT**

THIS LEASE AGREEMENT (the "Agreement") is made and entered into this, the 19th day of July, 2016, by and between the BEAUFORT COUNTY SCHOOL DISTRICT BOARD OF EDUCATION (hereinafter, the "BCSD" or the "Lessor"), the TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA (hereinafter, the "Lessee"), and the HILTON HEAD ISLAND RECREATION ASSOCIATION (hereinafter, the "Association"), collectively known as the "Parties".

WHEREAS, the Lessor and Lessee executed a Lease Between Beaufort County Board of Education and Town of Hilton Head Island on or about June 16, 1987, whereby Lessor leased to Lessee a parcel of real estate being 5.739 acres, more or less, as described therein, and to which an Addendum Number One was entered by Lessor and Lessee on or about January 15, 2013 (collectively, the "1987 Lease Agreement"); and

WHEREAS, Lessee has continually used said parcel for sports and other recreation activities continuously since such date, such parcel being known as the Island Recreation Center; and

WHEREAS, such parcel is situated between four (4) public schools operated by Lessor and abuts real property known as Hilton Head Island High School ("HHIHS"); and

WHEREAS, Lessee desires to update the real property leased from Lessee for the purposes of renovating, constructing, and replacing recreation facilities, facilities incidental to Lessor's education of students, and related parking areas for use by the Association; and

WHEREAS, on or about January 15, 2013, Lessor and the Association executed a Long-Term Facility Use Agreement (the "2013 Agreement"), setting forth rules of use Lessor's property by the Association; and

WHEREAS, the Parties desire to execute a new agreement to replace the 1987 Lease Agreement, and to clarify the procedures regarding use of certain facilities.

NOW, THEREFORE, in consideration of the covenants contained herein and other valuable consideration received and with the intent to be legally bound, Lessor and Lessee agree as follows:

1. **PREMISES.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, that certain parcel of real property together with any and all improvements thereupon, more particularly described and shaded in Exhibit A attached hereto and incorporated by reference herein, all of which is hereinafter referred to as the "Premises." Lessor leases the Premises to Lessee for use by the Association.

2. AUTHORIZATION TO OPERATE AND CONSTRUCT. Lessor authorizes Lessee and the Association to continue to operate upon the Premises public recreation facilities and to construct future improvements or additions to the same as shown on Exhibit B, incorporated by reference herein.

3. RELOCATION OF TENNIS COURTS AND TENNIS COURT LIGHTING. Lessor authorizes Lessee and/or the Association, at Lessee's and/or the Association's sole expense, to remove existing tennis courts from the Premises and to reconstruct tennis courts as shown on Exhibit B, incorporated by reference herein. The Parties understand the relocated tennis courts will be located on real property owned by Lessor but not within the Premises. Lessor further authorizes Lessee and/or the Association, at Lessee's and/or the Association's sole expense, to relocate the tennis court lights, light poles, and all materials incidental and required for tennis court lighting from their present location to the location of the reconstructed tennis courts. Lessee and the Association agree to be solely responsible for the payment of any and all costs associated with the operation of the tennis court lights during the Term of this Agreement; provided, however, that Lessor shall be responsible for all maintenance or repair of the tennis courts (and tennis court areas) exclusive of the tennis court lights. The Parties agree Lessor shall have primary use, and Lessee and the Association secondary use, of the relocated tennis courts as set forth in Paragraph 13, *supra*.

4. EXPANSION, OPERATION, AND USE OF PARKING LOTS.

- A. Lessor authorizes Lessee and/or the Association to construct a new parking lot with no fewer than seventy-two (72) additional parking spaces, shown on Exhibit B as "New Parking" and being situated west of the parking lot currently servicing the HHIHS gymnasium and situated south of the relocated tennis courts.
- B. Lessor authorizes Lessee and/or the Association to expand the parking lot shown in the northwest corner of Exhibit B and shown thereon as "New Parking" with no fewer than 44 additional parking spaces.
- C. Lessee and the Association shall be solely responsible for the maintenance, repair, and upkeep of the parking lots/spaces constructed pursuant to this Agreement, the existing parking lot fronting the entrance to the Island Recreation Center, and the existing parking lot previously constructed by Lessee across Wilborn Road, and any green spaces located therein.
- D. During normal school hours and in evenings when school activities require, Lessor shall have primary use of the parking lots/spaces constructed pursuant to this Agreement. Lessee and the Association shall have primary use of the existing parking lot fronting the entrance to the Island Recreation Center and the existing parking lot previously constructed by Lessee across Wilborn Road, and shall have secondary use of other parking lots on Lessor's property.

5. CONSTRUCTION OF JROTC DRILL PAD. Lessor authorizes Lessee and/or the Association to construct a new JROTC Drill Pad to the specifications required by Lessor, at roughly the location shown on Exhibit B. Lessee and the Association understand and acknowledge the exact location and specifications of the Drill Pad will be in the sole determination of Lessor.

6. INSTALLATION OF FIELD LIGHTING. Lessor authorizes Lessee and/or the Association, at Lessee's and/or the Association's sole expense, to install lights, light poles, and all materials incidental and required for field lighting, including but not limited to a separate electrical meter, on the existing practice field located in the northwest corner of Lessor's property and situated west of the "New Parking" as shown in the northwest corner of Exhibit B. Lessor agrees to be solely responsible for the payment of any and all costs associated with the operation and maintenance of the field lights during the Term of this Agreement.

7. USE OF GREEN SPACE. Notwithstanding the provisions set forth in Paragraph 13 below, the Parties agree Lessee and the Association may use and shall upkeep and maintain the green space existing between HHIHS and the Island Recreation Center, and shown on Exhibit B as being and situated west of the relocated tennis courts and east of the Island Recreation Center.

8. BASEBALL FIELD NETTING. Lessor authorizes Lessee and/or the Association, at Lessee's and/or the Association's sole expense, to install protective netting south of the existing baseball field to protect users of the relocated tennis courts. Lessee and the Association shall maintain and keep such protective netting in good repair and condition at all times. In the event Lessor expresses a concern to Lessee and/or the Association with the condition or upkeep of the protective netting, Lessee and/or the Association shall remedy the concern without undue delay.

9. TERM AND TERMINATION. The initial term (the "Initial Term") of this Agreement shall be for a period of thirty-five (35) calendar years, commencing on the 19th day of July, 2016, and ending at midnight on June 30, 2051. After the Initial Term, this Agreement shall automatically be renewed for successive renewal terms of five (5) years each, beginning on July 1 of the renewal year and concluding on June 30 of the fifth year. Either party may terminate this Agreement by sending to the other a written notice evidencing that party's intent to terminate this Agreement no later than 11:59 PM on January 1 of the final year of the Agreement term then in effect. The Initial Term and any renewal terms shall collectively be called the "Term".

10. TERMINATION OF 1987 LEASE AGREEMENT. The Parties agree, upon execution of this Agreement, the 1987 Lease Agreement shall automatically terminate and be of no further force or effect. The Parties waive any necessary pre-termination notice requirements regarding termination of the 1987 Lease Agreement.

11. TERMINATION OF 2013 LONG-TERM FACILITY USE AGREEMENT. The Parties agree, upon execution of this Agreement, the January 15, 2013 Long-Term Facility Use Agreement (the "2013 Agreement") executed by Lessor and the Association shall

automatically terminate and be of no further force or effect. The Parties waive any necessary pre-termination notice requirements regarding termination of the 2013 Agreement.

12. PAYMENTS DURING TERM. Other than the utility and other payments to be made by Lessee pursuant to this Agreement, the Parties agree no periodic lease payment shall be due from Lessee or the Association to Lessor. Pursuant to BCSD Administrative Regulation OS-29, Use of School Facilities, the BCSD Superintendent waives, and neither Lessee nor the Association shall be required to pay, the base usage and/or HVAC fee(s) due to Lessor pursuant to BCSD Administrative Regulation OS-29, Use of School Facilities. Lessor reserves the right to charge the Association costs related to usage, including but not limited to, custodial fees, supervision fees, and costs for operators of the HHIHS VPAC light and/or sound system(s); however, Lessor will not charge Lessee or the Association custodial fees or supervision fees if the use of Lessor's facilities by Lessee and/or the Association occurs during the usual and customary employment hours of a custodian assigned to the facility in use or a person who may supervise the use of Lessor's facility.

13. USE OF FACILITIES.

A. USE OF FACILITIES NOT WITHIN THE LEASED PREMISES BY THE ASSOCIATION.

1. Lessor shall have the first priority of use on all Facilities located and situate on property owned by Lessor and not located within the Premises. Lessor grants to the Association a non-exclusive second and subordinate priority to use Lessor's Hilton Head Island Facilities not located within the Premises for the costs and fees described in Paragraph 12, *supra*. The Association may be allowed to use these Facilities not located within the Premises after normal school hours for students when the particular Facility is not in use by Lessor or not otherwise needed for public school purposes. The appropriate school Principal, or his/her designee, shall determine whether a particular Facility is scheduled for use, in use, or otherwise needed for public school purposes.
2. A request to use any Facility not within the Premises shall be submitted to the appropriate Principal or his/her designee at least twenty-four (24) hours prior to the requested use(s). When possible and reasonable, such request shall be in writing. All requests shall:
 - a. State the purpose for which a Facility not within the Premises will be used by the Association; and
 - b. State the date(s) on which the Association desires to use Facility not within the Premises and which facility it desires to use.
3. The appropriate Principal or his/her designee may reasonably require additional information in any request for use of a Facility not within the Premises by Association.

4. The appropriate Principal or his/her designee shall approve all reasonable requests by the Association to use a Facility not within the Premises not scheduled for use, in use, or otherwise needed for public school purposes.
5. For each such requested use not otherwise described within this Agreement, the Association shall be required to complete the BCSD Facility Use Agreement.

B. USE OF FACILITIES WITHIN THE LEASED PREMISES BY LESSOR.
During the Term, Lessor may use, without charge, the Facilities located within the Premises. With the exception of the agreed upon uses set forth in this Agreement, whenever Lessor shall desire to use facilities located within the Premises, the procedure shall be as follows:

1. A request to use any Facility within the Premises shall be submitted to the Association's Executive Director or his/her designee at least twenty-four (24) hours prior to the requested use(s). When possible and reasonable, such request shall be in writing. All requests shall:
 - a. State the purpose for which a Facility within the Premises will be used; and
 - b. State the date(s) on which the Lessor desires to use a Facility within the Premises and which Facility it desires to use.
2. The Association's Executive Director or his/her designee may reasonably require additional information in any requests for use of a Facility within the Premises by Lessor.
3. The Association's Executive Director or his/her designee shall approve all reasonable requests to use a Facility within the Premises, which do not conflict with a current or expected use of such Facility by the Association.

C. For purposes of this Paragraph, "Facility" or "Facilities" shall be defined as any sports or recreation facilities, courts and fields, green space, buildings, and parking lots located on Lessor's real property known as the Hilton Head Island school campuses and/or leased to Lessee pursuant to this Agreement.

14. SWIMMING POOL. Lessee and the Association shall allow Lessor to use the swimming pool constructed on the Premises for the purpose of teaching swimming to Lessor's students and for practices and swim meets by the HHIHS swimming team(s). Lessor's use shall be on a schedule mutually determined by the Association and Lessor, although the Association agrees to allow the HHIHS swim teams to practice and conduct swim meets on mutually agreeable dates and times which do not conflict with Lessor's school day for students. Lessor

shall be responsible for providing appropriate staff when using the swimming pool for its programs, in addition to those staff employed by the Association and/or Lessee.

15. SURVEYING. Lessee and/or the Association shall pay any and all surveying costs related to the construction and relocation of the structures on the Premises and on Lessor's property.

16. EXTERIOR MATERIALS. Lessee and the Association agree to consult with Lessor's representative regarding exterior materials for facilities to be constructed on the Premises to ensure they are architecturally compatible with the structures existing on the school complex areas and on Lessor's adjoining property.

17. COMPLIANCE WITH RULES AND REGULATIONS GOVERNING SCHOOL FACILITIES. Lessee and the Association agree to comply with BCSD Administrative Regulations OS-29, Use of School Facilities, HRS-9, Tobacco-Free Workplace, and SS-24, Tobacco Use by Students, and the BCSD Rules and Regulations Governing Use of School Facilities, as may be from time to time amended and which are incorporated herein by reference.

18. UTILITIES AND ACCESS. Subject to Paragraph 6 above and any other provisions set forth herein to the contrary, Lessee and the Association shall have the sole responsibility for payment to third parties for any and all utilities (including, without limitation, heating and air conditioning, gas, water and sewer, electricity, internet access and telephone service) that are provided to and consumed on the Premises during the Term. Lessee and/or the Association shall pay all costs, if any, to install or extend water and sewer facilities on the Premises including appropriate tap fees, if any. Lessee and/or the Association shall be solely responsible for any and all costs attendant to providing installation of electrical power to the Premises. Lessor agrees to grant such easements over and across adjoining property it now owns, as may be required, for the purpose of such installations, other utilities and for ingress and egress of the general public.

19. MAINTENANCE. Lessee and the Association shall maintain the facilities on the Premises in good repair, and the Lessor will maintain its facilities in a similar condition. Subject to any provisions set forth herein to the contrary, Lessor shall not be responsible for maintenance to the facilities on or to the Premises.

20. SIGNAGE. Signage shall be provided by Lessee and/or the Association. No person or entity may install any signage on the outside or inside of the building or on the Premises without prior written permission of the Lessor, which permission shall not be unreasonably withheld or delayed.

21. ACCESS TO LESSOR'S PROPERTY.

A. The Parties acknowledge Lessor reserves the right, but does not assume a duty, to exclude from Lessor's property, including but not limited to, any location Lessee and/or the Association intends to use, any person(s) whom Lessor reasonably believes

pose a security risk to the health and safety of the occupants of the property, in accordance with Lessor's normal lawful authority, policies, practices, regulations, and control of its property, and nothing in this Agreement shall diminish in any manner Lessor's authority to manage and control its property, and access thereto, pursuant to South Carolina law.

- B. Lessee and the Association agree that they, their employees, agents, volunteers, and participants in the use remain at all times subject to Lessor's lawful authority, policies, practices, regulations, and discretion with regard to matters of control and management of school property, including but not limited to both active and passive measures for the safety and security of property and/or persons. Lessee and the Association accept any inconvenience or interference in the use caused by the rights reserved to Lessor in this Paragraph.
- C. It is understood the uses set forth in this Agreement include ancillary uses of facilities and fixtures at the locations, such as restrooms, access routes through buildings and grounds, parking, utilities, authorized fixtures and equipment at the locations, and the like, provided however, that Lessee and the Association shall not make any ancillary use not reasonably necessary to support the uses, and all ancillary use if subject to Lessor's control or limit in Lessor's sole discretion.
- D. The Association shall, at its sole expense and no less than annually in June, conduct a criminal history records check and sexual offender registry check on all Association staff or volunteers who will be on Lessor's property to act on behalf of the Lessee and/or the Association. During the Term, the Association shall, at its sole expense, conduct a criminal history records check and a sexual offender registry check on all newly added staff and new volunteers who will be on Lessor's property to act on behalf of the Association. The Association shall report in writing to Lessor the checks required by the Paragraph have been conducted, and the Association must obtain Lessor's review and approval of any staff or volunteer with any criminal history or registered status. Lessor shall establish minimum standards for the scope of the required checks. Lessor may require the use of a service under contract with Lessor for the purpose of conducting criminal history and sexual offender registry checks. The Association's records of such checks shall be maintained on file by the Association and be available for review by Lessor upon request. Lessor's authority to control and manage its property shall be final with regard to the access of any Lessee and/or Association staff or volunteers.
- E. The Association assumes and retains full and sole responsibility for the custody, care, and/or control of children participating in its programs, and acknowledges Lessor does not assume any responsibility or liability whatsoever for any harm while children are in the custody, care and/or control of the Association.

22. **INSURANCE.** During the Term, the Association shall maintain, at its sole expense, insurance compliant with the minimum insurance requirements set forth in BCSD Administrative Regulation OS-29, Use of School Facilities, as may be time to time amended.

The Association shall present any required certificates or other proof of insurance as required by Lessor. Any failure by the Association to maintain in force and effect the required minimum insurance coverage shall be considered a material breach of this Agreement. In furtherance of and in addition to the insurance requirements set forth in BCSD Administrative Regulation OS-29, Use of School Facilities, the Association shall maintain no less than \$1,000,000.00 of primary general liability coverage and \$5,000,000.00 of excess liability coverage. The Association shall further maintain no less than \$1,000,000.00 in sexual abuse or molestation coverage and \$1,000,000.00 excess coverage. The Association shall name Lessor as a loss payee on any and all applicable insurance policy(ies). Lessee and the Association are solely responsible for insuring their own personal property against loss.

23. DAMAGE AND REPLACEMENT. Lessee and the Association shall keep any locations leased from or used with the permission of Lessor, whether within or outside the Premises, in good order and repair, ordinary wear and tear excepted. The Association shall promptly provide Lessor written notice of any required repairs or unsafe conditions, and Lessor shall be afforded a reasonable period to complete the same. Any repair or replacement resulting from damage to Lessor's property, facilities, and/or equipment caused by and/or resulting from the Association's use of Lessor's property shall be reimbursed by the Association to Lessor at Lessor's actual cost of repair or replacement no later than thirty (30) calendar days after the Association's receipt of Lessor's invoice. Except as otherwise provided herein, no modifications to Lessor's property are allowed without prior written consent from Lessor.

24. SPECIAL MAINTENANCE AND CLEANING FEES. Any costs incurred relating to this section shall be dealt with by the Parties' representatives and be resolved on an equitable basis.

25. LESSEE MODIFICATIONS. Neither Lessee nor the Association shall make alteration of the Premises other than those contemplated as set forth and described in Exhibit B or make any modifications thereto without prior written approval of the Lessor, said approval not to be unreasonably withheld or delayed.

26. QUIET ENJOYMENT. Lessee and the Association shall have the right to quietly enjoy the Premises during the Term, subject only to Lessor's right to enter upon the Premises to inspect the same.

27. COMPLIANCE WITH LAW. The Parties warrant, each unto the others, that they have the power and authority to enter into this Agreement and that they shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Lessee's and the Association's use of the Premises.

28. ASSIGNMENT AND SUBLETTING. Neither Lessee nor the Association shall not assign this Agreement or sublet all or any portion of the Premises, or improvements made by Lessee and/or the Association, without the prior written consent of the Lessor, which may be granted or withheld in Lessor's sole discretion. Lessor warrants the Association may operate the facilities on the Premises on behalf of Lessee. No such assignment or subletting shall in any way

relieve Lessee and/or the Association of any of its obligations in this Agreement. This section shall apply to all successive assignments and subleases.

29. LOSS AND DAMAGE. Unless caused by negligence of Lessor, Lessor will not be liable for any loss, damage or theft of any property of Lessee or the Association or others kept or stored in or about the Premises. Lessee and the Association acknowledge it is Lessee's responsibility to insure its own property and improvements.

30. DEFAULT. If a party shall breach a provision of this Agreement and fail to cure the default within thirty (30) calendar days of written notice thereof, the non-defaulting party shall have the right to pursue any and all available remedies at either law or equity.

31. NO WAIVER. The failure of a party to require strict performance by the others of any covenant, term or condition of this Agreement is not a waiver of any breach of the same or any other covenant, term or condition herein.

32. REMEDIES CUMULATIVE. To the extent permitted by law, the rights and remedies of Lessor herein are cumulative, and the exercise of any one of them will not be deemed to be in exclusion of any other. The rights and remedies herein are in addition to any rights and remedies available to Lessor at law or equity.

33. RIGHT TO CURE OTHER'S DEFAULT. If a party fails to perform any covenant, term or condition of this Agreement, the others may, after giving reasonable notice, perform such covenant, term or condition and expend whatever sums may be necessary. All sums expended shall be repaid on demand. This performance shall not waive any rights or remedies which either party may have against the other for such default.

34. TIME OF ESSENCE. Time is of the essence of this Agreement.

35. SURRENDER AND HOLDING OVER. No surrender of the Premises or this Agreement shall be effective unless accepted in writing by Lessor. At the expiration or sooner termination of this Agreement, Lessee and the Association will remove their effects and peaceably deliver possession of the Premises to Lessor in as good repair and condition as they were at the commencement of this Agreement, ordinary wear and tear and fire or other casualty damage excepted. Any property left on the Premises after vacation or abandonment the Premises shall be deemed abandoned and Lessor may remove, store and/or dispose of the same as it sees fit, subject to applicable law. If Lessee and/or the Association holds over beyond the expiration or termination of this Agreement and rent is accepted by Lessor, a month to month tenancy shall be created which will otherwise be governed by the terms and conditions of this Agreement. Nothing in this section shall be construed as consent to any holding over by Lessee and/or the Association.

36. NOTICES. All notices and communications under this Agreement shall be in writing and shall be deemed to be properly given upon the first to occur of the following: (i) upon receipt by the party to whom such communication is being given; or (ii) three (3) business

days after being duly deposited in the United States mail, certified or registered, return receipt requested and addressed as follows:

To Lessee: Town of Hilton Head Island, South Carolina
Attn: Town Manager
One Town Center Court
Hilton Head Island, South Carolina 29928

With copy to: Gregory M. Alford
Alford & Thoreson, LLC
P.O. Drawer 8008
Hilton Head Island, South Carolina 29938

To Association: Island Recreation Center
Attn: Executive Director
P.O. Box 22593
Hilton Head Island, South Carolina 29925

To Lessor: Beaufort County School District
Attn: Chief Finance and Operations Officer
Post Office Drawer 309
Beaufort, South Carolina 29901

With copy to: Beaufort County School District
Attn. General Counsel
Post Office Drawer 309
Beaufort, South Carolina 29901

37. ESTOPPEL. The Parties certify to the others that (a) the other party is not in default under the 1987 Lease Agreement, as of the date of execution of this Agreement, and (b) as pertaining to this Agreement only, that all payments and performance obligations of each party due and payable or to be performed prior to the date of actual execution of this Agreement have been paid or performed, as the case may be.

38. ENTIRE AGREEMENT. The Parties acknowledge that they have read and understand the terms of this Agreement. This Agreement contains the entire agreement and understanding between the Parties regarding the Premises and is subject to no agreements, conditions or representations that are not expressly set forth herein. This Agreement may only be amended in a writing signed by all Parties hereto.

ACKNOWLEDGEMENTS:

BEAUFORT COUNTY SCHOOL DISTRICT

Mary M. Cordray
By: Mary M. Cordray
Its: Chairperson

Before these two (2) witnesses:

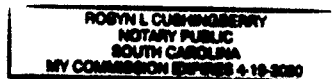
(1) Arthur

(2) Anthony L. Mayes

The foregoing instrument was acknowledged before me this 19th ²⁰¹⁶ July (date) by Mary M. Cordray, the Chairperson of the Beaufort County School District.

SWORN TO BEFORE ME THIS 19 DAY OF July, 2016

Roslyn L. Cushingberry
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 4-19-2020



TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

William D. Harkins
By: ~~David Bennett~~ WILLIAM D. HARKINS
Its: Mayor ~~PRO TEM~~

Stephen G. Riley
Attest: Stephen G. Riley, ICMA-CM
Its: Town Manager

Before these two (2) witnesses:

(1) Janice I. Smith (2) Egna W. Buchman

The foregoing instrument was acknowledged before me this 20th of July, 2016 (date) by ~~David Bennett~~ ^{William D. Harkins}, the Mayor, ~~PRO TEM~~ of the Town of Hilton Head Island, South Carolina, and by Stephen G. Riley, the Town Manager of the Town of Hilton Head Island, South Carolina.

SWORN TO BEFORE ME THIS 20th DAY OF July, 2016

Egna W. Buchman
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 4/18/21

HILTON HEAD ISLAND RECREATION ASSOCIATION

[Signature]
By: ALAN PERRY
Its: PRESIDENT

Before these two (2) witnesses:

(1) [Signature]

(2) Kristen A. Lindsay

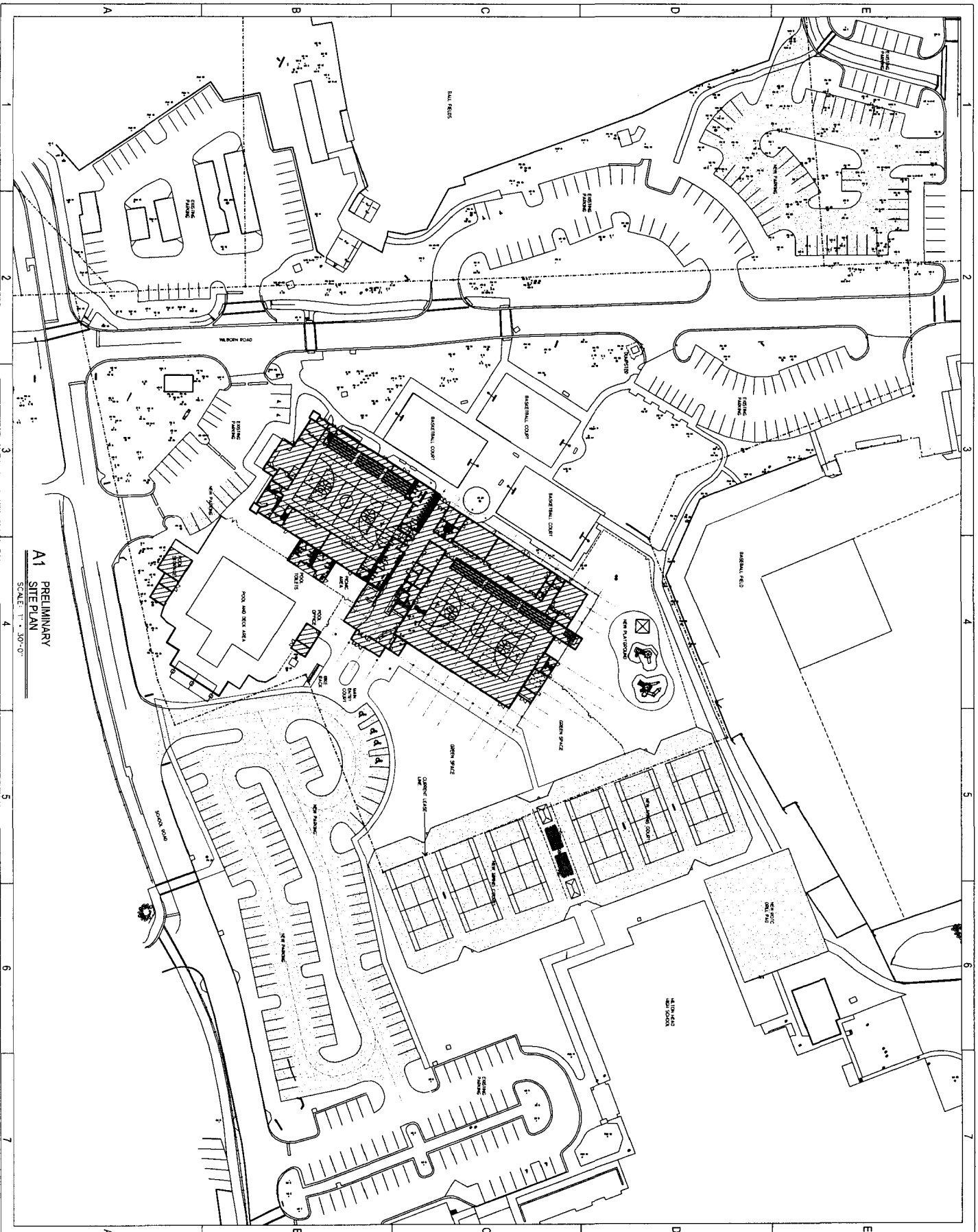
The foregoing instrument was acknowledged before me this July 25, 2016 (date) by ALAN PERRY, the PRESIDENT of the Hilton Head Island Recreation Association.

SWORN TO BEFORE ME THIS 25th DAY OF July, 2016

Kristen A. Lindsay
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 10-16-2019

EXHIBIT A

EXHIBIT B



A1
PRELIMINARY
SITE PLAN
SCALE: 1" = 30'-0"

FWM
Group

10000 Old County Road
Suite 200
San Diego, CA 92121
Tel: 619-594-1000
Fax: 619-594-1001
www.fwmgroup.com

ISLAND
RECREATION
ASSOCIATION
EXPANSION

Island Recreation Association
10000 Old County Road
San Diego, CA 92121

DATE	07/14/06
BY	WJG
CHECKED BY	WJG
DATE	07/14/06
PROJECT NO.	3158
SHEET NO.	101
TOTAL SHEETS	101

AS-101

PRELIMINARY
SITE PLAN

ADD #1

**STATE OF SOUTH CAROLINA) ADDENDUM #1 TO TOWN/
) THE SANDBOX MEMORANDUM OF
 BEAUFORT COUNTY) UNDERSTANDING**

All other terms and conditions as set forth in the original Memorandum of Understanding remain binding upon all parties.

IN WITNESS WHEREOF, the parties hereto have caused the within Addendum to be executed this 19th day of JANUARY, 2018.

WITNESSES:
Inc.

Emily Sparker
Chris M

The Sandbox: A Hilton Head Area Children's Museum

By: J. Smith

Its: V.P. Board of Directors

WITNESSES:

Town of Hilton Head Island

Eric Bennett
Michelle G. Riley
Linda Smith
James

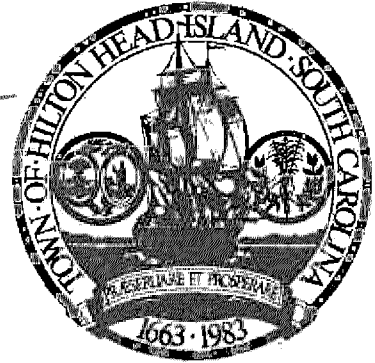
David Bennett

David Bennett, Mayor

Stephen G. Riley
Stephen G. Riley, ICMA-CM, Town Manager

Memo

C 48-2016



To: Steve Riley, Town Manager

Via: Charles Cousins, Director

From: Chris Darnell, Urban Designer

RE: Addendum to Memorandum of Understanding with The Sandbox: A Hilton Head Areas Children's Museum Inc.

Date: January 18, 2018

Based on the Town and the Sandbox desire for the Sandbox to operate a children's museum in the proposed community park at 80 Pope Ave and delays in construction due to recovery efforts from Hurricane Mathew it is necessary to revise the term of the current contract.

The term of the current Memorandum of Understanding ends on Sept 19, 2018 if either side does not meet its obligations. Based on the uncertainty surrounding construction delays for the park the town may not meet its obligations by this date. Therefore, it is recommended that the contract be extended to September 19, 2020.

APPROVED BY:

1. PROPONENT DEPT. HEAD

Charles Cousins

2. STAFF ATTORNEY

BEH

3. TOWN MANAGER

Steve Riley

EXHIBIT J

VANDERMEER AGREEMENT

CORDILLO TENNIS COURTS

DATED: FEBRUARY 14, 1983

STATE OF SOUTH CAROLINA

AGREEMENT

COUNTY OF BEAUFORT

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:

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.

2. At the time of conveyance by Sea Cribin 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:

Antelle F. Mahoney

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

Karl H. Smith

Antelle M. Willard

SEA CABIN CORPORATION

By: Antelle F. Mahoney (L.S.)
VICE PRESIDENT

Attest: Antelle M. Willard (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.

Antelle F. Mahoney
Witness

SWORN and subscribed to before me this 14 day of February, 1983.
Antelle M. Willard (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.

Antelle M. Willard
Witness

SWORN and subscribed to before me this 14 day of February, 1983.
Antelle M. Willard (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 Antelle M. Willard
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.

Hester

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

MEMORANDUM

TO: Stephen G. Riley, ICMA-CM, Town Manager

FROM: Scott Liggett, PE, Director Public Projects & Facilities

DATE: July 10, 2018

RE: **Hilton Head Public Service District Sewer System Expansion Project – Reimbursement Agreement**

Recommendation: The Hilton Head Public Service District has presented the attached cost reimbursement agreement for the consideration of Town Council. The Public Facilities Committee has reviewed and recommends that Town Council authorize the Town Manager to execute the agreement. Sufficient funding is available in the approved consolidated Municipal Budget Fiscal Year 2019 Capital Projects Fund to support the agreement as written.

Reflective in the agreement is the consolidation and acceleration of the projects previously identified to occur in Years 3, 4 and 5 of the Town sponsored sewer system expansion program.

Summary: The District is representing that the agreement is reflective of the remaining Year 3, Year 4 and Year 5 projects as previously approved by Town Council. The agreement, if executed, would obligate the Town to pay to the District the following actual expenses associated with preliminary design, engineering, site work, construction and other costs for the Town's Projects set forth in years three (3), four (4) and five (5) of the Sewer Plan:

a) Construction Cost:	\$2,310,968.50
b) Construction Contingency:	\$ 231,096.85
c) Design/Engineering Costs to Date:	\$ 232,012.66
d) Projected Design/Engineering Costs:	\$ 90,790.00

Total Construction and Design/Engineering for Years 3-5:	\$2,864,868.01
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The complete Year 1 through Year 5 list of projects to be funded by the Town along with updated cost estimates as provided by the District is provided via attachment.

Background: In 2015, Town Council established a cooperative 5 year program with the Hilton Head Public Service District to expand the sewer system within the District's service area with the goal of providing sewer access to all that desired it. Funding for the program is included in the Capital Projects Fund of the Fiscal Year 2019 and is sourced to General Obligation Bonds yet to be issued by the Town.

COST REIMBURSEMENT AGREEMENT BETWEEN HILTON HEAD PUBLIC SERVICE DISTRICT, AND THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA FOR COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THE MASTER SEWER PLAN

This Cost Reimbursement Agreement ("**Agreement**") is entered into this ____ day of _____, 2018 between Hilton Head Public Service District (the "**District**"), and the Town of Hilton Head Island, South Carolina (the "**Town**" and together with the District, each a "**Party**" or acting collectively, the "**Parties**").

WHEREAS, the District provides water and sewer service to the northern portion of the Town as well as Jenkins Island (the "**Service Area**");

WHEREAS, approximately 95% of the customers in the Service Area have sewer service available to them;

WHEREAS, the Parties desire to make sewer service available to customers associated with approximately 900 parcels in the Service Area that do not currently have access to sewer service (the "**Unserved Customers**");

WHEREAS, the District, in concert with the Town, introduced its 2015 Master Sewer Plan dated April 2015, the provisions of which establish a framework for making sewer service available to the Unserved Customers (the "**Sewer Plan**");

WHEREAS, the Town has authorized and intends to appropriate funds toward the Sewer Plan to defray the costs constructing sewer force mains necessary to make sewer service available to approximately 500 of the Unserved Customers (the "**Town's Projects**");

WHEREAS, the District has authorized and intends to fund the costs of new sewer pump stations needed to facilitate the installation and operation of the new sewer systems for the Unserved Customers;

WHEREAS, the District and its engineers are responsible for the design, implementation, construction and operation of the new sewer infrastructure described in the Sewer Plan and recited herein above;

WHEREAS, the District has incurred and will continue to incur substantial out of pocket costs in undertaking preliminary design and engineering of the Town's Projects; and

WHEREAS, the Town intends to pay the District for all costs associated with the preliminary design and engineering of the Town's Projects, and this Agreement shall memorialize the Town's promise to reimburse the District for all costs incurred by the District to facilitate the development and construction of the Town's Projects; and

WHEREAS, the Sewer Plan will be implemented as set forth in Project Schedule attached hereto as Exhibit "A"; and

WHEREAS, the District and the Town previously entered into a Cost Reimbursement Agreement on or about June 19, 2017 pertaining to costs associated with years one (1) and two (2) of the Sewer Plan; and

WHEREAS, the District has already incurred engineering and design costs for years three (3), four (4) and five (5) of the Sewer Plan; and

WHEREAS, the Town and District enter into this Cost Reimbursement Agreement for purpose of setting forth the terms and conditions of reimbursement to the District by the Town for all engineering, design and construction costs already incurred and projected to be incurred by the District pertaining to years three (3), four (4) and five (5) of the Sewer Plan.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, each of which are acknowledged by the Parties, the Parties hereto agree as follows:

1. The Town shall pay to the District the following actual expenses associated with preliminary design, engineering, site work, construction and other costs for the Town's Projects set forth in years three (3), four (4) and five (5) of the Sewer Plan:

a) Construction Cost:	\$2,310,968.50
b) Construction Contingency:	\$ 231,096.85
c) Design/Engineering Costs to Date:	\$ 232,012.66
d) Projected Design/Engineering Costs:	\$ 90,790.00

Total Construction and Design/Engineering for Years 3-5:	\$2,864,868.01
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2. All invoices for reimbursement of actual expenses incurred by the District shall be submitted to the Town in writing, and The Town shall reimburse the District within thirty (30) days of receipt of such billing or invoice.

3. The District shall inspect and certify compliance with the terms and conditions of the Town property use authorization (e.g. right of entry, temporary easement, written permission) that may be issued in support of the project. These inspections shall occur at least weekly and the certifications shall be submitted monthly as part of the request for payment package.

4. In the event any Party shall fail to comply with its obligations set forth in the Agreement, and such default shall continue for a period of thirty (30) days after written notice of default has been provided by the other Party, then the complaining party shall be entitled to pursue any and all legal or equitable remedies provided under South Carolina law and/or terminate this Agreement. In the event of any litigation enforcing any terms of this Agreement, the prevailing party shall be entitled reimbursement of reasonable attorney's fees, costs and expenses, including those incurred on appeal, from the non-prevailing party.

5. The failure of any Party to insist upon the strict performance of any provision of this Agreement shall not be deemed to be a waiver of the right to insist upon strict performance of such provisions or of any other provision of this Agreement at any time. Waiver of any breach of this Agreement by either party shall not constitute waiver of subsequent breach.

6. If any provision of this Agreement or any obligation or agreement contained herein is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, obligation, or agreement shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in duplicate original, the day and year first above written.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESSES:

WITNESSES:

HILTON HEAD PUBLIC SERVICE
DISTRICT

By: _____
Pete Nardi

Its: General Manager

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____
Stephen G. Riley

Its: Town Manager

HHPSD Master Sewer Plan Years 1-5: Update

July 9, 2018

Year 1	
AREA 10 - SOUTH SPANISH WELLS	
Nazarene LPS	complete
Sassafrass Lane LPS	complete
Trinh Palace LPS	complete
Oak View Drive Sewer	complete
Spanish Wells Road Sewer	complete
Oakview Road B Sewer	complete
Sadie Common	Served from Sam Frazier/Oakview Rd.
Freddie's Way	complete
Sam Frazier Retreat	complete
Rasta LPS	complete
AREA 5 - DILLON ROAD	
Dillon Road Sewer	complete
Town Access Drive	complete
Kids Way Sewer	complete
Ferguson Lane Sewer	complete
Year 2	
AREA 2 - GUMTREE ROAD	
Ned Court Sewer	complete
Fetterbush Dr. Sewer	Customer LPS connection available.
Rhiner Dr. Sewer	complete
Gum Tree LPS (Future Road)	LPS will be installed after/during road installation.
AREA 7 - MARSHLAND ROAD	
Marshland Road West Sewer	complete
Allen Road Sewer	complete
Julia Dr.	Served from Mackerel
Mackerel Dr.	complete
Pinefield Rd.	complete
Dianah Drive LPS	complete
Marshland Road East Sewer	complete
William Way Sewer	complete
Aiken Place Sewer	complete
L&L Broadcasting Drive Sewer	complete
Jessica Drive Sewer	complete
Chisholm Drive Sewer	complete
Year 3	
AREA 7 - MARSHLAND ROAD	
Marshland Road Portion	MSP Yrs 3-5
Nina Sewer	MSP Yrs 3-5
AREA 1 - SQUIRE POPE ROAD	
Cobia Court Sewer	MSP Yrs 3-5
Wright Place Sewer	MSP Yrs 3-5
Murray Ave LPS	MSP Yrs 3-5
Amelia Circle LPS	MSP Yrs 3-5
Stingray LPS	Served from the existing sewer along Squire Pope Rd & new Wright Place Sewer.

HHPSD Master Sewer Plan Years 1-5: Update

July 9, 2018

Outlaw Rd. Sewer	MSP Yrs 3-5
AREA 2 - GUMTREE ROAD	
Clifford Miller Swr	MSP Yrs 3-5
Duey Hill Dr. LPS	MSP Yrs 3-5
Gum Tree Road LPS	MSP Yrs 3-5
Orange Road LPS	MSP Yrs 3-5
AREA 3 - STONEY INITIATIVE AREA	
Mustang Lane Sewer	MSP Yrs 3-5
Lawyer Place	MSP Yrs 3-5
Bligen Sewer	MSP Yrs 3-5
Driveways Off Hwy 278	MSP Yrs 3-5
Chamberlin & Kirby LPS	LPS installed by the District ; not Town funded
Darling LPS	MSP Yrs 3-5
Adriana Lane LPS	MSP Yrs 3-5
Year 4	
AREA 4 - FISH HAUL / BAY GALL	
Fish Haul Road Sewer	Already served by LPS, the project would have replaced an existing LPS line.
Yucca Dr. LPS	MSP Yrs 3-5
Great Barracuda Ln. Sewer	MSP Yrs 3-5
Tarpon Trail Sewer	MSP Yrs 3-5
Mitchelville Rd. Ext. LPS	LPS installed by the District; not Town funded
Adell Ln. Sewer	MSP Yrs 3-5
Horse Sugar Ln. Sewer	MSP Yrs 3-5
Alice Perry Sewer	MSP Yrs 3-5
Triggerfish Trail Sewer	MSP Yrs 3-5
Fish Haul Road LPS	MSP Yrs 3-5
AREA 8 - JONESVILLE RD / MID SPANISH WELLS	
Thomas Cohen Drive Sewer	LPS installed by the District; not Town Funded
Spanish Wells Drive Sewer	MSP Yrs 3-5
Year 5	
AREA 6 - CHAPLIN INITIATIVE AREA	
Marshland Rd Swr Ext.	LPS installed by the District; not Town funded
Christopher Drive LPS	MSP Yrs 3-5
Mingo Green LPS	LPS installed by the District; not Town funded
Pauline Manor LPS	MSP Yrs 3-5
Matilda Dr. LPS	MSP Yrs 3-5